

# Mine Waste Solutions (Proprietary) Limited

(Incorporated in the Republic of South Africa)

(Registration number 2000/1443/07)

(a wholly-owned subsidiary of First Uranium Corporation)

JSE code MWNT ISIN: ZAE000156261

(“Mine Waste Solutions”; “MWS” or “the Company”)

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## PRE-LISTING STATEMENT

The definitions and interpretation beginning on page 9 of this Pre-Listing Statement apply to this cover page.

This Pre-Listing Statement is not an invitation to the public to subscribe for or an offer to the public to purchase Rand Notes in the Company, but is prepared and issued in terms of the Debt Listings Requirements for the purpose of providing the public and Noteholders of Mine Waste Solutions with information pertaining to the ZAR1,000 convertible Rand Notes and on the Company.

At the listing date, being Friday, 15 July 2011, Mine Waste Solutions will have in issue Rand Notes in the principal amount of ZAR418,605,000 in denominations of ZAR1,000 and integral multiples of ZAR1,000 and capable of being put or exchanged for Common Shares of First Uranium Corporation. The JSE has granted Mine Waste Solutions a listing of its Rand Notes in the “Nonferrous Metals” sector under the abbreviated name “MWNT”. It is anticipated that the listing will be effective from the commencement of business on Friday, 15 July 2011. The Rand Notes will rank *pari passu* with each other.

The Rand Notes will only be traded on the JSE in dematerialised form and, accordingly, all Holders who hold their Rand Notes in certificated form will have to dematerialise their Rand Note certificates in order to trade in their Rand Notes on the JSE. Such Holders must accordingly make arrangements with their CSDP or broker in terms of the custody agreement with their CSDP or broker.

The directors of Mine Waste Solutions, whose names are set out in paragraph 5, collectively and individually, certifies that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Pre-Listing Statement contains all information required by law and the Debt Listings Requirements. The Board accept full responsibility for the accuracy of the information contained in the Pre-Listing Statement, the annual financial report, the amendments to the annual financial statements or any supplements from time to time, except as otherwise stated herein.

The transaction adviser, attorneys, transfer secretaries and debt sponsor, whose names are included in this Pre-Listing Statement, have given and have not, prior to the issue date of this Pre-Listing Statement, withdrawn their written consents to the inclusion of their names in the capacities stated in this Pre-Listing Statement.

An abridged version of this Pre-Listing Statement was released on SENS on 6 July 2011.

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### Transaction Adviser



### Attorneys



### Debt Sponsor



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Date of issue: 8 July 2011

This Pre-Listing Statement is available in English only. Copies may be obtained from the Company, the transaction adviser, attorneys, transfer secretaries and debt sponsor, at the addresses set out in the “Corporate Information” section of this Pre-Listing Statement during normal office hours from 8 July 2011.

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## FORWARD-LOOKING STATEMENTS

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Certain statements contained in this Pre-Listing Statement, other than historical facts, constitute “forward-looking statements.” Forward-looking statements are preceded by, followed by, or include the words ‘believes’, ‘expects’, ‘aims’, ‘estimates’, ‘anticipates’, ‘may’, ‘should’, ‘could’, ‘intends’, ‘plans’, ‘seeks’ or words of similar import. Such forward-looking statements involve risks, uncertainties and other factors which may cause the actual results, performance or achievements of First Uranium Corporation, Mine Waste Solutions (Proprietary) Limited, Ezulwini Mining Company (Proprietary) Limited or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others, exploration results, technical analysis, the lack of availability to First Uranium Corporation and its Subsidiaries of necessary capital on acceptable terms, general economic and business conditions, industry trends, competition, changes in government regulation, interest rate fluctuations, currency and commodity price fluctuations (including in particular the ZAR/US\$ and ZAR/Cdn\$ exchange rates), and the gold and uranium spot prices) changes in business strategy or development plans and other risks. The forward-looking statements in this Pre-Listing Statement are based on particular assumptions made in light of industry experience, as well as historical trends, current conditions, expected future developments and other factors that First Uranium Corporation and its Subsidiaries believes are appropriate under the circumstances. As you read and consider the information in this Pre-Listing Statement, you should understand that these forward-looking statements are not guarantees of performance or results.

Although First Uranium Corporation and its Subsidiaries believes that these forward-looking statements are based on reasonable assumptions, and has used their best endeavours to ensure the accuracy thereof, you should be aware that many factors could affect the actual financial results or results of operations of First Uranium Corporation and its Subsidiaries and could cause actual results to differ materially from those expressed in the forward-looking statements. First Uranium Corporation and its Subsidiaries will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Pre-Listing Statement except as required by law or by any appropriate regulatory authority. In light of these risks and uncertainties, there can be no assurance that the results and events contemplated by the forward-looking statements contained in this Pre-Listing Statement will in fact transpire.

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## CORPORATE INFORMATION

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### Corporate secretary

Adam Gunn

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South Africa

### Commercial Bankers

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South Africa

### Attorneys

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South Africa

### Indenture Trustees

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### Registered office in Canada

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### Auditors

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### Transfer secretaries in Canada

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### Transfer Secretaries in South Africa

Computershare Investor Services  
(Proprietary) Limited  
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Johannesburg, 2001  
(PO Box 61051, Marshalltown, 2107)  
South Africa

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## TABLE OF CONTENTS

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The definitions and interpretation commencing on page 9 of this Pre-Listing Statement apply *mutatis mutandis* to this table of contents

	Page
<b>FORWARD-LOOKING STATEMENTS</b>	Inside front cover
<b>CORPORATE INFORMATION</b>	1
<b>SALIENT FEATURES</b>	3
<b>DEFINITIONS AND INTERPRETATION</b>	9
<b>PRE-LISTING STATEMENT</b>	19
1. Introduction and purpose	19
2. The Rand Notes	19
3. Information on Mine Waste Solutions	26
4. Information on First Uranium	33
5. Management and corporate governance	41
6. Share capital	47
7. Financial information	48
8. Details of controlling and major common shareholders	48
9. Details of major Noteholders	49
10. Trading history of First Uranium common shares on the JSE	49
11. Expenses and listing fees	49
12. Litigation statement	49
13. Exchange Control	50
14. Advisers' interests	50
15. Consents	50
16. Material changes	50
17. Directors' and JSE responsibility statement	50
18. Documents available for inspection	50
<b>ANNEXURE 1</b> Other directorships held by Management of MWS	52
<b>ANNEXURE 2</b> Share trading history of First Uranium	53
<b>ANNEXURE 3</b> Extracts of the Rand Note Indenture	55
<b>ANNEXURE 4</b> Extracts from the first supplemental trust indenture	130
<b>ANNEXURE 5</b> First Uranium risk factors	133

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## SALIENT FEATURES

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The definitions and interpretation beginning on page 9 of this Pre-Listing Statement apply to the discussion of the salient features.

**This summary contains the salient features of the listing of the Rand Notes on the JSE as set out in this Pre-Listing Statement as well as background to the Company and FIU. This Pre-Listing Statement, including the Annexures hereto should be read in their entirety before making any investment decision with respect to the Rand Notes.**

### 1. INTRODUCTION AND PURPOSE

This Pre-Listing Statement provides prospective investors with information relating to:

- the Rand Notes and Rand Note Indenture and First Supplemental Indenture.;
- the Company, its operations and its directors; and
- FIU, its operations and its directors.

The Company, as issuer, FIU, as Put or Exchange Counterparty and Guarantor, Chemwes, EMC, FUSA and FUL, as Guarantors, and GMG Trust Company SA Limited, as Indenture Trustee, entered into the Rand Note Indenture, dated April 23, 2010, providing for the issue of the Rand Notes, which are secured convertible notes due March 31, 2013. The Rand Note Indenture was amended by First Supplemental Indenture, dated as of May 23, 2011.

Pursuant to the terms of the Rand Note Indenture (see section 11.14 of the Rand Note Indenture in Annexure 3), the Company and FIU agreed with the Indenture Trustee for the benefit of the Holders that upon receipt of a written request from Holders of not less than 75% of the Outstanding Rand Notes (such request to be made no more than once a year) the Company and FIU will take all reasonable steps and actions and do all such acts and things as may be required to, among other things, obtain a listing of the Rand Notes on a Recognized Stock Exchange. On September 29, 2010, such a written request was received by the Company

### 2. BACKGROUND TO THE COMPANY

The Company was incorporated pursuant to the laws of the Republic of South Africa on January 31, 2000 under the name of Evertrade 57 (Proprietary) Limited. The Company changed its name to Mine Waste Solutions (Pty) Limited on April 17, 2000. The Company is the sole shareholder of Chemwes. Chemwes was incorporated pursuant to the laws of the Republic of South Africa on April 3, 1964 under the name of Natal Diesel Services (Proprietary) Limited and changed its name to Chemwes (Proprietary) Limited on March 8, 1978. Chemwes is a private company with an authorized share capital of 1,000,000 ordinary shares of ZAR1.00 each.

The Company is an indirect wholly-owned subsidiary of FIU.

**Please see the additional information under the headings “*Information on Mine Waste Solutions*” and “*Information on First Uranium*” in the Pre-Listing Statement. Investors are also advised to read the “*Risk Factors*” in Annexure 5.**

### 3. SALIENT FEATURES OF THE RAND NOTES

#### 3.1 Entitlements to Interest and Interest Payment Dates

The Rand Notes bear interest at a rate of 11 percent per annum, payable semi-annual in arrears on the Interest Payment Dates. The first Interest Payment was on September 30, 2010 for the period from and including April 26, 2010 to but excluding the Interest Payment Date. The Regular Interest Record Date for the determination of the Holders to which interest on Rand Notes is payable is the last Friday prior to the applicable Interest Payment Date, and in the event that (i) the Interest Payment Date falls on a Friday, the Regular Interest Record Date shall be the second last Friday prior to the Interest Payment Date; or, (ii) the Regular Interest Record Date is a public holiday in South Africa, the record date shall be the last Business Day of the week that such record date falls in.

The rate of interest stipulated in the Rand Note Indenture is calculated using the nominal rate method of calculation and will not be calculated using the effective rate method of calculation or any other basis that gives effect to the principle of deemed re-investment of interest.

### 3.2 Conversion of the Rand Notes

Subject to the conditions in the Rand Note Indenture, each Rand Note is convertible into freely tradeable Common Shares of FIU at the option of the holder at any time prior to the close of business on the Business Day immediately preceding the Maturity Date or, if the Company calls for repurchase pursuant to section 3.2 of the Rand Note Indenture, the Business Day immediately preceding the Payment Date. Each Rand Note has a principal amount of ZAR1,000 and is convertible in terms of the Put and Exchange Right into Common Shares of FIU at a conversion price of ZAR9.31 per Common Share, subject to adjustments detailed in paragraph 6.1 of the Rand Note Indenture. **Please see additional information under the heading “Put or Exchange Right.”**

### 3.3 Guarantees, Security and Ranking for and of the Rand Notes

SPV has guaranteed payment when due of all indebtedness of the Company under the Rand Notes and the Rand Note Indenture. No Holder of any Rand Note has any claim or any right to pursue any remedy against the SPV in respect of the guarantee. The guarantee is vested solely in the Indenture Trustee. The Company and each Guarantor have indemnified the SPV in respect of any and all amounts paid or payable by the SPV to the Indenture Trustee (on behalf of the Holders of the Rand Notes) pursuant to the guarantee provided by the SPV to the Indenture Trustee and has provided security for such indemnity.

Security for the indemnities includes:

- a first ranking security over 49% of the shares of MWS, Chemwes, EMC, FUSA and FUL;
- undertakings to use all reasonable efforts to obtain the consent of the DMR to: (1) the pledge of the remaining 51% of the shares of MWS, Chemwes, EMC, FUSA and FUL and (2) mortgages over the mining and prospecting rights of MWS, Chemwes and EMC to grant first ranking security over the relevant rights and assets;
- second ranking security over all assets currently encumbered by Franco-Nevada Barbados Corp. (“FNB”) in terms of the Ezulwini Gold Purchase Agreement and Chemwes Gold Purchase Agreement, save and except for the pledge of FNB’s share of gold production; and
- first ranking security over all other current and future assets of MWS, First Uranium, Chemwes, EMC, FUSA and FUL, subject to regulatory approvals in relation to prospecting and mining rights.

The security will be available to secure up to Cdn\$200 million of debt financing, including the Rand Notes and the Canadian Notes, and may secure future debt financing (provided that such financing, together with the Rand Notes and the Canadian Notes does not exceed Cdn\$200 million). The security in respect of such debt financing, including the Rand Notes and the Canadian Notes will rank *pari passu*.

Each Guarantor covenants and agrees with the Indenture Trustees and for the benefit of the Holders of Rand Notes that it will not incur any indebtedness, whether direct or indirect, other than Permitted Indebtedness and will not make any payment on or in respect of any indebtedness other than Permitted Indebtedness.

In addition, each of the Guarantors has jointly and severally, irrevocably and unconditionally, guaranteed certain obligations pursuant to the Rand Note Indenture as described in Article 9 of the Rand Note Indenture.

**In evaluating the security, Investors are advised to read the “Risk Factors” in Annexure 5.**

### 3.4 Consents required for variation of rights

#### Prior Approval of Recognized Stock Exchange

Notwithstanding any requirements to the contrary in the Rand Notes Indenture attached as Annexure 3, in terms of section 18.5 of the Rand Note Indenture, no supplement or amendment to the terms of the Rand Notes or to the Rand Note Indenture may be made without the prior consent of a Recognized Stock Exchange, if required.

No consent of the Holders is required with respect to certain supplemental indentures that are requested by the Company or FIU for purposes that are specified in section 18.1 of the Rand Note Indenture attached as Annexure 3. Those purposes are:

- (a) adding to the covenants of the Company or FIU contained in the Rand Note Indenture for the benefit of the Holders or surrendering any right or power conferred upon the Company or FIU in the Rand Note Indenture;
- (b) adding any additional events of default noted in paragraph 12.1 of the Rand Note Indenture attached as Annexure 3;
- (c) changing or eliminating any restrictions on the payment of principal, the premium, if any, of Rand Notes provided that Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate affect the interest of the Holders;
- (d) giving effect to any Act or any other direction from the Holders permitted to be given under the Rand Note Indenture, and to any other Act made, given to or taken by the Holders in accordance with the Rand Note Indenture;
- (e) making such provisions not substantially inconsistent with the Rand Note Indenture, as may be necessary or desirable with respect to matters arising under the Rand Note Indenture which, in the opinion of the Indenture Trustee relying on the opinion of Counsel, are expedient to make; provided that the Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate materially adversely affect the interest of the Noteholders or the Indenture Trustee;
- (f) without limiting Article 16 of the Rand Note Indenture, evidencing the succession, or successive successions, of any successor company to the Company or FIU (as the case may be) and the covenants and obligations of the Company or FIU (as the case may be) under the Rand Note Indenture assumed by such successor company;
- (g) providing for altering the Rand Note Indenture in respect of the exchange or transfer of Rand Notes, provided that such action does not adversely affect the interests of the Holders;
- (h) making any addition to, or modification, amendment or elimination of any of the terms of the Rand Note Indenture, which, in the opinion of Counsel, is necessary or advisable in order to incorporate, reflect or comply with any applicable law or requirement of any governmental authority, the provisions of which apply to the Company, FIU, the Indenture Trustee or this Rand Note Indenture;
- (i) making any change or corrections in the Rand Note Indenture, which Counsel to the Company shall have advised the Company and the Indenture Trustee are non-substantive corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or any clerical omission or mistake or manifest error contained in the Rand Note Indenture or in any deed, or indenture supplemental thereto;
- (j) evidencing and providing for the acceptance of appointment under the Rand Note Indenture by a successor trustee with respect to the Rand Notes and the Canadian Notes and adding to or changing any of the provisions of the Rand Note Indenture as necessary to provide for or facilitate the administration of the trusts under the Rand Note Indenture by more than one Indenture Trustee; and
- (k) any other purposes considered appropriate by the Indenture Trustee, relying on the opinion of Counsel, that do not individually or in the aggregate adversely affect the interests of the Holders.

Consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes is required for certain supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Rand Note Indenture or modifying in any manner the rights of the Holders under the Rand Note Indenture of the Rand Notes, provided, however, that the following require the approval by way of Extraordinary Resolution passed by the Holders of Rand Notes and Canadian Notes:

- (a) change the Stated Maturity date of the principal of, or any instalment of interest on any Rand Note, or reduce the principal amount of any Rand Note or the interest on any Rand Note or the purchase price on an Offer to Purchase, or change the currency in which any Rand Note or interest on any Rand Note is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity date of such Rand Note;
- (b) reduce the percentage of Voting Rights the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provided for in the Indenture, or reduce the requirements of paragraph 15.5 of the Rand Note Indenture for quorum or paragraphs 15.6.1 to 15.6.4 of the Rand Note Indenture for voting;
- (c) change the Put or Exchange Price or the method of calculating the number of Common Shares issuable in the event of a Change of Control under the Rand Note Indenture; and
- (d) modify any of the provisions of paragraph 18.1, or paragraph 12.4.1 of the Rand Note Indenture, except to increase any such percentage or to provide that certain other provisions of the Rand Note Indenture cannot be modified or waived without the consent of the Holders of Canadian Notes and Rand Notes expressed by Extraordinary Resolution.

### 3.5 Meetings of Holders and Voting

Holders of the Rand Notes are not entitled to receive notice of any meetings of shareholders of FIU or the Company or to attend or to cast any vote at meetings of shareholders.

A meeting of Holders of Rand Notes and Canadian Notes may be called at any time and from time to time pursuant to Article 15 of the Rand Note Indenture and Article 15 of the Canadian Note Indenture to make, give or take any Act provided thereby to be made, given or taken by Holders of Rand Notes and Canadian Notes. Meetings of Holders of Rand Notes will be held jointly with meetings of Holders of Canadian Notes pursuant to the Canadian Note Indenture.

The Indenture Trustee and the Canadian Note Trustee may at any time and from time to time and shall, on receipt of a request from the Company or a requisition in writing made by the Holders of at least 5% in Voting Rights of the Outstanding Rand Notes and Outstanding Canadian Notes and upon being indemnified and funded to their reasonable satisfaction by the Company or upon being funded and indemnified to their reasonable satisfaction by the Holders making such requisition, as the case may be, against the costs which may be incurred in connection with the calling and holding of such meeting, call a meeting of Holders of Rand Notes and Canadian Notes for any purpose specified in section 15.1 of the Rand Note Indenture, to be held at such time and at such place as the Indenture Trustee and the Canadian Note Trustee shall determine.

To be entitled to vote at any meeting of Holders of Rand Notes and Canadian Notes, a Person must be: (i) a Holder of one or more Outstanding Rand Notes or Canadian Notes or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Rand Notes or Outstanding Canadian Notes.

Persons entitled to vote 40% of the total Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, considered together, constitute a quorum for a meeting of Holders of Rand Notes and Canadian Notes.

Voting Rights for the Rand Notes are determined by the number of common shares of FIU into which the Rand Notes could then be converted in accordance with the provisions of the Rand Note Indenture. Voting Rights for the Canadian Notes are determined by number of Common Shares of FIU into which the Canadian Notes could then be converted in accordance with the provisions of the Canadian Indenture.

### 3.6 Laws governing Rand Notes

The Rand Note is governed by and construed in accordance with the laws of South Africa applicable thereto.

### 3.7 Disputes

Disputes arising out of or in connection with the Rand Note Indenture or the breach, termination or invalidity of the Rand Note Indenture are to be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force at the time of the dispute.

### 3.8 **Change of Control**

The Company must commence, within 30 days of the occurrence of a Change of Control, an Offer to Purchase for all Rand Notes then outstanding. The Offer to Purchase shall be made at a purchase price equal to 105% of the principal amount of the Rand Notes, plus accrued and unpaid interest, if any, to but excluding the Payment Date. The Offer to Purchase is required to be open for 30 days and the Payment Date is the 30th day following the mailing of the Offer to Purchase to the Indenture Trustee.

### 3.9 **Amendments to the FIU Debenture Indenture**

FIU has covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary the Canadian Indenture other than to cure any ambiguity or for curing or correcting any defective provision contained therein.

### 3.10 **Amendments to Gold Stream Transactions**

MWS and each of the Guarantors have covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that they will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary certain provisions in the Chemwes Gold Purchase Agreement and the Ezulwini Gold Purchase Agreement. **Please see additional information under the heading “Gold Stream Transactions”.**

### 3.11 **Shipments to France**

The Company and each of the Guarantors covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, make any shipments of uranium concentrate or other uranium products to France until such time as it has provided to the SPV a deed of pledge of stocks enforceable in France. This covenant has been satisfied by FIU.

### 3.12 **Risk Factors**

MWS's and FIU's operations and financial performance are subject to various risks, which have been summarised in Annexure 5.

### 3.13 **Taxation**

In respect of the interest distribution received by the Noteholders (refer paragraph 3.1), the Company hereby advises the Noteholders that for taxation purposes, the interest will be treated in terms of section 24J of the Income Tax Act, No. 58 of 1962 (“the Act”). This section effectively spreads the interest received over the term of the financial arrangement by compounding the interest over fixed accrual periods using a predetermined rate referred to as the “yield to maturity”. In essence, the section requires the Noteholders to include in their gross income, during each year of assessment, an amount of interest which has been calculated in terms of the provisions of section 24J of the Act.

In terms of the Act, South African tax residents are taxed on their worldwide income regardless of where such income has been derived. Non-South African tax residents however, are only taxed on income which is derived from a South African source. In terms of section 9D(6) of the Act, interest will be regarded as being derived from a South African source where the funding or credit obtained giving rise to the interest, was utilised or applied for in South Africa. Accordingly, each non-South African tax resident Noteholder will need to consider whether the interest distribution is derived from a South African source or not. This would be a question of fact.

It should be noted however, that section 10 of the Act provides for certain exemptions where interest is derived. These exemptions are dependent on whether the Noteholders are regarded as South African tax residents or not and also, whether the Noteholders are natural persons or not.

To the extent that a Noteholder is a non-South African tax resident, the double tax agreement (“DTA”) between South Africa and the Contracting State wherein the Noteholder is regarded as a tax resident, will also need to be considered in order to ensure that the correct tax treatment of the interest distribution is applied.

Lastly, it should be noted that interest received by a non-South African tax resident is currently not subject to South African interest withholding tax, however recent amendments to the Act have introduced a withholding tax on interest at a rate of 10%. This legislation will come into effect on 1 January 2013. At this stage, it is not yet known whether all the DTAs that South Africa has with other Contracting States will be renegotiated in light of this new legislation, accordingly, it is important to keep monitoring developments in this regard.

Both South African tax resident and non-South African tax resident Noteholders are advised to consult their professional tax advisors with regard to their individual tax liability arising in this regard.

#### **4. FURTHER COPIES OF THIS PRE-LISTING STATEMENT**

Copies of this Pre-Listing Statement can be obtained during normal business hours from 8 July 2011, at the South African executive offices, transaction adviser, attorneys, transfer secretaries, and debt sponsor, the addresses of which are set out in the “Corporate Information” section of this Pre-Listing Statement. An electronic version of the Pre-Listing Statement can also be found on the First Uranium website ([www.firsturanium.com](http://www.firsturanium.com)) and the JSE’s website ([www.jse.co.za](http://www.jse.co.za)).

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## DEFINITIONS AND INTERPRETATION

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In this Pre-Listing Statement and the Annexures hereto, unless otherwise stated or the context indicates otherwise, the words in the first column shall have the corresponding meanings stated opposite them in the second column and words in the singular shall include the plural and *vice versa*, words importing natural persons shall include corporations and associations of persons and any reference to one gender shall include the other genders:

“2009 Guaranteed Ounces”	a minimum of 20,000 ounces of gold during the 2009 calendar year;
“2010 Guaranteed Ounces”	a minimum of 16,500 ounces of gold during the 2010 calendar year;
“Act” or “Act of Holder(s)”	the act of signing any instrument(s) pursuant to any request, demand, authorization, direction, notice, consent, waiver or other action provided by the Rand Note Indenture by such Holder(s) in person or by agents duly appointed in writing;
“Aberdeen Arrangement Agreement”	the arrangement agreement dated December 20, 2006, between Aberdeen International Inc., Simmer & Jack and FUSA;
“BCBCA”	Business Corporations Act (British Columbia);
“BGM”	Buffelsfontein Gold Mines Limited (Registration number 1995/010072/06), a public company registered and incorporated in South Africa;
“BGM Underground Mine”	collectively, the Buffelsfontein and Hartebeesfontein underground gold mines and mill operated by BGM;
“Board”, “Directors” or “Board of Directors”	the board of directors of the Company;
“Board Resolution”	a copy of a resolution certified by the Chairman, President and Chief Executive Officer or any Vice-President or the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board and to be in full force and effect and unamended on the date of such certification;
“Business Day”	any day other than a Saturday, Sunday or a statutory holiday in the: (i) Province of Ontario or (ii) South Africa, on which banks in Toronto, Ontario and Johannesburg, South Africa are open for business;
“Cdn\$” or “Canadian Dollar”	Canadian dollars;
“Canadian Note Indenture”	the note indenture dated April 8, 2010 among FIU, as issuer, the Guarantors, and the BNY Trust Company of Canada, as indenture trustee, as the same may be amended, revised, restated or varied from time to time;
“Canadian Note Trustee”	BNY Trust Company of Canada, until a successor Canadian Note Trustee shall have become such, pursuant to the applicable provisions of the Canadian Note Indenture, and thereafter, “Canadian Note Trustee” shall mean or include each person who is then a Canadian Note Trustee thereunder;
“Canadian Notes”	the secured convertible notes due March 31, 2013 issued under the Canadian Note Indenture and certified pursuant to the Canadian Note Indenture;

“Cash Costs”	costs directly related to the physical activities of producing gold and uranium and include mining, processing and other plant costs, third-party refining and smelting costs, marketing expenses, on-site general and administrative costs, royalties, on-mine drilling expenditures that are related to production and other direct costs. Sales of by-product metals such as uranium and silver are deducted from the above in computing cash costs. Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and pre-feasibility costs and accruals for mine reclamation. Cash costs are calculated and presented using the “Gold Institute Production Cost Standard” applied consistently for all periods presented. Total cash costs per ounce is a non-GAAP and non-IFRS measurement and investors are cautioned not to place undue reliance on it and are urged to read all GAAP and IFRS accounting disclosures presented in the consolidated financial statements of First Uranium and Mine Waste Solutions and its accompanying footnotes;
“CBE”	capital budget estimate;
“Change of Control”	the acquisition of voting control or direction, over: (a) 50% or more of the aggregate voting rights attached to the issued Common Shares of FIU then outstanding by a Person or a group of Persons acting jointly or in concert, other than Simmer & Jack or (b) 65% or more of the aggregate voting rights attached to the issued Common Shares of FIU then outstanding by Simmer & Jack or a Person or group of Persons acting jointly or in concert with Simmer & Jack. Notwithstanding the foregoing, a Change of Control shall be deemed not to have occurred from a transaction in which at least 90% of the consideration paid for the Common Shares of FIU consists of shares that continue to be listed on the TSX;
“Chemwes”	Chemwes (Proprietary) Limited (Registration number 1964/0023778/06), a private company registered and incorporated in South Africa and a wholly-owned subsidiary of MWS;
“Chemwes Gold Purchase Agreement” or MWS Gold Stream Transaction”	the purchase agreement dated as of November 28, 2008, between FIU, Chemwes, GW and GWB, as amended by an amending agreement date as of April 8, 2010 among the same parties, and as amended by an amending agreement dated June 2, 2011 between FIU, Chemwes, FN and FNB, as the same may be further amended, revised, restated or varied from time to time;
“Common Shares”	common shares in the capital of First Uranium;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“Construction Completion Date”	the construction completion date for the third gold plant module pursuant to the original terms of the MWS Gold Stream Transaction, being no later than June 1, 2010;
“CSPD”	Central Securities Depository Participant;
“Counsel”	in the case of Counsel to the Indenture Trustee, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Indenture Trustee (who may, except as otherwise expressly provided in the Rand Note Indenture, also be Counsel to the Company) and, in the case of Counsel to the Company or any Guarantor, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Company or such Guarantor;

“Debt Listings Requirements”	Section 20 of the JSE Listings Requirements, as amended from time to time;
“Derivative Liability”	the total derivative liability at the end of June 30, 2010 relating only to the Ezulwini Mine;
“DMR”	South African Department of Mineral Resources;
“EA”	environmental authorization for the new TSF designed to accommodate future tailings deposition capacity at MWS;
“EMC” or “Ezulwini Mine”	Ezulwini Mining Company (Proprietary) Limited (Registration number 2004/028640/07), a private company registered and incorporated in South Africa and a wholly-owned subsidiary of FUL;
“Existing FIU Indenture”	means the indenture dated as of May 3, 2007 among FIU, as issuer, and Computershare Trust Company of Canada, as indenture trustee, providing for the issuance of 4.25% senior unsecured convertible debentures as the same may be amended, revised, restated or varied from time to time;
“Extraordinary Resolution”	a resolution at a meeting of Holders duly convened and held in accordance with the provisions of paragraph 15 in Annexure 3, passed by the favourable votes of the Holders of not less than 66.67% of the Voting Rights represented in person or by proxy at such meeting or signed in the manner contemplated by paragraph 15.8 of Annexure 3;
“Ezulwini Gold Purchase Agreement” or “Ezulwini Gold Stream Transaction”	the purchase agreement, dated as of November 5, 2009, between FIU, Ezulwini Mine, GW and GWB as amended;
“First Supplemental Indenture”	the first supplement indenture dated as of May 23, 2011 among MWS, as issuer, the Guarantors and GMG Trust Company SA Limited, as Indenture Trustee, providing for an amendment to the Regular Interest Record Date;
“First Uranium Board”	the board of directors of First Uranium;
“First Uranium” or “FIU” or “the Corporation”	First Uranium Corporation (Registration number C0777384), a corporation continued under the laws of British Columbia, Canada, the common shares of which are listed on the TSX and on the JSE (share code FUM, ISIN: CA33744R1029) and registered as an external company in terms of the South African Companies Act (South African Registration number 2007/009016/10);
“First Uranium Limited” or “FUL”	First Uranium Limited (Registration number 188313), a private company registered and incorporated in Cyprus and a wholly-owned subsidiary of First Uranium;
“FN”	Franco-Nevada GWL Holdings Corp. (Registration number BC0905283), a private corporation incorporated under the laws of British Columbia, Canada. FN was formed by the merger of GW with a wholly-owned subsidiary of Franco-Nevada Corporation, following the acquisition of all of the outstanding shares of GW by Franco-Nevada Corporation;
“FNB”	Franco-Nevada (Barbados) Corporation (Registration number 30944), a private corporation incorporated under the laws of Barbados. FNB is a wholly-owned subsidiary of FN. (successor to GW). Its name was changed from Gold Wheaton (Barbados) Corporation to Franco-Nevada (Barbados) Corporation following the acquisition of all of the outstanding shares of GW by Franco-Nevada Corporation;

“FUSA”	First Uranium (Proprietary) Limited (Registration number 2005/033680/07), a private company registered and incorporated in South Africa and a wholly-owned subsidiary of FUL;
“GAAP”	Canadian generally accepted accounting principles;
“Gold Stream Transactions”	collectively, the Chemwes Gold Stream Transaction and the Ezulwini Gold Stream Transaction;
“Gold Wheaton Security”	the security granted to GWB, or any of its affiliates, in connection with the Chemwes Gold Purchase Agreement or the Ezulwini Gold Purchase Agreement;
“Governmental Authority”	when used with respect to any Person, any government, parliament, legislature, regulatory authority, agency, tribunal, department, commission, board, instrumentality, court, arbitration board or arbitrator or other law, regulation or rule-making entity (including a Minister, any central bank, Recognized Stock Exchange, or other comparable authority or agency) having or purporting to have jurisdiction on behalf of, or pursuant to the laws of South Africa or any country in which such Person is residing, incorporated, continued, amalgamated, merged or otherwise created or established or in which such Person carries on business or holds property, or any province, territory, state, municipality, district or political subdivision of any such country or of any such province, territory or state of such country;
“Guarantee”	the guarantee granted by the Guarantors of MWS guaranteeing the payment obligations under the Rand Note Indenture and the Rand Notes as evidenced by the execution of the Rand Note Indenture by the Guarantors;
“Guarantors”	First Uranium, FUL, FUSA, Chemwes, EMC, collectively, and “Guarantor” shall mean any of the Guarantors;
“GW”	Gold Wheaton Gold Corporation;
“GWB”	Gold Wheaton Barbados Corporation;
“HDSA”	a Historically Disadvantaged South African, whether individual or entity, as defined in the Mining Charter and MPRDA;
“HIV”	human immunodeficiency virus;
“Holder”	the registered holders of Canadian Notes and Rand Notes, or the registered holders of either Canadian Notes or Rand Notes, as the context may require;
“Indenture”	the Rand Note Indenture entered into between MWS, First Uranium, Chemwes, EMC, FUSA and FUL dated April 23, 2010, setting out the rights, terms and conditions of the Rand Notes, extracts of which are included as Annexure 3;
“Indenture Trustee”	GMG Trust Company SA Limited (Registration number 2006/01/3631/07), until a successor Indenture Trustee shall have become such, pursuant to the applicable provisions of the Rand Note Indenture, and thereafter “Indenture Trustee” shall mean or include each Person who is then an Indenture Trustee;
“Indebtedness”	with respect to any Person, all obligations that, in accordance with applicable Financial Reporting Standards, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person:

- (a) an obligation in respect of borrowed money or for the deferred purchase price of property, assets or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;
- (b) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;
- (c) an obligation as a lessee under a lease, including any operating, capital or other lease obligation;
- (d) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;
- (e) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;
- (f) a contingent guarantee obligation to the extent that the primary obligation so guaranteed would be classified as "Indebtedness" (within the meaning of this definition) of such Person;
- (g) any "out of the money" swap, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity;
- (h) all reimbursement obligations, contingent or otherwise, in respect of any cash management arrangements; or
- (i) the amount of all trade payables and other accrued liabilities;

"Interest Obligation"	the obligation of the Company to pay interest on the Rand Notes as and when same becomes due;
"Interest Payment Date"	September 30 and March 31 in each year until all interest has been paid, the first Interest Payment Date being September 30, 2010 and the last Interest Payment Date being March 31, 2013, subject to the Put and Exchange Right;
"IFRS"	international financial reporting standards;
"Investec"	Investec Bank Limited (Registration number 1969/004763/06), a public company registered and incorporated in South Africa, of which the entire issued ordinary share capital is listed on the JSE;
"JSE"	JSE Limited, (registration number 2005/022939/06), a public company registered and incorporated in South Africa and licensed as an exchange under the Securities Services Act, 2004 (Act 36 of 2004);
"the JSE Guarantee Fund"	Fund operated by the JSE to guarantee settlement of trades on the JSE's trading platforms;
"Last Practicable Date"	Thursday, 30 June 2011, being the last practicable date prior to the finalisation of this Pre-Listing Statement;
"March 2011 Offering"	the offering of 52 million Common Shares of First Uranium on March 1, 2011 as described on page 41;
"Maturity Date"	the date on which the Rand Notes becomes due and payable, being March 31, 2013;
"ME"	Middle Elsburg;

“MHS Act”	the Mine Health and Safety Act of 1996 (South Africa);
“Mine Waste Solutions”, “MWS” or “the Company”	Mine Waste Solutions (Proprietary) Limited (Registration number 2000/1443/07), a private company incorporated in South Africa and a wholly-owned subsidiary of FUSA;
“Minerals Act”	Mineral Act, No. 50 of 1991;
“Mining Charter”	the Broad-Based Socio-Economic Empowerment Charter for the South African Mining Industry and the codes promulgated under the Mining Charter in April 2009;
“MPRDA”	the Mineral & Petroleum Resources Development Act, No. 28 of 2002;
“MW”	megawatt;
“MWS Acquisition”	the acquisition of MWS by First Uranium pursuant to the terms and conditions of an agreement dated April 26, 2007 between First Uranium, FUSA and the shareholders of MWS;
“MWS New Order Mining Right Application”	MWS’ re-submitted application in May 2008 for a new order mining right in respect of all of the Buffelsfontein, Harties and MWS dams, including the Flanagan, Ellaton and NKGE dams;
“Noteholder(s)” or “Holders”	the registered holder(s) of the Canadian Notes and Rand Notes;
“Note Indentures”	collectively, the Rand Note Indenture and the Canadian Note Indenture;
“Offer to Purchase”	an offer to purchase Rand Notes in cash by the Company from the Noteholders commenced by mailing a notice to the Indenture Trustee and the Indenture Trustee mailing a notice to each Noteholder specifying the material terms of the Offer to Purchase and any other information required in such notice by the Indenture;
“Offering”	the December 2006 initial public offering by First Uranium pursuant to which it raised gross proceeds of Cdn\$233.5 million and concurrently listed on the TSX;
“Outstanding”	<p>when used with respect to Rand Notes or Canadian Notes, as the case may be, shall mean, as of the date of determination, all Rand Notes or Canadian Notes, as the case may be, theretofore certified and delivered by the Indenture Trustee under the Rand Note Indenture or by the Canadian Note Trustee under the Canadian Note Indenture, as the case may be, except:</p> <ul style="list-style-type: none"> <li>– Rand Notes or Canadian Notes therefore cancelled by the Indenture Trustee or the Canadian Note Trustee or delivered to the Indenture Trustee or the Canadian Note Trustee for cancellation;</li> <li>– Rand Notes or Canadian Notes for whose payment, purchase or repurchase money in the necessary amount has been theretofore deposited with the Indenture Trustee or the Canadian Note Trustee under gratuitous deposit or set aside and segregated in trust by the Company or FIU (if the Company or FIU shall act as its own paying agent) for the Holders of such Rand Notes or Canadian Notes, as the case may be; and</li> <li>– Rand Notes or Canadian Notes that have been surrendered to the Indenture Trustee or the Canadian Note Trustee pursuant to section 2.16 or Article 2 of the Canadian Note Indenture or in exchange for or in lieu of which other Rand Notes or Canadian Notes, as the case may be, have been certified and delivered</li> </ul>

pursuant to the Rand Note Indenture or the Canadian Note Indenture, other than any such Canadian Notes or Rand Notes in respect of which there shall have been presented to the Indenture Trustee or the Canadian Note Trustee proof satisfactory to it that such Canadian Notes or Rand Notes are held by a bona fide purchaser in whose hands such Canadian Notes or Rand Notes are valid obligations of the Company or FIU,

provided, however, that in determining whether the Holders of the requisite principal amount of Rand Notes or Canadian Notes then Outstanding have taken any Act of Holders under the Rand Note Indenture or under the Canadian Note Indenture, Rand Notes or Canadian Notes owned by the Company or FIU or any Affiliate of the Company or FIU shall be disregarded and deemed not to be then Outstanding; provided further that, in determining whether the Indenture Trustee or the Canadian Note Trustee shall be protected in acting and relying upon such Act of Holders, only Rand Notes or Canadian Notes of which the Indenture Trustee or the Canadian Note Trustee has actual notice that they are so owned shall be so disregarded; and provided further that Rand Notes or Canadian Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee or the Canadian Note Trustee the pledgee's right to act with respect to such Rand Notes or Canadian Notes and that the pledgee is not the Company or FIU or any Affiliate of the Company or FIU;

"Payment Date"

the 30th day following the mailing of the Offer to Purchase to the Indenture Trustee;

"Permitted Indebtedness"

means:

- indebtedness or liability of the Company, FIU and any Guarantor arising under the Rand Note Indenture and Security thereof;
- indebtedness and liability of the Company, FIU and any Guarantor arising under the Canadian Note Indenture and Security thereof;
- indebtedness of FIU arising under the Existing FIU Indenture, provided that no Security has been given as security for such indebtedness, and indebtedness of FIU relating to any replacement financing incurred no earlier than four months plus two days from the date of the Rand Note Indenture to pay all obligations of FIU under the Existing FIU Indenture (and all reasonable costs and expenses incurred in connection with such refinancing), provided that no Security is granted in connection with such financing and provided that such replacement financing does not exceed Cdn\$165 million (adjusted for original issue discount, if applicable);
- any obligations of the Company, FIU or any Guarantor arising under the Chemwes Gold Purchase Agreement and Security therefore;
- any obligations of the Company, FIU or any Guarantor arising under the Ezulwini Gold Purchase Agreement and Security therefore;
- any indebtedness or liability of the Company, FIU or any Guarantor under any agreement for the making or taking of any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination, entered into or guaranteed by such Person

where the subject matter thereof is any commodity or the price, value or amount payable under the Rand Note Indenture is dependent or based upon the price or fluctuations in the price of any commodity, provided such agreement or arrangement is not entered into for speculative purposes and provided that no Security has been given in connection therewith unless pursuant to sub-paragraph (i) of this definition;

- any indebtedness or liability of the Company, FIU or any Guarantor under any agreement for the making or taking of any currency swap agreement, or currency future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by such Person where the subject matter thereof is a currency hedge, provided such agreement or arrangement is not entered into for speculative purposes and provided that no Security has been given in connection therewith unless pursuant to sub-paragraph (i) of this definition;
- any indebtedness or liability of the Company, FIU or any Guarantor incurred in the ordinary course of its business, other than indebtedness for borrowed money, provided that no Security has been given in connection therewith;
- any indebtedness or liability of the Company, FIU or any Guarantor arising from borrowed money (which may include indebtedness or liability for or in respect of revolving lines of credit, bankers' acceptances, letters of credit, letters of guarantee, cash management arrangements and other instruments) in a total principal amount for the Company, FIU and all Guarantors combined, not to exceed Cdn\$200 million less the principal amount outstanding for the Canadian Notes and the Rand Notes, which indebtedness and liability shall be secured *pari passu* with the Canadian Notes and the Rand Notes;
- any indebtedness or liability arising under any operating and capital leases of equipment and leases of real property, provided the annual rental payments under such leases do not exceed Cdn\$2 million in the aggregate;
- any indebtedness or liability in connection with any loans by the Company or FIU to any Guarantor, by any Guarantor to the Company or FIU and between any Guarantors, it being understood that such loans may be unsecured or secured provided that, if secured, the security is in favour of the Company, FIU or any Guarantor;
- obligations pursuant to guarantees issued to government regulators or utilities, including, without limitation guarantees issued in favour of the DMR and the Electricity Supply Commission of South Africa and suppliers of goods and services in connection with capital projects and any deposits required in respect thereto;
- obligations of FIU arising under the minutes of settlement dated November 10, 2009 between Auramet Trading LLC and FIU;
- obligations of FIU arising under an agreement dated March 15, 2010 between a former senior executive of FIU and FIU;
- obligations of FUSA arising under the Aberdeen Arrangement Agreement dated December 20, 2006 between Simmer & Jack, FUSA and Aberdeen International Inc.;

- obligations of Chemwes under the Tailings and Mining Right Agreement dated June 2008 between BGM, Simmer & Jack and Chemwes;
- obligations due to Nuclear Fuels Corporation of South Africa under the toll treatment agreement in respect of construction of a calcining plant and purchase of a tanker;
- obligations arising under uranium sale contracts entered into from time to time for the future delivery of uranium;
- amounts owing in respect of capital projects referred to in the Company technical reports publicly available, provided that no Security is given in connection therewith except for amounts held on deposit or in escrow consistent with industry practice; and
- guarantee or surety obligations by the Company, FIU or any Guarantor in respect of any Permitted Indebtedness of any other Guarantor, the Company or FIU;

“Person(s)”	any natural person, corporation, firm, partnership, joint venture, trustee, executor, liquidator of a succession, administrator, legal representative or other unincorporated association, trust, unincorporated organisation, government or Governmental Authority and pronouns relating thereto have a similar extended meaning;
“Power Situation”	the power outages which occurred in early 2008 in South Africa, and continued sporadically in 2009, causing disruption in business activities;
“Pre-Listing Statement”	the bound document dated 8 July 2011, including all annexures;
“Put or Exchange Number”	the number obtained when dividing ZAR1,000 principal amount of Rand Notes by the Put or Exchange Price, and rounding to four decimal places, which is subject to adjustments from time to time;
“Put or Exchange Right”	each Noteholder has the right prior to the close of business on the earlier of: (i) the Business Day immediately preceding the Maturity Date or (ii) if called for repurchase pursuant to paragraph 3.2 of Annexure 3, the Business Day immediately preceding the date of purchase, at the Noteholders option to put or exchange each ZAR1,000 principal amount of his Rand Notes to FIU in return for that number of Common Shares equal to the Put or Exchange Number for each Rand Note that has been put or exchanged, all on the terms and subject to the conditions provided in paragraph 4 of Annexure 3;
“Put and Exchange Price”	ZAR9.31 per Common Share, subject to adjustment from time to time pursuant to paragraph 6 of Annexure 3;
“Rand Note Indenture”	the note indenture dated April 23, 2010 among MWS, as issuer, the Guarantors and GMG Trust Company SA Limited, as Indenture Trustee, as the same may be amended, revised, restated or varied from time to time;
“Rand Notes” or “Notes”	the secured, convertible 11% fixed rate Rand Notes in Mine Waste Solutions with a principal value of ZAR1,000 each, the rights and privileges of which are set out in Annexure 3 to this Pre-Listing Statement;
“Recognized Stock Exchange”	the TSX or the JSE or if the Common Shares are not listed on the TSX or the JSE, any other stock exchange on which the Common Shares are then listed and posted for trading;

“Regular Interest Record Date”	the last Friday prior to the applicable Interest Payment Date, and in the event that (i) the Interest Payment Date falls on a Friday, the Regular Interest Record Date shall be the second last Friday prior to the Interest Payment Date; or, (ii) the Regular Interest Record Date is a public holiday in South Africa, the record date shall be the last Business Day of the week that such record date falls in;
“SARB”	South African Reserve Bank;
“SEDAR”	System for Electronic Document Analysis and Retrieval;
“Simmer & Jack”	Simmer and Jack Mines, Limited (Registration number 1924/007778/06), a public company registered and incorporated in South Africa, the ordinary shares of which are listed on the JSE;
“Security”	any mortgage, pledge, hypothec, lien, security interest, charge or other similar encumbrance;
“Southern Africa”	includes South Africa, Botswana, Lesotho, Namibia and Swaziland;
“SPV”	Main Street 789 (Proprietary) Limited (Registration number 2009/021183/07), a private company incorporated in South Africa;
“Stated Maturity”	the fixed date or dates specified on which such principal or interest is due and payable with respect to any principal of or accrued interest on a Rand Note;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Tailings and Rights Agreement”	an agreement dated June 5, 2008, between Chemwes, Simmer & Jack and BGM;
“TSX”	Toronto Stock Exchange;
“TSF”	Tailings Storage Facility;
“UE”	Upper Elsburg;
“US\$” or “US dollar”	United States dollar;
“UNCITRAL”	The United Nations Commission on International Trade Law;
“Village Main Reef”	Village Main Reef Limited (Registration number 1934/0057034/06), a public company registered and incorporated in South Africa, the ordinary shares of which are listed on the JSE;
“Voting Rights”	the voting rights connected to the Rand Notes and the Canadian Notes, calculated on the basis of the number of Common Shares into which the Rand Notes or the Canadian Notes, as the case may be, could then be put or exchanged in accordance with the provisions of this Indenture or converted in accordance with the provisions of the Canadian Note Indenture, respectively, if the respective Put or Exchange Number or convertibility rights, as detailed in Annexure 3, as the case may be, were to be applied, provided however that fractional shares will be disregarded for this purpose; and
“ZAR” or “R” or “Rand”	South African Rand.

# Mine Waste Solutions (Proprietary) Limited

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

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## PRE-LISTING STATEMENT

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### 1. INTRODUCTION AND PURPOSE

This Pre-Listing Statement provides prospective investors with information relating to:

- the Rand Notes and Rand Note Indenture;
- the Company, its operations and its directors; and
- FIU, its operations and its directors.

The Company, as issuer, FIU as Put or Exchange Counterparty and Guarantor, Chemwes, EMC, FUSA and FUL, as Guarantors, and GMG Trust Company SA Limited, as Indenture Trustee, entered into the Rand Note Indenture, dated April 23, 2010, providing for the issue of the Rand Notes, which are secured convertible notes due March 31, 2013.

Pursuant to the terms of the Rand Note Indenture (see section 11.14 of the Rand Note Indenture in Annexure 3), the Company and FIU agreed with the Indenture Trustee for the benefit of the Holders that upon receipt of a written request from Holders of not less than 75% of the Outstanding Rand Notes (such request to be made no more than once a year) the Company and FIU will take all reasonable steps and actions and do all such acts and things as may be required to, among other things, obtain a listing of the Rand Notes on a Recognized Stock Exchange. On September 29, 2010, Simmer & Jack made such a written request.

The JSE has granted Mine Waste Solutions a Listing in respect of 418 605 Rand Notes in the "Non-ferrous Metals" sector under the abbreviated name "MWNT", with effect from the commencement of business on Friday, 15 July 2011.

### 2 THE RAND NOTES

#### 2.1 Entitlements to Interest and Interest payment dates

The Rand Notes bear interest at a rate of 11 percent per annum, payable semi-annual in arrears on the Interest Payment Dates, which are September 30 and March 31. The first Interest Payment was on September 30, 2010 for the period from and including April 26, 2010 to but excluding the Interest Payment Date. The Regular Interest Record Date for the determination of the Holders to which interest on Rand Notes is the last Friday prior to the applicable Interest Payment Date, and in the event that (i) the Interest Payment Date falls on a Friday, the Regular Interest Record Date shall be the second last Friday prior to the a Interest Payment Date; or, (ii) the Regular Interest Record Date is a public holiday in South Africa, the record date shall be the last Business Day of the week that such record date falls in.

The rate of interest stipulated in the Rand Note Indenture is calculated using the nominal rate method of calculation and will not be calculated using the effective rate method of calculation or any other basis that gives effect to the principle of deemed re-investment of interest.

Pursuant to Article 7 of the Rand Note Indenture, FIU has the irrevocable right, from time to time, to make an election to pay all or any part of the Interest Obligation by delivering Common Shares in accordance with section 7.1 of the Rand Note Indenture, provided that no Event of Default (as defined in Annexure 3) has occurred and is continuing under the Rand Note Indenture and other conditions specified in the Rand Note Indenture are met.

## 2.2 Maturity Date

On the Maturity Date, March 31, 2013, MWS will pay to the Holders of the Rand Notes all of the principal thereon and all accrued and unpaid interest in cash or by cheque in accordance with Article 5 and section 2.10 of the Rand Note Indenture.

## 2.3 Repurchase and Cancellation

Provided that no Event of Default has occurred and is continuing, MWS may purchase all or any of the Rand Notes in the open market or by tender or by private contract at any price, subject to compliance with Applicable Securities Laws. If an Event of Default has occurred and is continuing, MWS may purchase all or any of the Rand Notes in the open market or by tender at any price subject to compliance with Applicable Securities Laws.

## 2.4 Put or Exchange Right

Subject to certain conditions described below, each Rand Note is convertible into freely tradeable Common Shares of FIU at the option of the holder at any time prior to the close of business on the Business Day immediately preceding the Maturity Date or, if the Company calls for repurchase pursuant to section 3.2 of the Rand Note Indenture, the Business Day immediately preceding the Payment Date. Each Rand Note has a principal amount of ZAR1,000 and is convertible into Common Shares of FIU at a Put or Exchange Price of ZAR9.31 per Common Share pursuant to the terms of the Put and Exchange Right in Article 4 of the Rand Note Indenture and subject to adjustments detailed in paragraph 6.1 of Annexure 3. No fractional Common Shares shall be delivered on the exercise of the Put or Exchange Right but MWS will pay the cash equivalent in accordance with section 4.3 of the Rand Note Indenture, if such a fraction shall become owing.

In order to exercise the Put or Exchange Right, a Holder of Rand Notes is required to deliver to the Indenture Trustee on or prior to the Business Day immediately preceding the Maturity Date or the Payment Date as the case may be) a Put or Exchange Notice substantially in the form set forth in Schedule "B" to the Indenture setting out the Put or Exchange Date. The Put or Exchange Notice must contain the information prescribed in and be delivered in accordance with the provisions of section 4.1.1 of the Rand Note Indenture. Once a Put or Exchange Notice is delivered, it is irrevocable.

MWS and FIU have undertaken in the Rand Note Indenture to ensure that certain conditions are met once the Put or Exchange Notice is received from the Holder of Rand Notes. The following is a summary of some of the conditions, which are set forth in section 4.1.2 of the Rand Note Indenture. FIU will issue Common Shares from the treasury of FIU that will be Freely Tradeable and fully paid and non-assessable Common Shares. The Common Shares will be listed or quoted on each Recognized Stock Exchange. FIU will be a reporting issuer or equivalent in good standing or equivalent under Applicable Securities Laws in the Provinces of Canada in which FIU is a reporting issuer. No Event of Default under the Rand Note Indenture shall have occurred and be continuing. The Indenture Trustee will have received certain officer's certificates and opinions of counsel in accordance with the provisions of section 4.1.2 of the Rand Note Indenture. If the conditions of section 4.1.2 of the Rand Note Indenture are not satisfied prior to the close of business on the Business Day preceding the Put or Exchange Date, then MWS or FIU are obligated to pay in cash the Put or Exchange Value of the Rand Notes in lieu of delivery of the Put or Exchange Number of Common Shares together with accrued but unpaid interest, unless the Holder waives the conditions that are not satisfied or extends the time for the satisfaction of the conditions.

## 2.5 Adjustments

The Put or Exchange Price is subject to adjustments upon the happening of certain events, including: (i) the reduction, combination or consolidation of the outstanding Common Shares into a smaller number of Common Shares; (ii) the distribution of Common Shares (or securities convertible into or exchangeable for Common Shares) to holders of all or substantially all of the outstanding Common Shares by way of dividend (iii) the making of a distribution on its outstanding Common Shares to the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares; (iv) the issuance of options, rights or warrants to all or substantially all holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares at less than 95% of the then Current Market Price (as defined in the Rand Note Indenture) of the Common Shares or (v) the distribution by FIU of all or substantially all the holders of Common Shares of securities (other than those referred to above) or of property or other assets (including cash or debt securities).

In addition, the Rand Note Indenture provides for adjustments in the event of a capital reorganization other than as described in (i) above or in the case of any consolidation, an amalgamation or merger of FIU with or into any other corporation or entity (other than a vertical short-form amalgamation with one or more of its Wholly-Owned Subsidiaries, (as defined in Annexure 3) pursuant to the BCBCA), or a transfer of the undertaking or assets of FIU as an entirety or substantially as an entirety to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property, then the terms of the Put or Exchange Right will be adjusted so that each Holder will be entitled to receive the number of Common Shares or other securities on the exercise of the conversion right that such holder would be entitled to receive if on the effective date thereof, it had been the holder of the number of Common Shares into which the Rand Note was convertible prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, acquisition, sale or conveyance.

Please review Article 6 of the Rand Note Indenture in its entirety for additional information on the terms and conditions that apply to the foregoing adjustments events.

## 2.6 Guarantees and Security for the Rand Notes

The Rand Notes rank *pari passu* with one another and with the Canadian Notes.

SPV has guaranteed payment when due of all indebtedness of the Company under the Rand Notes and the Rand Note Indenture. No Holder of any Rand Note has any claim or any right to pursue any remedy against the SPV in respect of the Guarantee. The Guarantee is vested solely in the Indenture Trustee. The Company and each Guarantor have indemnified the SPV in respect of any and all amounts paid or payable by the SPV to the Indenture Trustee (on behalf of the Holders of the Rand Notes) pursuant to the Guarantee provided by the SPV to the Indenture Trustee and has provided security for such indemnity.

Security for the indemnities includes:

- a first ranking security over 49% of the shares of MWS, Chemwes, EMC, FUSA and FUL;
- undertakings to use all reasonable efforts to obtain the consent of the DMR to: (1) the pledge of the remaining 51% of the shares of MWS, Chemwes, EMC, FUSA and FUL and (2) mortgages over the mining and prospecting rights of MWS, Chemwes and EMC to grant first ranking security over the relevant rights and assets;
- second ranking security over all assets currently encumbered by FNB in terms of the Ezulwini Gold Purchase Agreement, save and except for the pledge of FNB's share of gold production; and
- first ranking security over all other current and future assets of MWS, First Uranium, Chemwes, EMC, FUSA and FUL, subject to regulatory approvals in relation to prospecting and mining rights.

The security will be available to secure up to Cdn\$200 million of debt financing, including the Rand Notes and the Canadian Notes, and may secure future debt financing (provided that such financing, together with the Rand Notes and the Canadian Notes does not exceed Cdn\$200 million). The security in respect of such debt financing, including the Rand Notes and the Canadian Notes will rank *pari passu*.

Each Guarantor covenants and agrees with the Indenture Trustees and for the benefit of Holders that it will not incur any indebtedness, whether direct or indirect, other than Permitted Indebtedness and will not make any payment on or in respect of any indebtedness other than Permitted Indebtedness.

In addition, each of the Guarantors has jointly and severally, irrevocably and unconditionally, guaranteed certain obligations pursuant to the Rand Note Indenture as described in Article 9 of the Rand Note Indenture.

**Investors are also advised to read the “Risk Factors” in Annexure 5.**

## 2.7 Consents required for variation of rights

### Prior Approval of Recognized Stock Exchange

Notwithstanding any requirements to the contrary in the Rand Notes Indenture attached as Annexure 3, in terms of section 18.5 of the Rand note Indenture, no supplement or amendment to the terms of the Rand Notes or to the Rand Note Indenture may be made without the prior consent of a Recognized Stock Exchange, if required.

No consent of the Holders is required with respect to certain supplemental indentures that are requested by the Company or FIU for purposes that are specified in section 18.1 of the Rand Note Indenture. Those purposes are:

- (a) adding to the covenants of the Company or FIU contained in the Rand Note Indenture for the benefit of the Holders or surrendering any right or power conferred upon the Company or FIU in the Rand Note Indenture;
- (b) adding any additional events of default noted in paragraph 12.1 of the Rand Note Indenture attached as Annexure 3;
- (c) changing or eliminating any restrictions on the payment of principal, the premium, if any, of Rand Notes, provided that Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate affect the interest of the Holders;
- (d) giving effect to any Act or any other direction from the Holders permitted to be given under the Rand Note Indenture, and to any other Act made, given to or taken by the Holders in accordance with the Rand Note Indenture;
- (e) making such provisions not substantially inconsistent with the Rand Note Indenture, as may be necessary or desirable with respect to matters arising under the Rand Note Indenture which, in the opinion of the Indenture Trustee relying on the opinion of Counsel, are expedient to make; provided that the Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate materially adversely affect the interest of the Noteholders or the Indenture Trustee;
- (f) without limiting Article 16 of the Rand Note Indenture, evidencing the succession, or successive successions, of any successor company to the Company or FIU (as the case may be) and the covenants and obligations of the Company or FIU (as the case may be) under the Rand Note Indenture assumed by such successor company;
- (g) providing for altering the Rand Note Indenture in respect of the exchange or transfer of Rand Notes, provided that such action does not adversely affect the interests of the Holders;
- (h) making any addition to, or modification, amendment or elimination of any of the terms of the Rand Note Indenture, which, in the opinion of Counsel, is necessary or advisable in order to incorporate, reflect or comply with any applicable law or requirement of any governmental authority, the provisions of which apply to the Company, FIU, the Indenture Trustee or this Rand Note Indenture;
- (i) making any change or corrections in the Rand Note Indenture, which Counsel to the Company shall have advised the Company and the Indenture Trustee are non-substantive corrections or changes are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or any clerical omission or mistake or manifest error contained in the Rand Note Indenture or in any deed, or indenture supplemental thereto;
- (j) evidencing and providing for the acceptance of appointment under the Rand Note Indenture by a successor trustee with respect to the Rand Notes and the Canadian Notes and adding to or changing any of the provisions of the Rand Note Indenture as necessary to provide for or facilitate the administration of the trusts under the Rand Note Indenture by more than one Indenture Trustee; and
- (k) any other purposes considered appropriate by the Indenture Trustee, relying on the opinion of Counsel, that do not individually or in the aggregate adversely affect the interests of the Holders.

Consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes is required for certain supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Rand Note Indenture or modifying in any manner the rights of the Holders under the Rand Note Indenture of the Rand Notes, provided, however, that the following require the approval by way of Extraordinary Resolution passed by the Holders of Rand Notes and Canadian Notes:

- (a) change the Stated Maturity date of the principal of, or any instalment of interest on, any Rand Note, or reduce the principal amount of any Rand Note or the interest on any Rand Note or the purchase price on an Offer to Purchase, or change the currency in which any Rand Note or interest on any Rand Note is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity date of such Rand Note;
- (b) reduce the percentage of Voting Rights the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provided for in the Indenture, or reduce the requirements of paragraph 15.5 of the Rand Note Indenture for quorum or paragraphs 15.6.1 to 15.6.4 of the Rand Note Indenture for voting;
- (c) change the Put or Exchange Price or the method of calculating the number of Common Shares issuable in the event of a Change of Control under the Rand Note Indenture; and
- (d) modify any of the provisions of paragraph 18.1, or paragraph 12.4.1 of the Rand Note Indenture, except to increase any such percentage or to provide that certain other provisions of the Rand Note Indenture cannot be modified or waived without the consent of the Holders of Canadian Notes and Rand Notes expressed by Extraordinary Resolution.

## 2.8 Meetings of Holders and Voting

Holders of the Rand Notes are not entitled to receive notice of any meetings of shareholders of FIU or the Company or to attend or to cast any vote at meetings of shareholders.

A meeting of Holders of Rand Notes and Canadian Notes may be called at any time and from time to time pursuant to Article 15 of the Rand Note Indenture and Article 15 of the Canadian Note Indenture to make, give or take any Act provided thereby to be made, given or taken by Holders of Rand Notes and Canadian Notes. Meetings of Holders of Rand Notes will be held jointly with meetings of Holders of Canadian Notes pursuant to the Canadian Note Indenture.

The Rand Note Indenture Trustee and the Canadian Note Trustee may at any time and from time to time and shall, on receipt of a request from the Company or a requisition in writing made by the Holders of at least 5% in Voting Rights of the Outstanding Rand Notes and Outstanding Canadian Notes and upon being indemnified and funded to their reasonable satisfaction by the Company or upon being funded and indemnified to their reasonable satisfaction by the Holders making such requisition, as the case may be, against the costs which may be incurred in connection with the calling and holding of such meeting, call a meeting of Holders of Rand Notes and Canadian Notes for any purpose specified in section 15.1 of the Rand Note Indenture, to be held at such time and at such place as the Indenture Trustees shall determine.

To be entitled to vote at any meeting of Holders of Rand Notes and Canadian Notes, a Person must be: (i) a Holder of one or more Outstanding Rand Notes or Canadian Notes or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Rand Notes or Outstanding Canadian Notes.

Persons entitled to vote 40% of the total Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, considered together, constitute a quorum for a meeting of Holders of Rand Notes and Canadian Notes.

Voting Rights for the Rand Notes are determined by the number of Common Shares of FIU into which the Rand Notes could then be converted in accordance with the provisions of the Rand Note Indenture. Voting Rights for the Canadian Notes are determined by number of Common Shares of FIU into which the Canadian Notes could then be converted in accordance with the provisions of the Canadian Indenture.

## 2.9 Change of Control

The Company must commence, within 30 days of the occurrence of a Change of Control, an Offer to Purchase for all Rand Notes then outstanding. The Offer to Purchase shall be made at a purchase price equal to 105% of the principal amount of the Rand Notes, plus accrued and unpaid interest, if any, to but excluding the Payment Date. The Offer to Purchase is required to be open for 30 days and the Payment Date is the 30th day following the mailing of the Offer to Purchase to the Indenture Trustee.

## 2.10 Events of Default and Remedies

If an event of default has occurred, the Indenture Trustee may, in its discretion, and shall, upon the written request of the Holders of not less than 50% in principal amount of the Outstanding Rand Notes, declare the principal of (and premium, if any) together with accrued interest on all Rand Notes to be due and payable immediately.

The following is a partial list of events set forth in section 12.1 of the Rand Note Indenture that constitute an Event of Default: (a) failure to pay principal (or premium, if any) on the Rand Notes when due; (b) failure for 30 days to pay interest on the Rand Notes when due and payable; (c) default for 10 Business Days in the observance or performance of certain specified covenants and any material covenant or condition of the Indenture; (d) material default in the observance or performance of other covenants, agreements or obligations or material incorrectness of any representation or warranty and the continuance of such default or incorrectness for 30 days after written notice by the Indenture Trustee (or in certain circumstances, the Holders); (e) failure to make an Offer to Purchase upon a change of control; (f) certain events of bankruptcy, insolvency or reorganization of MWS or a Guarantor under bankruptcy or insolvency laws; (g) certain liquidation proceedings in respect of MWS or a Guarantor and (h) an event of default under the Canadian Indenture.

At any time after a declaration of acceleration has been made following an Event of Default and before the Indenture Trustee has obtained a judgment or decree for payment of money due, the Holders of not less than 50% in principal amount of Outstanding Rand Notes and outstanding Canadian Notes may rescind and annul the declaration, provided that MWS has paid or deposited with the Indenture Trustee a sum sufficient to pay: (a) all overdue interest on all Rand Notes; (b) the principal of (and premium, if any, on) any of the Rand Notes which have become due otherwise than by the declaration, and interest thereon at the rate or rates prescribed in the Rand Notes and (c) interest on overdue instalments of interest at rates prescribed in the Rand Notes, provided such payment of interest is lawful.

## 2.11 Laws governing Rand Notes

Rand Notes and the Rand Note Indenture are governed by and construed in accordance with the laws of South Africa applicable thereto.

## 2.12 Disputes

Disputes arising out of or in connection with the Rand Note Indenture or the breach, termination or invalidity of the Rand Note Indenture are to be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in force at the time of the dispute.

No Holder of any Rand Note has the right to pursue any remedy with respect to the Indenture or the Rand Notes unless the following conditions are met: (a) the Holder provides notice to the Indenture Trustee of a continuing Event of Default; (b) the Holders of at least 25% in principal amount of the then Outstanding Rand Notes and Outstanding Canadian Notes makes a request in writing to the Indenture Trustee to pursue the Remedy; (c) the Holder or Holders offer to provide the Indenture Trustee with security and indemnity in a form satisfactory to the Indenture Trustee; (d) the Indenture Trustee does not comply with the request within 30 days of receiving the request and the indemnity and (e) during the 30-day period, the Holders of a majority in principal amount of Outstanding Rand Notes and Outstanding Canadian Notes do not give the Indenture Trustee a direction inconsistent with the request.

### 2.13 Amendments to the FIU Debenture Indenture

FIU has covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary the Canadian Indenture other than to cure any ambiguity or for curing or correcting any defective provision contained therein.

### 2.14 Amendments to Gold Stream Transactions

MWS and each of the Guarantors have covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that they will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary certain provisions in the Chemwes Gold Purchase Agreement and the Ezulwini Gold Purchase Agreement.

**Please see additional information under the heading “Gold Stream Transactions.”**

### 2.15 Shipments to France

The Company and each of the Guarantors covenanted and agreed with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, make any shipments of uranium concentrate or other uranium products to France until such time as it has provided to the SPV a deed of pledge of stocks enforceable in France. This covenant has been satisfied by FIU.

### 2.16 Risk Factors

MWS's and FIU's operations and financial performance are subject to various risks, which has been summarised in Annexure 5.

### 2.17 Trading of the Rand Notes

The Rand Notes will trade on the JSE using the Strate settlement and clearing system. The principal features of Strate are as follows:

- (a) trades executed on the JSE must be settled within five Business Days;
- (b) there will be penalties for late settlement;
- (c) electronic record of ownership replaces Linked Unit certificates and physical delivery of certificates; and
- (d) all investors are required to appoint either a broker or CSDP to act on their behalf and to handle all settlement requirements.

Claims against the JSE Guarantee Fund may only be made in respect of trading in Rand Notes on the JSE in accordance with the rules of the JSE Guarantee Fund if listed on the main board of the JSE and can in no way relate to trading on another licensed or recognised exchange or to a default by MWS of its obligation in terms of its obligations under the Rand Notes and Rand Note Indenture.

### 2.18 Taxation

In respect of the interest distribution received by the Noteholders (refer paragraph 2.1), the Company hereby advises the Noteholders that for taxation purposes, the interest will be treated in terms of section 24J of the Income Tax Act, No. 58 of 1962 (“the Act”). This section effectively spreads the interest received over the term of the financial arrangement by compounding the interest over fixed accrual periods using a predetermined rate referred to as the “yield to maturity”. In essence, the section requires the Noteholders to include in their gross income, during each year of assessment, an amount of interest which has been calculated in terms of the provisions of section 24J of the Act.

In terms of the Act, South African tax residents are taxed on their worldwide income regardless of where such income has been derived. Non-South African tax residents however, are only taxed on income which is derived from a South African source. In terms of section 9D(6) of the Act, interest will be regarded as being derived from a South African source where the funding or credit obtained

giving rise to the interest, was utilised or applied for in South Africa. Accordingly, each non-South African tax resident Noteholder will need to consider whether the interest distribution is derived from a South African source or not. This would be a question of fact.

It should be noted however, that section 10 of the Act provides for certain exemptions where interest is derived. These exemptions are dependent on whether the Noteholders are regarded as South African tax residents or not and also, whether the Noteholders are natural persons or not.

To the extent that Noteholder is a non-South African tax resident, the double tax agreement (“DTA”) between South Africa and the Contracting State wherein the Noteholder is regarded as a tax resident, will also need to be considered in order to ensure the correct tax treatment of the interest distribution is applied.

Lastly, it should be noted that interest received by a non-South African tax resident is currently not subject to South African interest withholding tax, however recent amendments to the Act have introduced a withholding tax on interest at a rate of 10%. This legislation will come into effect on January 1, 2013. At this stage, it is not yet known whether all the DTAs that South Africa has with other Contracting States will be renegotiated in light of this new legislation, accordingly, it is important to keep monitoring developments in this regard.

Both South African tax resident and non-South African tax resident Noteholders are advised to consult their professional tax advisors with regard to their individual tax liability arising in this regard.

## 2.19 Relationship between Canadian Notes and Rand Notes

The Canadian Notes were issued by First Uranium, whilst the Rand Notes were issued by Mine Waste Solutions. First Uranium has provided a guarantee of Mine Waste Solutions obligations under the Indenture and Mine Waste Solutions has provided a guarantee of First Uranium’s under the Canadian Note Indenture, and each of the other subsidiaries of First Uranium have provided the same guarantee under the Canadian Trust Indenture and the Rand Trust Indenture. The Canadian and Rand Notes rank *pari passu* in terms of debt seniority to each other and the assets pledged as security for the obligations. The only differences between the Rand Notes and Canadian Notes are generic differences, with the exception of the interest rate and the conversion rate. The Canadian Notes bear interest at 7% per annum and are convertible into FUM shares at a rate of 769.2307 Common Shares per Cdn\$1,000 principal amount whilst the Rand Notes bear interest at 11% per annum and are convertible into FUM shares at a rate of 107.4113 Common Shares per ZAR1,000 principal amount.

## 3. INFORMATION ON MINE WASTE SOLUTIONS

### 3.1 Incorporation, Corporate History and Corporate Structure of MWS

The Company was incorporated pursuant to the laws of South Africa on January 31, 2000 under the name of Evertrade 57 (Proprietary) Limited. The Company changed its name to Mine Waste Solutions (Pty) Limited on April 17, 2000. The Company is a private company with authorised share capital and the authorised share capital of 1,000,000 ordinary shares of 0.1 cent each. The Company’s financial year ends on 31 March of each year.

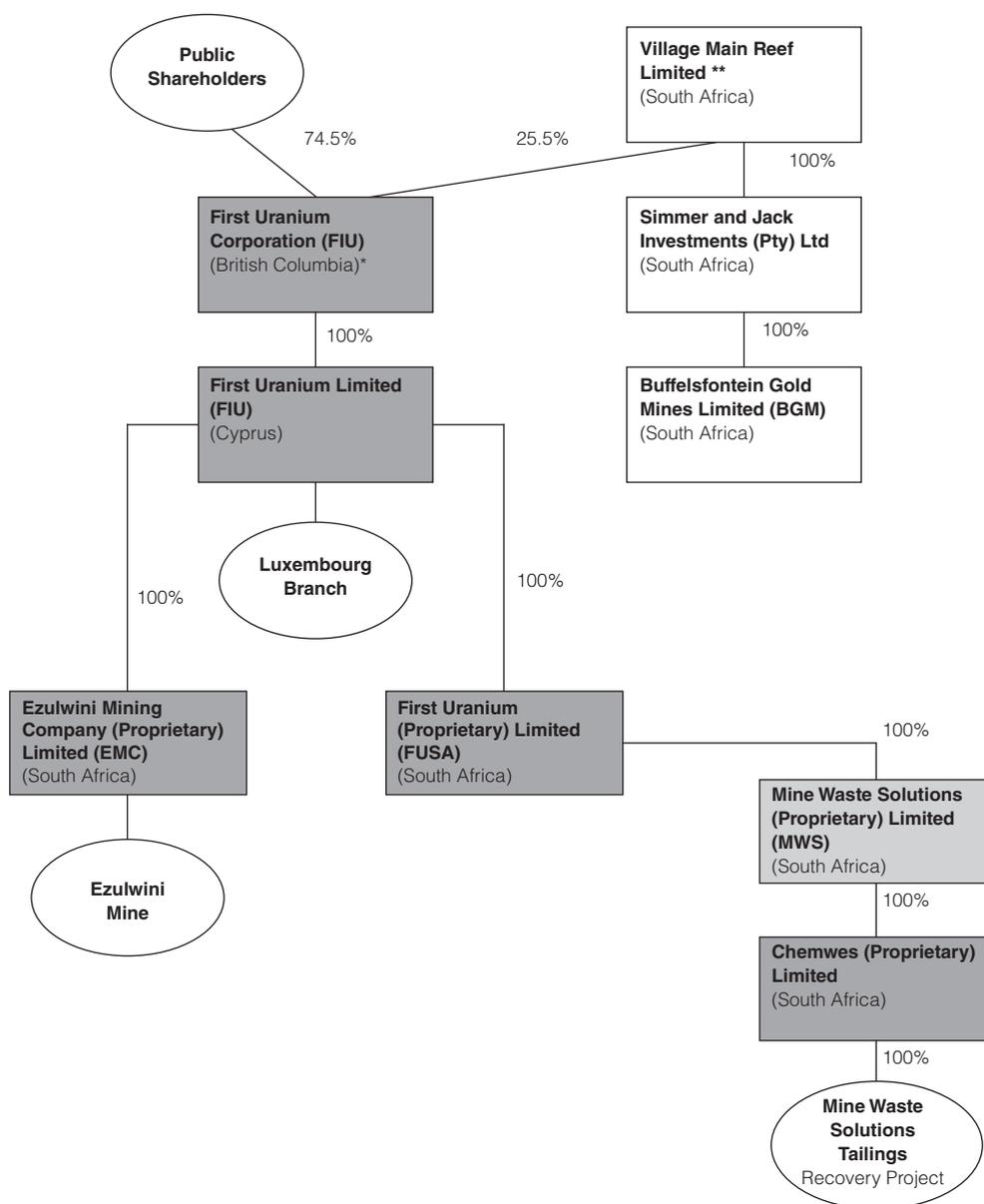
The Company is the sole shareholder of Chemwes. Chemwes was incorporated pursuant to the laws of South Africa on April 3, 1964 under the name of Natal Diesel Services (Proprietary) Limited and changed its name to Chemwes (Proprietary) Limited on March 8, 1978. Chemwes is a private company with an authorized share capital of 1,000,000 ordinary shares of ZAR1.00 each.

On June 6, 2007, FUSA acquired all of the issued and outstanding shares of MWS and its subsidiary Chemwes, pursuant to the terms and conditions of an agreement dated April 26, 2007 between First Uranium, FUSA and the shareholders of MWS at that time. FIU issued 3,093,980 Common Shares of FIU to the MWS shareholders for a total consideration of US\$32.2 million. The MWS Acquisition provided FIU with an existing gold plant and other related infrastructure. The site, plant and related facilities are owned by Chemwes.

Prior to the MWS Acquisition the MWS shareholders were Fraser Alexander Tailings, a division of Fraser Alexander (Proprietary) Limited (35%), Nedbank Limited (30%), Industrial Development Corporation of South Africa Limited (30%), RHA Plaistow (3%) and KD Bouch (2%).

The Company is an indirect wholly-owned subsidiary of FIU. **Please see the additional information on FIU under the heading “Information on First Uranium”.**

The following chart indicates the inter-corporate relationships of MWS and FIU, the percentage of voting securities held, and the jurisdiction of incorporation of each entity as at the Last Practicable Date:



\* Listed on the TSX with a secondary listing on the JSE.

\*\* In June 2011 Village Main Reef Limited acquired substantially all of the assets of Simmer & Jack including the Common Shares of First Uranium.

### 3.2 History of MWS Business

MWS operations consist of a gold and uranium tailings recovery operation located in the western portion of the Witwatersrand basin, approximately 160 km from Johannesburg and approximately 8 km from the town of Klerksdorp at Stilfontein, in the North West Province, South Africa. MWS comprises fourteen tailings dams. Twelve of the tailings dams originated from the processing of material from BGM (formerly the Buffelsfontein and Hartebeesfontein Underground Gold Mines), and three of the tailings dams were acquired through the MWS Acquisition (one of which has since been mined out), which originated from the processing of material from the now defunct Stilfontein Gold Mine. MWS operations also include a gold recovery plant on the MWS site, situated near the currently operating BGM Underground Mine and which is currently recovering gold from the tailings recovered. The current operations involve the hydraulic mining of four of the tailings, using high pressure water cannons to slurry the tailings which are pumped to processing plants at MWS for the recovery of gold. The following is a summary of the recent history of the MWS business.

## **Prior to the Acquisition of MWS**

On December 20, 2006, concurrently and in connection with the Offering, First Uranium acquired an indirect 100 percent interest in FUSA from Simmer & Jack. In addition, on December 20, 2006, FUSA entered into the Buffelsfontein Tailings and Rights Agreement with Simmer & Jack and BGM pursuant to which, among other things: (i) BGM covenanted to take all necessary steps to obtain all ministerial approvals for the items requested in the Buffelsfontein Conversion Application in order to effect the transfer of the Buffelsfontein Tailings Mining Right to FUSA as soon as possible; (ii) BGM agreed to sell to FUSA, upon FUSA's receipt of the Buffelsfontein Tailings Mining Right, the Buffelsfontein and Hartebeestfontein tailings dams and grant to FUSA a right to the tailings arising from BGM's ongoing mining operations at the BGM Underground Mine and (iii) BGM agreed to grant a servitude to FUSA for access and egress to BGM's Buffelsfontein property to enable FUSA, its employees, consultants, agents and subcontractors access to the property. In addition, FUSA acquired interests in three additional tailings dams, Flanagan, Ellaton, and NKGE. In consideration of these rights, FUSA: (i) paid a nominal consideration of \$13.50 to BGM; (ii) assumed the rehabilitation obligation relating to the dams and (iii) became liable to pay to BGM, a 1 percent royalty plus value-added tax of the gross revenue accrued by FUSA from the sale of gold, uranium, and any other minerals recovered from the tailings. FUSA is also required to seek other servitudes and/or acquire certain rights from third parties in connection with the development and operation of the project.

BGM holds an old order mining right in respect of mining gold at the BGM Underground Mine but not for the mining of the gold and uranium in the tailings dams at the Buffelsfontein property. On June 4, 2007, the DMR granted to BGM a prospecting right with respect to uranium and other minerals in the Buffelsfontein property and tailings dams, and the documentation granting the prospecting right was notarially executed on August 2, 2007.

BGM has also filed an application with the DMR to convert its old order mining right for Buffelsfontein into a new order mining right. If and when this conversion application is approved, BGM intends to file with the DMR one or more applications (which, together with the foregoing conversion application, are collectively referred to herein as the "Buffelsfontein Conversion Application") to: (i) amend, with effect from the date of conversion, the new order mining right to include the authority to mine for uranium underground and for gold, uranium and other minerals in respect of the tailings; (ii) divide the new order mining right, if granted, into two separate new order mining rights – one in respect of the mining for gold, uranium and other minerals at the BGM Underground Mine and the Buffelsfontein Tailings Mining Right in respect of the mining of the gold, uranium and other minerals in the Buffelsfontein Tailings historically associated with the Buffelsfontein Underground Mine and (iii) cede the Buffelsfontein Tailings Mining Right, if granted, to FUSA (and which now will be ceded to Chemwes).

Immediately following the closing of the Offering, FUSA commenced a variety of pre-development activities relating to the project to the extent permitted by South African laws while waiting for the review and approval of the Buffelsfontein Conversion Application, including pre-construction planning and structural design work.

## **Acquisition of MWS by FUSA**

When FUSA acquired MWS in June 2007, it acquired an existing operating gold tailings re-processing facility and an historic uranium plant, adjacent to the Buffelsfontein property. FIU changed its plans for its Buffelsfontein Tailings Recovery Project such that the historical and future tailings from the Buffelsfontein mine would be transported to the MWS site and processed through the existing gold plant, and subject to their commissioning, through the planned additional gold and uranium plant modules.

Post the MWS Acquisition, the combination of tailings recovery projects (including the project formerly known as the Buffelsfontein Tailings Recovery Project, as amended and supplemented by the MWS Acquisition) were then renamed as the MWS tailings recovery project.

The Buffelsfontein Tailings and Rights Agreement was terminated and the Tailings and Rights Agreement was entered into between MWS, BGM and Simmer & Jack, and subsequently replaced with an agreement between Chemwes, Simmer & Jack and BGM, that reflects the change in plans, on terms materially similar to the original agreement. Chemwes has also agreed to pay to FUSA the amounts due to Simmer & Jack by FUSA under the Aberdeen Arrangement Agreement and has indemnified BGM against any tax liability incurred by BGM from the sale of the Buffelsfontein Tailings Mining Right, on the basis that Chemwes has no liability unless the amount of any claim exceeds US\$2 million and then only in respect of any amounts in excess of US\$2 million.

## **Development of MWS**

MWS has effectively been in operation since the MWS Acquisition on June 6, 2007. The plant and equipment at the time of acquisition processed an average of 570,000 tonnes of tailings per month and had a proven capacity in excess of 600,000 tonnes of tailings per month. In September 2007, the FIU Board approved expansion of the design capacity of the gold plant to 633,000 tonnes of tailings per month, which was completed in May 2008. Also in September 2007, the FIU Board approved the construction of a monitoring station and a 10.5 km pipeline to transport the tailings hydraulically mined from the twelve original BGM tailings dams, and future tailings arising from the operations at BGM Underground Mine to the MWS gold plant. The monitoring station and pipeline were completed and the integrated operation commenced commissioning during December 2007.

Construction of the second gold module and the first of two uranium modules commenced in April 2008.

A new order prospecting right was granted to MWS in respect of Flanagan, NKGE and Ellaton dams in May 2008 in respect of gold, uranium and pyrite. Also in May 2008, MWS re-submitted an application for a new order mining right in respect of all of the Buffelsfontein, Harties and MWS dams, including the Flanagan, Ellaton and NKGE dams. It includes the mining of gold and uranium from all the tailings dams and has been applied for in the name of MWS. This application was accepted by the DMR on June 25, 2008, and all of the ancillary documents required by the DMR have subsequently been lodged with the DMR, including an EMP which incorporates a social and labour plan.

In January 2009, MWS submitted to the DMR an application to cede to Chemwes, the company which will ultimately hold all the rights to mine all fourteen of the tailings dams, all mining rights pertaining to MWS upon MWS acquiring such mining rights.

During Q1 2010, MWS commenced commissioning of the second gold plant module, and continued construction of the first two uranium plant modules and finalized plans for the construction of the third gold plant module.

During Q2 2010, MWS commissioned a second reclamation station that feeds ore to the second gold plant module and also commenced construction of the third gold plant module.

In July 2009, a new order mining right for MWS was approved by the DMR. The execution of the mining right is subject to certain conditions which MWS is in the process of satisfying including providing financial assurance for rehabilitation liabilities to the satisfaction of the DMR. Upon execution of the mining right, BGM will immediately amend its Buffelsfontein Conversion Application to withdraw its application to mine the Buffelsfontein Tailings for gold, uranium, and other minerals. Chemwes, MWS and BGM have entered into an agreement whereby Chemwes is entitled to extract and process the minerals from the Buffelsfontein Tailings for its own benefit during the interim period from December 20, 2006 to the date the mining right is registered in the name of Chemwes.

During Q3 2010, MWS completed the commissioning of the second gold plant module, increasing the processing capacity of the gold plant from 633,000 tonnes of tailings per month to 1.3 million tonnes. Construction of the first two uranium plant modules and the third gold plant module continued.

At the start of Q4 2010, the construction of the third gold plant module was progressing ahead of schedule and scheduled for completion in May 2010; however, construction of the third gold plant module was suspended due to the withdrawal of the EA for the TSF on January 18, 2010. The withdrawal of the EA compromised to a large extent FIU's financing efforts and triggered the need for a program to conserve capital. As a result of suspending construction and the subsequent actions to reduce FIU's and MWS's capital commitments, construction of the third gold plant module could not be completed by the Construction Completion date.

Subsequent to extensive discussions with North West Provincial Government's Department of Agriculture, Conservation, Environment and Rural Development, the EA was reinstated and amended in February 2010 allowing MWS to recommence planning activities for the construction of the new TSF, however, the uncertainties and delays precipitated by the withdrawal of the EA and the resultant financial pressure placed on First Uranium, caused management to revise the MWS business plan and to update the technical report for MWS, which was filed onto SEDAR on March 19, 2010.

Construction of the first two uranium plant modules was substantially completed during January 2010, however, in terms of the revised business plan, management decided to delay the commissioning of the two uranium plant modules until the successful commissioning of the third gold plant module.

Under the revised business plan upon which the associated technical report was based, it was anticipated that the MWS No.5 tailings dam (the current tailings deposition facility) would provide sufficient tailings deposition capacity for one gold plant module until the end of December 2011. However, with the recapitalisation of First Uranium (including the restructuring of the technical completion test under the MWS Gold Stream Transaction) in April 2010, and the updated report on the structural integrity of MWS No. 5 tailings dam, management decided to continue utilizing two gold plant modules with two-stream deposition, albeit at reduced throughput of 975 ktpm until the end May 2011. Under the two-stream deposition plan, the previously projected one-stream production run rate increased by 56 percent from approximately 11,500 ounces per month to approximately 18,000 ounces per month.

On June 15, 2010, the Corporation received approval for a new order water user license from the Department of Water Affairs.

### 3.3 MWS Operational and Financial Data

The table below sets out certain annual selected operational and financial data of MWS:

	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Production</b>			
Tonnes reclaimed (000s)	4,053	6,995	11,071
Average gold recovery grade (grams/tonne)	0.22	0.19	0.19
Percentage gold recovered	52%	47%	51%
Ounces of gold sold (total)	28,094	42,857	62,019
Ounces of gold delivered into			
MWS Gold Stream Transaction	–	3,293	22,769
Average gold revenue price per ounce (US\$)**	763	881	985
Average gold cash selling price per ounce (US\$)**/**	–	845	815
Average Cash Cost per ounce of gold sold (US\$)**	535	397	392
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>
<b>Financial*</b>			
Revenue	21,429	37,771	61,067
Cost of Sales (excluding amortisation)	(15,025)	(17,010)	(24,310)
Amortisation	(1,555)	(923)	(3,517)
Cost of Sales	(16,580)	(17,933)	(27,827)
Gross profit for the year from MWS	4,849	19,838	33,240

**Notes:**

\* The financial data has been extracted from the respective annual consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.

\*\* These numbers have been calculated using financial data extracted from the respective annual consolidated financial statements of FIU.

\*\*\* For Q4 2010, the revenue related to ounces delivered into the MWS Gold Stream Transaction comprised revenue from the ounces delivered at \$400 per ounce plus deferred revenue amortised for the quarter. For Q4 2009 and the first three quarters of FY 2010, MWS delivered the required ounces to settle the 2009 Guaranteed Ounces, which was reflected as settlement of the Derivative Liability at the gold spot price at the time of delivery.

The overall increase in revenues and cost of sales in FY 2010 compared to FY 2009 was mainly attributable to additional production through the second gold plant module which was commissioned in Q1 2010.

The increased revenues from FY 2008 to FY 2009 as well as the reduction in operating costs (despite the inclusion of \$1.7 million of costs related to the Gold Stream Transaction) over the same period resulted in the significant increase in gross profit from tailings processed at MWS from \$4.8 million in FY 2008 to \$19.8 million in FY 2009.

The table below compares selected operational and financial data of MWS for Q4 2011 and FY 2011 with Q4 2010 and FY 2010:

	Q4 2011	Q4 2010	% Change	FY 2011	FY 2010	% Change
<b>Production</b>						
Tonnes reclaimed ('000)	<b>3,625</b>	3,232	12%	<b>13,421</b>	11,071	21%
Average gold recovery grade (grams/tonne)	<b>0.19</b>	0.19	–	<b>0.19</b>	0.19	–
Percentage gold recovered	<b>55%</b>	56%	(2%)	<b>55%</b>	51%	8%
Ounces of gold sold (total)	<b>22,150</b>	18,505	20%	<b>82,941</b>	62,019	34%
Ounces of gold delivered into MWS Gold Stream Transaction	<b>5 533</b>	4,982	(11%)	<b>19,901</b>	22,769	(13%)
Average gold revenue per ounce (US\$)	<b>1,196</b>	889	35%	<b>1,126</b>	985	14%
Average gold selling price per ounce (US\$)**	<b>1,144</b>	883	30%	<b>1,075</b>	815	32%
Average Cash Cost per ounce of gold sold (US\$)**	<b>(471)</b>	(402)	17%	<b>(483)</b>	(392)	23%
Average cost per ounce sold (US\$)**	<b>(559)</b>	(549)	2%	<b>(561)</b>	(449)	25%
	<b>US\$000</b>	US\$000	US\$000	<b>US\$000</b>	US\$000	US\$000
<b>Financial*</b>						
Revenue	<b>26,498</b>	16,457	61%	<b>93,356</b>	61,067	53%
Cost of sales (excluding amortization)	<b>(10,435)</b>	(7,441)	40%	<b>(40,083)</b>	(24,310)	65%
Amortization	<b>(1,955)</b>	(2,721)	(28)%	<b>(6,441)</b>	(3,517)	83%
Gross profit for the period from MWS	<b>14,108</b>	6,295	124%	<b>46,832</b>	33,240	41%

**Notes:**

\* The financial data has been extracted from the respective quarterly interim consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.

\*\* These numbers have been calculated using financial data extracted from the respective annual consolidated financial statements of FIU.

\*\*\* For Q4 2011, FY 2011 and Q4 2010, the revenue related to ounces delivered into the MWS Gold Stream Transaction comprised revenue from the ounces delivered at \$400 per ounce plus deferred revenue amortized for the quarter. For the first three quarters of FY 2010, MWS delivered the required ounces to settle the 2009 Guaranteed Ounces, which was reflected as settlement of the Derivative Liability at the gold spot price at the time of delivery.

Revenues were significantly higher in Q4 2011 (61%) primarily as a result of increased production and higher gold selling prices compared to Q4 2010. The tonnage throughput, ounces sold and revenues for Q4 2011 were higher than that of Q4 2010.

The 34% increase in gold production for FY 2011 from FY 2010 was mainly attributable to the additional production from the second gold plant module along with the improvement in gold recovered out of the tailings reprocessed from the Buffelsfontein No.2 and No.4 tailings dams. The overall tonnage processed was 21% higher during FY 2011 and the overall improvement in recovery was 8% higher.

The improved gold recovery resulted from the performance of the first gold plant module which has been optimized over time. Improved throughput was driven by certainty related to the commissioning of the TSF which enabled management to deposit at throughput rates higher than previously anticipated on the MWS No.5 tailings dam. During Q1 2011, MWS showed a 65% improvement in gold production compared to the updated technical report released on March 19, 2010, which was based upon the assumption that MWS continued as a one-stream operation due to deposition constraints. The MWS No. 5 tailings dam maintained its structural integrity during Q1 2011, enabling MWS to continue to run as a two-stream operation but at a reduced tonnage profile of 975 ktpm. The ongoing improvement in the structural integrity of the MWS No. 5 tailings dam combined with the Department of Water Affairs' ("DWA") awarding of the Water User License ("WUL") to MWS on June 15, 2010 enabled further improvement on the production as MWS increased its production profile from the 975 ktpm to 1,200 ktpm, at the start of October 2010.

The 40% increase in costs in Q4 2011 compared to Q4 2010 was driven by a combination of higher tonnage throughput, higher labour and power costs as well as the impact of costs in US dollar terms resulting from the significantly stronger ZAR in Q4 2011 compared to Q4 2010. The overall increase in costs for FY 2011 compared to FY 2010 was mainly driven by the increase in production in Q2 2010 combined with the impact of the stronger ZAR in FY 2011.

Amortization in Q4 2011 was lower than that of Q4 2010 due to lower amortization charged during the first nine months of FY 2010 that resulted in an increase in Q4 2010. For FY 2011, amortization was significantly higher compared to FY 2010 as a result of the higher throughput in FY 2011 compared to FY 2010.

For both Q4 2011 and FY 2011, the higher revenues from MWS exceeded the increased costs and amortization and resulted in the gross profit increasing by 124% and 41%, respectively, from Q4 2010 and FY 2010.

As discussed under section 3.2 above, the Corporation suspended construction of the third gold plant module at the start of Q4 2010 due to the withdrawal of EA for the TSF on January 18, 2010. The EA was reinstated in February 2010, however, the uncertainties and delays precipitated by the withdrawal of the EA and the resultant financial pressure placed on the Corporation caused management to revise the MWS business plan and to update the technical report for MWS, which was filed onto SEDAR on March 19, 2010.

Under the revised business plan upon which the associated technical report was based, commissioning of the two uranium plant modules has been delayed until the successful commissioning of the third gold plant module and the successful completion of the FN completion test. It was also anticipated at the time that the MWS No.5 tailings dam (the current tailings deposition facility) would provide sufficient tailings deposition capacity for one gold plant module until the end of December 2011. However, with the recapitalization of the Corporation on April 26, 2010 (including the re-structuring of the FN completion test), and the updated report on the structural integrity of MWS No.5 tailings dam, management decided to continue utilizing two gold plant modules with two-stream deposition, albeit at reduced throughput of 975 ktpm until the start of October 2010 at which point throughput was increased to 1,200 ktpm. The approval of the WUL in June 2010 allowed MWS to bring forward the seven-month construction schedule of the TSF. The revised plan upon which the technical report was based, assumed that MWS would receive approval of the new order license by the end of September 2010. By bringing forward the construction schedule of the TSF, MWS have created more time to satisfy the revised FN construction completion and the technical completion test under the MWS Gold Stream Transaction.

During Q2 2011, MWS resumed the remaining capital program comprising construction of the third gold plant module and the new TSF. The capital programme successfully delivered mechanical completion of both the third gold plant module as well as the new TSF by the end of Q4 2011, such that commissioning of this infrastructure could commence during Q1 2012.

On February 25, 2011, Fraser Alexander (Proprietary) Limited and Chemwes entered into a contract for the services of Fraser Alexander to will perform deposition and rehabilitation procedures and operations in respect of the new TSF. The contract is a fixed price contract based on the cost of labour and consumables, as well as, the costs of manufacturing a self propelled single point discharge cyclone disposition system (each unit is an "SPCU") which will be used to deposit tailings on the TSF. The costs will be agreed for year 1 of the contract and then subject to escalation over the term of the contract at cost for labour and certain specified indices for plant and materials costs and fuel costs. Either party may terminate the agreement at any time on six months prior written notice, subject to Chemwes paying a break fee (the "Break Fee") in connection with the capital and financing costs incurred by Fraser Alexander in connection with the manufacture and deployment of the SPCUs. The Break Fee is not payable if the SPCU system not performing to expectations, or if the contract is terminated by Chemwes because Fraser Alexander has breached the contract.

At the end of Q4 2011, \$128 million (ZAR893 million) had been spent on the completion of the third gold plant module, including adjoining infrastructure, while \$33 million (ZAR234 million) had been spent on the new TSF.

On March 8, 2011, an appeal was filed by the Federation for a Sustainable Environment ("FSE") with the South African Water Tribunal against the WUL of MWS. The South African National Water Act allows appeals against the grant of a WUL provided the appellant has fulfilled certain conditions: notably lodging a valid objection within a specific period of time. After consulting with external legal counsel, First Uranium is of the view that the appeal is not legally valid and therefore does not suspend the duly granted, existing WUL.

In March 2011, MWS received a letter from the DMR in terms of Section 93 of the MPRDA whereby the DMR claimed that MWS did not have the authority to operate the TSF and related infrastructure as the new order mining right has not been executed. MWS has taken external legal advice on this issue. In terms of agreements with the old order rights holders as well as the suite of authorisations obtained in terms of environmental and water legislation, MWS currently complies with all applicable legislation. MWS will continue to strive to satisfy the conditions required to obtain an executed new order right which was conditionally granted in July 2009. On April 6, 2011 MWS addressed a letter to the DMR to this effect.

MWS engages pro-actively with all stakeholders concerned with the development of the TSF. The MWS Environmental Forum meets regularly with public stakeholders in order to disseminate environmental information regarding the TSF. A forum dedicated to engagement with regulators has also been established. Due to the wide geographic spread of the TSF project infrastructure, MWS also engages on an ongoing basis with the surrounding landowners.

Approximately \$25 million (ZAR151 million) remains to be spent on the two MWS capital projects of which \$13 million (ZAR89 million) is planned to be spent over the next 12 months and \$9 million (ZAR62 million) during the first half of FY 2014.

As noted above, the third gold plant module and new TSF achieved mechanical completion at the end of Q4 2011. The earlier commissioning of this infrastructure ensured that MWS was able to increase its production profile from 1.2 mtpm to 1.8mtpm from May 1, 2011, two months ahead of schedule, and to also commence earlier with the "Steady State" production period as defined in the MWS Gold Stream Transaction.

On May 2, 2011, the Corporation obtained the requisite consent of the Canadian Note holders and the Rand Note holders to amend the technical completion test under the MWS Gold Stream Transaction whereby First Uranium would have the option, but not the obligation, to satisfy the key criteria component of the technical completion test during the "Steady State" period as defined in the agreement. The amendment provides First Uranium with the opportunity to satisfy the technical completion test in a shorter time frame. It will also provide the Corporation with greater flexibility to optimize the mine plan and complete the ramp-up of the expanded gold plant efficiently, to the benefit of First Uranium and FN.

The 'key criteria' test period is scheduled to commence in July 2011, which should allow MWS with adequate time to satisfy the key criteria prior to September 1, 2011.

Management expects the annualized gold production to be between 110,000 and 125,000 ounces of gold and 140,000 to 170,000 pounds of uranium sales for FY 2012.

The uranium plant at MWS is largely complete. Commissioning of this plant will involve significant upfront working capital investment in in-process inventory. Management is considering a temporary deferral in the commissioning of the uranium plant in light of currently depressed uranium prices and its objectives of focusing cash resources towards the maturity of the 4.25% convertible debentures in June 2012 and the ramp up of the Ezulwini Mine. No final determination has been made in relation to this possible deferral.

**Please see additional information regarding operational and financial results of MWS in the financial statements of MWS, which can be found on [www.firsturanium.com](http://www.firsturanium.com)**

#### 4. INFORMATION ON FIRST URANIUM

##### 4.1 Incorporation, Corporate History and Corporate Structure of FIU

FIU is a Canadian resources company originally incorporated in Ontario, Canada on September 22, 2005 under the Business Corporations Act (Ontario) (as 2082276 Ontario Inc., which name was amended to First Uranium Corporation on October 12, 2005). FIU was continued on December 15, 2006 as a corporation in British Columbia, Canada, under the BCBCA. FIU is listed on the TSX and has a secondary listing on the JSE.

FIU focused on the development and operation of gold and uranium projects in South Africa. FIU's goal is to become a significant low-cost producer of gold and uranium from its Ezulwini Mine (described below) and the Mine Waste Solutions tailings recovery facility. To expand its production profile, First Uranium has expanded the capacity of MWS operation and is ramping up production at the Ezulwini Mine and plans to pursue other value-enhancing opportunities in South Africa.

Prior to a transaction with Village Main Reef Limited, Simmer & Jack held assets in South Africa's Gauteng, North West and Mpumalanga provinces and was a significant shareholder of First Uranium, holding approximately 25.5 percent of the common shares issued and outstanding. Simmer & Jack and Village Main Reef reported on June 2, 2011, that: (i) as of June 15, 2011 Village Main Reef would become the owner of the assets of Simmer & Jack in consideration for 597,512,158 shares of Village Main Reef (the "Village Shares") and the assumption by Village Main Reef of certain liabilities; (ii) on June 27, 2011, Simmer & Jack would distribute to its shareholders the Village Shares. Village Main Reef is a South African gold mining company listed on the JSE.

EMC is an indirect wholly-owned subsidiary of FIU and was incorporated pursuant to the laws of the Republic of South Africa on September 29, 2004 under the name Donwin Trading Company (Proprietary) Limited. The company changed its name to Ezulwini Mining Company (Proprietary) Limited on June 3, 2005. EMC's principal asset is the Ezulwini Mine, which involves the re-commissioning and bringing into production of an underground gold and uranium mining operation located approximately 40 km from Johannesburg on the outskirts of the town of Westonaria in Gauteng Province, South Africa.

**Please see additional information FIU's corporate structure and subsidiaries under the heading "Incorporation, Corporate History and Corporate Structure of MWS":**

#### 4.2 Financial Results of FIU

The table below sets out selected financial data for the interim periods indicated (as derived from FIU's consolidated financial statements):

<b>Fiscal Quarters Ended (thousands of US dollars, except per share amounts)</b>	<b>Revenue</b>	<b>Loss for the three months</b>	<b>Basic and diluted loss per share</b>	<b>Total assets</b>	<b>Long-term liabilities</b>
<b>March 31, 2011</b>	<b>45,558</b>	<b>(17,843)</b>	<b>(0.09)</b>	<b>805,866</b>	<b>(448,217)</b>
December 31, 2010	51,298	(19,095)	(0.11)	769,111	(439,764)
September 30, 2010	38,315	(21,891)	(0.12)	778,146	(434,436)
June 30, 2010	39,661	(12,025)	(0.07)	783,847	(429,531)
March 31, 2010	28,561	(26,041)	(0.14)	684,643	(287,785)
December 31, 2009	31,979	(14,432)	(0.09)	695,581	(264,446)
September 30, 2009	19,025	(18,441)	(0.11)	658,989	(252,591)
June 30, 2009	12,895	(33,264)	(0.22)	640,672	(245,800)
March 31, 2009	13,787	(10,722)	(0.08)	566,472	(239,162)
December 31, 2008	16,458	1,281	(0.01)	439,721	(159,396)
September 30, 2008	10,546	(1,106)	(0.01)	395,188	(132,817)
June 30, 2008	10,805	(5,795)	(0.04)	394,416	(131,741)

**Note:**

\* The financial data has been extracted from the respective quarterly interim consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.

The consolidated losses in FY 2011 were much lower compared to FY 2010 primarily as a result of higher profits generated by MWS and lower losses from the Ezulwini Mine along with a decrease in foreign exchange losses on translation offset by higher interest and accretion expenses over the comparative periods.

The substantial consolidated losses in FY 2010 were attributable to the gross losses incurred at the Ezulwini Mine during FY 2010 (inclusion of its operating results for the full twelve months) combined with the significant foreign exchange loss on translation during FY 2010. The much lower consolidated loss in FY 2009 only included the operating results from the Ezulwini Mine as of Q3 2009 and the loss incurred during FY 2009 was offset by the significant foreign exchange gain during that year.

The loss before taxes in FY 2009 decreased year over year as a result of the significant foreign exchange gain on translation of Canadian and South African assets, liabilities, revenues and expenses converted to US dollars, which strengthened against the other reporting currencies

during the year and which more than offset the decrease in interest income during the year. The Corporation reported a consolidated loss in FY 2008 that was primarily the result of operating losses for the year and a foreign exchange loss on translation during FY 2008.

The table below compares selected consolidated financial data of FIU for Q3 2011 and 2011 YTD with Q3 2010 and 2010 YTD:

(in thousands of US dollars)	<b>Q4 2011</b>	Q4 2010	%Change	<b>FY 2011</b>	FY 2010	% Change
<b>Revenue</b>	<b>42,558</b>	28,561	49%	171,832	92,460	86%
Cost of sales (including amortization)	<b>(37,057)</b>	(36,492)	2%	(151,824)	(110,096)	38%
<b>Gross profit (loss)</b>	<b>5,501</b>	(7,931)	169%	20,008	(17,636)	213%
Other income	<b>687</b>	62	1,008%	2,909	2,231	30%
Other expenditures <sup>(b)</sup>	<b>(6,814)</b>	(8,0350)	(15%)	(33,656)	(31,695)	6%
<b>Operating loss<sup>(c)</sup></b>	<b>(626)</b>	(15,904)	(96%)	(10,739)	(47,100)	(77%)
Investment income	<b>129</b>	(363)	136%	<b>721</b>	1,163	(38%)
Fair value (loss) gain on derivative liabilities	<b>(395)</b>	(991)	(60%)	<b>(7,997)</b>	128	(6,348%)
Interest and accretion expenditures	<b>(10,609)</b>	(4,193)	153%	<b>(39,914)</b>	(15,663)	155%
Accretion expense on asset retirement obligations	<b>(5,514)</b>	(8,727)	(37%)	<b>(15,773)</b>	(30,123)	(48%)
Foreign exchange loss	<b>(18,294)</b>	(30,785)	(41%)	<b>(76,195)</b>	(93,737)	(19%)
<b>Loss before income taxes</b>	<b>451</b>	4,744	(90%)	<b>6,322</b>	1,559	306%
Income tax recovery	<b>(17,843)</b>	(26,041)	(31%)	<b>(69,873)</b>	(92,178)	24%
<b>Loss for the period</b>	<b>(101)</b>	812	(112%)	<b>166</b>	812	(80%)
Other comprehensive income	<b>(17,944)</b>	(25,229)	(29%)	<b>(69,707)</b>	<b>(91,366)</b>	(24%)
<b>Comprehensive loss for the period</b>	<b>42,558</b>	26,561	49%	<b>171,832</b>	92,460	86%
Loss per common share	<b>(0.09)</b>	(0.14)	(36%)	<b>(0.38)</b>	(0.56)	32%

**Notes:**

- (a) The financial data has been extracted from the respective quarterly interim consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.
- (b) Other expenditures include general, consulting and administrative expenditures, pumping feasibility and rehabilitation costs, stock-based compensation and non-production related amortization. Please refer to the interim financial statements of First Uranium for detail.
- (c) This is a non-GAAP measurement. Operating loss is loss before interest income, interest and accretion expenses, fair value gain or loss on derivative liability, foreign exchange gain or loss and income tax charges. Please refer to the interim financial statements of First Uranium for detail.

**Please see additional information regarding operational and financial results of First Uranium in the financial statements of First Uranium, which can be found on [www.firsturanium.com](http://www.firsturanium.com).**

### 4.3 History of Ezulwini Business

#### Ezulwini Mine

The Ezulwini Mine was constructed in the 1960s with historical production of approximately 14 million pounds of uranium and 12 million ounces of gold until it was put on care-and-maintenance in 2001, which was its status when FIU acquired the mine in 2006. The Ezulwini Mine lies within the Witwatersrand Basin, located approximately 40 kilometres from Johannesburg on the outskirts of the town of Westonaria in the Gauteng Province, South Africa. The Ezulwini Mine is an underground mine that has two separate tabular ore bodies about 400 metres apart. The UE ore body, where most of the mining has been done to date, is a gold only deposit. The ME ore body is a gold and uranium deposit and is relatively unexploited. The mine represents in excess of 13.2 million tonnes of measured and indicated mineral resources containing 2.7 million ounces of gold and 6.7 million pounds of uranium and 159 million tonnes of inferred mineral resources containing 25.5 million ounces of gold and 189 million pounds of uranium (see most recent Technical Report for the Ezulwini Mine dated February 2, 2011 and filed on SEDAR on February 3, 2011). Mineral reserves have not yet been estimated for the Ezulwini Mine.

On December 20, 2006, concurrently and in connection with the Offering, First Uranium acquired an indirect 90 percent interest in EMC from Simmer & Jack, and in December 2007, First Uranium acquired the remaining 10 percent interest in EMC from the minority shareholder. Immediately following the closing of the Offering, Simmer & Jack continued, for EMC's benefit, development work on the Ezulwini Mine, including refurbishment of the Ezulwini Mine in anticipation of the transfer of the Ezulwini mining right to EMC which was consented to by the Department of Mineral Resources on March 20, 2008. In addition, EMC continued with the ongoing water pumping required to keep the Ezulwini Mine dry and commenced pre-construction planning and structural design work necessary for the project to the extent permitted under South African laws.

The establishment of the Ezulwini Mine was substantially completed during Q4 2009, including the rehabilitation and re-engineering of the main shaft through the installation of a floating steel tower and the construction of a 200,000 tonne per day gold plant and a 100,000 tonne per day uranium plant. With the capital intensive projects substantially completed, management turned its focus at the start of FY 2010 on the underground mine development to accelerate the amount of ore being fed to the gold and uranium plants. The primary objective is to increase available mineable faces ("face length") to allow a higher rate of mining in the future.

#### 4.4 EMC Operational and Financial Data

The table below sets out certain selected annual operational and financial data of the Ezulwini Mine:

	FY 2009	FY 2010
<b>Production<sup>(a)</sup></b>		
Tonnes milled	232,215	425,102
Ounces of gold sold (total)	10,678	29,638
Ounces of gold delivered into Ezulwini Gold Stream Transaction	–	2,673
Average gold revenue per ounce (US\$) <sup>(e)</sup>	920	1,045
Average gold cash selling price per ounce (US\$) <sup>***</sup>	–	902
Average Cash Cost per ounce of gold sold (US\$) <sup>(e)</sup>	1,956	2,600
Pounds of uranium ("U <sub>3</sub> O <sub>8</sub> ") produced	–	44,399
Pounds of U <sub>3</sub> O <sub>8</sub> sold	–	22,500
	<b>US\$000</b>	<b>US\$000</b>
<b>Financial<sup>(b)</sup></b>		
Revenue	9,825	31,393
Cost of Sales (excluding amortization)	(20,725)	(77,479)
Amortization	(158)	(4,790)
Loss for the year from the Ezulwini Mine	(11,058)	(50,876)

**Notes:**

\* The financial data has been extracted from the respective quarterly interim consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.

\*\* These numbers have been calculated using financial data extracted from the respective annual consolidated financial statements of FIU.

\*\*\* The ounces delivered by the Ezulwini Mine to settle the Guaranteed Ounces during Q4 2009 and FY 2010 were reflected as settlement of the Derivative Liability at the gold spot price at the time of delivery.

The table below compares selected operational and financial data of EMC for Q4 2011 and FY 2011 with Q4 2010 and FY 2010:

	Q4 2011	Q4 2010	% Change	FY 2011	FY 2010	% Change
<b>Production</b>						
Tonnes milled	<b>153,021</b>	129,532	18%	<b>595,004</b>	425,102	40%
Average gold recovery grade (grams/tonne)	<b>2.62</b>	2.40	9%	<b>3.11</b>	2.30	35%
Ounces of gold sold (total)	<b>11,393</b>	10,898	5%	<b>59,689</b>	29,638	101%
Ounces of gold delivered into Ezulwini Gold Stream Transaction	<b>4,442</b>	2,571	73%	<b>18,658</b>	2,673	598%
Average gold revenue per ounce (\$)**	<b>1,410</b>	1,073	31%	<b>1,301</b>	1,045	24%
Average gold cash selling price per ounce (\$)**/**	<b>1,001</b>	905	11%	<b>1,023</b>	902	13%
Average Cash Cost per ounce of gold sold (\$)**	<b>2,178</b>	2,276	(4%)	<b>1,691</b>	2,600	(35%)
Average cost per ounce sold (\$)**	<b>2,165</b>	2,416	(10%)	<b>1,750</b>	2,762	(37%)
Pounds of refined uranium produced	–	20,638	–	<b>31,407</b>	44,399	(29%)
Pounds of uranium sold	–	22,500	–	<b>20,500</b>	22,500	(9%)
Average uranium selling price per pound (\$)	–	42.50	–	<b>41.00</b>	42.50	(4%)
Financial (thousands of dollars)						
Revenue	<b>16,060</b>	12,104	33%	<b>78,476</b>	31,393	150%
Cost of sales (excluding amortization)	<b>(24,810)</b>	(24,807)	–	<b>(101,786)</b>	(77,479)	31%
Amortization	<b>143</b>	(1,523)	(109%)	<b>(3,514)</b>	(4,790)	(27%)
Gross loss	<b>(8,607)</b>	(14,226)	(39%)	<b>(26,824)</b>	(50,876)	(47%)

**Notes:**

- \* The financial data has been extracted from the respective quarterly interim consolidated financial statements of FIU. These consolidated financial statements have been prepared in accordance with Canadian GAAP.
- \*\* These numbers have been calculated using financial data extracted from the respective annual consolidated financial statements of FIU.
- \*\*\* The ounces delivered by the Ezulwini Mine to settle the Guaranteed Ounces during were reflected as settlement of the Derivative Liability at the gold spot price at the time of delivery.

For Q4 2011 and FY 2011, revenue from gold sales at the Ezulwini Mine increased by 33% and 150%, respectively, compared to Q4 2010 and FY 2010, reflecting the overall increase in throughput, grade and gold price over the comparative periods.

Costs did not increase in direct correlation to the revenue increases, due to the mine's fixed operating costs being spread over higher production than the comparative periods resulting in the decrease in Cash Costs compared to Q4 2010 and FY 2010. Consequently the mine's gross losses in Q4 2011 and FY 2011 decreased by 39% and 47%, respectively, compared to Q4 2010 and FY 2010.

During FY 2011 the pre-dominant mining focus remained on the continued opening up, development and equipping program to make available the requisite panels for stoping, thus enabling the continuation of the production ramp-up program. In addition, significant focus was also given to improving the grade of material delivered to the plants.

On August 20, 2010, the anticipated rate of the mine's production build-up was impacted by a seismic event. Blasting activities in the Upper Elsberg were reduced to facilitate the opening up and support work in areas damaged by the seismic event and impacted on mining extraction rates in the high-grade Upper Elsberg Reefs for a period of approximately five weeks. To manage the safety risk associated with seismicity the backfill plant was successfully upgraded and commissioned on September 23, 2010. The introduction of the backfill plant provided management with an opportunity to improve mining rates in the high grade shaft pillar, this opportunity, largely being driven by the ability to access pillars adjacent to historically mined drifts (voids). By filling the drifts (voids) with backfill, the previously inaccessible pillars become safe for mining.

The Ezulwini Mine experienced its highest-ever production quarter during Q3 2011, with 19,477 ounces of gold sold, a 29% increase in gold sold from Q2 2011, reflecting the positive impact of

the upgrade to the backfill plant during the second quarter. Towards the end of Q3 2011 the shaft hoisting capacity was restricted due to lateral pressures which caused bulging of the shaft sidewall, which in turn created pinch points along the hanging tower structure. Consequently a works program was undertaken to moil (clear) the pinch points limiting movement of the hanging tower, which resulted in the hoisting capacity of the mine being restricted during Q3 2011 and Q4 2011. During the shaft maintenance program the Ezulwini Mine initiated Room and Pillar mining, a mining method that requires less logistical support. The strategy proved successful, in that approximately 30% of production was derived from the "Room and Pillar" sections prior to the tragic fatality which occurred in one of these sections on March 12, 2011. Consequently the DMR issued a notice in terms of Section 54 of the Mine Health and Safety Act (South Africa) imposing a suspension of all mining operations at the Ezulwini Mine. Normal mining operations resumed during the night shift of March 17, 2011 with the exception of the Room and Pillar sections which resumed two days later. These factors combined with a one-day strike and the discharge of the mine's production manager, resulted in the mine achieving considerably less than its planned production for the third and fourth quarter.

The Ezulwini Mine's uranium plant was commissioned in Q2 2010, resulting in limited production during FY 2010. Uranium production for FY 2011 was lower than that of FY 2010 due to failures at the uranium plant that occurred during calendar 2010. The uranium plant was idle during April 2010 due to failure of the rubber liners on the uranium leach tank and the CCD thickeners, which were repaired during April 2010. The uranium plant resumed production at the beginning of May 2010. During August 2010, the uranium plant was closed again to replace two columns in the Ion Exchange ("IX") section, following a structural failure on a loading column. The cost of the two failed columns (\$1.5 million) was expensed in Q2 2011. Over the last six months of FY 2011 the new replacement columns were in the manufacturing process, consequently no uranium was produced over this period. The columns were replaced during March 2011 and the uranium plant was successfully re-commissioned. During the shutdown period, several elements of the plant were upgraded and re-designed to improve performance and recovery rates. At the end of FY 2011, the mine had 31,000 pounds of uranium in stock which was calcined from ammonium diuranate that had been produced at the mine before the failure of the IX columns. The uranium was shipped overseas and sold on April 30, 2011.

Following the Section 54 suspension of operations and the various other events which impacted upon production in Q4 2011, the Ezulwini Mine is showing progressive improvement in its fundamentals with underground mining development and metres advanced returning to planned levels. The backfill program initiated earlier in the year is yielding results and the shut-down of the uranium plant and recent re-commissioning of the uranium plant have provided an opportunity to upgrade and modify elements of the plant design which should improve performance and achieve better recovery rates into FY 2012.

In March 2011 the DMR also issued a notice in terms of Section 47 of the MPRDA to EMC pursuant to an annual DMR compliance audit inspection held at the Ezulwini Mine on March 9, 2011. The notice states that the mine must address certain matters in order to maintain the Ezulwini mining right. Management has met with the DMR regularly since it received the Section 47 notice to provide reports on the progress of satisfying the conditions and expects to be able to satisfy the requirements or agree a schedule with the DMR within which it can meet the requirements of the DMR.

Management has implemented various initiatives at the Ezulwini Mine to focusing on compliance and corporate governance including requirements of the MPRDA, Mining Charter and such other requirements prescribed by the DMR pursuant thereto, and environmental management.

Whilst there were shaft limitations which impacted negatively on production during Q4 2011, the first phase of the moiling programme largely addressed these limitations. The successful completion of the moiling program at the end of April 2011 has unconstrained the hoisting capacity of the shaft, particularly with respect to the man and material handling capacity. The winding speeds of the man and material conveyances were reduced to between 2.5 and 4.0 meters per second during December 2010 due to the pinch points which reduced the amount of material that could be conveyed down the shaft per day as well as having a negative impact on the travelling time of the underground workforce to their working places. The winding speeds of the man and material conveyances have been increased to 7 meters per second as of the beginning of May 2011 which has increased the material handling capacity of the shaft by at least 23% and well as reducing the

travelling time of the underground workforce resulting in a minimum of an additional 45 minutes spent at the “rock face” per shift. The hoisting capacity of the shaft is currently 97,000 tons per month and capable of meeting the current production requirements. The remaining engineering work in the shaft can comfortably be concluded in parallel with the mine ramp-up requirements.

The backfill program initiated earlier in the year has progressed well, and as incremental capacity is added, the ability to exploit additional drifts will impact favourably on the ramp up and cost profile of Ezulwini. The introduction of Room and Pillar mining in the shaft pillar, also enabled by the backfill program, may present some training challenges in the short term, however once the mining crews are fully trained, Room and Pillar mining will also significantly impact on the cost profile of the organisation.

The extended shut down period of the uranium plant provided the opportunity to upgrade and modify certain elements of the plant design which should improve performance and achieve better recovery rates into FY12. In addition the ability to extract co-product economic benefits from the Middle Elsburg ore body on a sustained basis will impact significantly on management’s ability to continuously optimize the Ezulwini mining mix, thus de-risking the ability to deliver into Ezulwini’s ramp-up plan.

The metal production levels for Q1 2012 are expected to be lower than the average planned production for FY 2012; however, with the graduated increases planned over the fiscal year, management expects the annualized gold production to be between 105,000 and 125,000 ounces of gold, with uranium sales between 110,000 and 130,000 pounds of uranium.

#### **4.5 Gold Stream Transactions**

In November 2008, Chemwes signed a definitive agreement with GW, a wholly-owned subsidiary of Gold Wheaton Gold Corp., in respect of the MWS Gold Stream Transaction. Pursuant to the MWS Gold Stream Transaction, GW acquired the right to receive 25 percent of the life-of-mine gold production from Chemwes for gross proceeds of US\$125 million, of which 40 percent was received upon closing of the MWS Gold Stream Transaction in December 2008 and the balance payment was received in March 2009.

Under the terms of the MWS Gold Stream Transaction, GW is also obligated to pay to Chemwes an ongoing amount equal to the lesser of US\$400 per ounce (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.

Pursuant to the terms of the MWS Gold Stream Transaction, Chemwes was obliged to deliver a minimum of 20,000 ounces of gold (the “2009 Guaranteed Ounces”) into the transaction during calendar year 2009, such deliveries to be comprised of at least 5,000 ounces per quarter. This obligation was satisfied in full by the end of calendar 2009.

GW also has a right of first refusal on future gold sales transactions, other than hedging arrangements that might be considered by First Uranium for the Ezulwini Mine and Chemwes.

The obligations of Chemwes under the MWS Gold Stream Transaction are secured by a guarantee of First Uranium, a first-ranking special notarial bond on certain of the Buffelsfontein Tailings and a pledge of 25 percent of the gold produced from Chemwes.

Pursuant to the MWS Gold Stream Transaction, the date (the “Construction Completion Date”) of the completion of the construction of module 3 as described in the March 2008 MWS Technical Report was to be no later than June 1, 2010. In addition, Chemwes was required to satisfy technical completion test in respect of certain key criteria set out in the MWS Gold Stream Transaction.

As discussed under section 3 above, in January 2010, the construction of the third gold plant module was progressing ahead of schedule and scheduled for completion in May 2010, however, Chemwes suspended construction of the third gold plant module due to the withdrawal of Chemwes’ EA for the TSF designed to accommodate future tailings deposition capacity requirements at Chemwes on January 18, 2010. As a result of suspending construction and the subsequent actions to reduce the Corporation’s capital commitments related to the third gold plant module, Chemwes was no longer able to complete construction of the third gold plant module by June 1, 2010.

Failure to complete the construction of the third module of the gold plant by June 1, 2010, would have entitled GW, to require payment of a penalty of US\$42 million, subject to the terms of the agreement and any defences that may have been available to Chemwes. Pursuant to the terms of the Recapitalisation Financing (defined below), GW agreed to settle the completion penalty of US\$42 million in respect of the MWS Gold Stream Transaction with the issuance of 14 million common shares in FIU to GW and a commitment by FIU to complete construction of the third gold plant module at Chemwes and satisfaction of the technical completion tests prior to September 1, 2011.

The technical completion tests require that subsequent to the successful construction of the third gold plant module, Chemwes must satisfy the following: (i) the MWS project 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 three months of the date of the completion of the construction of the third gold plant module; and (ii) during the period commencing on completing the construction of the third gold plant module and ending 90 days following the date that MWS reaches Steady-State Production, the MWS project must fully achieve certain key criteria over 14 consecutive days as set out in the agreement.

In the event that the construction and the technical completion tests are not met by such date, a US\$1.5 million payment shall be payable by Chemwes to GW on the first day of each of September, October, November and December 2011 unless the technical completion tests have been met prior to such date. In the event that these commitments to construction and technical completion tests are not met prior to December 1, 2011, a remaining penalty of \$30 million will be payable, such sum to be settled in cash or in common shares of First Uranium at the election of GW (at the lowest issue price permitted by the rules of the TSX).

In November 2009, EMC signed a definitive agreement with GW in respect of the Ezulwini Gold Stream Transaction. Pursuant to the Ezulwini Gold Stream Transaction, GW acquired the right to receive seven percent of the life-of-mine gold production from the Ezulwini Mine for gross proceeds of US\$50 million upfront. In addition GW is obliged to make an ongoing payment equal to the lesser of US\$400 per ounce (the Fixed Price) (subject to an annual inflation adjustment of 1 percent, starting in the fourth year after the upfront payment) and the prevailing spot price per ounce, at the time the gold is delivered under the contract.

Pursuant to the Ezulwini Gold Stream Transaction, the Ezulwini Mine is obliged to deliver a minimum of 16,500 and 19,500 ounces of gold into the transaction during calendar years 2010 and 2011 respectively, such deliveries to be comprised of at least 4,125 and 4,875 ounces per quarter respectively. Ezulwini has satisfied its obligation to deliver 16,500 ounces of gold to GW in 2010.

Pursuant to the Ezulwini Gold Stream Transaction, the Ezulwini Mine granted to GW a special bond over certain plant and equipment and a pledge of 7% of the gold production from the Ezulwini Mine. FIU has guaranteed the obligations owed by the Ezulwini Mine to GW.

The Gold Stream Transactions and the Note Indentures have cross-default provisions to each of the other agreements

On March 14, 2011, Franco-Nevada Corporation ("Franco-Nevada") acquired all of the outstanding common shares of GW that it did not already own and GW amalgamated with a wholly-owned subsidiary of Franco-Nevada to form Franco-Nevada GLW Holdings Corp. ("FN") and GW changed its name to Franco-Nevada (Barbados) Corporation ("FN").

On May 2, 2011, First Uranium obtained the requisite consent of the Canadian Note holders and the Rand Note holders to amend the technical completion test under the MWS Gold Stream Transaction whereby First Uranium would have the option, but not the obligation, to satisfy the key criteria component of the technical completion test during the "Steady State" period as defined in the agreement. The amendment provides First Uranium with the opportunity to satisfy the technical completion test in a shorter time frame. It will also provide the Corporation with greater flexibility to optimize the mine plan and complete the ramp-up of the expanded gold plant efficiently, to the benefit of First Uranium and FN.

## 4.6 Equity financing

On March 1, 2011, First Uranium concluded a public offering of 46 million common shares of First Uranium at a price of Cdn\$1.00 per share (the "March 2011 Offering"). The agents also exercised in full their over-allotment option to acquire an additional 6 million common shares at a price of Cdn\$1.00 per share, resulting in the Corporation selling an aggregate of 52 million common shares for total gross proceeds of US\$53.3 million.

First Uranium intends to use the net proceeds from the March 2011 Offering for:

- (i) capital expenditures for the Ezulwini Mine;
- (ii) capital expenditures and rehabilitation work for the MWS Project; and
- (iii) general corporate purposes.

## 5. MANAGEMENT AND CORPORATE GOVERNANCE

### 5.1 Details of MWS Directors and Management

The following tables sets out, for each of the Company and its material subsidiaries' directors and senior management, the person's name, age, citizenship, business address, position with the Company and principal occupation/function:

<b>Name, age and citizenship</b>	<b>Business address</b>	<b>Principal occupation and MWS function</b>
<b>Directors</b>		
Deon T. van der Mescht (47) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Officer of First Uranium and the Company
Emmerentia Oosthuizen (37) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Officer of First Uranium and the Company
J. Sembie Danana (53) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Non-executive director
Arius Rasempe Letsupa Kgomongwe (63) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Non-executive director
Graham P. Wanblad (70) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Non-executive director
<b>Other senior management</b>		
Ian Matthews (60) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	General Manager
Adam Gunn (36) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Company Secretary

#### 5.1.1 **None of the directors of MWS have:**

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- entered into any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such directors are or were directors with an executive function during the preceding 12 months;

- entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- been publicly criticized by a statutory or regulatory authority, including recognized professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and/or
- been involved in any offence of dishonesty, fraud or embezzlement.

## 5.1.2 **Experience and qualification**

### 5.1.2.1 **Deon T. van der Mescht** *HND Met. Mining*

Mr. van der Mescht has been a director of MWS since August 1, 2010. He serves as First Uranium's President and Chief Executive Officer since being appointed in a interim capacity on March 16, 2010 which appointment was confirmed on May 6, 2010. Mr. van der Mescht resigned from his position as Chief Executive Officer of Simmer & Jack on March 16, 2010. Mr. van der Mescht joined Simmer & Jack in November 2005 as Chief Operating Officer. He was appointed the managing director of Simmer and Jack's Gold Division early in 2009 and held the position until he was appointed Chief Executive Officer of Simmer & Jack in January 2010. Following his tenure as General Manager of DRD's Blyvooruitzicht operation, Deon was appointed Division Director of DRDGold's South African operations in 2003 which included Buffelsfontein Gold Mine. A mining engineer by profession, Deon van der Mescht has over 25 years' experience in the South African gold mining industry.

### 5.1.2.2 **Emmerentia (Emma) Oosthuizen** *BComm (Hons), CA(SA)*

Ms. Oosthuizen has been a director of MWS since September 8, 2010. She serves as First Uranium's Senior Vice President and Chief Financial Officer, having been appointed to her current position in April 2007. Immediately prior to that and from November 2004, she served as Financial Manager at Simmer & Jack and in that role she worked extensively on all aspects of First Uranium's accounting and financial affairs both before and after the Corporation's initial public offering. Ms. Oosthuizen is a Chartered Accountant, member of The South African Institute of Chartered Accountants, and has a University of South Africa diploma in Auditing and an Honours Bachelors degree in Commerce from the University of Pretoria.

### 5.1.2.3 **J. Sembie Danana** *BA, BA(Hons), MBA*

Mr. Danana has been a director of MWS since June 6, 2007. Mr. Danana is a self-employed businessman. Mr. Danana served as First Uranium's Vice President, Business Transformation, from February 2007 to July 2010. Mr. Danana has held several leadership positions spanning the airline, construction and mining industries. Mr. Danana spent 8 years from 1994 to 2002 within various subsidiary companies of LTA Construction, where his diverse skills were put to the fore in General Management positions for LTS Civil and Earthworks Investment Company, Fast Floor Systems and LTA Limited. From 2002, Mr. Danana was appointed as the Executive Manager for Health and Safety for Harmony Gold. Mr. Danana has served as the chairman of a branch of the African National Congress (ANC) and his current directorships are with Waterpan Mining Company (Proprietary) Limited, Ezulwini Mining Company (Proprietary) Limited and First Uranium (Proprietary) Limited.

### 5.1.2.4 **Arius (Ari) Rasempe Letsupa Kgomongwe**

Mr. Kgomongwe has been a director of MWS having been appointed on June 6, 2007. Mr. Kgomongwe is Chairman and Managing Director of Omphile Gold and Chairman of Omphile Minerals and Omphile Investments. He has served on boards within local and national government as well as private sector companies, some of which are listed on the stock exchange. His current directorships are EMC, FUSA, Standard Bank Northwest, Government Service Pension Fund (Sebo-Bop), Hebron Teacher Training College, Property Management Company (Pty) Ltd., and Masakane (SAB) Community Clinic (Chairman).

5.1.2.5 **Graham P. Wanblad** *HND Mech. Eng., Cert. Mech. Eng.*

Mr. Wanblad has been a director of MWS since June 6, 2007. He serves as a director of the board of First Uranium having been appointed on June 1, 2008. Mr. Wanblad has more than 50 years of experience in the mining industry, mainly in the fields of mining and process project development and operational experience that included the management of multi-disciplined technical teams. From 2005 to May 2008, Mr. Wanblad served as Executive Technical Director of Simmer & Jack, and was a director of the Simmer & Jack in 2005 and 2006. Prior to joining Simmer & Jack, Mr. Wanblad served as an independent technical consultant from January 2001 to December 2004. Mr. Wanblad received a government certificate in mechanical engineering and a higher national diploma in mechanical engineering from the Witwatersrand Technical College (now Technikon Witwatersrand). He is also a member of the Institute of Certified Mechanical and Electrical Engineers.

5.1.2.6 **Ian Matthews** *HND Ex. Met.*

Mr. Matthews serves as General Manager of Mine Waste Solutions, started his mining career in Zimbabwe (Rhodesia) in the late sixties where he gained experience in geological prospecting and open cast mining. He joined Rand Mines in 1973 where he initially studied mining engineering and then extractive metallurgy which he completed in 1978, and a management diploma with the University of South Africa in 1979. He has extensive knowledge and experience in the processing of gold and uranium ores from underground mining, as well as sands and slimes deposits throughout the Witwatersrand goldfields of South Africa. He played an integral role in the conversion of the old Chemwes uranium plant to re-treat tailings for gold recovery. He managed the successful commissioning of the MWS phase 1B reclamation and processing operation. He currently manages all aspects of the MWS mining, processing and deposition operations.

5.1.2.7 **Adam D. Gunn** *BA, LLB, LLM*

Mr. Gunn serves as Company Secretary of MWS and Legal Advisor of First Uranium. Mr. Gunn has been in the practice of law for nine years as in-house counsel and in private practice, specialising in environmental law, resources law (including mining) and company law. Most recently from April 2008 to October 2010, Mr. Gunn was Director (partner) at Routledge Modise in association with Eversheds and head of the environmental department. In 2001 Mr. Gunn is admitted as an attorney in the High Court of South Africa. Mr. Gunn holds a Bachelors of Laws degree from the University of Natal and a Masters of Law from the University of the Witwatersrand specialising in environmental, mining and advanced company law.

Chemwes is the only subsidiary of MWS and it has the same directors as MWS.

## 5.2 Details of First Uranium Directors and Management

The following tables sets out, for each of First Uranium's directors and senior management, the person's name, age, citizenship, business address, position with First Uranium and principal occupation/function:

<b>Name, age and citizenship</b>	<b>Business address</b>	<b>Principal occupation and First Uranium function</b>
<b>Directors</b>		
Deon T. van der Mescht (47) <sup>(5)</sup> South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	President, Chief Executive Officer and Director of First Uranium
Peter M. Surgey, (56) <sup>(3)</sup> South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Self employed business man and Non-executive Chairman, Director of First Uranium
Hugh C. Cameron (60) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Independent non-executive Director of Impala Platinum Holdings Limited
Mario B. Caron (58) Canadian	141 Adelaide Street West Suite 1210 Toronto ON M5H 3L5	Consultant and Corporate Director and Director of First Uranium
Norman Champigny (53) Canadian	141 Adelaide Street West Suite 1210 Toronto ON M5H 3L5	President, COO and Director of Golden Alliance Resources Corp and Blue Sky Uranium Corp
John W. W. Hick, (61) <sup>(2)(4)</sup> Canadian	141 Adelaide Street West Suite 1210 Toronto ON M5H 3L5	Consultant and Corporate Director and Lead Independent Director of First Uranium
Thabo F. Mosololi (42) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Financial Director of Tsogo Sun Gaming
Kevin P.E. Wakeford (48) <sup>(2)(3)(4)(5)</sup> South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Self employed business man and Director of First Uranium
Graham P. Wanblad (70) <sup>(1)(3)(4)(5)</sup> South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Independent consultant and Director of First Uranium
<b>Other senior management</b>		
Scot R. Sobey (35) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Executive Vice President of First Uranium
Emmerentia Oosthuizen (37) South African	2 Goud Avenue, Waterpan Western Area, 1779 South Africa	Senior Vice President, Finance and Chief Financial Officer of First Uranium
Mary D. Batoff (50) Canadian	141 Adelaide Street West Suite 1210 Toronto ON M5H 3L5	Vice President, Legal and Secretary of First Uranium

**Notes:**

- (1) Mr. Wanblad joined the First Uranium Board on June 1, 2008; prior to such date he was Technical Director of Simmer & Jack and responsible overseeing the project management of the Ezulwini Mine and MWS. Simmer & Jack held approximately 25% of the issued and outstanding common shares of First Uranium until June 15, 2011 when it transferred its holding to Village Main Reef.
- (2) Mr. Cameron (Chair), Mr. Hick and Mr. Mosololi serve on the Audit Committee of First Uranium.
- (3) Mr. Wanblad (Chair), Mr. Surgey and Mr. Wakeford serve on the Human Resources and Compensation Committee of First Uranium.
- (4) Mr. Wakeford (Chair), Mr. Hick and Mr. Wanblad serve on the Corporate Governance and Nominating Committee of First Uranium.
- (5) Mr. Wanblad (Chair), Mr. van der Mescht, and Mr. Wakeford serve on the Environmental, Health and Safety Committee of First Uranium.

**5.2.1 None of the directors of First Uranium have:**

- been declared bankrupt, insolvent or have entered into any individual voluntary compromise arrangements;
- entered into any receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such directors are or were directors with an executive function during the preceding 12 months;
- entered into any receiverships of any asset(s) or of a partnership where such directors are or were partners during the preceding 12 months;
- been publicly criticized by a statutory or regulatory authority, including recognized professional bodies or disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company; and/or
- been involved in any offence of dishonesty, fraud or embezzlement.

**5.2.2 Experience and qualification****5.2.2.1 Deon T. van der Mescht**

Please refer to paragraph 5.1.2.1 above.

**5.2.2.2 Peter M. Surgey BA, LLB**

Mr. Surgey serves as the Chairman of First Uranium, having been appointed to the First Uranium Board on April 26, 2010 and as Chairman on May 6, 2010. He has held several executive positions with Barloworld Limited from 1988 and was an executive director of Barloworld from 1995 to 2008. Mr. Surgey has a legal background and expertise in corporate governance and industrial relations, and is a fully qualified commercial arbitrator. Mr. Surgey is currently a non-executive director of Nampak Limited, Freeworld Coatings Limited and National Business Initiative and a trustee for The President's Award for Youth Empowerment Trust. Mr. Surgey is a graduate of the University of Cape Town, Bachelor of Arts and Bachelor of Laws.

**5.2.2.3 Hugh C. Cameron BComm, BAccountancy, CA**

Mr. Cameron was a Partner at PricewaterhouseCoopers and during his 40 year career with that firm and its predecessors, he specialized in mining and headed up their global mining practice from 2002 to 2007 and served as the firm's mining leader for Southern Africa from 2007 until his retirement in 2010. He also gained additional international experience working in PwC's London and Chicago offices. Mr. Cameron attended the University of the Witwatersrand and holds a Bachelor of Commerce and a Bachelor of Accountancy. He qualified as a Chartered Accountant (SA) in 1974. Mr. Cameron has been an Independent Non-Executive Director of Impala Platinum Holdings Ltd since November 1, 2010.

5.2.2.4 **Mario B. Caron** *B.Sc., P. Eng.*

Mr. Caron serves as a director of the First Uranium Board, having been appointed on December 3, 2010. Mr. Caron is currently director and non-executive chairman of Orosur Mining Inc. He also serves on the boards of Vaaldiam Mining Inc. and Axmin Inc., where he recently served as President and CEO from January 2008 to June 2010. Mr. Caron served as President and CEO of Tiberon Minerals Inc. from July 2003 to January 2008 and Vice President Operations for the Defiance Mining Corporation from October 2001 to July 2003. Mr. Caron is a graduate of McGill University, Bachelor of Engineering Mining and he is a Professional Engineer.

5.2.2.5 **Normand Champigny** *M.Sc.A., P. Eng.*

Mr. Champigny is President, Chief Operating Officer and a director of Golden Alliance Resources Corp. and Blue Sky Uranium Corp., each a TSX listed company, focused on gold, copper and silver exploration in Peru and uranium exploration in Argentina, respectively. He is a senior mining professional with 30 years of international practice mostly with world-leading consultancy organizations. Previous experience includes: involvement with PricewaterhouseCoopers' Americas' Mining Centre of Excellence; Executive Vice President, Azimut Exploration Inc.; Associate Partner, IBM Business Consulting Services; and, Americas Mining Industry Leader and Principal Consultant for the Mining Industry Group with PwC Consulting. Mr. Champigny graduated as a Geological Engineer from Ecole Polytechnique in 1979 and obtained an M.Sc.A. in Geological Engineering from the University of British Columbia (1981) and a Specialized Diploma in Geostatistics from the Paris School of Mines (1987). He is a member of the Order des Ingenieurs du Quebec, a member of the Professional Engineers of Ontario and a member of the Association of Professional Engineers and Geoscientists of British Columbia.

5.2.2.6 **John W.W. Hick** *BA, LLB*

Mr. Hick serves as the Lead Independent Director of the First Uranium Board, having been appointed as the Lead Independent Director in May 2010 and previously served on the First Uranium Board as a director since December 2006. Mr. Hick is President and Director of John W. W. Hick Consultants Inc. since 1997. Prior to September 20, 2010, Mr. Hick served as President, Chief Executive Officer and a director of Medoro Resources Ltd. Prior to June 2, 2009 he served as Chairman and a director of Silver Eagle Mines Inc. From December 1, 2004 to January 1, 2006, Mr. Hick served as Chief Executive Officer of Rio Narcea Gold Mines Ltd., of which he was a director from 1997 to June 2006. In addition, Mr. Hick serves as a director of Aeroquest International Ltd., Carpathian Gold Inc., Hudson Resources Inc., Marengo Mining Limited and Timminco Limited. Mr. Hick holds a BA from the University of Toronto, an LLB from the University of Ottawa and was called to the Bar of Ontario in 1978.

5.2.2.7 **Thabo F. Mosololi** *BComm, CA*

Thabo Mosololi has been the Financial Director of Tsogo Sun Gaming since 2002. His expertise spans from management consulting, financial re-engineering and strategy development. He is Chartered Accountant (1994) and a member of the South African Institute of Chartered Accountants and the Association of Black Chartered Accountants in South Africa. In 1999, Mr Mosololi was appointed by the South African Minister of Finance to the Financial Services Board Insider Trading Directorate and served on that board until 2003. He was a Commissioner on the Fiscal & Financial Commission from 2001 to 2003. Mr Mosololi holds a Bachelor of Commerce from the University of the Western Cape (1991), a Diploma in Project Management from Damelin College (1997), and completed the Management Advancement Programme (1999) and Executive Development Programme (2004) at the Wits Business School. He has also served as a director and audit committee member of Telkom Ltd. (October 2004 to September 2007) and as a director and chairman of the audit committee of Matodzi Ltd. (March 2003 to January 2007).

5.2.2.8 **Kevin P. E. Wakeford** BA(Hons)

Mr. Wakeford serves as a director of the First Uranium Board, having been appointed on April 26, 2010. Mr. Wakeford is currently self employed and was an Advisor to the Office of the Premier for the Eastern Cape Government from January 2005 to November 2007. Mr. Wakeford is currently a director of Northern Ocean Investment (Pty) Limited since February 2008, a trustee of The Growth Family Trust since August 2006, and a member of the Wakeford Investment Enterprises CC since October 2006. From October 2005 to September 2009 and from February 2010 to April 2010, Mr. Wakeford served as a director of Simmer & Jack. Mr. Wakeford holds a Bachelor of Arts (Honours) and Professorship (extraordinaire) (Managerial Economics) from Nelson Mandela Metropolitan University.

5.2.2.9 **Graham P. Wanblad** Please refer to paragraph 5.1.2.5 above.

5.2.2.10 **Emmerentia (Emma) Oosthuizen** Please refer to paragraph 5.1.2.2 above.

5.2.2.11 **Scot R. Sobey** BSc. Mech. Eng.

Mr. Sobey serves as Executive Vice President of First Uranium having been appointed on January 3, 2010. Prior to January 3, 2010 he served as Senior Vice President, Operations – MWS of First Uranium and Chief Operating Officer of Mine Waste Solutions, having been appointed to these positions in June 2009. Immediately prior to June 2009 and since February 2007, Mr. Sobey was Vice President, Business Development. Mr. Sobey's background lies in management consulting and project management, having spent 4 years with Gemini Consulting, followed by 2 years with PSP Icon. Mr. Sobey has developed extensive expertise in large-scale turnaround and transformation projects spanning the financial services, courier and freight, telecommunications, electricity and mining industries. From October 2005, Mr. Sobey jointly project managed (in conjunction with key Simmer & Jack leadership) the start up of the Buffelsfontein Gold Mine formerly known as DRD Gold's North West Operations. Mr Sobey formed an integral part of First Uranium's Offering team.

5.2.2.12 **Mary D. Batoff** BA, B.Ed, LLB

Ms. Batoff serves as First Uranium's Vice President, Legal and Secretary, having been appointed to her current position in February 2007. From November 2004 to January 2007, Ms. Batoff was Vice President, Legal and Secretary of North American Palladium Limited, a platinum group metals producer. Prior to November 2004 she was legal counsel and secretary with various publicly traded companies in the mining and exploration sector in Toronto and from 1993 to 1996 she was a corporate trust officer for Montreal Trust (now Computershare) in Toronto. Ms. Batoff was called to the Ontario Bar in February 1993 and is a graduate of the University of Western Ontario, Bachelor of Laws and Queen's University, Bachelor of Arts and Bachelor of Education.

## 6. SHARE CAPITAL

### 6.1 Mine Waste Solutions

#### 6.1.1 **Authorised and issued share capital of Mine Waste Solutions**

	<b>ZAR</b>
<b>Authorised</b>	
1 000 000 Ordinary Shares of 0.1 cent each	1 000
<b>Issued share capital</b>	
380 000 Ordinary Shares of 0.1 cent each	380
Share premium	89 147 614
<b>Total</b>	<b>89 147 994</b>

### 6.1.2 **Changes to issued share capital of MWS**

6.1.2.1 On June 6, 2007, the Company issued 371,429 ordinary shares to FUSA.

6.1.2.2 On April 30, 2008, the Company issued 8,571 ordinary shares to FUSA.

### 6.1.3 **Rights attached to shares of MWS**

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or its subsidiary.

### 6.1.4 **No other listing**

No securities of MWS, other than the listing of the Rand Notes on the JSE, are listed on any other stock exchange.

### 6.1.5 **Common Shares of First Uranium**

Each Common Share entitles the holder thereof to receive notice of any meetings of shareholders of First Uranium, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a *pro rata* basis such dividends, if any, as and when declared by the Board at its discretion from funds legally available therefore and, upon the liquidation, dissolution or winding up of First Uranium, are entitled to receive on a *pro rata* basis the net assets of First Uranium after payment, of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares, including the preferred shares, ranking in priority to, or equally with, the holders of Common Shares with respect to liquidation, dissolution or winding up. The Common Shares do not carry any pre-emptive, subscription, redemption, retraction or conversion rights, nor do they contain any sinking or purchase fund provisions.

## 7. **FINANCIAL INFORMATION**

The financial statements of Mine Waste solutions and First Uranium, as detailed below, can be found on [www.firsturanium.com](http://www.firsturanium.com)

7.1 the audited historical financial information of Mine Waste Solutions for the three financial years ended March 31, 2010, 2009 and 2008;

7.2 the unaudited interim results of Mine Waste Solutions for the six months ended September 30, 2010;

7.3 the audited historical financial information of First Uranium for the three financial years ended March 31, 2011, 2010 and 2009;; and

7.4 the unaudited interim results of First Uranium for the three and six months ended September 30, 2010.

## 8. **DETAILS OF CONTROLLING AND MAJOR COMMON SHAREHOLDERS**

### 8.1 **Mine Waste Solutions**

Mine Waste Solutions is an indirect wholly-owned subsidiary company of First Uranium.

### 8.2 **First Uranium**

To the best of the knowledge of the directors and executive officers of First Uranium, the following table sets forth the shareholdings of those persons who are the direct or indirect beneficial owners of, or exercise control or direction over 10% or more of the Common Shares:

<b>Name of Shareholder</b>	<b>Designation of class</b>	<b>Type of ownership</b>	<b>Number of shares</b>	<b>Percentage</b>
Village Main Reef	Common Shares	Beneficial	60.62 million	25.5

## 9. DETAILS OF MAJOR NOTEHOLDERS

To the best of the knowledge of the directors and executive officers of the Company, the following table sets forth the holdings of those persons who are the direct or indirect beneficial owners of over 10% or more of the Rand Notes:

<b>Name of Noteholder</b>	<b>Type of ownership</b>	<b>Number of Rand Notes</b>	<b>Percentage</b>
Village Main Reef	Beneficial	392,874	93.8

## 10. TRADING HISTORY OF FIRST URANIUM COMMON SHARES ON THE JSE

The trading history of First Uranium Common Shares on the JSE is set out in Annexure 2 to this Pre-Listing Statement.

## 11. EXPENSES AND LISTING FEES

The estimated expenses of the Listing, exclusive of Value-Added Tax, are as follows:

		<b>ZAR000</b>
Printing, publication and distribution expenses	Ince	116
JSE Listing and documentation fees	JSE	20
Strate	Strate	16
Transfer Secretaries	Computershare Investor Services (Proprietary) Limited	35
Transaction Adviser	PSG Capital (Proprietary) Limited	1 100
Debt Sponsor	Investec Bank Limited	500
Attorneys	Eversheds	250
Contingency		100
<b>Total</b>		<b>2 137</b>

## 12. LITIGATION STATEMENT

Other than disclosed herein, the First Uranium Group, including MWS are not involved in any legal or arbitration proceedings, nor are the directors aware of any proceedings which are pending or threatened which may have or have had, in the 12-month period preceding the last practicable date, a material effect on the First Uranium Group's financial position.

On August 4, 2009, Aberdeen filed a claim for US\$11.4 million against Simmer & Jack and FUSA. Simmer & Jack and Aberdeen entered into a loan agreement (the Loan Agreement) dated March 30, 2006 pursuant to which Aberdeen agreed to lend Simmer & Jack up to US\$10 million to finance the development of certain properties known as the Northwest operations, including the Buffelsfontein Gold Mine. On November 30, 2006, Simmer & Jack and Aberdeen entered into an agreement (the Amending Agreement) amending the Loan Agreement pursuant to which Aberdeen consented to the transfer or sale to FUSA of any tailings dumps or other rights, property or other assets held by Simmer & Jack in the Northwest operations, which included the Buffelsfontein Tailings. FUSA was not a party to the Loan Agreement or the Amending Agreement. Simmer & Jack, FUSA and Aberdeen entered into an arrangement agreement (the Arrangement Agreement) dated December 20, 2006, which provides for FUSA to pay to Simmer & Jack an amount equal to the royalty payable to Aberdeen by Simmer & Jack under the Loan Agreement in respect of the gold produced from the Buffelsfontein Tailings. Of the total amount claimed, Aberdeen claims that an additional royalty was payable by FUSA for the period October 16, 2008 to December 31, 2008 and the amount due to Aberdeen is approximately US\$400,000. FUSA has fulfilled or has caused its obligations to be fulfilled under the Aberdeen Arrangement Agreement. On May 11, 2011, Aberdeen, Simmer & Jack and FUSA entered into an agreement whereby Aberdeen and Simmer & Jack agreed to refer their dispute to arbitration and Aberdeen agreed to withdraw the court proceedings against Simmer & Jack and FUSA and on May 13, 2011 the action was withdrawn by Aberdeen.

13. **EXCHANGE CONTROL**

Exchange Control is not required for the listing of the Rand Notes

14. **ADVISERS' INTERESTS**

None of the advisers of Mine Waste Solutions have an interest in the issued share capital of the Company as at the last practicable date.

15. **CONSENTS**

The transaction adviser, attorneys, transfer secretaries and debt sponsor have consented in writing to act in the capacities stated and to their names being included in the Pre-Listing Statement and have not withdrawn their consents prior to the publication of this Pre-Listing Statement.

16. **MATERIAL CHANGES**

Other than as previously disclosed, there has been no material change in the financial or trading position of the First Uranium Group, including the Company since the end of the 6-month period ended September 30, 2010 and no material change in the business of the First Uranium Group during the past five years. Please see the continuous disclosure documents of First Uranium filed with the Canadian securities administrators on SEDAR at [www.sedar.com](http://www.sedar.com)

17. **DIRECTORS' AND JSE RESPONSIBILITY STATEMENT**

The directors of Mine Waste Solutions, whose names are given in paragraph 5 above, collectively and individually, accepts full responsibility for the accuracy of the information contained in this Pre-Listing Statement. The directors of Mine Waste Solutions certifies that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the Pre-Listing Statement contains all information required by law and the Debt Listings Requirements. The Board shall accept full responsibility for the accuracy of the information contained in the Pre-Listing Statement, pricing supplements, the annual report, the amendments to the annual report or any supplements from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Pre-Listing Statement, pricing supplements or the annual report (as amended or restated from time to time) or the amendments to the annual report, makes no representation as to the accuracy or completeness of any of the foregoing documents and expressly disclaims any liability for the any loss arising from or in reliance upon the whole or any part of the Pre-Listing Statement, pricing supplements, or the annual report (as amended or restated from time to time) or the amendments to the annual report. The Company shall accept full responsibility for the accuracy of the information contained in the Pre-Listing Statement, pricing supplements and the annual report or the amendment to the annual report, except as otherwise stated therein.

18. **DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents, or copies thereof, will be available for inspection at the registered office of the Company, and at the offices of the transaction adviser, attorneys, transfer secretaries and debt sponsor, at the addresses set out in the "Corporate Information" section of this Pre-Listing Statement, during normal business hours from 8 July 2011, for a period of 14 days:

- 18.1 the Articles of Association of Mine Waste Solutions;
- 18.2 the Canadian note indenture dated as of April 8, 2010 between First Uranium, as issuer, MWS, Chemwes, EMC, FUSA, FUL, as guarantors and BNY Trust Company of Canada, as the Canadian Note Indenture Trustee, pursuant to which the Canadian Notes were issued;
- 18.3 the Rand note indenture dated as of April 23, 2010 (the "**Rand Note Indenture**") between MWS, as issuer, First Uranium, Chemwes, EMC, FUSA, FUL, as guarantors and GMG Trust Company SA Limited, as the South African Note Indenture Trustee, pursuant to which the Rand Notes were issued;

- 18.4 copies of management service agreements;
- 18.5 historical financial information on First Uranium;
- 18.6 the Articles of Continuance of First Uranium;
- 18.7 Chemwes Gold Purchase Agreement dated November 28, 2008, between First Uranium, Chemwes, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation;
- 18.8 Amendment No. 1 to the Chemwes Gold Purchase Agreement dated November 28, 2008, between First Uranium, Chemwes, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation, dated April 8, 2010;
- 18.9 Amendment No. 2 to the Chemwes Gold Purchase Agreement dated November 28, 2008, between First Uranium, Chemwes, Franco-Nevada GWL Holdings Corp. and Franco-Nevada (Barbados) Corporation, dated June 2, 2011;
- 18.10 Ezulwini Gold Purchase Agreement dated November 5, 2009, between First Uranium, Ezulwini, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation;
- 18.11 Amendment No. 1 to the Gold Purchase Agreement dated November 5, 2009, between First Uranium, Ezulwini, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation, dated April 8, 2010;
- 18.12 Tailings and Rights Agreement between Chemwes, Simmer & Jack and BGM;
- 18.13 Aberdeen Arrangement Agreement; and
- 18.14 a copy of this Pre-Listing Statement.

By order of the Board

**Emmerentia Oosthuizen**  
***Director***

**MINE WASTE SOLUTIONS (PTY) LIMITED**

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**OTHER DIRECTORSHIPS HELD BY MANAGEMENT OF MWS**


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Director	Name of Company	Nature of Business	Currently Director	From		To	
				MM	YY	MM	YY
Deon T. van der Mescht	First Uranium Corporation	Mining	Yes	05	2010		
	Simmer and Jack Mines, Limited	Mining	No	08	2008	01	2010
	First Uranium (Proprietary) Limited	Mining	Yes	03	2010		
	Ezulwini Mining Company (Proprietary) Limited	Mining	Yes	03	2010		
	Chemwes (Proprietary) Limited	Mining	Yes	03	2010		
	Transvaal Gold Mining Estate Limited	Mining	No	02	2007	03	2010
	Bufflesfontien Gold Mine Limited	Mining	No	10	2005	03	2010
Graham P. Wanblad	First Uranium Corporation	Mining	Yes	06	2008		
	Simmer and Jack Mines, Limited	Mining	No	12	2004	12	2006
	First Uranium (Proprietary) Limited	Mining	Yes	09	2005		
	Chemwes (Proprietary) Limited	Mining	Yes	03	2010		
	Bufflesfontien Gold Mine Limited	Mining	No	10	2005	05	2008
	Transvaal Gold Mining Estate Limited	Mining	No	10	2005	05	2008
	Simmer and Jack Investments	Mining	No	07	2005	05	2008
Arius R. L. Kgomongwe	Omphile Gold	Exploration	Yes				
	Omphile Minerals		Yes				
	Omphile Investments	Investment	Yes				
	Desert Charm Trading 221 (Proprietary) Limited (Trading as Waterpan Mining Consortium)	Mining	Yes				
	First Uranium (Proprietary) Limited	Mining	Yes	12	2006		
	Ezulwini Mining Company (Proprietary) Limited	Mining	Yes	08	2005		
	Chemwes (Proprietary) Limited	Mining	Yes	06	2007		
Emmerentia Oosthuizen	First Uranium (Proprietary) Limited	Mining	Yes	09	2010		
	Ezulwini Mining Company (Proprietary) Limited	Mining	Yes	09	2010		
	Chemwes (Proprietary) Limited	Mining	Yes	09	2010		
	First Uranium Limited	Mining	Yes	04	2007		
J. Sembie Danana	Desert Charm Trading 221 (Proprietary) Limited (Trading as Waterpan Mining Consortium)	Mining	Yes				
	First Uranium (Proprietary) Limited	Mining	Yes	12	2006		
	Ezulwini Mining Company (Proprietary) Limited	Mining	Yes	08	2005		
	Chemwes (Proprietary) Limited	Mining	Yes	06	2007		

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**SHARE TRADING HISTORY OF FIRST URANIUM**


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The share trading history of First Uranium shares on the JSE is set out below:

	<b>Close (cents)</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Volume</b>
<b>Quarterly</b>				
<b>2011</b>				
June	446	635	385	242,768
March	600	970	525	760,159
<b>2010</b>				
December	865	1,040	525	375,928
September	608	858	545	239,389
<b>Monthly</b>				
<b>2011</b>				
June	446	510	385	130,769
May	545	580	500	62,719
April	605	635	585	49,280
March	600	760	525	112,014
February	740	850	710	449,926
January	780	970	780	198,219
<b>2010</b>				
December	865	1,040	865	79,155
November	984	1,030	525	194,347
October	550	605	525	102,426
September	608	685	600	33,354
August	659	775	650	92,210
July	720	858	545	113,825
<b>Daily</b>				
<b>2011</b>				
30 June	446	–	–	–
29 June	446	–	–	–
28 June	446	–	–	–
27 June	446	446	446	16
24 June	480	–	–	–
23 June	480	–	–	–
22 June	480	480	480	30
21 June	480	480	480	16
20 June	460	460	460	9,250
17 June	435	435	430	46,000
15 June	400	400	390	25,505
14 June	400	400	400	13,495
13 June	385	–	–	–
10 June	385	385	385	3,762
9 June	400	415	400	5,088
8 June	450	–	–	–

	<b>Close (cents)</b>	<b>High (cents)</b>	<b>Low (cents)</b>	<b>Volume</b>
<b>Daily (continued)</b>				
<b>2011</b>				
7 June	450	465	430	21,162
6 June	485	495	485	2,100
3 June	500	–	–	–
2 June	500	510	500	4,345
1 June	545	–	–	–

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**EXTRACTS OF THE RAND NOTE INDENTURE**

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**MINE WASTE SOLUTIONS (PROPRIETARY) LIMITED**

*as Issuer*

AND

**FIRST URANIUM CORPORATION**

*as Put or Exchange Counterparty and Guarantor*

AND

**CHEMWES (PROPRIETARY) LIMITED**

**EZULWINI MINING COMPANY (PROPRIETARY) LIMITED**

**FIRST URANIUM (PROPRIETARY) LIMITED**

**FIRST URANIUM LIMITED**

*as Guarantors*

AND

**GMG TRUST COMPANY SA LIMITED**

*as Indenture Trustee*

– 2 –

**RAND NOTE INDENTURE**

Dated as of **April 23**, 2010

providing for the issue of Secured  
Convertible Notes due March 31, 2013

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## TABLE OF CONTENTS

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Page

### ARTICLE 1: INTERPRETATION

1.1	Definitions	60
1.2	Interpretation	69
1.3	Accounting Term	69
1.4	Headings and Table of Contents	69
1.5	Section and Schedule References	69
1.6	Governing Law	69
1.7	Currency	70
1.8	Non-Business Days	70
1.9	Time	70
1.10	Independence of Covenants	70
1.11	Form of Documents Delivered to Indenture Trustee	70
1.12	Acts of Holders	70
1.13	English Language	71
1.14	Successors and Assigns	71
1.15	Severability Clause	71
1.16	Benefits of Indenture	71
1.17	Unclaimed Notes	72
1.18	Schedules	72
1.19	Benefits of Indenture through Indenture Trustee	72

### ARTICLE 2: THE RAND NOTES

2.1	Limit of Issue and Designation of Notes	73
2.2	Form and Terms of Notes	73
2.3	Interest	73
2.4	Prescription	74
2.5	Issue of Rand Notes	74
2.6	Execution	74
2.7	Certification by Indenture Trustee	74
2.8	Registration of Exchanges	75
2.9	Persons Entitled to Payment	75
2.10	Payment of Principal and Interest on Definitive Notes	75
2.11	Payments of Principal and Interest	76
2.12	Rank	77
2.13	Register and Transfer	77
2.14	Additional Amount	77
2.15	Cancellation of Notes	78
2.16	Company discretion	78
2.17	Mutilated, Lost, Stolen or Destroyed Notes	78
2.18	Access to Lists of Holders	79

### ARTICLE 3: REPURCHASE AND CANCELLATION OF RAND NOTES

3.1	Purchase of Rand Notes	80
3.2	Repurchase of Notes upon a Change of Control	80
3.3	Cancellation of Purchased Notes	81

### ARTICLE 4: PUT OR EXCHANGE

4.1	Put or Exchange Right	82
4.2	Completion of Put or Exchange	83
4.3	Fractional Shares	83
4.4	Relating to the Issue of Common Shares	83

### ARTICLE 5: MATURITY

5.1	Payment of Principal and Interest at Maturity	85
-----	---	----

### ARTICLE 6: ADJUSTMENTS

6.1	Adjustment of Put or Exchange Price	86
6.2	Rules Regarding Calculation of Adjustment of Put or Exchange Price	89
6.3	Certificate as to Adjustment	89
6.4	Notice of Special Matters	90
6.5	Notice of Expiry of Put or Exchange Right	90
6.6	Protection of Indenture Trustee	90

**ARTICLE 7: COMMON SHARE INTEREST PAYMENT ELECTION**

7.1	Common Share Interest Payment Election	91
-----	--	----

**ARTICLE 8: SECURITY**

8.1	Security	93
8.2	Registration of the Security	93
8.3	Discharge	93

**ARTICLE 9: GUARANTEE**

9.1	Joint and Several Guarantee	94
-----	-----------------------------	----

**ARTICLE 10: REPRESENTATIONS AND WARRANTIES**

10.1	Representations and Warranties of the Company and the Guarantors	95
------	--	----

**ARTICLE 11: COVENANTS OF THE COMPANY AND THE GUARANTORS**

11.1	Payment of Principal, Premium and Interest	96
11.2	Corporate Existence; Books of Account	96
11.3	Common Shares	96
11.4	Compliance with Laws etc.	96
11.5	Use of Proceeds	97
11.6	Permitted Indebtedness	97
11.7	Security	97
11.8	Other Security	97
11.9	Sale of Assets	97
11.10	Distributions	97
11.11	Business	98
11.12	Compliance Certificate	98
11.13	Notice of Default	98
11.14	Securities Laws	98
11.15	Amendments to Existing FIU Indenture	98
11.16	Amendments to Gold Wheaton Agreements	98
11.17	Shipments to France	98
11.18	Performance of Covenants by Indenture Trustee	99
11.19	Payment of Indenture Trustee's Remuneration	99
11.22	Acquisition of New Assets	99

**ARTICLE 12: EVENTS OF DEFAULT AND REMEDIES**

12.1	Events of Default and Enforcement	100
12.2	Notice of Event of Default	101
12.3	Waiver of Declaration	101
12.4	Waiver	102
12.5	Other Remedies	102
12.6	Application of Money Collected	102
12.7	Control by Holders	103
12.8	Limitation on Suits	103
12.9	Collection Suit by Indenture Trustee	103
12.10	Indenture Trustee May File Proofs of Claim	103
12.11	Undertaking for Costs	103
12.12	Delay or Omission Not Waiver	104
12.13	Remedies Cumulative	104
12.14	Judgment Against the Company	104

**ARTICLE 13: SATISFACTION AND DISCHARGE**

13.1	Non-Presentation of Rand Notes	105
13.2	Discharge	105

**ARTICLE 14: THE INDENTURE TRUSTEE**

14.1	Duties of Indenture Trustee	106
14.2	Employ Agents	106
14.3	Reliance on Evidence of Compliance	106
14.4	Provision of Evidence of Compliance to Indenture Trustee	106
14.5	Contents of Evidence of Compliance	107
14.6	Advice of Experts	107
14.7	Indenture Trustee May Deal in Rand Notes	107

14.8	Conditions Precedent to Indenture Trustee's Obligation to Act	107
14.9	Indenture Trustee Not Required to Give Security	108
14.10	Resignation or Removal of Indenture Trustee: Conflict of Interest	108
14.11	Authority to Carry on Business; Resignation	109
14.12	Protection of Indenture Trustee	109
14.13	Additional Representations and Warranties of Indenture Trustee	111
14.14	Third Party Interests	111
14.15	Indenture Trustee Not Bound to Act	111
14.16	Compliance with Privacy Laws	111
14.17	Execution of Certain Documents	111

#### **ARTICLE 15: MEETINGS OF HOLDERS OF RAND NOTES AND CANADIAN NOTES**

15.1	Purposes for Which Meetings May be Called	112
15.2	Call, Notice and Place of Meetings	112
15.3	Proxies	112
15.4	Persons Entitled to Vote at Meetings	113
15.5	Quorum; Action	113
15.6	Determination of Voting Rights; Chairman; Conduct and Adjournment of Meetings	114
15.7	Counting Votes and Recording Action of Meetings	114
15.8	Instruments in Writing	115
15.9	Holdings by the Company Disregarded	115

#### **ARTICLE 16: AMALGAMATION, CONSOLIDATION, CONVEYANCE, TRANSFER OR LEASE**

16.1	Amalgamation and Consolidations of Company and Conveyances Permitted Subject to Certain Conditions	116
16.2	Rights and Duties of Successor Company	116
16.3	Officer's Certificate and Opinion of Counsel	117

#### **ARTICLE 17: NOTICES**

17.1	Notice to Company	118
17.2	Notice to FIU	118
17.3	Notice to Holders	118
17.4	Notice to Indenture Trustee	119
17.5	Notice to Canadian Note Trustee	119

#### **ARTICLE 18: SUPPLEMENTAL INDENTURES AND AMENDMENTS**

18.1	Supplemental Indentures	120
18.2	Execution of Supplemental Indentures	121
18.3	Effect of Supplemental Indentures	121
18.4	Reference in Rand Notes to Supplemental Indentures	122
18.5	Prior Approval of Recognized Stock Exchange	122

#### **ARTICLE 19: CONDITION PRECEDENT**

19.1	Condition Precedent	123
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#### **ARTICLE 20: MISCELLANEOUS PROVISIONS**

20.1	Acceptance of Trusts	124
20.2	Protection of Trustee	124
20.3	Counterparts and Formal Date	124
20.4	Dispute Resolution	124

#### **SCHEDULES**

125 to 129

**THIS INDENTURE** dated as of **April 23, 2010**

**B E T W E E N:**

**MINE WASTE SOLUTIONS (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.  
(hereinafter called "**the Company**")

and

**FIRST URANIUM CORPORATION**, a corporation continued under the laws of British Columbia.  
(hereinafter called "**FIU**")

and

**FIRST URANIUM LIMITED**, a corporation existing under the laws of Cyprus.  
(hereinafter called "**FUL**")

and

**FIRST URANIUM (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.  
(hereinafter called "**FUPL**")

and

**CHEMWES (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.  
(hereinafter called "**Chemwes**")

and

**EZULWINI MINING COMPANY (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa,

(hereinafter called "**Ezulwini**") and along with FIU, FUL, FUPL, and Chemwes, the "**Guarantors**", and individually, a "**Guarantor**")

and

**GMG TRUST COMPANY SA LIMITED**, a trust company incorporated under the laws of South Africa.  
(hereinafter called the "**Indenture Trustee**")

**WHEREAS:**

- A. The Company desires to provide for the creation and issue of secured convertible Notes with the designation of "Secured Convertible Notes due March 31, 2013" (the "**Rand Notes**"), all upon the terms and conditions set forth in this Indenture (as hereinafter defined);
- B. All necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this Indenture by the Company and each of the Guarantors, to make the same effective and binding upon the Company and each of the Guarantors, and to make the Rand Notes, when certified by the Indenture Trustee and issued as provided in this Indenture, valid, binding and legal obligations of the Company with the benefit and subject to the terms of this Indenture;
- C. All necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the issuance of the Common Shares (as hereinafter defined) that may be issued upon put or exchange of the principal of the Rand Notes as provided herein; and
- D. The foregoing recitals are made as representations and statements of fact by the Company and each of the Guarantors and not by the Indenture Trustee;

**NOW, THEREFORE, THIS INDENTURE WITNESSES**, and it is hereby agreed and declared, as follows:

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## ARTICLE 1: INTERPRETATION

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### 1.1 DEFINITIONS

In this Indenture and in the Rand Notes, unless there is something in the subject matter or context inconsistent therewith, the following expressions shall have the following meanings:

“**Act**” or “**Act of Holder(s)**”, when used with respect to any Holder(s), shall have the meaning specified in section 1.12.1;

“**Additional Amounts**” has the meaning ascribed thereto in subsection 2.14.1;

“**Affiliate**” means, with respect to any person, any other person directly or indirectly controlling, controlled by, or under common control with, such person. A person shall be deemed to control another person if such person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other person, whether through the ownership of voting securities, by contract or otherwise;

“**Agent**” means a Person appointed to act on behalf of another Person;

“**Applicable Law**” shall mean, at any time, with respect to any Person, property, transaction, event or other matter, as applicable, all laws, rules, statutes, regulations, treaties, orders, judgments and decrees, and all official requests, directives, rules, guidelines, orders, policies, practices and other requirements of any Governmental Authority relating or applicable at such time to such Person, property, transaction, event or other matter, and shall also include any interpretation thereof by any Person having jurisdiction over it or charged with its administration or interpretation;

“**Applicable Securities Law**” shall mean any Applicable Law in any jurisdiction regulating, or regulating disclosure with respect to, any sale or distribution of securities in, or to residents of, such jurisdiction;

“**Applicants**” has the meaning ascribed thereto in subsection 2.18.1;

“**Beneficial Holder**” means a Person being the beneficial owner of a Rand Note;

“**Board of Directors**” shall mean either the board of directors of the Company, or any committee of that board duly authorized to make a decision on the matter in question;

“**Board Resolution**” shall mean a copy of a resolution certified by the Chairman, President and Chief Executive Officer or any Vice-President or the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect and unamended on the date of such certification;

“**Business Day**” shall mean any day of the week, other than Saturday, Sunday or a statutory holiday in the: (i) Province of Ontario or (ii) Republic of South Africa, on which banks in Toronto, Ontario and Johannesburg, South Africa are open for business;

“**Canadian Dollar**” or “**Dollar**” or “**C\$**” shall mean lawful currency of Canada;

“**Canadian Note Indenture**” means the note indenture dated 8 April among FIU, as issuer, the Company, FUL, FUPL, Chemwes and Ezulwini, as guarantors, and BNY Trust Company of Canada as indenture trustee, as the same may be amended, revised, restated or varied from time to time;

“**Canadian Notes**” means the secured convertible Notes due March 31, 2013 issued under the Canadian Note Indenture and certified pursuant to the Canadian Note Indenture;

“**Canadian Note Trustee**” shall mean BNY Trust Company of Canada until a successor Canadian Note Trustee shall have become such pursuant to the applicable provisions of the Canadian Note Indenture, and thereafter, “Canadian Note Trustee” shall mean or include each Person who is then a Canadian Note Trustee thereunder;

“**Capital Reorganization**” has the meaning ascribed thereto in subsection 6.1.5;

“**Certificate**” shall mean a certificate signed by a Responsible Officer of the Company or FIU (as the context indicates);

**“Change of Control”** means the acquisition of voting control or direction, over: (a) 50% or more of the aggregate voting rights attached to the issued Common Shares of FIU then outstanding by a Person or a group of Persons acting jointly or in concert, other than Simmer and Jack or (b) 65% or more of the aggregate voting rights attached to the issued Common Shares of FIU then outstanding by Simmer and Jack or a Person or group of Persons acting jointly or in concert with Simmer and Jack. Notwithstanding the foregoing, a Change of Control shall be deemed not to have occurred from a transaction in which at least 90% of the consideration paid for the Common Shares of FIU consists of shares that continue to be listed on the TSX;

**“Common Shares”** means the Common Shares in the capital of FIU;

**“Common Share Bid Request”** means a request for bids to purchase Common Shares (to be issued by FIU on the Common Share Delivery Date) which request is made by the Indenture Trustee in accordance with the Common Share Interest Payment Election Notice;

**“Common Share Delivery Date”** means a date, not more than 90 days and not less than seven Business Days prior to the applicable Interest Payment Date, upon which Common Shares are issued by FIU and delivered to the Indenture Trustee for sale pursuant to Common Share Purchase Agreements;

**“Common Share Interest Payment Election”** means an election by FIU to issue and deliver Common Shares to the Indenture Trustee for sale in the open market or pursuant to acceptable bids obtained pursuant to the Common Share Bid Requests in order to satisfy all or a part of an Interest Obligation in the manner described in the Common Share Interest Payment Election Notice;

**“Common Share Interest Payment Election Amount”** means the aggregate net proceeds resulting from the sale of Common Shares on or about the Common Share Delivery Date on the open market or pursuant to acceptable bids obtained pursuant to the Common Share Bid Requests;

**“Common Share Interest Payment Election Notice”** means a written notice made by FIU to the Indenture Trustee specifying:

- (a) the Interest Obligation of the Company to which the election relates;
- (b) the amount of proceeds which FIU wishes to raise and lend to the Company to facilitate the payment by the Company of such Interest Obligation;
- (c) the investment banks, brokers or dealers through which the Indenture Trustee shall seek bids to purchase the Common Shares and the conditions of such bids, which may include the minimum number of Common Shares, minimum price per Common Share, timing for closing for bids and such other matters as FIU may specify; and
- (d) that the Indenture Trustee shall either sell on the open market or solicit and accept through the investment banks, brokers or dealers selected by FIU only those bids which comply with such notice;

**“Common Share Proceeds Investment”** has the meaning ascribed thereto in subsection 7.1.10;

**“Common Share Purchase Agreement”** means an agreement in customary form among FIU, the Indenture Trustee, and the Persons making acceptable bids pursuant to a Common Share Bid Request, which complies with all Applicable Laws and the rules and regulations of any Recognized Stock Exchange;

**“Common Share Reorganization”** has the meaning ascribed thereto in subsection 6.1.2;

**“Company”** shall mean Mine Waste Solutions (Proprietary) Limited until a successor company shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, **“Company”** shall mean such successor company;

**“Company Request”** or **“Company Order”** shall mean a written request or order signed in the name of the Company by any Responsible Officer of the Company and delivered to the Indenture Trustee;

**“Conversion Price”** in respect of the Canadian Notes, is as defined in the Canadian Note Indenture;

**“Conversion Right”** means the right of the Holder of a Canadian Note to convert such Canadian Note into Common Shares in accordance with the terms of the Canadian Note Indenture;

**“Corporate Trust Office”** shall mean the principal office or offices of the Indenture Trustee, at which at any particular time its corporate trust business shall be administered;

**“Counsel”** shall mean, in the case of Counsel to the Indenture Trustee, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Indenture Trustee (who may, except as otherwise expressly provided in this Indenture, also be Counsel to the Company) and, in the case of Counsel to the Company or any Guarantor, any barrister, solicitor or other lawyer or firm of barristers, solicitors or other lawyers retained or employed by the Company or such Guarantor;

**“Current Market Price”** means, in respect of the Common Shares on any Date of Determination, except as otherwise provided, an amount equal to the Weighted Average Trading Price of such shares on the TSX or if the Common Shares are not listed on the TSX, on another Recognized Stock Exchange, for 20 consecutive Trading Days ending five Trading Days prior to such Date of Determination, provided that if the Common Shares are not listed on the TSX and are listed on more than one Recognized Stock Exchange, the Current Market Price shall be calculated on the Recognized Stock Exchange on which the volume of transactions on the Common Shares was the highest during such 20 consecutive Trading Days, or if the Common Shares are not listed on any Recognized Stock Exchange, then on the over-the-counter market;

**“Date of Determination”** means, as applicable, the Interest Payment Date, the Put or Exchange Date, the Payment Date or the Maturity Date;

**“Definitive Notes”** means the Rand Notes in the form of individual certificates in definitive fully registered form issued pursuant to section 2.2 and substantially in the form of Schedule “A”;

**“Event of Default”** shall mean any of the events identified in section 12.1.1 as being an Event of Default;

**“Existing FIU Indenture”** means the indenture dated as of May 3, 2007 among FIU, as issuer, and Computershare Trust Company of Canada, as indenture trustee, providing for the issuance of 4.25% senior unsecured convertible debentures as the same may be amended, revised, restated or varied from time to time;

**“Extraordinary Resolution”** means a resolution at a meeting of the Holders of Rand Notes and Canadian Notes duly convened and held in accordance with the provisions of Article 15 passed by the favourable votes of the Holders of not less than  $66\frac{2}{3}\%$  of the Voting Rights represented in person or by proxy at such meeting or signed in the manner contemplated by section 15.8;

**“Fair Market Value”**, as at any date, means:

- (a) with respect to a security listed and posted for trading on a stock exchange, the Weighted Average Trading Price of such security on such stock exchange for the 20 consecutive Trading Days immediately preceding such date on the stock exchange on which the greatest volume of trading in the security occurred during such 20 Trading Day period;
- (b) with respect to a security not listed and posted for trading on a stock exchange but traded in an over-the-counter market, the Weighted Average Trading Price of such security on such over-the-counter market for the 20 consecutive Trading Days immediately preceding such date;
- (c) with respect to a security not listed and posted for trading on a stock exchange and not traded in an over-the-counter market, the fair market value thereof at such date as determined by the Board of Directors; or
- (d) for any other security or property, the fair market value thereof at such date as determined by the Board of Directors or an independent member of the South African institute of chartered accountants or an Independent Member of IIROC selected from time to time by the Board of Directors for such purpose;

**“Financial Reporting Standards”** means:

- (i) with respect to the Company and Guarantors other than FIU, international financial reporting standards, approved by the International Accounting Standards Board or any successor thereto (“IASB”), as at the date on which any calculation or determination is required to be made, provided that, in accordance with the international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financial; reporting standard; and

- (ii) with respect to FIU:
  - (a) up to and including March 31, 2011, Canadian generally accepted accounting principles, consistently applied; and
  - (b) thereafter, international financial reporting standards, approved by IASB, adopted by FIU, as at the date on which any calculation or determination is required to be made, provided that, in accordance with the international financial reporting standards, where the IASB includes a recommendation concerning the treatment of any accounting matter, such recommendation shall be regarded as the only international financing reporting standard;

**"Freely Tradeable"** means, in respect of shares of any class in the capital of any corporation, shares which: (i) are issuable by a corporation without the necessity of filing a prospectus or any other similar offering document (other than such prospectus or similar offering document that has already been filed) under Applicable Securities Laws and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) or constitutes an exempt distribution under Applicable Securities Laws and (ii) can be traded by the holder thereof without any restriction under Applicable Securities Laws, such as hold periods, except in the case of a "control distribution" as defined under Applicable Securities Laws;

**"Gold Wheaton Chemwes Gold Purchase Agreement"** means the purchase agreement, dated as of November 28, 2008, between the Company, Chemwes, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation, as amended by an amending agreement dated as of April 8, 2010 among the same parties, as the same may be further amended, revised, restated or varied from time to time;

**"Gold Wheaton Ezulwini Gold Purchase Agreement"** means the purchase agreement, dated as of November 5, 2009, between the Company, Ezulwini, Gold Wheaton Gold Corp. and Gold Wheaton (Barbados) Corporation, as amended by an amending agreement dated as of April 8, 2010 among the same parties, as the same may be further amended, revised, restated or varied from time to time;

**"Gold Wheaton Security"** means the security granted to Gold Wheaton (Barbados) Corporation, or any of its affiliates, in connection with the Gold Wheaton Chemwes Gold Purchase Agreement or the Gold Wheaton Ezulwini Gold Purchase Agreement;

**"Governmental Authority"** shall mean, when used with respect to any Person, any government, parliament, legislature, regulatory authority, agency, tribunal, department, commission, board, instrumentality, court, arbitration board or arbitrator or other law, regulation or rule-making entity (including a Minister, any central bank, Recognized Stock Exchange, or other comparable authority or agency) having or purporting to have jurisdiction on behalf of, or pursuant to the laws of, South Africa or any country in which such Person is residing, incorporated, continued, amalgamated, merged or otherwise created or established or in which such Person carries on business or holds property, or any province, territory, state, municipality, district or political subdivision of any such country or of any such province, territory or state of such country;

**"Guarantee"** means the guarantee granted hereunder by the Guarantors of the Company's payment obligations under this Indenture and the Rand Notes as evidenced by the execution of this Indenture by the Guarantors;

**"Guarantors"** shall mean First Uranium Corporation, First Uranium Limited, First Uranium (Proprietary) Limited, Chemwes (Proprietary) Limited and Ezulwini Mining Company (Proprietary) Limited, collectively, and **"Guarantor"** shall mean any one of the Guarantors;

**"Holders"** means the registered holders of Canadian Notes and Rand Notes, or the registered holders of either Canadian Notes or Rand Notes, as the context may require;

**"Indebtedness"** means, with respect to any Person, all obligations that, in accordance with applicable Financial Reporting Standards, would then be classified as a liability of such Person, and, without duplication, includes, with respect to such Person,

- (a) an obligation in respect of borrowed money or for the deferred purchase price of property, assets or services or an obligation that is evidenced by a note, bond, debenture or any other similar instrument;
- (b) a transfer with recourse or with an obligation to repurchase, to the extent of the liability of such Person with respect thereto;

- (c) an obligation as a lessee under a lease, including any operating, capital or other lease obligation;
- (d) an obligation under a residual value guarantee made with respect to an operating lease in which such Person is the lessee;
- (e) a reimbursement obligation or other obligation in connection with a bankers' acceptance or any similar instrument, or letter of credit or letter of guarantee issued by or for the account of such Person;
- (f) a contingent guarantee obligation to the extent that the primary obligation so guaranteed would be classified as "Indebtedness" (within the meaning of this definition) of such Person;
- (g) any "out of the money" swap, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity;
- (h) all reimbursement obligations, contingent or otherwise, in respect of any cash management arrangements; or
- (i) the amount of all trade payables and other accrued liabilities;

**"Indenture"** means or refers to this Indenture as amended or supplemented by any indenture, deed or instrument supplemental or ancillary thereto;

**"Indenture Trustee"** shall mean GMG Trust Company SA Limited until a successor Indenture Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter, "Indenture Trustee" shall mean or include each Person who is then an Indenture Trustee hereunder;

**"Independent Member of IROC"** means a member firm of the Investment Industry Regulatory Organisation of Canada that in the determination of the board of directors of FIU acting reasonably, is independent of FIU and the issuer of any securities that are the subject matter of the engagement, having regard to, among other things, the considerations set out in National Instrument 33 – 105 *Underwriting Conflicts* or any successor instrument;

**"Intercreditor Agreement"** means the intercreditor agreement dated 8 April 2010 among initially the SPV, the Indenture Trustee, the Canadian Note Trustee and Gold Wheaton (Barbados) Corporation and such additional creditors, to whom the SPV issues or agrees to issue a guarantee as contemplated in the Security Documents, who will be required to accede to and be bound thereby;

**"Interest Obligation"** means the obligation of the Company to pay interest on the Rand Notes, as and when the same becomes due;

**"Interest Payment Date"** means September 30 and March 31 in each year until all interest has been paid, the first Interest Payment Date being September 30, 2010 and the last Interest Payment Date being March 31, 2013;

**"Issue Date"** means the date on which the Rand Notes are issued by the Company pursuant to this Indenture;

**"JSE"** means the JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of the Republic of South Africa, licensed as an exchange under the Securities Services Act, 2004;

**"Material Adverse Effect"** means any event or circumstance that has or could reasonably be expected to have:

- (i) a material adverse effect on the Company and the Guarantors considered as a whole; or
- (ii) a material adverse effect on the Company's or FIU's ability to make any payments under this Indenture or any Supplemental Indenture;

**"Maturity"** shall mean the date on which principal becomes due and payable under the Rand Notes;

**"Maturity Date"** means March 31, 2013;

**"Noteholder(s)"** means the registered holder(s) of Rand Notes for the time being;

**"Notice"** shall mean any notice, document or other communication required or permitted to be given under this Indenture;

**“Offer to Purchase”** means an offer to purchase Rand Notes in cash by the Company from the Noteholders commenced by mailing a notice to the Indenture Trustee and the Indenture Trustee mailing a notice to each Noteholder specifying the material terms of the Offer to Purchase and any other information required in such notice by the Indenture;

**“Office”** or **“Agency”** shall mean an office or agency of the Company, the Indenture Trustee, the transfer agent or the paying agent, as the case may be, maintained or designated in the Place of Payment pursuant to this Indenture or any other office or agency of the Company, the Indenture Trustee, the transfer agent or the paying agent, as the case may be, maintained or designated pursuant to this Indenture;

**“Officer’s Certificate”** shall mean a written certificate signed by any Responsible Officer of the Company or FIU (as the case may be), and delivered to the Indenture Trustee;

**“Opinion of Counsel”** shall mean a written opinion addressed to the Indenture Trustee (among other addressees) by Counsel which shall be reasonably satisfactory to the Indenture Trustee;

**“Outstanding”** when used with respect to Rand Notes or Canadian Notes, as the case may be, shall mean, as of the date of determination, all Rand Notes or Canadian Notes, as the case may be, theretofore certified and delivered by the Indenture Trustee under this Indenture or by the Canadian Note Trustee under the Canadian Note Indenture, as the case may be, except:

- (a) Rand Notes or Canadian Notes theretofore cancelled by the Indenture Trustee or the Canadian Note Trustee or delivered to the Indenture Trustee or the Canadian Note Trustee for cancellation;
- (b) Rand Notes or Canadian Notes for whose payment, purchase or repurchase money in the necessary amount has been theretofore deposited with the Indenture Trustee or the Canadian Note Trustee under gratuitous deposit or set aside and segregated in trust by the Company or FIU (if the Company or FIU shall act as its own paying agent) for the Holders of such Rand Notes or Canadian Notes, as the case may be; and
- (c) Rand Notes or Canadian Notes that have been surrendered to the Indenture Trustee or the Canadian Note Trustee pursuant to section 2.16 or Article 2 of the Canadian Note Indenture or in exchange for or in lieu of which other Rand Notes or Canadian Notes, as the case may be, have been certified and delivered pursuant to this Indenture or the Canadian Note Indenture, other than any such Canadian Notes or Rand Notes in respect of which there shall have been presented to the Indenture Trustee or the Canadian Note Trustee proof satisfactory to it that such Canadian Notes or Rand Notes are held by a *bona fide* purchaser in whose hands such Canadian Notes or Rand Notes are valid obligations of the Company or FIU,

provided, however, that in determining whether the Holders of the requisite principal amount of Rand Notes or Canadian Notes then Outstanding have taken any Act of Holders hereunder or under the Canadian Note Indenture, Rand Notes or Canadian Notes owned by the Company or FIU or any Affiliate of the Company or FIU shall be disregarded and deemed not to be then Outstanding; provided further that, in determining whether the Indenture Trustee or the Canadian Note Trustee shall be protected in acting and relying upon such Act of Holders, only Rand Notes or Canadian Notes of which the Indenture Trustee or the Canadian Note Trustee has actual notice that they are so owned shall be so disregarded; and provided further that Rand Notes or Canadian Notes so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Indenture Trustee or the Canadian Note Trustee the pledgee’s right to act with respect to such Rand Notes or Canadian Notes and that the pledgee is not the Company or FIU or any Affiliate of the Company or FIU;

**“Payment Date”** has the meaning ascribed thereto in subsection 3.2.1;

**“Permitted Disposal”** means a: (i) disposal of assets (other than shares of a Guarantor) in the ordinary course of business at not less than Fair Market Value or in exchange for other assets comparable or superior as to type, value and quality or (ii) disposal of obsolete or redundant assets for cash;

**“Permitted Indebtedness”** means:

- (a) indebtedness or liability of the Company, FIU and any Guarantor arising under this Indenture and Security therefor;
- (b) indebtedness and liability of the Company, FIU and any Guarantor arising under the Canadian Note Indenture and Security therefor;

- (c) indebtedness of FIU arising under the Existing FIU Indenture, provided that no Security has been given as security for such indebtedness, and indebtedness of FIU relating to any replacement financing incurred no earlier than four months plus two days from the date of this Indenture to pay all obligations of FIU under the Existing FIU Indenture (and all reasonable costs and expenses incurred in connection with such refinancing) provided that no Security is granted in connection with such financing and provided that such replacement financing does not exceed \$165,000,000 (adjusted for original issue discount, if applicable);
- (d) any obligations of the Company, FIU or any Guarantor arising under the Gold Wheaton Chemwes Gold Purchase Agreement and Security therefor;
- (e) any obligations of the Company, FIU or any Guarantor arising under the Gold Wheaton Ezulwini Gold Purchase Agreement and Security therefor;
- (f) any indebtedness or liability of the Company, FIU or any Guarantor under any agreement for the making or taking of any commodity swap agreement, floor, cap or collar agreement or commodity future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by such Person where the subject matter thereof is any commodity or the price, value or amount payable thereunder is dependent or based upon the price or fluctuations in the price of any commodity, provided such agreement or arrangement is not entered into for speculative purposes and provided that no Security has been given in connection therewith unless pursuant to subparagraph (i) hereof;
- (g) any indebtedness or liability of the Company, FIU or any Guarantor under any agreement for the making or taking of any currency swap agreement, or currency future or option or other similar agreement or arrangement, or any combination thereof, entered into or guaranteed by such Person where the subject matter thereof is a currency hedge, provided such agreement or arrangement is not entered into for speculative purposes and, provided that no Security has been given in connection therewith unless pursuant to subparagraph (i) hereof;
- (h) any indebtedness or liability of the Company, FIU or any Guarantor incurred in the ordinary course of its business, other than indebtedness for borrowed money, provided that no Security has been given in connection therewith;
- (i) any indebtedness or liability of the Company, FIU or any Guarantor arising from borrowed money (which may include indebtedness or liability for or in respect of revolving lines of credit, bankers' acceptances, letters of credit, letters of guarantee, cash management arrangements and other instruments) in a total principal amount for the Company, FIU and all Guarantors combined, not to exceed Cdn\$200,000,000 less the principal amount outstanding for the Canadian Notes and the Rand Notes, which indebtedness and liability shall be secured *pari passu* with the Canadian Notes and the Rand Notes;
- (j) any indebtedness or liability arising under any operating and capital leases of equipment and leases of real property, provided the annual rental payments under such leases do not exceed \$2,000,000 in the aggregate;
- (k) any indebtedness or liability in connection with any loans by the Company or FIU to any Guarantor, by any Guarantor to the Company or FIU and between any Guarantors, it being understood that such loans may be unsecured or secured provided that, if secured, the security is in favour of the Company, FIU or any Guarantor;
- (l) obligations pursuant to guarantees issued to government regulators or utilities, including, without limitation guarantees issued in favour of the Department of Mineral Resources and the Electricity Supply Commission of South Africa and suppliers of goods and services in connection with capital projects and any deposits required in respect thereto;
- (m) obligations of FIU arising under the minutes of settlement dated November 10, 2009 between Auramet Trading LLC and FIU;
- (n) obligations of FIU arising under an agreement dated March 15, 2010 between a former senior executive of FIU and FIU;
- (o) obligations of FUPL arising under the Aberdeen Arrangement Agreement dated December 20, 2006 between Simmer and Jack, FUPL and Aberdeen;

- (p) obligations of Chemwes under the Tailings and Mining Right Agreement dated June 2008 among Buffelsfontein Gold Mine Limited, Simmer and Jack and Chemwes;
- (q) obligations due to Nuclear Fuels Corporation of South Africa under the toll treatment agreement in respect of construction of a calcining plant and purchase of a tanker;
- (r) obligations arising under uranium sale contracts entered into from time to time for the future delivery of uranium;
- (s) amounts owing in respect of capital projects referred to in the Company technical reports publicly available, provided that no Security is given in connection therewith except for amounts held on deposit or in escrow consistent with industry practice; and
- (t) guarantee or surety obligations by the Company, FIU or any Guarantor in respect of any Permitted Indebtedness of any other Guarantor, the Company or FIU;

“**Person**” shall mean any natural person, corporation, firm, partnership, joint venture, trustee, executor, liquidator of a succession, administrator, legal representative or other unincorporated association, trust, unincorporated organization, government or Governmental Authority and pronouns relating thereto have a similar extended meaning;

“**Place of Payment**” shall mean the place or places where the principal of and any premium, if any, interest and other amounts on Rand Notes are payable;

“**Proceeding**” shall mean any suit, action or other judicial or administrative proceeding;

“**Property**” shall mean any asset, revenue or any other property or property right or interest, whether tangible or intangible, real or personal, including, without limitation, any right to receive income;

“**Put or Exchange Right**” has the meaning ascribed thereto in subsection 4.1.1;

“**Put or Exchange Date**” has the meaning ascribed thereto in subsection 4.1.1;

“**Put or Exchange Notice**” has the meaning ascribed thereto in subsection 4.1.2;

“**Put or Exchange Number**”, as of the applicable Put or Exchange Date, means the number obtained when dividing ZAR1,000 principal amount of Rand Notes by the Put or Exchange Price, and rounding to four decimal places;

“**Put or Exchange Price**” means ZAR9.31 per Common Share, subject to adjustment from time to time pursuant to Article 6;

“**Put or Exchange Value**” means, for each ZAR1,000 principal amount of Rand Notes, the amount equal to the Put or Exchange Number multiplied by the Current Market Price;

“**Rand Note Indenture**” means this note indenture dated as of the date hereof among the Company as issuer, FIU as Put or Exchange counterparty and guarantor, FUL, FUPL, Chemwes and Ezulwini, as guarantors, and GMG Trust Company SA Limited, as Indenture Trustee, as the same may be amended, revised, restated or varied from time to time;

“**Rand Notes**” means the secured rand notes issued pursuant to the Rand Note Indenture;

“**Recognized Stock Exchange**” means the TSX or the JSE or if the Common Shares are not listed on the TSX or the JSE, any other stock exchange on which the Common Shares are then listed and posted for trading;

“**Regular Interest Record Date**” means, with respect to an Interest Payment Date, the last Friday prior to the applicable Interest Payment Date, unless the Friday is a public holiday in which case the record date will be on the last business day of that week for Definitive Notes;

“**Regular Interest Record Date**” means, with respect to an Interest Payment Date, the date determined as the record date for the determination of the Holders to which interest on Rand Notes is payable on such Interest Payment Date, which date shall be the 15th Business Day prior to such Interest Payment Date for Definitive Notes;

“**Responsible Officer**” means any director, the Chairman, the President, the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, any Vice-President, the Secretary, any Assistant Secretary, or any other officer of the Company or FIU (as the case may be) customarily performing functions similar to those performed by any of the above designated officers;

“**Rights Period**” and “**Rights Offering**” have the meanings ascribed thereto in subsection 6.1.3;

**“Rights Offering Price”** has the meaning ascribed thereto in subsection 6.1.6;

**“Securities”** means, stocks, shares, units, instalment receipts, voting trust certificates, bonds, notes, other evidences of indebtedness, or other documents or instruments commonly known as securities or any certificates of interest, shares or participations in temporary or interim certificates for, receipts for, guarantees of, or warrants, options or rights to subscribe for, purchase or acquire any of the foregoing;

**“Security”** shall mean any mortgage, pledge, hypothec, lien, security interest, charge or other similar encumbrance;

**“Security Documents”** means the security granted by the Company and the Guarantors in favour of the SPV for the due and punctual performance of all obligations and indebtedness of whatsoever nature which they may owe or have towards the SPV under the indemnity referred to in Section 8.1(a), all as more particularly described in Schedule D to the Rand Note Indenture;

**“Settlement Common Shares”** as defined in subsection 4.2.1;

**“Simmer and Jack”** means Simmer and Jack Mines Limited, a corporation existing under the laws of South Africa, and its successors and assigns;

**“Special Distribution”** has the meaning ascribed thereto in subsection 6.1.4;

**“SPV”** means Main Street 789 (Proprietary) Limited, a company incorporated pursuant to the laws of South Africa;

**“SPV Guarantee”** has the meaning attributed thereto in section 8.1;

**“Stated Maturity”** shall mean, with respect to any principal of or accrued interest on a Rand Note, the fixed date or dates specified on which such principal or interest is due and payable;

**“Subsidiary”** in relation to any body corporate, shall mean a corporation a majority of the outstanding voting securities of which are beneficially owned, directly or indirectly, by or for such body corporate and/or by or for any corporation in like relation to such body corporate and includes any corporation in like relation to a Subsidiary and, for purposes of this definition, “voting securities” means securities having under all circumstances voting power to elect at least a majority of the board of directors, provided that, securities which only carry the right to vote conditionally on the happening of an event shall not be considered to be voting securities nor shall any securities be deemed to cease to be voting securities solely by reason of a right to vote accruing to shares of another class or classes by reason of the happening of such event;

**“Successor Company”** shall have the meaning ascribed thereto in subsection 16.1.1(a);

**“Supplemental Indenture”** shall have the meaning ascribed thereto in section 18.1.1;

**“Taxes”** has the meaning ascribed thereto in section 2.15;

**“Trading Day”** means, with respect to any Recognized Stock Exchange or any other market for securities, any day on which such exchange or market is open for trading or quotation;

**“TSX”** means the Toronto Stock Exchange;

**“Voting Rights”** means on any date, the voting rights connected to the Rand Notes and the Canadian Notes, calculated on the basis of the number of Common Shares into which the Rand Notes or the Canadian Notes, as the case may be, could then be put or exchanged in accordance with the provisions of this Indenture or converted in accordance with the provisions of the Canadian Note Indenture, respectively, if the respective put or exchange or convertibility rights, as the case may be, were to be applied on such date, provided however that fractional shares will be disregarded for this purpose;

**“Voting Shares”** means a share conferring a right to vote in all circumstances or by reason of an event which occurred or is occurring, and includes a security convertible into such a share, as well as an option or a right which may be exercised to acquire such a share or security and in particular the Common Shares of the Company;

**“Weighted Average Trading Price”** means, with respect to any security on a stock exchange or quotation service during a specified period, the quotient obtained by dividing: (i) the aggregate sale price of all such securities sold on such stock exchange or quotation service during such period by (ii) the total number of such securities sold on such stock exchange or quotation service during such period, as determined from time to time by the Board of Directors, or upon request of the Board of Directors, as determined by an Independent Member of IIROC;

**“Wholly-Owned Subsidiary”** means any corporation of which the Company beneficially owns, directly or indirectly, all the Voting Shares and equity shares and a corporation shall be deemed to beneficially own Voting Shares and equity shares beneficially owned by a Wholly-Owned Subsidiary and so on indefinitely;

**“Written Order”** or **“Written Request”** means a written order or request, respectively, signed in the name of the Company by Responsible Officer or director of the Company; and

all other terms which are used herein but not otherwise defined herein, and that are defined in the *Securities Services Act, 2004*, either directly or by reference therein, shall have the meanings assigned to them therein.

## 1.2 INTERPRETATION

1.2.1 Words importing the singular number shall include the plural and *vice versa* and words importing gender shall include the masculine, feminine and neuter genders.

1.2.2 The words **“hereto”**, **“herein”**, **“hereof”**, **“hereby”**, **“hereunder”**, and other words of similar import refer to this Indenture as a whole and not to any particular article, section, subsection, paragraph, clause or other part of this Indenture.

1.2.3 Except as otherwise provided herein, any reference in this Indenture to any act, statute, regulation, policy statement, instrument, agreement, or section hereof shall be deemed to be a reference to such act, statute, regulation, policy statement, instrument, agreement or section thereof as amended, re-enacted or replaced from time to time.

1.2.4 References herein and in the Rand Notes to principal, interest and premium shall be deemed to include any Additional Amounts.

## 1.3 ACCOUNTING TERMS

As used in this Indenture and in any certificate or other document made or delivered pursuant to this Indenture, accounting terms not defined in this Indenture, or in any such certificate or other document, and accounting terms partly defined in this Indenture or in any such certificate or other document to the extent not defined, shall have the respective meanings given to them under applicable Financial Reporting Standards. To the extent that the definitions of accounting terms in this Indenture, or in any such certificate or other document are inconsistent with the meanings of such terms under applicable Financial Reporting Standards, the definitions contained in this Indenture, or in any such certificate or other document shall prevail.

## 1.4 HEADINGS AND TABLE OF CONTENTS

The division of this Indenture, or any related document, into articles, sections, subsections, paragraphs, clauses and other subdivisions, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Indenture or any such related document.

## 1.5 SECTION AND SCHEDULE REFERENCES

Unless something in the subject matter or context is inconsistent therewith, references in this Indenture to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules are to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules of or to this Indenture.

## 1.6 GOVERNING LAW

This Indenture and each Rand Note issued hereunder shall be governed by, and construed with, the laws of the Republic of South Africa.

## 1.7 CURRENCY

Unless expressly provided to the contrary in this Indenture or in any Rand Note, all monetary amounts in this Indenture or in such Rand Note refer to South African Rand ("ZAR").

If, for the purposes of this Indenture or the Rand Notes, it is necessary to convert amounts specified in one currency into another currency or to determine the equivalent in one currency of another currency, the rate of exchange to be used shall be the closing mid-point rate for exchanges between those currencies as quoted by First National Bank – a division of FirstRand Bank Limited (or its successor from time to time) in respect of the Business Day immediately prior to the date of such conversion, save where expressly provided to the contrary in this Indenture.

## 1.8 NON-BUSINESS DAYS

Unless expressly provided to the contrary in this Indenture or in any Rand Note, whenever any payment shall be due, any period of time shall begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, on, or as of, or from a period ending on, the next succeeding Business Day.

## 1.9 TIME

Unless otherwise expressly stated in this Indenture or in any Rand Note, all references to a time will mean South African Time. Time shall be of the essence in this Indenture.

## 1.10 INDEPENDENCE OF COVENANTS

Each covenant contained in this Indenture shall be construed (absent an express provision to the contrary) as being independent of each other covenant, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant.

## 1.11 FORM OF DOCUMENTS DELIVERED TO INDENTURE TRUSTEE

1.11.1 In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

1.11.2 Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

## 1.12 ACTS OF HOLDERS

1.12.1 Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may, alternatively, be embodied in and evidenced by the record of Holders of Rand Notes voting in favour thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders of Rand Notes duly called and held in accordance with the provisions of Article 15, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such requisite instrument or instruments are delivered to the Indenture Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are

herein sometimes referred to as the “**Act of Holders**” or the “**Act**” of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and, subject to subsection 14.1.1, conclusive in favour of the Indenture Trustee and the Company, if made in the manner provided in this section 1.12. The record of any meeting of Holders of Rand Notes shall be provided in the manner specified in section 15.7.

- 1.12.2 The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to such notary public or other officer the execution thereof. Where such execution is by a signer acting in a capacity, other than such signer’s individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer’s authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any manner that the Indenture Trustee deems sufficient.
- 1.12.3 If the Company or the Indenture Trustee shall solicit from the Holders of Rand Notes any Act, the Company or the Indenture Trustee, as the case may be, may, at its option, fix in advance a record date for the determination of Holders of Rand Notes entitled to take such Act, but the Company or the Indenture Trustee, as the case may be, shall have no obligation to do so. Any such record date shall be fixed at the Company’s or the Indenture Trustee’s discretion, as the case may be, provided that such record date shall be fixed on a date not more than 60 days prior to the Act. If such a record date is fixed, such Act may be sought or taken before or after the record date, but only the Holders of Rand Notes of record at the close of business on such record date shall be deemed to be Holders of Rand Notes for the purpose of determining whether Holders of the requisite proportion of Outstanding Rand Notes have authorized or agreed or consented to such Act, and for that purpose the Outstanding Rand Notes shall be computed as of such record date.
- 1.12.4 Any Act of the Holder of any Rand Note shall bind every future holder of the same Rand Note and the Holder of every Rand Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, suffered or omitted by the Indenture Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Rand Note.

### 1.13 **ENGLISH LANGUAGE**

The Company, the Guarantors, the Indenture Trustee and, by their acceptance of Rand Notes and the benefits of this Indenture, the Holders acknowledge that this Indenture, each Rand Note and each document related hereto and thereto has been drawn up in English at the express will of such Persons.

### 1.14 **SUCCESSORS AND ASSIGNS**

All covenants and agreements in this Indenture by the Company shall bind its successors and, to the extent provided by Applicable Law, assigns whether expressed or not.

### 1.15 **SEVERABILITY CLAUSE**

If any provision in this Indenture or in the Rand Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

### 1.16 **BENEFITS OF INDENTURE**

Nothing in this Indenture and in the Rand Notes, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, any registrar and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

### 1.17 UNCLAIMED NOTES

Subject to Applicable Law, all Rand Notes together with any interest thereon which remain unclaimed after a period of three calendar years from the date on which they mature shall be forfeited and shall revert to the Company.

### 1.18 SCHEDULES

The following Schedules form part of the Indenture:

- Schedule "A" – Form of Note.
- Schedule "B" – Form of Put or Exchange Notice.
- Schedule "C" – Conditions Precedent.
- Schedule "D" – List of Security Documents.
- Schedule "E" – Disclosure Schedule.

### 1.19 BENEFITS OF INDENTURE THROUGH INDENTURE TRUSTEE

For greater certainty, this Indenture is being entered into with the Indenture Trustee for the benefit of the Holders of Rand Notes and the Indenture Trustee declares that it holds all rights, benefits and interests of this Indenture on behalf of the Holders of Rand Notes and each such person who becomes a Holder of the Rand Notes from time to time.

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## ARTICLE 2: THE RAND NOTES

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### 2.1 LIMIT OF ISSUE AND DESIGNATION OF NOTES

The Rand Notes authorized to be issued hereunder shall consist of, and be limited to the principal amount of ZAR 463,896,610.06 and shall be designated as "Secured Convertible Notes due March 31, 2013."

### 2.2 FORM AND TERMS OF NOTES

The Rand Notes shall be dated as of the Issue Date. The Rand Notes shall bear interest from and including the Issue Date at the rate of 11.00% per annum, calculated semi-annually not in advance on each Interest Payment Date (after as well as before Maturity, default and judgment, with interest on overdue interest at the said rate), and payable in equal semi-annual instalments in arrears on each Interest Payment Date, subject to section 2.3, and the Rand Notes shall mature on the Maturity Date.

The principal of the Rand Notes will be payable on the Maturity Date in lawful money of South Africa against surrender thereof by the Holder at the Corporate Trust Office or at such place or places as may be designated by the Company for that purpose.

The Rand Notes shall be issued as fully registered Rand Notes in denominations of ZAR 1,000 and integral multiples of ZAR 1,000 and shall be capable of being put or exchanged as provided for in Article 4.

The Rand Notes and the certificate of the Indenture Trustee endorsed thereon shall be substantially in the form set forth in Schedule "A" to the Indenture.

### 2.3 INTEREST

2.3.1 Each Rand Note issued hereunder, whether issued originally or in exchange for another Rand Note, shall bear interest from and including the Issue Date or from and including the last Interest Payment Date on which interest shall have been paid or made available for payment on the Rand Notes then Outstanding, whichever shall be the later, to but excluding the earliest of:

- (a) the following Interest Payment Date;
- (b) if purchased in accordance with section 3.1, the date of payment;
- (c) if repurchased in accordance with section 3.2, the Payment Date;
- (d) if put or exchanged in accordance with section 4.1, the Put or Exchange Date; and
- (e) the Maturity Date,

as the case may be (the "**Interest Period**"); where applicable, upon due presentation and surrender thereof for payment on or after the appropriate date. The first Interest Payment Date shall be September 30, 2010 and the interest payment payable on such Interest Payment Date will amount to ZAR 47.32 per ZAR1,000 principal amount of Rand Notes. For greater certainty, interest for the first Interest Payment Date shall accrue daily from the closing date to but excluding September 30, 2010. Each subsequent payment on an Interest Payment Date will amount to ZAR 55.00 per ZAR1,000 principal amount of Rand Notes. The interest accrued and payable per ZAR1,000 principal amount of Rand Notes in respect of an Interest Period other than an Interest Period that ends on an Interest Payment Date shall be calculated by multiplying ZAR1,000 by the interest rate of 11.00% per annum, dividing the product so obtained by 365 days and multiplying the quotient by the actual number of days in the said Interest Period.

2.3.2 All interest payments to be made under this Indenture or any Rand Note shall be paid without allowance or deduction for deemed re-investment or otherwise, both before and after Maturity and before and after default and/or judgment, if any, until payment of the amount on which such interest is accruing, and, to the extent permitted by Applicable Law, interest will accrue on overdue interest.

- 2.3.3 The rate of interest stipulated in this Indenture or in any Rand Note will be calculated using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.
- 2.3.4 In calculating interest under this Indenture or under a Rand Note for any period, unless otherwise specifically stated, the first day of such period shall be included and the last day of such period shall be excluded.

## 2.4 **PRESCRIPTION**

The right of the Noteholders to exercise their rights under this Indenture shall become void unless the Rand Notes are presented for payment within a period of three years from the Maturity Date, after which payment thereof shall be governed by the provisions of Article 13 hereof. The Company shall have satisfied its obligations under this Indenture or the Rand Notes as applicable upon remittance to the Indenture Trustee for the account of the Noteholders, upon repurchase, conversion, put or exchange or at the Maturity Date, of any and all consideration due hereunder in cash, subject to and in accordance with the provisions of this Indenture, and such remittance shall for all purposes be deemed a payment to the Noteholders, and to that extent such Rand Notes shall thereafter not be considered as Outstanding and the Noteholders shall have no right, except to receive payment out of the moneys so paid and deposited upon surrender of its Rand Notes.

## 2.5 **ISSUE OF RAND NOTES**

Rand Notes in such aggregate principal amounts as the Board of Directors shall determine and in lawful money of South Africa shall be executed by the Company from time to time and, forthwith after such execution, shall be delivered to the Indenture Trustee and shall be certified by the Indenture Trustee and delivered to the Company in accordance with the terms of section 2.7. Other than as contemplated by section 2.8.2, the Indenture Trustee shall receive no consideration for the certification of Rand Notes.

## 2.6 **EXECUTION**

- 2.6.1 The Rand Notes shall be executed on behalf of the Company by any two Responsible Officers of the Company. The Rand Notes may, but need not, be under the corporate seal of the Company or a reproduction thereof (which reproduction shall for such purposes be deemed to be the corporate seal of the Company). The signature of any of these officers on the Rand Notes may be manual or facsimile. Rand Notes bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Rand Notes.
- 2.6.2 If Rand Notes are issued as Definitive Notes, the Company shall provide to the Indenture Trustee a supply of certificates to evidence such Definitive Notes in such form, in such amounts, bearing such distinguishing letters and numbers, and as at such times as are necessary to enable the Indenture Trustee to fulfil its responsibilities under this Indenture.

## 2.7 **CERTIFICATION BY INDENTURE TRUSTEE**

- 2.7.1 At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Rand Notes executed on behalf of the Company to the Indenture Trustee for certification, pursuant to a Company Order applicable thereto and evidence of compliance, if requested by the Indenture Trustee, in accordance with section 14.4.1 and Applicable Law. Upon receipt by the Indenture Trustee of a Company Order applicable to such Rand Notes and such evidence of compliance, the Indenture Trustee shall certify and deliver such Rand Notes in the manner specified in such Company Order, without receiving any consideration for such certification and delivery.
- 2.7.2 No Holder shall be entitled to any right or benefit under this Indenture with respect to a Rand Note, and such Rand Note shall not be valid or binding for any purpose, unless such Rand Note has been certified by the Indenture Trustee, as evidenced by the manual signature of

an authorized officer of the Indenture Trustee. Such certification upon any Rand Note shall be conclusive evidence, and the only evidence, that such Rand Note has been issued under this Indenture.

2.7.3 Rand Notes bearing the manual signature of an individual who was, at the time that such signature was affixed, an authorized signing officer of the Indenture Trustee, shall be valid and binding on the Indenture Trustee notwithstanding that such individual ceased to be an authorized signing officer of the Indenture Trustee prior to the delivery of such Rand Notes.

2.7.4 The certification by the Indenture Trustee on the Rand Notes shall not be construed as a representation or warranty by the Indenture Trustee as to the validity of this Indenture or of the Rand Notes (except in respect of the due certification thereof and any other warranties implied by law) or as to the performance by the Company or any of the Guarantors of their respective obligations under this Indenture and the Indenture Trustee shall in no respect be liable or answerable for the use made of the Rand Notes or any of them or of the proceeds thereof.

## **2.8 REGISTRATION OF EXCHANGES**

2.8.1 Rand Notes may be exchanged for one or more Rand Notes in an equal aggregate principal amount upon surrender of the Rand Notes to be exchanged at the specified office of the Indenture Trustee; provided, however, that each Rand Note issued in exchange for such original Rand Note shall have a principal amount in an authorized denomination as provided for herein.

2.8.2 The Indenture Trustee may make a charge to reimburse itself for any stamp (or securities transfer) taxes or governmental charges required to be paid and a reasonable charge for their services and a reasonable sum per Rand Note created and issued upon any exchange or transfer of Rand Notes effected by them. Subject to section 2.14, payment of such charges will be made by the Person requesting the exchange or transfer as a condition precedent to such exchange or transfer.

## **2.9 PERSONS ENTITLED TO PAYMENT**

2.9.1 Prior to due presentment for registration of transfer of any Rand Note, the Company, the Indenture Trustee and any other Person, as the case may be, may treat the Person, as the case may be, in whose name any Rand Note is registered in the applicable register as the absolute and sole owner of such Rand Note for all purposes including receiving payment of the principal of, and any premium, if any, interest or other amount on such Rand Note, receiving any notice to be given to the Holder of such Rand Note, and taking any Act of Holders with respect to such Rand Note, whether or not any payment with respect to such Rand Note shall be overdue, and none of the Company, the Indenture Trustee or any other Person, as the case may be, shall be affected by notice to the contrary.

2.9.2 Delivery of a Rand Note to the Indenture Trustee by or on behalf of the Holder thereof shall, upon payment of such Rand Note, be a valid discharge to the Company of all obligations evidenced by such Rand Note. None of the Company, the Indenture Trustee or any other Person shall be bound to inquire into the title of any such Holder.

2.9.3 In the case of the death of one or more joint registered Holders of a Rand Note, the principal of, and premium, if any, interest and any other amounts on such Rand Note may be paid to the survivor or survivors of such registered Holders whose receipt of such payment, accompanied by the delivery of such Rand Note, shall constitute a valid discharge to the Company and the Indenture Trustee.

## **2.10 PAYMENT OF PRINCIPAL AND INTEREST ON DEFINITIVE NOTES**

2.10.1 Subject to repurchase or put or exchange pursuant to the terms hereof, as payments in respect of interest on the Definitive Notes become due, interest payable on the Definitive Notes on an Interest Payment Date will be payable by the Company to the Holders thereof in whose names the Rand Notes are registered at the close of business on the Regular Interest Record Date with respect to the applicable Interest Payment Date. No later than 12:00 p.m. (Johannesburg time) on the day that is three Business Days preceding each Interest Payment Date, the Company

shall deliver sufficient funds by way of money order, certified cheque, bank draft or electronic funds transfer to the Indenture Trustee to enable it to forward or cause to be forwarded, to the Holder in whose name any Rand Note is registered at the close of business on the Regular Interest Record Date with respect to the applicable Interest Payment Date, at his or her last address appearing on the relevant register or into a bank account designated, in writing, by such Holder, or in the case of joint Holders, to any (or all) Holder(s) whose name(s) appear(s) on such register, on the Interest Payment Date (or the first Business Day thereafter if the Interest Payment Date is not a Business Day) a cheque to the order of such Holder or Holders and negotiable at par at any branch in South Africa of such bank or banks as may be acceptable to the Indenture Trustee in its absolute discretion, or a money order, bank draft or electronic funds transfer, for such interest payable. The forwarding of such funds by the Company to the Indenture Trustee and the subsequent delivery or transfer of such funds by the Indenture Trustee to the Holders shall satisfy and discharge the Company's liability for payment of the interest on the Rand Notes to the extent of the sums represented thereby, unless such cheque is not paid at par on presentation or the money order, bank draft or electronic funds transfer is unsuccessful; provided that in the event of the non-receipt of such cheque by the Holder, or the loss or destruction thereof, the Indenture Trustee on being furnished with reasonable evidence of such non-receipt, loss or destruction and indemnity reasonably satisfactory to it shall issue to such Holder a replacement cheque for the amount of such cheque. Notwithstanding the foregoing, if the Company is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Rand Note in the manner provided above, the Company may make payment of such interest or make such interest available for payment in any other manner acceptable to the Indenture Trustee with the same effect as though payment had been made in the manner provided above.

- 2.10.2 If a Rand Note or a portion thereof is called or presented for repurchase or put or exchange and the Payment Date or Put or Exchange Date is subsequent to a Regular Interest Record Date but prior to the related Interest Payment Date, interest accrued on such Rand Note will be paid upon presentation and surrender of such Rand Note to the Corporate Trust Office up to but excluding the Payment Date or the Put or Exchange Date.
- 2.10.3 Subject to the foregoing provisions of this section, each Rand Note delivered upon the transfer of or in exchange for or in lieu of any other Rand Note shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Rand Note.

## 2.11 PAYMENTS OF PRINCIPAL AND INTEREST

- 2.11.1 As payments in respect of principal and interest on the Rand Notes become due, the Company shall (except in cases of payments on the Maturity Date, repurchase or put or exchange which shall be made only upon presentation and surrender or assignment of the Rand Note(s)), no later than on the applicable Interest Payment Date or on the Maturity Date, as the case may be, at the option of the Company:
- (a) deliver or cause to be delivered to the office of the Indenture Trustee at the Corporate Trust Office at or before 10:00 a.m. (Johannesburg time) three Business Days before such Interest Payment Date or Maturity Date, a certified cheque for the amount of such payment payable on such Interest Payment Date or Maturity Date, as the case may be, to the order of the Indenture Trustee and negotiable at par; or
  - (b) provide to the Indenture Trustee such payment by electronic funds transfer to an account designated by the Indenture Trustee, at or before 10:00 a.m.(Johannesburg time) on the Business Day preceding such Interest Payment Date or Maturity Date, as the case may be, for all amounts due in respect of such principal and interest on the Rand Notes to enable the Indenture Trustee to forward or cause to be forwarded such funds to the Noteholder's account.

The Indenture Trustee shall only forward cheques or effect an electronic funds transfer to a Noteholder with respect to an Interest Payment Date upon receipt of funds from the Company.

## 2.12 RANK

The Rand Notes certified and issued under this Indenture rank *pari passu* with one another and with the Canadian Notes, in accordance with their tenor without discrimination, preference or priority.

## 2.13 REGISTER AND TRANSFER

2.13.1 The Company shall cause to be kept by and at the principal office of the Indenture Trustee in Johannesburg, a register, and in such other place or places by the Indenture Trustee, if any, as the Company with the approval of the Indenture Trustee may designate, branch registers, in which shall be entered the names and latest known addresses of the Holders of Rand Notes and the other particulars prescribed by law of the Rand Notes held by them respectively and all transfers of Rand Notes. Such registration shall be noted on the Rand Notes by the Indenture Trustee. No transfer of a Rand Note shall be effective as against the Company unless made on one of the appropriate registers by the registered Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee, upon compliance with such requirements as the Indenture Trustee may prescribe, and unless such transfer shall have been duly noted on such Rand Note by the Indenture Trustee.

## 2.14 ADDITIONAL AMOUNT

- 2.14.1 Any payments made by or on behalf of the Company or by FIU under or with respect to the Rand Notes (including, for the avoidance of doubt, any payments made in Common Shares or cash pursuant to Article 4) will be made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, impost, assessment or other governmental charge (collectively, "**Taxes**"), unless the Company or any other payor is required to withhold or deduct Taxes by Applicable Law or by the interpretation or administration thereof by the relevant Governmental Authority. If the Company or FIU or any other payor is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Rand Notes, the Indenture Trustee will make such withholding or deduction and will remit the full amount withheld or deducted to the relevant Governmental Authority as and when required by Applicable Law and the Company, FIU or any other payor, as the case may be, will pay to the Indenture Trustee such additional amounts ("**Additional Amounts**") as may be necessary so that the net amount received by each Holder of Rand Notes (including Additional Amounts) after such withholding or deduction will not be less than the amount such Holder would have received if such Taxes had not been withheld or deducted; provided, however, that no Additional Amounts will be payable with respect to any payment to a Holder (an "**Excluded Holder**") in respect of a Beneficial Holder who is liable for such Taxes in respect of such Rand Notes: (i) by reason of such Holder or Beneficial Holder being a Person with whom the Company or FIU is not dealing at arm's length for the purposes of the South African Income Tax Act, 1962, or the Income Tax Act (Canada), as the case may be, at the time of making such payment or (ii) by reason of the existence of any present or former connection between such Holder or Beneficial Holder and South Africa or any province or territory thereof other than solely by reason of the Holder's activity in connection with purchasing the Rand Notes, the mere holding, deemed holding, use or ownership of the Rand Notes, or receiving payments under or enforcing any rights in respect of such Rand Notes as a non-resident or deemed non-resident of South Africa or any province or territory thereof.
- 2.14.2 Within 90 days after the date the payment of any Taxes is due pursuant to Applicable Law, the Indenture Trustee will, at the request of the Company, furnish to the Company copies of tax receipts evidencing such payment by the Indenture Trustee.
- 2.14.3 At least 30 days prior to each date on which any payment under or with respect to the Rand Notes is due and payable, if the Company to its knowledge will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Indenture Trustee an Officer's Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Indenture Trustee to pay such Additional Amounts to Holders on the date payment is due.

- 2.14.4 Whenever in this Indenture or in any Rand Note there is mentioned, in any context, the payment of principal (and premium, if any), a purchase price pursuant to an Offer to Purchase, interest or any other amount payable under or with respect to any Rand Note, such mention shall be deemed to include mention of the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.
- 2.14.5 The Company will indemnify and hold harmless each Holder of Rand Notes and upon written request reimburse each of the Holders for the amount of: (i) any South African Taxes so levied or imposed and paid by the Holder as a result of payments made under or with respect to the Rand Notes; (ii) any liability (including penalties and interest) arising therefrom or with respect thereto paid by the Holder as a result of payments made under or with respect to the Rand Notes; and (iii) any South African Taxes levied or imposed and paid by the Holder with respect to reimbursement under (i) and (ii) above, but excluding any South African Taxes on such Holder's net income or capital.

## 2.15 CANCELLATION OF NOTES

- 2.15.1 All Rand Notes surrendered for payment of the final amount required to be paid thereon or that have been surrendered to the Indenture Trustee for registration of exchange or transfer, shall be promptly cancelled by the Indenture Trustee on receipt. The Indenture Trustee shall give prompt written notice to the Company of the particulars of any Rand Notes cancelled by it.
- 2.16 The Company may, in its discretion at any time, deliver to the Indenture Trustee for cancellation any Rand Notes which the Company has purchased as provided for in this Indenture, and all such Rand Notes so delivered shall be cancelled by the Indenture Trustee.

## 2.17 MUTILATED, LOST, STOLEN OR DESTROYED NOTES

- 2.17.1 If any Rand Note has been mutilated or defaced or has or has been alleged to have been lost, stolen or destroyed, then, on application by the applicable Holder to the Indenture Trustee, the Company may, in its discretion, execute, and upon such execution the Indenture Trustee shall certify and deliver, a new Rand Note of the same date and amount as the defaced, mutilated, lost, stolen or destroyed Rand Note in exchange for and in place of the defaced or mutilated Rand Note, and in lieu of and in substitution for the lost, stolen or destroyed Rand Note. Notwithstanding the foregoing, no Rand Note shall be delivered as a replacement for any Rand Note which has been mutilated or defaced otherwise than upon surrender of the mutilated or defaced Rand Note, and no Rand Note shall be delivered as a replacement for any Rand Note which has been lost, stolen or destroyed unless the applicant for the replacement Rand Note has furnished to the Company and the Indenture Trustee evidence, satisfactory in form and substance to the Company and the Indenture Trustee, of its ownership of, and of such loss, theft or destruction of, such Rand Note and has provided such a surety bond and indemnity to the Company and the Indenture Trustee in amount, form and substance satisfactory to each of them in their respective discretion. Any instructions by the Company to the Indenture Trustee under this section shall include such indemnity for the protection of the Indenture Trustee as the Indenture Trustee may reasonably require.
- 2.17.2 If any mutilated, defaced, lost, stolen or destroyed Rand Note has become or is about to become due and payable, the Company, in its discretion, may, instead of executing a replacement Rand Note, pay to the Holder thereof the full amount outstanding on such mutilated, defaced, lost, stolen or destroyed Rand Note.
- 2.17.3 Upon the issuance of a replacement Rand Note, the Company may require the applicant for such replacement Rand Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in relation to such issuance and any other expenses (including the fees and expenses of the Indenture Trustee and the Company) connected with such issuance.
- 2.17.4 Each replacement Rand Note shall bear a unique serial number and be in a form otherwise identical to the Rand Note it replaces and shall be entitled to the benefits of this Indenture to the same extent and in the same manner as the Rand Note it replaces.

## 2.18 **ACCESS TO LISTS OF HOLDERS**

If any Beneficial Holder or group of Beneficial Holders of Rand Notes, or such one or more Holders as may be permitted by Applicable Law (in each case, the "**Applicants**") apply to the Indenture Trustee (with a copy to the Company), then the Indenture Trustee, after having been funded and indemnified to its reasonable satisfaction by such Applicants for its related costs and expenses, shall afford or shall cause the Company to afford the Applicants the most recent list of Holders of Rand Notes within 10 Business Days after the receipt of such application by the Indenture Trustee. Such list shall be as of a date no more than 10 days (or such other date as may be mandated by Applicable Law) prior to the date of receipt of the Applicants' request.

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## ARTICLE 3: REPURCHASE AND CANCELLATION OF RAND NOTES

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### 3.1 PURCHASE OF RAND NOTES

Provided that no Event of Default has occurred and is continuing, the Company may purchase all or any of the Rand Notes in the open market (which shall include purchase from or through an investment dealer or a firm holding membership on a Recognized Stock Exchange) or by tender or by private contract at any price, subject to compliance with Applicable Securities Laws. If an Event of Default has occurred and is continuing, the Company may purchase all or any of the Rand Notes as aforesaid with the exception of by private contract.

If, upon an invitation for tenders, more Rand Notes than the Company is prepared to accept are tendered at the same lowest price, the Rand Notes to be purchased by the Company will be selected by the Indenture Trustee in such manner (which may include pro rata) as the Indenture Trustee may deem equitable, from the Rand Notes tendered by each tendering Noteholder who tendered at such lowest price. For this purpose, the Indenture Trustee may make, and from time to time amend, regulations with respect to the manner in which Rand Notes may be so selected and regulations so made shall be valid and binding upon all Noteholders and, notwithstanding the fact that, as a result thereof, one or more of such Rand Notes become subject to purchase in part only. The Holder of any Rand Note of which a part only is purchased, upon surrender of such Rand Note for payment, shall be entitled to receive, without expense to such Holder, a replacement Rand Note for and evidencing the same obligation as the unpurchased part so surrendered and the Indenture Trustee shall certify and deliver such replacement Rand Note upon receipt of the Rand Note so surrendered provided that each Rand Note so purchased (and replacement Rand Note) is in a principal amount of ZAR1,000 or a multiple thereof.

### 3.2 REPURCHASE OF NOTES UPON A CHANGE OF CONTROL

3.2.1 The Company must commence, within 30 days of the occurrence of a Change of Control, an offer to purchase (the "**Offer to Purchase**") for all Rand Notes then Outstanding. The Offer to Purchase shall be made at a purchase price equal to 105% of the principal amount thereof, plus accrued and unpaid interest thereon (if any) up to but excluding the date of purchase (the "**Payment Date**"). An Offer to Purchase shall be open for 30 days and the Payment Date shall be the 30th day following the mailing of the Offer to Purchase to the Indenture Trustee.

3.2.2 An Offer to Purchase shall be commenced by the Company notifying any Relevant Stock Exchange, in the form and manner prescribed by the Relevant Stock Exchange of the Change of Control, by mailing said Offer to Purchase to the Indenture Trustee and by the Indenture Trustee mailing a notice to each Noteholder, which notice shall specify: (i) the covenant contained herein pursuant to which the offer is being made and that all Rand Notes validly tendered will be accepted for payment; (ii) the purchase price and the Payment Date; (iii) that any Rand Note not tendered will continue to accrue interest pursuant to its terms; (iv) that, unless the Company defaults on the payment of the purchase price, any Rand Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Payment Date; (v) that Holders electing to have a Rand Note purchased pursuant to the Offer to Purchase will be required to surrender the Rand Note to the Indenture Trustee at the Corporate Trust Office or such other address specified in the notice prior to the close of business on the Business Day immediately preceding the Payment Date; (vi) that Holders will be entitled to withdraw their election if the Indenture Trustee receives, not later than the close of business on the third Business Day immediately preceding the Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Rand Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Rand Notes purchased and (vii) that Holders whose Rand Notes are being purchased only in part will be issued replacement Rand Notes equal in principal amount to and as evidence of the same underlying indebtedness as was evidenced by the unpurchased portion of the Rand Notes surrendered; provided that each Rand Note purchased and each replacement Rand Note issued shall be in a principal amount of ZAR1,000 or integral multiples thereof.

- 3.2.3 On the Payment Date, the Company shall; (i) accept for payment Rand Notes or portions thereof tendered pursuant to the Offer to Purchase; (ii) deposit with the Indenture Trustee money sufficient to pay the purchase price of all Rand Notes or portions thereof so accepted and (iii) deliver, or cause to be delivered, to the Indenture Trustee all Rand Notes or portions thereof so accepted (unless previously delivered to the Indenture Trustee) together with an Officer's Certificate specifying the Rand Notes or portions thereof accepted for payment by the Company.
- 3.2.4 The Indenture Trustee shall as soon as practicable mail to the Holders of Rand Notes who have so accepted payment a cheque in an amount equal to the purchase price (unless another method of payment is agreed, in writing, between the Indenture Trustee and the Holder of the Rand Notes, in which case, the Indenture Trustee shall, as soon as practicable perform payment in the manner agreed upon in an amount equal to the purchase price), and shall as soon as practicable authenticate and mail to such Holders a replacement Rand Note equal in principal amount to any unpurchased portion of the Rand Note surrendered; provided that each Rand Note purchased and each replacement Rand Note issued shall be in a principal amount of ZAR1,000 or integral multiples thereof.
- 3.2.5 The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date.
- 3.2.6 The Company will comply with all Applicable Securities Laws in the event that the Company is required to repurchase the Rand Notes pursuant to an Offer to Purchase in connection with a Change of Control.

### **3.3 CANCELLATION OF PURCHASED NOTES**

All Rand Notes purchased or repurchased in whole or in part pursuant to this Article 3 shall be forthwith delivered to and cancelled by the Indenture Trustee and may not be reissued or resold and no Rand Notes shall be issued in substitution therefor.

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## ARTICLE 4: PUT OR EXCHANGE

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### 4.1 PUT OR EXCHANGE RIGHT

4.1.1 Each Holder shall have the right at any time prior to the close of business on the earlier of: (i) the Business Day immediately preceding the Maturity Date or (ii) if called for repurchase pursuant to section 3.2, the Business Day immediately preceding the Payment Date, at his option to put or exchange each ZAR1,000 principal amount of his Rand Notes to FIU in return for that number of Common Shares equal to the Put or Exchange Number for each Rand Note that has been put or exchanged, all on the terms and subject to the conditions provided in this Article 4 (“**Put or Exchange Right**”). In order to exercise his Put or Exchange Right provided pursuant to subsection 4.1.1, a Holder will be required to deliver to the Indenture Trustee at the Corporate Trust Office or any other place specified by the Indenture Trustee in writing to the Noteholder, as the case may be, on or prior to the Business Day immediately preceding the Maturity Date or the Payment Date, as the case may be, a Put or Exchange Notice substantially in the form set forth in Schedule “B” in the Indenture (the “**Put or Exchange Notice**”) (with a copy to the Company and FIU), duly completed and executed by the Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by instrument in form and execution satisfactory to the Indenture Trustee, together with the related Rand Notes. The Put or Exchange Notice shall specify the date upon which the Noteholder intends to exercise its Put or Exchange Right (the “**Put or Exchange Date**”), which Put or Exchange Date shall not be later than the close of business on the Business Day immediately preceding the Maturity Date or the Payment Date and shall be at least six Business Days after the date the Put or Exchange Notice is delivered to the Indenture Trustee. A Put or Exchange Notice, once delivered, shall be irrevocable.

4.1.2 Upon receipt of a Put or Exchange Notice from the Holder, the Company and FIU shall ensure that the following conditions are met:

- (a) the Common Shares to be issued to the Holder shall be issued from the treasury of FIU and shall be Freely Tradeable and fully paid and non-assessable Common Shares;
- (b) the listing or quoting of such additional Common Shares on each Recognized Stock Exchange;
- (c) FIU being a reporting issuer or equivalent in good standing or equivalent under Applicable Securities Laws in the Provinces of Canada in which FIU is a reporting issuer;
- (d) no Event of Default shall have occurred and be continuing;
- (e) the receipt by the Indenture Trustee of an Officer’s Certificate stating that conditions (a), (b), (c) and (d) above have been satisfied and setting forth the number of Common Shares to be delivered for each ZAR1,000 principal amount of Rand Notes, the calculation of the Put or Exchange Number and setting out the amount of accrued and unpaid interest on the Rand Notes; and
- (f) the receipt by the Indenture Trustee of an Opinion of Counsel to the effect that such Common Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Put or Exchange Value of the Rand Notes outstanding, will be validly issued as fully paid and non-assessable, that conditions (a) and (b) above have been satisfied and that, relying exclusively on certificates of good standing or no default issued by the relevant securities regulatory authorities, condition (c) above is satisfied, except that the opinion in respect of condition (c) need not be expressed with respect to those provinces where such certificates are not issued.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the Put or Exchange Date, the Company or FIU shall pay in cash the Put or Exchange Value of the Rand Notes in lieu of delivery of the Put or Exchange Number of Common Shares together with accrued but unpaid interest, unless such Noteholder waives the conditions which are not satisfied or extends the time by which the Company or FIU is to satisfy such conditions.

## 4.2 COMPLETION OF PUT OR EXCHANGE

- 4.2.1 Completion of the Put or Exchange shall take place on the date specified in the Put or Exchange Notice.
- 4.2.2 Subject to 4.1.2, at completion, FIU shall purchase the Rand Notes (specified in the Put or Exchange Notice). The consideration payable by FIU to the Noteholder for the Rand Notes shall be such number of Common Shares as is equal to the Put or Exchange Number multiplied by the number of Rand Notes being sold by the Noteholder to FIU (the “**Settlement Common Shares**”), which shall be settled by FIU allotting and issuing such number of Settlement Common Shares to the Noteholder.
- 4.2.3 Upon completion of the procedures set out in 4.2.1 and 4.2.2 FIU shall deliver to the Indenture Trustee on account of the Holder for delivery to each Holder who has elected to exercise its Put or Exchange Right pursuant to section 4.1, for each ZAR1,000 principal amount of Rand Notes which the Holder has elected to put or exchange: (a) proof that FIU has entered the Holder in the shareholders’ register as the legal and beneficial owner of the Common Shares as well as certificates for the Common Shares to which the Holder is entitled; (b) a certified cheque or payment by way of electronic funds transfer in the amount of the value of a fractional Common Share, if any, as contemplated by section 4.3; (c) a certified cheque or payment by way of electronic funds transfer in the amount of the accrued and unpaid interest thereon and (d) if the Holder has elected to put or exchange a principal amount of Rand Notes (the “**exercised amount**”), which is less than the principal amount of all Rand Notes of which such person is the Holder immediately prior to such exercise (the “**registered amount**”), Rand Note(s) registered in the name of such Holder in an aggregate principal amount equal to the amount by which the registered amount exceeds the exercised amount.
- 4.2.4 All Rand Notes sold in whole or in part pursuant to this Article 4 shall be forthwith delivered to FIU and the Indenture Trustee shall amend the register maintained by it accordingly.
- 4.2.5 The Company shall provide to the Indenture Trustee the certificates for the Common Shares and for the Rand Notes to be delivered pursuant to subsection 4.2.1, if any, and pay to the Indenture Trustee sufficient funds, by electronic funds transfer, in a timely manner, to permit the Indenture Trustee, on behalf of the Company, to make the delivery required by subsection 4.2.3 and any other payments, if any, required by section 4.3.
- 4.2.6 The Indenture Trustee shall not be liable for the failure of FIU to deliver any Common Share certificates and/or funds pursuant to this section 4.2.

## 4.3 FRACTIONAL SHARES

No fractional Common Shares shall be delivered upon the exercise of the Put or Exchange Right but, in lieu thereof, if such a fraction shall become owing, the Company shall pay to the Holders, or to the Indenture Trustee on account of the Holders if necessary, at the time contemplated in subsection 4.2.3, the cash equivalent thereof determined on the basis of the Current Market Price of Common Shares as at the Put or Exchange Date.

## 4.4 RELATING TO THE ISSUE OF COMMON SHARES

- 4.4.1 A Holder shall be treated as the shareholder of record of the Common Shares issued on due exercise of the Put or Exchange Right and the issuance of Common Shares shall be deemed to have occurred, for all purposes, effective immediately after the close of business on the Put or Exchange Date; such Holder shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including stock dividends and dividends or distributions in kind) thereon and arising thereafter and in the event that the Indenture Trustee receives the same, it shall hold the same under gratuitous deposit for the benefit of such Holder.
- 4.4.2 FIU shall at all times reserve and keep available out of its authorized Common Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the exercise of the Put or Exchange Right, and shall issue to Noteholders who may exercise their Put or Exchange Rights hereunder, such number of Common Shares as shall be issuable in such events.

- 4.4.3 FIU shall comply with all Applicable Securities Laws regulating the issue and delivery of Freely Tradeable Common Shares upon exercise of the Put or Exchange Right, shall obtain any regulatory approval in respect thereof as may be required pursuant to Applicable Securities Laws and shall cause to be listed and posted for trading such Common Shares on each Recognized Stock Exchange.
- 4.4.4 Upon put or exchange of the Rand Notes, or a portion thereof, as provided herein, an amount shall be added to the stated capital of the Common Shares issued on put or exchange equal to the principal amount of the Rand Note, or the portion thereof, so put or exchanged, such amount being the consideration received by FIU in consideration of the issuance of such Common Shares.
- 4.4.5 FIU shall deliver an Officer's Certificate to the Indenture Trustee confirming that upon put or exchange of Rand Notes, section 4.4 has been complied with.

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## **ARTICLE 5: MATURITY**

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### **5.1 PAYMENT OF PRINCIPAL AND INTEREST AT MATURITY**

On the Maturity Date, the Company shall pay to the Holders of Rand Notes all the principal thereon and all accrued and unpaid interest thereto, up to but excluding the Maturity Date. Payment of principal and accrued and unpaid interest shall be made in cash or by cheque to the Holders in the manner contemplated by section 2.10.

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## ARTICLE 6: ADJUSTMENTS

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### 6.1 ADJUSTMENT OF PUT OR EXCHANGE PRICE

6.1.1 The Put or Exchange Price in effect at any date will be subject to adjustment from time to time in the events and in the manner provided as follows:

6.1.2 If and whenever at any time after the date hereof and prior to the Maturity Date, FIU:

- (a) subdivides its outstanding Common Shares into a greater number of Common Shares; or
- (b) reduces, combines or consolidates its outstanding Common Shares into a smaller number of Common Shares;
- (c) issues Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares as a stock dividend or otherwise;
- (d) makes a distribution on its outstanding Common Shares to the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities convertible into or exchangeable for Common Shares,

(any of such events in subsections (a), (b), (c) and (d), and being called a “**Common Share Reorganization**”) then the Put or Exchange Price then in effect will be adjusted effective immediately on the effective date or record date for the happening of a Common Share Reorganization, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization, so that it shall equal the price determined by multiplying the Put or Exchange Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which will be the total number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which will be the total number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date).

6.1.3 If and whenever at any time after the date hereof and prior to the Maturity Date, FIU fixes a record date for the issue of rights, options or warrants to the holders of all or substantially all of the outstanding Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (the “**Rights Period**”), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or at an exchange price or conversion price per share during the Rights Period to the holder in the case of securities exchangeable for or convertible into Common Shares) which is less than 95% of the Current Market Price for the Common Shares on such record date (any of such events being called a “**Rights Offering**”), then the Put or Exchange Price will be adjusted effective immediately after the end of the Rights Period so that it shall equal the price determined by multiplying the Put or Exchange Price in effect immediately prior to the end of the Rights Period by a fraction:

- (a) the numerator of which will be the aggregate of:
  - (i) the total number of Common Shares outstanding as of the record date for the commencement of the Rights Offering; and
  - (ii) a number determined by dividing (A) either (x) the product of the number of Common Shares issued or subscribed for during the Rights Period upon the exercise of the rights, warrants or options under the Rights Offering and the price at which such Common Shares are offered for such issue or subscription, or, as the case may be, (y) the product of the exchange price or conversion price of such securities exchangeable for or convertible into Common Shares and the number of Common Shares for or into which the securities so offered pursuant to the Rights Offering could have been exchanged or converted during the Rights Period, by (B) the Current Market Price of the Common Shares as of the record date for the commencement of the Rights Offering; and

- (b) the denominator of which will be the number of Common Shares outstanding, or the number of Common Shares which would be outstanding if all the exchangeable or convertible securities were exchanged for or converted into Common Shares during the Rights Period, after giving effect to the Rights Offering and including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering.

Any Noteholder who has exercised its Put or Exchange Right in exchange for Common Shares in accordance with Article 4 during the period beginning immediately after the record date for a Rights Offering and ending on the last day of the Rights Period for the Rights Offering will, in addition to the Common Shares to which that holder would otherwise be entitled upon such conversion, be entitled to that number of additional Common Shares equal to the result obtained when the difference, if any, between the Put or Exchange Price in effect immediately prior to the end of such Rights Offering and the Put or Exchange Price as adjusted for such Rights Offering pursuant to this subsection is multiplied by the number of Common Shares received upon the conversion of the Rand Notes held by such Holder during such period, and the resulting product is divided by the Put or Exchange Price as adjusted for such Rights Offering pursuant to this subsection; provided that the provisions of section 4.3 will be applicable to any fractional interest in a Common Share to which such Holder might otherwise be entitled under the foregoing provisions of this subsection. Such additional Common Shares will be deemed to have been issued to the Noteholder immediately following the end of the Rights Period and a certificate for such additional Common Shares will be delivered to such Holder within 15 Business Days following the end of the Rights Period. To the extent that any such rights, options or warrants are not so exercised on or before the expiry thereof, the Put or Exchange Price will be readjusted to the Put or Exchange Price which would then be in effect based on the number of Common Shares (or the securities convertible into or exchangeable for Common Shares) actually delivered on the exercise of such rights, options or warrants.

6.1.4 If and whenever at any time after the date hereof and prior to the Maturity Date, FIU fixes a record date for the issue or the distribution to the holders of all or substantially all of the outstanding Common Shares of: (i) securities of FIU, including rights, options or warrants to acquire securities of FIU or any of its property or assets and including cash and evidences of indebtedness or (ii) any property or other assets, including cash and evidences of indebtedness, and if such issuance or distribution does not constitute a Common Share Reorganization, a Rights Offering or a distribution contemplated by subsection 6.1.3 (any of such non-excluded events being called a **"Special Distribution"**), then the Put or Exchange Price will be adjusted effective immediately after such record date so that it shall equal the price determined by multiplying the Put or Exchange Price in effect on such record date by a fraction:

- (a) the numerator of which will be:
  - (i) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date; less
  - (ii) the fair market value, as determined by action by the board of directors of FIU (whose determination, subject to the consent of a Recognized Stock Exchange, will be conclusive), to the holders of Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and
- (b) the denominator of which will be the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date.

To the extent that any Special Distribution is not so made, the Put or Exchange Price will be readjusted effective immediately to the Put or Exchange Price which would then be in effect based upon such securities or property or other assets as actually distributed.

- 6.1.5 If and whenever at any time after the date hereof and prior to the Maturity Date, there is a reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares or into other securities or other capital reorganization (other than a Common Share Reorganization), or a consolidation, amalgamation or merger of, or an arrangement involving, FIU with or into any other corporation or other entity (other than a vertical short-form amalgamation with one or more of its Wholly-Owned Subsidiaries pursuant to the Business Corporations Act (British Columbia)), or a transfer of the undertaking or assets of FIU as an entirety or substantially as an entirety to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a “**Capital Reorganization**”), any Holder of Rand Notes who exercises the right to put or exchange its Rand Notes in exchange for Common Shares pursuant to Rand Notes then held after the effective date of such Capital Reorganization will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Common Shares to which such Holder was previously entitled upon such put or exchange, the aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the holder had been the registered holder of the number of Common Shares to which such holder was previously entitled upon put or exchange. FIU shall take all steps necessary to ensure that, on a Capital Reorganization, the Holders of Rand Notes will receive the aggregate number of shares, other securities or other property to which they are entitled as a result of the Capital Reorganization. Appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 6 with respect to the rights and interests thereafter of Holders of Rand Notes to the end that the provisions set forth in this Article 6 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the put or exchange of any Rand Note. Prior to or concurrent with effecting a Capital Reorganization, the Company and FIU will enter into an indenture supplemental hereto approved by action of both the Board of Directors and the board of directors of FIU and by the Indenture Trustee, which will set forth an appropriate adjustment to give effect to this subsection, in which event such adjustment will for all purposes be conclusively deemed to be an appropriate adjustment, subject to the prior written consent of a Recognized Stock Exchange.
- 6.1.6 If the purchase price provided for in any rights, options or warrants (the “**Rights Offering Price**”) referred to in subsection 6.1.3 or 6.1.4 is decreased, the Put or Exchange Price will forthwith be changed so as to decrease the Put or Exchange Price to the Put or Exchange Price that would have been obtained if the adjustment to the Put or Exchange Price made under subsection 6.1.3 or 6.1.4, as the case may be, with respect to such rights, options or warrants had been made on the basis of the Rights Offering Price as so decreased, provided that the terms of this subsection will not apply to any decrease in the Rights Offering Price resulting from terms in any such rights, options or warrants designed to prevent dilution except to the extent that the resulting decrease in the Put or Exchange Price under this subsection would be greater than the decrease, if any, in the Put or Exchange Price to be made under the terms of this section by virtue of the occurrence of the event giving rise to such decrease in the Rights Offering Price.
- 6.1.7 In any case in which this section 6.1 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Company may defer, until the occurrence of such event, issuing to the Holder of any Rand Note put or exchanged after such record date and before the occurrence of such event the additional Common Shares issuable upon such put or exchange by reason of the adjustment required by such event, provided, however, that the Company shall deliver to such Holder an appropriate instrument evidencing such Holder’s right to receive such additional Common Shares upon the occurrence of such event and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the date of put or exchange or such later date on which such Holder would, but for the provisions of this subsection 6.1.7, have become the holder of record of such additional Common Shares.

## 6.2 RULES REGARDING CALCULATION OF ADJUSTMENT OF PUT OR EXCHANGE PRICE

For the purposes of sections 6.1:

- 6.2.1 The adjustments provided for in section 6.1 are cumulative and will be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this section.
- 6.2.2 No adjustment in the Put or Exchange Price will be required unless the cumulative effect of such adjustment would result in a change of at least 1% in the prevailing Put or Exchange Price; provided, however, that any adjustments which, except for the provisions of this subsection would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustment.
- 6.2.3 No adjustment in the Put or Exchange Price will be required upon the issuance from time to time of Common Shares pursuant to FIU's stock option plans or share purchase plan, or any dividend reinvestment plan, or any similar plan, if any, as such plans may be replaced, supplemented or further amended from time to time.
- 6.2.4 If at any time a dispute arises with respect to adjustments provided for in section 6.1, such dispute will be conclusively determined, subject to the consent of a Recognized Stock Exchange, by FIU's auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the board of directors of FIU and any such determination will be binding upon the Company and FIU, the Indenture Trustee, the Noteholders and shareholders of FIU; such auditors or accountants will be given access to all necessary records of FIU. If any such determination is made, FIU will deliver an Officer's Certificate to the Indenture Trustee describing such determination, and the Indenture Trustee shall be entitled to act and rely upon such Officer's Certificate.
- 6.2.5 If FIU sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Put or Exchange Price shall be made.
- 6.2.6 In the absence of a resolution of the board of directors of FIU fixing a record date for a Special Distribution or Rights Offering, FIU will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

For greater certainty, Noteholders shall have no right to put or exchange Rand Notes in exchange for any security other than Common Shares unless an appropriate adjustment is made by and set forth in an indenture supplemental hereto.

## 6.3 CERTIFICATE AS TO ADJUSTMENT

FIU shall from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in section 6.1, deliver an Officer's Certificate to the Indenture Trustee specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, and the Indenture Trustee shall be entitled to act and rely upon such Officer's Certificate. Such Officer's Certificate and the amount of the adjustment specified therein shall be conclusive and binding on all parties in interest. Until such Officer's Certificate is received by the Indenture Trustee, the Indenture Trustee may act and be protected in acting on the presumption that no adjustment has been made or is required. Except in respect of any subdivision, reduction, combination or consolidation of the Common Shares contemplated by subsections 6.1.2(a) and 6.1.2(b), FIU shall give notice to the Company and the Company shall forthwith give notice to the Noteholders specifying the event requiring such adjustment or readjustment and the amount thereof, including the resulting Put or Exchange Price; provided that if the Company has given notice under section 6.4 covering all the relevant facts in respect of such event, no such notice need be given under this section 6.3.

#### **6.4 NOTICE OF SPECIAL MATTERS**

FIU covenants that, so long as any Rand Notes remain Outstanding, it will give notice to the Indenture Trustee on account for the Noteholders of its intention to fix a record date for any event referred to in subsection 6.1.2, 6.1.3, 6.1.4 or 6.1.5 (other than the subdivision, reduction, combination or consolidation of Common Shares contemplated by subsections 6.1.2(a) and 6.1.2(b)) or a cash dividend which may give rise to an adjustment in the Put or Exchange Price, or other adjustment, and such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that FIU shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days and not more than 60 days prior to the applicable record date in the case of an event referred to in subsection 6.1.2, 6.1.3 or 6.1.4 and not less than 21 days and not more than 60 days prior to the applicable record date in the case of an event referred to in subsection 6.1.5.

#### **6.5 NOTICE OF EXPIRY OF PUT OR EXCHANGE RIGHT**

Each of the Company and FIU covenants that, for so long as any Rand Notes remain Outstanding, it will give notice to the Indenture Trustee on account for the Noteholders in the manner provided in Article 17, not less than 21 days prior to the Maturity Date or the Payment Date, as the case may be, of the expiry of the right of the Holders of the Rand Notes to put or exchange their Rand Notes pursuant to subsection 4.1.1.

#### **6.6 PROTECTION OF INDENTURE TRUSTEE**

The Indenture Trustee shall not at any time be under any duty or responsibility to any Noteholder to determine whether any facts exist which may require any adjustment in the Put or Exchange Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same; and shall not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or other property which may at any time be issued or delivered upon the put or exchange of any Rand Note; and the Indenture Trustee, except to the extent that there has been a failure by the Indenture Trustee or its employees or agents to act honestly and in good faith or where the Indenture Trustee or its employees or agents have acted negligently or in wilful disregard of their obligations hereunder or shall not have complied with Article 14, shall not be responsible for any failure of the Company or FIU to make any cash payment or to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Rand Note for the purpose of a put or exchange, or to comply with any of the covenants contained in this Article 6.

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## ARTICLE 7: COMMON SHARE INTEREST PAYMENT ELECTION

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### 7.1 COMMON SHARE INTEREST PAYMENT ELECTION

- 7.1.1 Provided that no Event of Default has occurred and is continuing under this Indenture and that all applicable regulatory approvals have been obtained (including any required approval of any Recognized Stock Exchange) in respect of any matter relating to this Article 7 FIU shall have the irrevocable right, from time to time, to make a Common Share Interest Payment Election in respect of all or any part of any Interest Obligation of the Company by delivering a Common Share Interest Payment Election Notice to the Indenture Trustee by no later than the earlier of: (i) the date required by Applicable Law or the rules of any Recognized Stock Exchange on which the Common Shares are then listed or (ii) the day which is not less than 40 days and not more than 60 days prior to the Interest Payment Date to which the Common Share Interest Payment Election relates.
- 7.1.2 Upon receipt of a Common Share Interest Payment Election Notice, the Indenture Trustee shall, provided that all applicable regulatory approvals have been obtained and in accordance with this Article 7 and such Common Share Interest Payment Election Notice, deliver Common Share Bid Requests, in a form to be provided by FIU and satisfactory to the Indenture Trustee and its counsel acting reasonably, to the investment banks, brokers or dealers identified by FIU in its absolute discretion or sell Common Shares in the open market on a Recognized Stock Exchange, as specified in the Common Share Interest Payment Election Notice. In connection with the Common Share Interest Payment Election, the Indenture Trustee shall have the power to: (i) accept delivery of the Common Shares from FIU and process the Common Shares in accordance with the Common Share Interest Payment Election Notice; (ii) accept bids with respect to, and facilitate the settlement of, such Common Shares, each as FIU shall direct in its absolute discretion, through the investment banks, brokers or dealers identified by FIU in the Common Share Interest Payment Election Notice; (iii) sell Common Shares in the open market on a Recognized Stock Exchange; (iv) invest the proceeds of such sales on the direction of FIU in South African Government bonds which mature at least three Business Days prior to an applicable Interest Payment Date and/or use such proceeds together with any proceeds from the sale of Common Shares not invested to pay all or part of the Interest Obligation of the Company in respect of which the Common Share Interest Payment Election was made and (v) perform any other action necessarily incidental thereto. All such amounts applied to pay such Interest Obligation shall be deemed to be loaned by FIU to the Company (unless otherwise agreed by FIU and the Company).
- 7.1.3 The Indenture Trustee shall not incur any liability or be in any way responsible for the consequences of any loss caused by the investment referred to in section 7.1.2(iv) and the Company indemnifies and holds harmless the Indenture Trustee and its officers, directors, employees and agents from and against any and all liabilities, losses, costs, claims, actions, expenses or demands whatsoever which may be brought against the Indenture Trustee or which it may suffer or incur as a result of performing its obligations set out in section 7.1.2.
- 7.1.4 The Common Share Interest Payment Election Notice shall provide for, and all bids shall be subject to, the right of FIU, by delivering written notice to the Indenture Trustee at any time prior to the consummation of such delivery and sale of the Common Shares on the Common Share Delivery Date, to withdraw the Common Share Interest Payment Election (which shall have the effect of withdrawing each related Common Share Bid Request), whereupon the Company shall be obliged to pay in cash the Interest Obligation in respect of which the Common Share Interest Payment Election Notice has been delivered. The Indenture Trustee shall be fully indemnified by the Company in respect of any withdrawal of a Common Share Interest Payment Election or any termination of bids or contracts for the issuance or sales of Common Shares entered into by the Indenture Trustee on behalf of FIU.
- 7.1.5 Any sale of Common Shares pursuant to this Article 7 may be made to one or more Persons whose bids are solicited, but all such sales with respect to a particular Common Share Interest Payment Election shall take place concurrently on the Common Share Delivery Date.

- 7.1.6 The amount received by a Holder of a Rand Note in respect of the Interest Obligation will not be affected by whether or not FIU elects to satisfy the Interest Obligation pursuant to a Common Share Interest Payment Election.
- 7.1.7 The Indenture Trustee shall inform FIU promptly following receipt of any bid or bids for Common Shares solicited pursuant to the Common Share Bid Requests. The Indenture Trustee shall accept such bid or bids as FIU (in its absolute discretion) shall direct by written order. In connection with any bids so accepted, FIU, the Indenture Trustee (if required by FIU in its absolute discretion) and the applicable bidders shall, not later than the Common Share Delivery Date, enter into Common Share Purchase Agreements in a form to be provided by FIU and satisfactory to the Indenture Trustee and its counsel acting reasonably, and shall comply with all Applicable Securities Laws, including the securities rules and regulations of any Recognized Stock Exchange on which the Common Shares are then listed. FIU shall deliver to the Indenture Trustee an Opinion of Counsel that such Common Share Purchase Agreements so comply with such Applicable Securities Laws or regulations of any Recognized Stock Exchange. The Company shall pay all fees and expenses in connection with the Common Share Purchase Agreements including the fees and commissions charged by the investment banks, brokers and dealers and the standard fees of the Indenture Trustee generally charged for this service.
- 7.1.8 Provided that: (i) all conditions specified in each Common Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Common Shares to be sold thereunder against payment of the purchase price thereof and (ii) the purchasers under each Common Share Purchase Agreement shall be ready, willing and able to perform thereunder, in each case on the Common Share Delivery Date, FIU or the Company shall, on the Common Share Delivery Date, deliver to the Indenture Trustee the Common Shares to be sold on such date and an amount in cash equal to the difference between the applicable Interest Obligation and the anticipated net proceeds of the Common Shares to be sold respectively and an Officer's Certificate by an officer of FIU or the Company, upon which the Indenture Trustee may act and rely absolutely without any further enquiry, to the effect that all conditions precedent to such sales, including those set forth in this Indenture and in each Common Share Purchase Agreement, have been satisfied. Upon such deliveries, the Indenture Trustee shall consummate such sales on such Common Share Delivery Date by the delivery of the Common Shares to such purchasers against payment to the Indenture Trustee in immediately available funds of the purchase price therefor.
- 7.1.9 The Company and FIU agree that any Common Shares issued pursuant to this Article 7 shall be issued for an amount equal to the sale price of such Common Shares realized by the Indenture Trustee, with the effect that the Indenture Trustee will neither realize a gain or loss with respect to the sale of such Common Shares. If FIU makes a Common Share Interest Payment Election in terms of section 7.1.1, FIU shall allot and issue sufficient Common Shares as will enable the Company to satisfy its Interest Obligation or such fewer number of Common Shares as the Company may request.
- 7.1.10 The Indenture Trustee shall, on the Common Share Delivery Date, use the sale proceeds of the Common Shares (together with any cash received from the Company) to purchase, on the direction of the Company in writing, South African Government bonds which mature at least three Business Days prior to the applicable Interest Payment Date and which the Indenture Trustee is required to hold until maturity (the "**Common Share Proceeds Investment**") and shall, on such date, deposit the balance, if any, of such sale proceeds in an account for such Rand Notes. At least one Business Day prior to the Interest Payment Date, the Indenture Trustee shall deposit amounts from the proceeds of the Common Share Proceeds Investment in an account to bring the balance of an account to the Common Share Interest Payment Election Amount to the extent that the Indenture Trustee has been provided sufficient funds to do so. On the Interest Payment Date, the Indenture Trustee shall pay the funds held in an account to the Holders of Rand Notes in accordance with section 2.10 or 2.12. The Indenture Trustee shall remit amounts, if any, in respect of income earned on the Common Share Proceeds Investment or otherwise in excess of the Common Share Interest Payment Election Amount to FIU.
- 7.1.11 Neither the making of a Common Share Interest Payment Election nor the consummation of sales of Common Shares on a Common Share Delivery Date will: (i) result in the Holders of the Rand Notes not being entitled to receive on the applicable Interest Payment Date cash in an aggregate amount equal to the Interest Obligation payable on such date or (ii) entitle such Holders to receive any Common Shares in satisfaction of such Interest Obligation.

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## **ARTICLE 8: SECURITY**

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### **8.1 SECURITY**

On or before the Issue Date, the Company shall cause the SPV to deliver to the Indenture Trustee a guarantee by the SPV to the Indenture Trustee of payment when due of all indebtedness now or hereafter owing by the Company under the Rand Notes and this Indenture (the “**SPV Guarantee**”) and the Company shall, and shall cause each of the Guarantors to, deliver to the SPV:

- (a) an indemnity by the Company and each Guarantor to the SPV in respect of any and all amounts paid or payable by the SPV to the Indenture Trustee (on behalf of the Noteholders) pursuant to such guarantee; and
- (b) the Security Documents granted by the Company or a Guarantor as security for the Company’s and each Guarantor’s indemnity of the SPV, as applicable.

### **8.2 REGISTRATION OF THE SECURITY**

The Company shall, at its expense, register, file or record or give notice of (or cause to be registered, filed, recorded or given notice of) each of the Security Documents at each public office where any Holder of a Rand Note, acting reasonably, deems such registration, filing or recording is necessary or of advantage to the creation, perfection and preserving of the security constituted thereby. The Company shall, at its expense, renew or cause to be renewed such registrations, filings and recordings from time to time as and when required to keep them in full force and effect until the Maturity Date of the Rand Notes. The Indenture Trustee shall have the right to amend any such registrations, filings or recordings to reflect any changes in Applicable Law, whether arising as a result of statutory amendments, court decisions or otherwise, in order to confer upon the SPV (for the benefit of, inter alia, the Indenture Trustee and the Holders of the Rand Notes) the Security intended to be created thereby.

### **8.3 DISCHARGE**

Upon proof being given to the Indenture Trustee that the principal of all the Rand Notes and the premium, if any, thereon and interest (including interest on amounts in default) thereon and other amounts payable hereunder have been paid or satisfied, or that all the outstanding Rand Notes have matured and such payment has been duly and effectually provided for by payment to the Indenture Trustee or otherwise, and upon payment of all costs, charges and expenses properly incurred by the Indenture Trustee in relation to this Indenture and all interest thereon and the remuneration of the Indenture Trustee, or upon provision satisfactory to the Indenture Trustee being made therefor, the Indenture Trustee shall, at the written request and at the expense of the Company, execute and deliver to the SPV such deeds or other instruments as shall be required to evidence the satisfaction and discharge of this Indenture, the Rand Notes and the SPV Guarantee.

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## ARTICLE 9: GUARANTEE

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### 9.1 JOINT AND SEVERAL GUARANTEE

Subject to this Article 9, each of the Guarantors hereby, jointly and severally, agrees to irrevocably and unconditionally guarantee to each Holder of Rand Notes and to the Indenture Trustee and its successors and assigns, that:

- (a) the principal of, premium (if any), interest and any and all amounts payable on the Rand Notes (including, for greater certainty, any Additional Amounts and indemnification payments or reimbursement required under section 2.14) will be paid by the Company;
- (b) when due and payable, whether on the Maturity Date, the Interest Payment Date, by acceleration or otherwise in accordance with terms of this Indenture and the Rand Notes;
- (c) the interest on the overdue principal, if lawful, and all other amounts due and payable by the Company to the Holders of the Rand Notes or the Indenture Trustee under this Indenture or under the Rand Notes will be paid by the Company when due and payable in accordance with the terms of this Indenture and the Rand Notes; and
- (d) in case of any extension of time for payment of any Rand Notes or any such other amount, that same will be paid when due and payable in accordance with the terms of such extension.

Failing payment when due and payable of any amount so guaranteed, each Guarantor shall be obligated to pay, jointly and severally, the same within five Business Days following demand by the Indenture Trustee or, to the extent permitted by this Indenture, by any Holder of any Rand Note.

The obligations of each of the Guarantors under this Guarantee shall be continuing obligations and a fresh cause of action shall be deemed to arise in respect of each default in the payment of principal of, premium (if any) or interest on any Rand Notes or in the payment of any other amount payable by the Company under the terms of this Indenture or any of the Rand Notes. The obligations of each of the Guarantors shall be continuing obligations notwithstanding any changes or modifications of the terms of the Rand Notes issued hereunder and the holders of Rand Notes need not exhaust their recourse against the Company before proceeding against any or all Guarantors under the Guarantee.

Each of the Guarantors hereby agrees that its obligations under the Guarantee shall be unconditional, irrespective of the invalidity, illegality, irregularity or unenforceability of any of the Rand Notes, this Indenture or any part thereof, the absence of any action to enforce the same, the recovery of any judgment against the Company, any action to enforce the same, or any other circumstance which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

The liabilities of each of the Guarantors under the Guarantee shall not be released, discharged, limited or in any way affected by any act or matter done, suffered or permitted by the Indenture Trustee or any Holder of any Rand Note in connection with any Rand Note or this Indenture or with the Company except if such act or matter is specifically provided for or permitted under this Indenture.

If any monies become payable by any one of more of the Guarantors under the Guarantee, the Indenture Trustee shall be entitled to enforce and receive payment thereof, for the benefit of the Holders of the Rand Notes, and shall be entitled to recover judgment against said Guarantor for any portion of the same remaining unpaid. The whole of the monies from time to time received by the Indenture Trustee under this Indenture shall be applied by the Indenture Trustee in accordance with this Indenture.

Despite any other provision hereof, the obligations of each Guarantor contained herein shall be without duplication to the obligations of such Guarantor to pay to the SPV any amount payable by such Guarantor to the SPV pursuant to any indemnity granted by such Guarantor to the SPV in respect of the SPV Guarantee. The obligation of any Guarantor contained herein shall be reduced by any amount paid by such Guarantor, directly or through the realisation of security, pursuant to such indemnity, after deduction of all costs, expenses and other amounts deducted prior to the distribution of such amounts to the Holders of Rand Notes.

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## ARTICLE 10: REPRESENTATIONS AND WARRANTIES

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### 10.1 REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE GUARANTORS

Each of the Company and each of the Guarantors hereby represents and warrants in favour of the Indenture Trustee and each of the Noteholders that, as at the date hereof:

- (a) it has been duly incorporated, formed, amalgamated, merged or continued, as the case may be, and is validly subsisting or in good standing, as the case may be, under the laws of its jurisdiction of incorporation, formation, amalgamation, merger or continuance, as the case may be;
- (b) it is duly qualified and has all required licences and permits to carry on its business in each jurisdiction in which the nature of its business requires qualification except as disclosed in Schedule "E" attached to the Indenture;
- (c) it has corporate power and corporate ability to enter into this Indenture and each Security Document to which it is a party and all other documents delivered in connection with this Indenture and the execution, delivery and performance of each of such documents has been duly authorized, and each of such documents has been duly executed and delivered;
- (d) none of the execution or delivery of, the consummation of the transactions contemplated in, or compliance with the terms, conditions and provisions of any of, this Indenture, the Security Documents or any of the agreements or documents delivered in connection therewith conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of, any Applicable Law or Applicable Securities Law, or results or will result in the creation or imposition of any Security upon any of its property or assets other than as contemplated by the Security Documents;
- (e) this Indenture and the other documents delivered pursuant hereto have been duly executed and delivered and constitute legal, valid and binding obligations of each of the Company and each Guarantor (with regard to each agreement or instrument to which it is a party) enforceable in accordance with their respective terms, except as may be limited by bankruptcy, reorganization, moratorium or insolvency laws or similar laws affecting creditors' rights generally and by general equitable principles;
- (f) none of the Company or any Guarantor is subject to any judgment, order, writ, injunction, judicial decree or judicial award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses) which has not been stayed, or of which enforcement has not been suspended;
- (g) to the best knowledge of the Company or any of the Guarantors after due inquiry, there are no labour strikes or similar employee action presently ongoing or threatened against the Company or any of the Guarantors; and
- (h) no Event of Default or any event, which with the giving of notice or passage of time would result in an Event of Default, has occurred.

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## **ARTICLE 11: COVENANTS OF THE COMPANY AND THE GUARANTORS**

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### **11.1 PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST**

The Company covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will duly and punctually pay when due the principal of (and premium, if any) and interest on the Rand Notes in accordance with their terms and the terms of this Indenture.

### **11.2 CORPORATE EXISTENCE; BOOKS OF ACCOUNT**

The Company and each Guarantor covenants and agrees with the Indenture Trustee for the benefit of each Holder that:

- (a) it will at all times maintain its corporate existence; and
- (b) it will keep or cause to be kept proper books of account in accordance with applicable Financial Reporting Standards.

### **11.3 COMMON SHARES**

11.3.1 FIU warrants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that: (a) it will ensure that the Common Shares are, as of the Issue Date, and continually thereafter until the Maturity Date, listed for trading on TSX and JSE and (b) it will not purchase, redeem or otherwise acquire for cash or retire for value any of its securities other than as otherwise permitted hereunder.

11.3.2 FIU warrants that it will allot and issue to the Noteholders, upon receipt of a Put or Exchange Notice, such number of Common Shares as is necessary to satisfy its obligations to the Noteholders in terms of the Put or Exchange Notice.

11.3.3 FIU warrants that it has and will continue to have sufficient authorised but unissued share capital necessary to fulfil any of its obligations contained in this Indenture towards the Holders of Rand Notes to issue Common Shares.

### **11.4 COMPLIANCE WITH LAWS, ETC.**

The Company and each Guarantor covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will;

- (a) pay or cause to be paid all taxes, royalties and similar amounts lawfully levied upon or in respect of its property or any part thereof or upon its income and profits together with all material employee related disbursements and payments, all to be paid when the same becomes due and payable unless the same is being disputed in good faith and appropriate reserves have been set aside except as disclosed in Schedule "E" attached to the Indenture;
- (b) obtain and maintain all required material governmental authorizations and third party approvals necessary to carry on and conduct its respective business;
- (c) comply with all Applicable Laws and Applicable Securities Laws and all rules and policies of the applicable stock exchange or exchanges on which its shares are listed and posted for trading; and
- (d) maintain policies of insurance with responsible carriers and in such amounts and covering such risks as are usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such Guarantor operates.

## 11.5 USE OF PROCEEDS

The Company and each Guarantor covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will use the proceeds of the issuance of the Rand Notes hereunder and the proceeds of the Canadian Notes issued under the Canadian Note Indenture only for the following purposes of the Company and the Guarantors:

- (a) completion of the First Gold Module and Uranium Plant of Chemwes in an amount of up to \$9,000,000;
- (b) completion of a new tailings facility by Chemwes in an amount of up to \$25,000,000;
- (c) completion of the Phase 2 Gold Plant of Chemwes in an amount of up to \$75,000,000;
- (d) restructuring, financing and interest expenses in an amount of up to \$17,500,000; and
- (e) the remainder for general corporate purposes including the commissioning and ramp-up of the Ezulwini Mine owned by Ezulwini.

## 11.6 PERMITTED INDEBTEDNESS

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not incur any Indebtedness, whether direct or indirect, other than Permitted Indebtedness and it will not make any payment (whether on account of principal, interest, premium or otherwise) on or in respect of any Indebtedness other than Permitted Indebtedness. If the Company or any of the Guarantors sells any of its assets (other than its inventory in the ordinary course of business) and uses the proceeds from such sale to purchase Rand Notes or Canadian Notes, the amount of Cdn.\$200,000,000 referred to in subparagraph (i) of the definition of "Permitted Indebtedness" shall be reduced by the principal amount of the Rand Notes or Canadian Notes so purchased.

## 11.7 SECURITY

The Company and each Guarantor covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will ensure that the Security Documents represent a first (subject to statutory liens) ranking Security (other than with respect to the assets, property and undertaking of any Guarantor subject to the prior Gold Wheaton Security, on which assets, property and undertaking the Security Documents shall represent a second (subject to statutory liens) ranking Security save and except for gold stream production pledged to Gold Wheaton (Barbados) Corporation which will be specifically excluded from the Security Documents) on the assets, property and undertaking of the Company and each of the Guarantors (other than the gold stream production pledged to Gold Wheaton (Barbados) Corporation pursuant to the Gold Wheaton Chemwes Gold Purchase Agreement and the Gold Wheaton Ezulwini Gold Purchase Agreement).

## 11.8 OTHER SECURITY

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not issue any Security over any of its assets, property or undertaking other than as specifically contemplated in the definition of Permitted Indebtedness and such Security shall have the priority specified in such definition, or other than as permitted by any Security Document.

## 11.9 SALE OF ASSETS

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not sell, transfer, assign, convey, lease or otherwise dispose of any of its assets other than any Permitted Disposal.

## 11.10 DISTRIBUTIONS

FIU covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not declare or pay any dividends or make any distribution or payment of any kind on or in respect of any Securities of FIU except for payment of Permitted Indebtedness.

#### **11.11 BUSINESS**

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not engage in any business other than the businesses of the Company and the Guarantors as existing on the date hereof and any businesses related thereto.

#### **11.12 COMPLIANCE CERTIFICATE**

The Company shall deliver to the Indenture Trustee within 90 days after the end of each fiscal year of the Company (and at any other reasonable time upon demand by the Indenture Trustee) an Officer's Certificate stating that the Company and each Guarantor has complied with all requirements of the Company or the Guarantors contained in this Indenture that, if not complied with, would, with the giving of notice, lapse of time, or otherwise, constitute an Event of Default. If an Event of Default shall have occurred, the certificate shall describe the nature and particulars of the Event of Default and its current status and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

#### **11.13 NOTICE OF DEFAULT**

The Company and each Guarantor will promptly notify the Indenture Trustee upon becoming aware of the occurrence of any Event of Default.

#### **11.14 SECURITIES LAWS**

11.14.1 The Company and FIU covenants and agrees, subject to section 11.4, with the Indenture Trustee for the benefit of the Holders that upon receipt of a written request from Holders of not less than 75% of the Outstanding Rand Notes (such request to be made no more than once a year) it will take all reasonable steps and actions and do all such acts and things as may be required to: (i) obtain a listing of the Rand Notes on a Recognized Stock Exchange, (ii) as long as it meets the minimum listing requirements of such institutions, maintain the listing and posting for trading of the Rand Notes, if applicable, and the Common Shares on a Recognized Stock Exchange, and (iii) in the case of FIU, maintain its status as a reporting issuer or equivalent in good standing or equivalent under the Applicable Securities Laws.

#### **11.15 AMENDMENTS TO EXISTING FIU INDENTURE**

FIU covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary the Existing FIU Indenture other than to cure any ambiguity or for curing or correcting any defective provision contained therein.

#### **11.16 AMENDMENTS TO GOLD WHEATON AGREEMENTS**

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, amend, revise, restate or otherwise vary section 3(f), 12(a) or 24 of the Gold Wheaton Chemwes Gold Purchase Agreement or section 3(f), 3(g), 12(a) or 24 of the Gold Wheaton Ezulwini Gold Purchase Agreement.

#### **11.17 SHIPMENTS TO FRANCE**

The Company and each of the Guarantors covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that it will not, without the prior consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, make any shipments of uranium concentrate or other uranium products to France until such time as it has provided to the SPV a deed of pledge of stocks enforceable in France.

#### **11.18 PERFORMANCE OF COVENANTS BY INDENTURE TRUSTEE**

If the Company or any Guarantor fails to perform any of its covenants contained in this Indenture, the Indenture Trustee may itself perform any of such covenants capable of being performed by it, but will be under no obligation to do so. All sums expended or advanced by the Indenture Trustee for such purpose will be repayable as provided in section 11.19 of the Indenture. No such performance or advance by the Indenture Trustee shall relieve the Company or any Guarantor of any default hereunder or its continuing obligations hereunder.

#### **11.19 PAYMENT OF INDENTURE TRUSTEE'S REMUNERATION**

The Company will pay on demand the Indenture Trustee's reasonable remuneration for its services as Indenture Trustee hereunder (including reimbursement for disbursements which include legal services) and will repay to the Indenture Trustee on demand all moneys which shall have been paid by the Indenture Trustee out of its own funds in and about the execution of the trusts hereby created with interest at such reasonable rate as shall have been agreed to by the Indenture Trustee from time to time, from the date of expenditure until repayment, with a reasonable rate of interest to be charged by the Indenture Trustee on any overdue accounts of the Company. The said remuneration shall continue to be payable until the trusts hereof are finally wound up and whether or not the trusts of this Indenture shall be in course of administration by or under the direction of the court. This section 11.19 shall survive the resignation of the Indenture Trustee or the termination of this Agreement. Notwithstanding the foregoing, the Company need not pay or reimburse the Indenture Trustee for expenses, disbursements or advances if the Indenture Trustee incurred such expenses, disbursements or advances as a result of its dishonesty, bad faith, wilful misconduct, negligence or reckless disregard of a right, duty or obligation by the Indenture Trustee.

#### **11.20 ACQUISITION OF NEW ASSETS**

The Company and each Guarantor covenants and agrees with the Indenture Trustee and for the benefit of the Holders of each Rand Note that upon acquiring any right, title or interest in any assets, property or undertaking that is not subject to the Security (other than with respect to the assets, property and undertaking of any Guarantor subject to the prior Gold Wheaton Security): (a) to grant irrevocable powers of attorney (and certified copies of the resolutions of the boards of directors and, if required, shareholders or members of the Company or the Guarantor authorising the grant of such power of attorney) authorising South African legal counsel to the SPV to execute and register indemnity and covering mortgage bonds, notarial bonds or other security over such assets, property and undertaking then held, acquired or applied for by a South African Guarantor or (b) to sign (or cause to be signed) all further documents, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to establish Security in favour of the SPV over such assets, property and undertaking.

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## ARTICLE 12: EVENTS OF DEFAULT AND REMEDIES

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### 12.1 EVENTS OF DEFAULT AND ENFORCEMENT

- 12.1.1 If and when any one or more of the following events (herein called an “**Event of Default**”) shall happen with respect to the Rand Notes, namely:
- (a) a default in payment of principal (and premium, if any) on any Rand Notes when due;
  - (b) a default in payment of interest on any Rand Notes when due and payable and such default continues for a period of 30 days;
  - (c) a default in the observance of the covenants contained in subsections 11.4, 11.8, 11.9, 11.10, 11.11 and 11.15 and the continuance of such default for 10 Business Days;
  - (d) any material default in performing or observing any other covenant, agreement or obligation of the Company or any Guarantor as described herein or any material incorrectness of any representation or warranty contained herein and the continuance of such default or incorrectness for 30 days after written notice to the Company by the Indenture Trustee or by the Holders of not less than 25% in principal amount of Outstanding Rand Notes requiring the same to be remedied, or such longer period of time as the Indenture Trustee (having regard to the subject matter of neglect or non-observance) shall agree to;
  - (e) the failure to make an Offer to Purchase upon a Change of Control;
  - (f) a decree, judgment, or order by a court having jurisdiction in the premises shall have been entered adjudging the Company or any Guarantor bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the Company or any Guarantor, under the South African Insolvency Act, 1936 or any other bankruptcy, insolvency or analogous applicable law of South Africa or any province thereof or any other applicable jurisdiction, and such decree, judgment or order of a court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or any Guarantor or of a substantial part of its property, or for the winding up or liquidation of its affairs, shall not have been terminated; or any substantial part of the property of the Company or any Guarantor shall be sequestered or attached and shall not be returned to the possession of the Company or such Guarantor or released from such attachment, as the case may be, whether by filing of a bond, or stay or otherwise, within 30 consecutive days thereafter;
  - (g) the Company or any Guarantor shall institute proceedings to be adjudicated such as a voluntary liquidation, or shall consent to the filing of a liquidation proceeding against it, or shall file a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the South African Insolvency Act, 1936, or any other bankruptcy, insolvency or analogous applicable law of South Africa or any province thereof or any other applicable jurisdiction or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for it or of a substantial part of its property, or shall make an assignment for the benefit of creditors, or shall be unable, or admit in writing its inability, to pay its debts generally as they become due, or corporate action shall be taken by the Company or any Guarantor in furtherance of any of the aforesaid actions;
  - (h) an Event of Default (as defined in the Canadian Note Indenture) occurs and is continuing;
  - (i) proceedings are commenced for the winding-up, liquidation or dissolution of the Company or any Guarantor unless the Company or such Guarantor in good faith actively and diligently contests such proceedings, decree, order or approval, resulting in a dismissal or stay thereof within 15 days of commencement;
  - (j) a resolution of the directors or shareholders of the Company or any Guarantor is passed for the winding-up, liquidation or dissolution of the Company or any Guarantor;

- (k) it is or becomes unlawful for the Company or any Guarantor (as applicable) to perform any of its obligations under this Indenture;
- (l) any obligation of the Company or any Guarantor (as applicable) to pay principal, premium (if any) or interest on the Rand Notes under this Indenture or make any payment under the indemnification agreement referred to in section 8.1 is not or ceases to be legal, valid, binding and enforceable;
- (m) this Indenture ceases to be in full force and effect or ceases to be legal, valid, binding, enforceable or effective;
- (n) the Company or any Guarantor fails to pay the principal of, premium, if any, interest on, or any other amount owing in respect of, any of its Indebtedness which is outstanding in an aggregate principal amount exceeding Cdn\$10,000,000 when such amount becomes due and payable (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure continues after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other event occurs or condition exists and continues after the applicable grace period, if any, specified in any agreement or instrument relating to any such Indebtedness or obligation, if its effect is to accelerate, the payment of such Indebtedness or obligation; or any such Indebtedness or obligation shall be declared to be due and payable prior to its stated maturity;
- (o) the occurrence of a Material Adverse Effect; or
- (p) a final judgment or decree for the payment of money in excess of Cdn\$2,000,000 individually or Cdn\$10,000,000 on a cumulative basis is rendered against the Company or any Guarantor by a court having jurisdiction and within a period of 15 days thereafter such judgment or decree shall not have been satisfied, vacated or discharged or stayed pending appeal within the applicable appeal period,

then, and in each and every such case which has happened and is continuing, the Indenture Trustee may, in its discretion, and shall, upon the written request of the Holders of not less than 50% in principal amount of the Outstanding Rand Notes at such time, declare the principal of (and premium, if any) together with accrued interest on all such Rand Notes to be due and payable immediately, by a Notice in writing to the Company (and to the Indenture Trustee if given by the Holders), and upon any such declaration such principal amount and premium, if any, together with accrued interest thereon, shall become immediately due and payable. If the Indenture Trustee fails to notify in writing the Company pursuant to the terms hereof, the Holders of Rand Notes having provided the written request to the Indenture Trustee may do so.

## 12.2 NOTICE OF EVENT OF DEFAULT

- 12.2.1 The Indenture Trustee shall give to the Holders and the Canadian Note Trustee within five days after the Indenture Trustee becomes aware by way of written Notice of the occurrence of an Event of Default, Notice of every Event of Default so occurring and continuing at the time the Notice is given, unless the Indenture Trustee reasonably and in good faith determines that the withholding of such Notice is in the best interests of the Holders and gives written Notice of such determination to the Company. When a Notice of the occurrence of an Event of Default is given by the Indenture Trustee pursuant to this subsection 12.2.1 and the Event of Default is thereafter cured, the Indenture Trustee shall give Notice that the Event of Default is no longer outstanding to all Holders and the Canadian Note Trustee to whom Notice of the occurrence of the Event of Default was given within 5 days after the Indenture Trustee becomes aware, by written Notice given by the Company to the Indenture Trustee, that the Event of Default has been cured and is no longer outstanding.

## 12.3 WAIVER OF DECLARATION

- 12.3.1 At any time after a declaration of acceleration with respect to the Rand Notes has been made pursuant to section 12.1 and before a judgment or decree for payment of the money due has been obtained by the Indenture Trustee as hereinafter provided, the Holders of not less than 50% in principal amount of Outstanding Rand Notes and Outstanding Canadian Notes,

by written Notice to the Company and the Indenture Trustee, may thereupon rescind and annul such declaration and its consequences if the Company has paid or deposited with the Indenture Trustee a sum sufficient to pay:

- (a) all overdue interest on all Rand Notes;
- (b) the principal of (and premium, if any, on) any of the Rand Notes which have become due otherwise than by such declaration of acceleration, and interest thereon at the rate or rates prescribed therefor in such Rand Notes; and
- (c) to the extent that payment of such interest is lawful and applicable, interest upon overdue instalments of interest at the rate or rates prescribed therefor in such Rand Notes; and

all Events of Default with respect to the Rand Notes, other than the non-payment of the principal of (and premium, if any), and interest on, such Rand Notes which have become due solely by such declaration of acceleration, have been cured or waived in accordance with the provisions of this Indenture.

#### 12.4 **WAIVER**

12.4.1 The Holders of not less than 50% in aggregate principal amount of the Outstanding Rand Notes and Outstanding Canadian Notes may on behalf of the Holders of all Rand Notes waive any past default hereunder and its consequences, except a default:

- (a) in the payment of the principal of (or premium, if any) or interest on any Rand Notes; or
- (b) in respect of a covenant or provision hereof that under Article 18 cannot be modified or amended without an Extraordinary Resolution passed by the Holders of Rand Notes and Canadian Notes.

12.4.2 Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

#### 12.5 **OTHER REMEDIES**

12.5.1 If an Event of Default occurs and is continuing, the Indenture Trustee may pursue any available remedy to collect the payment of principal of (and premium, if any) or interest on Rand Notes or to enforce the performance of any term of the Rand Notes or this Indenture.

12.5.2 The Indenture Trustee may maintain a Proceeding even if it does not possess any Rand Notes or does not produce any of them in the Proceeding. A delay or omission by the Indenture Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default.

#### 12.6 **APPLICATION OF MONEY COLLECTED**

Any money collected by the Indenture Trustee pursuant to this Article in respect of Rand Notes shall (subject to any claims having priority under Applicable Law) be applied in the following order, at the dates fixed by the Indenture Trustee and, in case of the distribution of such money on account of principal of (and premium, if any) or interest, upon presentation of Rand Notes and the notation thereon of the payment (if only partially paid) and upon surrender thereof (if fully paid):

- (a) first, to the payment of all amounts due to the Indenture Trustee under this Indenture with respect to such Rand Notes;
- (b) second, to the payment of accrued interest on such Rand Notes;
- (c) third, to the payment of the principal of (and premium, if any) on such Rand Notes;
- (d) fourth, to the payment of any other amounts with respect to such Rand Notes; and
- (e) fifth, to whomever may be lawfully entitled to receive the balance of such money.

## 12.7 CONTROL BY HOLDERS

- 12.7.1 The Holders of at least 25% in principal amount of the Outstanding Rand Notes and Outstanding Canadian Notes may:
- (a) direct the time, method and place in Johannesburg of conducting any Proceeding for any remedy available to the Indenture Trustee or exercising any trust or power conferred on it with respect to the Rand Notes; and
  - (b) take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of Rand Notes under any provisions of this Indenture or under Applicable Law.

The Indenture Trustee may refuse, however, to follow any direction that conflicts with law or this Indenture.

## 12.8 LIMITATION ON SUITS

- 12.8.1 No Holder of any Rand Note will have any right to pursue any remedy (including any action, suit or proceeding authorized or permitted by this Indenture or pursuant to Applicable Law) with respect to this Indenture or the Rand Notes unless: (i) the Holder gives to the Indenture Trustee notice of a continuing Event of Default; (ii) the Holders of at least 25% in principal amount of the then Outstanding Rand Notes and Outstanding Canadian Notes make a request in writing to the Indenture Trustee to pursue the remedy; (iii) such Holder or Holders offer or provide to the Indenture Trustee security and indemnity in form satisfactory to the Indenture Trustee against any loss, liability or expense; (iv) the Indenture Trustee does not comply with the request within 30 days after receipt of such request and indemnity and (v) during such 30-day period the Holders of a majority in principal amount of Outstanding Rand Notes and Outstanding Canadian Notes do not give the Indenture Trustee a direction inconsistent with the request.
- 12.8.2 Holders may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.
- 12.8.3 No Holder of any Rand Note shall have any claim or any right to pursue any remedy (including any action, suit or proceeding) against the SPV under the SPV Guarantee, which right is vested solely in the Indenture Trustee (for the benefit of the Noteholders).

## 12.9 COLLECTION SUIT BY INDENTURE TRUSTEE

- 12.9.1 If an Event of Default specified in clause (a), (b), (c), (d), (h) or (i) of section 12.1 occurs and is continuing, the Indenture Trustee may, after an acceleration of payment of amounts owing hereunder recover judgment in its own name and as trustee against the Company for the whole amount of principal (and premium, if any) and interest remaining unpaid.

## 12.10 INDENTURE TRUSTEE MAY FILE PROOFS OF CLAIM

- 12.10.1 The Indenture Trustee may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Indenture Trustee and the Holders lodged or allowed in any judicial proceedings relative to the Company, its creditors or its property.

## 12.11 UNDERTAKING FOR COSTS

- 12.11.1 In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Indenture Trustee for any action taken or omitted by it as Indenture Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defences made by the party litigant. This subsection 12.11.1 does not apply to a suit by the Indenture Trustee, a suit by a Holder pursuant to section 12.8, or a suit by any Holder or group of Holders of more than 50% in principal amount of the Outstanding Rand Notes.

## 12.12 **DELAY OR OMISSION NOT WAIVER**

12.12.1 No delay or omission of the Indenture Trustee or of any Holder of any Rand Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Indenture Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Indenture Trustee or by the Holders, as the case may be.

## 12.13 **REMEDIES CUMULATIVE**

12.13.1 No remedy herein conferred upon or reserved to the Indenture Trustee or upon or to the Holders is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or statute.

## 12.14 **JUDGMENT AGAINST THE COMPANY**

12.14.1 The Company covenants and agrees with the Indenture Trustee that, in case of any Proceeding to obtain judgment for payment of the principal of, premium, if any, or interest, if any, on the Rand Notes, judgment may be rendered against it in favour of the Holders or in favour of the Indenture Trustee, as trustee for the Holders, for the amount which may remain due in respect of the Rand Notes and the interest and premium, if any, thereon.

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## **ARTICLE 13: SATISFACTION AND DISCHARGE**

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### **13.1 NON-PRESENTATION OF RAND NOTES**

If any Noteholder fails to present any Rand Notes for payment on the date on which the principal of, premium, if any, or interest thereon, becomes payable, whether on a Payment Date, Maturity Date or any other repayment date, or shall not accept payment on account thereof and give such receipt therefor, if any, as the Indenture Trustee may require:

- (a) the Company shall thereafter be entitled to pay or deliver to the Indenture Trustee and direct the Indenture Trustee to set aside; or
- (b) in respect of moneys or Common Shares in the hands of the Indenture Trustee which may or should be applied to the payment of the Rand Notes, the Company shall thereafter be entitled to direct the Indenture Trustee to set aside,

the principal of, premium, if any, and interest on such Holder's Rand Notes, in trust to be paid to such Noteholder upon due presentation or surrender of such Rand Notes in accordance with the provisions of this Indenture; and thereupon the principal of, premium, if any, and interest payable on each Rand Note in respect whereof such moneys and, if permitted hereunder, Common Shares have been set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except to receive delivery and payment of the moneys or Common Shares, if applicable, so set aside by the Indenture Trustee upon due presentation and surrender thereof, subject to the provisions of subsection 2.4. For greater certainty, the provisions of Article 6 shall not prevent the application of moneys received by the Indenture Trustee pursuant to this subsection 13.1 to the payment of principal, premium, if any, and interest on such Holder's Rand Notes.

### **13.2 DISCHARGE**

The Indenture Trustee shall at the written request of the Company release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and release the Company from its covenants herein contained (other than the provisions relating to the indemnification of the Indenture Trustee), upon proof being given to the reasonable satisfaction of the Indenture Trustee that the principal of, premium, if any, and interest on (including interest on amounts in default, if any) all of the Rand Notes and all other moneys payable hereunder have been paid or satisfied or that, all of the Rand Notes having matured or having been duly called for redemption, payment of the principal of, premium, if any, and interest (including interest on amounts in default, if any) on such Rand Notes and all other moneys payable hereunder have been duly and effectually provided for in accordance with the provisions hereof.

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## **ARTICLE 14: THE INDENTURE TRUSTEE**

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### **14.1 DUTIES OF INDENTURE TRUSTEE**

14.1.1 In the exercise of its rights, duties and obligations prescribed or conferred by this Indenture, the Indenture Trustee shall act honestly and in good faith and shall exercise that degree of care, diligence and skill that a reasonably prudent corporate trustee would exercise in comparable circumstances. Subject to the foregoing, the Indenture Trustee shall be liable only for an act or failure to act arising from or in connection with dishonesty, bad faith, wilful misconduct, negligence or reckless disregard of a right, duty or obligation by the Indenture Trustee. The Indenture Trustee shall not be liable for any act or default on the part of any agent employed by it or for permitting any agent or co-trustee to receive and retain any moneys payable to the Indenture Trustee under this Indenture, except as aforesaid.

### **14.2 EMPLOY AGENTS**

14.2.1 The Indenture Trustee may, but is not required to, employ (at the expense of the Company) such Counsel, agents and other assistants as it may reasonably require for the proper determination and discharge of its duties under this Indenture, and shall not be responsible for any negligence or misconduct on the part of any such Counsel, agent or other assistant or for any liability incurred by any Person as a result of not employing such Counsel, agent or other assistant, and may pay reasonable remuneration for all services performed for it with respect to this Indenture, and shall be entitled to receive reimbursement for all reasonable disbursements, costs, liabilities and expenses made or incurred by it with respect to this Indenture. All such disbursements, costs, liabilities and expenses in relation to this Indenture and all expenses incidental to the preparation, execution, creation and issuance of the Rand Notes, whether done or incurred at the request of the Indenture Trustee or the Company, shall bear interest at the posted annual rate of interest charged by the Indenture Trustee from time to time to its corporate trust customers and shall accrue from the date which is 30 days following receipt by the Company of an invoice from the Indenture Trustee with respect to such expenses until the date of reimbursement and shall (together with such interest) be paid by the Company immediately upon receipt of such invoice.

### **14.3 RELIANCE ON EVIDENCE OF COMPLIANCE**

14.3.1 In the exercise of its rights, duties and obligations under this Indenture, the Indenture Trustee may, if it is acting in good faith, act and rely, as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, Opinions of Counsel, reports, directions, orders, certificates and Certificates of the Company required by the Indenture Trustee to be furnished to it in the exercise of its rights, duties and obligations under this Indenture, if the Indenture Trustee examines such statutory declarations, Opinions of Counsel, reports, directions, orders, certificates or Certificates of the Company and determines that they indicate compliance with the applicable requirements of this Indenture.

### **14.4 PROVISION OF EVIDENCE OF COMPLIANCE TO INDENTURE TRUSTEE**

14.4.1 In addition to any other provisions of this Indenture, the Indenture Trustee may, at any time any action is taken which relates to any of paragraphs (a) through (c) below, and acting in good faith, require evidence of compliance with the conditions precedent provided for in this Indenture relating to:

- (a) the certification pursuant to section 2.7 and delivery of Rand Notes;
- (b) the satisfaction and discharge of this Indenture; or
- (c) the taking of any other action or step to be taken by the Indenture Trustee at the request, or on the application, of the Company.

#### 14.5 **CONTENTS OF EVIDENCE OF COMPLIANCE**

Evidence of compliance required by section 14.4 shall consist of:

- (a) a Certificate that the conditions precedent referred to in such Certificate have been complied with in accordance with the terms of this Indenture;
- (b) in the case of conditions precedent compliance with which are, pursuant to this Indenture, made subject to review or examination by Counsel, an Opinion of Counsel to the Company that such conditions precedent have been complied with in accordance with the terms of this Indenture; and
- (c) in the case of conditions precedent compliance with which are subject to the review or examination by auditors or appraisers, an opinion or report of a chartered accountant or appraiser, as the case may be, approved by the Indenture Trustee acting reasonably, that such conditions precedent have been complied with in accordance with the terms of this Indenture.

Whenever such evidence relates to a matter other than the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of the Company it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with the immediately following paragraph of this Section.

Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include: (i) a statement by the person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question; (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based; (iii) a statement that, in the belief of the person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein and (iv) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.

#### 14.6 **ADVICE OF EXPERTS**

- 14.6.1 The Indenture Trustee may act or not act and rely or not rely, and shall be protected in acting or not acting and relying or not relying in good faith, on the opinion, advice or information (including the Opinion of Counsel) obtained from any counsel, auditor, valuer, engineer, surveyor or other expert, whether obtained by the Indenture Trustee or by the Company, and, if acting in good faith, may rely as to the truth of the statements and the accuracy of the opinions expressed in any report or opinion furnished by such Person and may obtain such assistance as may be necessary to the proper determination and discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid, including the disbursements of any legal or other advisor or assistants.

#### 14.7 **INDENTURE TRUSTEE MAY DEAL IN RAND NOTES**

- 14.7.1 In its personal capacity or any other capacity, the Indenture Trustee, and each Affiliate of the Indenture Trustee, may buy, sell, lend upon, become a pledgee of and deal in the Rand Notes and generally contract and enter into financial transactions with the Company and any Affiliate of the Company without being liable to account for any profits made thereby.

#### 14.8 **CONDITIONS PRECEDENT TO INDENTURE TRUSTEE'S OBLIGATION TO ACT**

- 14.8.1 The Indenture Trustee shall not be bound to give any notice, or to do, observe or perform or see to the observance or performance by the Company of any of the obligations imposed under the Indenture or to supervise or interfere with any of the activities of the Company, or to do or take any act, action or Proceeding by virtue of the powers conferred on it by this Indenture, unless and until it shall have been required to do so under the terms of this Indenture; nor shall the Indenture Trustee be required to take notice of any default or Event

of Default, other than in payment of any moneys required by this Indenture to be paid to the Indenture Trustee, unless and until notified in writing of such default or Event of Default by the Company or by any Holder, which notice shall distinctly specify default or Event of Default, and in the absence of any such notice the Indenture Trustee may conclusively assume that no default or Event of Default has occurred. Any such notice or requisition shall in no way limit any discretion given to the Indenture Trustee in this Indenture to determine whether or not to take action with respect to any default or Event of Default or with respect to any such requisition.

14.8.2 The obligation of the Indenture Trustee to do any of the actions referred to in subsection 14.8.1, including to commence or to continue any Proceeding or any right of the Indenture Trustee or the Holders, shall be conditional upon the Holders furnishing, when required by notice in writing by the Indenture Trustee, sufficient funds to commence or continue such action and an indemnity satisfactory to the Indenture Trustee to protect and hold harmless the Indenture Trustee against the costs, charges, expenses and liabilities which may result from such action and any loss and damage the Indenture Trustee may suffer by reason of such action.

14.8.3 Before commencing or at any time during the continuance of any Proceeding, the Indenture Trustee may require the Holders on whose behalf it is acting to deposit with the Indenture Trustee the Rand Notes held by them, and the Indenture Trustee shall issue receipts for such Notes.

#### 14.9 **INDENTURE TRUSTEE NOT REQUIRED TO GIVE SECURITY**

14.9.1 The Indenture Trustee shall not be required to give Security for its conduct or administration under this Indenture.

#### 14.10 **RESIGNATION OR REMOVAL OF INDENTURE TRUSTEE: CONFLICT OF INTEREST**

14.10.1 The Indenture Trustee represents and warrants to the Company that at the time of the execution and delivery of this Indenture no material conflict of interest exists with respect to the Indenture Trustee's role as a fiduciary hereunder.

14.10.2 The Indenture Trustee may resign as trustee hereunder by giving not less than 60 days notice in writing to the Company or such shorter notice as the Company may accept as sufficient. The Indenture Trustee shall resign if a material conflict of interest arises with respect to its role as trustee under this Indenture that is not eliminated within 90 days after the Indenture Trustee becomes aware of such conflict of interest. Immediately after the Indenture Trustee becomes aware that it has a material conflict of interest it shall provide the Company with written notice of the nature of that conflict. Upon any such resignation, the Indenture Trustee shall be discharged from all further duties and liabilities under this Indenture. None of the validity and enforceability of this Indenture or the Rand Notes shall be affected in any manner whatsoever by reason only of the existence of a material conflict of interest on the part of the Indenture Trustee (whether arising prior to or after the date of this Indenture). If the Indenture Trustee does not comply with this section, any Holder or the Company may apply to the High Court of South Africa for an order that the Indenture Trustee be replaced as trustee under this Indenture.

14.10.3 In the event of the Indenture Trustee resigning or being removed by the Holders by Extraordinary Resolution or by the Company or being dissolved, becoming insolvent or bankrupt, going into liquidation or otherwise becoming incapable of acting as trustee under this Indenture, the Company shall immediately appoint a successor Indenture Trustee unless a successor Indenture Trustee has already been appointed by the Holders; failing such appointment by the Company, the retiring Indenture Trustee or any other Holder may apply to a judge of the High Court of South Africa, on such notice as such judge may direct, for the appointment of a successor Indenture Trustee. The successor Indenture Trustee so appointed by the Company or by such court shall be subject to removal by the Holders by way of an Act of Holders. Any successor Indenture Trustee appointed under any provision of this section shall be a corporation authorized to carry on the business of a trust corporation in South Africa. On any appointment of the successor Indenture Trustee, the successor

Indenture Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named in this Indenture as Indenture Trustee. The expenses of all acts, documents and Proceedings required under this section will be paid by the Company in the same manner as if the amount thereof were fees payable to the Indenture Trustee under this Indenture.

- 14.10.4 Any successor Indenture Trustee shall, immediately upon appointment, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trusts under this Indenture, with like effect as if originally named as Indenture Trustee hereunder. Nevertheless, upon the written request of the successor Indenture Trustee or of the Company and upon payment of all outstanding fees and expenses, the Indenture Trustee ceasing to act shall execute and deliver a document assigning and transferring to such successor Indenture Trustee (including any successor Indenture Trustee referred to in section 14.10.5), upon the trusts expressed in this Indenture, all the rights, powers and trusts of the Indenture Trustee so ceasing to act, and shall duly assign, transfer and deliver all property (including money) held by such Indenture Trustee to the successor Indenture Trustee in its place. Should any deed, conveyance or other document in writing from the Company be required by any successor Indenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and other documents in writing shall, on the request of the successor Indenture Trustee, be made, executed, acknowledged and delivered by the Company.
- 14.10.5 Any corporation into which the Indenture Trustee is amalgamated or with which it is consolidated or to which all or substantially all of its corporate trust business is sold or is otherwise transferred or any corporation resulting from any consolidation or amalgamation to which the Indenture Trustee is a party shall be a successor Indenture Trustee under this Indenture, without the execution of any document or any further act; provided that such successor Indenture Trustee is qualified to carry on the business of a trustee in South Africa and shall not have a material conflict of interest in its role as a fiduciary under this Indenture.

#### **14.11 AUTHORITY TO CARRY ON BUSINESS; RESIGNATION**

- 14.11.1 The Indenture Trustee represents and warrants to the Company that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trustee in South Africa. If the Indenture Trustee ceases to be so authorized to carry on business as a trustee, the validity and enforceability of this Indenture and the Rand Notes issued hereunder shall not be affected in any manner by reason only of such event but the Indenture Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trustee in South Africa, either become so authorized or resign in the manner and with the effect specified in section 14.10.

#### **14.12 PROTECTION OF INDENTURE TRUSTEE**

- 14.12.1 By way of supplement to any Applicable Law from time to time relating to trustees and in addition to any other provision of this Indenture for the relief of the Indenture Trustee, it is expressly agreed that:
- (a) the Indenture Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Rand Notes (except the representations and warranties contained in the last sentence of subsection 2.7.4 and in subsection 14.10.1 and sections 14.1 and 14.13 which are being given by the Indenture Trustee in its personal capacity) or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Company;
  - (b) the Indenture Trustee shall not be bound to give to any Person notice of the execution of this Indenture unless and until an Event of Default and a declaration of acceleration has occurred, and the Indenture Trustee has been notified of such in writing and has determined or become obliged to enforce the same pursuant to the terms of this Indenture;

- (c) the Indenture Trustee shall not incur any liability or be in any way responsible for the consequence of any breach on the part of the Company of any of the covenants contained in this Indenture or of any acts of the agents or servants of the Company;
- (d) the Company indemnifies and saves harmless the Indenture Trustee and its officers, directors and employees and agents from and against any and all liabilities, losses, costs, claims, actions, expenses (including legal fees and disbursements on a solicitor and client basis) or demands whatsoever which may be brought against the Indenture Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations under this Indenture, including those arising out of or related to actions taken or omitted to be taken by the Indenture Trustee contemplated by this Indenture, and including legal fees and disbursements on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity, which the Indenture Trustee may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Indenture Trustee, save only in the event of the negligence or reckless disregard in acting or failing to act, or the wilful misconduct, dishonesty or bad faith of the Indenture Trustee. It is understood and agreed that this indemnification shall survive the termination or discharge of this Indenture or the resignation or removal of the Indenture Trustee;
- (e) without limiting the generality of section 14.12.1(d), the Company will indemnify and hold harmless the Indenture Trustee and upon written request reimburse the Indenture Trustee for the amount of: (i) any taxes levied or imposed and paid by the Indenture Trustee as a result of payments made under or with respect to the Rand Notes; (ii) any liability (including penalties and interest) arising therefrom or with respect thereto paid by the Indenture Trustee as a result of payments made under or with respect to the Rand Notes; (iii) any liability (including penalties and interest) arising from a Common Share Interest Payment Election and (iv) any taxes levied or imposed and paid by the Indenture Trustee with respect to reimbursement under (i), (ii) and (iii) above, but excluding any taxes on the Indenture Trustee's net income arising from fees for acting as the trustee hereunder or in respect of the Indenture Trustee's capital;
- (f) the Indenture Trustee shall not be liable by reason of the statements or implications of fact or law contained in or arising out of anything contained in this Indenture or in the Rand Notes or be required to verify the same, but all statements or implications shall be deemed to have been made by the Company only;
- (g) the Indenture Trustee may, in the exercise of all or any of the trusts, powers and discretion vested in it under this Indenture, act by the responsible officers of the Indenture Trustee; the Indenture Trustee may delegate to any Person the performance of any of the trusts and powers vested in it by this Indenture, and any delegation may be made upon such terms and conditions and subject to such regulations as the Indenture Trustee may think to be in the best interest of the Holders;
- (h) the Indenture Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any matter under this Indenture, unless the Indenture Trustee shall have received from the Company or a Holder written notice stating the matter in respect of which the Indenture Trustee should have notice or actual knowledge;
- (i) the Indenture Trustee shall not be bound to act in accordance with any direction or request of the Company until an executed copy of the document containing the direction or request has been delivered to the Indenture Trustee, and the Indenture Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any document purporting to be a Rand Note and believed by the Indenture Trustee to be genuine; and
- (j) the Indenture Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any Person on behalf of the Company or of any Person on whose signature the Indenture Trustee may be called upon to act or refrain from acting under this Indenture.

#### 14.13 **ADDITIONAL REPRESENTATIONS AND WARRANTIES OF INDENTURE TRUSTEE**

14.13.1 The Indenture Trustee represents and warrants to the Company that:

- (a) the Indenture Trustee is a trust corporation validly existing under the laws of its jurisdiction of incorporation;
- (b) the Indenture Trustee has full power, authority and right to execute and deliver and perform its obligations under this Indenture, and has taken all necessary action to authorize the execution, delivery and performance by it of this Indenture; and
- (c) this Indenture has been duly executed and delivered by the Indenture Trustee.

#### 14.14 **THIRD PARTY INTERESTS**

14.14.1 The Company hereby represents to the Indenture Trustee that any account to be opened by, or interest to be held by, the Indenture Trustee in connection with this Indenture for or to the credit of the Company, either: (i) is not intended to be used by or on behalf of any third party or (ii) is intended to be used by or on behalf of a third party, in which case the Company agrees to complete and execute forthwith a declaration in the Indenture Trustee's prescribed form as to the particulars of such third party.

#### 14.15 **INDENTURE TRUSTEE NOT BOUND TO ACT**

14.15.1 The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Company, or any shorter period of time as agreed to by the Company, notwithstanding the provisions of Section 14.10 of this Indenture, provided: (i) that the Indenture Trustee's written notice shall describe the circumstances of such non-compliance and (ii) that if such circumstances are rectified to the Indenture Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

#### 14.16 **COMPLIANCE WITH PRIVACY LAWS**

14.16.1 The parties acknowledge that legislation that addresses the protection of individuals' personal information (collectively, the "**Privacy Laws**") applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company shall, prior to transferring or causing to be transferred personal information to the Indenture Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Indenture Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Indenture Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent of or direction from the Company or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorised access, use or modification.

#### 14.17 **EXECUTION OF CERTAIN DOCUMENTS**

14.17.1 The Indenture Trustee is hereby authorised to execute and deliver the Intercreditor Agreement and such other documents and agreements as may be required by the terms of this Indenture or such Intercreditor Agreement.

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## ARTICLE 15: MEETINGS OF HOLDERS OF RAND NOTES AND CANADIAN NOTES

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### 15.1 PURPOSES FOR WHICH MEETINGS MAY BE CALLED

15.1.1 A meeting of Holders of Rand Notes and Canadian Notes may be called at any time and from time to time pursuant to this Article 15 and Article 15 of the Canadian Note Indenture to make, give or take any Act provided by this Indenture to be made, given or taken by Holders of Rand Notes and Canadian Notes. Meetings of Holders of Rand Notes will be held jointly with meetings of Holders of Canadian Notes pursuant to the Canadian Note Indenture.

### 15.2 CALL, NOTICE AND PLACE OF MEETINGS

15.2.1 The Indenture Trustee and the Canadian Note Trustee may at any time and from time to time and shall, on receipt of a Company Request or a requisition in writing made by the Holders of at least 5% in Voting Rights of the Outstanding Rand Notes and Outstanding Canadian Notes and upon being indemnified and funded to their reasonable satisfaction by the Company or upon being funded and indemnified to their reasonable satisfaction by the Holders making such requisition, as the case may be, against the costs which may be incurred in connection with the calling and holding of such meeting, call a meeting of Holders of Rand Notes and Canadian Notes for any purpose specified in section 15.1, to be held at such time and at such place as the Indenture Trustee and Canadian Note Trustee shall determine. Notice of every meeting of Holders of Rand Notes and Canadian Notes, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in section 17.2, not less than 21 or more than 60 days prior to the date fixed for the meeting.

15.2.2 If at any time the Company, pursuant to a Board Resolution, or the Holders of at least 5% of Voting Rights of the Outstanding Rand Notes and Outstanding Canadian Notes shall have requested the Indenture Trustee and the Canadian Note Trustee to call a meeting of the Holders of Rand Notes and Canadian Notes for any purpose specified in section 15.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Indenture Trustee and the Canadian Note Trustee shall not have made the first publication, or mailing, as the case may be, of the notice of such meeting within 30 days after receipt of such request, funding and indemnity or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Company or the Holders of Rand Notes and Canadian Notes in the amount specified above, as the case may be, may determine the time and the place in the City of Toronto, Province of Ontario, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection 15.2.1.

15.2.3 The Holders of Rand Notes and the Holders of Canadian Notes may, if they think fit, confer by telephone, closed circuit television, videoconference or other electronic means of audio or audio-visual communication and notwithstanding that the Holders of Rand Notes and the Holders of Canadian Notes are not present together in one place at the time of the meeting, a resolution passed by the Holders of Rand Notes and the Holders of Canadian Notes constituting a quorum at such conference shall be deemed to have been passed at a meeting of the Holders of Rand Notes and the Holders of Canadian Notes on the day on which and at the time at which the meeting was held and the provisions of this Article 15 relating to meetings of Holders of the Rand Notes and the Holders of the Canadian Notes shall apply so far as they are capable of application, *mutatis mutandis*, to such conferences. For the avoidance of doubt, all Holders of Rand Notes and Holders of Canadian Notes present at the meeting or participating by any of the foregoing means shall be deemed for the purposes of determining a quorum to be present in person.

### 15.3 PROXIES

15.3.1 A Noteholder may be present and vote at any meeting of Noteholders, and may sign written resolutions and other instruments in writing in lieu of a meeting as contemplated in section 15.8, by an authorized representative. The Company with the approval of the

Indenture Trustee may, from time to time, make and vary regulations as it shall think fit providing for and governing any or all the following matters for the purpose of enabling the Noteholders to vote at any such meeting by proxy:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Noteholder;
- (b) the deposit of instruments appointing proxies at such place as the Indenture Trustee, the Company or the Noteholder convening the meeting, as the case may be, may in the notice convening the meeting, direct and the time, if before the holding of the meeting or any adjournment thereof by which the same must be deposited; and
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic communication before the meeting to the Company or to the Indenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

#### 15.4 **PERSONS ENTITLED TO VOTE AT MEETINGS**

- 15.4.1 To be entitled to vote at any meeting of Holders of Rand Notes and Canadian Notes, a Person shall be: (i) a Holder of one or more Outstanding Rand Notes or Outstanding Canadian Notes or (ii) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Rand Notes or Outstanding Canadian Notes by such Holder or Holders. The only persons who shall be entitled to be present or to speak at any meeting of Holders of Rand Notes and Canadian Notes shall be the Persons entitled to vote at such meeting and their counsel, any representatives of FIU and its Counsel, any representatives of the Indenture Trustee or of the Canadian Note Trustee and their respective counsel and any representatives of the Company and its Counsel.

#### 15.5 **QUORUM; ACTION**

- 15.5.1 Persons entitled to vote 40% of the total Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, considered together, shall constitute a quorum for a meeting of Holders of Rand Notes and Canadian Notes. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Rand Notes and Canadian Notes, be dissolved. In the absence of a quorum in any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, the Holders of Rand Notes and Canadian Notes present or represented at such adjourned meeting shall constitute the quorum and the business for which the meeting was adjourned may be transacted. Notice of the reconvening of any adjourned meeting shall be given as provided in subsection 15.2.1, except that such notice need be given only once not less than five days prior to the date on which the meeting is scheduled to be reconvened.
- 15.5.2 Except as limited by subsection 18.1.2, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of Holders entitled to vote a majority of the total Voting Rights of the Holders of Rand Notes and Canadian Notes, considered together, present or represented by proxy at such meeting or adjourned meeting; provided, however, that, except as limited by subsection 18.1.2, any resolution with respect to any Act that this Indenture expressly provides may be made, given or taken by the Holders of a specified percentage, which is less than a majority, of the total Voting Rights of Outstanding Rand Notes and Canadian Notes, considered together, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the affirmative vote of the Holders of such specified percentage of the total Voting Rights of Outstanding Rand Notes and Canadian Notes, considered together.

- 15.5.3 Any resolution passed or decision taken at any meeting of Holders of Rand Notes and Canadian Notes duly held in accordance with this section 15.5 will be binding on all Holders of Rand Notes and Canadian Notes, whether or not present or represented at the meeting.

**15.6 DETERMINATION OF VOTING RIGHTS; CHAIRMAN; CONDUCT AND ADJOURNMENT OF MEETINGS**

- 15.6.1 Notwithstanding any other provisions of this Indenture or the Canadian Note Indenture, the Indenture Trustee, the Canadian Note Trustee or the Company, with the approval of the other two, may make and from time to time may vary such reasonable regulations as it may deem advisable for any meeting of Holders of Rand Notes and Canadian Notes in regard to proof of the holding of Rand Notes and Canadian Notes and the appointment of proxies and in regard to the appointment and duties of scrutineers of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted by any such regulations, the holding of Rand Notes and the appointment of any proxy in connection therewith shall be proved in the manner specified in section 1.12 and the Holding of Canadian Notes and the appointment of any proxy in connection therewith shall be proved in accordance with the provisions of the Canadian Note Indenture. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in section 1.12 or other proof.
- 15.6.2 The Indenture Trustee and the Canadian Note Trustee shall, by an instrument in writing, appoint a chairman and secretary of the meeting, unless the meeting shall have been called by the Company or by Holders of Rand Notes and/or Canadian Notes as provided in subsection 15.2.2, in which case the Company or the Holders of Rand Notes and/or Canadian Notes calling the meeting, as the case may be, shall in like manner appoint a chairman and secretary.
- 15.6.3 At any meeting of Holders of Rand Notes and Canadian Notes, each Holder of a Rand Note or Canadian Note or proxy shall be entitled to one vote for each Voting Right held or represented by such Holder, but any Voting Right representing fractional shares shall be disregarded for the purposes of this Section; provided, however, that no vote shall be cast or counted at any meeting in respect of any Rand Note or Canadian Note challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Rand Note or Canadian Note or proxy. The Company shall provide to the Indenture Trustee a Certificate prior to any meeting confirming the total number of Voting Rights and the number of Voting Rights held by each Holder of Rand Notes or Canadian Notes.
- 15.6.4 Any meeting of Holders of Rand Notes and Canadian Notes duly called pursuant to subsection 15.2.2 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority votes represented at the meeting; and the meeting may be held as so adjourned without further notice.

**15.7 COUNTING VOTES AND RECORDING ACTION OF MEETINGS**

- 15.7.1 The vote upon any resolution submitted to any meeting of Holders of Rand Notes and Canadian Notes shall be by written ballots on which shall be inscribed the signatures of the Holders of Rand Notes or Canadian Notes or of their representatives by proxy and the Voting Rights attached to and serial numbers of Outstanding Rand Notes or Canadian Notes, as the case may be, held or represented by them, and any Voting Rights representing fractional shares shall be disregarded for this purpose. The chairman of the meeting shall appoint two scrutineers of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in triplicate of all votes cast at the meeting. A record, at least in triplicate, of the proceedings of each meeting of Holders of Rand Notes and Canadian Notes shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the scrutineers of votes on any vote by ballot taken thereat and affidavits by one or more persons

having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in section 15.2 and, if applicable, section 15.5. Each copy shall be signed and verified by the affidavits of the chairman and secretary of the meeting and one such copy shall be delivered to the Company, one copy to the Canadian Note Trustee and another to the Indenture Trustee to be preserved by the Indenture Trustee, the copy to the Canadian Note Trustee shall have attached thereto the ballots of the Holders of the Canadian Notes voted at the meeting and the copy to the Indenture Trustee shall have attached thereto the ballots of the Holders of Rand Notes voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

## 15.8 INSTRUMENTS IN WRITING

15.8.1 All actions which may be taken and all powers which may be exercised by the Holders of Rand Notes and Canadian Notes at a meeting held as hereinbefore in this Article 15 may also be taken and exercised: (i) by the Holders of a majority of Voting Rights by an instrument in writing signed in one or more counterparts by such Holders or their duly appointed proxies or agents with respect to resolutions which are not Extraordinary Resolutions and (ii) by the Holders of not less than  $66\frac{2}{3}\%$  of Voting Rights by an instrument in writing signed in one or more counterparts by such Holders or their duly appointed proxies or agents with respect to resolutions which are Extraordinary Resolutions and the expression "**Extraordinary Resolution**" when used in this Indenture shall include an instrument so signed.

## 15.9 HOLDINGS BY THE COMPANY DISREGARDED

15.9.1 In determining whether Holders holding Rand Notes or Canadian Notes evidencing the required number of Rand Notes and Canadian Notes are present at a meeting of Holders for the purpose of determining a quorum or for the purpose of determining whether Holders have concurred in any consent, waiver, resolution or other action under this Indenture, the Rand Notes and Canadian Notes owned legally or beneficially by the Company shall be disregarded. The Company shall provide the Indenture Trustee and the Rand Note Trustee with a Certificate certifying the number of Rand Notes and Canadian Notes held by it either legally or beneficially at any time requested by the Indenture Trustee or the Canadian Note Trustee.

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## **ARTICLE 16: AMALGAMATION, CONSOLIDATION, CONVEYANCE, TRANSFER OR LEASE**

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### **16.1 AMALGAMATION AND CONSOLIDATIONS OF COMPANY AND CONVEYANCES PERMITTED SUBJECT TO CERTAIN CONDITIONS**

16.1.1 Neither the Company nor FIU will amalgamate with any other corporation or enter into any reorganization or arrangement or effect any conveyance, sale, transfer or lease of all or substantially all of its assets, unless in any such case:

- (a) either the Company or FIU shall be a predecessor of the amalgamated corporation, the continuing corporation, or the successor corporation (or the Person that leases or that acquires by conveyance, sale or transfer all or substantially all of the Company's or FIU's assets (as the case may be)) (such corporation or Person being referred to as the "Successor Company") and shall expressly assume the principal obligation or guarantee the principal obligation (as the case may be) in respect of the due and punctual payment of the principal of, the premium, if any, and interest on all Outstanding Rand Notes, according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed by the Company or FIU (as the case may be) by supplemental indenture satisfactory to the Indenture Trustee, executed and delivered to the Indenture Trustee by such corporation;
- (b) the Rand Notes or the guarantee thereof will be valid and binding obligations of the Successor Company entitling the Holders thereof, as against the Successor Company, to all the rights of Noteholders under this Indenture;
- (c) the Company, FIU or such Successor Company, as the case may be, shall not immediately thereafter be in default under this Indenture or the Rand Notes; and
- (d) in the case of a Person constituted or organized under the laws of a province, territory, state or jurisdiction other than the laws of the South Africa, such Person shall submit to the jurisdiction of the courts of the South Africa in the event of any dispute, conflict or litigation relating to, arising out of or based on this Indenture or the Rand Notes.

### **16.2 RIGHTS AND DUTIES OF SUCCESSOR COMPANY**

16.2.1 In case of any such amalgamation, reorganization, arrangement, conveyance, sale, transfer or lease and upon any such assumption by the Successor Company, such Successor Company shall agree to be bound by the terms of this Indenture as principal obligor or guarantor in place of the Company or FIU (as the case may be), with the same effect as if it had been named herein as the Company or FIU (as the case may be).

16.2.2 Such Successor Company thereupon may either (depending on whether the Successor Company is assuming the role of principal obligor or guarantor in respect of the Company or FIU):

- (a) cause to be signed, and may issue either in its own name or in the name of the Company, any or all Rand Notes which theretofore shall not have been signed by the Company and delivered to the Indenture Trustee; or
- (b) shall allot and reserve for issuance to the Noteholder such Common Shares as is required in terms of the Rand Notes,

all Rand Notes so issued and all Common Shares so allotted and reserved for issue shall in all respects have the same legal rank and benefit under this Indenture as Rand Notes or Common Shares theretofore or thereafter issued in accordance with the terms of this Indenture as though all of such Rand Notes or Common Shares had been issued at the date of the execution hereof.

16.2.3 In the case of any such amalgamation, reorganization, arrangement, conveyance, sale, transfer or lease, such changes in phraseology and form (but not in substance) may be made in Rand Notes and Common Shares thereafter to be issued as may be appropriate.

16.3 **OFFICER'S CERTIFICATE AND OPINION OF COUNSEL**

16.3.1 The Indenture Trustee must receive an Officer's Certificate and an Opinion of Counsel as conclusive evidence that any such amalgamation, reorganization, arrangement, lease, transfer, sale or conveyance, and any such assumption, comply with the provisions of this Article 16.

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## ARTICLE 17: NOTICES

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### 17.1 NOTICE TO COMPANY

- 17.1.1 Any Notice to the Company shall be in writing and shall be valid and effective if delivered, sent by facsimile transmission (with receipt confirmed), or mailed to the Company, at:

**MINE WASTE SOLUTIONS (PROPRIETARY) LIMITED**

5 Press Avenue  
Selby, Johannesburg  
2025  
Republic of South Africa

Attention: Company Secretary

Facsimile No.: +27 (0) 11 837 3840

and such Notice shall be deemed to have been received by the Company, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. (Johannesburg Time) on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. (Johannesburg Time) on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within South Africa, or only airmail, postage prepaid, if sent from a destination outside South Africa. The Company may from time to time notify the Indenture Trustee of a change in address or facsimile number by Notice given as provided in section 17.4.

### 17.2 NOTICE TO FIU

- 17.2.1 Any Notice to FIU shall be in writing and shall be valid and effective if delivered, sent by facsimile transmission (with receipt confirmed), or mailed to FIU, at:

**FIRST URANIUM CORPORATION**

1240-155 University Avenue  
Toronto, Ontario, M5H 3B7

Attention: Chief Executive Officer

Facsimile No.: (416) 342-5632

and such Notice shall be deemed to have been received by FIU, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. (Eastern Standard Time) on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. (Eastern Standard Time) on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within Canada, or only airmail, postage prepaid, if sent from a destination outside Canada. The Company may from time to time notify the Indenture Trustee of a change in address or facsimile number by Notice given as provided in section 17.4.

### 17.3 NOTICE TO HOLDERS

- 17.3.1 Any Notice to Holders of Rand Notes may be effectively given if delivered or mailed, in each case at post office address appearing in the relevant register and such Notice shall be deemed to have been received by a Noteholders, where given by delivery, on the day of delivery, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail to a destination within South Africa, or only by airmail, postage prepaid, if sent to a destination outside South Africa.

- 17.3.2 If the regular mail service is suspended or for any other reason it shall be impracticable to give Notice to Noteholders by mail, then such notification to Noteholders may be given by the publication of the Notice once in a daily newspaper with national circulation in South Africa or in any other manner approved by the Indenture Trustee, and it shall constitute sufficient Notice to such Noteholders for every purpose hereunder. In any case where Notice to Noteholders is given by mail, neither the failure to mail such Notice nor any defect in any Notice so mailed to any particular Noteholders shall affect the sufficiency of such Notice with respect to other Noteholders.
- 17.3.3 Any Notice sent to the Holders of Rand Notes as provided above shall be effective notwithstanding that any such Notice has accidentally or inadvertently not been delivered or mailed to one or more such Holders.

#### 17.4 **NOTICE TO INDENTURE TRUSTEE**

- 17.4.1 Any Notice to the Indenture Trustee shall be in writing and shall be valid and effective if delivered, sent by facsimile transmission (with receipt confirmed), or mailed to the Indenture Trustee, at:

**GMG TRUST COMPANY SA LIMITED**

The Place, Landmark Offices, 2<sup>nd</sup> Floor  
1 Sandton Drive  
Sandton, Johannesburg, South Africa, 2196

Attention: Account Manager

Facsimile No.: 27-0-86 601 4243

and such Notice shall be deemed to have been received by the Indenture Trustee, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. (Johannesburg Time) on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. (Johannesburg Time) on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within South Africa, or only by airmail, postage prepaid, if sent from a destination outside South Africa. The Indenture Trustee may from time to time notify the Company of a change in address or facsimile number by Notice given as provided in subsection 17.1.1.

#### 17.5 **NOTICE TO CANADIAN NOTE TRUSTEE**

- 17.5.1 Any Notice to the Canadian Note Trustee shall be in writing and shall be valid and effective if delivered, sent by facsimile transmission (with receipt confirmed), or mailed to the Indenture Trustee, at:

**BNY TRUST COMPANY OF CANADA**

320 Bay Street  
Toronto, Ontario, M5H 4A6

Attention: Corporate Trust Services, Account Manager

Facsimile No.: (416) 643-5570

and such Notice shall be deemed to have been received by the Canadian Note Trustee, where given by delivery, on the day of delivery, where sent by facsimile transmission (with receipt confirmed), on the day of transmittal of such Notice if sent before 5:00 p.m. (Eastern Standard Time) on a Business Day and on the next succeeding Business Day if not sent before 5:00 p.m. (Eastern Standard Time) on a Business Day, and, where mailed, on the fifth Business Day following the mailing date, but only if sent by first class mail from a destination within Canada, or only by airmail, postage prepaid, if sent from a destination outside Canada. The Canadian Note Trustee may from time to time notify the Company and FIU of a change in address or facsimile number by Notice given as provided in subsections 17.1.1 and 17.2.1, respectively.

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## ARTICLE 18: SUPPLEMENTAL INDENTURES AND AMENDMENTS

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### 18.1 SUPPLEMENTAL INDENTURES

- 18.1.1 Without the consent of any Holders, the Company or FIU, when authorized by a Board Resolution or a resolution of the board of directors of FIU, respectively, and the Indenture Trustee may, subject to the provisions of this Indenture, and the Indenture Trustee shall, upon the receipt of a Company Request or when so directed by this Indenture, make, execute, acknowledge and deliver deeds or indentures supplemental to this Indenture (each such deed or indenture a "**Supplemental Indenture**") for any one or more of the following purposes:
- (a) adding to the covenants of the Company or FIU contained in this Indenture for the benefit of the Holders or surrendering any right or power herein conferred upon the Company or FIU;
  - (b) adding any additional Events of Default;
  - (c) changing or eliminating any restrictions on the payment of principal, the premium, if any, of Rand Notes provided that Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate adversely affect the interests of the Holders;
  - (d) giving effect to any Act or any other direction from the Holders permitted to be given under this Indenture, and to any other Act made, given to or taken by the Holders in accordance with this Indenture;
  - (e) making such provisions, not substantially inconsistent with this Indenture, as may be necessary or desirable with respect to matters arising under this Indenture which, in the opinion of the Indenture Trustee relying on the opinion of Counsel, are expedient to make; provided that the Counsel to the Indenture Trustee shall be of the opinion that such provisions do not individually or in the aggregate materially adversely affect the interests of the Holders or the Indenture Trustee;
  - (f) without limiting article 16, evidencing the succession, or successive successions, of any Successor Company to the Company or FIU (as the case may be) and the covenants and obligations of the Company or FIU (as the case may be) under this Indenture assumed by any such Successor Company;
  - (g) providing for altering this Indenture in respect of the exchange or transfer of Rand Notes, provided that any such action shall not adversely affect the interests of the Holders of Rand Notes;
  - (h) making any addition to, or modification, amendment or elimination of any of the terms of, this Indenture which, in the Opinion of Counsel, is necessary or advisable in order to incorporate, reflect or comply with any Applicable Law or requirement of any Governmental Authority, the provisions of which apply to the Company, FIU, the Indenture Trustee or this Indenture;
  - (i) making any changes or corrections in this Indenture which Counsel to the Company shall have advised the Company and the Indenture Trustee are non-substantive corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or any clerical omission or mistake or manifest error contained in this Indenture or in any deed, or indenture supplemental hereto or thereto;
  - (j) evidencing and providing for the acceptance of appointment hereunder by a successor trustee with respect to the Notes, and adding to or changing any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Indenture Trustee; and
  - (k) any other purposes considered appropriate by the Indenture Trustee which, in the opinion of the Indenture Trustee, relying on the opinion of Counsel, do not individually or in the aggregate adversely affect the interests of the Holders.

- 18.1.2 With the consent of the Holders of not less than a majority of Voting Rights of Outstanding Rand Notes and Outstanding Canadian Notes, by Act of said Holders delivered to the Company and the Indenture Trustee, the Company, when authorized by a Board Resolution, and the Indenture Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the said Holders under this Indenture of such Rand Notes provided, however, that no such Supplemental Indenture shall be entered into by the Indenture Trustee in connection with the following, without an Extraordinary Resolution passed by the Holders of Rand Notes and Canadian Notes:
- (a) change the Stated Maturity date of the principal of, or any instalment of interest on, any Rand Note, or reduce the principal amount thereof or the interest thereon or the purchase price on an Offer to Purchase, or change the currency in which any Rand Note or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity date thereof;
  - (b) reduce the percentage of Voting Rights the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences provided for in this Indenture, or reduce the requirements of section 15.5 for quorum or subsections 15.6.1 to 15.6.4 for voting;
  - (c) change the Put or Exchange Price or the method of calculating the number of Common Shares issuable in the event of a Change of Control under this Indenture; or
  - (d) modify any of the provisions of this section 18.1, or section 12.4.1, except to increase any such percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holders of Canadian Notes and Rand Notes expressed by Extraordinary Resolution.
- 18.1.3 It shall not be necessary for any Act of Holders under subsection 18.1.2 to approve the particular form of any proposed Supplemental Indenture, but it shall be sufficient if such Act of Holders shall approve the substance thereof.

## 18.2 EXECUTION OF SUPPLEMENTAL INDENTURES

- 18.2.1 In executing, or accepting the additional trusts created by, any Supplemental Indenture permitted by this Article 18 or the modifications thereby of the trusts created by this Indenture, the Indenture Trustee shall be entitled to receive, and subject to section 14.1, shall be fully protected in acting and relying upon, an Opinion of Counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture, is not inconsistent herewith, is a valid and binding obligation of the Company and FIU, enforceable in accordance with its terms, subject to enforceability being limited by bankruptcy, insolvency or other laws affecting the enforcement of creditor's rights generally and equitable remedies including the remedies of specific performance and injunction being granted only in the discretion of a court of competent jurisdiction and, in connection with a Supplemental Indenture executed pursuant to this subsection 18.2.1, that the Indenture Trustee is authorized to execute and deliver such Supplemental Indenture without the consent of the Holders and, in connection with a Supplemental Indenture executed pursuant to subsection 18.1.2, that the requisite consents of the Holders have been validly obtained in accordance with subsection 18.1.2 hereof. The Indenture Trustee may, but shall not be obligated to, enter into any such Supplemental Indenture that affects the Indenture Trustee's own rights, duties or immunities under this Indenture or otherwise.

## 18.3 EFFECT OF SUPPLEMENTAL INDENTURES

- 18.3.1 Upon the execution of any Supplemental Indenture under this Article 18, this Indenture shall be modified in accordance therewith, and such Supplemental Indenture shall form a part of this Indenture for all purposes, unless otherwise so specified; and every Holder of Rand Notes theretofore or thereafter certified and delivered under this Indenture shall be bound by the Supplemental Indenture.

18.4 **REFERENCE IN RAND NOTES TO SUPPLEMENTAL INDENTURES**

18.4.1 Rand Notes certified and delivered after the execution of any Supplemental Indenture pursuant to this Article 18 may, and shall if required by the Indenture Trustee, bear a notation in form approved by the Indenture Trustee as to any matter provided for in such Supplemental Indenture. If the Company shall so determine, new Rand Notes so modified as to conform, in the opinion of the Indenture Trustee and the Board of Directors, to any such Supplemental Indenture may be prepared and executed by the Company and certified and delivered by the Indenture Trustee in exchange for Outstanding Rand Notes.

18.5 **PRIOR APPROVAL OF RECOGNIZED STOCK EXCHANGE**

18.5.1 Notwithstanding anything to the contrary in this Indenture, no supplement or amendment to the terms of the Rand Notes or to this Indenture may be made without the prior consent of a Recognized Stock Exchange, if required.

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## **ARTICLE 19: CONDITION PRECEDENT**

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### **19.1 CONDITION PRECEDENT**

The provisions of Article 1, Article 17, this Article 19 and Article 20 shall take effect and become operative immediately upon the signature of this Indenture by the last of the parties to sign this Indenture (all the other parties having already signed).

All the provisions of this Indenture, except for those which take effect and become operative immediately as set out above, shall be subject to the fulfilment of the condition set out in Schedule "C" to the Indenture ("the Condition") by April 30, 2010. The Condition will be deemed to be

fulfilled on the earlier of the fulfilment of the Condition, and the delivery by the Indenture Trustee to all of the parties to this Indenture of a notice of confirmation that the Simmer and Jack Mines Limited is satisfied, to the best of its knowledge and belief, that the Condition has been fulfilled. If the Condition is fulfilled or is deemed to be fulfilled, then this Indenture shall be of full force and effect.

If the Condition is not fulfilled or deemed to be fulfilled by April 30, 2010, then the provisions of this Indenture that are suspended shall not take effect.

Each party shall sign all such documents and do everything else that may reasonably be required of it by the other party to bring about fulfilment of the Condition, and the parties shall co-operate with each other in all respects to that end.

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## **ARTICLE 20: MISCELLANEOUS PROVISIONS**

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### **20.1 ACCEPTANCE OF TRUSTS**

The Company, each of the Guarantors and the Indenture Trustee hereby specifically acknowledge and agree that the Indenture Trustee is acting hereunder on behalf of the Holders for the purposes of this Indenture and in conformity with and subject to the terms and conditions of this Indenture. Each Noteholder, by its acceptance thereof, accepts and confirms the appointment of the Indenture Trustee for the purposes of this Indenture and in conformity with and subject to the terms and conditions of this Indenture.

### **20.2 PROTECTION OF TRUSTEE**

The Indenture Trustee shall not be obligated under any circumstances whatsoever in the fulfilment of any of the circumstances and obligations hereunder, to expend or risk its funds or otherwise incur financial liability.

### **20.3 COUNTERPARTS AND FORMAL DATE**

This Indenture may be executed in any number of counterparts in original or electronic form, each of which so executed shall be deemed to be an original, but all of which shall together constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear a date as of the date hereof.

### **20.4 DISPUTE RESOLUTION**

In the event of a dispute arising out of or in connection with this Indenture or the breach, termination or invalidity thereof, then upon written notice from any party (a party to this Indenture) to the others, the dispute shall be settled by arbitration.

The parties may agree on the arbitration procedure and on the arbitrator and, failing agreement within five days of the notice above, the arbitration shall be conducted in accordance with the UNCITRAL Arbitration Rules in force at the time of the dispute.

Unless agreed otherwise the arbitration shall be administered by the parties.

The appointing authority in terms of the UNCITRAL Arbitration Rules shall be the Association of Arbitrators (Southern Africa).

The number of arbitrators shall be one and the place of arbitration shall be Johannesburg, South Africa.

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## SCHEDULE "A"

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### FORM OF NOTE

No.

#### **MINE WASTE SOLUTIONS (PROPRIETARY) LIMITED**

(A company incorporated in terms of the laws of South Africa)

Secured Convertible Note Due March 31, 2013

Date of Initial Issue: <\*>, 2010

Maturity Date: March 31, 2013

Registered Holder: <\*>

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**"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER CLOSING DATE>."**

**Mine Waste Solutions (Proprietary) Limited** (the "**Company**"), for value received, hereby acknowledges itself indebted and promises to pay to the order of the registered holder on March 31, 2013 (the "**Maturity Date**"), or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture hereinafter mentioned, the principal sum of

**[insert amount]**

in lawful money of South Africa, on presentation and surrender of this Rand Note at the principal office of the Indenture Trustee (defined below) in the manner specified in the Indenture (defined below), in Johannesburg, and to pay interest on the principal amount hereof at the rate of 11.00% per annum calculated semi annually not in advance on each Interest Payment Date accruing from the Issue Date or from the most recent Interest Payment Date to which interest has been paid or made available for payment on the Rand Notes then outstanding, whichever is later, in like money in equal semi-annual instalments in arrears on September 30 and March 31 in each year (each such date an "**Interest Payment Date**"), commencing September 30, 2010 with overdue interest, if any, at the same rate after as well as before maturity and after as well as before default in payment of principal or interest. The September 30, 2010 interest payment will represent accrued interest from the Issue Date to but excluding September 30, 2010.

As interest on this Rand Note becomes due, the Company (subject to early repurchase or the exercise of a Put or Exchange Right pursuant to the terms of the Indenture (as defined below)) shall forward or cause to be forwarded by courier or ordinary post to the registered address of the registered Holder of the Rand Note for the time being, or in the case of joint Holders to the registered address of one of such joint Holders, a cheque or electronic funds transfer for such interest, payable to the order of such Holder or Holders. The forwarding of such cheque or electronic funds transfer shall satisfy and discharge the liability for interest on this Note to the extent of the sum represented thereby, unless such cheque, if any, is not paid on presentation or, such electronic funds transfer, is unsuccessful.

This Rand Note is one of the Secured Convertible Notes due March 31, 2013 (the "**Notes**") in the aggregate principal amount of ZAR 463,896,610.06 in lawful money of South Africa created and issued under a Trust Indenture (the "**Indenture**") dated as of 23 April, 2010 made between, inter alia, the Company and **GMG Trust Company SA Limited**, as trustee (the "**Indenture Trustee**"). Reference is hereby made to the Indenture for a description of the rights of the Holders of the Rand Notes, the Company, First Uranium Corporation ("**FIU**") and the Indenture Trustee and of the terms and conditions upon which the Rand Notes are issued and held, all to the same effect as if the provisions of the Indenture were herein set forth, to all of which provisions the Holder of this Note, by acceptance hereof, agrees. To the extent that the terms and conditions stated in this Rand Note conflict with the terms and conditions of the Indenture, the latter shall prevail. All capitalized terms used herein have the meaning ascribed thereto in the Indenture unless otherwise indicated.

The Rand Notes are issuable as fully registered Rand Notes in denominations of ZAR1,000 and integral multiples of ZAR1,000. The Rand Notes of any authorized denomination may be exchanged, as provided in the Indenture, for Rand Notes in equal aggregate principal amount. For the avoidance of doubt, this Rand Note document represents 463,900 individual Rand Notes.

This Rand Note and all other Rand Notes certified and issued under the Indenture rank *pari passu* with one another, in accordance to their tenor without discrimination, preference or priority.

Each ZAR 1,000 principal amount of Rand Notes may be put or exchanged to FIU at any time and from time to time prior to the close of business on the Business Day immediately preceding Maturity, or the Payment Date, at the option of the Holder, and the consideration for such put or exchange shall be that number of Common Shares obtained by dividing ZAR1,000 by the Put or Exchange Price of ZAR9.31 per Common Share, subject to adjustment upon the occurrence of certain events specified in the Indenture. No fractional Common Shares will be delivered to the Holders of Rand Notes upon exercise of the Put or Exchange Right, but in lieu thereof, if such a fraction shall become owing, the Company will make an equivalent cash payment. The accrued and unpaid interest on any Rand Notes so put or exchanged shall be paid in cash.

Upon the giving of notice by the Indenture Trustee of the occurrence of an Event of Default and a declaration of acceleration in accordance with the Indenture, the Rand Notes will become immediately due and payable.

The Company must commence, within 30 days of the occurrence of a Change of Control, an Offer to Purchase for all Rand Notes then Outstanding. The Offer to Purchase shall be made at a purchase price equal to 105% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to but excluding the Payment Date. An Offer to Purchase shall be opened for 30 days and the Payment Date shall be the 30th day following the mailing of the Offer to Purchase to the Indenture Trustee.

Any payments made by or on behalf of the Company or by FIU under or with respect to the Rand Notes will be made free and clear of and without withholding or deduction for or on account of any Taxes, unless the Company or any other payor is required to withhold or deduct Taxes by Applicable Law or by the interpretation or administration thereof by the relevant Governmental Authority. If the Company is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with respect to the Rand Notes, the Company will cause the Indenture Trustee to make such withholding or deduction and will remit the full amount withheld or deducted to the relevant Governmental Authority as and when required by Applicable Law and the Company will pay such Additional Amounts as may be necessary so that the net amount received by each Holder of Rand Notes after such withholding or deduction will not be less than the amount such Holder would have received if such Taxes had not been withheld or deducted; provided, however, that no Additional Amounts will be payable with respect to any payment to an Excluded Holder.

Subject to receiving applicable regulatory approvals, FIU shall have the right to elect, from time to time, to issue and deliver Common Shares to the Indenture Trustee for sale in the open market or deliver Common Share Bid Requests to the investment banks, brokers or dealers identified by FIU in its absolute discretion to satisfy its Interest Obligation on each Interest Payment Date. Unless an Event of Default has occurred and is continuing, upon such election by FIU, the Indenture Trustee shall have the power to: (i) accept delivery of Common Shares from FIU; (ii) accept bids with respect to, and facilitate the settlement of, such Common Shares, each as FIU shall direct in its absolute discretion through the investment banks, brokers or dealers identified by FIU in the Common Share Interest Payment Election Notice; (iii) sell common shares in the open market on a Recognised Stock Exchange; (iv) invest the proceeds of such sales on the direction of FIU in South African Government bonds which mature at least three Business Days prior to an applicable Interest Payment Date and/or use such proceeds together with any proceeds from the sale of Common Shares not invested to pay all or part of the Interest Obligation of the Company in respect of which the Common Share Interest Payment Election was made and (v) perform any other action necessarily incidental thereto. All such amounts applied to pay such Interest Obligation shall be deemed to be loaned by FIU to the Company (unless otherwise agreed by FIU and the Company).

The Indenture contains provisions for the holding of meetings of Holders of Canadian Notes along with Holders of Rand Notes (as defined in the Indenture) and rendering certain resolutions passed at such meetings by, or by instruments in writing signed by, the Holders of the majority in aggregate principal amount of the Outstanding Canadian Notes and Outstanding Rand Notes binding upon all Noteholders, subject to the provisions of the Indenture.

This Rand Note may only be transferred upon compliance with the conditions precedent in the Indenture on the register kept at the principal office of the Indenture Trustee and at such other place or places, if any, and/or by such other registrar or registrars, if any, as the Company with the approval of the Indenture Trustee may designate, and may be exchanged at any such place, by the Holder hereof or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and

execution satisfactory to the Indenture Trustee, and upon compliance with such reasonable requirements as the Indenture Trustee and/or registrar may prescribe, and such transfer shall be duly noted thereon by the Indenture Trustee or other registrar.

This Rand Note shall not become obligatory for any purpose until it shall have been certified by the Indenture Trustee for the time being under the Indenture.

This Rand Note shall be governed by and construed in accordance with the laws of South Africa applicable thereto.

The Holder of this Rand Note, by receiving and holding same, hereby accepts and agrees to be bound by the terms, and to be entitled to the benefits of this Rand Note and of the Indenture and confirms the appointment of the Indenture Trustee and of the Indenture, the whole in accordance with and subject to the respective provisions thereof.

#### **Rand Note Indenture**

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## SCHEDULE “D”

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### LIST OF SECURITY DOCUMENTS

1. General Security Agreement granted by the Company in favour of the SPV;
2. Cession *in securitatem debiti* and pledge by certain Guarantors in favour of the SPV, in terms of which each such cedent cedes in security and pledges to the SPV certain rights and/or assets as security for its obligations under the indemnity, as more fully set out in such cession *in securitatem debiti*;
3. all notarial bonds (whether special or general, first, second or lower ranking) registered or to be registered by certain of the Guarantors in favour of the SPV as security for its obligations to the SPV;
4. all mortgage bonds (whether first, second or lower ranking) registered or to be registered by certain of the Guarantors hypothecating their immovable property, prospecting and/or mining rights in favour of the SPV as security for their obligations to the SPV;
5. Contract of Pledge of Shares Certificates in First Uranium Limited between FIU and the SPV;
6. when obtained, a deed of pledge of stocks over uranium concentrates held in France between FIU and the SPV and a related escrow mandate between FIU, the SPV and Comurhex S.A.; and
7. an account pledge agreement by FUL (Luxembourg Branch) in favour of the SPV whereby it pledges certain bank accounts located in Luxembourg.

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## SCHEDULE “E”

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### DISCLOSURE

#### Section 10.1(b)

##### **Ezulwini Mining Company (Proprietary) Limited (“EMC”)**

- The Department of Mineral Resources (the “DMR”) has consented to the cession of mining right GP 30/5/1/2/2 (MR) 38 (the “Mining Right”), issued pursuant to the Mineral and Petroleum Resources Development Act, 2002 (“MPRDA”), from Simmer and Jack Mines, Limited (“Simmer & Jack”) to EMC. The deed of cession has been executed by Simmer & Jack and EMC and lodged with the Mining Titles Registrar Office in terms of the Mining Titles Registration Act 16 of 1967. EMC is awaiting the registration of the Mining Right in the name of EMC.
- The social and labour plan and mine work programme required in terms of the MPRDA have been submitted to the DMR. EMC is awaiting written confirmation of acceptance.
- A water use licence issued in terms of the National Water Act, 36 of 1998.

##### **Mine Waste (Proprietary) Limited (“MWS”)**

- A water use licence issued in terms of the National Water Act, 36 of 1998.
- Licences in terms of the Precious Metals Act.
- Mining right 378 MR has been granted by the DMR in terms of the MPRDA but it has not yet been notarially executed.
- The environmental management programme and environmental management plan have been approved by the DMR, written confirmation of approval will be issued upon execution of the 378 MR.

##### **MWS continues to rely on the social and labour plan of a subsidiary of Simmer & Jack**

- MWS plans to transfer 378 MR and the related licences and permits to Chemwes (Proprietary) Limited, a wholly-owned subsidiary of MWS.

#### Section 11.5

##### **First Uranium Corporation (“FIU”)**

- Tax payable to the South African Revenue Service for the fiscal year ended March 31, 2009, will be ZAR13 million. A provision has been made in the financial statement of FIU.

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**EXTRACTS FROM THE FIRST SUPPLEMENTAL TRUST INDENTURE**

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**THE FIRST SUPPLEMENTAL INDENTURE** is dated as of May 23, 2011.

**B E T W E E N:**

**MINE WASTE SOLUTIONS (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.

(hereinafter called "**the Company**")

and

**FIRST URANIUM CORPORATION**, a corporation continued under the laws of British Columbia.

(hereinafter called "**FIU**")

and

**FIRST URANIUM LIMITED**, a corporation existing under the laws of Cyprus.

(hereinafter called "**FUL**")

and

**FIRST URANIUM (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.

(hereinafter called "**FUPL**")

and

**CHEMWES (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.

(hereinafter called "**Chemwes**")

and

**EZULWINI MINING COMPANY (PROPRIETARY) LIMITED**, a company incorporated under the laws of South Africa.

(hereinafter called "**Ezulwini**" and along with FIU, FUL, FUPL, and Chemwes, the "**Guarantors**", and individually, a "**Guarantor**")

and

**GMG TRUST COMPANY SA LIMITED**, a trust company incorporated under the laws of South Africa.

(hereinafter called "**Indenture Trustee**")

**NOW, THEREFORE, THIS INDENTURE WITNESSES**, and it is hereby agreed and declared, as follows:

**RECITALS:**

- E. The parties entered into an indenture dated as of April 23, 2011 (the "Rand Trust Indenture") which provided for the creation and issue of secured convertible notes with the designation of "Secured Convertible Notes due March 31, 2013" (the "Rand Notes"), all upon the terms and conditions set forth in the Rand Trust Indenture.
- F. In connection with applying to list the Rand Notes on the JSE Limited (the "JSE"), the JSE has requested that the "Regular Interest Record Date" be amended to conform to the customary time frame for a record date for interest payments under a debt security listed on the JSE.
- G. The Company has delivered a Company Request to the Indenture Trustee requesting that the Indenture Trustee make, execute, acknowledge and deliver this First Supplement Trust Indenture providing for the amendment of the definition of "Regular Interest Record Date" to conform to the customary time frame for a record date for interest payments in respect of a debt security that trades on the JSE.

- H. In the opinion of the Indenture Trustee, relying on the opinion of Counsel, such amendment, does not adversely affect the interests of Holders.
- I. The parties now wish to amend a provision of the Rand Trust Indenture as set out in this First Supplemental Trust Indenture.

**NOW THEREFORE THIS FIRST SUPPLEMENTAL TRUST INDENTURE WITNESSES** and it is hereby covenanted, agreed and declared as follows.

## **SECTION 1 – INTERPRETATION**

### **1.1 To Be Read With Trust Indenture**

This First Supplemental Trust Indenture is a Supplemental Indenture as that term is used in the Trust Indenture. The Rand Trust Indenture and this First Supplemental Trust Indenture shall be read together and shall have effect as though all the provisions of both indentures were contained in one instrument.

### **2.1 Section and Schedule References**

Unless something in the subject matter or context is inconsistent therewith, references in this First Supplemental Trust Indenture to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules are to articles, sections, subsections, paragraphs, clauses, other subdivisions, exhibits, appendices or schedules of or to this First Supplemental Trust Indenture.

### **1.3 Definitions**

All terms which are defined in the Rand Trust Indenture and used but not defined in this First Supplemental Trust Indenture shall have the meanings ascribed to them in the Rand Trust Indenture. In the event of any inconsistency between the meaning given to a term in the Rand Trust Indenture and the meaning given to the same term in this First Supplemental Trust Indenture, the meaning given to the term in this First Supplemental Trust Indenture shall prevail to the extent of the inconsistency.

Subject to the foregoing, in this First Supplemental Trust Indenture, “First Supplemental Indenture” means this first supplemental trust indenture dated May 23, 2011 between the Company, the Guarantors and the Indenture Trustee amending the Rand Trust Indenture.

## **SECTION 2 – AMENDMENT TO THE TRUST INDENTURE**

### **2.1 Amendment to the Definition of “Regular Interest Record Date”**

Section 1.1 of the Rand Trust Indenture is hereby amended by deleting the definition of “Regular Interest Record Date” in its entirety and replacing it with the following:

“means the last Friday prior to the applicable Interest Payment Date, and in the event that (i) the Interest Payment Date falls on a Friday, the Regular Interest Record Date shall be the second last Friday prior to the a Interest Payment Date; or, (ii) the Regular Interest Record Date is a public holiday in South Africa, the record date shall be the last Business Day of the week that such record date falls in;”

## **SECTION 3 – MISCELLANEOUS**

### **3.1 Acceptance of Indenture Trustee**

The Indenture Trustee accepts the amendment contained in this First Supplemental Indenture and agrees to carry out and discharge the same upon the terms and conditions set out in this First Supplemental Indenture and in accordance with the Rand Trust Indenture.

### **3.2 Confirmation of Trust Indenture**

The Rand Trust Indenture as amended and supplemented by this First Supplemental Indenture is in all respects confirmed.

### **3.3 Governing Law**

This First Supplemental Indenture shall be governed by, and construed with, the laws of the Republic of South Africa.

### **3.4 Counterparts**

This First Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be original, but all of which shall together constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear a date as of the date hereof.

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## FIRST URANIUM RISK FACTORS

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The definitions set out and interpretations beginning on page 9 of this Pre-Listing Statement apply to this Annexure.

The operations and financial performance of FIU and its subsidiaries, including MSW, are subject to various risks, as summarized below. The following risks do not necessarily comprise all of the risks to which FIU and its subsidiaries, including MSW, are subject or will be subject. Moreover, certain risks of which First Uranium is currently not aware or considers not to be material, may arise or become material.

***Receipt of necessary mining rights cannot be guaranteed and mining rights and/or ownership of material deposits could be challenged***

FIU and its subsidiaries do not have all the mining rights and government approvals required to develop its proposed gold and uranium projects. The acquisition and retention of prospecting and mining rights is a detailed and time-consuming process. On April 22, 2010, the cession of the Ezulwini mining right from Simmer & Jack to Ezulwini was registered. Subject to the continued compliance with the MPRDA, the Ezulwini mining rights will be valid for a period of 30 years from the date of grant in March 2006.

In March 2011 the DMR issued a notice in terms of Section 47 of the MPRDA to EMC pursuant to an annual DMR compliance audit inspection held at the Ezulwini Mine on March 9, 2011. The notice states that the mine must address certain matters in order to maintain the Ezulwini mining right. Management has met with the DMR regularly since it received the Section 47 notice to provide reports on the progress of satisfying the conditions and expects to be able to satisfy the requirements or agree a schedule with the DMR within which it can meet the requirements of the DMR. The failure of First Uranium to satisfy the requirements or agree a schedule with the DMR within which it can meet the requirements of the DMR could jeopardize First Uranium's ability to retain the Ezulwini mining and prospect rights and could give rise to events of default under certain of its material contracts.

Management has implemented various initiatives at the Ezulwini Mine to focusing on compliance and corporate governance including requirements of the MPRDA, Mining Charter and such other requirements prescribed by the DMR pursuant thereto, and environmental management.

The Corporation has not secured all mining rights and government approvals required to develop its proposed gold and uranium project at MWS. In July 2009, a new order mining right for MWS was approved by the DMR. The execution of the mining right is subject to certain conditions which MWS is in the process of satisfying including providing financial assurance for rehabilitation liabilities to the satisfaction of the DMR. It should however be noted that MWS does not require the new order mining right because tailings recovery facilities are not currently covered under the MPRDA. Until such time as the MRPDA has been amended to include tailings recovery facilities, MWS relies upon the recently issued EA governed by NEMA.

The expansion of the MWS operations and the realization of the MWS assets depend in part on the new life-of-mine TSF. The TSF is designed to store all of the future tailings depositions for the remaining life of the operation. The older tailings deposits are to be rehabilitated once the tailings from each such deposit are reprocessed.

On June 15, 2010, the DWA approved MWS's application for a new order WUL which allowed construction activities on the new TSF to recommence.

On March 8, 2011, an appeal was filed by the FSE with the South African Water Tribunal against the WUL of MWS. The South African National Water Act allows appeals against the grant of an WUL provided the appellant has fulfilled certain conditions: notably lodging a valid objection within a specific period of time. After consulting with external legal counsel, First Uranium is of the view that the appeal is not legally valid and therefore does not suspend the duly granted, existing WUL.

On March 30, 2011, MWS received a letter from the DMR in terms of s.93 of the MPRDA whereby the DMR claimed that MWS did not have the authority to operate the TSF and related infrastructure as the new order mining right has not been executed. MWS has taken external legal advice on this issue. In terms of agreements with the old order rights holders as well as the suite of authorisations obtained in terms of environmental and

water legislation, MWS currently complies with all applicable legislation. MWS will continue to strive to satisfy the conditions required to obtain an executed new order right which was conditionally granted in July 2009. On April 6, 2011 MWS addressed a letter to the DMR to this effect.

MWS and/or Chemwes will be required to seek servitudes and/or acquire certain rights from third parties including BGM in connection with the development and operations. There can be no assurance that MWS and/or Chemwes will be successful in negotiating or acquiring all such necessary servitudes and/or other rights from third parties. The failure to obtain such additional rights could have a material adverse effect on First Uranium's business, operations and financial condition.

Failure to comply with the MPRDA, or failure to secure new order rights or amendments to new order rights, would materially delay, restrict or permanently stop FIU and its subsidiaries from proceeding with its exploration activities or any project development or future mining operations. A change in Village Main Reef's BEE status could also result in a loss of mining and/or prospecting rights or licences of the Company or EMC. (see also "Decrease in Village Main Reef's shareholdings or change in BEE status could result in a loss of mining and/or prospecting rights for FIU and its subsidiaries".)

***While FIU has taken reasonable measures to investigate ownership of the material deposits that it has acquired from Simmer & Jack, including the tailings dams, and is satisfied with the results of its investigations, there is no guarantee that ownership of any of these deposits will not be challenged in the future.***

An impairment to or defect in the ownership of any material mineral deposits, including any tailings dams, could impede the ability of FIU and its subsidiaries to secure material mining rights required for their projects and could have a material adverse effect on the business, financial condition, results of operations or prospects of FIU and its subsidiaries.

In addition to the above, South African laws provide that the transfer of assets to a purchaser will be void as against the vendor's creditors for a period of six months after such transfer and void against the estate of the vendor if the vendor is sequestered at any time during the aforesaid six month period.

***Decrease in Village Main Reef's shareholdings or change in BEE status could result in a loss of mining and/or prospecting rights for FIU and its subsidiaries***

A change in Village Main Reef's BEE status could also result in a loss of mining and/or prospecting rights or licenses of FIU.

Each of the Ezulwini Mine and MWS must remain compliant with the Mining Charter and the BEE participation requirements. However, no assurance can be given that FIU and its subsidiaries will be able to meet the objectives of the Mining Charter going forward, including the 26% HDSA ownership objective for 2014. Any failure by First Uranium or its relevant South African subsidiaries to satisfy the BEE requirements of the Mining Charter and MPRDA could jeopardize the subdivision and transfer of the Buffelsfontein Tailings Mining Right as well as the ongoing right to the Ezulwini Mine and MWS and impede First Uranium's ability to acquire, develop or maintain any additional mining rights or properties.

The DMR's office is tasked with the implementation and application of the Mining Charter under the MPRDA. By virtue of the ownership interest that Village Main Reef holds in First Uranium and Village Main Reef's BEE status, First Uranium and its South African subsidiaries are in compliance with the Mining Charter and the BEE participation requirements.

Although FIU is compliant with the BEE 2009 shareholder participation representation target of 15 percent, the percentage of BEE holdings has declined to 16 percent as a result of recent equity financings. While FIU is developing a BEE strategy, no assurance can be given that FIU and its South African subsidiaries will be able to continue to meet the objectives of the Mining Charter going forward, including the 26 percent HDSA ownership objective by 2014. Furthermore, no assurance can be given that the extent and composition of Village Main Reef's BEE partners will not change from time to time. Ownership or equity targets of 15% increasing to 26% may lead to conflicts between BEE demands with respect to BEE participation in the governance of the Corporation and its subsidiaries and the interests of other shareholders of the Corporation.

The failure of First Uranium to meet BEE requirements in accordance with the Mining Charter in the future could jeopardize First Uranium's ability to obtain and retain mining and prospect rights and could give rise to events of default under certain of its material contracts.

***No assurance that BEE Partners' interests will align with the interests of other FIU stakeholders***

No assurance can be given that the extent and composition of Village Main Reef's BEE partners will not change from time to time. No assurance can be given that the interests of FIU, its subsidiaries and its stakeholders will be wholly aligned with the interests of its (direct or indirect) BEE shareholders. Any misalignment of such interests could create uncertainty for FIU and its subsidiaries or impede the ability to comply with BEE requirements and/or continue its development initiatives in South Africa.

***FIU's mineral resources and mineral reserves are estimates only***

There is no certainty that the mineral resources or mineral reserves attributable to FIU and its subsidiaries will be realized. Until a deposit is actually mined and processed, the quantity of mineral resources or mineral reserves and grades must be considered as estimates only. In addition, the quantity of mineral resources and mineral reserves will depend upon among other things metal prices and currency exchange rates. Any material change in quantity of mineral resources or mineral reserves or grade, may affect the economic viability of FIU and its subsidiaries and/or the ability to expand the operations at the Ezulwini Mine and MWS. Any material reductions in the estimates of mineral resources or mineral reserves or the ability to extract the ore could have a material adverse affect on the future results of operation, cash flows and financial condition of FIU and its subsidiaries.

***Economic analysis is based, in part, on inferred resources***

Economic analysis prepared by FIU and its subsidiaries are based, in part, on inferred resources, and is preliminary in nature. Inferred resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as mineral reserves. It cannot be assumed nor is there any assurance that inferred resources will be upgraded to become measured and indicated mineral resources.

***The development of any of FIU's mining projects into commercially viable mines cannot be assured***

The development of any of FIU's mining projects into commercially viable mines cannot be assured.

Estimates of mineral resources and mineral reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and technical report studies. This information is used to calculate estimates of the capital cost and operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the mineral resource, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors.

FIU's development projects have little operating history upon which to base estimates of future cash operating costs. As a result, it is possible that the actual capital cost, operating costs and economic returns of any proposed mine may differ from those estimated and such differences could have a material adverse effect on FIU's business, financial condition, results of operations and prospects.

Further, there can be no assurance that FIU will be able to complete expansion of the plant and tailings deposition capacity at MWS or the underground development and ramp up of production at the Ezulwini Mine at all on time or on budget due to, among other things, and in addition to those factors described above, changes in the economics of the mining projects, delays in receiving required consents, permits and licenses (including mining rights), delays in the delivery and installation of plant and equipment and cost overruns, or that the current personnel, systems, procedures and controls will be adequate to support FIU's operations. Should any of these events occur, it would have a material adverse effect on the business, financial condition, results of operations and prospects of FIU and its subsidiaries.

***Government regulations may have an adverse effect on FIU's development projects and future mining operations***

Government regulations may have an adverse affect on the exploration activities, development projects and future mining operations of FIU and its subsidiaries.

Prospecting is regulated by the MPRDA. The exploration activities, development projects and future mining operations of FIU and its subsidiaries are subject to the MPRDA and the MHS Act. Every application for a prospecting right must demonstrate that:

- the applicant has access to financial resources and the technical ability to conduct the proposed prospecting operation optimally in accordance with the prospecting work programme;
- the estimated expenditures are compatible with the proposed prospecting operation and duration of the prospecting work programme;
- the prospecting will not result in unacceptable pollution, ecological degradation or damage to the environment; and
- the applicant has the ability to comply with the relevant provisions of the MHS Act.

Obtaining prospecting and mining rights or licenses can be complex and time consuming and FIU cannot assure whether any necessary rights and licenses will be obtainable on acceptable terms, in a timely manner or at all. FIU cannot assure compliance with BEE legislation required under the MPRDA or the Mining Charter. The costs and delays associated with obtaining necessary permits and complying with the permits and applicable laws and regulations could stop, delay or restrict FIU from proceeding with exploration activities or with development of future mining operations. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruptions or restriction of exploration activities, development of mining operations, or fines, penalties or other liabilities, or prevent the grant of or result in the revocation of prospecting and/or mining rights already granted.

Future prospecting operations will be subject to the MPRDA. In the event of prospecting operations revealing an economically exploitable resource, the holder of the prospecting right has an exclusive right to apply for and be granted a mining right in respect of the mineral and prospecting area in question, subject to an application in terms of the MPRDA and compliance with MPRDA. The application for a prospecting permit and a mining right is a detailed and time consuming process. Title to, and the area of, prospecting and mining rights may be disputed or challenged. (See also "Decrease in Village Main Reef's shareholdings or change in BEE status could result in a loss of mining and/or prospecting rights for FIU and its subsidiaries".)

#### ***Satisfaction of obligations in connection with the Gold Stream Transactions cannot be assured***

If MWS experiences further delays, including labour stoppages, delays supplies of goods and services or lack of availability of equipment, it may adversely affect the ability of MWS to meet certain obligations under the MWS Gold Stream Transaction.

If the construction of third gold plant module has not been completed or has been completed but has not satisfied certain technical completion tests by September 1, 2011, MWS will become obligated (subject to any other rights that FIU may have) to pay FNB \$1.5 million on the first day of each of the months of September, October, November and December, 2011 unless such construction and the technical completion tests have been satisfied prior to such date. If, on December 1, 2011 such construction and technical completion tests have not been satisfied, MWS will become obligated to pay FNB a further \$30 million, such sum to be settled in cash or in Common Shares at the election of GW (at the lowest issue price permitted by the rules of the TSX).

#### ***Ability to maintain or satisfy obligations under Rand Note Indenture, the Canadian Indenture and other debt is not assured***

FIU and its subsidiaries are subject to operating and financial restrictions through covenants in the Rand Note Indenture, Canadian Indenture and other debt.

These restrictions limit the ability of FIU and its subsidiaries to, among other things, incur additional debt, provide guarantees for indebtedness, dispose of assets, and declare dividends or make distributions in respect of securities of FIU.

In addition, the Gold Stream Transactions, the Rand Note Indenture and the Canadian Indenture have cross-default provisions to each of the other agreements. If FIU or its subsidiaries breach certain covenants, the amounts outstanding under the debt agreements of FIU and its subsidiaries may become due and payable before the agreed maturity date, and FIU and its subsidiaries may not have the financial resources to repay such amounts when due. Such events may adversely affect FIU's ability to obtain financing and FIU and its subsidiaries may be subject to higher interest and financing costs as a result.

FIU may from time to time enter into other arrangements to borrow money in order to fund its operations and expansion plans, and such arrangements may include covenants that contain operating and financial restrictions that are more restrictive.

The obligations under the Rand Note Indenture and the Canadian Indenture are secured by second ranking security over all assets currently encumbered by GW and first ranking security over all other current and future assets of the Corporation and its subsidiaries. If FIU and its subsidiaries were to default on its obligations under the Rand Note Indenture, the Canadian Indenture or the Gold Stream Transactions or other secured debt instruments in the future, the Indenture Trustee, the Canadian Note Trustee, GW or other secured lenders could enforce their security over the Corporation's assets.

### ***Power outages may adversely affect operations***

Power outages beset South Africa in early 2008 and continued sporadically in 2009 causing disruption in business activities. In 2008 coal-fed power stations ran low on fuel and several power-generating facilities were down for maintenance. No new power-generating facilities are expected to start up in South Africa until 2012. Eskom's primary response to these power deficiencies was to ask that its customers conserve energy and/or to restrict the amount of power supplied to them. On January 25, 2008, Eskom advised that continuity of electric power supply could not be guaranteed. Specific warnings were communicated to South African mining companies, including FIU and its subsidiaries. While the Corporation purchased and installed a 30 MW power plant at MWS, and has 14 MW of stand-by power at the Ezulwini Mine, and while Eskom subsequently notified the Corporation that Eskom will be able to increase its supply of power to the Ezulwini Mine, there can be no assurance that the Corporation's South African projects will not be negatively impacted by the power supply situation on either an operating or cost basis.

The national power provider, Eskom, has re-established its reserve margins by re-commissioning old generating infrastructure. Significant new power-generating facilities are expected to start up in South Africa from 2012. However, Eskom has cautioned that supply would remain tight until 2015, and especially over the next two years, until its two new power plants come on stream. The large capital outlay on infrastructure for the new power generating facilities resulted in Eskom increasing its tariffs by 25 percent in Q1 2012 and 26 percent in Q1 2013.

### ***Fuel costs and supply may affect viability of economic models***

Rising costs of fuel adversely affect the costs of running the plants and the transportation of labour and materials to the sites and eventually the costs of moving rock from the underground mine and the metals that are to be produced at both operations. Higher costs of other fuels have increased the demand for uranium, offsetting the negative impact of the increase in the costs of these fuels in the operations of FIU and its subsidiaries.

If FIU and its subsidiaries decide to extend the term of the lease for the diesel-fired generators, it will be exposed to changes in the availability and price of diesel fuel. Close geographic proximity to a government source of fuel provides FIU and its subsidiaries with some confidence in its ability to source some of its diesel fuel requirements domestically, but it may also have to transport diesel fuel from South African ports. To mitigate the risk of price escalation for the transport of diesel fuel, FIU and its subsidiaries will seek long term transportation contracts.

FIU had factored additional costs into the economic models at both operations for the potential need to run its diesel generators to fill peak electricity demand in the event that Eskom fails to provide sufficient power. To date, FIU and its subsidiaries have not yet had to use its diesel-fired generators and have, therefore, kept costs for electricity below planned levels.

### ***Construction costs***

Although MWS has substantially completed construction of its additional gold and uranium modules at the MWS plant, there are still costs to be incurred to complete the construction of the uranium plant modules.

### ***Labour instability may affect economic models***

FIU employs most of the labour at its two operations. There has historically been much higher employment in the areas in which the two operations are situated and management does not consider availability of general labourers a risk. The higher demand for uranium, gold and other metals has raised the demand for skilled professionals, such as mining engineers, metallurgists and geologists.

The cost of labour is a risk since labour costs have risen significantly from the last time uranium mines were in production at these sites. Higher costs have been identified and factored into the economic forecasts for these operations.

A trend that could increase risk for FIU and its subsidiaries is the heightened labour unrest in South Africa. Workers at various South African mining operations have been demanding, through their unions, higher compensation as a result of increased revenues in the mining sector being driven by rising mineral prices.

Any such labour instability could negatively impact the development and production plans of FIU and its subsidiaries. In Q2 2011 First Uranium entered into two-year labour contracts at both of its mining operations. These two-year contracts are valid until March 31, 2012.

South Africa has significantly higher HIV infection rates than those prevailing in North America and Europe. Current and future First Uranium employees may have or could contract this potentially deadly virus. The prevalence of HIV could cause the Corporation to sustain higher costs to replace sick employees.

#### ***Recent ruling regarding the right to sue employers for silicosis claims***

Environmental and preventative health programs focus on the major health issues affecting mine workers in South Africa, namely noise induced hearing loss; occupational lung disease comprising silicosis and chronic obstructive airway disease; pulmonary tuberculosis and prevention of radiation exposure in areas containing uranium bearing ore. First Uranium has a health strategy that is based on a preventative approach as well as the detection and management of occupational diseases to ensure compliance with the Mine Health and Safety Act (South Africa). If however a miner becomes ill, there is a statutory compensation system under the Occupational Diseases in Mines and Works Act. A ruling by the South African Constitutional Court in March 2011 expanded the recourse a miner may have by ruling that legislation which limited employees' rights to claim compensation for certain diseases including silicosis was unconstitutional. As a result, the Court found that employees had the right to sue employers for common law damages to the extent that such employees could prove that they had suffered loss as a result of the negligence of the employer and such loss could be quantified.

#### ***FIU's development activities and mining operations or exploration activities are, and will be, subject to operational risks and hazards inherent to the mining industry***

The mining activities and operations or exploration activities of FIU and its subsidiaries are and will be, subject to risks and hazards inherent in the mining industry, including but not limited to, variations in grade, deposit size, density and other geological problems, hydrological conditions, metallurgical and other processing problems, mechanical equipment performance problems, the unavailability of materials and equipment including fuel, labour force disruptions, unanticipated transportation costs, unanticipated regulatory changes, unanticipated or significant changes in the costs of supplies including, but not limited to, petroleum, and adverse weather conditions. Should any of these risks and hazards affect any of the mining activities or operations of FIU and its subsidiaries, it may cause the cost of exploration or production to increase to a point where it would no longer be economic to carry out these activities which would have a material and adverse effect on the financial condition, results of operations, and cash flows of FIU and its subsidiaries.

The business of FIU and its subsidiaries is also subject to a number of risks and hazards, including environmental hazards; industrial accidents; labour disputes; catastrophic accidents; fires; blockades or other acts of social activism; changes in the regulatory environment; impact of non-compliance with laws and regulations; natural phenomena, such as inclement weather conditions, earthquakes, seismicity, underground floods, ground movements, tailings pipeline and dam failures and cave-ins; and encountering unusual or unexpected geological conditions and technological failure of mining methods. There is no assurance that the foregoing risks and hazards will not result in damage to, or destruction of, the properties of FIU and its subsidiaries, personal injury or death, environmental damage, delays in or interruption of the development of the Ezulwini Mine and MWS, monetary losses and potential legal liability and adverse governmental action, all of which could have an adverse impact on the future cash flows, earnings, results of operations and financial condition of FIU and its subsidiaries.

In addition, there can be no assurance that the shaft pillar extraction at the Ezulwini Mine to manage the rock stress around the shaft and the engineering the shaft infrastructure to manage deformations will fully mitigate the associated risks.

While FIU may obtain insurance against certain risks, the nature of these risks is such that liability could exceed policy limits or could be excluded from coverage. There are also risks against which FIU cannot insure or against which it may elect not to insure. The potential costs which could be associated with any liabilities not covered by insurance, or in excess of insurance coverage, or compliance with applicable laws and regulations may cause substantial delays and require significant capital outlays, adversely affecting the future earnings and competitive position of FIU and potentially its financial liability.

***Mining, development projects and mineral exploration may not be successful and are highly speculative in nature***

Mining, development projects and mineral exploration are highly speculative in nature and there is no guarantee of success. The mining, development and exploration initiatives in South Africa involve many risks and success is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of mine engineering expertise, geological expertise and availability of working, exploration and development capital. FIU and its subsidiaries cannot give any assurance that the Ezulwini Mine and MWS will reach full production stage or that it will be able to discover or acquire any other economic mining rights or mineral resources.

***FIU may require additional capital in the future and no assurance can be given that such capital be available on terms acceptable to FIU or at all***

FIU intends to use its working capital primarily to finance the expansion project at MWS and the build-up at the Ezulwini Mine. FIU may also have further capital requirements to the extent it decides to expand its current development plans for the Ezulwini Mine and MWS, acquire additional mining rights or develop additional mining projects, or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities that may be presented to it. In addition, FIU and its subsidiaries may incur major unanticipated liabilities or expenses. There can be no assurance that FIU and its subsidiaries will be able to obtain necessary financing in a timely manner, on acceptable terms or at all.

***Additional capital funding may result in shareholder dilution***

FIU may require additional cash to fund its exploration and development programs and potential acquisitions. If FIU raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of FIU's shareholders. Sales of substantial amounts of Common Shares, or the availability of Common Shares for sale, could adversely affect the prevailing market prices for Common Shares. A decline in the market prices of Common Shares could impair the Corporation's ability to raise additional capital through the sale of securities should it desire to do so.

***Economic extraction of minerals from identified gold and uranium deposits may not be viable***

Whether a gold or uranium deposit will be commercially viable depends on a number of factors, including the particular attributes of a deposit, such as its size and grade; prevailing commodity prices; costs and efficiency of the recovery methods that can be employed; proximity to infrastructure; financing costs; and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of commodities and environmental protection. The effect of these factors cannot be accurately predicted but any combination of these factors may result in the Corporation not receiving an adequate return on its invested capital if any, and/or may result in the Corporation being unable to develop one or more of the Ezulwini Mine and MWS.

***Material influence of principal shareholder***

As of June 29, 2011 Village Main Reef Limited owned 60,622,653 common shares of the Corporation, representing approximately 25.5 percent of First Uranium's issued and outstanding common shares (assuming the inclusion of the 5 million shares of First Uranium that were transferred to Investec pursuant to security lending agreements). As such, Village Main Reef is capable of materially influencing the approval or rejection of any matter submitted to the shareholders of FIU for approval and will be capable of electing all of FIU's directors. Village Main Reef's investment decisions with respect to First Uranium or the Company, may adversely affect First Uranium's share price or the price of the Rand Notes. In addition, by virtue of its shareholdings, Village Main Reef may be able to preclude any takeover or proxy contest.

***Volatility and sensitivity to uranium and gold prices may adversely affect FIU***

FIU's future revenues are directly related to the world market prices of uranium and gold as its revenues will be derived primarily from gold and uranium mining, assuming that FIU is able to develop one or more of the Ezulwini Mine and MWS.

Uranium and gold prices can be subject to volatile price movements, which can be material and can occur over short periods of time and are affected by numerous factors beyond FIU's control. Factors that may affect the price of gold include industry factors such as: industrial and jewellery demand; the level of demand for gold as an investment; sales and purchases of gold; speculative trading; and costs of and level of global gold production by producers of gold. Factors that may affect the price of uranium include, among others, the demand for nuclear power; political and economic conditions in uranium producing and consuming countries such as Canada, the US, Russia and other republics of the CIS; reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails; sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants; and production levels and costs of production in countries such as Russia and other republics of the CIS, Africa and Australia. Gold and uranium prices may also be affected by macroeconomic factors, including: expectations of future rate of inflation; the strength of, and confidence in, the US dollar (the currency in which the price of gold and uranium is generally quoted); other currencies; interest rates; and global or regional, political or economic uncertainties.

If, after the commencement of commercial production gold and/or uranium prices fall below the costs of production at FIU's and its subsidiaries' mines for a sustained period of time, it may not be economically feasible to continue production at such sites. This would materially and adversely affect production, profitability, and the financial position of FIU and its subsidiaries. A decline in gold and/or uranium prices may also require FIU to write down its mineral reserves and mineral resources, which would have a material adverse effect on its earnings, financial position and shareholder returns. FIU's future profitability may be materially and adversely affected by the effectiveness of any hedging strategy. While FIU currently does not hedge or forward sell any of its future gold and uranium production, other than pursuant to the Gold Stream Transactions, should circumstances in future so warrant (including to obtain debt financing), First Uranium may hedge, or forward sell, future production.

#### ***Currency fluctuations may affect First Uranium's margins***

The Corporation has exposure to the risk of significant change in foreign currency exchange rates between US dollars, Canadian dollars and the South African rand. Most of the Corporation's expenses are currently in ZAR. The Corporation's current and future gold and uranium production will be sold in US dollars. As a result, an increase in the US dollar value relative to the ZAR would decrease profitability. In addition, the Corporation runs a small office in Canada and also holds Debentures that is Canadian dollar denominated, which will result in increased expenses and increased liabilities in the case of any further increases in the value of the Canadian dollar relative to the US dollar as the Corporation's reporting currency is in US dollars.

#### ***Operations in Southern Africa are subject to risks including higher HIV Rates than those prevailing in North American and European jurisdictions***

FIU's mining projects are located in South Africa and as a result are subject to the risks not ordinarily associated with the conduct of business in North America and Europe. The occurrence of one or more of these risks could affect FIU's project development and the viability of its operations as well as future profitability which, in turn, could have an effect on FIU's future cash flows, earnings, results of operations and financial condition. Risks may include, among others, labour disputes, delays or invalidation of governmental orders and permits, corruption, uncertain political and economic environments, civil disturbances and crime, arbitrary changes in laws or policies, exchange controls, opposition to mining from environmental or other nongovernmental organizations or changes in the political attitude towards mining, limitations on foreign ownership, limitations on the repatriation of earnings, infrastructure limitations and increased financing costs. HIV is prevalent in Southern Africa. Employees of FIU may have or could contract this potentially deadly virus. The prevalence of HIV could cause substantial lost employee man-hours and may make finding skilled labour more difficult. The above risks may limit or disrupt FIU's business activities.

#### ***Competition from other energy sources and public perception and acceptance of nuclear energy***

Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydroelectricity. These other energy sources are to some extent interchangeable with nuclear energy, particularly over the longer term. Sustained lower prices of oil, natural gas, coal and hydro-electricity may result in lower demand for uranium concentrates. Furthermore, growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because

of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could impact the continuing acceptance of nuclear energy and the future prospects for nuclear power generation, which may have a material adverse effect on FIU and its subsidiaries.

Growth of the uranium and nuclear power industry will depend, amongst other factors, upon continued and increased acceptance of nuclear technology as a means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world could impact the continuing acceptance of nuclear energy and the future prospects for nuclear power generation, which may have a material adverse effect on First Uranium.

On March 11, 2011, north-eastern Japan suffered the devastating impacts of a 9.0 magnitude earthquake and subsequent tsunami. These events have, among other things, led to a reduction in uranium demand in Japan due to the permanent shutdown of the Fukushima Daiichi units and program delays or extended outages at other reactors. In the wake of Fukushima, most countries with nuclear power plants have embarked on comprehensive nuclear safety audits and reviews. The Corporation expects that these audits will validate the safety of nuclear power whose record continues to compare favorably to the risks and environmental consequences of other energy sources. While there may be some delays to nuclear power plants currently in the planning or permitting stages, the Corporation believes that reactors under construction around the world will continue to move ahead, particularly in the emerging markets of China, India and Russia, where over 55% of the new build is expected to occur. The nuclear programs of these countries are the energy cornerstones of their national economic policies and, while lessons from Fukushima will be incorporated, they have all reaffirmed their full commitment to nuclear energy. China recently revised its 10 year projection of installed nuclear capacity to a range of 70 to 80 Gwe and, while this was down from the previous 90 Gwe, this level of growth still catapults China's uranium needs to 20% of global demand by 2020. While the impacts from Fukushima are not yet fully known, current indications are that uranium demand is expected to be reduced downward by 5% over the next decade.

***FIU has never been profitable and there can be no assurance that FIU will be profitable***

FIU has never been profitable and cannot give assurance that it will be able to successfully run a profitable mining operation. FIU expects to sustain losses in the future. There can be no guarantee that FIU will ever be profitable.

***FIU's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable***

First Uranium's insurance coverage does not cover all of its potential losses, liabilities and damage related to its business and certain risks are uninsured or uninsurable. The Corporation makes its insurance decisions based on the likelihood of any risk occurring, the cost of the insurance and the Corporation's tolerance for risk.

***First Uranium's current and proposed exploration and mining activities are situated entirely in a single country***

FIU is currently conducting its mining, exploration and development activities entirely in South Africa. FIU believes that the Government of South Africa supports the development of natural resources. There is no assurance that future political and economic conditions in South Africa will not result in the Government of South Africa adopting different policies respecting foreign development and ownership of mineral resources. Any such changes in policy may result in changes in laws affecting ownership of assets, land tenure and mineral concessions, taxation, royalties, rates of exchange, environmental protection, labour relations, repatriation of income and return of capital, which may affect both FIU's ability to undertake mining, exploration and development activities in respect of future properties as well as its ability to continue to mine, explore and develop those properties in respect of which it has obtained mineral exploration rights to date.

**Reliance on senior management and technical team and outside contractors**

The success of the operations and activities of FIU is dependent to a significant extent on the efforts and abilities of its senior management and technical team and outside contractors. Investors must be willing to rely to a significant extent on management's discretion and judgment, as well as the expertise and competence of its technical staff and outside contractors. While FIU has in place a program for succession of management and training of management, there is no assurance that a proposed successor will be at the appropriate stage in his or her development, should a key employee or contractor leave FIU. The loss of one or more of these key employees or contractors, if not replaced, could adversely affect FIU's profitability, results of operations and financial condition. FIU does not carry any "key man" insurance.

**Conflicts of interest**

Certain directors and officers of FIU are directors, officers or shareholders of other natural resource companies, and to the extent that such other companies may participate in ventures with FIU, the directors and officers may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

**Business Interruption**

The Corporation is exposed to risks that could interrupt its business. One of the Corporation's two projects, the Ezulwini Mine, is an underground mine that has historically had ground movement problems in the Upper Elsburg shaft pillar. On one occasion it was necessary to cease shaft operations and excavate the lava unit around the shaft to reinstall the necessary shaft hardware. To eliminate the ground control problems in the shaft area, the Corporation is executing its plan to mine out the shaft pillar and to stabilize the main shaft.

There is a risk of flooding at the Ezulwini Mine, where the Corporation daily pumps approximately 65 million litres of water from the site. There are several contingency arrangements including multiple power sources, large diesel generators, back-up pumps and catch basins in the event of failure of the main pumps.

**Litigation**

From time to time, the Corporation is involved in litigation, investigations, or proceedings related to claims arising out of its operations in the ordinary course of business.



