

First Uranium in process of distributing information circulars for meetings on June 13, 2012 of shareholders, noteholders and debentureholders

08.05.2012 | [CNW](#)

All amounts are in US dollars unless otherwise noted.

TORONTO AND JOHANNESBURG, May 8, 2012 /CNW/ - **First Uranium Corporation (TSX:FIU), (JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Company")** today announced that it has completed and is in the process of delivering Information Circulars and forms of proxies to its Shareholders, Noteholders and Debentureholders in connection with special meetings to be held on June 13, 2012. Copies of the Information Circulars have also been filed at www.sedar.com.

On March 2, 2012, the Corporation announced that it had agreed to sell its subsidiary company holding, Mine Waste Solutions operations ("MWS") to AngloGold Ashanti Limited ("AngloGold") and its subsidiary company holding Ezulwini Mine ("Ezulwini") to Gold One International Limited ("Gold One") for \$335 and \$70 million, respectively. These transactions provide for a comprehensive resolution for all stakeholders of the Corporation and offer the opportunity for each class of securityholders to make a recovery on their investment. It offers the holders of the secured Notes an immediate 100% return of their invested principal, the opportunity for the holders of unsecured Debentures to recover up to 100% of their invested principal in two stages and, also in stages, an opportunity for Shareholders to make a meaningful recovery in lieu of no recovery.

The Board of Directors (the "Board") established a Special Committee of independent directors in July 2011 in view of the financial issues facing the Corporation including the limited free cash flow generated from its assets, the loss of credentials under South African black economic empowerment legislation ("BEE"), and the requirement to repay the 4.25% senior unsecured convertible Cdn\$ 150 million debentures due June 30, 2012 ("Debentures"). The Special Committee retained financial advisors and legal counsel and had a mandate to assess all available options to address the issues facing the Corporation. These options included seeking a third party investment in, or acquisition of, First Uranium. Restructuring alternatives for the Debentures and the 7% secured convertible Cdn\$ 110 million notes and the 11% secured convertible ZAR 418.6 million notes, each due March 31, 2013 ("Notes") were also considered and discussed with representatives of certain of the holders of Debentures and Notes.

Between mid September 2011 and January 2012, approximately 20 parties were contacted by the Committee's advisors. Ultimately only AngloGold, Gold One and one other party signed confidentiality agreements and undertook due diligence on the Corporation. In December 2011, AngloGold advised it would not pursue the acquisition of First Uranium as a whole but that it was interested in purchasing the MWS operations and made a non-binding offer of \$300 million. In early January 2012, following discussions with Gold One, the Corporation received a non-binding acquisition proposal of \$60 million in cash and shares with an incremental \$20 million in contingent consideration. Neither of these non-binding offers was acceptable to the Special Committee and the Board but they formed the basis for continued negotiations which culminated in the definitive agreements with each of AngloGold and Gold One which are to be considered by the Shareholders at the meeting. Since the announcement of these transactions no other party has provided any credible offer to the Corporation to acquire MWS or Ezulwini.

Since the formation of the Special Committee, the Corporation has continued to experience reduced cash flow from its operations and, particularly in light of the decision in December 2011 to take action to stem the losses at Ezulwini by downsizing its operations and work force to concentrate on the higher grade areas of the mine, the Special Committee commenced a search for sources of bridge financing. Additionally, as a result of the declines in production, the Corporation does not have access to sufficient capital to continue to invest in its operations. Gold One's binding purchase offer made February 10, 2012 also provided an

immediate secured bridge loan facility of \$10 million.

Concurrent with the negotiations leading to the announced transactions, the Special Committee had been negotiating with its BEE partner, Vulisango Holdings (Proprietary) Limited, with whom it had, in August 2011, entered into a management agreement (the "Management Agreement"), to enable Vulisango to acquire the requisite BEE interest in the assets of First Uranium and ultimately an equity stake in the Corporation intended to satisfy the requirements of the BEE legislation. In light of the announced transactions, those discussions were suspended and the Corporation agreed to settle its obligations to Vulisango under the Management Agreement such that upon expiry of the Management Agreement upon completion of the sales of MWS and Ezulwini, Vulisango would receive a payment of ZAR9.6 million.

In order for the Corporation to complete the asset sale transactions and to provide all stakeholders with a recovery on their interests in the Corporation, Debentureholders and Noteholders are being asked to approve amendments to certain terms of their investments, including foregoing interest payments up to the closing and, in the case of the Noteholders, to accept the settlement terms necessary to release the assets from their security in advance of the stated maturity of the Notes in exchange for immediate recovery of 100% of the stated principal amount. Holders of 52% of the aggregate face value of the Debentures and 44% of the aggregate voting rights attaching to the Notes have executed Voting Support Agreements in favour of the amendments to the terms of their respective securities.

The Board of Directors has accepted the recommendations of the Special Committee in respect of the foregoing matters and has determined that the transactions are in the best interests of the Corporation on the basis of the following:

- the process undertaken by the Special Committee and its advisors over an eight month period resulted in the most favourable outcome for all stakeholders among the available alternatives;
- the opportunity for certainty and immediate value without significant shareholder dilution or the uncertainty of execution and financing risks without available financial and capital resources to fund repayment of the Debentures;
- the risks associated with failure to repay the Debentures or the massive dilution of the Shareholders in the event the repayment is satisfied with the issuance of common shares;
- the opinions of RBC Capital Markets to the effect that, as of the date of such opinions and subject to the assumptions, limitations and qualifications specified therein, the consideration to be received by the Corporation under each of the AngloGold and Gold One transactions is fair, from a financial point of view, to the Corporation, and that the cash proceeds to be received by the Shareholders are fair, from a financial point of view, to the Shareholders other than AngloGold Ashanti and certain other related shareholders;
- the independent valuation and fairness opinion of Paradigm Capital that, subject to the assumptions, limitations and qualifications therein, the fair market value of the Corporation's subsidiary, FUSA (which owns MWS) is in the range of \$299 million to \$352 million (the AngloGold consideration is above the mid-point of that range) and that the transaction with AngloGold is fair, from a financial point of view, to the Shareholders, other than AngloGold;
- the required approval of the transactions by 66 2/3% of the Shareholders who vote at the meeting, and in respect of the transaction with AngloGold Ashanti, the requirement for approval by a majority of the minority Shareholders;
- the absence of significant closing conditions with the receipt of a number of regulatory approvals which were conditions precedent to closing having already been obtained;
- the Voting Support Agreements received from certain Debentureholders and Noteholders in connection with the matters under consideration;
- the availability of dissent rights for Shareholders who object to the sales of MWS and Ezulwini; and
- the ability to satisfy all of the outstanding indebtedness of First Uranium following the completion of the transactions and release of the escrowed funds.

The Board of Directors has also considered the consequences for the Corporation and its various stakeholders if the matters submitted to Shareholders are rejected:

- the Corporation may not be able to comply with certain BEE requirements in South Africa which may have a negative impact on its ability to maintain all of its mining rights;
- if the Corporation is required to comply with the BEE legislation, additional dilution of up to 26% of its existing Shareholders may result;

- if the AngloGold transaction is not approved, the Corporation will have the option, if Shareholders approve, to satisfy its obligations under the Debentures by the issuance of additional common shares which, under the existing terms, as at the close of trading on May 3, 2012 would have resulted in the issuance of 1,236,715,752 common shares implying that existing Shareholders would continue to own approximately 16% of the pro forma Corporation prior to obtaining a BEE solution;
- if the Shareholders fail to approve the issuance of additional common shares to satisfy the Debentures, the Corporation will be unable to satisfy the Debentures at their maturity on June 30, 2012 and will default thereunder. Cross default terms in the Notes and in respect of other secured lenders provide the secured lenders the right to realize on all assets of the Corporation with the result there will be no recovery for Shareholders;
- if the AnglGold transaction is not approved, the Corporation will be unable to retire the Notes and release the security on Ezulwini (and provided it can satisfy the Debentures by the issuance of common shares) accordingly the sale to Gold One could not be completed which would require the Corporation to repay the Gold One bridge loan, secure BEE accreditation (which will dilute Shareholders as discussed above), and find significant additional funding to continue to operate Mine Waste Solutions and Ezulwini. There are no assurances that First Uranium will be successful in securing the required BEE accreditation or, given the status of its current operations, that it will be able to raise the amounts necessary to operate Ezulwini and MWS or repay the Notes on maturity or repay the Gold One bridge loan when due;
- if the Ezulwini transaction is not approved, even if the sale of MWS is approved, the Corporation will not have sufficient funds to retire the Notes, the Debentures, the Gold One bridge loan, and satisfy its obligations to its creditors in full as \$25 million of the consideration from AngloGold will be subject to an escrow; and
- if the resolutions put forward at the meeting are not approved and the Corporation is unable to satisfy its obligations under the Debentures on maturity or repay the Gold One bridge loan when due, the Corporation may not be able to continue as a going concern.

The foregoing is a brief summary of the disclosure contained in the Information Circulars and securityholders are advised to review the full text of the Information Circulars for the complete background to the transactions, the recommendations of the Board of Directors and complete details of the matters to be approved at the meetings.

Kingsdale Shareholder Services Inc. ("Kingsdale") is acting as the Corporation's proxy solicitation agent. If you have any questions, please contact Kingsdale, toll free in North America at 1-866-581-1571 or call collect outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) operates the Ezulwini Mine, an underground mining operation, and Mine Waste Solutions (MWS), a tailings recovery facility. Both operations are situated in South Africa.

Cautionary Language Regarding Forward-Looking Information

This news release contains and refers to forward-looking information based on current expectations. All other statements, other than statements of historical fact included in this release are forward-looking statements (or forward-looking information). The Company's plans involve various estimates and assumptions and its business and operations are subject to various risks and uncertainties. For more details on these estimates, assumptions, risks and uncertainties, see the Company's most recent Annual Information Form and most recent Management Discussion and Analysis on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. These forward-looking statements are made as of the date hereof and there can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements, including without limitation, the statements regarding the proposed transactions with Gold One International Limited and AngloGold Ashanti Limited. Accordingly readers should not place undue reliance on forward-looking statements that are included hereon, in any event, in accordance with applicable securities laws.

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