First Uranium Corp. Obtains Noteholder Consent to Amend MWS/Gold Wheaton Completion Tests

04.05.2011 | CNW

TORONTO AND JOHANNESBURG, May 3 /CNW/ - First Uranium Corporation (TSX: FIU) (JSE: FUM) (ISIN: CA33744R1029) ("First Uranium" or the "Company") announced that it has successfully obtained the requisite consent of noteholders of the 7.00% Secured Convertible Notes due March 31, 2013 (the "Convertible Notes") and the 11.00% Secured Convertible Notes due March 31, 2013 (the "Rand Notes") to amend the technical completion test under the Gold Wheaton Chemwes Purchase Agreement (the "Agreement") 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 solicitation of consent of holders of the Convertible Notes and Rand Notes was announced by news release on April 26, 2011.

The amendment will provide First Uranium with the opportunity to satisfy the technical completion test in a shorter time frame. It will also provide the Company 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 Franco Nevada Corporation, which recently acquired Gold Wheaton.

Holders of the Convertible Notes and the Rand Notes representing approximately 75 percent of the voting rights of all of the outstanding Convertible Notes and the Rand Notes consented to the proposed amendment.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) is focused on its goal of becoming a low-cost producer of gold and uranium through the expansion of the underground development to feed the new uranium and gold plants at the Ezulwini Mine, and through the expansion of the plant capacity of the Mine Waste Solutions tailings recovery facility, both located 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 including, without limitation, statements regarding the timing and amount of estimated future production, processing and development plans and future plans and objectives of First Uranium are forward-looking statements (or forward-looking information). Forward-looking statements are made as of the date hereof and involve various estimates and assumptions, and known and unknown risks and uncertainties and other factors that may cause the actual results, performance or achievements of First Uranium to be materially different from any future results, performance or achievement expressed or implied by the forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws. Such risks and uncertainties include, among others, conclusions of economic evaluations, changes in project parameters as plans are refined, possible variations in grade and ore densities or recovery rates, the failure of plant, equipment or processes to operate as anticipated, the outcome of litigious matters and regulatory processes, including the appeal of the integrated water use license for the TSF. For more details on these estimates, assumptions, risks and uncertainties, see the Company's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com.

For further information:

Deon van der Mescht, CEO & President
c/o Janette Brandt at janette.brandt@firsturanium.com
or

Mary Batoff, Vice President, Legal & Secretary
mary@firsturanium.ca
+1 (416) 342-5635
www.firsturanium.com