



# Management Discussion & Analysis

---

For the Three Months and Year Ended 31 March  
2009

## **Management's Discussion and Analysis of Results of Operations for the quarter and year ended 31 March 2009 (Q4 FY2009)**

Set out below is a review of the activities, consolidated results of operations and financial condition of Simmer & Jack Mines, Limited (Simmers or the Group) for the quarter and the year-ended 31 March 2009, referred to as Q4 and FY2009, respectively, together with certain trends and factors that are expected to impact on the Group's performance in the future. Q1 FY2010 refers to the next fiscal quarter ending 30 June 2009.

Information contained in this Management Discussion and Analysis (MD&A) is based on information available as at 17 June 2009, unless otherwise indicated. References to FY2008, FY2009 and FY2010 refer to the fiscal years ending 31 March 2008, 31 March 2009 and 31 March 2010, respectively.

The reporting currency for Simmers is the South African Rand and all amounts in the following discussion are in Rands (R) except where otherwise indicated. The reporting currency for First Uranium Corporation is the US dollar (US\$) and its figures are reported as such. Simmers' financial statements for the quarter and year-ended 31 March 2009 have been prepared in accordance to the International Financial Reporting Standards (IFRS), JSE Listings Requirements and the South African Companies Act, 1973.

This MD&A includes certain forward-looking statements. Please read the cautionary note at the end of this document.

### **Responsibility of Management and the Board of Directors**

Management is responsible for the information disclosed in this MD&A and has in place the appropriate information systems, procedures and controls to ensure that information used internally by management and disclosed externally is materially complete and reliable. In addition, Simmers' Audit Committee, on behalf of the Board of Directors, provides an oversight role with respect to all public financial disclosures made by the Group and has reviewed and approved this MD&A.

### **Overview**

Simmer & Jack is a gold and uranium company with operations in South Africa's Gauteng, North West and Mpumalanga provinces. The Group has two wholly-owned gold operations: Buffelsfontein Gold Mine (BGM) in Stilfontein in the North West Province and Transvaal Gold Mining Estates (TGME) in the Pilgrim's Rest/Sabie area of Mpumalanga. As at 31 March 2009, Simmers had a 41% stake in Toronto Stock Exchange and JSE-listed First Uranium Corporation (FIU) which has two projects: the Ezulwini gold and uranium mine near Westonaria in Gauteng, and Mine Waste Solutions (MWS), a tailings re-treatment operation that neighbours the BGM.

### **Key Events in FY2009 per quarter:**

#### **Q1 FY2009**

- Fatality-free quarter;
- Produced 37 621 ounces of gold for the Group - in line with guidance given in Q4 of FY2008 - of which 34 706 ounces were attributable to Simmers;
- Phase 1 of BGM's Number Five shaft rehabilitation project completed;
- On-site gold production commenced at First Uranium's Ezulwini Mine in July 2008;
- Filed updated independent technical reports on 5 June 2008 for both Ezulwini and MWS
  - Ezulwini's NPV of \$667 million; IRR of 336%
  - MWS NPV of \$413 million; IRR of 70%
- Completed commissioning of MWS' Phase 1A gold plant expansion to a processing rate of 7.6 million tonnes per annum;
  - gold production and costs running at planned levels
- MWS No.5 tailings dam upgraded to enable deposition rate of 633 000 tonnes of material per month.

## Q2 FY2009

- Narrowed net loss after taxation by 10%, from R95 million in Q1 to R85 million in Q2;
- Reported R14 million profit from mining activities, a 207% improvement on the operating loss of R13 million in Q1;
- Produced 45 239 ounces of gold for the Group, a 20% increase on Q1: 40 628 ounces is attributable to Simmers;
- Revenue increased 17% from R260 million in Q1 FY2008 to R304 million;
- Aberdeen claim dismissed with costs;
- Hoisting commences at BGM's high grade Number Five shaft;
- Mining from Duke's Hill initiated at TGME;
- Delays in commissioning the elution circuit at FIU's Ezulwini Mine results in a lock-up of approximately 1 400 ounces of gold on carbon;
- Production of ammonium diuranate (yellowcake) at the Ezulwini Mine further delayed from October 2008 until end of Q4 FY2009 as a result of late delivery of certain construction materials;
- MWS produced 12 118 ounces of gold at a cash cost of US\$377 per ounce by reprocessing 1.8 million tonnes of tailings at a yield of 0.2 grams of gold per tonne.

## Q3 FY2009

- The Group produced 51 879 ounces (1 614kg) of gold, of which 44 747 ounces (1 392kg) are attributable to Simmers, a 15% improvement on the prior quarter;
- Revenue increased by 32% from R304 million to R401 million on the back of increased production and the higher gold price received;
- Total cash unit costs for Simmers' wholly-owned gold operations decreased by 6% from R239 913/kg to R225 673/kg. In US dollar terms, total cash costs for wholly-owned gold operations reduced by 26% from US\$958/oz to US\$705/oz due to the Rand weakening 28% against the Dollar;
- Total cash unit costs for the Group increased by 11% from R200 571/kg in Q2 to R221 762/kg. In \$/oz terms however, they decreased by 13% from \$801/oz to \$693/oz;
- Gross profit from mining activities for the Group increased by 226% from R14.4 million to R47 million;
- Loss before interest and taxation narrowed quarter on quarter from R73 million to R41.6 million;
- FIU receives \$50 million following the conclusion of a gold stream transaction with Gold Wheaton (Barbados) Corporation (GW);
- TGME produced its first gold from surface operations in December 2008 following the successful commissioning of the pilot heap leach pad at Elandsdrift;
- An optimisation plan was implemented at BGM;
- Two-year wage agreement between TGME and the bargaining unit of the National Union on Mine Workers (NUM) successfully concluded;
- Technical reports for BGM, TGME, Ezulwini Mine and MWS updated.

## Q4 FY2009

- The Group produced 48 298 ounces (1 502kg) of gold compared to 51 879 ounces (1 614kg) in Q3;
- Simmers' stake in FIU reduced from 62.3% at the end of Q3 FY2009 to 41% at the end of Q4;
- Revenue from Simmers' wholly-owned gold operations increased 18% from R257 million to R304 million as a result of a 15% improvement in the gold price received;
- Simmers' wholly-owned gold operations cash operating profit increased 135% from R27 million to R64 million;
- Total cash unit costs for Simmers' wholly-owned gold operations increased 2% from R225 673/kg to R229 858/kg;
- Two-year wage agreement between BGM and organised labour concluded;
- Shareholders voted against the conversion of the Aberdeen Loan into Simmers shares at R0.80c per share. As a consequence, BGM was required to recognise the NPV of the 1% Net Smelter

Royalty (NSR) as a long-term liability resulting in a R156 million negative impact on the Group's and BGM's bottom line;

- Acquired the Tau Lekoa mine, transforming Simmers from a junior miner to a mid-tier gold producer;
- Concluded a number of successful fund raising initiatives in order to meet funding requirements at current metal prices;
- Completed Phase 2 of the rehabilitation of BGM's high grade Number Five shaft and began commissioning the Number Seven shaft refrigeration plant;
- Generated positive cash flow, after CAPEX, at BGM;
- Achieved one million fatality-free shifts at Ezulwini Mine;
- Completed the construction of the uranium plant at Ezulwini Mine and began the commissioning process;
- Completed key elements of the rehabilitation of the Ezulwini mine shaft;
- Concluded two-year CPI-related wage agreement with organized labour at BGM

#### **During FY2009, the Group:**

- Improved safety levels at all operations;
- Produced 183 036 ounces of gold, a 9% increase on FY2008;
- Revenue increased 56% from R855 million in FY2008 to R1.3 billion in FY2009;
- Posted a gross operating profit of R91.8 million, as opposed to a loss of R60 million in FY2008;
- Reported profit after tax of R2.6 billion, primarily due to the accounting treatment of FIU as an associate and not a subsidiary after the sale of First Uranium shares;
- Commenced on-site gold production and began commissioning the uranium plant at Ezulwini Mine;
- Completed Phase 1 and 2 of the three-phase rehabilitation of BGM's high-grade Number Five shaft;
- Built and commissioned a test-heap leach pad at Elandsdrift and proved the viability of this high-margin mining method in the TGME goldfield;
- Began the permitting process around three new heap leach targets at TGME;
- Improved underground recoveries at TGME from 37% to overall recoveries of 65%, without the use of BIOX technology;
- Completed commissioning of the MWS Phase 1A gold plant expansion and established MWS as one of the lowest-cost gold producers in South Africa in its first full-year of production;
- Concluded two-year wage agreements at all of its operations;
- Secured sufficient independent power supply to ensure that future Eskom power-shortages do not impact on production at First Uranium's two projects;
- Ended the quarter with cash and cash equivalents of R842.7 million

#### **Post 31 March 2009**

#### **Going forward**

In Q1 FY2010, the Group aims to:

- Issue revised life of mine plans for the Simmers wholly-owned gold operations Continue with Phase 3 of the rehabilitation of BGM's Number Five shaft and the integration of Tau Lekoa
- Expand the Elandsdrift heap leach pad at TGME
- Start delivering yellowcake from the Ezulwini Mine to Nufcor for calcining

| SIMMERS Group<br>(FU 100%) |       |           |           | Variance  |         |         |
|----------------------------|-------|-----------|-----------|-----------|---------|---------|
|                            | UNIT  | Q4 FY2009 | Q3 FY2009 | Q4 vs. Q3 | FY2009  | FY2008  |
| Gold Produced              | kg:   | 1 502     | 1 614     | (7%)      | 5 694   | 5 223   |
| Total Cash Costs           | R/kg: | 246 818   | 221 762   | (11%)     | 219 253 | 159 974 |
| Notional Cash Expenditure  | R/kg: | 623 067   | 600 068   | (4%)      | 602 192 | 378 567 |
| Tonnes Milled              | kt:   | 2 319     | 2 424     | (4%)      | 9 369   | 5 977   |
| Revenue                    | R/kg: | 275 587   | 250 269   | 10%       | 242 061 | 171 605 |
| Total Cash Costs           | R/t:  | 160       | 147       | (9%)      | 133     | 140     |

| SIMMERS Gold Operations<br>TGME & BGM |       |           |           | Variance  |           |           |
|---------------------------------------|-------|-----------|-----------|-----------|-----------|-----------|
|                                       | UNIT  | Q4 FY2009 | Q3 FY2009 | Q4 vs. Q3 | FY2009    | FY2008    |
| Gold Produced                         | kg:   | 1 045     | 1 023     | 2%        | 4 024     | 4 105     |
| Total Cash Costs                      | R/kg: | 229 858   | 225 673   | (2%)      | 231 624   | 177 017   |
| Notional Cash Expenditure             | R/kg: | 282 479   | 253 350   | (11%)     | 270 470   | 231 189   |
| Tonnes Milled                         | t:    | 531 987   | 545 748   | (3%)      | 2 156 928 | 1 923 525 |
| Revenue                               | R/kg: | 290 514   | 251 477   | 16%       | 245 854   | 170 288   |
| Total Cash Costs                      | R/t:  | 452       | 422       | (7%)      | 432       | 378       |

## Financial Overview

### Material Transactions

#### Acquisition of Tau Lekoa Mine

On 17 February 2009 the Company entered into an agreement with AngloGold Ashanti Limited (AngloGold Ashanti) to acquire, as a going concern, the Tau Lekoa Mine for R600 million, of which R450 million is payable in cash and R150 million may be off-set by free cash flow generated by Tau Lekoa in calendar year 2009. The sale also includes the Weltevreden and Goedgenoeg properties which are located to the east and west of Tau Lekoa respectively and offer the possibility of further upside.

In the event that Tau Lekoa generates less than R150 million in free cash flow during calendar year 2009, Simmers may issue to AngloGold Ashanti ordinary shares in Simmers up to a maximum value of R150 million at the 10 day volume weighted average trading price on the JSE immediately prior to the issue date of the shares with the remainder payable in cash.

The effective date of the transaction is 1 January 2010 and the Acquisition will be made through BGM.

Following the effective date, Simmers will treat all ores produced from the sale assets at its own processing facilities.

Simmers has agreed to pay a 3% gross revenue royalty to AngloGold Ashanti on a quarterly basis which is payable on all gold produced by the Sale Assets and sold at an average price exceeding R180 000/kg per quarter from 1 January 2010. The royalty will not apply to gold sold at an average price below R180 000/kg per quarter and will cease to apply once it has been paid in respect of 1.5 million ounces of gold produced by the Sale Assets.

Tau Lekoa transforms Simmers from a junior miner to a mid-tier producer (the fourth largest in South Africa). In addition to providing critical scale to Simmers' gold business, it also provides the ideal opportunity for regional consolidation being only 12 kilometres away from BGM. This arrangement will allow BGM and Tau Lekoa to benefit from regional synergies and economies of scale, while allowing BGM to optimise its existing plant capacity with high-grade, relatively low-cost ounces from Tau Lekoa, while Tau Lekoa's ability to produce robust cash flows in the first three years substantially reduces BGM's risk profile as it builds up to peak production levels. As per AngloGold Ashanti's plan

in the current year, Tau Lekoa is expected to produce 150 000 ounces at cash costs of between US\$455 and US\$475 per ounce, compared to BGM's forecast for FY2010 of approximately 144 000 ounces at US\$650 per ounce.

There is also additional up-side potential from the development of Weltevreden and Goedgenoeg. To this end, Simmers has commissioned a feasibility study on Phase 1 of the Weltevreden project with the aim of fast-tracking production from this shallow deposit to supplement declining production at Tau Lekoa. This is expected to be completed by December 2009.

#### **Conversion of Aberdeen Loan**

In Q4, the Company advised shareholders that Aberdeen International Incorporated had elected to convert its US\$10 million loan facility into Simmers equity. Accordingly, a circular was dispatched to shareholders on 30 January 2009 outlining the implications of the conversion being accepted or declined, and recommending that shareholders vote against the conversion. The issue was put to the vote at a general meeting held on 16 February 2009 at the Company's registered offices, whereupon 87.1% of the voteable shares present voted against the issue of shares to Aberdeen International Incorporated. 71.88% of the voteable shares were represented at the meeting.

As a consequence of Aberdeen's request to convert its loan into Simmers ordinary share capital, the loan lapsed and therefore required a write back (credit / gain) to the Income Statement amounting to R121 million. In terms of the Loan Agreement, should the application to convert the loan into Simmers' equity be unsuccessful, the loan converted into a 1% perpetual royalty. This necessitated the recognition of the fair value of the 1% NSR in terms of the requirements of IAS 32 amounting to R277 million. The net result of R156 million has been accounted for as a finance charge in the Group's and BGM's results.

#### **Reduction in Simmers' shareholding in FIU as a result of fund raising activities within the Group and changes in accounting treatment**

On 27 January 2009, FIU announced the details of a bought deal private placement whereby it offered a syndicate of underwriters 20 500 000 units of First Uranium at a price of Cd\$3.00 per unit for gross proceeds of Cd\$61 500 000. The offer was successfully concluded on 11 February 2009 whereupon Simmers' holding in First Uranium reduced from 62.36% to 53.93%.

On 17 February 2009, Simmers disposed of 19 600 000 shares in First Uranium in order to raise Cd\$90 160 000 for the acquisition of Tau Lekoa mine. This reduced Simmers' shareholding in FIU below 50%, to 40.99%, changing the relationship between Simmers and First Uranium from subsidiary to associate company. ***As a result First Uranium has been equity accounted for as an investment in an associate from March 2009 onwards. Prior to that, First Uranium's results were consolidated into the Group. Since the change in accounting treatment came about in the last month of the fourth quarter, comparisons between Q3 and Q4 FY2009 are not always meaningful.***

## Accounting for change of shareholding in First Uranium

In terms of IAS 27, Simmers was required to make the following changes given its reduced holding in First Uranium:

| Description                                                                                                                                                                                                                                       | Amount<br>R million |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <ul style="list-style-type: none"><li>Derecognise all the assets (including any goodwill) and liabilities of First Uranium at their carrying amounts at the date when control is lost.</li></ul>                                                  | -1 606              |
| <ul style="list-style-type: none"><li>Derecognise the carrying amount of all non-controlling interests in First Uranium at the date when control is lost (including any components of other comprehensive income attributable to them).</li></ul> | 763                 |
| <ul style="list-style-type: none"><li>Recycle any equity components maintained in the Group reserves to the Income Statement.</li></ul>                                                                                                           | 1 129               |
| <ul style="list-style-type: none"><li>The fair value of the consideration received from the transaction.</li></ul>                                                                                                                                | 700                 |
| <ul style="list-style-type: none"><li>The fair value of the investment retained in First Uranium at the date when control was lost.</li></ul>                                                                                                     | 2 247               |
| Gain on disposal of partial First Uranium investment                                                                                                                                                                                              | 3 233               |

Going forward, the equity method will be applied on consolidation to the investment. This is a method of accounting whereby the investment in First Uranium is initially recognised at cost and adjusted thereafter for the post-acquisition change in Simmers' share of net assets of First Uranium.

For March 2009, Simmers' attributable portion of the loss in the associate amounted to R119 million. This was mainly due to the fair value adjustment on the Gold Wheaton financial liability.

### General Issue of shares for cash

On 5 March 2009, Simmers raised R110-million through a general issue of shares for cash to complete the integration of Tau Lekoa into BGM and fast-track the Weltevreden Project and conduct a pre-feasibility study at Goedgenoeg. In accordance with the general authority the Company successfully placed 49 336 905 ordinary shares, equating to 4.65% per cent of the Company's issued share capital, raising R110 514 667.

### Gold Wheaton

On 12 December 2008 First Uranium closed the Gold Wheaton Transaction in terms of which 25% of the gold produced from MWS was pledged in return for US\$125 million, payable in two tranches; the first payment of US\$50 million was received on 12 December 2008, the balance payment of US\$75 million was paid to FIU on 12 March 2009.

In addition to the US\$125 million, the agreement also states that Gold Wheaton shall pay First Uranium:

- An ongoing payment equal to the lesser of US\$400 per ounce (subject to an annual inflation adjustment of 1.01 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.

At the end of each reporting period, the financial liability is fair valued in terms of IFRS 7 and the differences between the value of the financial liability at reporting date and the previous valuation are taken through the statement of comprehensive income as a fair value adjustment to the derivative.

For the eleven months, ending February 2009, while First Uranium was classified as a subsidiary of Simmers, these fair value adjustments amounted to R33 million. As a result of the receipt of the second tranche of funding from Gold Wheaton amounting to US\$75 million and the gold price increasing from US\$855/oz since the December 2008 valuation to US\$916.50/oz in March 2009, the financial liability increased significantly and caused a fair value adjustment of R346 million during March 2009. The attributable Simmers portion of this fair value adjustment amounts to R142 million and has been accounted for as part of the share in associate loss.

### **Prior year adjustments**

With the recent global movement to fair value accounting, the accounting policy towards investment property has been changed from the cost to the fair value model basis, which we believe to be a more accurate reflection of the value as it is based on market related conditions.

This change had the effect of increasing the value of Transvaal Gold Mining Estates Limited's investment property by R5.5 million retrospectively.

### **Decommissioning assets**

Based on the International Accounting Standards, where a closure and environmental obligation arises from mine development activities, the costs should be capitalised as part of the cost of the associated asset as a decommissioning asset. This approach has not been applied during previous years due to information not being available to support the raising of such an asset. In the period under review, new survey information became available and enabled BGM to quantify this asset. The recognition of the decommissioning asset and its related amortisation has been raised retrospectively from 1 April 2007. As a result, the non-current assets and related profits increased by R40 million and was restated as such in the 2008 fiscal year.

### **Post balance sheet events**

Post year-end, First Uranium announced a bought deal equity financing agreement in terms of which a syndicate of underwriters purchased 15 250 000 common shares of First Uranium at a price of \$7.00 per share for gross proceeds of Cd\$106 750 000. As a consequence, the 62 122 653 First Uranium shares held by Simmers now represents 37.24% of the 166 824 037 First Uranium shares issued and outstanding.

Simmers announced on 15 June 2009 the successful placement of 109 950 000 ordinary shares, equating to 10.35% of the issued share capital of the company, raising R289 168 500. The proceeds will be used to finance identified potential acquisition opportunities and potential organic growth opportunities, as well as for general corporate purposes. The placed shares will be listed on the JSE with effect from the commencement of business on or about 19 June 2009 and will rank pari passu with the existing ordinary shares of the company.

### **Q4 FY2009**

For Q4 FY2009 the Group produced 48 298 ounces (1 502 kilograms) of gold compared to 51 879 ounces (1 614 kilograms) in Q3 FY2009 which was sold at an average price of R275 587/kg; or US\$861/oz (Q3: R250 269/kg or US\$782/oz ). This translated into gold revenue of R372 million for the quarter, compared to R401 million in Q3.

Of the 48 298 ounces (1 502 kilograms) produced in the quarter, 41 194 ounces (1 281 kilograms) is attributable to Simmers. This is compared to 44 733 ounces (1 391 kilograms) in Q3 FY2009. The 8% reduction in attributable production is as a result of Simmers' shareholding in First Uranium reducing from 62.3% to 41.0% during the quarter.

### **FY 2009**

The Group produced 183 036 ounces in FY2009 (5 693kg), creating revenue of R1.3 billion, a 56% improvement on R854.9 million in FY 2008. Production for the Group rose 9% year on year.

### Quarterly Revenue Variance (Gold Division)

| TOTAL SIMMERS |       |                |               | TOTAL SIMMERS   |                |                  |
|---------------|-------|----------------|---------------|-----------------|----------------|------------------|
|               | Kg    | Price (ZAR/kg) | Revenue (ZAR) | Volume Variance | Price Variance | Revenue Variance |
| Q4            | 1 045 | 290 513        | 303 656 175   | 6 376 768       | 39 944 917     | 46 321 685       |
| Q3            | 1 023 | 251 478        | 257 334 490   |                 |                |                  |
|               | 22    | 39 036         | 46 321 685    |                 |                |                  |

### Quarterly Total Cash Cost Variance (Gold Division)

| TOTAL SIMMERS |       |               |                 | TOTAL SIMMERS   |                    |               |
|---------------|-------|---------------|-----------------|-----------------|--------------------|---------------|
|               | Kg    | Cost (ZAR/kg) | Cash Cost (ZAR) | Volume Variance | Unit Cost Variance | Cost Variance |
| Q4            | 1 045 | 229 857       | 240 255 248     | 5 045 351       | 4 280 928          | 9 326 279     |
| Q3            | 1 023 | 225 673       | 230 928 969     |                 |                    |               |
|               | 22    | 4 183         | 9 326 279       |                 |                    |               |

\* *Total Cash Costs are costs directly related to the physical activities of producing gold and include mining, processing and other plant costs; third-party refining and smelting costs; marketing expense, on-site general and administrative costs; royalties; on-mine drilling expenditures that are related to production and other direct costs. Sales of by-product metals 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.*

As at 31 March 2009, Simmers reported total assets of R4 billion, total liabilities of R667 million and shareholders' equity of R3.4 billion. At the end of the fourth quarter, Simmers had cash and cash equivalents of R842.7 million. Its investment in its associate company, First Uranium was ascribed a book value of R2.1 billion at year end. As at 31 March 2009, the market value based on the TSX-closing price of Cd\$6.68 and an exchange rate of R7.78 was R3.2 billion.

| SIMMERS Group                                                 | Q4 F2009         | Q3 F2009         | Var          | FY2009           | FY2008           |
|---------------------------------------------------------------|------------------|------------------|--------------|------------------|------------------|
| Selected Consolidated Financial Information                   | R'000            | R'000            | %            | R'000            | R'000            |
| <b>Statement of Comprehensive Income</b>                      |                  |                  |              |                  |                  |
| Revenue                                                       | 371 954          | 401 292          | 7%           | 1 336 534        | 854 782          |
| Total cash costs                                              | (314 435)        | (347 416)        | 9%           | (1 207 745)      | (884 167)        |
| Production-related depreciation                               | (13 727)         | (6 814)          | (101%)       | (37 001)         | (30 855)         |
| <b>Gross operating (loss) / profit from mining activities</b> | <b>43 791</b>    | <b>47 063</b>    | <b>7%</b>    | <b>91 788</b>    | <b>(60 240)</b>  |
| Other Income                                                  | 16 785           | 8 253            | (103%)       | 49 815           | 67 101           |
| Share Option Cost                                             | (9 209)          | (36 260)         | 75%          | (110 363)        | (78 555)         |
| General administrative and overhead expenditure               | (59 275)         | (60 692)         | 2%           | (287 397)        | (175 509)        |
| <b>Loss from operations before interest and taxation</b>      | <b>(7 908)</b>   | <b>(41 636)</b>  | <b>81%</b>   | <b>(256 157)</b> | <b>(247 203)</b> |
| Share in losses from associate investment                     | (118 517)        |                  | (100%)       | (109 657)        |                  |
| Gain from partial sale of subsidiary                          | 3 232 089        |                  | 100%         | 3 232 089        |                  |
| Fair value adjustments & impairments                          | 18 170           | (29 956)         | 161%         |                  |                  |
| Finance income                                                | 7 643            | 8 597            | (11%)        | 60 750           | 142 505          |
| Finance charges                                               | (231 172)        | (53 781)         | (330%)       | (322 877)        | (139 496)        |
| <b>Profit/(Loss) before taxation</b>                          | <b>2 900 305</b> | <b>(116 776)</b> | <b>2584%</b> | <b>2 604 148</b> | <b>(244 194)</b> |
| <b>Statement of Financial Position</b>                        |                  |                  |              |                  |                  |
| Total assets                                                  | 4 088 518        | 4 426 759        | 8%           | 4 088 518        | 4 063 083        |
| Cash and cash equivalents                                     | 842 679          | 430 411          | (96%)        | 842 679          | 1 582 012        |
| Current liabilities                                           | (199 373)        | (716 839)        | 72%          | (199 373)        | (465 687)        |
| Non-current liabilities                                       | (467 937)        | (1 647 979)      | 72%          | (467 937)        | (1 184 542)      |
| Total equity                                                  | (3 421 208)      | (2 061 942)      | (66%)        | (3 421 208)      | (2 412 854)      |



## Salient features - Financial results per operation

| Financial Results (Rand '000)                    |      | Simmers Group<br>100% (excl.<br>Corporate) | Simmers Gold<br>Div (excl.<br>Corporate) | BGM                      |                |                 | TGME             | FIU 100%           |                  |                  |
|--------------------------------------------------|------|--------------------------------------------|------------------------------------------|--------------------------|----------------|-----------------|------------------|--------------------|------------------|------------------|
|                                                  |      |                                            |                                          | Total (incl.<br>Central) | Surface        | Underground     |                  | Total              | Total            | Ezulwini         |
|                                                  |      | <b>Total</b>                               | <b>Total</b>                             |                          |                |                 | <b>Total</b>     |                    |                  |                  |
| Revenue                                          | Q4   | 413 997                                    | 303 655                                  | 269 038                  | 44 116         | 224 923         | 34 617           | 110 342            | 38 985           | 71 357           |
|                                                  | Q3   | 401 181                                    | 257 334                                  | 233 473                  | 35 770         | 197 703         | 23 861           | 143 847            | 50 645           | 93 202           |
|                                                  | Q2   | 303 497                                    | 221 846                                  | 206 342                  | 27 565         | 178 777         | 15 505           | 81 651             | -                | 81 651           |
|                                                  | Q1   | 259 558                                    | 206 497                                  | 193 949                  | 26 111         | 167 837         | 12 548           | 53 061             | -                | 53 061           |
|                                                  | YTD  | <b>1 378 233</b>                           | <b>989 333</b>                           | <b>902 802</b>           | <b>133 562</b> | <b>769 240</b>  | <b>86 531</b>    | <b>388 901</b>     | <b>89 630</b>    | <b>299 271</b>   |
|                                                  | FY08 | <b>854 915</b>                             | <b>699 031</b>                           | <b>646 696</b>           | <b>98 296</b>  | <b>548 400</b>  | <b>52 335</b>    | <b>206 084</b>     |                  | <b>206 084</b>   |
| Total cash costs                                 | Q4   | 370 779                                    | 240 255                                  | 204 115                  | 16 480         | 187 496         | 36 140           | 130 524            | 95 434           | 35 090           |
|                                                  | Q3   | 355 485                                    | 230 348                                  | 201 003                  | 19 874         | 181 129         | 29 345           | 125 137            | 88 866           | 36 271           |
|                                                  | Q2   | 279 595                                    | 246 190                                  | 217 364                  | 19 590         | 197 774         | 28 826           | 33 405             | -                | 33 405           |
|                                                  | Q1   | 242 510                                    | 215 274                                  | 186 209                  | 14 777         | 171 432         | 29 065           | 27 236             | -                | 27 236           |
|                                                  | YTD  | <b>1 248 370</b>                           | <b>932 067</b>                           | <b>808 691</b>           | <b>70 721</b>  | <b>737 832</b>  | <b>123 376</b>   | <b>316 302</b>     | <b>184 300</b>   | <b>132 002</b>   |
|                                                  | FY08 | <b>835 524</b>                             | <b>726 654</b>                           | <b>638 660</b>           |                |                 | <b>87 994</b>    | <b>136 501</b>     |                  | <b>136 501</b>   |
| Cash Operating<br>Profit (excl.<br>Depreciation) | Q4   | 43 218                                     | 63 400                                   | 64 923                   | 27 636         | 37 427          | (1 523)          | (20 182)           | (56 449)         | 36 267           |
|                                                  | Q3   | 45 696                                     | 26 986                                   | 32 470                   | 15 897         | 16 574          | (5 484)          | 18 710             | (38 221)         | 56 931           |
|                                                  | Q2   | 23 902                                     | (24 344)                                 | (11 023)                 | 7 975          | (18 998)        | (13 321)         | 48 246             | -                | 48 246           |
|                                                  | Q1   | 17 048                                     | (8 777)                                  | 7 739                    | 11 334         | (3 595)         | (16 517)         | 25 825             | -                | 25 825           |
|                                                  | YTD  | <b>129 863</b>                             | <b>57 266</b>                            | <b>94 111</b>            | <b>62 842</b>  | <b>31 407</b>   | <b>(36 845)</b>  | <b>72 599</b>      | <b>(94 670)</b>  | <b>167 269</b>   |
|                                                  | FY08 | <b>41 960</b>                              | <b>(27 623)</b>                          | <b>8 036</b>             |                |                 | <b>(35 659)</b>  | <b>69 583</b>      |                  | <b>69 583</b>    |
| Capital expenditure<br>(Rand '000)               | Q4   | 565 217                                    | 55 002                                   | 27 864                   | 1 862          | 11 390          | 27 138           | 510 215            | 193 111          | 317 104          |
|                                                  | Q3   | 610 695                                    | 28 321                                   | 21 617                   | 450            | 18 108          | 6 704            | 582 374            | 267 451          | 314 923          |
|                                                  | Q2   | 587 568                                    | 39 319                                   | 23 734                   | 2 196          | 18 619          | 15 585           | 548 249            | 356 908          | 191 341          |
|                                                  | Q1   | 416 874                                    | 33 676                                   | 22 454                   | 4 260          | 15 407          | 11 222           | 383 198            | 270 713          | 112 485          |
|                                                  | YTD  | <b>2 180 355</b>                           | <b>156 319</b>                           | <b>95 670</b>            | <b>8 769</b>   | <b>63 522</b>   | <b>60 649</b>    | <b>2 024 036</b>   | <b>1 088 183</b> | <b>935 853</b>   |
|                                                  | FY08 | <b>1 141 684</b>                           | <b>222 378</b>                           | <b>138 737</b>           |                |                 | <b>83 641</b>    | <b>989 472</b>     | <b>720 953</b>   | <b>268 519</b>   |
| Cash Flow (After<br>Capex)                       | Q4   | (521 999)                                  | 8 398                                    | 37 059                   | 25 773         | 26 037          | (28 661)         | (530 397)          | (249 560)        | (280 837)        |
|                                                  | Q3   | (564 999)                                  | (1 335)                                  | 10 853                   | 15 447         | (1 534)         | (12 188)         | (563 664)          | (305 672)        | (257 992)        |
|                                                  | Q2   | (563 666)                                  | (63 663)                                 | (34 757)                 | 5 778          | (37 616)        | (28 906)         | (500 003)          | (356 908)        | (143 095)        |
|                                                  | Q1   | (399 827)                                  | (42 454)                                 | (14 715)                 | 7 075          | (19 002)        | (27 739)         | (357 373)          | (270 713)        | (86 660)         |
|                                                  | YTD  | <b>(2 050 491)</b>                         | <b>(99 053)</b>                          | <b>(1 559)</b>           | <b>54 073</b>  | <b>(32 115)</b> | <b>(97 494)</b>  | <b>(397 993)</b>   | <b>(320 594)</b> | <b>(77 399)</b>  |
|                                                  | FY08 | <b>(2 163 595)</b>                         | <b>(250 001)</b>                         | <b>(130 701)</b>         |                |                 | <b>(119 300)</b> | <b>(1 913 594)</b> | <b>10 395</b>    | <b>(198 936)</b> |

Please note that the actual mine statistics reflected in the above table may differ from the statement of comprehensive income on page 9. This is due to the fact that for the first 11 months, First Uranium's results were consolidated into the Group's financial results. From March 2009 onwards (the final month of the fourth quarter), First Uranium's numbers were accounted for as an investment in an associate company.

### Safety in FY2009

The Company extends its sincere condolences to the families of the late Mr Siyamcela Zweni, who was fatally injured when he fell from a locomotive hopper guard chair at BGM on 14 August 2008 and Mr Msikwa Makhosini, who was killed by a fall of ground triggered by a seismic event on 29 August 2008, also at Buffelsfontein Gold Mine.

Following these two accidents, the mine implemented various safety measures, including the upgrading of support systems in the pillar areas and the introduction of a behaviour-based programme to further improve safety awareness.

BGM's fatality rate fell from 0.17 in FY2008 to 0.07 in FY2009, compared to the South African Gold Mining Industry average of 0.25.

No fatalities were reported at any of the Group's other three operations for the fiscal year, and Ezulwini Mine reported one million-fatality free shifts during the fourth quarter of FY2009.

## BUFFELSFONTEIN GOLD MINE LIMITED (BUFFELS OR BGM)

### Overview

BGM is a wholly-owned subsidiary of Simmers, located in the Klerksdorp Goldfield of the Witwatersrand basin, some 160 kilometres south west of Johannesburg and exploits the Vaal Reef conglomerate for its gold production. The current focus is on the rehabilitation of the high-grade Number 5 shaft which was damaged during a seismic event in 2005 and the integration of Tau Lekoa Mine into the BGM operation.

### Operational Overview

| BGM                           |          |                  | UNIT    | Q4 FY2009 | Q3 FY2009 | Var %     | FY2009    | FY2008 |
|-------------------------------|----------|------------------|---------|-----------|-----------|-----------|-----------|--------|
| Face Length (Ave)             |          | m:               | 1 641   | 1 779     | (8%)      | 1 739     | 1 804     |        |
| Face Advance (Ave)            |          | m:               | 10.00   | 9.68      | 3%        | 9.54      | 8.76      |        |
| Stoping m <sup>2</sup> Broken |          | m <sup>2</sup> : | 49 235  | 51 686    | (5%)      | 198 943   | 189 562   |        |
| Development                   |          | m:               | 1 819   | 1 605     | 13%       | 7 092     | 5 855     |        |
| Opening-up (only)             |          | m:               | 4 027   | 3 389     | 19%       | 18 580    | 30 942    |        |
|                               |          |                  |         |           |           | 875       |           |        |
| Tonnes Milled                 | U/ground | t:               | 218 194 | 230 773   | (5%)      | 547       | 841 023   |        |
| Yield Per Tonne               | U/ground | g/t:             | 3.55    | 3.41      | 4%        | 3.59      | 3.89      |        |
| Gold Produced                 | U/ground | kg:              | 774     | 788       | (2%)      | 3 144     | 3 272     |        |
|                               |          | oz:              | 24 874  | 25 336    | (2%)      | 101       | 105 181   |        |
|                               |          |                  |         |           |           | 1 226     |           |        |
| Tonnes Milled                 | Surface  | t:               | 298 973 | 299 994   | 0%        | 208       | 1 010 502 |        |
| Yield Per Tonne               | Surface  | g/t:             | 0.51    | 0.47      | 9%        | 0.44      | 0.54      |        |
| Gold Produced                 | Surface  | kg:              | 151     | 142       | 7%        | 539       | 544       |        |
|                               |          | oz:              | 4 869   | 4 562     | 7%        | 17 318    | 17 477    |        |
| Total Tonnes Milled           |          | t:               | 517 167 | 530 767   | (3%)      | 2 101 755 | 1 851 525 |        |
| Total Yield Per Tonne         |          | g/t:             | 1.79    | 1.75      | 2%        | 1.75      | 2.06      |        |
| Total Gold Produced           |          | kg:              | 925     | 930       | (1%)      | 3 683     | 3 815     |        |
|                               |          | oz:              | 29 743  | 29 898    | (1%)      | 118 406   | 122 658   |        |

Production at BGM was largely steady quarter on quarter despite losing three shifts in January as a result of the extended Christmas break. The total of 29 743 ounces (925kg) produced was consistent with previous guidance of between 29 500 and 31 000 ounces (918kg and 964kg).

Quarter on quarter, BGM also recorded a marked increase in positive cash flow after CAPEX, largely due to the improved gold price and the drive to reduce costs. Apart from being cash flow positive after CAPEX for the second quarter in a row, BGM also marked the completion of Phase 2 of the three part programme to rehabilitate the high grade Number Five shaft. Phase 2 comprised the completion of the winder house and the barrel of Number 5A shaft, providing critical access to the 5A haulage pillar. The build-up in square metres over the next few quarters will come primarily from the 5A haulage pillar. Phase 3, which comprises the refrigeration plant in the 5A shaft area and the rock handling in Number Five shaft is on schedule for completion in September 2009.

The commissioning of the Mini-Float project, originally scheduled for March 2009, was deferred to September 2009 following the decision in October 2008 to fund growth projects at BGM from cash

flow from operations. The Mini-Float project utilizes flotation technology to optimise the waste rock fed to the mill in order to enhance plant treatment capacity.

Year on year, BGM's production output fell by 3%, reflecting the challenge faced by BGM to create sufficient face length at, or above, the mine's average reserve grade. The completion of the rehabilitation of the high-grade Number Five shaft is expected to redress this issue going forward. Safety issues also affected BGM's potential to deliver the 122 000 ounces as per the FY2009 mine plan. A fatal accident in August 2008 resulted in the closure of the high grade Number Two shaft for two weeks. Thereafter, production at the shaft was limited to 30% of planned output for the remainder of the third quarter to accommodate the implementation of additional support elements in pillar areas. Number Two shaft only resumed operating at full capacity in January 2009.

## FINANCIAL RESULTS

| <b>BGM</b>                                                 | <b>Q4 F2009</b> | <b>Q3 F2009</b> | <b>Var</b> | <b>FY2009</b> | <b>FY2008</b> |
|------------------------------------------------------------|-----------------|-----------------|------------|---------------|---------------|
| <b>Selected Financial Information</b>                      | <b>R'000</b>    | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>  | <b>R'000</b>  |
| <b>Statement of Comprehensive Income</b>                   |                 |                 |            |               |               |
| Revenue                                                    | 269 038         | 233 473         | 15%        | 902 802       | 646 696       |
| Total cash cost                                            | (204 115)       | (201 003)       | 2%         | (808 691)     | (638 660)     |
| Production-related depreciation                            | (12 204)        | (4 500)         | 171%       | (25 297)      | (22 876)      |
| Operating (loss) / profit from mining activities           | 52 719          | 27 970          | 88%        | 68 814        | (14 840)      |
| Other income                                               | 1 336           |                 |            | 5 705         | 60 333        |
| Share options costs                                        | 814             | (1 010)         | (181%)     | (16 511)      | (6 239)       |
| General administrative and overhead expenditure            | (9 807)         | (6 857)         | 43%        | (30 149)      | (19 795)      |
| Profit (Loss) from operations before interest and taxation | 45 062          | 20 103          | 124%       | 27 860        | 19 459        |
| Finance income                                             | 2 998           | 66              | 4443%      | 18 280        | 14 796        |
| Finance charges                                            | (169 971)       | (18 519)        | 818%       | (210 669)     | (40 615)      |
| Profit (Loss) before taxation                              | (121 910)       | 1 650           | (7489%)    | (164 529)     | (6 360)       |

### Turnaround at BGM

BGM was cash flow positive, after CAPEX, for the second quarter running, reporting a R52.7 million profit from mining activities in Q4 FY2009, compared to R27.9 million in Q3, an 88% improvement.

Year on year, BGM's reported its first profit from mining activities of R69 million in FY2009, compared to a loss from mining activities of R15 million in FY2008.

Quarter on quarter, BGM's profit from operations before interest and tax more than doubled from R20 million to R45 million. Year on year, profit from operations before interest and tax was R27.8 million in FY2009 compared to R19.5 million in FY2008.

BGM would also have been able to report a profit before taxation for the quarter and the year, were it not for the conversion of the Aberdeen loan into a perpetual royalty of 1% on BGM's future production. This conversion took place in Q4 FY2009, following the shareholders' decision not to convert Aberdeen's US\$10 million loan into Simmers equity at R0.80c. As a result, BGM was required to recognise the net present value of the 1% NSR as a long-term liability in its financial statements, and this resulted in a R156 million negative impact on BGM's bottom line for the financial year.

## Revenue

BGM generated gold revenues of R903 million in FY2009 compared to R647 million in FY2008.

In Q4 FY2009, BGM generated gold revenues of R269 million, compared to R233.5 million in Q3 FY2009, largely due to a quarter on quarter increase of 15.8% in the gold price per kilogram.

### BGM revenue analysis

| BUFFELS |     |                |               | BUFFELS         |                |                  |
|---------|-----|----------------|---------------|-----------------|----------------|------------------|
|         | Kg  | Price (ZAR/kg) | Revenue (ZAR) | Volume Variance | Price Variance | Revenue Variance |
| Q4      | 925 | 290 817        | 269 038 000   |                 |                |                  |
| Q3      | 930 | 251 060        | 233 473 490   | (1 407 556)     | 36 972 066     | 35 564 510       |
|         | (5) | 39 757         | 35 564 510    |                 |                |                  |

### BGM total cash cost variance analysis

| BUFFELS |     |               |                 | BUFFELS         |                    |               |
|---------|-----|---------------|-----------------|-----------------|--------------------|---------------|
|         | Kg  | Cost (ZAR/kg) | Cash Cost (ZAR) | Volume Variance | Unit Cost Variance | Cost Variance |
| Q4      | 925 | 220 638       | 204 114 761     |                 |                    |               |
| Q3      | 930 | 216 144       | 201 002 969     | (1 067 890)     | 4 179 681          | 3 111 792     |
|         | -5  | 4 495         | 3 111 792       |                 |                    |               |

### Total cash costs FY2009

Total cash costs increased year on year by 27% to R809 million (US\$770/oz) from R639 million (US\$727/oz) in FY2008, an increase of R170 million. The bulk of the increase was due to higher unit costs which were affected by increases in reagent, steel, electricity and other commodity costs above CPI and increased tonnes milled.

BGM's capital expenditure decreased from R139 million in FY2008 to R95 million in FY2009. This is primarily comprised of R19.3 million for development and opening-up to increase flexibility of mineable face length; R19.5 million toward the refurbishment of Number Five shaft with a further R3.07 million on Number Five shaft refrigeration plant; R7.6 million on the Number Ten shaft pumping project; R4.9 million on winder ropes and equipment, and R3.8 million on shaft compressors.

There was no increase in rehabilitation liability or any impairment on fixed assets during the FY2009 financial year.

### Q4

Total cash costs increased quarter on quarter by 1.5% to R204 million (US\$689/oz) from R201 million (US\$675/oz) in Q3 FY2009.

BGM's capital expenditure increased from R22 million in Q3 to R28 million in Q4. The main addition to fixed assets included R6.3 million for development and opening-up; R1.9 million toward the refurbishment of Number Five shaft; R1.2 million on shaft compressors, R1.7 million on Number seven shaft winder rope.

### BGM OUTLOOK – Q1 FY2010

The focus remains on the high grade Number's Two, Five and Twelve shafts to meet production targets and to ensure correct set-up to maintain production levels for the FY2010 financial year.

An agreement between management and organised labour includes provision for one additional compulsory shift per month, which should partially offset the losses incurred as a result of the Easter break.

BGM has also concluded two optimisation plans to counter volatility in the gold market during FY2010, using a gold price per kilogramme of R240 000 and R250 000. Optimisation plans include

limiting overtime to 85% of budget, cost saving initiatives with regard to stores and a reduction in capital expenditure.

## TRANSVAAL GOLD MINING ESTATES LIMITED (TGME)

### Overview

TGME is situated in the Sabie/Pilgrim's Rest goldfield of Mpumalanga, approximately 450 kilometres north-east of Johannesburg. The current project area extends over a distance of approximately 70 km north-south and 25 km east-west and more than 40 000 ha of New Order prospecting rights and 10 800 ha of New Order mining rights have been secured. It comprises both underground and surface projects, which are currently in a development phase pending feasibility studies which are due for completion in 2009.

### Operational Overview

| TGME                          |          | UNIT             | Q4<br>FY2009 | Q3<br>FY2009 | Var<br>Q4 vs.<br>Q3 | FY2009 | FY2008 |
|-------------------------------|----------|------------------|--------------|--------------|---------------------|--------|--------|
| Face Length (Ave)             |          | m:               | 346          | 451          | (23%)               | 326    | 212    |
| Face Advance (Ave)            |          | m:               | 7.2          | 7.7          | (6%)                | 6.79   | 8.44   |
| Stoping m <sup>2</sup> Broken |          | m <sup>2</sup> : | 7 494        | 10 468       | (28%)               | 26 571 | 21 502 |
| Development                   |          | m:               | 194.4        | 114.1        | 70%                 | 888    | 595    |
| Tonnes Milled                 | U/ground | t:               | 14 820       | 14 981       | (1%)                | 55 173 | 72 000 |
| Yield Per Tonne               | U/ground | g/t:             | 4.98         | 4.96         | 0%                  | 4.95   | 4.00   |
| Gold Produced                 | U/ground | kg:              | 73.8         | 74.38        | (1%)                | 276    | 290    |
|                               |          | oz:              | 2 373        | 2 391        | (1%)                | 8 872  | 9 316  |
| Gold Produced                 | H/Leach  | kg:              | 46.3         | 18.96        | 144%                | 65.24  | 0      |
|                               |          | oz:              | 1 488        | 610          | 144%                | 2 098  | 0      |
| Total Gold produced           |          | kg:              | 120.1        | 93.34        | 29%                 | 341    | 290    |
|                               |          | oz:              | 3 863        | 3 001        | 29%                 | 10 970 | 9 316  |

At TGME gold production was up 29% quarter on quarter. Although an improvement, the 3 862 ounces produced were below guidance of between 4 400 and 5 000 ounces for the quarter. This in turn affected the annual target which was 2 030 ounces short of the 13 000 target ounces in the FY2009 production profile. This is primarily due to the six month hiatus between the awarding of the Mining Right at Elandsdrift in March 2008 and the issuing of the Water Use Licence in October 2008. Had the commencement of heap leach activities at Elandsdrift not been delayed by the Water Use Licence, between 1 930 and 2 250 high-margin ounces (60 and 70kg) of gold would have been added to TGME's production profile.

Underground production at Frankfort was constrained by a geological thrust fault which eliminated the reef in the Frankfort A block, resulting in a loss of planned available face length in the last two quarters of FY2009. This necessitated moving the production crews to the Frankfort B Block and the fast-tracking of the planned re-development of the Theta Mine, which was achieved in less than two months.

| <b>TGME</b>                                       | <b>Q4 F2009</b> | <b>Q3 F2009</b> | <b>Var</b> | <b>FY2009</b> | <b>FY2008</b> |
|---------------------------------------------------|-----------------|-----------------|------------|---------------|---------------|
| <b>Selected Financial Information</b>             | <b>R'000</b>    | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>  | <b>R'000</b>  |
| <b>Statement of Comprehensive Income</b>          |                 |                 |            |               |               |
| Revenue                                           | 34 617          | 23 861          | (45%)      | 86 531        | 52 335        |
| Total cash costs                                  | (36 140)        | (26 543)        | (36%)      | (123 376)     | (87 994)      |
| Production related depreciation                   | (4 406)         | (4 561)         | 0          | (11 703)      | (7 979)       |
| Gross operating loss from mining activities       | (5 930)         | (7 243)         | 18%        | (48 549)      | (43 638)      |
| Other income                                      | 682             |                 |            | 1 494         | 3 198         |
| Share options costs                               | 230             |                 |            | (4 427)       | (2 743)       |
| General administrative and overhead expenditure   | (3 348)         | (9 644)         | 65%        | (14 375)      | (7 576)       |
| Loss from operations before interest and taxation | (8 365)         | (16 887)        | 50%        | (65 857)      | (50 759)      |
| Finance income                                    | 77              | 16              | (378%)     | 206           | 232           |
| Finance charges                                   | (40)            |                 |            | (394)         | (93)          |
| Loss before taxation                              | (8 329)         | (16 871)        | 51%        | (66 045)      | (50 620)      |

### Revenue

Gold revenue for TGME increased quarter on quarter by 45% to R34.61 million (R23.8 million) due to a volume increase of 27kg and the higher gold price received.

| <b>TGME</b> |           |                       |                      | <b>TGME</b>            |                       |                         |
|-------------|-----------|-----------------------|----------------------|------------------------|-----------------------|-------------------------|
|             | <b>Kg</b> | <b>Price (ZAR/kg)</b> | <b>Revenue (ZAR)</b> | <b>Volume Variance</b> | <b>Price Variance</b> | <b>Revenue Variance</b> |
| <b>Q4</b>   | 120       | 288 152               | 34 617 275           |                        |                       |                         |
| <b>Q3</b>   | 93        | 255 635               | 23 861 000           | 7 719 592              | 3 035 108             | 10 756 275              |
|             | <b>27</b> | <b>32 517</b>         | <b>10 756 275</b>    |                        |                       |                         |

Year on year, revenue improved 65% from R52 million to R87 million.

### TGME total cash cost variance

| <b>TGME</b> |           |                      |                        | <b>TGME</b>            |                           |                      |
|-------------|-----------|----------------------|------------------------|------------------------|---------------------------|----------------------|
|             | <b>Kg</b> | <b>Cost (ZAR/kg)</b> | <b>Cash Cost (ZAR)</b> | <b>Volume Variance</b> | <b>Unit Cost Variance</b> | <b>Cost Variance</b> |
| <b>Q4</b>   | 120       | 300 832              | 36 140 487             |                        |                           |                      |
| <b>Q3</b>   | 93        | 284 369              | 26 543 000             | 8 059 289              | 1 536 659                 | 9 597 487            |
|             | <b>27</b> | <b>16 463</b>        | <b>9 597 487</b>       |                        |                           |                      |

### Total Cash Costs

Quarter on quarter, total cash costs increased 36% to R36.1 million (Q3: R26.5 million) due to increased volumes of 29%. Unit cash costs increased 5.6%, from R284 369/kg to R300 832/kg.

Year on year, unit cash costs increased from R302 979/kg in FY2008 to R361 574/kg in FY2009 as a result of increases in fuel, reagents and electricity, and increased carbon consumption in the kiln. High maintenance and repair costs also contributed to the increase in unit cash costs as did reduced face grades at the Frankfort ore body. The development of the Frankfort B Block is aimed at addressing the lower in-situ grades.

### Loss before taxation

Year on year the loss widened from R51 million to R66 million. Quarter on quarter TGME reduced its loss quarter on quarter by 51%, from R16.8 million in Q3 to R8 million.

## **TGME Production Summary**

### **Metallurgical processing Underground**

14 820 tonnes were processed from Frankfort and Theta during the quarter. The slightly lower grade of 4.84 g/t (4.96 g/t) resulted in 2 305oz (71.7kg) being produced compared to the previous quarter which yielded 2 391oz (74.38kg)

Gold recovery was down 4% quarter on quarter, to 60%, due to excessive carbon in the Theta ore.

Research has indicated that while the introduction of BIOX technology will push overall recoveries up to 72%, it would require a capital cost of R68 million (at current exchange rates) to install.

BIOX amenability tests are also currently being conducted on Beta ore with Rietfontein to follow.

Currently, the plant is being upgraded to process the designed 10 000 tonnes per month and to reduce maintenance costs.

### **Surface – Elandsdrift**

After the initial higher than expected solution head grade of 0.703 g/t, the grade normalised during Q4 to 0.250 g/t which is according to plan.

Irrigation of the pad was stopped on a number of occasions during the quarter due to excessive summer rains. This problem has abated with the onset of winter.

The project is expected to yield 2 411 oz (75kg) of gold over the next two quarters at a total cash cost of R75 000/kg.

During FY2010, the Elandsdrift pad will be extended in order to accommodate the remaining sand in the river bed. The Elandsdrift pad was originally built to test the heap leach process on historical sand tailings which had been dumped over several decades in a nearby river course.

A second heap leach pad to accommodate the Pilgrims Trend Deposits will be constructed during 2010 near Pilgrim's Rest. This will be followed by the Hermansburg Pad in the Molototse Valley near Frankfort and the Glynn's Lydenburg pad in Sabie. The permitting process for these additional pads is progressing as planned.

### **Exploration**

The quarter has seen the consolidation of all exploration results for both surface and underground targets. Results have been forwarded to independent resource consultants Minxcon for updating of the existing mineral resource for inclusion on the annual mineral resource and mineral reserve statements due in the current quarter.

An extended exploration program for the following 3 years has been compiled entailing resource definition drilling of existing near surface targets identified through soil geochemical sampling. Grids of soil geochemical sampling positions have been laid out on the remaining farms for which TGME has prospecting rights. From these sampling grids, it is expected that a number of surface targets will be defined which could warrant further work in the form of pitting, trenching or resource definition drilling.

### **Underground Operations – Theta**

During the March quarter, access to the Theta Mine was upgraded to handle narrow LHD equipment. Subsequent examination of the open development ends have revealed extensive drives with reef exposed on the sidewalls, or on the footwalls with the majority of the reef in the footwall.

Historically, extraction was relatively simple due to the reef being fully to partially oxidised. Exposures in the un-mined development ends have shown the Theta reef to be sulphidic in nature making extraction more complicated. Samples of the Theta reef have been subjected to tests at the TGME laboratory and results indicate that CIL recoveries in excess of 70% can be expected.

Initial sampling results from development and stoping in the area have proven to be positive with the potential for large mineable areas to be defined. Exploration will be done by means of on reef development utilising a low cost, high productivity rate approach, using trackless development with LHD's and small crews

### **Outlook for the current quarter (Q1 FY2010)**

- Frankfort: Following the reduced grade at Frankfort, production has been decreased to 1 600m<sup>2</sup>/month and will be maintained at this level until the B Block panels can be established. 600m of multi blast development in the B Block is planned to ensure that stoping can commence in the current quarter.
- Theta: The Theta adit is equipped and 3 000 square metres will be produced, yielding 1 270 oz (40 kg) for the quarter.
- Elandsdrift: Irrigation of the Elandsdrift heap leach pad will continue as planned. The loading of an additional 28 000 tonnes is expected to be completed during the current quarter and the first 5kg will be produced during this quarter.

### **TAU LEKOA**

Tau Lekoa was acquired from AngloGold Ashanti in February 2009 for a consideration of R600 million, of which R150 million can be offset by unhedged free cash flow generated by Tau Lekoa in the 2009 calendar year during which it is expected to produce approximately 150 000 ounces at a cash cost of between US\$455 and US\$475/oz, or R143 000 to R149 000/kg.

Simmers has provided the financial guarantee required by AngloGold Ashanti and an integration committee to facilitate the integration of Tau Lekoa into BGM has been established.

### **FIRST URANIUM CORPORATION (FIU OR THE CORPORATION)**

**For information on First Uranium's year end results, please refer to the MD&A and AFS for the quarter and year-ending 31 March 2009 on their website, [www.firsturanium.com](http://www.firsturanium.com)**

**Critical accounting policies and estimates – There were no changes to the accounting policies in the period under review.**

#### ***Forward-looking Information***

*This MD&A and financial statements for the quarter ended 31 March 2009 contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the price of uranium and gold, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Simmers to be materially different from any future results, performance or achievement expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium and gold. Although Simmers has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. It is important to note, that: (i) unless otherwise indicated, forward-looking statements indicate the Group's' expectations as at 17 June 2009; (ii) actual results may differ materially from the Group's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate; (iii) the Group cannot guarantee that any forward-looking statement will materialize and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements; and (iv) the Group disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.*