First Uranium Corporation

NEWS RELEASE – February 2, 2010

FIRST URANIUM UPDATE ON ENVIRONMENTAL AUTHORIZATION

Company Commences a Project Restructuring at MWS, Revises Ezulwini Mine Plan and Undertakes Strategic Review

Toronto and Johannesburg – First Uranium Corporation (TSX:FIU, JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Company") today announced that the Company has been engaged in intensive discussions at the most senior levels with officials of the North West Provincial government, including the Department of Agriculture, Conservation, Environment and Rural Development ("NWDACE") regarding its decision to withdraw the Company's environmental authorization ("EA") for the new Tailings Storage Facility ("TSF"). The TSF was designed to accommodate future tailings deposition at the Mine Waste Solutions ("MWS") tailings recovery project in South Africa. While the EA has not yet been reinstated, based on these recent discussions, the Company is cautiously optimistic that the EA will be reinstated.

Gordon Miller, President and CEO of First Uranium, commented, "As a result of the circumstances that have been precipitated by the unexpected withdrawal of the environmental authorization for our future tailings deposition site at MWS, management's key priorities are to resolve this authorization issue as quickly as possible, seek strategic alternatives for financing and the immediate restructuring of our operations."

Strategic Review, Project Restructuring and Capital Limitations

The announcement of the withdrawal of the EA has not only delayed construction of the TSF, it has also disrupted certain well-advanced corporate financing opportunities, which, along with the slower than expected production buildup at the Ezulwini Mine, would, if alternative financing is not obtained, severely compromise the Company's financial position. The Company is now reviewing strategic alternatives, and is engaged in discussions with respect to alternative financing opportunities.

Notwithstanding progress at its operations discussed below, the continuing discussions regarding the EA and the continuing financing discussions, the Company has taken action to delay future development expenditures, particularly at its MWS tailings recovery operation as part of a company-wide program to conserve capital.

The construction of the first uranium plant module will be concluded by the end of February 2010, at which time commissioning will commence. The plant is expected to commence production of ammonium diuranate ("yellowcake") during the second half of calendar year 2010. While the construction of the third gold plant was progressing ahead of schedule and due for completion in

May 2010, as a result of the apparent withdrawal of the environmental authorization for the TSF, construction and commissioning of the third gold plant have been suspended.

Production at MWS will be scaled back from two gold plants to one at the end of March 2010. The reduced production will enable the Company to maximize the availability of its current deposition capacity until the permitting issue has been resolved, but will also result in lower revenues and increase the amount of financing required by the Company.

Under the revised construction schedule the MWS No. 5 Dam will provide sufficient tailings deposition capacity for the one gold plant until the end of December 2011. Subject to re-instatement of the EA and the receipt of additional capital in the near term, the project will be able to continue along its originally planned production trajectory of 35,000 ounces per quarter.

In addition, the Ezulwini Mine development plan is ahead of schedule, however, the mine production forecast has been revised in response to slower than expected mine production ramp up to date and the capital constraints.

MWS: Quarterly Tailings Recovery and Production Forecast

	Q1 2010 Actual	Q2 2010 Actual	Q3 2010 Forecast	Q3 2010 Actual	Q4 2010 Forecast
Tonnes of ore reclaimed (000s)	1,835	2,476	3,880	**3,528**	2,789
Average gold head grade (g/t)	0.42	0.39	0.39	**0.36**	0.34
Gold plant recovery (%)	44%	44%	51%	**53%**	52%
Gold reclaimed (oz)	11,007	13,422	25,019	**21,891**	15,844

Note: The increase in gold recoveries is possible through the introduction of gold concentrates into the uranium plant where exposure of material to an acidic environment liberates additional gold that would otherwise not be available for cyanidation.

At MWS, the Q3 2010 gold produced was less than forecast as the grade reconciliation in the Buffelsfontein No. 4 Dam was slightly below expectations and operations were interrupted by heavy rain storms during the quarter.

The annualized production rate presented below assumes a protracted permitting process during which MWS runs at an average reduced throughput of 600,000 tonnes per month until January 2012. The ability to secure the EA, as well as funding, sooner will allow acceleration of the annualized gold production rate to 140,000 ounces per annum and uranium production to 960,000 pounds per annum as originally planned. From the point at which the EA and funding are secured, MWS will require a six-month window to conclude the necessary construction activities to realize the increased production rate.

MWS: Annual Production Forecast

	FY 2011	FY 2012
Gold		
Production (oz)	57,000	64,000
Estimated cost ($/oz)	459	490
Uranium		
Production (lb)	270,000	560,000
Estimated cost ($/lb)	43	36

Note:

1. Gold "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. Cash costs are calculated and presented using the "Gold Institute Production Cost Standard" applied consistently for all periods presented. The Gold Institute was a non-profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs per ounce is a non-GAAP measurement and investors are cautioned not to place undue reliance on it and are advised to read all GAAP accounting disclosures presented in the Corporation's audited consolidated financial statements for FY 2009 and accompanying footnotes thereto.
2. Uranium "Cash Costs" calculations take into account the incremental ounces of gold recovered when the ore is run through the atmospheric leach tanks of the uranium plant.

OUTLOOK – EZULWINI MINE

Production build up at the Ezulwini mine is progressing more slowly than originally anticipated due to the challenges of training and building up the efficiency of the mining crews with the result that the mine has yet to generate positive operating cash flow. Based on the performance to date and the Company's current cash position, the Ezulwini mine plan has been revised as reflected below.

Ezulwini Mine: Quarterly Underground Production Forecast

	Q1 2010 Actual	Q2 2010 Actual	Q3 2010 Forecast	Q3 2010 Actual	Q4 2010 Forecast
Upper Elsburg Mining Activity					
Cumulative metres of mining face available	369	605	749	**1,672**	1,817
Blasted face grade – gold (g/t)	4.66	7.79	6.43	**7.42**	7.33
Middle Elsburg Mining Activity					
Cumulative metres of mining face available	408	754	1,131	**1,024**	1,311
Blasted face grade – gold (g/t)	2.95	3.13	3.06	**3.20**	3.28
Blasted face grade – uranium (g/t)	480	439	552	**557**	560
Facelength ("FL") Buildup					
Gold (kg/m of FL blasted)	15	28	75	**81**	91
Uranium (kg/m of FL blasted)	1,077	1,377	3,328	**2,862**	3,690
Mill Production (combined)					
Tonnes of ore milled (000s)	92	95	145	**117**	137

Notes:
1. Face-length buildup is a metric to indicate the content of gold and uranium produced for a horizontal metre of blasted face length.
2. The current mining rate is not expected to immediately fill the uranium and gold plants that have production capacities of 100,000 tonnes per month and 200,000 tonnes per month, respectively.
3. A minimum three-month delay is expected between uranium production and sales, allowing time for calcining, shipment and conversion.
4. The anticipated increase in stope grades has been determined on the basis of current in situ sampling of reef development and sampling of new stopes that are being opened up.
5. The forecast face length represents the amount of face length available for mining, not necessarily what will be mined.

Ezulwini Mine: Annual Production Forecast:

	FY 2011	FY 2012	FY 2013
Gold			
Production (oz)	133,000	194,000	265,000
Estimated by-product cash costs ($/oz)	909	672	634
Uranium			
Production (lb)	207,000	312,000	390,000
Estimated by-product cash costs ($/lb)	46	40	41

Notes:
1. "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. Cash costs are calculated and presented using the "Gold Institute Production Cost Standard" applied consistently for all periods presented. The Gold Institute was a non-profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs per ounce is a non-GAAP measurement and investors are cautioned not to place undue reliance on it and are advised to read all GAAP accounting disclosures presented in the Corporation's audited consolidated financial statements for FY 2009 and accompanying footnotes thereto.
2. The face-length buildup is a metric to indicate the content of gold and uranium produced for a horizontal metre of blasted face length. The cash costs are shown on co-product basis, where costs are allocated to each metal on the basis of the revenue contribution from each metal.

Q3 2010 PRODUCTION UPDATE

During the quarter ended December 31, 2009 ("Q3 2010"), the Company produced 10,054 ounces of gold from the Ezulwini Mine, a 26% percent increase compared to the previous quarter, and 21,891 ounces of gold from the Mine Waste Solutions tailings recovery project ("MWS"), a 63% increase compared to the previous quarter. During the quarter, the Company also continued to optimize its uranium production at the Ezulwini Mine and has shipped its first container of 23,760 pounds of uranium in the form of "yellowcake" (ammonium diuranate) for processing in the United States.

Quarterly Production Results

	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Ezulwini					
Total tonnes of ore milled	80,079	108,622	92,468	94,599	**108,503**
Gold produced (oz)	6,411	4,267	3,791	7,952	**10,054**
Gold sold (oz)	6,411	4,267	3,379	7,047	**8,213**
Uranium shipped to converter (lb)	–	–	–	–	**23,760**
MWS					
Tonnes of ore reclaimed (000s)	1,798	1,693	1,835	2,476	**3,528**
Average gold head grade (g/t)	0.42	0.41	0.42	0.39	**0.36**
Gold plant recovery (%)	50%	47%	44%	44%	**53%**
Gold reclaimed (oz)	12,235	10,513	11,007	13,422	**21,891**
Gold sold (oz)	12,581	10,417	10,676	11,739	**21,091**

In Q4 2010, MWS expects to:

- commence commissioning of one flotation circuit and the uranium plant. The remaining two flotation circuits, the third gold plant and the TSF will be completed upon reinstatement of the EA and the receipt of funding;
- terminate the EPCM contract and dismiss all construction personnel from the project; and
- focus production on one of the existing gold plants for an estimated quarterly production of 15,844 ounces of gold.

In Q4 2010, the Ezulwini Mine expects to:

- open up over 400 metres (net of mining activity) for a total of over 3.1 kilometers of available mining face underground at the Ezulwini Mine; and
- record our first sale of uranium.

Technical Disclosure

All technical disclosure in this news release relating to MWS has been prepared in accordance with National Instrument 43-101 ("NI 43-101) by Jim Fisher who is a Chartered Engineer and is a "qualified person" under NI 43-101.

All technical disclosure in this news release relating to the Ezulwini Mine has been prepared in accordance with NI 43-101 by R. Dennis Bergen, P.Eng., Associate Principal Mining Engineer, with Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA") who is a "qualified person" under NI 43-101 and is independent of First Uranium.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) is focused on its goal of becoming a significant low-cost producer of uranium and gold 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 operations situated in South Africa. First Uranium also plans to grow production by pursuing value-enhancing acquisition and joint venture opportunities in South Africa and elsewhere.

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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 receipt of required permits, the timing and availability of financing on acceptable terms, 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) that involve various estimates, assumptions, risks and uncertainties. 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. 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. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws.