First Uranium Corporation

First Uranium Announces Production Results For First Quarter of Fiscal 2011

Company provides update on Ezulwini mine plan, updated guidance on cash flow to execute on capital programs and achieve business milestones

** All amounts in US dollars unless otherwise noted*

Summary *

- Ezulwini Mine gold production increased 88% over Q4 2010
- MWS gold recovery exceeded Q1 2011 planned production by 65%
- South African government approved Water Use License for MWS
- New Ezulwini management in place; ramp-up plan finalized
- Confirmed stability of MWS No.5 tailings dam is sufficient to support planned production increase in October 2010
- Ezulwini Mine to be cash flow positive before capital by December 2010, cash flow positive after capital by March 2011
- Current cash reserves sufficient to meet funding requirements at planned economic assumptions.

Toronto and Johannesburg – July 29, 2010 – First Uranium Corporation (TSX:FIU, JSE:FUM) ("First Uranium" or "the Company") today announced that during the three months ended June 30, 2010 ("Q1 2011") 14,120 ounces of gold were produced from the Ezulwini Mine and 20,215 ounces of gold from the Mine Waste Solutions ("MWS") tailings recovery project in South Africa. The Ezulwini Mine also produced 19,764 pounds of uranium in the form of ammonium diuranate ("yellowcake").

First Uranium has also completed the new Ezulwini Mine ramp-up plan and the restructuring and optimization of costs across the Company. These initiatives are aimed at preserving First Uranium's cash reserves, enabling the Company to execute on its capital program and achieve business milestones.

"I am confident that the revised plans we have developed are both reasonable and achievable," said Deon van der Mescht, President and CEO. "Management is firmly committed to executing the plans."

Table 1 summarizes production from each operation during Q1 2011. Production from the previous four quarters has been included for comparison.

Table 1 - Quarterly Production Results

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
MWS					
Tonnes of ore reclaimed (000s)	1,835	2,476	3,528	3,232	3,104
Average gold head grade (g/t)	0.42	0.36	0.34	0.34	0.36
Gold plant recovery (%)	44%	47%	58%	56%	56%
Gold produced (oz)	11,007	13,422	21,891	19,693	20,215
Ezulwini Mine					
Tonnes of ore hoisted	64,965	98,831	117,164	130,822	135,009
Tonnes of ore milled	92,468	94,599	108,503	129,532	132,963
Average gold recovery grade (g/t)	1.3	2.5	2.8	2.4	3.3
Gold produced (oz)	3,794	7,952	10,685	7,526	14,120
Uranium produced (lb)	-	13,098	15,351	22,488	19,764
Uranium Sold (lb)	-	-	23,761	20,638	-

Mine Waste Solutions

During Q1 2011, MWS increased gold production by 65% compared to the updated technical report released on March 19, 2010, which was based upon the assumption that MWS continued as a one-stream operation due to tailings deposition constraints. The MWS No. 5 tailings dam maintained its structural integrity during Q1 2011. This enabled MWS to continue to run as a two-stream operation, at a reduced tonnage profile of 975 ktpm, which resulted in a 3% increase in gold production from Q4 2010.

The ongoing improvement in the structural integrity of the MWS No. 5 tailings dam, combined with the South African government's awarding of the integrated Water Use License ("WUL"), enables management to further improve the operation's production outlook. First Uranium now expects MWS to increase production from the previous level of 975 ktpm to 1,200 ktpm, starting in October 2010. The increased output is expected to remain in effect until the commissioning of the new Tailing Storage Facility ("TSF") and the third module of the gold plant, at which point production is planned to increase from 1,200 ktpm to 1,800 ktpm.

Management anticipates the remaining capital program, comprising the third gold plant module and new the TSF plus related infrastructure, will be concluded by May 2011. Integral to this scheduling is the expectation that the restructured Gold Wheaton completion test can be satisfied prior to September 1, 2011.

Key findings of optimization review – MWS

MWS is performing substantially better than plan, primarily due to the improved stability of its current tailings facility and the South African government's granting of the WUL, which has allowed a significantly higher deposition rate than planned for in March 2010. The aim is to reduce peak funding requirements without compromising project sustainability or efficiency.

- Production to increase from 975 ktpm to 1,200 ktpm as of October 2010
- New TSF to be commissioned by May 2011, enabling production increase from 1,200 ktpm to 1,800 ktpm
- Certain construction contracts restructured to fixed price and fixed timeline to ensure production certainty
- Outcome of corporate rationalization and relocation resulted in an improvement in net income of US$20/oz

Table 2 -- Estimated capital requirements to complete MWS capital program

(Thousands of ZAR)	Total spent at June 30, 2010	Remainder FY 2011	FY 2012	FY 2013	FY 2014	Total
Phase 1B	1,508,387	35,629	19,361	-	-	**1,563,139**
Phase 2	577,835	310,873	91,364	-	-	**980,071**
New TSF	136,624	92,297	-	-	66,695	**295,617**
On-mine capital	14,976	24,620	9,600	9,600	9,600	**68,396**
Eskom substations	-	11,200	-	-	-	**11,200**
Total in ZAR (000)	**2,237,822**	**474,619**	**120,325**	**9,600**	**76,295**	**2,918,423**

The implementation of the pressure leach process, costing an estimated ZAR451 million (approximately $56 million) has been delayed by 24 months. Construction of the project was previously scheduled to commence in January 2012.

Ezulwini Mine

The decision to mine better quality gold ore was put into effect by applying a 4.5 g/t cut-off grade in the Upper Elsburg gold-only section and a 3.0 g/t cut-off grade in the Middle Elsburg gold and uranium section. This change has resulted in an overall improvement of 44% in recovered grades and an 88% improvement in gold bullion quantity produced in Q1 2011 compared to Q4 2010.

The average recovered grade of 3.30 g/t compares to a planned average recovery grade of 3.36 g/t, planned for during Q4 2010. Similarly, blasted grades were 0.07 g/t lower than expected. These results suggest that while recoveries are not yet at an optimal level, factors affecting the mine call factor are now better understood and can be addressed going forward.

Key findings of optimization review – Ezulwini Mine

On the basis of the plan for year one (FY 2011), management expects the Ezulwini Mine to be cash flow positive after capital expenditures in Q4 2011 at planned economic assumptions. The revised production ramp-up plan includes:

- Production of 81,000 ounces of gold and 117,000 pounds of uranium in FY 2011
- Capital expenditures of R125 million in FY2011
- Average unit cash costs of $1,182/oz for FY2011 and $857/oz for Q4 2011

- Incremental production build-up of approximately 320 ounces (10 kilograms) per month from FY 2012 to FY 2013, requiring an additional three panels per month
- Production ramp-up of two panels per month from FY2014 onward
- Peak production of 309,000 oz gold planned for FY2019 and 909,000 lb uranium in FY2018

Table 3 – Revised project economics for Ezulwini Mine

	March 2010	**July 2010** (at March 2010 consensus commodity prices)	**July 2010** (at latest consensus commodity prices)
Life of Mine average operating costs			
Operating cost per tonne milled ($/tonne)	$106.42	$ 93.13	$ 74.88
Gold cash cost ($/ounce) – co-product in 2009; net of uranium credit in 2010 (by-product)	$619	$ 573	$ 423
Capital expenditures ($ millions)	$246	$ 448	$ 364
Average annual Life of Mine production			
Uranium (pounds)	781,000	709,000	709,000
Gold (ounces)	283,000	261,000	261,000
NPV ($ millions)	$437	$470	$843

Notes:

1. *In the January 2009 technical report gold and uranium unit costs were calculated as co-product costs which assume that operating cash costs are split in proportion to the revenue earned from each product.*
2. *In the March 2010 technical report the gold unit cost was calculated with uranium as a by-product as uranium is only expected to represent approximately 14% of the revenue over LOM. Uranium unit costs were not shown as uranium will be assumed as a by-product of the gold production.*
3. *NPV is calculated using a real discount rate of 8%.*

The uranium plant was idle during Q1 2010 due to failure of the rubber lining on the uranium leach tank and the CCD thickeners at the end of Q4 2010. Repairs were completed during April 2010 and resulted in a 12% decrease in uranium production in Q1 2011 compared to Q4 2010. The plant resumed production at the beginning of May 2010.

Additional information is available in the company's website www.firsturanium.com

Conclusion

While gold production reflects a substantive quarter-on-quarter improvement, it is significantly less than the production ramp-up originally envisaged for the Ezulwini Mine. The performance of Ezulwini is key to the success of First Uranium, as the Company relies in part on the cash generated from the gold and uranium output at Ezulwini to fund its business plan.

Current cash reserves are expected to be sufficient to meet funding requirements at planned economic assumptions.

While the emphasis at Ezulwini has been on creating an achievable ramp-up plan, the focus at MWS has been on optimizing capital expenditures and production programs.

Additional information is available in the company's website www.firsturanium.com

Conference Call

First Uranium will conduct a conference call on Friday, July 30, 2010 at 10 am Toronto time (4 pm Johannesburg time).

The call will be available to analysts, investors and media. To access it, dial 1-800-319-4610 (Canada and U.S.) or 0800-981-705 (South Africa). Callers from other international locations dial 1-604-638-5340.

The call will be webcast at https://services.choruscall.com/links/firsturanium100730.html. An archived telephone replay of the conference call will be available for 30 days. It can be accessed by dialing 1-800-319-6413 (Canada and U.S.). From other international locations, it can be accessed by dialing 1-604-638-9010 (Canada). Enter passcode 2128#.

Technical Disclosure

All technical disclosure in this news release relating to Ezulwini Mine has been prepared in accordance with National Instrument 43-101 by or under the supervision of Mark Glasspool, an employee of the Company who is a professional engineer and is a "qualified person" under NI 43-101.

All technical disclosure in this news release relating to MWS has been prepared in accordance with National Instrument 43-101 by or under the supervision of Jim Fisher, an employee of the Company, who is a Chartered Engineer and is a "qualified person" under NI 43-101.

The economic analysis for the Ezulwini Mine contained in this news release is based, in part, on inferred resources and is preliminary in nature. Inferred resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves. There is no certainty that the interpretations and conclusions of this

Preliminary Assessment, or reserve development, production and economic forecasts on which this Preliminary Assessment is based, will be realized.

NON-GAAP MEASURES
The Company believes that in addition to conventional measures prepared in accordance with Canadian GAAP, the Company and certain investors and analysts use certain other non-GAAP financial measures to evaluate the Company's performance including its ability to generate cash flow and profits from its operations. The Company has included certain non-GAAP measures throughout this document. Non-GAAP measures do not have any standardized meaning prescribed under Canadian GAAP, and therefore they may not be comparable to similar measures employed by other companies.

The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

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 located in South Africa.

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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 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.

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