First Uranium Corporation

NEWS RELEASE – August 29, 2011

First Uranium enters Management Agreement with BEE Company

Toronto and Johannesburg – First Uranium Corporation (TSX:FIU), (JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Company") announced today that it has entered into an agreement with Vulisango Holdings (Proprietary) Limited ("Vulisango"), a Black Economic Empowerment ("BEE") company, for the provision of certain services, including, assisting the Company in complying with the Mineral and Petroleum Resources Development Act and assisting and giving guidance to the Company with regard to its policies in accordance with the Mining Charter. Vulisango will receive a monthly fee of R400,000 (US$55,200). The agreement has an indefinite term, but it may be terminated by agreement between the parties, on a change of control of First Uranium, or, in the event of a material breach of the agreement, by the non-defaulting party.

In addition to securing Vulisango's services under the management agreement, the Company will continue to work with Vulisango in considering options to improve the Company's BEE credentials subsequent to the disposal by Village Main Reef of 19.79% of its 25.5% shareholding in First Uranium to Anglo Gold Ashanti as announced in a news release on July 22, 2011.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) is focused on its goal of becoming a low-cost producer of gold and uranium through the expansion of the underground development to feed the new gold and uranium plants at the Ezulwini Mine and the ramp-up of production at the Mine Waste Solutions (MWS) tailings recovery facility following the completion of a significant gold capital expansion program in May 2011. Both operations are 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 processing and development plans, and the future plans and objectives of First Uranium are forward-looking statements (or forward-looking information) that involve various estimates, assumptions, risks and uncertainties. In addition, as Village Main Reef has sold a significant portion of its interest in First Uranium, the Company or its subsidiaries may be required to issue securities or enter into other arrangements to increase BEE investment in the Corporation in order to maintain compliance with BEE requirements as required by the applicable law. For more details on these estimates, assumptions, risks and uncertainties, see the Company's most recent Annual Information Form ("AIF") and Management's Discussion and Analysis ("MD&A") 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.