First Uranium Corporation

October 11, 2011

PRODUCTION UPDATE FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2011
All amounts are in US dollars unless otherwise noted.

Toronto and Johannesburg – ***First Uranium Corporation (TSX:FIU), (JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Company") today released its production results for the three months ended September 30, 2011 ("Q2 2012") and provided an update on the permitting situation at Mine Waste Solutions.***

The Company reported an increase in gold sales compared to the first quarter of FY 2012, with gold sales up 17.7% from 34,438 ounces in Q1 2012 to 40,529 ounces in Q2 2012. In addition, uranium production was up 76.8% from 20,361 pounds in Q1 2012 to 36,006 pounds in Q2 2012.

Said CEO Deon van der Mescht: "The unexpected and unwarranted action of purporting to withdraw the New Order Mining Right for Mine Waste Solutions ("MWS") and the two unfortunate and regrettable accidents at Ezulwini Mine have eclipsed otherwise positive developments that took place this quarter.

"The successful completion of the long-awaited Franco-Nevada Technical Completion Test was a defining moment for MWS, but was overshadowed by the news that the South African Department of Mineral Resources ("DMR") purported to withdraw the New Order Mining Right for MWS. Our legal position remains that a New Order Mining Right is not required and accordingly MWS has continued to operate, however, this announcement by the DMR is a disappointment for our shareholders who were looking forward to a new phase in the development of MWS.

"While MWS does not require a New Order Mining Right under current South African legislation, we believe that operating under a New Order Mining Right provides significant benefits to all stakeholders, specifically to the local community, and we continue to work actively towards the resolution of this matter.

"At Ezulwini Mine, we are confident that we have put the right people and processes in place to reduce one of the most significant risks to our operation, namely serious and fatal accidents. In addition, the effect of management's focus on costs and clean mining is beginning to show results, and I believe that the turnaround process for this operation remains on track."

EZULWINI MINE

The quarter under review was one of mixed fortunes for Ezulwini Mine. In July the plant milled 70,058 tonnes, which is a record for the operation and indicated that the production ramp-up was on track. This achievement and the associated upward trends in production were derailed, sadly, by two fatal accidents; one which occurred on August 11, 2011 and the other on September 13, 2011. The August accident resulted in all development ends being stopped on the mine for an extended period of time and the September accident resulted in all activities in the reef horizons being stopped for a similar period of time. The impact of the accidents went far beyond the mandatory stoppages enforced by the DMR as production teams struggled to regain the momentum they had established during July.

Gold and uranium production for Q2 2012 was constrained by the aforementioned accidents. A total of 13,076 ounces of gold was sold for Q2 2012, which represents an improvement on the 12,893 ounces of gold sold in Q1 2012. In terms of uranium, Ezulwini Mine produced 36,006 pounds of uranium in Q2 2012 compared to 20,361 pounds produced in Q1 2012, a 77% improvement quarter on quarter. The uranium bearing Middle Elsburg ore body remains well understood and management is confident that they can sustain the progressive quarter on quarter improvements in this section. As previously reported, management continues to focus on improving development rates through-out the mine, but more specifically in the Upper Elsburg ore body. A record of 908 development meters was achieved in July but was unfortunately not sustained into August and September due to the accidents and the associated stoppages. Indications are however that, for the October production period, Ezulwini Mine is achieving an average of 40 meters of development per production shift, which is within the planning parameters set for the month.

As is evident from the production metrics, one of the most significant risks to Ezulwini Mine's ability to meet and/or exceed its targets are stoppages that result from serious accidents. Management has therefore reinforced its efforts to attain a safe working environment. This includes adopting a zero-tolerance approach to unsafe conduct with a number of non-negotiable rules having been defined and enforced during the quarter. In addition, management imposed an audit-driven "stop and fix" campaign across all working places, with a view to preventing any further accidents. The impact of this proactive safety drive has been a record number of "white flag" or incident-free shifts in September, a performance metric that management will continue to drive vigorously.

Ezulwini Mine also welcomed a new general manager, Sizwe Mthethwa, to the team in early September. An experienced deep-level gold miner formerly of Harmony Gold

Limited, Mr. Mthethwa's passion for safe production has been evident in his first month on the mine and management look forward to supporting him in this regard. Mr Mthethwa's appointment and a simultaneous reshuffle in the First Uranium corporate office has enabled Deon van der Mescht, who was acting general manager of Ezulwini Mine and CEO of First Uranium since April 2011, to refocus his efforts on his role as CEO of the Company.

Notwithstanding the production constraints in Q2 2012, Ezulwini Mine remains on track to achieve its stated annual target of between 70,000 to 80,000 ounces of gold sold and uranium sales of between 110,000 and 130,000 pounds for FY 2012.

In previous updates, Ezulwini Mine reported on various business development initiatives aimed at leveraging the available capacity of the gold and uranium plant infrastructure, including the uranium concentrate float plant project and possible toll treatment of third party ore. These initiatives remain on track and management hopes to be able to successfully implement these initiatives before the end of FY 2012. The current production forecasts exclude any potential benefits that may be derived from the successful implementation of these projects.

MINE WASTE SOLUTIONS

The successful conclusion of the critically important Franco-Nevada Technical Completion Test on August 24, 2011 was a significant milestone for MWS and removes serious commercial risk for this project.

During Q2 2012 MWS also improved the performance of the recently-commissioned third gold plant module such that overall gold recoveries improved from 44% of Q1 2012 to 51% in Q2 2012. This also resulted in a 27% improvement in gold sales of 27,453 ounces compared to 21,546 ounces of gold sold in Q1 2012.

The targeted commissioning of MWS's uranium plant remains unchanged for June 2012, subject to continued progress being made at Ezulwini Mine. Consequently, the annualized gold guidance for FY 2012 remains unchanged between 105,000 and 115,000 ounces.

MWS PERMITTING

On September 15, 2011, MWS received a letter from the South African Minister of Mineral Resources purporting to "withdraw" the New Order Mining Right for MWS, in terms of Section 23 of the Mineral and Petroleum Resources Development Act 28 of 2002 ("the MPRDA"). MWS's external legal counsel is of the very clear opinion that under current South African mining legislation, reclamation activities such as the MWS tailings recovery project are not classified as a mining operation and therefore do not require a mining right. Notwithstanding this, and in anticipation of the MPRDA Amendment Act being promulgated in the future, MWS has and will continue to pro-actively engage with the DMR and the Ministry with the aim of securing a New Order

Mining Right. In the interim, operations continue unimpeded. Should the DMR issue a Stop Order Notice, MWS will take the necessary legal action to safeguard its rights to allow operational continuity.

MWS's Integrated Water Use Licence ("Water Use Licence") was issued in June 2010 by the South African Department of Water Affairs ("DWA") for the water usage associated with the development of its new tailings facility, or TSF. An appeal was filed by the Federation for a Sustainable Environment ("FSE") on March 6, 2011 with the South African Water Tribunal against MWS's Water Use Licence. In response, MWS filed its affidavit with the Water Tribunal on October 4, 2011. As previously disclosed, on the advice of its external legal counsel, the Company considers the FSE appeal to be legally invalid and consequently has continued to operate.

CASH RESOURCES

As at September 30, 2011, the cash position of the Company was US$15.2m.

SUMMARY OF PRODUCTION RESULTS

The following table summarizes the production from each operation during Q2 2012, against the previous two quarters:

	2012 YTD	**Q2 2012**	**Q1 2012**	**Q4 2011**
MWS				
Tonnes of ore reclaimed (000s)	9,725	4,822	4,903	3,625
Average gold head grade (g/t)	0.328	0.348	0.309	0.34
Gold plant recovery (%)	48%	51%	44%	55%
Gold sold (oz)	48,999	27, 453	21, 546	22,150
Ezulwini Mine				
Tonnes of ore milled	326, 842	162, 577	164,265	153,021
Average gold recovery grade (g/t)	2.66	2.53	2.79	2.62
Gold sold (oz)	25, 968	13, 076	12, 892	11,393
Uranium produced (lbs)	56,366	36,006	20,361	0

Abbreviation	**Period**	**Abbreviation**	**Period**
Q1 2012	April 1, 2011 - June 30, 2011	Q1 2011	April 1, 2010 - June 30, 2010
Q2 2012	July 1, 2011 - September 30, 2011	Q2 2011	July 1, 2010 - September 30, 2010
Q3 2012	October 1, 2011 - December 31, 2011	Q3 2011	October 1, 2010 - December 31, 2010
Q4 2012	January 1, 2012 - March 31, 2012	Q4 2011	January 1, 2011 - March 31, 2011
2012 YTD	April 1, 2011 – September 30, 2011		
FY 2012	April 1, 2011 - March 31, 2012	FY 2011	April 1, 2010 - March 31, 2011

The financial results for Q2 2012 are expected to be released in mid-November 2011.

CONFERENCE CALL

Conference Call

First Uranium will conduct a conference call with investors to discuss the information in this news release on Wednesday, October 12, 2011 at 09h00 (Toronto time) and 15h00 (South African time).

Conference Call Numbers:
Canada & USA Toll Free Dial In: **1-800-319-4610**
South Africa Toll Free Dial In: **0800-981-705**
Other International Locations Dial In: **+1-604-638-5340**
Callers should dial in 5 – 10 min prior to the scheduled start time and simply ask to join the First Uranium call.

Conference Call Replay Numbers:
Canada & USA Toll Free: ***1-800-319-6413***
Outside Canada & USA Call: ***+1-604-638-9010***
Code: ***2128,*** *followed by the* ***#*** *sign*
Duration: Available for 30 days

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 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.

For further information, please contact:
Deon van der Mescht – CEO
+27 82 807 0160
deon.vdmescht@firsturanium.com

Gail Strauss – communications
+27 82 936 8481
gailstrauss@mweb.co.za

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 are forward-looking statements (or forward-looking information). The Company's plans involve various estimates and assumptions and its business and operations are subject to various risks and uncertainties, including without limitation, the outcome of the appeal of the Water Use License by FSE. For more details on these estimates, assumptions, risks and uncertainties, see the Company's most recent Annual Information Form and most recent Management Discussion and Analysis 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.

www.firsturanium.com