First Uranium Corporation

First Uranium to Refocus Ezulwini Mine Operations to Improve Profitability

TORONTO and JOHANNESBURG, December 19, 2011 - First Uranium Corporation (Toronto: FIU.TO) (JSE: FUM) (ISIN: CA33744R1029) ("First Uranium" or the "Company") announced today that it is assessing options to develop and implement a new operating plan at the Ezulwini Mine in order to optimize cash flow and overall profitability. The focus of the new operating plan will be on safety, improving mining efficiency, and reducing fixed costs by mining ore from the more profitable sections of the mine. Today's announcement is part of the Company's strategic review announced on July 12, 2011, and the new plan is intended to provide a stable platform for the sustainability of the Ezulwini Mine.

One of the steps in the process is consultation with the unionized employees at the Ezulwini Mine as mandated by Sections 189A and 189 of the South African Labour Relations Act (the "SALRA"). This process will begin with a view to minimizing contemplated potential job losses. In accordance with the SALRA, the consultation period is for 60 days from the date the prescribed notice is given to the unions.

First Uranium President and CEO, Deon van der Mescht said: "This is a necessary step if we are to safeguard the considerable investment made to date in this operation and the future sustainability of the mine. For the past nine months, the Ezulwini Mine has been the subject of an intensive turn-around process. We have devoted significant resources to position this operation to achieve the production levels necessary for it to be profitable. The extremely unfortunate fatal accidents in the latter half of the calendar year have had a significant impact on employee morale and productivity, and as such the expected improvement in production has not been forthcoming. We will, therefore, as required under South African labour laws, give notice today pursuant to Section 189(3) of SALRA in order to allow for contemplated possible employee reductions at the mine as part of developing a new operating plan that will focus on mining more profitable areas of the mine and reducing fixed costs in-line with the scale of the operation. The new operating plan may result in up to 1,850 employees being affected. The operation currently employs approximately 3,745 people.

“While the Company continues to believe in the inherent value and potential of the Ezulwini Mine, decisive action is required in order to stem ongoing operating losses. Although it is the holiday season and the timing is unfortunate, management has determined that action must be taken now to mitigate the effects of the Christmas shut down and provide employees with an opportunity to increase productivity levels while reaching a consensus around the nature and scope of changes necessary to implement the new operating plan.”

The Company’s operation at the Mine Waste Solutions tailings reprocessing project is not involved in the process being undertaken at the Ezulwini Mine.

CONFERENCE CALL

First Uranium will conduct a conference call with investors to discuss the information in this news release on Tuesday December 20, 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

For further information, please contact:
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Deon van der Mescht – deon.vdmescht@firsturanium.com

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.

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. 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, including without limitation, the statements regarding the new operating plan for Ezulwini Mine. No assurance can be given that the Company will be successful in developing and implementing a new operating plan that achieves the desired results. 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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