May 23, 2012

Dear Shareholder,

As you know, for a period of several months, your board of directors (the "Board") has carried out a public and comprehensive strategic process aimed at identifying the best possible transaction or series of transactions which will allow you to obtain the highest possible value for your investment in the Company. As a result of this process, your Board has concluded that the proposed AngloGold Ashanti Limited ("AngloGold") and Gold One International Limited ("Gold One") transactions are in the best interests of the Company, its shareholders (the "Shareholders") and its other stakeholders. The proposed sale of the Company's two main assets offers the highest, most certain and immediate return to stakeholders.

As is the case with virtually any proposed transaction, support will not always be unanimous. According to a recent Globe & Mail article, Nicholas Betsky, head of Olma Investments, believes that "shareholders would fare better if the company declared bankruptcy than under the current deals."

We strongly disagree. In all bankruptcy proceedings, shareholders rank behind all secured and unsecured creditors and thus are typically the last in line to receive any proceeds from liquidation. Allowing the Company to go into bankruptcy is **NOT** in your best interest, as we expect that should this occur you will receive **NO** recovery. Bankruptcy/liquidation will result in the immediate loss of mining rights in Ezulwini, which will accordingly extinguish much of the value of Ezulwini and have an impact on the value of Mine Waste Solutions. As is common place in liquidation sales, liquidators are rarely able to extract fair market value from the sale of assets in liquidation. In addition, from the liquidation proceeds received, all costs of liquidation will need to be deducted before any proceeds are paid to creditors and then to Shareholders, if any proceeds remain. It is important that you vote regardless of the number of shares you own, in light of the threat of Olma Investments to control the vote through the shares it influences.

Accordingly, we urge you to vote **FOR** the AngloGold and Gold One transactions and send a strong message to Olma Investments that **YOU DO NOT** agree with its decision to attempt to block the sale of the Company's two main assets to AngloGold and Gold One.

After an exhaustive evaluation of alternatives, your Board has approved two transactions:

- The sale of all the ordinary shares of First Uranium (Proprietary) Limited ("FUSA"), principally the Mine Waste Solutions tailings recovery project in South Africa, to AngloGold for US$335 million in cash.
- The sale of all issued and outstanding shares of First Uranium Limited ("FUL"), another wholly-owned subsidiary of the Company, to Gold One for US$70 million in cash. FUL's main asset, following the sale of FUSA to AngloGold, is the Ezulwini mine in South Africa.

We urge you to carefully consider the information presented in the management information circular previously mailed to you. The Board and management strongly believe that we have left no stone unturned to find solutions that will bring the greatest potential benefit to all of the Company's stakeholders. The transactions are the culmination of a comprehensive eight month process spearheaded by a special committee that:

1) Reviewed a wide range of available strategic alternatives in the interests of all stakeholders.
2) Evaluated these alternatives with guidance from financial, legal and technical advisors.
3) Enlisted RBC Capital Markets to reach out globally to each of the most likely parties that would consider a transaction with the Company.
4) Engaged in ongoing detailed discussions with significant debtholders which resulted in enhanced recoveries to Shareholders.

Ultimately, the AngloGold and Gold One transactions are the result of an active, extensive and public process to assess the Company's strategic alternatives and represent the most attractive proposal for **ALL** stakeholders. There is **NO** other viable alternative to achieve a better recovery.

The Board has approved these transactions as the **BEST** option for the Company and Shareholders and urges you to vote **FOR** them. RBC Capital Markets, one of the Board's and Special Committee's financial advisors, also concluded that the transactions are fair, from a financial point of view, to the Company.

In addition, the Company obtained an independent formal valuation of the AngloGold transaction as required under securities laws for related party transactions. Paradigm Capital Inc., an independent investment banking firm, prepared this valuation and concluded that the fair market value of FUSA is in the range of US$229 million to US$352 million and the AngloGold transaction is fair, from a financial point of view to Shareholders, other than AngloGold.

Why These Transactions Will Benefit ALL First Uranium Shareholders

Both the AngloGold and Gold One transactions afford several benefits to First Uranium, including:

- The transactions will provide Shareholders with certainty and immediate value.
- The transactions will enable the Company to satisfy all of the outstanding amounts owing to its debtholders. Without this, debtholders may assert claims greater than amounts negotiated as part of the comprehensive solution as outlined in the circulars.
- Failure to repay the Debentures on June 30, 2012 would require the Company to issue additional common shares in accordance with the terms of the debenture indenture. This would result in significant dilution to existing Shareholders with the debentureholders holding approximately 85% of the Company's issued and outstanding common shares following such issuance based on 95% of the 20-day VWAP ending five trading days before May 22nd. Further, this is combined with the uncertainty of continued operations, with limited cash resources and the impending maturity of the Notes on March 31, 2013.

Why the Position Put Forward by Olma Investments Will Harm Your Investment in First Uranium

Olma Investments and its group are asking the Company's Shareholders to block the proposed transactions, claiming the terms offered by AngloGold and Gold One are "too cheap". The fact is that no other bona fide offers emerged for either of the Company's two main assets or for the Company as a whole, either before the transactions were announced or since the announcement. The call to vote against the transactions carries enormous risks for the Company, its Shareholders and debtholders:

- If the transactions are not approved, the Company and its South African subsidiaries may not be able to comply with certain South African mining and minerals legislation, which may jeopardize the Company's mining permits and ultimately cause material breaches of certain contracts.
- If the transactions are not approved, the Company may not have sufficient funds to satisfy not only the debtholders, but also its creditors. Without these transactions and with limited cash resources, the Company may not be able to continue as a going concern.

In summary, the statement made by the representative of Olma Investments that Shareholders would be better off if the Company declared bankruptcy, we submit, is irresponsible and is likely made without a proper understanding of the impact of a liquidation scenario involving South African assets. Olma Investments has not proposed a concrete workable alternative plan. A non-binding expression of interest creates no legally binding commitment and may be worthless.

Your Board has not taken its responsibilities lightly. We have agreed to the sale of Mine Waste Solutions and Ezulwini only after the most thorough examination of all available options. We believe we have acted in the **BEST** interests of **ALL** stakeholders.

Accordingly, we urge you to vote **FOR** the transactions at the special meeting of Shareholders on June 13, 2012 and send a strong message to Olma Investments that both the AngloGold and Gold One transactions will benefit **ALL** Shareholders and debtholders.

Shareholders and debtholders are reminded to vote their proxy FOR the transactions and all related proposals before the proxy voting deadline on Monday, June 11, 2012 at 5:00 p.m. (Toronto time).

If you have any questions about the information contained in the Management Information Circulars or require assistance with voting your securities, please contact Kingsdale Shareholder Services Inc. by telephone at 1-866-581-1571 toll-free in North America, or at 1-416-867-2272 outside of North America (collect calls accepted), or by email at contactus@kingsdaleshareholder.com.

BY ORDER OF THE BOARD

(Signed) *"Peter M. Surgey"*

Peter M. Surgey
Chairman
First Uranium Corporation

Any questions and requests for assistance may be directed to the Proxy Solicitation Agent:

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