First Uranium Corporation

NEWS RELEASE – May 21, 2008

FIRST URANIUM PROVIDES PRODUCTION AND PROJECT DEVELOPMENT UPDATE FOR QUARTER ENDED MARCH 31, 2008

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 announced its production results for the fiscal quarter ended March 31, 2008 ("Q4 2008"), during which the Company processed 1,592,242 tonnes of reclaimed tailings at its Mine Waste Solutions tailings recovery project ("MWS") and 18,669 tonnes of underground gold ore from its Ezulwini Mine ("Ezulwini") through a toll treatment arrangement. Gold production totaled 9,725 ounces for the period. Subsequent to March 31, 2008, the Company commenced production of uranium and gold ore at Ezulwini, which is currently being stockpiled on surface. The Company's uranium plants are on schedule to begin to be commissioned in June 2008 at Ezulwini and in December 2008 at MWS.

In mid-June 2008 First Uranium expects to announce its annual audited financial results for the year ended March 31, 2008

Highlights for Q4 2008

Mine Waste Solutions tailings recovery project ("MWS")

- gold plant feed capacity upgraded from 6.0 to 7.6 million tonnes of processing per annum ("MTPA")
- approximately 1.6 million tonnes of tailings were processed, producing 7,030 ounces of gold
- first 7.8 MTPA pump station completed at Buffelsfontein tailings dam complex
- commissioning of gold plant upgrades and a new mining and processing system scheduled for completion in July 2008
- 30-megawatt power plant for expansion sourced
- preliminary assessment for construction of a Company-owned sulphuric acid plant was completed, with completion of a specification and procurement study scheduled for July 2008

- construction of new 7.8 MTPA uranium and pyrite flotation plant on track to commence commissioning during December 2008 (part of "Phase 1B" of the MWS project)
- construction of new 7.8 MTPA gold plant and 1.5 MTPA uranium plant on track to commence commissioning during December 2008 (also part of "Phase 1B" of the MWS project)

Ezulwini Mine ("Ezulwini")

- toll treated 18,669 tonnes of underground ore to produce 2,695 ounces of gold
- the third party toll treating gold ore from Ezulwini suspended this operation due to the power shortage and, as a result, the Company postponed the ramp-up of the underground development and accelerated the shaft refurbishment program
- underground development and hoisting of ore started again in April and uranium and gold ore is being stockpiled on surface
- 2.4 MTPA gold plant commissioning commenced during April 2008 (3 months earlier than anticipated at the time of the Company's initial public offering in December 2006) and on schedule for production of gold on carbon in June and gold bullion in July 2008
- first of four 0.6 MTPA mills is being commissioned, with the second mill due to commence commissioning in September 2008
- underground stope availability is on schedule in the Middle Elsburg (uranium and gold) section but somewhat behind schedule in the Upper Elsburg (gold) section, which is not expected to affect the planned production profile
- standby diesel generated power connected into new plant
- 1.2 MTPA uranium plant construction on track to commence commissioning in July 2008 for uranium concentrate (yellow cake, ammonium diuranate, or "ADU") production in August 2008

Affecting both projects, First Uranium also disclosed the results of updated technical reports on April 21, 2008 which detail the Company's proactive approach to reducing future operating costs and securing sufficient power and sulphuric acid to run its operations as planned. Summary cash flow models related to these technical reports have been posted to the Company's website (www.firsturanium.com) and provide revised estimates for production, capital and operating costs. The full technical reports are scheduled to be filed on SEDAR and posted to the website by early June.

Mine Waste Solutions

Buffelsfontein No. 2 Dam Commissioning

Commissioning of the gold plant expansion from 6 MTPA to 7.6 MTPA and the installation of the pumping system to bring tailings from the Buffelsfontein dam complex has progressed on schedule and within budget.

As expected, the transition of mining from the Stilfontein dam complex to the Buffelsfontein dam complex has resulted in a reduction in unit cash costs for gold production and it is expected that planned life of project unit costs will be achieved when final commissioning is completed by mid-2008.

Results from the mining of Buffelsfontein No. 2 Dam to date have confirmed the mineral resource estimates for gold and uranium, as well as the estimated sulphur content. Minor modifications to the hydraulic mining system to improve throughput and to the carbon-in-leach ("CIL") plant flow sheet to improve recovery are being implemented and are expected to be completed in July 2008; after which the commissioning of the first phase of the transition to the Buffelsfontein complex of dams should be complete. These modifications include:

- installation of a slime re-pulping system to break up clay lumps and improve hydraulic mining rates to 1.9 million tonnes per quarter and to stabilize pulp densities pumped to the plant
- completion of the current work to re-route flotation tailings from the tailings disposal line to the CIL gold circuit to reduce float tails grades and increase overall gold recovery rates to expected levels
- installation of high shear oxygen reactors to improve gold recovery grades to 0.19 grams per tonne in the expanded CIL circuit

MWS Quarterly Production Results

	Q3 2008	Q4 2008
Tonnes processed	832, 208	1, 592, 242
Grade of gold recovered (grams/tonne)	0.27	0.14
Gold recovered (kilograms)	229	219
Gold recovered (ounces)	7,357	7,030

Construction

Sourcing of the additional power plant required to commission the Phase 1B expansion (which includes a 7.8 MTPA uranium and pyrite flotation plant, a 7.8 MTPA gold plant and a 1.5 MTPA uranium plant) has progressed according to schedule. Construction of the Phase 1B complex is progressing according to budget and is on schedule to commence commissioning in December 2008.

Ezulwini Mine

Upper Elsburg ("UE") and Shaft Re-engineering Project

The Company has completed the installation of the safety support systems to prevent future impact on the main shaft from possible ground movement within the weak Western Areas Formation ("WAF") where it intersects the shaft. Additional support installation above and below this area is 85% complete. Support through the WAF zone in the ventilation shaft is 66% complete and support above and below the WAF zone in the ventilation shaft is 60% complete.

While development work on the UE reef horizon (gold) which is being undertaken to provide access to the shaft de-stress cut in order to relieve possible future pressure on the main shaft is behind schedule (about 74% complete), the delay is not expected to impact the operation's production profile as the opening up of previously un-mined portions of the UE ore body outside of the shaft pillar area is ahead of schedule.

The ore loading system at the shaft bottom has been replaced and now exceeds current mining requirements. The final commissioning of the new hanging tower steel work in the main shaft is expected to be completed by March 2009. This new system will allow for a long-life low-maintenance shaft system. Once the shaft is de-stressed, mining in the shaft de-stress cut area is expected to continue for a further six years.

Results from development sampling, stope sampling and run of mine belt sampling continue to provide positive reconciliations to the gold grades estimated in the current UE mineral resource block model.

Surface stockpiling of production from the UE development and stoping operations has commenced.

Middle Elsburg ("ME") Project

As disclosed in the Company's news release dated February 13, 2008, mining in the ME uranium and gold section of the Ezulwini Mine was curtailed during the quarter due to the power shortage situation. Production has since recommenced as has hoisting and stockpiling of uranium and gold bearing ore on surface.

The opening up, sampling and preparation of new stopes has resulted in sufficient mining areas being available to meet start up production requirements. It is anticipated that commercial production rates from the ME uranium and gold ore-body will be achieved during the year ending March 2009, as scheduled.

Results from development sampling, stope sampling and run of mine belt sampling continue to provide positive reconciliations to the gold and uranium grades estimated in the current ME mineral resource block model.

Ezulwini Quarterly Production Results

	Q3	Q4
Gold tonnes toll-treated	27,951	18,669
Grade of gold recovered (grams/tonne)	5.6	4.5
Gold recovered (kilograms)	157	84
Gold recovered (ounces)	5,055	2,695

Ezulwini Surface Stockpile Status (as at May 16, 2006)

Source	Tonnes	Gold grade (grams/tonne)*	U_3O_8 grade grams/tonne*
Clean up and development	127,500	1.1	-
Upper Elsburg stopes	4, 338	4.7	-
Middle Elsburg stopes	2,501	3.6	800

*Sampled belt grades

Gold and Uranium Plant Commissioning

In the event that Eskom experiences difficulties in supplying the additional power that it agreed to do in line with its binding agreement with Ezulwini Mining Company, the Company has installed the switchgear necessary to utilize the existing standby diesel generators at site should they be required to start up the new plant. Commissioning of the 2.4 MTPA gold plant commenced on schedule and on budget during April 2008. The first 0.6 MTPA milling unit is currently being commissioned and it is anticipated that first gold will be loaded onto carbon during June with gold bullion produced in July 2008. The commissioning of the second 0.6 MTPA mill is scheduled for September 2008 at which point milling capacity will be utilized to consume existing stockpiles while mining rates ramp up as per plan. The civil engineering work required for the final two mills is complete and installation and the start of the commissioning of these mills are on schedule for February 2009.

The construction of the 1.2 MTPA uranium plant is on budget and on schedule for commissioning to commence during June of 2008. The first ADU shipments are anticipated to be ready for dispatch during August 2008.

Mineral Resource Update

The verification of historic sampling data, the gathering of new sampling results and the addition of new properties is expected to result in a significant increase in the amount of verified data available to perform an update of the previous mineral resource estimate. In addition, results from new surface and underground drilling continue to be added to the geological data base. It is anticipated that a revised mineral resource estimate and updated technical report will be completed early in the Company's fiscal second quarter (July – September).

Sulphuric Acid Plant

As disclosed on April 21, 2008, the Company is proceeding with plans to construct its own sulphuric acid manufacturing plant, which will utilize the Company's significant stores of sulphur bearing pyrite to secure a long-life low-cost source of supply of sulphuric acid. A preliminary Company assessment has been completed and it is anticipated that the detailed specification and procurement study for a standard 600 tonne per day sulphuric acid plant will be completed by the end of July 2008. The Company anticipates that the environmental impact assessment process necessary to secure an operating

license for the acid plant will be concluded by July 2009 and has engaged the services of reputable consulting firms who are well experienced in the design, permitting and construction of pyrite burning acid plants in Southern Africa. First Uranium is evaluating options for financing the acid business as a stand alone entity and discussions are underway.

"Our near-term objectives are to expand our gold production, commission our uranium plants and generate cash," said Gordon Miller, President and Chief Executive Officer of First Uranium. "Our long-term objective is to become one of the world's lowest cost uranium producers and we have met or exceeded almost all of our target dates for project milestones along the way and, most importantly, we have started to commission our plants on schedule. We have also taken significant risk out of our projects by re-engineering the shaft at Ezulwini, acquiring generators to meet our power requirements and made plans to build an acid plant to provide a low-cost secure supply of sulphuric acid."

Technical Disclosure

Technical disclosure in this news release relating to the tonnage of the stockpiles has been prepared by Warren de Witt, who is a "qualified person" under NI 43-101 and is independent of First Uranium. Mr. de Witt has reviewed and approved the disclosure in this news release.

Cautionary Language Regarding Forward-Looking Information

This news release contains certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the availability of electrical power, the planned addition of owner-operated power generation, price of electrical power and sulphuric acid, the estimation of mineral resources and reserves, the realization of estimated pyrite content in the MWS tailings dams, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, availability of financing on acceptable terms, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "goal", "objective", "plans", "expects" or "does not expect", "is expected", "projected", "assumed", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes" or variations of such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of First Uranium to be materially different from any future results, performance or achievement expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions of economic evaluations, changes in project parameters as plans continue to be refined, availability of equipment, materials and fuel, possible variations in grade and ore densities or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or in completion of development or construction activities, risks relating to the integration of acquisitions, to international operations, to prices of uranium and gold, to price of electrical power and sulphuric acid. Although First Uranium has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. It is important to note, that: (i) unless otherwise indicated, forward-looking statements indicate the Company's expectations as of

the date of this news release; (ii) actual results may differ materially from the Company's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate; (iii) the Company cannot guarantee that any forward-looking statement will materialize and, accordingly, readers are cautioned not to place undue reliance on these forward-looking statements; and (iv) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason.

In making the forward-looking statements in this news release, First Uranium has made several material assumptions, including but not limited to, the assumption that: (i) consistent supply of sufficient power will be available to develop and operate the projects as planned; (ii) approvals to transfer or grant, as the case may be, mining rights will be obtained; (iii) metal prices, exchange rates and discount rates applied in the preliminary economic assessments are achieved; (iv) mineral resource estimates are accurate; (v) the technology used to develop and operate its two projects has, for the most part, been proven and will work effectively; (vi) that labour and materials will be sufficiently plentiful as to not impede the projects or add significantly to the estimated cash costs of operations; (vii) that Black Economic Empowerment ("BEE") investors will maintain their interest in the Company and their investment in the Company's common shares to a sufficient level to continue to support the Company's compliance with 2014 BEE requirements; and (viii) that the innovative work on stabilizing the main shaft at the Ezulwini Mine will be successful in maintaining a safe and uninterrupted working environment until 2024.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) is focused on the development of its South African uranium and gold mines with the goal of becoming a significant producer through the re-opening and underground development of the Ezulwini Mine and the expansion of the Mine Waste Solutions tailings recovery facility. First Uranium also plans to grow production by pursuing value-enhancing acquisition and joint venture opportunities in South Africa and elsewhere.

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