First Uranium Corporation

NEWS RELEASE – July 24, 2008

FIRST URANIUM PROVIDES PRODUCTION AND PROJECT DEVELOPMENT UPDATE FOR THE FIRST FISCAL QUARTER ENDED JUNE 30, 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 June 30, 2008 ("Q1 2009"), during which the Company stockpiled 24,238 tonnes of ore on surface at its Ezulwini Mine and processed 1,664,537 tonnes of reclaimed tailings at its Mine Waste Solutions tailings recovery project ("MWS"). Gold production from MWS totaled 8,530 ounces of gold for the quarter. In anticipation of the commissioning of its gold and uranium plants at the Ezulwini Mine 11,543 tonnes of gold ore and 12,695 tonnes of uranium ore had been stockpiled as at July 2, 2008.

Highlights

Ezulwini Mine

- underground stope development and ore grades in the stopes were in line with expectations
- surface gold and uranium stockpile grades are in line with expectations
- the initial uranium and gold mill was commissioned
- on-site gold production commenced
- commissioning of the uranium plant and uranium production were delayed from August 2008 to October 2008, due to late delivery of certain equipment caused by the EPCM contractor, but is not expected to impact uranium shipping volumes for FY2009
- refurbishment of both the main and ventilation shafts continues on schedule for completion by the end of FY2009
- finalized agreements to obtain 10 megawatt ("MW") diesel generators to supplement the power supplied by the South African national power utility, Eskom, and secure a steady supply of owner-generated electrical power with a total capacity of 24 MW, inclusive of 14 MW of existing stand-by units at the mine
- filed an updated independent technical report on June 5, 2008 taking into consideration the capital and operating costs of generating additional power,

revised acid price assumptions and a revaluation of metal price and exchange rate assumptions, resulting in a revised NPV of $667 million and IRR of 336%
- on June 9, 2008 Eskom agreed to increase its power commitment to the Ezulwini Mine from 40 MW to 55 MW

MWS
- commissioning of the Phase 1A gold plant expansion to 7.6 million tonnes per annum ("MTPA") was completed
- gold production and costs are running at planned levels
- construction of the 1.5 MTPA uranium plant and the expansion of the gold plant by 7.8 MTPA is on schedule
- to supplement the power supplied by Eskom, agreements have been finalized to purchase and install a power plant which will secure 30 MW of electrical power until such time as Eskom can restore a steady, reliable supply to meet MWS's total electrical power requirements
- filed an updated independent technical report on June 5, 2008, taking into consideration the capital and operating costs of generating additional power, revised acid price assumptions and a revaluation of metal price and exchange rate assumptions, resulting in a revised NPV of $413 million and IRR of 70%
- completed the upgrade to the MWS gold plant to increase the design capacity from 500,000 to 633,000 tonnes per month
- upgraded MWS No.5 tailings dam to enable a deposition rate of 633,000 tonnes of material per month
- approved, subject to financing, a plan to build an acid plant at MWS to secure a long-term low-cost supply of sulphuric acid

"We are delighted that MWS's first phase expansion is now operating at planned output and costs and that the Ezulwini Mine is again producing gold and stockpiling uranium ore for processing in the short term," said Gordon Miller, President and Chief Executive Officer of First Uranium. "Our near-term objectives are to expand our gold production, commission our two new uranium plants and start generating cash from our operations. Although uranium plant processing at the Ezulwini Mine has been delayed, we anticipate having sufficient plant capacity to process all the ore available from the underground development in this fiscal year. We remain on track to achieve our long-term objective to become one of the world's lowest cost uranium producers."

Ezulwini Mine

Gold and Uranium Plant Commissioning

The commissioning of the 2.4 MTPA gold plant and the first 0.6 MTPA milling unit commenced on schedule during Q1 2009. Subsequent to the end of Q1 2009 the Ezulwini Mine began gold production at its gold plant in July 2008, as planned.

The commissioning of portions of the 1.2 MTPA uranium plant began on schedule during June 2008. Due to late deliveries of certain equipment caused

by the EPCM contractor, however, the first ADU recovery will be delayed from August 2008 until October 2008. The delay will not affect the Company's uranium shipments for the year ended March 31, 2009 ("FY2009"), as the capacity of the mills and the uranium plant exceed the total of the ore currently stockpiled and ore planned to be hoisted from underground development during the remainder of FY2009.

The commissioning of the second 0.6 MTPA mill is scheduled during Q2 2009; 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 commissioning of the remaining milling capacity is on schedule for completion during Q4 2009.

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

Although there is still some work still to do, the Company has completed the installation of resin injection, bolts and screens to prevent future impact on the main shaft from possible ground movement within the weak Western Areas Formation ("WAF") where it is intersected by the main shaft and vent shaft. For the vent shaft, support is 60% complete above and below the WAF zone.

In the main shaft, the installation of loading boxes on the Koepe winder and repairs to the common orepass are complete. The ore loading system at the shaft bottom has been replaced and now exceeds current mining requirements. The shaft support in the WAF zone is 96% complete.

Fabrication of the main shaft hanging tower is complete and 45% installed. The final commissioning of the 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.

Surface stockpiling of ore from the UE development and stoping operations continued in Q1 2009.

Middle Elsburg ("ME") Project

Hoisting from underground and surface stockpiling of uranium and gold bearing ore from the ME continued during Q1 2009.

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 latter part of FY2009 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 Mine Surface Stockpile Status (as at July 2, 2008)

Source	Tonnes	Gold grade (grams/tonne)*	U_3O_8 grade (%)*
Clean up and development	127,500	1.11	-
Upper Elsburg stopes	11,543	4.64	-
Middle Elsburg stopes	12,695	3.89	0.045

*Sampled belt grades

MWS

Commissioning of Buffelsfontein Tailings

Commissioning of the Phase 1A gold plant expansion from 6.0 MTPA to 7.6 MTPA and the installation of the pumping system to bring tailings from the new Buffelsfontein tailings complex has progressed well, and the Phase 1A designed plant throughput is now being consistently achieved. 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. Modifications completed to date include:

- installation of high shear oxygen reactors to improve gold recovery grades to 0.19 grams per tonne in the expanded CIL circuit
- flotation tailings from the tailings disposal line have been re-routed to the CIL gold circuit to reduce float tails grades and increase overall gold recovery rates to expected levels
- pump station modifications, including the installation rubber-lined piping and transfer pumps, were completed during a planned five-day plant shutdown during June 2008
- two track-mounted water cannons for the hydraulic mining of the tailings dams were installed in July 2008

Based on its performance during the first three weeks of July 2008, the MWS Phase 1A gold plant is now producing gold at designed rates and at planned costs. The remaining modifications for the commissioning of Phase 1A to transition operations to the Buffelsfontein complex of dams are expected to be completed in Q2 2009. 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
- the installation of an additional track-mounted water cannon

MWS Quarterly Production Results

	Q3 2008	Q4 2008	Q1 2009
Tonnes processed	832,208	1,592,242	1,664,537
Head grade	0.455	0.370	0.369
Recovery %	60%	38%	43%
Gold recovered (kilograms)	229	219	265
Gold recovered (ounces)	7,357	7,030	8,530

Construction

The construction of 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. All excavation work and blasting of Dolomite outcrops has been completed. Several of the foundations for tanks and other sections of these plants were in place by the end of the quarter. Project engineering and procurement are on schedule for the completion of the commissioning of these plant modules at the end of Q4 2009.

Mineral Resource Update for the Ezulwini Mine

The verification of historic sampling data, the results of the new sampling and the addition of new properties is expected to result in a significant increase in the amount of verified data available to update the previous mineral resource estimate for the Ezulwini Mine. In addition, results from new surface and underground drilling continue to be added to the geological data base. A revised mineral resource estimate and updated technical report are expected to be published during Q2 2009.

Sulphuric Acid Plant Update

As disclosed on April 21, 2008, subject to financing, the Company is proceeding with plans to install its own sulphuric acid manufacturing plant, which will utilize the Company's significant stores of sulphur bearing pyrite in the MWS tailings to secure a long-life low-cost source of supply of sulphuric acid, a necessary reagent for the production of uranium. Based on a preliminary assessment the Company anticipated that it would construct a standard 600 tonne per day sulphuric acid plant for an estimated $124 million. The Company is also verifying the sulphide sulphur content of the tailings and assessing the benefits of installing a smaller, 'fit for purpose' acid plant which would be of sufficient size to supply the Company's requirement of approximately 300 tonnes of acid per day. If a smaller plant is to be installed or the Company can procure a second-hand acid plant, less capital will be required. The Company is planning to use project financing, end-user financing or corporate debt to procure the acid plant.

Power Update

During Q1 2009, the electrical power requirements of both MWS and the Ezulwini Mine were supplied by South Africa's national power utility, Eskom, without any interruptions that plagued the country in the previous quarters. As a backup plan to secure a continual supply of electrical power at the Ezulwini Mine, however,

the Company has connected the existing 14 megawatts ("MW") of standby diesel generated power to the new plant and has proceeded with its order to secure diesel generators with a further capacity of 10 MW on a lease basis. At MWS, the Company is in the process of shipping the 30 MW power plant that it recently acquired to secure sufficient power to start up the uranium and add-on gold plant modules planned for commissioning in Q4 2009. On June 9, 2008, Eskom agreed to increase its power commitment at the Ezulwini Mine from 40 MW to 55 MW, which is expected to reduce the projected requirement and cost of owner-generated power until 2011. The Company will, however, have its own secure alternative source of power in the event of any further unexpected power disruptions.

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.

Financial Results: Release and Conference Call

For its first fiscal quarter ended June 30, 2008, First Uranium expects to release its financial results on Monday, August 11, 2008. A conference call for the benefit of investors is planned for Tuesday, August 12, 2008 at 10:00 am (Toronto and New York) and 4:00 pm in South Africa.

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, expected dates of commissioning or commencement of production, 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", "continues", "expects" or "does not expect", "is expected", "projected", "assumed", "budget", "design", "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 pre-feasibility study and preliminary economic assessment 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.

First Uranium Corporation
1240-155 University Avenue, Toronto, ON Canada M5H 3B7
www.firsturanium.com

For further information, please contact:
Bob Tait, VP Investor Relations
at 416 342-5639 (office), 416 558-3858 (mobile) or bob@firsturanium.ca