



FIRST URANIUM CORPORATION

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## **NEWS RELEASE – April 21, 2008**

### **FIRST URANIUM TO MEET FUTURE PRODUCTION GROWTH PLANS AT ITS SOUTH AFRICAN OPERATIONS BY INSTALLING POWER PLANTS AND A SULPHURIC ACID PLANT**

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 confirmed its decision, previously announced on February 13, 2008, to generate a portion of its future electrical power requirements at its underground Ezulwini Mine (“Ezulwini”) and the Mine Waste Solutions tailings recovery project (“MWS”) in South Africa. While these arrangements to generate additional power to supplement that supplied by South Africa’s national power utility, Eskom, will increase the projected capital and operating costs of the Company’s two operations, this investment in power is justified by securing supply of electrical power and it will have been more than offset by the increased realized price for gold and the decline in the value of the South African rand against the US dollar.

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 (each of which is described in further detail in this news release), the revised net present value (“NPV” at an 8% discount rate) is expected to be \$667 million for Ezulwini and \$420 million for MWS and the internal rates of return (“IRR”) for the projects are expected to be 336% for Ezulwini and 75% for MWS.

In a separate news release, also dated April 18, 2008, the Company announced that it will establish a separate business unit to build and operate an acid plant to supply sulphuric acid to Ezulwini and MWS.

#### **RATIONALE FOR THE COMPANY TO GENERATE ITS OWN POWER**

The Company conducted a study assessing the economic viability of First Uranium generating its own power at Ezulwini and MWS for the next five years, as a result of the significantly reduced supply of electrical power currently available in South Africa and Eskom’s concerns about its ability to supply power to the country’s mining industry in the short and medium term. On January 24, 2008, Eskom communicated to the mining industry that the utility could not

guarantee power availability and asked the industry to operate at electrical power levels below historical load requirements until 2012 (the "Power Situation"). While Eskom has announced plans to increase the supply of power incrementally in the years leading up to 2012, Eskom also reports that full power availability cannot be guaranteed until then.

At both Ezulwini and MWS, based on the positive economic results of each study, the Company plans to initially lease diesel generators for a term of up to five years. In addition, the Company plans to purchase and install 30 megawatts ("MW") of electrical power generating capacity at a cost of approximately \$20 million. The Company expects to power its generators using a combination of diesel fuel and heavy fuel oil for approximately five years and to recover approximately 50% of its investment by selling the power generators when they are no longer needed.

"First Uranium is determined to start up its uranium recovery plants at its Ezulwini Mine and MWS on schedule," said Gordon Miller, President and CEO of First Uranium. "We have adjusted our uses and sources of electrical power to enable us to fulfill our production commitments to our investors. We do not intend to let the Power Situation nor the ongoing increases in the cost of sulphur and sulphuric acid threaten our business or use them as an excuse to miss our project milestones. Given that we are mining uranium and gold at both projects we are confident that the project economics are robust enough, assuming our forecast metal prices, to allow us to overcome the electrical power shortages and rapidly increasing acid prices that are prevalent in South Africa."

### **IMPACT ASSESSMENT BY PROJECT**

Based on the positive results of the studies of the impact of generating power and the impact of building and operating the acid plant, the Company, with the full support of its Board, will proceed with the full development of its two projects and acid plant as follows:

#### ***For the Ezulwini Mine:***

- given the uncertainty of power supply, since January 24 2008, at a third-party gold plant to toll-treat the Company's ore, the Company reduced mine development and hoisting ore to surface during February and March, 2008, and focused on shaft refurbishment until the operation's gold plant commences commissioning at the end of April 2008, when mine development and hoisting ore are expected to resume at planned rates
- the Company expects to recover any interim production shortfalls arising from the reduction of mine development as the processing plant has available milling capacity to accommodate additional throughput for the next 12 months
- the first 50,000 tonne per month module of the gold plant remains on schedule for commissioning commencing in April 2008 using Eskom power (as available) augmented by existing installed diesel generator capacity if necessary
- the first 50,000 tonne per month module of the uranium plant remains on schedule for commissioning commencing in June 2008 using the Company's new power generation capacity. Current mine production from the gold section and uranium section will be stockpiled separately on surface in the interim

- the Company does not expect any material adjustment to previously reported production forecasts
- full operation of Ezulwini is expected to require a maximum demand of 56 MW of power, of which Eskom has amended its committed supply to 32 MW, requiring the Company to generate 24 MW, 10 MW more than its existing generator capacity of 14 MW
- prior to the Power Situation, electrical power costs were expected to represent about 9% of the operating costs. The impact of additional operating costs for power generation are estimated to be an additional \$3.59 (a 12% overall increase) per pound for uranium and an additional \$35.50 (an 8% overall increase) per ounce for gold over the five-year period of self power generation.

Expected costs to generate additional power over the life of the mine at Ezulwini subsequent to the Power Situation and to purchase Eskom power at higher rates are listed in the table below and are expected to result in average annual operating costs, on a co-product basis, of \$0.86 per pound for uranium and \$8.62 per ounce for gold.

**Table 1: Operating Cost Impact of Electrical Power at the Ezulwini Mine**

Fiscal year ending March 31	Additional operating cost (\$ millions)	Additional unit cost (\$ per tonne)	Additional power cost as a % of operating costs
2009	8.6	14.24	20%
2010	18.3	12.51	21%
2011	16.8	8.53	17%
2012	8.80	4.00	11%
2013	5.89	2.67	10%
Life of mine	58.35	1.19	18%

**For MWS:**

- the current MWS operation remains unaffected by the Power Situation as it is drawing additional power from Buffelsfontein Gold Mines Limited (“BGM”)
- upgrading of the MWS gold plant to increase the design capacity to 633,000 tonnes per month was completed on schedule
- although announced on February 13 that a three-month delay was expected to complete a feasibility study for the additional power requirements, the Company now expects to start commissioning the second gold plant module and the first two modules of the uranium plant in December 2008
- the construction schedule for the third modules of its gold and uranium plants will be completed by December 2009
- full operation of MWS is expected to require a maximum demand of 43 MW of power by February 2010, of which Eskom has committed to supply 29 MW by this date, requiring the Company to generate 14 MW
- prior to the Power Situation, electrical power costs were expected to represent about 9% of the operating costs. The impact of additional operating costs for power generation are estimated to be an additional \$2.49 (a 10% overall increase) per pound for uranium and an additional \$44.70 (a 13% overall increase) per ounce for gold over the five-year period of self power generation.

Expected costs to generate additional power over the life of the mine at MWS subsequent to the Power Situation and to purchase Eskom power at higher rates are listed in the table below and are expected to result in average annual

operating costs, on a co-product basis, of \$1.04 per pound for uranium and \$17.00 per ounce for gold.

**Table 2: Operating Cost Impact of Electrical Power at MWS**

Fiscal year ending March 31	Additional operating cost (\$ millions)	Additional unit cost (\$ per tonne)	Additional power cost as a % of operating costs
2009	3.41	0.98	11%
2010	18.58	1.06	23%
2011	22.13	0.95	21%
2012	6.28	0.27	8%
2013	0.45	0.02	1%
Life of mine	50.89	0.56	13%

Technical reports for both projects are expected to be completed by June 2, 2008.

### **ECONOMIC AND COMMODITY PRICE ASSUMPTIONS**

To assess the financial impact of the costs of generating additional power and revised cost of sulphuric acid, the following tables show the Company's commodity price assumptions for May 2007 (the date of the previous technical report for Ezulwini), November 2007 (the date of the previous technical report for MWS and April 2008 (the most recent survey of assumptions). The November 2007 and April 2008 assumptions are based on an average nominal consensus forecast from the investment research analysts at 13 North American-based brokerage firms, adjusted downward by the US inflation rate for the period covering the construction of the projects.

**Table 3: NOVEMBER 2007 ECONOMIC AND COMMODITY PRICE ASSUMPTIONS**

	Unit	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Beyond Mar 2012
Gold price	\$/ounce	737	734	683	627	635
Uranium price	\$/pound	104	104	91	78	45
Currency exchange rate	ZAR/\$US	7.40	7.40	7.40	7.40	7.40
Market sulphuric acid price (incl. transport)	\$/tonne	60	60	60	60	60
Project sulphuric acid price (MWS)	\$/tonne	60	60	60	60	60
Project sulphuric acid price (Ezulwini)	\$/tonne	60	60	60	60	60

**Table 4: APRIL 2008 ECONOMIC AND COMMODITY PRICE ASSUMPTIONS**

	Unit	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Beyond Mar 2012
Gold price	(\$/oz.)	890	907	874	797	711
Uranium price	(\$/lb.)	96	92	79	75	50
Currency exchange rate	(ZAR/\$US)	7.27	7.36	7.50	7.45	7.57
Market sulphuric acid price (incl. transport)	\$/tonne	350	265	170	95	95
Project sulphuric acid price (MWS)	\$/tonne	266	266	34.2	34.2	34.2
Project sulphuric acid price (Ezulwini)	\$/tonne	565	565	47.5	47.5	47.5

## REVISED PROJECT ECONOMICS

The following tables summarize the impact of the power supply and acid cost changes at Ezulwini and MWS. More details of the project economics from the financial models upon which the information in Tables 5 and 6 are based, will be posted to the Company's web site ([www.firsturanium.com](http://www.firsturanium.com)) in due course.

**Table 5: REVISED PROJECT ECONOMICS FOR THE EZULWINI MINE**

	From May 2007 technical report	April 2008 with May 2007 assumptions	April 2008 with April 2008 assumptions
Uranium price (\$ per pound)	50	50	see April 2008 assumptions
Gold price (\$ per ounce)	500	500	See April 2008 assumptions
Electrical power required	56MW	56MW	56MW
Eskom commitment	80MW	32MW	32MW
Self-generated power	-	24MW	24MW
Life-of-mine average co-product operating costs			
Operating cost per tonne milled (\$/tonne)	56.87	71.82	71.82
Uranium cash cost (\$/pound)	29	41	33
Gold cash cost (\$/ounce)	297	385	376
Capital expenditures	\$271 million	\$220 million	\$220 million
Average annual life-of-mine production			
Uranium (pounds)	888,000	951,000	951,000
Gold (ounces)	290,000	306,000	306,000
Production milestones			
Gold plant commissioning commences	April 2008	April 2008	April 2008
1 <sup>st</sup> 50,000 tpm mill	April 2008	April 2008	April 2008
Uranium plant commissioning commences	June 2008	June 2008	June 2008
2 <sup>nd</sup> 50,000 tpm mill	Sep 2008	Sep 2008	Sep 2008
3 <sup>rd</sup> 50,000 tpm mill	Jan 2009	Jan 2009	Jan 2009
4 <sup>th</sup> 50,000 tpm mill	Jan 2009	Jan 2009	Jan 2009
NPV <sub>8</sub>	\$332 million	\$191 million	\$667 million
IRR	32%	34%	336%

Notes:

1. The assumed exchange rate for South African rand for all dates in the table above is as shown in the table above.
2. Co-product costs assume that operating cash costs are split in proportion to the revenue earned from each product.
3. NPV is calculated using a nominal discount rate of 8%

**Table 6: REVISED PROJECT ECONOMICS FOR MWS**

	From November 2007 Technical Report	April 2008 with November 2007 assumptions	April 2008 with April 2008 assumptions
Uranium price (\$ per pound)	see November 2007 assumptions	see November 2007 assumptions	see April 2008 assumptions
Gold price (\$ per ounce)	See November 2007 assumptions	See November 2007 assumptions	See April 2008 assumptions
Electrical power required	43 MW	43 MW	43 MW
Eskom commitment	43 MW	29 MW	29 MW
Self-generated power	-	14 MW	14 MW
Life-of-mine average co-product operating costs			
Gold operating cost per tonne reclaimed (\$/tonne)	1.93	2.16	2.12
Uranium operating cost per concentrate tonne (\$/tonne)	8.09	10.00	9.82
Uranium cash cost (\$/pound)	24	22	22
Gold cash cost (\$/ounce)	264	353	347
Capital expenditures	\$260 million	\$264 million	\$241 million
Average annual life-of-mine production			
Uranium (pounds)	1,339,000	1,317,000	1,317,000
Gold (ounces)	126,000	130,000	130,000
Production milestones			
1 <sup>st</sup> module of gold plant	June 2007	June 2007	June 2007
2 <sup>nd</sup> module of gold plant	Nov. 2008	Dec. 2008	Dec. 2008
3 <sup>rd</sup> module of gold plant	Nov. 2009	Dec. 2009	Dec. 2009
1 <sup>st</sup> module of uranium plant	Nov. 2008	Dec. 2008	Dec. 2008
2 <sup>nd</sup> module of uranium plant	Nov. 2008	Dec. 2008	Dec. 2008
3 <sup>rd</sup> module of uranium plant	Nov. 2009	Dec. 2009	Dec. 2009
NPV <sub>8</sub>	\$505 million	\$133 million	\$419 million
IRR	151%	22%	75%

## Notes:

1. This table differs from the November 2007 model in that the Company's fiscal year 2008, which ended on March 31, 2008, has not been considered in the above calculations.
2. The assumed exchange rate for South African rand for all dates in the table above is as shown in the table above.
3. Co-product costs assume that operating cash costs are split in proportion to the revenue earned from each product.
4. NPV is calculated using a real discount rate of 8%
5. The first gold plant module became operational with the acquisition of the Chemwes gold plant in June 2007.

“With Eskom being unable to meet the power demands of the country, we knew that we had no choice but to generate our own power,” said Mr. Miller. “The real task was to find a way to minimize the upfront capital costs of acquiring this additional power generating capacity. We were able to do that and also design power-savings solutions into the plant construction that would reduce the dependence on self-generated power. Fortunately, the rising price for the gold we are producing is expected to more than offset the additional costs of our own power generation. Rapidly increasing prices of sulphur have also had a very positive impact on the economic assessment of our large

above ground source of sulphur which is contained in pyrite in the tailings dams at MWS.”

### **Technical Disclosure**

All technical disclosure in this news release relating to the Mine Waste Solutions tailings recovery project (“MWS” and formerly named the Buffelsfontein tailings recovery project) has been prepared in accordance with National Instrument 43-101 (“NI 43-101”) by Daan van Heerden, B.Sc., M.Comm., Charles Muller, B.Sc, Pr.Sci.Nat, and Johan Odendaal, B.Sc., M.Sc., Pr.Sci.Nat all of Minxcon Pty Ltd. (“Minxcon”), Treavor Pearton, B.Sc Eng PhD, FGSA and Mike Valenta, Pr Eng, B.Sc., of Metallicon Process Consulting (Pty) Ltd. (“Metallicon”) each of whom is a “qualified person” under NI 43-101 and is independent of First Uranium.

Historical technical disclosure in this new release relating to MWS is extracted from a technical report entitled “Technical Report – Pre-Feasibility of the Buffelsfontein Tailings Recovery Project, located in Stilfontein, North West Province, Republic of South Africa” submitted on November 1, 2007, and prepared by Messrs. van Heerden, Muller, Odendaal, Pearton and Valenta. The disclosure contained in this news release relevant to their respective contributions has been reviewed and approved by Messrs. van Heerden, Muller, Odendaal, Pearton and Valenta.

All technical disclosure in this news release relating to the Ezulwini Mine has been prepared in accordance with NI 43-101 by R. Dennis Bergen, P.Eng and Wayne Valliant P.Geo of Scott Wilson Roscoe Postle Associates Inc. (“Scott Wilson RPA”) each of whom is a “qualified person” under NI 43-101 and is independent of First Uranium.

Historical technical information in this news release relating to the Ezulwini Mine is extracted from a technical report entitled “Technical Report - Preliminary Assessment of the Ezulwini Project, Gauteng Province, Republic of South Africa” originally submitted on November 8, 2006, revised on December 5, 2006, January 31, 2007 and May 9, 2007 prepared in accordance with NI 43-101 by Messrs. Bergen and Valliant, who have also reviewed and approved the disclosure in this news release.

**The economic analysis contained in this news release is contained in the above technical reports and is based, in part, on inferred resources, and is preliminary in nature. Inferred resources are considered too geologically speculative to have mining and economic considerations applied to them and to be categorized as Mineral Reserves. There is no certainty that the reserves development, production and economic forecasts on which the preliminary assessment contained in the technical reports is based, will be realized.**

### **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 uranium and gold, price of electrical power and sulphuric acid, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, 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”, “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.

### **Conference Call**

First Uranium will conduct a conference call with investors to discuss the information in this news release at 10:00 a.m. local Toronto time and 4:00 p.m. local Johannesburg time on Monday, April 21, 2007. The conference call will be available simultaneously to all interested investors and news media.

Callers may dial 1 800 319-4610 (Canada and the US) or 0800 200 648 (South Africa). Callers from other international locations may call +1 604 638-5340 (Canada) or +27 11 535 3600 (South Africa). The call will be webcast at <http://services.choruscall.com/links/firsturanium080421.html> and an archive will be available through the same link shortly after the live event for 90 days.

A replay of the conference call will be available for 30 days. To access the replay, callers may dial 1 800 319-6413 (Canada and the US). Callers from other international locations may access the replay by dialing +27 11 305 2030 (South Africa) or +1 604 638-9010 (Canada). Access to the replay will require the code 2128, followed by #.

### **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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