First Uranium Corporation

NEWS RELEASE – December 19, 2007

FIRST URANIUM ANNOUNCES RESULTS OF PRE-FEASIBILITY STUDY FOR THE BUFFELSFONTEIN TAILINGS RECOVERY PROJECT

All amounts are in US dollars unless otherwise noted.

NPV increases by 71% to $505 million – IRR increases from 69% to 151%

Toronto, Ontario – First Uranium Corporation (TSX:FIU, JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Corporation") today announced the results of its pre-feasibility study (the "Buffels Report") on its Buffelsfontein Tailings Recovery Project (the "Project") in South Africa. Based on the Buffels Report, which was prepared by Minxcon Pty. Ltd., First Uranium intends to immediately start construction for the expansion of the existing gold plant and the initial modules of a new uranium plant at the Project, with commissioning expected in November 2008.

The most significant changes identified in the Buffels Report from the previously announced May 22, 2007 preliminary assessment report for the Project, in order of their impact on the economics of the Project, are:

- a decision to increase price assumptions for gold and uranium (see Table 1);
- an increase in the capital investment in the Project due to the escalation in the cost of construction materials and the expanded scope of the Project;
- a decision to implement an atmospheric leach process in the initial year of operation and a subsequent change to a pressure leach process that is expected to yield higher recovery rates and boost production;
- an increase in the recovery rate of uranium in the flotation process;
- the conversion of the Project's mineral resources to mineral reserves (see Tables 3,4 and 5);

The impact of these changes is summarized below (see Table 2).

Table 1: CHANGES TO PROJECT ASSUMPTIONS

Years ending		Unit	Mar 2009	Mar 2010	Mar 2011	Mar 2012	Beyond Mar 2012
Previous May 2007	Gold price	($/oz.)	$500	$500	$500	$500	$500
	Uranium price	($/lb.)	$50	$50	$50	$50	$50
	Exchange rate	(ZAR/$)	7.4	7.4	7.4	7.4	7.4
Current Dec 2007	Gold price	($/oz.)	$737	$734	$683	$627	$635
	Uranium price	($/lb.)	$104	$104	$91	$78	$45
	Exchange rate	(ZAR/$)	7.4	7.4	7.4	7.4	7.4

Note:
The current real term commodity price assumptions are based on the consensus of the nominal forecasts by 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 Project.

Table 2: SUMMARY OF CHANGES TO BUFFELS PROJECT

	Units of measure	Previous May 2007	Current Dec 2007	Change
Gold Plant				
Design capacity of gold plant:	Tonnes per month			
Module 1		600,000	633,000	6%
Module 2		600,000	650,000	8%
Module 3		600,000	650,000	8%
Total		1,800,000	1,933,000	7%
Average annual gold production	000 oz.	128	126	-2%
Peak annual gold production	000 oz.	165	182	10%
Total LOM[1] gold production	000 oz.	2,054	2,024	-1%
Average LOM[1] gold recovery	%	67.2%	66.0%	-120 bps
Uranium Plant				
Design capacity of uranium plant[2]:	Tonnes per month			
Module 1		60,000	63,000	5%
Module 2		60,000	65,000	8%
Module 3		60,000	65,000	8%
Total		180,000	193,000	7%
Average annual uranium production	000 lb.	922	1,339	45%
Peak annual uranium production	000 lb.	1,595	2,231	44%
Total LOM[1] uranium production	000 lb.	14,748	20,078	36%
Average LOM[1] uranium recovery	%	28.8%	33.0%	420 bps
Financial Measures				
Net present value (NPV)[3]	$millions	295	505	71%
Internal rate of return (IRR)	%	69%	151%	8200 bps
Capital investment	$ millions	148	260	76%
Peak funding	$ millions	83	67	-19%
Life of Mine	Years	16	16	-
Cash cost – gold	$ / oz.	220	264	20%
Cash cost – uranium	$ / lb.	22	24	9%
Total operating cost	$ / tonne	2.55	3.10	22%

Notes:
1. LOM is the abbreviation of 'life of mine'.
2. The tonnes to be processed in the uranium plant are included in, not additional to, the tonnes to be processed in the gold plant.
3. NPV is calculated using an 8% real discount rate.

Schedule for construction
With the acquisition of Mine Waste Solutions ("MWS") effective June 6, 2007, the Project effectively was in operation with a design capacity to process 500,000 tonnes of tailings per month through the gold plant. In September 2007, the Corporation's Board of Directors approved an expansion of the capacity of the gold plant to process 633,000 tonnes of tailings per month. This expansion is expected to be completed by January 2008.

Also in September 2007, the Board of Directors approved the construction of a monitoring station and pipelines to transport the tailings that would be hydraulically mined from the Buffels and Harties tailings dams. The monitoring station and pipelines are now in production.

The further expansion of the MWS gold plant to double its capacity and the construction of the first two modules of the Project's uranium plant are to begin immediately, for commissioning in November 2008. The third and final modules of the gold plant and the uranium plant are to be commissioned in November 2009.

Increase in uranium recovery from the flotation process
First Uranium believes that the effective recovery rate from mill feed to uranium production for the Project will be better than previously determined due to the expected results of further test work. The effective recovery rate is the combination of recoveries in the flotation process and in the plant. The preliminary assessment for the Project published in May 2007, reported a 30% recovery in the flotation process and a 90% recovery in the plant for a blended recovery rate of 27%.

Recent tests lead the Corporation to expect a 36.8% recovery from the flotation process. Plant recovery rates, however, will initially be less than the previously reported 90% rate as management has decided to refine the pressure leach process and intends to commission the first two modules of the uranium plant as planned in November 2008 with an atmospheric leach process. Initially the plant is expected to achieve a yield of 75% using an atmospheric leach process. The economic model in the Buffels Report is based on the assumption that by November 2009 the Corporation will have completed sufficient testing in advance of the implementation of a pressure leach process. Although still in the pre-feasibility stage, the pressure leach process is expected to increase the plant recovery rate back to 90% for an effective recovery rate of 33% and, hence, yield a higher uranium production. The pressure leach process will also contribute an acid by-product for the gold circuit to improve gold recovery.

Earlier plans for the Project to currently be at the feasibility stage are being postponed until further testing of the pressure leach process is completed and land optioning for the farms covering the preferred site for the new tailings dam are concluded.

Conversion of resources to reserves

Recent geological work at the Project, which included drilling 66 new bore holes on the tailings dams and the remodelling of all the dams, increased the level of confidence in the mineral resources. The subsequent conversion of most of the Project's mineral resources to proven and probable reserves resulted in a reduction in the number of tonnes, ounces and pounds on some tailings dams, but this was more than offset by the confirmation of a portion of the Mine Waste Solutions ("MWS") No.5 dam as a proven reserve. Although it was hoped that the conversion of the MWS No. 5 dam would extend the life of the Project, the life of the Project will remain at approximately 16 years due to the higher monthly feed capacity of the gold plant and the changes between the previously stated resources (see Table 3) and the mineral reserves (see Table 5).

Table 3: RESOURCE ESTIMATE (as per the May 22 technical report)

Resource Category			Gold		Uranium	
Place	**Dam**	**Tonnes**	**Grade**	**Content**	**Tonnes**	**Content**
		(millions)	**(g/t)**	**(oz 000s)**	**(kg/t)**	**(Mlb)**
Measured						
Buffels	2	23.7	0.40	301	0.087	4.54
Buffels	3	29.4	0.35	335	0.103	6.67
Buffels	4	16.4	0.38	202	0.102	3.68
Total Measured		**69.5**	**0.38**	**838**	**0.097**	**14.90**
Indicated						
Buffels	5	45.6	0.21	306	0.062	6.23
Harties	1	92.6	0.32	941	0.061	12.45
Harties	2	35.6	0.31	354	0.058	4.56
Harties	5	23.1	0.31	228	0.053	2.70
Harties	6	14.6	0.22	105	0.059	1.90
MWS	2	2.6	0.45	38	0.080	0.46
MWS	4	14.4	0.29	134	0.140	4.45
Total Indicated		**228.6**	**0.29**	**2,106**	**0.065**	**32.74**
Total Meas. & Indicated		**298.0**	**0.31**	**2,944**	**0.073**	**47.64**
Inferred						
Harties	7	1.7	0.54	30	0.243	0.93
Harties	Flanagan	0.04	0.80	1	0.229	0.02
Harties	Ellaton	1.5	0.52	25	0.087	0.29
Harties	NKGE	0.7	0.41	9	0.158	0.24
MWS	5	60.7	0.29	566	0.093	12.44
Total Inferred		**64.7**	**0.30**	**631**	**0.098**	**13.92**

Notes:

1. CIM definitions were followed for mineral resources.
2. A zero grade cutoff grade was used.
3. Rows and columns may not add exactly due to rounding.
4. Preliminary metallurgical test results indicated that recoveries would be approximately 27% for uranium and 68% for gold.
5. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The Buffels Report includes a new mineral resource estimate that includes mineral reserves as shown below (see Table 4). Unlike underground mines, virtually all of the resources in a tailings recovery operation sit above ground and there is a greater certainty of what can or can not be categorized as reserves.

Table 4: MINERAL RESOURCE ESTIMATE 2007 (includes mineral reserves)

Resource Category			Gold		Uranium	
Place	**Dam**	**Tonnes**	**Grade**	**Content**	**Tonnes**	**Content**
		(millions)	**(g/t)**	**(oz 000s)**	**(kg/t)**	**(Mlb)**
Measured						
Buffels	2	24.1	0.40	309	0.086	4.58
Buffels	3	24.9	0.35	280	0.099	5.44
Buffels	4	14.1	0.37	170	0.102	3.17
Harties	5	23.9	0.21	163	0.062	3.26
Harties	6	13.3	0.20	85	0.063	1.85
Total Measured		**100.3**	**0.31**	**1,008**	**0.083**	**18.30**
Indicated						
Buffels	5	47.6	0.24	360	0.063	6.62
Harties	1	74.4	0.26	624	0.062	10.17
Harties	2	43.8	0.26	369	0.060	5.79
Harties	7	1.3	0.27	11	0.164	0.46
Harties	NGKE	1.2	0.50	19	0.182	0.47
MWS	2	0.6	0.45	9	0.082	0.11
MWS	4 (Dom 1)	9.7	0.14	43	0.047	1.00
MWS	4 (Dom 2)	17.4	0.28	157	0.133	5.12
MWS	5 Indicated	40.3	0.31	402	0.088	7.81
Total Indicated		**236.3**	**0.26**	**1,993**	**0.072**	**37.55**
Total Meas. & Indicated		**336.6**	**0.28**	**3,001**	**0.075**	**55.85**
Inferred						
Harties	Ellaton	1.3	0.39	16	0.147	0.41
Harties	Flanagan	0.0	-	-	-	-
MWS	5 Inferred	15.2	0.30	146	0.095	3.17
MWS	5 (from 2)	4.7	0.18	26	0.102	1.05
Total Inferred		**21.2**	**0.28**	**188**	**0.099**	**4.63**

Notes:

1. Mineral resources are quoted as in-situ mineral resources.
2. No cutoff grades were applied.
3. Rows and columns may not add exactly due to rounding.
4. Effective date: November 1, 2007.
5. Mineral resources include mineral reserves. Resources which are not reserves do not have demonstrated economic viability.
6. Table reflects depletion of 1.5 million tonnes from July through October 2007 for MWS No. 2 Dam.

Previously no reserves were estimated for the Project. Subsequent to the drilling and metallurgical test work that has been conducted on the dams and the completion of the Buffels Report, the following mineral reserves have been signed off.

Table 5: MINERAL RESERVE ESTIMATE 2007

Reserve Classification			Gold		Uranium	
Place	**Dam**	**Tonnes**	**Grade**	**Content**	**Tonnes**	**Content**
		(millions)	**(g/t)**	**(oz 000s)**	**(kg/t)**	**(Mlb)**
Proven						
Buffels	2	24.1	0.40	309	0.086	4.58
Buffels	3	24.9	0.35	280	0.099	5.44
Buffels	4	14.1	0.37	170	0.102	3.17
Harties	5	23.9	0.21	163	0.062	3.26
Harties	6	13.3	0.20	85	0.063	1.85
Total Proven		**100.3**	**0.31**	**1,008**	**0.083**	**18.30**
Probable						
Buffels	5	47.6	0.24	360	0.063	6.62
Harties	1	74.4	0.26	624	0.062	10.17
Harties	2	43.8	0.26	369	0.060	5.79
Harties	7	1.3	0.27	11	0.164	0.46
Harties	NKGE	1.2	0.50	19	0.182	0.47
MWS	2	0.6	0.45	9	0.082	0.11
MWS	4 (Dom 2)	17.4	0.28	157	0.133	5.12
MWS	5 Indicated	40.3	0.31	402	0.088	7.81
Total Probable		**226.6**	**0.27**	**1,950**	**0.073**	**36.55**
Total Proven & Probable		**326.9**	**0.28**	**2,958**	**0.076**	**54.85**

Notes:

1. Mineral reserves are quoted as fully diluted delivered to mill estimates.
2. Effective date: November 1, 2007.
3. Based on assumptions of a gold price of $635 per ounce, a uranium price of $45 per pound and and ZAR/$ exchange rate of 7.40.
4. A reserve cutoff grade of 0.28 grams per tonne gold equivalent was used, uranium grades were converted to gold equivalent using a conversion factor of 1 gram per tonne, which equals 0.503 kilograms per tonne on an extracted metal basis.
5. Rows and columns may not add exactly due to rounding.
6. The gold recovery applied was 66%.
7. The uranium recovery used was based on an atmospheric leach process of 27%.
8. Table reflects depletion of 1.5 million tonnes from July through October 2007 for MWS No. 2 Dam.

Location of a new tailings dam site is being finalized

Discussions are being concluded towards securing land access to locate a new tailings dam that is intended to contain all the processed tailings that will be discharged during the life of the Project. Due to new environmental requirements regarding the placement of any new tailings dams and the negotiations required with land owners, the new dam is likely to be located significantly further from the Project than originally planned. Once established, the resulting tailings dam would have less uranium, sulphur and pyrite and a superior design that mitigates erosion and, therefore, would be expected to have a significantly less environmental impact than the existing tailings that are about to be hydraulically mined at the Project.

“As a result of the all the technical work conducted during the past year, the overall confidence in the project has improved significantly,” said Gordon Miller, President and Chief Executive Officer of First Uranium. “We will further refine the work done to date to determine the optimum NPV for the pressure leach

process and to finalize the location for a new tailings dam, but we won't let any of this interfere with our priority to meet our delivery deadlines and ensure that the Project remains on track."

First Uranium intends to file the new technical report in respect of the pre-feasibility study within 45 days from the date of this release.

Technical Disclosure

All technical disclosure in this news release relating to 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., Treavor Pearton, B.Sc Eng PhD, FGSA and Mike Valenta, Pr Eng, B.Sc., of Metallicon Process Consulting (Pty) Ltd. 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 the Project is extracted from a technical report entitled "Technical Report – Preliminary Assessment of the Buffelsfontein Project, North West Province, Republic of South Africa" originally submitted on November 8, 2006, revised on December 5, 2006, January 31, 2007 and May 22, 2007 prepared in accordance with NI 43-101 by R.Dennis Bergen, P.Eng and Wayne Valliant, P.Geo of Scott Wilson RPA, each of whom is a "qualified person" under NI 43-101 and is independent of First Uranium.

The disclosure contained in this news release relevant to their respective contributions has been reviewed and approved by Messrs. Bergen, van Heerden, Muller, Odendaal, Pearton, Valliant and Valenta.

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 price of uranium and gold, 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, government regulation of mining operations, environmental risks, unanticipated reclamation expenses and title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", "likely" 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, 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. 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) actual results may differ materially from the Corporation's expectations if known and unknown risks or uncertainties affect its business, or if estimates or assumptions prove inaccurate; (ii) the Corporation 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 (iii) the Corporation 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) approvals to transfer or grant, as the case may be, mining rights will be obtained; (ii) metal prices, exchange rates and discount rates applied in the pre-feasiblity study or the preliminary economic assessment, as the case may be, are achieved; (iii) mineral resource and reserve estimates are accurate; (iv) the results of the testing of the pressure leach process will be positive and the process will be implemented; (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 outstanding approvals for the completion of an acquisition, the transfer of mining rights and the approval of mining rights will be granted; (viii) that Black Economic Empowerment ("BEE") investors will maintain their interest in the Corporation and their investment in the Corporation's common shares to a sufficient level to continue to support the Corporation's compliance with 2014 BEE requirements; and (ix) 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 is focused on the development of South African uranium and gold mines with the goal of becoming a significant producer through the re-opening and development of the Ezulwini underground mine, and the construction of the Buffelsfontein tailings recovery facility. First Uranium also plans to grow production by pursuing acquisition and joint venture opportunities.

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