FIRST URANIUM CORPORATION

NEWS RELEASE – December 17, 2008

FIRST URANIUM RECEIVES $50 MILLION FROM GOLD WHEATON BARBADOS CORPORATION AS THE FIRST TRANCHE PAYMENT OF A GOLD STREAM TRANSACTION

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 that it has received the initial $50 million from Gold Wheaton (Barbados) Corporation ("GW"), a wholly-owned subsidiary of Gold Wheaton Gold Corp., in respect of the previously announced transaction, whereby GW will purchase 25 percent of the estimated 2.1 million ounces of life-of-mine gold production from the Company's Mine Waste Solutions tailings recovery operation ("MWS") in South Africa.

Under the terms of the Transaction, in addition to the $50 million, GW shall pay First Uranium:

- subject to financing, a further $75 million (the "Second Payment") three months from December 12, 2008, the effective closing date of the Transaction
- an ongoing payment equal to the lesser of $400 per ounce (subject to an annual inflation adjustment of 1.01 percent, starting in the fourth year after the First Payment) and the prevailing spot price at the time of such payment, for each ounce of gold delivered under the contract
- if the Second Payment is not paid, the gold stream transaction shall be reduced to 10% and appropriate credits made.

"This transaction highlights the value of First Uranium's substantial co-product gold production and strengthens our balance sheet as we complete construction of the uranium plants at our Ezulwini and MWS operations," commented President and CEO of First Uranium, Gordon Miller. "With extensive experience in mining, including tailings recovery operations, David Cohen and his team at Gold Wheaton are an excellent fit to partner with us at our MWS operation, which is performing very well against plan."

First Uranium has agreed to a deliver a minimum of 20,000 ounces of gold into the Transaction during calendar year 2009. GW will not be required to contribute to any capital or exploration expenditures in respect of MWS's tailings recovery operation. Provided that the Second Payment is paid, GW will be granted a right of first refusal on any future gold stream agreements or similar arrangements proposed to be entered into by First Uranium or its subsidiaries in respect of MWS and the Company's Ezulwini Mine.

Cautionary Language Regarding Forward-Looking Information

This news release contains and refers to forward-looking information based on current expectations. All other statements other than statements of historical fact included in this release including, without limitation, statements regarding production and development plans and future plans and objectives of First Uranium are forward-looking statements (or forward-looking information) that involve various risks and uncertainties. These forward-looking statements are made as of the date hereof and there can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements that are included herein, except in accordance with applicable securities laws.

Important factors could cause actual results to differ materially from First Uranium's expectations. Such factors include, among others: the conclusions of the pre-feasibility study on MWS; the actual results of additional construction and development activities at MWS; the timing and amount of estimated future production and the costs thereof; capital expenditures; the availability of any additional capital required to bring future projects into production; changes in project parameters as plans continue to be refined; future prices of commodities; the failure of plant, equipment or processes to operate as anticipated; accidents; labour disputes; delays in obtaining governmental approvals, permits or financing or in the completion of development or construction activities; currency fluctuations, as well as those factors discussed under "Risk Factors" in First Uranium's Annual Information Form dated June 24, 2008 as filed with securities regulatory authorities in Canada. Although First Uranium has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended.

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 low-cost producer through the re-opening and underground development of the Ezulwini Mine and the expansion of the Mine Waste Solutions tailings recovery operation. 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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