First Uranium Corporation

NEWS RELEASE – June 18, 2009

FIRST URANIUM COMMENTS ON RESULTS RELEASED JUNE 17, 2009
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") announced the filing of the Company's audited consolidated financial statements for FY 2009 (the "Financial Statements") and related Management Discussion and Analysis ("MD&A") on June 17, 2009. The Company's shareholders have raised a number of questions, which are addressed below.

Management's Outlook
As reported on June 17, 2009, Gordon Miller, First Uranium's President and Chief Executive Officer commented, "While not yet recording positive cash flow and earnings, we are encouraged that our financial performance is headed in the right direction and reflects our status as a gold producer at both operations and that, with the start-up of uranium production, the majority of our capital expenditures at the Ezulwini Mine are now behind us. We expect that operating profit and cash flow will benefit from the completion of the significant capital expenditure programs at the Ezulwini Mine in FY 2009, which ended March 31, 2009, and at MWS in FY 2010, which ends March 31, 2010."

MWS Capital Expenditure Projections
Consistent with the use of proceeds described in our prospectus dated May 25, 2009, First Uranium has taken steps to accelerate construction of the pressure leach portion of the uranium circuit at its Mine Waste Solutions project ("MWS"). First Uranium also explained in its MD&A that it continues to update its capital and operating cost expectations, which have risen from estimates of approximately two years ago. The total capital cost of the MWS project, inclusive of project acceleration, is expected to be approximately $451.6 million, of which $129.6 million has been spent to date and $322 million remains to be spent.

Further to the information provided in the Company's disclosure and discussed on the conference call yesterday, there are several factors underpinning the increase in capital costs:

- the previous pre-feasibility estimate compiled by RSV Kenyuka was base dated November 2007, and since then there have been significant escalations in construction materials, which have been calculated at approximately 12% annually;
- the decision to optimize the flotation circuit by introducing additional flotation cells to maximize both gold and uranium recoveries;
- the decision to introduce raft civil foundations as a result of recently concluded geotechnical work;

- the decision to accelerate the introduction of pressure leach; and
- the reluctance of the Department of Water Affairs to allow the establishment of our life of mine deposition tailings facility on a site adjacent to the project and the resultant incremental capital required to equip such a facility 13 kilometres from the project.

First Uranium believes that the sequencing of construction, including deferral of construction of the third uranium plant module, will allow additional funding to be derived from future anticipated cash flows, which combined with existing cash, will enable it to finance the MWS capital needs without additional equity capital. Due to the prevailing uranium price expectations, management plans to reconfigure the plant design and change the mine plan to achieve approximately 91% of the previously planned life of mine uranium production, resulting in a more efficient capital investment program and optimized cash flow profile.

Net Present Value ("NPV") Projections for the Company

This measure does not have a standardized meaning prescribed by GAAP and is, therefore, unlikely to be comparable to similar measures presented by other issuers. Our financial reporting is contained in the MD&A and Financial Statements filed on June 17, 2009.

Based upon the assumptions and projections discussed below, the Company's total NPV has decreased marginally from $1,565 million (as reported in the press release of the Company dated November 11, 2008) to $1,482 million (inclusive of the impact of the $125 million payment from the Gold Stream Transaction).

Ezulwini Mine Development and Production Projections

Management has updated its outlook for future prices of uranium and gold and for the weaker value of the U.S. dollar against the South African rand as follows:

Revised Metal Price and Foreign Exchange Rate Assumptions

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Long term
Gold Price ($ per ounce)								
New	925	952	930	884	846	797	788	788
Old	940	999	957	881	835	748	748	748
Uranium ($ per pound)								
New	52	62	69	69	64	56	53	50
Old	83	93	84	79	70	52	52	52
Exchange Rate: (ZAR/$US)								
New	8.14	8.46	9.25	8.99	9.03	9.18	9.28	9.33
Old	7.88	8.14	8.46	8.63	9.66	8.95	8.95	8.95

The following chart illustrates the expected effect of the revised metal price and foreign exchange rate assumptions, as well as slight adjustments to reflect actual operating costs and spent capital costs, to the November 2008 technical report model on the NPV for the Ezulwini Mine.

Revised life of mine ("LOM") project economics for the Ezulwini Mine

	LOM as of April 2008	LOM as of Nov. 2008	LOM as of June 2009
Rock value per tonne milled ($/tonne)	$72	$147	$153
Uranium Cash Cost ($/pound)	33	25	23
Gold Cash Cost ($/ounce)	376	340	349
Capital expenditures ($ million)	$220	$276	$275
LOM production			
Uranium (000 pounds)	15,990	18,426	18,334
Gold (000 ounces)	5,211	5,805	5,786
Average annual LOM production			
Uranium (000 pounds)	952	1,117	1,146
Gold (000 ounces)	306	352	362
Annual uranium production (000 pounds)			
FY 2010	606	352	295
FY 2011	691	647	611
FY 2012	822	737	737
Annual gold production (000 ounces)			
FY 2010	243	141	141
FY 2011	346	252	252
FY 2012	375	281	281
NPV_8 ($ million)	$667	$924	$1,008

Notes:

1. Co-product costs assume that operating cash costs are split in proportion to the revenue earned from each product.
2. NPV is calculated using a nominal discount rate of 8%
3. Capital expenditures estimates are exclusive of sustaining capital.
4. The NPV in the right-hand column was calculated using a start date of April 1, 2009.

MWS Project Development and Production Projections

At MWS, management previously estimated that the second gold plant module and the first two uranium plant modules would commence commissioning in Q1 2010 (ending June 30, 2009) to be completed in Q2 2010 (ending September 30, 2009). Consistent with that commissioning schedule, the second gold plant module is expected to produce gold on carbon by the end of Q2 2010. Production of yellowcake from the first two uranium modules at MWS, however, is now expected to commence in Q3 2010 (ending December 31, 2009) due to delays in project design, which in turn postponed the procurement of certain construction materials.

In addition, other events have impacted the economics of MWS including:

- the revised outlook for metal prices and foreign exchange rates;
- the Gold Stream Transaction; and
- the decision to accelerate the implementation of the pressure leach circuit.

For the final phase of construction, the Company has decided to defer portions of the third uranium plant module until such time that higher uranium prices are expected to occur. The new plan includes an immediate start to the construction of the third gold plant module as well as the third stream of the uranium flotation plant, which will be used to optimize flotation mass pull and thereby uranium grades delivered to the plant. Inception of the third stream of the uranium flotation plant is expected to ensure that planned life of mine gold production will be realized in all material respects. Management also plans to accelerate the change from an atmospheric leach process to a pressure leach process concurrent with the commissioning of the third gold plant module. The acceleration of the pressure leach process is expected to enhance gold recoveries and reduce operating costs significantly.

For the construction and operation of this final phase of the MWS plants the Company has recently received updated capital and operating cost estimates which are higher than the original estimate two years ago. The total capital cost of the MWS plants, inclusive of the accelerated pressure leach process and final completion of the third uranium plant is expected to be approximately $451.6 million, of which $129.6 million has been spent to date and $322 million remains to be spent. (See also "MWS Capital Expenditure Projections" on page 2 of this news release.) The consent of South Africa's national power utility, Eskom, to supply power to MWS has reduced the projected operating costs in the short term by reducing the need to generate power on site with diesel generators. However, this has been offset by unexpected price increases, notably cyanide, projected over the life of the project. As a result, the operating cash cost for MWS on a co-product basis is expected to average $319 per ounce of gold and $25 per pound of uranium over the life of the project.

The following chart illustrates the expected impact of the above factors on the NPV for MWS. The NPV in the right-hand column was calculated using a start date of April 1, 2009. The November 2008 NPV, revised to include the disclosed changes in metal price and exchange rates assumptions, cost escalation and the change in the configuration of the final phase of the MWS plants, results in a NPV of $474 million, inclusive of the $125 million paid to the Company from the Gold Stream Transaction.

Revised LOM project economics for MWS

	LOM as of April 2008	LOM as of November 2008	LOM as of June 2009
Rock value per tonne reclaimed ($/tonne)	$8.17	$8.91	$7.70
Uranium Cash Cost ($/pound)	22	21	25
Gold Cash Cost ($/ounce)	347	279	319
Capital expenditures ($ million)	$251	$254	$322
LOM production			
Uranium (000 pounds)	19,749	19,444	17,141
Gold (000 ounces)	1,956	2,130	2,062
Average annual LOM production			
Uranium (000 pounds)	1,316	1,388	1,257
Gold (000 ounces)	130	141	139
Annual uranium production (000 pounds)			
FY 2010	1,077	855	457
FY 2011	1,204	1,798	1,185
FY 2012	1,910	2,171	1,241
Annual gold production (000 ounces)			
FY 2010	120	129	90
FY 2011	161	196	175
FY 2012	182	175	161
NPV_8 ($ million)	$414	$641	$349
Inclusive of the $125 million paid to the Company from the Gold Stream Transaction ($ million)	–	–	$474

Notes:

1. Co-product costs assume that operating cash costs are split in proportion to the revenue earned from each product.
2. NPV is calculated using a real discount rate of 8%.
3. The NPV in the right-hand column was calculated using a start date of April 1, 2009 .

Summary spreadsheets for the related economics of the two operations have been posted on the Company's website at www.firsturanium.com.

Sovereign Risk

While many of our competitors operate in Canada, the United States and Australia, all of our current operations are in South Africa. Management and a number of the directors have considerable experience doing business in South Africa and have positive working relationships with authorities at all levels in South Africa. We are bullish on South Africa as the leading jurisdiction in Africa in which to work, live and do business.

Technical Disclosure

All updates to the technical disclosure in this news release relating to the Ezulwini Mine have been reviewed and approved by Syd Caddy, EVP and Chief Operating Officer of First Uranium. Mr. Caddy is a Fellow of the South African Institute of Mining and Metallurgy and

a “qualified person” under NI 43-101 with regard to these updates.

All updates to the technical disclosure in this news release relating to the MWS operation have been reviewed and approved by James Fisher, EVP Corporate Development of First Uranium. Mr. Fisher is a Chartered Engineer, a Fellow of The Institute of Materials, Minerals and Mining, a member of the South African Institute of Mining and Metallurgy and a “qualified person” under NI 43-101 with regard to these updates.

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 costs of production, capital expenditures, price of uranium and gold, supply and price of sulphuric acid, the availability and price of electrical power, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, 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 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 “goal”, “objective”, “plans”, “expects” or “does not expect”, “is expected”, “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, 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) unless otherwise indicated, forward-looking statements indicate the Company’s expectations as at 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) operating and capital cost estimates, metal prices, exchange rates and discount rates applied in the preliminary economic assessment for the Ezulwini Mine and the prefeasibility study for MWS are achieved; (ii) approvals to transfer or grant, as the case may be, mining rights or prospecting rights will be obtained; (iii) consistent supply of sufficient power will be available to develop and operate the projects as planned; (iv) mineral reserve and 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 its goal of becoming a significant low-cost producer of uranium and gold through the expansion of the underground development to feed the new uranium and gold plants at the Ezulwini Mine and through the expansion of the plant capacity of the Mine Waste Solutions tailings recovery facility, both in South Africa. 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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