First Uranium Corporation

NEWS RELEASE – August 14, 2009

FIRST URANIUM REPORTS RESULTS FOR Q1 2010 –
RECEIVES APPROVAL OF "NEW ORDER" MINING RIGHTS
FOR ITS MINE WASTE SOLUTIONS OPERATION
All amounts are in US dollars unless otherwise noted.

For a full discussion of financial and operating results, the Financial Statements and Management Discussion & Analysis, please see the Company's website, www.firsturanium.com under "Investor Centre / Interim Reports"

Toronto and Johannesburg – First Uranium Corporation (TSX:FIU, JSE:FUM) (ISIN:CA33744R1029) ("First Uranium" or "the Company") today announced its financial results for the three-month period ended June 30, 2009 ("**Q1 2010**"). The Company continues to advance the construction of its third gold plant and first two uranium plants at its Mine Waste Solutions tailings recovery operation ("MWS") and accelerate the underground development at its Ezulwini Mine to feed its completed gold and uranium plants. The Company's investments to increase uranium and gold production have contributed to a net loss for the quarter of $33.3 million or $0.22 per share. The substantial increase in the consolidated loss was primarily due to the gross loss incurred at the Ezulwini Mine, which is continuing to ramp up its underground development to fill its underutilized uranium and gold plants, combined with the significant foreign exchange loss on translation during the quarter.

Gordon Miller, First Uranium's President and Chief Executive Officer commented, "Significant to our future success was the progress made regarding necessary permits and approvals related to our MWS operation. In July 2009, we received formal approval from South Africa's North West Province Department of Agriculture, Conservation and Environment for the new tailings deposition site, thus enabling MWS to proceed on schedule with construction of this tailings facility for completion in Q1 2011. In addition, the Department of Mining and Minerals granted MWS a 'new order' mining right, which signals their approval of our Environmental Management Plan and our Social and Labour Plan, thus establishing a firm foundation for the future of this operation."

"In turn, the Ezulwini Mine has recently completed its currently-identified capital projects and is accelerating underground development to drive increases in the production of uranium and gold. Ezulwini is expected to turn cash positive in Q3 2010," continued Mr. Miller.

During Q1 2010, First Uranium achieved the following milestones:

- treated a total of 1.8 million tonnes of tailings through the MWS gold plant at an average recovered grade of 0.18 grams of gold per tonne of ore, producing a total of 11,007 ounces of gold at a Cash Cost of $338 per ounce (as defined in the notes to the Consolidated Results of Operations table on the next page);

- milled 92,468 tonnes of ore from the Ezulwini Mine at an average recovered grade of 1.28 grams of gold per tonne of ore, producing 3,791 ounces of gold;
- dispatched the first batch of ammonium diuranate ("yellowcake") from the Ezulwini Mine to a third party calcining facility;
- completed final commissioning of the first of two streams of the Ezulwini Mine's 100,000 tonne per month uranium plant;
- entered into a strategic supplier contract with Petronex (Pty) Ltd for the guaranteed supply of sulphuric acid to MWS for a 36-month period;
- entered into a letter of intent to supply Eskom with uranium for their Koeberg nuclear power station beginning 2011 to 2017. The agreement to be finalized in September 2009, will be based upon a portion of the supply delivered at the uranium spot price and the remainder based on an escalated price; and
- completed a bought deal financing (the "Bought Deal") on June 1, 2009 and raised gross proceeds of Cdn$106.8 million from 15,250,000 common shares at a price per share of Cdn$7.00.

Financial considerations with respect to the completion of capital projects

Future expansion will be subject to capital availability. Having access to capital and maintaining the flexibility to react to negative, unforeseen events are clearly prudent objectives in these uncertain markets. As at June 30, 2009, the remaining capital required to complete the current projects at Ezulwini and MWS was $266 million, of which $232 million is planned to be spent in the next twelve months. To support its financial position while completing planned capital projects over the next twelve months, and to enhance financial flexibility, the Corporation has recently finalized a one-year term credit facility of ZAR160 million (approximately $20 million) (the "Facility") with Simmer & Jack and is in negotiations with a South African bank to establish additional access to longer-term debt capital.

The Company believes that the cash resources of $123.0 million at June 30, 2009 and the cash forecasted to be generated from the sale of gold and uranium from both its operations, together with the Facility, will provide sufficient funding to complete the current capital projects at the two operations. Should management in future determine that the funding is not sufficient, it will at that time look to a potential new South African project financing facility, if it is available, or reprioritize development and expansion activities to reduce potential funding requirements.

Consolidated Results of Operations

Production Summary	Q1 2010	Q1 2009	% Change
Ezulwini Mine			
Tonnes hoisted (000s)	64,965	–	100%
Tonnes milled (000s)	92,468	–	100%
Ounces of gold produced	3,794	–	100%
Ounces of gold sold	3,378	–	100%
Average selling price per ounce ($)	957	–	100%
MWS			
Tonnes reclaimed (000s)	1,835	1,665	10.2%
Average gold recovery grade (grams/tonne)	0.18	0.16	12.5%
Ounces of gold reclaimed	11,007	8,530	29.0%
Ounces of gold sold	10,676	7,741	37.9%
Average selling price per ounce ($)	905	879	3.0%
Average cost per ounce reclaimed ($)	(367)	(482)	(23.9%)
Average Cash Cost per ounce reclaimed ($)[(a)]	(338)	(464)	(27.2%)
Summary of Consolidated Financial Results			
(in thousands of dollars, except per share amounts)			
Revenue	**12,895**	**6,805**	**89.5%**
Ezulwini Mine	3,233	–	100%
MWS	9,662	6,805	42.0%
Cost of sales (excluding amortization)	**(15,584)**	**(3,340)**	**367%**
Ezulwini Mine	(11,974)	–	100%
MWS	(3,610)	(3,340)	8.1%
Amortization	**(1,236)**	**(189)**	**554%**
Ezulwini Mine	(924)	–	100%
MWS	(312)	(189)	65.1%
Gross (loss) profit	**(3,925)**	**3,276**	**(220%)**
Ezulwini Mine	(9,665)	–	(100%)
MWS	5,740	3,276	75.2%
Other income	280	318	(11.9%)
Other expenditures[(b)]	(6,799)	(7,442)	(8.6%)
Operating loss[(c)]	**(10,444)**	**(3,848)**	**171%**
Investment income	706	1,832	(61.5%)
Interest and accretion expenditures	(3,558)	(2,149)	65.6%
Fair value loss on derivative liability	(477)	–	100%
Accretion expense on asset retirement obligations	(492)	(381)	29.1%
Foreign exchange loss	(16,408)	(524)	3031%
Loss before income taxes	**(30,673)**	**(5,070)**	**505%**
Income tax charge	(2,591)	(725)	257%
Loss for the period	**(33,264)**	**(5,795)**	**474%**
Basic and diluted loss per common share	(0.22)	(0.04)	450%

Notes:

(a) "Cash Costs" are costs directly related to the physical activities of producing gold and include mining, processing and other plant costs; third-party refining and smelting costs; marketing expense, on-site general and administrative costs; royalties; on-mine drilling expenditures that are related to production and other direct costs. Sales of by-product metals are deducted from the above in computing cash costs. Cash costs exclude depreciation, depletion and amortization, corporate general and administrative expense, exploration, interest, and pre-feasibility costs and accruals for mine reclamation. Cash costs are calculated and presented using the "Gold Institute Production Cost Standard" applied consistently for all periods presented. The Gold Institute was a non-profit industry association comprised of leading gold producers, refiners, bullion suppliers and manufacturers. This institute has now been incorporated into the National Mining Association. The guidance was first issued in 1996 and revised in November 1999. Total cash costs per ounce is a **non-GAAP measurement** and investors are cautioned not to place undue reliance on it and are advised to read all GAAP accounting disclosures presented in the Company's audited consolidated financial statements for FY 2009 and accompanying footnotes thereto.

(b) Other expenditures include general, consulting and administrative expenditures, pumping feasibility and rehabilitation costs, stock-based compensation and non-production related amortization. See page 3 to the Financial Statements for detail.

(c) This is a **non-GAAP measurement**. Operating loss is loss before interest income, interest and accretion expenses, fair value loss on derivative liability, foreign exchange loss and income tax charges. See page 3 to the Financial Statements for more detail.

As with all early stage mines, investment in site preparation and production capabilities are prerequisites to full production.

In Q1 2010, the Ezulwini Mine gold plant was deemed to be in commercial production, even though it was operating at substantially less than full capacity as underground development continued. This resulted in a substantial loss as the mine's fixed operating costs were being applied against a limited amount of early-stage production.

Although the uranium plant at the Ezulwini Mine was commissioned in Q1 2010, the plant is not yet deemed to be in commercial production. Therefore, the Company has reported no uranium (U3O8) production and any revenues and the related costs derived from the uranium plant are capitalized against property, plant and equipment.

At MWS, Q1 2010 throughput increased by 10% compared to Q1 2009 as a result of improved mining methods implemented during FY 2009. Similarly, the higher recoveries in Q1 2010 compared to Q1 2009 were due to a number of positive changes implemented in the gold plant and at the reclamation station. These improvements helped boost revenues and contributed to the significant increase in gross profit from tailings processed at MWS.

The 9% decrease in other expenditures was primarily attributable to the lower stock-based compensation of $0.8 million in Q1 2010 compared to $1.6 million in Q1 2009. No stock options were issued during Q1 2010 or Q1 2009.

The gross loss generated by the Ezulwini Mine, however, more than offset the improvement and higher gross profit on MWS production and the decrease in expenditures, resulting in the larger consolidated operating loss.

Investment income primarily relates to interest income earned on cash and cash equivalents invested in short-term deposits with the Company's bankers until required for capital projects or to fund operating costs. The lower interest income in Q1 2010 reflects the on average lower cash balance compared to the cash on hand on average during Q1 2009 as well as lower interest rates. The stronger Canadian dollar compared to the US dollar resulted in higher interest and accretion expense in Q1 2010 relative to the comparative period.

The significant foreign exchange loss in Q1 2010 resulted from the translation of the value of Canadian and South African denominated assets, liabilities, revenues and expenses into US dollars, which currencies strengthened against the US dollar during the quarter.

Consolidated Financial Position

Summary Balance Sheet and Key financial ratios

(thousands of dollars)	Q1 2010	FY 2009	% Change
Cash and cash equivalents	122,982	112,005	9.8%
Other current assets [(a)]	19,274	12,670	52.1%
Current liabilities	(64,705)	(57,213)	13.1%
Total assets	640,672	566,472	13.1%
Total liabilities	(310,505)	(296,375)	4.8%
Debt [(b)]	(131,223)	(121,416)	8.1%
Total shareholders' equity	(330,167)	(270,097)	22.2%
Key financial ratios:			
Current ratio [(c)]	2.20:1	2.18:1	
Debt-to-equity [(d)]	0.39:1	0.45:1	

Notes:
(a) Represents total current assets excluding cash and cash equivalents.
(b) Represents the total of the convertible debentures liability of Cdn$150 million translated to US$ at the exchange rate at the end of the period plus the toll treatment liability.
(c) Represents current assets divided by current liabilities as the end of the reporting period.
(d) Represents debt divided by total shareholder's equity at the end of the reporting period.

Total assets primarily comprise property, plant and equipment, reflecting the capital intensive projects at the Ezulwini Mine and MWS, and cash and cash equivalents.

The 13% increase in total assets represents an increase in cash as a result of the Bought Deal in June 2009, an increase in other current assets related to the increase in production at the Ezulwini Mine and an increase in property, plant and equipment as a result of the capital projects at both operations.

The 5% increase in total liabilities represents an increase in accounts payable and accrued liabilities, reflecting:

- the increase in capital activities at MWS during Q1 2010;
- an increase in the Cdn$ denominated debt portion of the senior unsecured convertible debentures due to the weakening of the US dollar against the Cdn$; and
- an increase in loan payable to a related party offset by a decrease in income tax payable as a result of a provisional tax payment by MWS to the South African Revenue Services.

Operational Overview

Ezulwini Mine

During the quarter the Ezulwini Mine continued significant underground work to access the underground ore bodies. At the end of Q1 2010, the workable face length in the Upper Elsburg ("UE") gold-only ore body was 369 metres at a grade of 4.66 grams per tonne. The workable face length for the Middle Elsburg co-product gold and uranium ore body was 408 metres at a gold grade of 2.95 grams per tonne and a uranium grade of 0.049 grams per tonne.

The de-stress cuts, which are designed to reduce pressure on the load-bearing shaft pillar of the UE ore body and to open up mining of the high-grade ore in the shaft pillar, have proceeded as planned. The current mine plan includes the processing of low-grade ore from the de-stress cuts through the gold plant until the cuts have been completed at the

end of September 2009. At that time, gold grades from the UE ore body are expected to significantly improve.

In July 2009, the mine dispatched its first batch of yellowcake from the recently commissioned uranium plant to the local calcining facility. Once a sufficient quantity of yellowcake has been calcined , the uranium will be shipped from South Africa to a conversion facility, after which the Company will sell the uranium to a nuclear power utility, a minimum of three months after leaving the Company's uranium plant.

The Ezulwini Mine gold plant is working to design specifications.

MWS
The commissioning of the second gold plant module (Phase 1B) is proceeding well and the second reclamation station that will feed ore to the new plant module has been commissioned. Commissioning of the Phase 1B uranium plant modules is expected in Q3 2010.

The plans for construction and commissioning of the third gold plant module and the third stream of the uranium flotation plant at MWS have been finalized, the long-lead items have been ordered, major supplier contracts have been entered into and construction is underway and is expected to be operational by the end of June 2010.

Management is concluding test work to finalize heat and oxygen control elements within the pressure leach process. The outcome of the test work will be integrated into the cost budget estimate ("CBE") of the pressure leach process. The CBE is expected to be completed by the end of Q2 2010. Construction is dependent upon having sufficient financial resources to proceed and is expected to take from nine to twelve months.

Outlook

Mr. Miller commented: "Our primary focus at the Ezulwini Mine is to develop more working areas in both ore bodies, which we measure by the length of active mining rock face, grade and facelength buildup. Our success in underground development will result in more ore available for hoisting to surface and, in turn, drive production through the uranium and gold plants. At Mine Waste Solutions, our priorities are to commission the remaining Phase 1B gold and uranium plants by December 2009 and the Phase 2 gold plant module and the third stream of the uranium flotation plant by the end of June 2010."

Ezulwini Mine Outlook
The key elements that will drive gold and uranium production and operating results at the Ezulwini Mine are:

- favourable prices for gold and uranium;
- the successful sale of uranium to nuclear power utilities;
- the de-stress cuts required to open up mining of the high-grade ore in the shaft pillar of the UE ore body, which is scheduled for completion in Q3 2010; and
- the creation of workable face length, with grades of gold and uranium that correlate well within planned grades.

Underground, the development of mining faces at economical grades of uranium and gold are the key to the success as the plant depends upon a consistent high-grade supply of ore from the Ezulwini Mine.

It is anticipated that the high unit costs will decrease and operating and financial performance will improve as the underground mine development and production activities increase.

MWS Outlook

The second gold plant module at MWS has commenced commissioning and management estimates that it will produce gold by the end of Q2 2010. The additional Phase 1B gold plant module will increase MWS's gold plant capacity from 633,000 tonnes per month to 1.3 million tonnes per month, an increase of 650,000 tonnes per month.

The first two uranium plant modules, which are also part of Phase 1B, are expected to be completed and producing yellowcake during Q3 2010.

For the final phase (Phase 2) of construction, management has decided to delay portions of the third uranium plant module until such time that higher uranium prices are offered in the uranium market. Management has reconfigured the plant design and changed 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.

The new plan required an immediate start to the construction of the third gold plant module (also part of Phase 2) as well as the third stream of the uranium flotation plant. The mine plan includes combining the optimized flotation mass pull with direct feed from four high-grade tailings dams to improve the operating margin. The plans for construction and commissioning of the third gold module of the plant have been finalized, the long-lead items have been ordered, major supplier contracts have been entered into and construction is underway.

Management is concluding test work to finalize elements within the pressure leach process. The outcome of the test work will be integrated into the cost budget estimate ("CBE") of the pressure leach process. The CBE is expected to be completed by the end of Q2 2010. The pressure leach process is expected to enhance gold and uranium recoveries and reduce operating costs per unit significantly.

Special considerations for the "monetization" of uranium

After calcining the Company's yellowcake by a third party, the uranium will be shipped overseas to uranium convertors for conversion and sale. Including the time required for shipping and converting uranium, uranium sales are expected on average to lag production by three months.

While no contracts for uranium supply have been undertaken to date, the Company has entered into a letter of intent to supply Eskom with uranium for their Koeberg nuclear power station beginning 2011 to 2017. The intended agreement is structured to deliver a portion of the uranium order at the prevailing spot price and the remainder based on an escalated price. A signed contract with Eskom is expected by the end of Q2 2010, once due diligence and other conditions are met.

Financial Results: Release and Conference Call

First Uranium will conduct a conference call with investors to discuss the information in this news release at 10 a.m. local Toronto time and 4:00 p.m. local Johannesburg time on Tuesday, August 18. The conference call will be available simultaneously to all interested analysts, investors and media.

Callers may dial 1 800 319-4610 (Canada and the US) or 0800 981 705 (South Africa). Callers from other international locations may call +1 604 638-5340. The call will be webcast at http://services.choruscall.com/links/firsturanium090812.html and available for replay shortly after the call for 90 days.

A telephone 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 +1 604 638-9010 (Canada). Access to the replay will require the code 2128, followed by #.

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 and as updated by the Company in its continuous disclosure from time to time 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 operations situated 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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