



First Uranium Corporation

NEWS RELEASE – August 13, 2007

FIRST URANIUM REPORTS RESULTS FOR THE THREE MONTHS ENDED JUNE 30, 2007

All amounts are in US dollars unless otherwise noted.

Toronto and Johannesburg – First Uranium Corporation (TSX:FIU, JSE:FUM) (CA33744R1029:ISIN) (“First Uranium” or “the Corporation”) today announced that it recorded a net profit of US \$5.5 million for the three months ended June 30, 2007 (“Q1 2008”) compared to a net loss of US\$2.2 million recorded for Q1 2007, primarily as a result of foreign exchange gains and net interest income offset by operating losses incurred in the quarter under review.

Highlights

During Q1 2008, First Uranium:

- Raised gross proceeds of Cdn\$150 million through an issue of 4.25% senior unsecured convertible debentures (the “Debentures”).
- Filed revised technical reports for each of the Ezulwini Mine and the Buffelsfontein Tailings Recovery Project, which indicated improvement to their respective NPVs and IRRs, reflecting the accelerated timetables for both projects.
- Accelerated capital investment at the Ezulwini Mine to advance the plant commissioning and production startup by three months.
- Acquired effective June 6, 2007 100% of the equity interest and management control of Mine Waste Solutions (Proprietary) Limited and its subsidiary Chemwes (Proprietary) Limited (collectively “MWS”) to advance the Buffelsfontein Tailings Recovery Project, following which First Uranium has commenced to record for its account gold production from the MWS plant.
- The South African Department of Minerals and Energy acknowledged receipt of the Corporation’s prospecting permit application on incremental ground contiguous to the Ezulwini Mine.

Subsequent to Q1 2008, First Uranium defined initial underground and surface drilling targets related to the possible expansion of the existing Ezulwini underground uranium and gold mine (the “Ezulwini Expansion Program”).

In the second quarter of fiscal year 2008 ending September 30, 2007, the Corporation plans to process 1.5 million tonnes of tailings through its MWS gold plant, with expected production of over 12,000 ounces of gold.

"While we are actively pursuing additional avenues of growth through the Ezulwini Expansion Program, our focus remains on advancing production at our two uranium and gold projects, the Ezulwini Mine and the Buffelsfontein Tailings Recovery Project," said Gordon Miller, President and Chief Executive Officer of First Uranium.

"To this end we've accelerated the construction schedule at Ezulwini and, with the completion of the acquisition of MWS, which included a gold plant, tailings and a tailings deposition area, we are in the process of integrating these facilities into the Buffelsfontein Tailings Recovery Project, which will accelerate production from the Corporation's Buffelsfontein tailings," continued Mr. Miller. "With the combined capital resources of cash and cash equivalents, the net proceeds from the Debentures and anticipated revenue from future sales of gold and uranium, we believe we are fully-funded to develop our existing mining projects as currently planned and advance them to full production by 2010."

Although spot prices for uranium, which reached \$136 per pound at the end of June, have recently softened to \$110 per pound, this is still above the \$50 per pound, upon which First Uranium has based its project economics for the next 20 years. Concerns about the supply of uranium not being able to meet near- to mid-term demand persist in the market. The Corporation has not yet signed any contracts to supply uranium and does not expect to do so until it is nearer production in June 2008.

Revenue

First Uranium generated revenue of \$2.2 million during Q1 2008 from the operation of the MWS gold plant, which the Corporation assumed ownership of on June 6, 2007.

Expenditures

Expenses during Q1 2008 reflect normal costs associated with a development-phase company that, with the exception of the newly acquired MWS operations, was not yet in production.

Operating losses of \$3.3 million in Q1 2008 reflect an increase from the \$2.9 million loss in Q1 2007, primarily as a result of:

- An increase in services required to support the development of the projects and establishing corporate offices including an increase in employee compensation costs, consulting and professional fees to support a growing infrastructure including the establishment of offices in Johannesburg and Toronto, which were not in existence in Q1 2007.

- Stock-based compensation costs of \$0.8 million relating to the amortized cost of stock options granted to directors, officers, employees and consultants. The fair value of the stock-based compensation was estimated using the Black-Scholes option pricing model.
- The decrease in pumping and feasibility costs to \$0.3 million in Q1 2008 (versus \$1.5 million in Q1 2007), reflect the fact that these costs are being capitalized in Q1 2008 as part of the mine infrastructure costs as compared to being expensed as care and maintenance costs for the Ezulwini Mine in Q1 2007, prior to commencement of development activities.
- Interest of \$1.0 million was paid on the Debentures at the end of the quarter.
- The accretion expense of \$1.1 million also relates to the Debentures.

The above expenses were partially offset during Q1 2008 by \$4.4 million of interest income from the \$177.7 million of net proceeds from the Corporation's initial public offering (the "Offering") and the net proceeds from the issue of the Debentures.

The Corporation also benefited from foreign exchange gains of \$6.4 million during Q1 2008 (Q1 2007: \$0.8 million), which result from the Corporation reporting in US dollars, while the majority of its cash funds are held in Canadian dollars and in South African rand, each of which have strengthened against the US dollar.

Cash and Capital Expenditures

First Uranium ended Q1 2008 with cash and cash equivalents of \$275.2 million as compared to \$138.9 million at the fiscal year ended March 31, 2007. This position reflects the net proceeds of both the Offering and the Debentures, less the cost of certain assets acquired from Simmer & Jack, cash utilized in operations and capital invested for additions to property, plant and equipment.

Including cash and cash equivalents, the Corporation had \$373.5 million of assets at the end of Q1 2008. Total liabilities at the end of Q1 2008 of \$118.9 million included \$89.3 million for the debt portion of the Debentures and an \$11.1 million future tax liability arising from the MWS acquisition. Shareholders' equity amounted to \$254.6 million.

Production Overview

To date, US\$29.1 million has been spent on re-opening and re-furbishing the Ezulwini Mine. The shaft stabilization is on track for completion in September 2007 and the Corporation expects to commence hoisting ore in October 2007. The first gold plant module is scheduled for completion in April 2008, three months ahead of the previously disclosed schedule; and, the first uranium plant

module is on track for completion in June 2008 to achieve an average annual production of 290,000 ounces of gold and 888,000 pounds of uranium over the 18-year life of the mine.

The accelerated schedule for commissioning all modules of the gold and uranium plants results in an accelerated capital investment profile, which will provide the flexibility sooner to significantly increase uranium production if and when market pricing dictates.

Also at the Ezulwini Mine, the Corporation has commenced the development to access the shaft distress cut and has accessed the Upper Elsburg horizon on levels 38a and 41. Development on both of these levels has started. The Company plans to collect chip samples at six metre intervals from the reef horizon. Chip sampling in two sections six metres apart on both levels has indicated a reef horizon that is 2.4 metres thick. Samples averaged 11.2 grams per tonne gold and 4.7 grams per tonne gold on levels 38a and 41, respectively.

Opening up of the Middle Elsburg reef is well underway with 76 panels sampled and 24 panels selected for development, giving a face length of 568 metres with an average grade of 6.76 grams per tonne gold and 660 grams per tonne uranium.

The samples were collected in accordance with industry standard practice. An independent laboratory prepared and assayed the samples using industry standard methods.

The clean up process to date on surface and underground has generated a stockpile in excess of 70,000 tonnes containing more than 88 kilograms of recoverable gold.

In addition, First Uranium has identified initial drill targets which may justify the development of a new 250,000 tonne-per-month shaft at the Ezulwini Mine, which would allow a significant increase in uranium and gold production. This expansion program has the potential to significantly increase production beyond levels currently planned and thereby extend the current 19-year mine plan, which only consumes 20% of the significant resource area at this site.

The Corporation's Buffelsfontein Tailings Recovery Project began producing gold from June 6, 2007 as a result of the acquisition of MWS. A total of 401,621 tonnes of tailings material was processed in the period under review, resulting in gold sales of 3,395 ounces at a total cost of \$664 per ounce. The MWS operation is mining the remnant of its current resource, due to be exhausted by December 2007. The operation requires mechanical cleaning of the floor material, temporarily increasing the operating cost significantly. The mechanical cleaning will continue in Q2 2008, with expected production of over 12,000 ounces of gold at a cash cost of \$520 per ounce. The mechanical cleaning will stop as the new

Buffelsfontein tailings dams are brought online, when it is expected that the production and average cost will then revert to the planned targets of \$360 per ounce as per the May 22, 2007 revised technical report by Scott Wilson Roscoe Postle Associates. The average sale price was \$643 per ounce. Uranium production is expected to commence in November 2008 to achieve an average annual production of 128,000 ounces of gold and 922,000 pounds of uranium over the 16-year life of the project.

Technical Disclosure

With the exception of the third, fourth, fifth and sixth paragraphs under the heading "Production Overview" in this news release, the technical disclosure 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 and December 5, 2006 and revised on May 9, 2007, prepared in accordance with NI 43-101 by Wayne Valliant, P.Geo. and R. Dennis Bergen, P.Eng. of Scott Wilson Roscoe Postle Associates Inc. ("Scott Wilson RPA").

Technical disclosure under the same heading relating to the Buffelsfontein Tailings Recovery Project is extracted from a technical report entitled "Technical Report - Preliminary Assessment of the Buffelsfontein Project, Northwest Province, Republic of South Africa" originally submitted on November 8, 2006, revised on December 5, 2006 and January 31, 2007 and further revised on May 22, 2007, prepared in accordance with National Instrument 43-101 ("NI 43-101") by R. Dennis Bergen, P.Eng. and Wayne Valliant, P.Geo. of Scott Wilson RPA. Each of Mr. Valliant and Mr. Bergen is a "qualified person" under NI 43-101 and is independent of First Uranium. The technical disclosure contained in this news release has been reviewed and approved by Messrs. Bergen and Valliant.

Messrs. Bergen and Valliant are each a "qualified person" under NI 43-101 and are independent of First Uranium. The technical disclosure contained in this news release relevant to their respective contributions has been reviewed and approved by Messrs. Bergen and Valliant.

The economic analysis contained in this news release is contained in the technical reports mentioned above 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 are 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 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, 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 "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 Corporation’s expectations as at June 13, 2007; (ii) 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; (iii) 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 (iv) 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 preliminary economic assessments are achieved; (iii) mineral resource estimates are accurate; (iv) the technology used to develop and operate its two projects has, for the most part, been proven and will work effectively; (v) that labour and materials will be sufficiently plentiful as to not impede the projects or add significantly to the estimated cash costs of operations; (vi) that outstanding approvals for the completion of an acquisition, the transfer of mining rights and the approval of mining rights will be granted; (vii) 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 (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 Corporation’s first quarter results and related matters at 11:00 a.m. local Toronto time or 5:00 p.m. local Johannesburg time on Monday, August 13, 2007. The conference call will be available simultaneously to all interested investors and the news media at (416) 644-3424 or 1 (800) 594 3790 (toll free) or +09 (800) 2288 3501 (toll free from South Africa) or through a webcast at <http://www.newswire.ca/en/webcast/viewEvent.cgi?eventID=1972960>

The call will be available through replay at this website for one month.

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 Mine, and the

construction of the Buffelsfontein tailings recovery facility. First Uranium also plans to grow production by pursuing acquisition and joint venture opportunities.

First Uranium Corporation

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