First Uranium Corporation announces financial results for the three-months ended December 31, 2010

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For the detailed Management Discussion & Analysis and Financial Statements *please refer to the Company's website at www.firsturanium.com.*

Summary

* Revenue for the three months ended December 31, 2010 ("Q3 2011") increased by 60% compared to the three months ended December 31, 2009 ("Q3 2010") and by 34% compared to the three months ended September 30, 2010 ("Q2 2011");

* Gross profit margin improved significantly compared to both Q3 2010 and Q2 2011;

* Operating profit for Q3 2011 indicating an improvement of 129% and 119% compared to Q3 2010 and Q2 2011, respectively;

* Current cash resources of $29.9 million may be insufficient to address medium-term working capital needs following adjustments to Ezulwini's shaft system; and

* Funding options are being assessed.

All amounts are expressed in US dollars unless otherwise noted

TORONTO and JOHANNESBURG, Feb. 2 /CNW/ - First Uranium Corporation (TSX: FIU, JSE: FUM) ("First Uranium" or "the Company") has announced significantly higher revenues of $51.3 million in Q3 2011, compared to $40.0 million for Q3 2010, which resulted in an improvement in the consolidated gross profit margin from operations from $1.0 million in Q3 2010 to $7.6 million in Q3 2011.

The significant improvement in the consolidated gross profit margin from Q3 2010 was the result of the lower losses from the activities at the Ezulwini Mine, which more than offset the decreased gross profit margin from Mine Waste Solutions ("MWS").

The Company generated a consolidated operating profit of $1.7 million in Q3 2011, which is a 129% improvement from Q3 2010, primarily due to a higher consolidated gross margin from operations along with lower expenditures.

The higher consolidated loss in Q3 2011 compared to Q3 2010 was attributable to the foreign exchange loss on translation in Q3 2011, along with the higher interest and accretion expenses partially offset by the lower losses generated from mining activities at the operations compared to the Q3 2010 quarter.

As announced on January 27, 2011, First Uranium's production and financial results for the third quarter have been negatively impacted primarily because of lost production time at the Ezulwini Mine resulting from the fall of ground in November 2010 and the shaft maintenance program, which is currently underway. Due to the lower than anticipated production from the Ezulwini Mine the Corporation's current cash resources ($29.9 million at December 31, 2010) may be insufficient to address the medium-term working capital needs. Accordingly, the Corporation has retained RBC Capital Markets as its financial advisor to review all funding alternatives available to the Corporation.

Table 1 - Key Consolidated Financial Results for Q3 2011 and the nine months ended December 31, 2010 ("2011 YTD") compared to its comparative periods for the 2010 financial year

Q3 2011 Q3 2010 %
Change 2011 YTD 2010 YTD %
Change
Mine Waste Solutions
Ounces of gold sold 21,040 21,099 - 60,791 43,514 40%

Average gold selling price per ounce 1,179 1,096 8% 1,100 1,025 7%
Average Cash Cost per ounce of gold sold (a) (482) (367) 31% (488) (388) 26%
Ezulwini Mine
Ounces of gold sold 19,477 8,213 137% 48,296 18,639 159%
Average gold selling price per ounce 1,360 1,078 26% 1,275 1,035 23%
Average cash cost per ounce of gold sold (a) (1,576) (2,649) (41%) (1,576) (2,826) (44%)
Revenue 51,298 31,979 60% 129,274 63,899 102%
MWS 24,805 23,125 7% 66,858 44,610 50%
Ezulwini Mine 26,493 8,854 199% 62,416 19,289 224%
Cost of sales (including amortization) (43,652) (31,007) 41% (114,767) (73,604) 56%
MWS (11,786) (7,985) 48% (34,134) (17,665) 93%
Ezulwini Mine (31,866) (23,022) 38% (80,633) (55,939) 44%
Gross profit (loss) 7,646 972 687% 14,507 (9,705) 250%
MWS 13,019 15,140 (14%) 32,724 26,945 21%
Ezulwini Mine (5,373) (14,168) (63%) (18,217) (36,650) (50%)
Operating profit (loss)(b) 1,704 (5,939) 129% (10,113) (31,196) (68%)
Loss for the period (18,114) (14,432) 26% (52,030) (66,137) (21%)
Loss per common share (0.10) (0.09) 11% (0.29) (0.40) (27%)
Cash flows utilized in operating activities (3,651) (1,185) 208% (29,249) (48,811) (40%)
Cash flows utilized in investing activities (33,939) (80,182) (58%) (92,401) (198,019) (53%)

Please refer to the Management's Discussion & Analysis and Financial Statements for more detailed information.

Notes:
(a) 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 Financial Statements.
(b) This is a non-GAAP measurement. Operating profit (loss) is the profit or loss before investment income, interest and accretion expenses, fair value gain or loss on derivative liability, foreign exchange gain or loss and income tax charges.

MWS and Ezulwini Mine

Although the tonnage throughput and ounces sold by MWS during Q3 2011 were marginally lower than that of Q3 2010, revenues were 7% higher, primarily as a result of higher gold selling prices compared to Q3 2010. The 31% increase in costs, in US dollar terms, compared to Q3 2010 was mainly attributable to the significantly stronger ZAR in Q3 2011 compared to Q3 2010. Costs in ZAR terms increased by 6%. The increase in ZAR terms was mainly attributable to higher labour and power costs compared to Q3 2010 due to annual increases set in Q1 2011. Amortization in Q3 2011 was significantly higher compared to Q3 2010 as MWS only started amortizing capital costs associated with the second gold plant module at the start of January 2010.

The increase in costs and amortization exceeded the increased revenues in Q3 2011 compared to Q3 2010, resulting in a 14% decrease in the gross profit margin at MWS.

At the Ezulwini Mine, gold sales for Q3 2011 increased by 137% compared to Q3 2010, reflecting the increase in production at the mine as well as the improvement in mining efficiencies over the comparative period. Costs did not increase in direct correlation to the revenue increase, due to the mine's fixed operating costs being spread over higher production for the comparative period, which is also contributed to the decrease in Cash Costs compared to Q3 2010. Consequently the mine's losses in Q3 2011 decreased by 63% compared to Q3 2010. No uranium was produced or sold during Q3 2011 or Q3 2010.

During Q3 2011, capital expenditures of $26.2 million were incurred at MWS and $6.1 million at the Ezulwini Mine, respectively. During Q3 2010, capital expenditures of $72.8 million and $7.3 million were incurred at MWS and the Ezulwini Mine, respectively. The remaining capital program at MWS is comprised primarily of the third gold plant module (“Phase Two“) and the new TSF, including adjoining infrastructure. At the end of Q3 2011, $113 million (ZAR831 million) had been spent on the completion of the Phase Two expansion program, while $28 million (ZAR216 million) had been spent on the new TSF capital project. Approximately $35 million (ZAR228 million) remains to be spent on these two capital projects of which $25 million (ZAR166 million) is planned to be spent over the next 12 months and $10 million (ZAR62 million) during the first half of FY 2014.

Table 2 - Key Consolidated Financial Results for the Q3 2011 compared to Q2 2011

Q3 2011 Q2 2011 %

Change
Mine Waste Solutions
Ounces of gold sold 21,040 18,743 12%
Average gold selling price per ounce 1,179 1,051 12%
Average cash cost per ounce of gold sold (a) (482) (537) (10%)
Ezulwini Mine
Ounces of gold sold 19,477 15,066 29%
Average gold selling price per ounce 1,360 1,236 10%
Average cash cost per ounce of gold sold (a) (1,576) (1,710) (8%)
Revenue 51,298 38,315 34%
MWS 24,805 19,696 26%
Ezulwini Mine 26,493 18,619 42%
Cost of sales (including amortization) (43,652) (38,207) 14%
MWS (11,786) (11,523) (2%)
Ezulwini Mine (31,866) (26,684) 19%
Gross profit 7,646 108 6,980%
MWS 13,019 8,173 59%
Ezulwini Mine (5,373) (8,065) (33%)
Operating profit (loss)(b) 1,704 (8,995) 119%
Loss for the period (18,114) (21,891) (17%)
Loss per common share (0.10) (0.12) (17%)
Cash flows utilized in operating activities (3,651) (10,249) (65%)
Cash flows utilized in investing activities (33,939) (24,803) 37%

Notes: see Notes (a) and (b) in Table 1.

Non-GAAP Measures

The Company believes that in addition to conventional measures prepared in accordance with Canadian GAAP, the Company and certain investors and analysts use certain other non-GAAP financial measures to evaluate the Company's performance including its ability to generate cash flow and profits from its operations. The Company has included certain non-GAAP measures throughout this document. Non-GAAP measures do not have any standardized meaning prescribed under Canadian GAAP, and therefore they may not be comparable to similar measures employed by other companies.

The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP.

About First Uranium Corporation

First Uranium Corporation (TSX:FIU, JSE:FUM) is focused on its goal of becoming a 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 (MWS) 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.

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 the timing and amount of estimated future production, the processing and development plans, operating and capital cost estimates, resource estimates, metal prices, exchange rates, discount rates, the timing and receipt of required permits, the ability to satisfy the Gold Wheaton Completion Test and future plans and objectives of First Uranium are forward-looking statements (or forward-looking information) that involve various estimates, assumptions, risks and uncertainties. For more details on these estimates, assumptions, risks and uncertainties, see the Company's most recent Annual Information Form ("AIF") and Management's Discussion and Analysis ("MD&A") on file with the Canadian provincial securities regulatory authorities on SEDAR at www.sedar.com. No assurance can be given that a financing transaction will be concluded. 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. For details on the Gold Wheaton Completion Test see the AIF and MD&A.*

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