

Press Release

U308 Corp. plans a 6,000 metre drill program to test the potential size of the Kurupung uranium district in Guyana

Toronto, Ontario – August 5, 2009 – **U308 Corp. (TSX Venture: UWE)**, a Canadian uranium exploration company, announces plans to begin a 6,000 metre diamond drilling program in the Kurupung Batholith in Guyana, scheduled for August to December, 2009. Uranium in the Kurupung has the geological characteristics of a family of sizeable deposits known as “albitite-hosted” uranium, many of which contain resources in the 50 to 130 million pound range. The objective of U308 Corp’s scout drilling program is to test a large number of new basement-hosted targets for mineralization to determine the potential size of the Kurupung system, a promising uranium district in South America.

“U308 Corp. has demonstrated good continuity of uranium at reasonable grade in four areas of the Kurupung Batholith, and completed an initial 43-101 resource estimate on two of these basement-hosted targets. Our exploration focus now is to establish the extent of this uranium district and determine whether the Kurupung has similar size potential to many of the world’s major albitite-hosted deposits,” said Dr. Richard Spencer, U308 Corp’s President and CEO. “To this end, we are commencing a scout drilling program in which three to five bore holes are drilled in each of a large number of new targets to identify additional structures that contain uranium. The number of uranium-bearing structures identified in this scout drilling phase should provide a means of estimating the overall size potential of the Kurupung system in the short term.”

This plan aims to enhance the value of the Kurupung discovery while making efficient use of cash and ensuring that U308 Corp. remains capitalized into next year. A total budget of approximately \$3 million for the second half of 2009 has been allocated primarily for the Kurupung drilling program while including funding for ongoing exploration for unconformity-related uranium in the Roraima Basin and overhead costs. As a result, U308 Corp. is expected to have about \$4 million in cash at the end of 2009.

Albitite-Hosted Uranium Deposits

Uranium in the Kurupung Batholith shares many of the geological characteristics of a class of deposits termed “albitite-hosted” uranium. Common features of these systems include:

- *Size* – These deposits typically contain resources of 50 to 130 million pounds (Figure 1). The world’s major albitite-hosted systems* include the 103 million pound Michelin deposit (Canada), the 80 million pound Valhalla-Skal deposit (Australia) and the 119 million pound Coles Hill deposit (USA) as well as mines currently in production including the 220 million pound Lagoa Real (Brazil) and Ukraine’s 70 million pound Michurinskoye and 66 million pound Vatutinskoye deposits;
- *Grade* – They have an average grade of about 0.10% U₃O₈ (Figure 1);
- *Depth* – Uranium mineralization typically extends to considerable depths – the Michelin, Michurinskoye and Vatutinskoye deposits have been drilled to a depth of over 700 metres, while Lagoa Real and Valhalla extend to at least 400 metres below surface; and
- *Fault-Controlled Systems* – Uranium is located in a network of faults in which mineralization in a number of structures contributes to the overall resource.

In comparison, uranium in the Kurupung Batholith has the following characteristics:

- *Size* – A modest Indicated Resource of 5.8 million pounds (at a grade of 0.10% U₃O₈ or 1.97 pounds U₃O₈ per short ton) plus an Inferred Resource of 1.3 million pounds (at a grade of 0.09% U₃O₈ or 1.88 pounds U₃O₈ per short ton) has been estimated on the first two mineralized structures – Aricheng South and Aricheng North. This initial resource has clear potential for significant growth since uranium mineralization in both structures remains open at depth. In addition, the third and fourth mineralized structures (Aricheng West and Accori North C) have been largely drilled out and are approaching resource estimation. A fifth mineralized structure (Accori South) is awaiting infill drilling. The aim of the planned scout drilling program is to identify additional uranium-bearing structures that can add to the pipeline of targets ready for infill drilling and subsequent resource estimation, and illustrate the potential size of the Kurupung system;
- *Grade* – An average grade of 0.10% U₃O₈, which is typical of albitite-hosted deposits worldwide (Figure 1);
- *Depth* – Uranium in the Kurupung extends from about 10 metres below surface to at least 220 metres, the maximum vertical depth to which U3O8 Corp. has drilled to date. Mineralization is still open at depth; and
- *Fault-Controlled System* – Uranium in the Kurupung Batholith is located in a coherent network of faults and shear zones similar to structural systems that contain the world's large albitite-hosted deposits.

Targeting Techniques

U3O8 Corp. has significantly advanced its targeting techniques in the Kurupung district beyond the methods originally used by Cogema in the early 1980's. With the integration of three geophysical methods covering the entire district, compelling new and untested targets have been identified for scout drilling in the forthcoming drill campaign. The principal geophysical targeting tools are magnetics and VLF-EM (Very Low Frequency Electromagnetics), while radiometrics, which is easily masked by soil, humus, vegetation and water, is used as a secondary tool.

Magnetic Data Delineate Demagnetized Faults (Figure 2A) – The Kurupung Batholith consists of homogeneous granitic rock that should have a relatively uniform magnetic signature. Instead, airborne magnetic data show the batholith consists of uniformly magnetic areas that are separated by corridors of low magnetism. All of the consistently uranium-bearing structures drilled by U3O8 Corp. to date lie within these weakly magnetic corridors. Measurements on drill core from these areas show that the magnetism of the granite decreases sharply in the faults that contain the uranium. Therefore, U3O8 Corp. is using the magnetic data to trace out where demagnetized faults are located in the batholith as corridors of potential uranium mineralization for scout drilling. The selection of targets takes into account that only parts of the demagnetized faults may contain uranium.

Conductive Zones in VLF-EM (Figure 2B) – VLF-EM surveys carried out in the field over areas that have been drilled by U3O8 Corp. show that uranium-bearing shoots are located where slightly conductive zones intersect, or coincide with, demagnetized fault zones evident in the magnetic data. Therefore, U3O8 Corp. is using the VLF-EM data to identify points where conductive zones cut the magnetite-deficient faults as new targets for scout drilling.

It is uncertain if further exploration will result in the identification of significant uranium mineralization within new target areas.

Unconformity-Related Uranium Exploration

In addition to the work on basement-hosted uranium in the Kurupung area, U3O8 Corp's exploration for unconformity-related uranium in the Roraima Basin continues to advance on two fronts:

- *Analysis of Archived Core* – U3O8 Corp. continues with the analysis of some 10,000 metres of core previously drilled through the Roraima in exploration for gold in the mid-1990's. Identification of specific clay minerals as a means of defining alteration zoning, similar to pathfinder alteration related to uranium deposits in the Athabasca Basin, is key to confirming the viability of uranium targets in the Roraima. U3O8 Corp. continues to detect these corresponding alteration minerals in the Roraima as first reported in the press release of June 4, 2009.

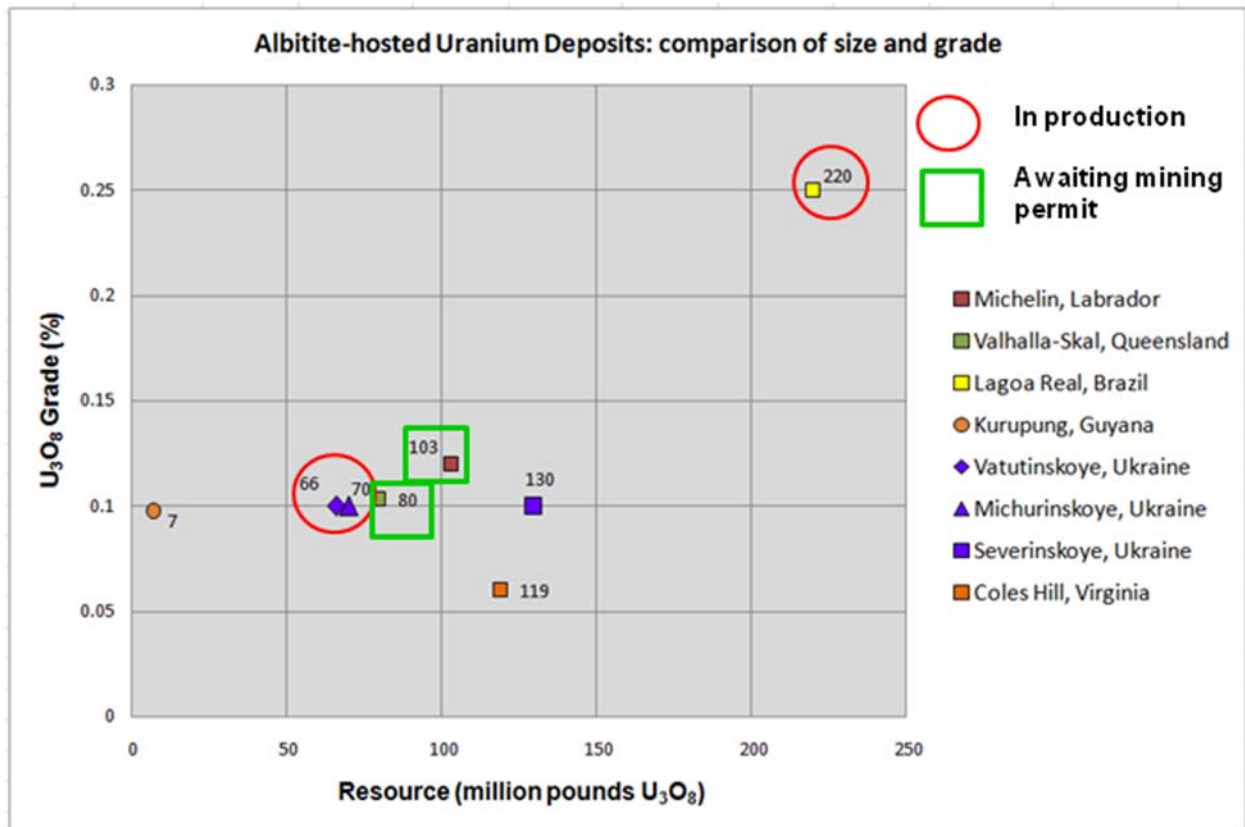
In addition, a portable analyzer (hand-held X-ray fluorescent device) will be used on the core to provide a first-pass analysis for pathfinder elements typically associated with unconformity-related deposits in the Athabasca Basin. The objective is to identify key metal zoning as an important exploration tool for unconformity-related uranium. Any metal zoning identified will be integrated with alteration zoning as a means of vectoring towards the most prospective parts of broad target areas that will be ranked for potential drilling in due course; and

- *Field Work* – Ground follow-up of radiometric anomalies identified in U3O8 Corp's 2008 airborne geophysics program continues by applying the analogy with the uranium-rich Athabasca and Thelon Basins in Canada, where many uranium deposits occur within extensive areas of alteration centred on regional faults. Priority is being given to radiometric anomalies that correspond with areas where old, basement faults are intersected by younger, crosscutting faults in the Roraima Basin. Exploration efforts are focused on mapping the extensive clay alteration visible in the field and on rock-chip geochemistry along these fault zones to define potential drill targets.

Ongoing exploration results from the Roraima Basin will be reported in due course.

Mr. Richard Cleath (M.Sc.), Vice President of U3O8 Corp., a Qualified Person within the definition of that term in National Instrument 43-101 of the Canadian Securities Administrators, had overall responsibility for all aspects of target selection and evaluation. Mr. Cleath has supervised the preparation of, and verified, the technical information in this release.

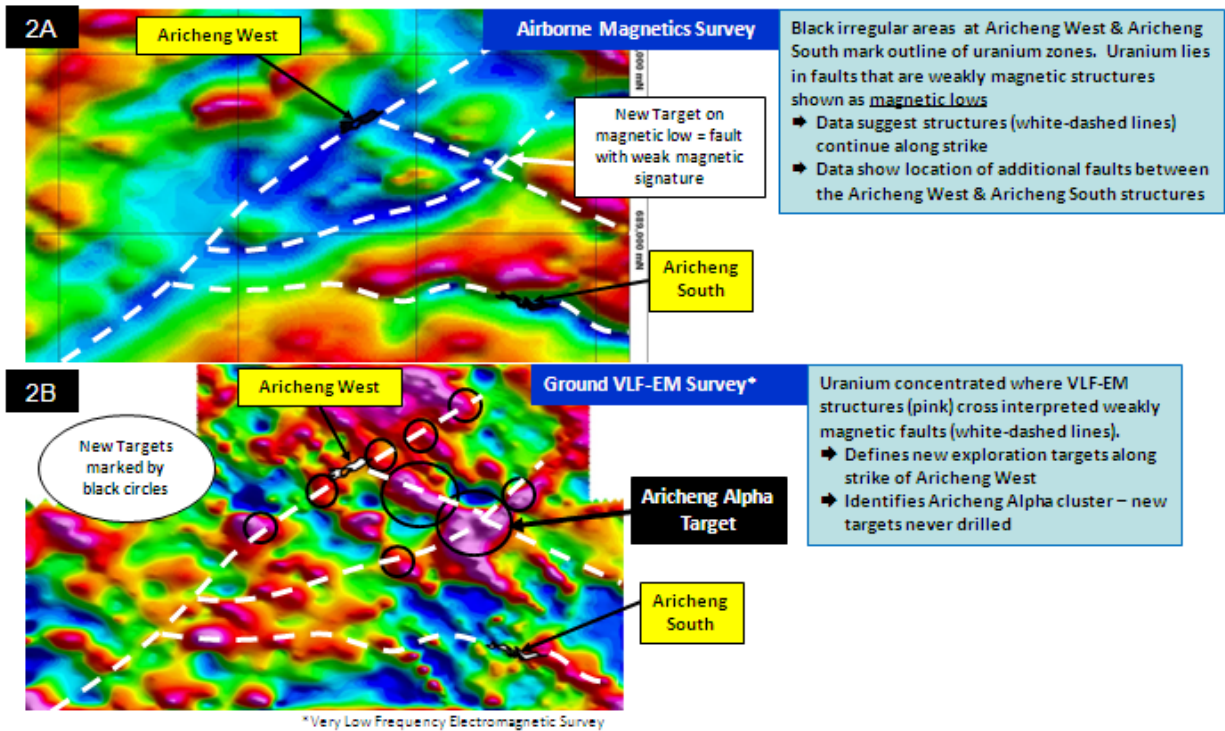
Figure 1 – World’s Major Albitite-Hosted Uranium Deposits



Deposit	Country	Resource U ₃ O ₈ mlbs	Grade % U ₃ O ₈	Status
Kurupung	Guyana	7	0.10	Resource expansion
Lagoa Real	Brazil	220	0.25	Production
Michelin	Canada	103	0.12	Future development
Michurinskoye	Ukraine	70	0.10	Production
Valhalla-Skal	Australia	80	0.09	Future development
Severinskoye	Ukraine	130	0.10	Future development
Vatutinskoye	Ukraine	66	0.10	Production

Figure 1 shows a comparison of the world’s albitite-hosted uranium deposits in terms of uranium grade and aggregate total resource. The diagram highlights a cluster of deposits in the 50 to 130 million pound range with an average grade of 0.10% U₃O₈. The geological features of the uranium-bearing zones in the Kurupung Batholith are analogous with albitite-hosted deposits. The next step is to demonstrate that U3O8 Corp’s initial resource can be expanded significantly in light of the potential size of albitite-hosted deposits elsewhere in the world.

Figure 2 – Geophysical Surveys Indicate Common Cross-Cutting Features for New Target Generation



Figures 2A and 2B show views of a small area of the airborne magnetic and ground VLF-EM (Very Low Frequency-Electromagnetic) surveys undertaken by U3O8 Corp. in the Aricheng area of the Kurupung Batholith. The irregular white areas outlined in black show the footprint of uranium mineralization drilled by U3O8 Corp. at Aricheng West and Aricheng South. In Figure 2A, warm colours represent magnetic rocks while cool colours represent rocks with little magnetism. In Figure 2B, warm colours represent slightly conductive zones while cool colours are less conductive.

All the uranium found by U3O8 Corp. to date lies within demagnetized faults (Figure 2A – coloured in blue in the magnetic data and marked by white-dashed lines). This data suggests that potential mineralization could be located along these demagnetized structures.

An empirical observation from the drilled areas is that uranium-bearing shoots are located where conductive zones (red and pink in Figure 2B) identified in VLF-EM data coincide with, or intersect, ribbons of low magnetism (blue areas in Figure 2A highlighted by white-dashed line), which are interpreted as demagnetized faults. Targets for scout drilling were selected (shown in black circles on Figure 2B) where conductive zones cut demagnetized faults.

About U3O8 Corp.

U3O8 Corp. is a Canadian uranium exploration company based in Toronto, Canada. Currently focused on uranium exploration in the Roraima Basin in Guyana, South America, U3O8 Corp's primary business objective is to explore, develop and acquire uranium projects in the Americas. The company is well funded with approximately \$7 million held solely in cash and Canadian chartered bank-backed Guaranteed Investment Certificates.

U3O8 Corp. has exclusive uranium exploration rights in an area covering approximately 1.3 million hectares that straddles the edge of the Roraima Basin in Guyana. The company is advancing a two-pronged exploration strategy that focuses on:

- Exploration for multiple uranium-bearing structures within structural systems in the basement adjacent to the Roraima Basin with the concept that the individual breccia zones could potentially aggregate to a total resource of significant size; and
- Exploration for unconformity-related uranium deposits near the base of the Roraima Basin in Guyana, based on its similarity to the Athabasca Basin in Saskatchewan, that contains about one third of the world's uranium resources.

For further information on the company's properties, please refer to the technical reports prepared for the company by Dahrouge Geological Consulting Ltd. dated September 15, 2006 as amended and restated December 12, 2006; and the NI 43-101 report entitled "A Technical Review of the Aricheng North and Aricheng South Uranium Deposits in Western Guyana for U3O8 Corp. and Prometheus Resources (Guyana) Inc." by Watts, Griffis and McOuat dated January 14, 2009, available on SEDAR at www.sedar.com and on the company's website www.u3o8corp.com.

**The uranium deposits (Michelin, Valhalla-Skal, Coles Hill, Lagoa Real, Vatutinskoye, Michurinskoye and Severinskoye) referred to in this press release have not been independently verified by U3O8 Corp. and information regarding these deposits is drawn from publicly available information. There is no certainty that further exploration of U3O8 Corp's uranium resource or other targets will result in the delineation of a mineral resource of similar size.*

Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of U3O8 Corp., including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates, currency fluctuations, dependence upon regulatory approvals, the uncertainty of obtaining additional financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

For information, please contact:
U3O8 Corp.
(416) 868-1491

Nancy Chan-Palmateer
Vice President, Investor Relations
nancy@u3o8corp.com

Richard Spencer
President & CEO
richard@u3o8corp.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

U3O8 Corp. (TSX-V: UWE)
Basic shares outstanding: 23,057,700
Fully diluted shares outstanding: 24,877,700