MANAGEMENT'S DISCUSSION AND ANALYSIS

U3O8 CORP.

(A DEVELOPMENT STAGE COMPANY)

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2009

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The **Uranium** Discovery Company

Introduction

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of U3O8 Corp. (the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for the three and nine months ended September 30, 2009. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Corporation's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2009, and the audited annual consolidated financial statements of the Corporation for the years ended December 31, 2008 and 2007, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The consolidated financial statements of the Corporation for each period presented have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the three and nine months ended September 30, 2009, are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at November 27, 2009, unless otherwise indicated.

Further information about the Corporation and its operations is available on U3O8 Corp's website at www.u3o8corp.com or on SEDAR at www.sedar.com.

Caution Regarding Forward-Looking Statements

Except for statements of historical fact relating to the Corporation, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Corporation's properties; the future price of uranium; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Corporation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Corporation's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of uranium; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in uranium exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

About U3O8 Corp.

U3O8 Corp. is a Canadian mineral exploration company based in Toronto, Canada. Currently focused on uranium exploration in, and adjacent to, the Roraima Basin area of Guyana, South America, the Corporation's primary objective is to explore, develop and acquire uranium projects. To date, the Corporation has not earned any revenues from uranium exploration and is considered to be in the development stage as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

U3O8 Corp. has exclusive uranium exploration rights in an area covering approximately 1 million hectares that straddles the northeastern and southeastern edges of the Roraima Basin in Guyana. The Corporation aims to deliver returns to shareholders by advancing a two-pronged exploration strategy that focuses on:

- **Basement-Hosted Uranium** - Exploration in the basement adjacent to the Roraima Basin either for a structural system that contains multiple uranium-bearing breccias that could potentially aggregate to a significant total resource or for a style of mineralization in which uranium is concentrated in a large, coherent body; and

- **Unconformity-Related Uranium** - Exploration for unconformity-related uranium deposits associated with the Roraima Basin, which is geologically similar to the Athabasca Basin in Saskatchewan that hosts approximately one third of the world's known uranium resources.

Through its subsidiary, Prometheus Resources (Guyana) Inc. ("Prometheus Guyana"), U3O8 Corp's uranium exploration is focused on the area comprising two reconnaissance permits (the "Reconnaissance Permits") known as Permit A and Permit B. Permit A provides Prometheus Guyana with permission to carry out geological, geophysical and other surveys related to uranium exploration within an area of approximately 258,083 hectares located in the Cuyuni/Mazaruni and Potaro Mining Districts of Guyana until November 22, 2010. Similarly, Permit B provides permission for Prometheus Guyana to explore an area of approximately 746,309 hectares located in the Potaro, Cuyuni/Mazaruni and Rupununi Mining Districts of Guyana until May 30, 2010. Thereafter, Prometheus Guyana will have the right to explore approximately 402,923 hectares of the Permit B area (approximately 50% of the original permit area) until May 31, 2012. U3O8 Corp. has advanced to the second step in the regulatory process in applying for Prospecting Licenses over priority targets within the areas within the Reconnaissance Permits.

On November 23, 2009, the Guyana Geology & Mines Commission ("GGMC") approved the Corporation's application to amend the terms of Permit A and Permit B. The Corporation was granted permission to continue to explore approximately 50% of the land area originally covered by Permit A until November 22, 2010, and a 2-year extension to continue to explore approximately 50% of the land area originally covered by Permit B from May 31, 2010 to May 31, 2012. These extensions will allow the Corporation to continue its reconnaissance work on focused exploration areas, which will cover approximately 50% or about 661,006 hectares of the original 1.3 million hectares included under the permits first issued in 2005.

Overall Performance

During the first three quarters of 2009, uncertainty and volatility due to the global financial crisis continued and adversely affected capital markets and commodity prices. Companies worldwide, including in Canada, encountered major economic adversities including currency volatility, constraints on liquidity, credit and access to capital, fluctuations in energy and resource prices, and uncertainty in the global banking system.

Notwithstanding current uncertain economic times, U3O8 Corp. continued to advance its two-pronged exploration strategy for basement-hosted, albitite-related uranium in the Kurupung Batholith, near the Roraima Basin, as well as for unconformity-related uranium in the Roraima Basin. The Corporation is focused on enhancing the value of its uranium resource in the Kurupung while making efficient use of cash and ensuring that U3O8 Corp. remains capitalized into 2010. This work resulted in the identification of a large number of compelling new exploration targets, based principally on geophysical characteristics, with the potential to considerably increase the Corporation's initial NI 43-101 uranium resource in the basement rocks adjacent to the Roraima Basin while homing in on the first drill targets for unconformity-related uranium. In line with this strategy, a scout drilling program of albitite-hosted targets began in August this year and is planned to continue until mid-December, 2009. This program aims to identify additional uranium-bearing structures to determine the potential size of the Kurupung uranium system. Positive results from the first scout drill targets have increased U3O8 Corp's pipeline of targets awaiting infill drilling to seven uranium-bearing structures so far with the potential to expand the Corporation's resource base. Two more targets are expected to have been drilled by year-end. Drilling of unconformity-related uranium targets is expected to commence in 2010.

For the nine months ended September 30, 2009, the Corporation incurred exploration expenditures in Guyana of $3,660,988 compared to $7,276,757 for the nine months ended September 30, 2008 (cumulative to September 30, 2009 - $19,585,081). The $3,660,988 was comprised of Guyana local head office costs of $1,161,929 (which included retrenchment costs in the first half of 2009 as part of the Corporation's rationalization and focus on key projects in light of the global financial situation), exploration costs on all Guyana projects of $2,499,059, which included drilling-related costs of $470,995 (approximately $62 per metre drilled), and stock-based compensation of $44,952. The Corporation expects these expenditures will increase moderately in the fourth quarter as more targets are drill-tested in line with the scout drilling campaign initiated in August 2009.

At September 30, 2009, the Corporation had working capital of $6,424,051 compared to $11,163,247 at December 31, 2008. The Corporation had cash and cash equivalents and guaranteed investment certificates of $6,505,216 at September 30, 2009, compared to $11,401,241 at December 31, 2008. The decrease in cash and cash equivalents and guaranteed investment certificates during the nine months ended September 30, 2009, was primarily due to expenditures for the Corporation's exploration activities and retrenchment costs in Guyana, as discussed above, and operating costs. The decrease was offset by interest income of $110,915 during the nine months ended September 30, 2009.

The Corporation has sufficient cash to fund its committed and discretionary exploration and operating activities planned for fiscal 2009 at current operating levels. A discretionary budget of approximately $1,800,000 for the fourth quarter of 2009 has been allocated primarily for the Kurupung scout drilling program referenced above as well as funding ongoing exploration for unconformity-related uranium and overhead costs. As a result, U3O8 Corp. expects to have about $4,000,000 in cash at the end of 2009. Management may increase or decrease the budget depending on exploration results and ongoing volatility in the current economic environment. See "Liquidity and Capital Resources" below.

2009 Third Quarter Highlights

- To date, U3O8 Corp. has defined seven structures that contain consistent uranium mineralization in the Kurupung Batholith as it continues to expand its pipeline of targets ready for infill drilling and subsequent potential resource estimation.

    - Initial resource estimates – Aricheng South and Aricheng North have National Instrument 43-101 resources defined, and mineralization remains open in both structures with potential for significant resource growth upon further drilling.
    - Approaching resource estimation – Aricheng West and Accori North C are poised for additional infill drilling and subsequent resource estimation.
    - Awaiting infill drilling – Accori South, Aricheng Alpha and Aricheng Epsilon require Phase II drilling to determine the extent of uranium mineralization which, if results are positive, would warrant further drilling to move these structures toward resource definition.

  A cluster of mineralized structures is emerging in the approximately 35 square kilometre Aricheng Area. Accori is another area of the Kurupung Batholith that contains multiple uranium-bearing structures. The occurrence of these two concentrations of uranium within relatively small areas of the batholith underscores the potential of the 360 square kilometre Kurupung Batholith to host a significant resource. Uranium in the Kurupung has many of the geological characteristics that are typical of sizeable albitite-hosted deposits worldwide including similar structural systems that contains multiple uranium zones.

- Scout drilling campaign: In August 2009, a 6,000-metre scout drilling program was initiated to test new basement-hosted targets identified in geophysical surveys completed in the first half of 2009. The objective is to identify new mineralized areas to add to the pipeline of structures ready to advance to resource estimation. The results of this drill campaign should provide insight into the overall size of the Kurupung uranium district and its potential to contain a resource comparable with that of many other albitite-hosted uranium systems which typically contain resources in the 50 to 130 million pound range.

The success of hitting uranium of potentially economic grade in the initial holes in three out of five scout drill targets reported on to date, underscores the predictive power of geophysics as a targeting tool in identifying additional mineralized zones. Table 1 provides a summary of the targets that have been drilled in the exploration of the geophysical targets so far.

Table 1: Summary of information on the scout drilling of geophysical targets in the Kurupung Batholith in the August-December, 2009 exploration program.

Target	**Phase I**		**Status**
	No. of Holes	Metreage	
Aricheng Alpha	7	1,613	Results reported in the October 15, 2009 press release
Wild Cow	5	790	No significant results – reported in the November 18, 2009 press release
Aricheng Epsilon	5	818	Results reported in the November 18, 2009 press release
Aricheng West Extension	4	660	Results reported in the November 24, 2009 press release
Aricheng Tau	2	307	Results reported in the November 24, 2009 press release
Aricheng Sigma	1	151	Further drilling planned, results pending
Total	24	4,339	

- Field-based exploration for unconformity-related uranium continued on initial targets in the Roraima Basin. Extensive alteration zones are being defined within specific target areas in the field as well as in archived core from gold exploration in the Roraima Basin undertaken in the mid-1990's. The archived core is also being analyzed for possible metal zoning that could be integrated with alteration zoning to identify areas of higher exploration potential. Rock-chip geochemistry is being used in the field to determine the most prospective parts of broad target areas – and these more confined targets are being ranked for scout drilling in due course.

- For the nine months ended September 30, 2009, the Corporation incurred exploration expenditures of $3,660,988 (excluding stock-based compensation of $44,952), of which approximately $470,995 was spent on direct drilling costs for 7,647 metres (approximately $62 per metre).

- The Canadian Accounting Standards Board has confirmed that International Financial Reporting Standards ("IFRS") will replace current Canadian GAAP for publicly accountable enterprises, including the Corporation, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of approval from the Canadian Securities Administrators ("CSA"). The CSA has approved the Corporation's application for early adoption of IFRS beginning in 2010.

  Accordingly, the Corporation will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2010. The Corporation's 2010 interim and annual financial statements will include comparative 2009 financial statements, adjusted to comply with IFRS. See "Change in Accounting Policies" below.

- On September 8, 2009, the Corporation granted an aggregate of 565,000 incentive stock options to employees, directors and a consultant pursuant to the Corporation's Stock Option Plan, at an exercise price of $0.35 per share. The options are exercisable for a period of 5 years.

- At September 30, 2009, the Corporation had $6,505,216 in cash and cash equivalents and bank-backed guaranteed investment certificates held with major Canadian chartered banks.

See "Current Exploration Activities" below.

Trends

The Corporation anticipates that it will continue to experience net losses as a result of ongoing exploration in Guyana and operating costs until such time, if any, as revenue generating activity is commenced. The Corporation's future financial performance is dependent on many external factors. Both the price of, and the market for, uranium is volatile, difficult to predict and subject to changes in domestic and international political, social and economic environments. These circumstances and events, such as the current global economic crisis and ongoing volatility in the capital markets, could materially affect the future financial performance of the Corporation. For a summary of other factors and risks which have affected, and which in future may affect the Corporation and its financial position, please refer to the sections entitled "Trends" and "Risk Factors" in the Corporation's management's discussion and analysis for the fiscal year ended December 31, 2008, available on SEDAR at www.sedar.com.

Current Exploration Activities

U3O8 Corp. is pursuing a two-pronged exploration strategy aimed at achieving both near-term exploration success through the search for uranium mineralization in the basement rocks adjacent to the Roraima Basin, as well as longer-term potential through exploration for unconformity-related uranium deposits within the Roraima Basin.

Exploration for basement-hosted uranium

U3O8 Corp's exploration drilling has defined multiple uranium-bearing structures in the Kurupung Batholith, located in the basement near the Roraima Basin. The Corporation has drilled 46,524 metres in 269 bore holes in the Kurupung Batholith to date, which has resulted in the definition of an initial resource on two uranium-bearing structures and a growing pipeline of currently five additional mineralized areas with the potential to significantly increase its resource base.

Albitite-Hosted Deposits – Uranium mineralization in the Kurupung Batholith has a strong similarity in alteration style, geology, uranium grade and distribution to a class of sizeable deposits around the world known as albitite-hosted uranium. The majority of these deposits range in size from about 50 to 130 million pounds uranium (U_3O_8) including Canada's Michelin, Australia's Valhalla, Brazil's Lagoa Real and the USA's Cole's Hill deposits. Therefore, U3O8 Corp's focus is to determine whether the mineralized structural system in the Kurupung district has the potential to contain a resource of comparable size to typical albitite-hosted deposits.

Scout Drilling Program – In August 2009, U3O8 Corp. embarked on a 6,000-metre scout drilling program of newly identified targets with the aim of building its inventory of mineralized structures that could add to its initial resource and provide a means of estimating the size potential of the Kurupung district in the short-term.

24 bore holes for 4,339 metres have been completed on six targets in the Aricheng Area so far. Assay results have been reported on Aricheng Alpha, Aricheng Epsilon, Aricheng West extension, Aricheng Tau and Wild Cow with significant mineralization intersected in three out of these five targets. Further scout drilling is planned on two additional geophysical targets before the end of 2009. Resource drilling will be considered when scout drilling has provided adequate guidance as to the potential size of the Kurupung uranium district.

Aricheng Alpha

Aricheng Alpha is a geophysical target that lies approximately mid-way between Aricheng West and Aricheng South – about 500 metres from both of these mineralized structures. Significant uranium mineralization was intersected at Aricheng Alpha in six of the seven bore holes drilled. Mineralization lies within a northeast trending sheet-like zone of albitite alteration that dips to the northwest at approximately 75°. Uranium mineralization has been confirmed over a strike length of approximately 200 metres and to 200 metres below surface. Uranium grades at Aricheng Alpha increase to the northeast and mineralization remains open along strike and at depth. A summary of the principal mineralized intercepts at Aricheng Alpha is shown in Table 2.

Table 2: Aricheng Alpha Assay Results

Summary assays of the principal mineralized zones intersected in the Phase I scout drilling at Aricheng Alpha are set forth below.

Bore hole data				Intercept				Grade	
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estmated True Thickness (m)	U_3O_8 (%)	U_3O_8 (lb/st)
ALPHA-001	155	-45	39.10	BH abandoned at 39.1 metres depth					
ALPHA-001A	155	-45	181.40	157.0	160.0	3.0	2.7	0.041	0.82
ALPHA-002	335	-45	181.40	83.0	88.0	5.0	4.5	0.058	1.16
ALPHA-003	155	-45	229.60	144.0	146.0	2.0	1.8	0.059	1.18
				150.0	153.0	3.0	2.7	0.066	1.32
				207.0	209.0	2.0	1.8	0.114	2.28
ALPHA-004	155	-45	211.70	No significant Results					
ALPHA-005	155	-45	232.70	114.0	117.0	3.0	2.7	0.091	1.82
				126.0	143.0	7.0	6.3	0.069	1.38
ALPHA-006	155	-45	220.50	115.0	122.0	7.0	6.3	0.075	1.50
				126.0	130.0	4.0	3.6	0.057	1.14
				172.0	174.0	2.0	1.8	0.124	2.48
ALPHA-007	155	-45	280.30	241.0	245.0	4.0	3.8	0.061	1.22
				256.0	261.0	5.0	4.7	0.050	1.00

Note: *lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.*

Aricheng Epsilon

Aricheng Epsilon is a geophysical target located approximately 100 metres west of the Aricheng West mineralized area. Four of the five bore holes drilled at Aricheng Epsilon intersected significant uranium mineralization in an east-northeast trending principle structure marked by albite-dominated alteration that is steeply inclined to the south. One bore hole also intersected a second significantly mineralized structure, which ground magnetics suggest may have a northeast trend. Further drilling is needed to confirm the orientation and extent of uranium mineralization in the second structure. The limited scout drilling program identified uranium mineralization over a strike distance of about 100 metres and to approximately 80 metres below surface. Mineralization remains open along strike to the east and is open at depth. Summary assay results are shown in Table 3.

Table 3 – Aricheng Epsilon Assay Results

Summary assays of the principal mineralized zones intersected in the Phase I scout drilling of the Aricheng Epsilon target are set forth below.

Bore hole data				Intercept				Grade	
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estmated True Thickness (m)	U_3O_8 (%)	U_3O_8 (lb/st)
ARW-017	350	-50	151.5	44.0	54.0	10.0	8.7	0.106	2.12
ARW-018	350	-50	151.5	66.0	87.0	21.0	18.2	0.058	1.16
ARW-019	350	-50	181.6	45.0	47.0	2.0	1.7	0.086	1.7
				155.0	161.0	6.0	5.2	0.145	2.9
ARW-020	350	-50	181.5	No Significant Results					
ARW-021	350	-50	151.5	81.0	83.0	2.0	1.7	0.056	1.1
				90.0	94.0	4.0	3.5	0.040	0.8

Note: *lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.*

Wild Cow:

Wild Cow is a third target that was tested in the current scout drilling program. Wild Cow is characterized by hydrothermal breccias that outcrop sporadically over 300 metres along the edge of a conspicuous northeast trending zone of low magnetism. The breccias are cemented by silica-hematite and associated with extensive albite alteration of the breccia fragments and enclosing monzonitic rock. The breccias are variably radioactive up to 3,000 counts per second. The magnetic low on which the breccias lie extends through the Wild Cow area to the mineralized Aricheng Alpha structure some 2.8 kilometres to the northeast. Five bore holes, for 790 metres, were drilled at Wild Cow and did not intersect significant mineralization. Further drilling may be undertaken at Wild Cow upon better understanding of the detailed structure of the area.

Aricheng West Extension:

An extension of the Aricheng West structure was the fourth area tested with four bore holes for 660 metres in the current scout drilling campaign. Uranium mineralization at Aricheng West is contained within two sheet-like breccias forming a "Y"-shaped cross section. The "Y"- shape is asymmetric with the southern structure being near-vertical and the other arm of the "Y" inclined to the south at an angle of approximately 45°. We suspect that the near-vertical structure continues at depth. Consistent uranium has now been intersected in drilling over a strike distance of 500 metres and to a depth of 150 metres at Aricheng West. U3O8 Corp. suspects that mineralization at Aricheng Epsilon, discussed above, constitutes part of the Aricheng West mineralized system and, if this is correct, would increase the total strike length of mineralization to some 700 metres. Mineralization is still open along strike to the east and at depth at Aricheng West. Summary assays from the scout drilling are shown in Table 4.

Table 4 – Aricheng West Extension Assay Results

Summary assays of the principal mineralized zones intersected in the scout drilling of the Aricheng West extension target are set forth below.

Bore hole data				Intercept				Grade	
Hole #	**Bearing (°)**	**Inclination (°)**	**Total Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**Estmated True Thickness (m)**	**U_3O_8 (%)**	**U_3O_8 (lb/st)**
ARW-022	350	-50	169.5	116.0	118.0	2.0	1.5	0.066	1.3
				126.0	129.0	3.0	2.3	0.551	11.0
ARW-023	350	-50	169.4	47.0	49.0	2.0	1.5	0.098	2.0
				99.0	101.0	2.0	1.5	0.077	1.5
				107.0	114.0	7.0	5.4	0.090	1.8
			Including	109.0	112.0	3.0	2.3	0.132	2.6
				146.0	148.0	2.0	1.5	0.082	1.6
ARW-024	350	-50	169.7	55.0	57.0	2.0	1.5	0.229	4.6
				90.0	96.0	6.0	4.6	0.158	3.2
ARW-027	350	-50	151.4	50.0	55.0	5.0	5.0	0.095	1.9
				69.0	72.0	3.0	3.0	0.058	1.2

Note: *lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.*

Aricheng Tau:

Aricheng Tau was the fifth target that was tested in the current scout drilling program. Aricheng Tau lies in the central part of a weakly magnetic zone identified in airborne and ground magnetic data. Two holes were drilled beneath a radiometric anomaly that is located within the magnetic low. Both holes intersected albite-dominated alteration, similar to that which encloses uranium-bearing parts of the Kurupung system, but neither of these intersections contained significant uranium grades and no further drilling is planned for the Tau target at this time.

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

Targeting Techniques – The success of intersecting uranium of potentially economic grade in the initial holes in Aricheng Alpha, Aricheng Epsilon and Aricheng West extension, three out of five scout drill targets reported on to date, underscores the predictive power of geophysics as a targeting tool in identifying additional mineralized areas in the Kurupung Batholith. U3O8 Corp. is integrating magnetic and VLF-EM (Very Low Frequency-Electromagnetic) data as the principal geophysical exploration methods, while radiometrics serve as a secondary tool to rank new targets defined on the basis of magnetic and VLF-EM data.

All consistent uranium mineralization drilled to date lies within weakly magnetic structures within the Kurupung Batholith. Therefore, U3O8 Corp. is using data from magnetic surveys to identify demagnetized faults as potential targets within the batholith. VLF-EM provides an additional targeting tool since known uranium-bearing areas are generally located where slightly conductive zones identified in VLF-EM data coincide with, or cross, weakly magnetic fault zones, Hence, priority targets are identified where conductors evident in VLF-EM data cross weakly magnetic corridors that are interpreted as fault zones that have been demagnetized by the formation of alteration minerals. Target selection takes into account that only parts of the demagnetized faults may contain uranium.

Exploration for unconformity-related uranium in the Roraima Basin

U3O8 Corp's exploration model in the Roraima Basin is based on its geological similarity to the prolific Athabasca Basin in Saskatchewan, Canada, and the possibility that the Roraima Basin may host unconformity-related deposits similar to the world-class Cigar Lake and McArthur River mines. Given the small physical size of unconformity-style deposits and consistent with the methodical exploration required to identify these deposits, U3O8 Corp. continues to implement a thorough and scientific approach to its exploration of the Roraima Basin before proceeding to drill test its first targets.

The Corporation's targets share many of the characteristics of unconformity-related uranium deposits in the Athabasca, as follows:

1. they are located in or near faults that cut potentially graphite-bearing rocks;
2. they are located where these potentially graphite-bearing faults intersect or are cut by younger faults;
3. they are located where more permeable sedimentary layers within the basin lie against ridges in the basin floor;
4. they have clay mineral alteration haloes; and
5. they lie within areas that have elevated levels of metals and other chemical elements.

During 2009, U3O8 Corp. continued to evaluate, refine and rank unconformity-related uranium targets based on the above criteria in order to focus its efforts and expenditures on the most promising areas. Firstly, through the analysis of archived core previously drilled by a gold company, U3O8 Corp. has identified key alteration minerals in the Roraima Basin that are typically associated with unconformity-style deposits found in the Athabasca. Sudoite, a magnesium-rich chlorite mineral detected in the archived core, occurs with illite, kaolinite, dickite and hematite, which together comprise part of the classic alteration suite that encloses deposits in the Athabasca.

In addition, a portable analyzer (hand-held X-ray fluorescent device) is providing a first-pass analysis of the archived core for metal zoning characteristic of Athabasca-type deposits. Any metal zoning detected will be integrated with alteration zoning as a means of vectoring towards the most prospective parts of broad target areas in the Roraima.

Secondly, field-based ground radiometric surveys and rock chip sampling are being used to detect alteration zoning and areas enriched in chemical pathfinder elements. Ground work is focused on mapping the extensive areas of intense alteration visible in the field and on rock-chip geochemistry along fault zones as a means of identifying chemical anomalies and potential metal zoning to define drill targets.

Once U3O8 Corp. has completed its evaluation of potential targets, it expects to commence scout drilling of the most promising areas in 2010.

Summary

In the current financial market environment, U3O8 Corp. continues to advance key aspects of its exploration in a cost-efficient manner. Exploration expenditures declined through Q1, Q2 and Q3 2009, compared to the same periods in 2008, reflecting a focus on identifying new targets through field-based surveys and the reworking of existing data while minimizing drilling. As a result, new exploration targets are undergoing initial testing in a modest drill program in the second half of 2009, which is producing positive results and providing a means of estimating the size potential of the Kurupung uranium system. Exploration expenditures are expected to rise moderately in Q4 2009 as a result of this scout drilling campaign. The Corporation expects to be capitalized with about $4,000,000 in cash at the end of 2009. See "Liquidity and Capital Resources" below. There is no guarantee that the Corporation will discover an economic uranium resource from the above-mentioned activities.

U3O8 Corp's performance will be largely tied to the outcome of the exploration program in Guyana.

Technical Disclosure

Rick Cleath, Vice President of U3O8 Corp., and Richard Spencer, President, Chief Executive Officer and Director of the Corporation, are both "qualified persons" within the definition of that term in National Instrument 43-101. Mr. Cleath has supervised the preparation of, and verified, all technical information related to the Corporation's exploration activities in Guyana, South America. All technical disclosure presented in this MD&A was prepared under the supervision of Dr. Spencer.

Overall Objective

The Corporation's business objective is to explore, develop and acquire uranium projects. The Corporation is in the process of exploring the land area assigned by the GGMC and defined in the Reconnaissance Permits and Prospecting Licenses and has not yet determined whether the land area contains an economic uranium deposit. The recoverability of exploration expenditures to date is dependent upon numerous factors including: the selling price of uranium at the time the Corporation intends to mine ore deposits found through exploration or acquisitions; the ability of the Corporation to obtain the necessary permitting and financing to complete exploration and development; government policies and regulations; and future profitable production or proceeds from disposal of such properties.

To date, U3O8 Corp. has released an initial uranium resource on the first of its basement-hosted targets, but has not discovered an economic deposit. While discovery of uranium-bearing structures may result in substantial rewards, it should be noted that few properties that are explored are ultimately developed into producing mines.

The Corporation notes that although results from the exploration of its existing projects is encouraging, exploration is a high risk business since so few exploration programs result in the discovery of an economic ore deposit. The Corporation may consider acquisitions of additional properties to expand and diversify its resource portfolio as well as reduce overall exploration risk. There are no assurances that acquisitions will be made by the Corporation.

In conducting its search for additional properties, the Corporation may consider acquiring properties that it considers prospective based on criteria such as the exploration history of the properties, the location of the properties, uranium resource potential or a combination of these and other factors. Risk factors to be considered in connection with the Corporation's search for and acquisition of additional properties include the significant expenses required to locate and establish mineral reserves; the fact that expenditures made by the Corporation may not result in discoveries of commercial quantities of minerals; environmental risks; regulatory risks; risks associated with land title; the competition faced by the Corporation; and the potential failure of the Corporation to generate adequate funding for any such acquisitions. See also "Risk Factors" below.

Summary of Quarterly Results

Three Months Ended (*)	Net loss $	Basic and diluted loss per share $
2009-September 30	(1,573,131) (1)	(0.07)
2009-June 30	(1,108,505) (2)	(0.05)
2009-March 31	(2,425,962) (3)	(0.11)
2008-December 31	(2,463,717) (4)	(0.11)
2008-September 30	(3,476,546) (5)	(0.15)
2008-June 30	(3,329,067) (6)	(0.14)
2008-March 31	(2,074,353) (7)	(0.09)
2007-December 31	(1,939,890) (8)	(0.08)

(*) The Corporation did not have any income (loss) before discontinued operations or extraordinary items for each period presented.

Notes:

(1) Net loss of $1,573,131 principally related to exploration expenditures in Guyana in the amount of $993,657 (excluding stock-based compensation of $20,648). All other expenses related to general working capital purposes, management compensation and a foreign exchange loss. All expenses were offset by interest income of $21,853.

(2) Net loss of $1,108,505 principally related to exploration expenditures in Guyana in the amount of $873,475 (excluding stock-based compensation of $11,857). All other expenses related to general working capital purposes and management compensation. All expenses were offset by interest income of $37,672.

(3) Net loss of $2,425,962 principally related to exploration expenditures in Guyana in the amount of $1,748,904 (excluding stock-based compensation of $12,447). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $51,390.

(4) Net loss of $2,463,717 principally related to exploration expenditures in Guyana in the amount of $2,369,633 (excluding stock-based compensation of $29,549). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $76,195 and a foreign exchange gain of $475,024.

(5) Net loss of $3,476,546 principally related to exploration expenditures in Guyana in the amount $3,022,489 (excluding stock-based compensation of $34,850). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $89,616.

(6) Net loss of $3,329,067 principally related to exploration expenditures in Guyana in the amount $2,470,121 (excluding stock-based compensation of $60,845) and professional fees of $376,372, which included additional fees for the Corporation's successful defence against Aberdeen International Inc.'s attempt to take control of the Corporation at the 2008 Annual and Special Meeting. In addition, net loss also included business development of $180,187, which included hiring an outside consulting firm to review potential acquisitions and joint ventures in the Americas. All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $146,325.

(7) Net loss of $2,074,353 principally related to a vesting amount of $101,276 regarding 1,960,000 stock options that were issued on December 15, 2006, 90,000 stock options that were issued on March 6, 2007, and 300,000 stock options issued on January 15, 2008; and exploration expenditures in Guyana in the amount $1,676,755 (excluding stock-based compensation of $11,697). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $184,320.

(8) Net loss of $1,939,890 principally related to a vesting amount of $200,031 regarding 1,960,000 stock options that were issued on December 15, 2006, and 90,000 stock options that were issued on March 6, 2007; and exploration expenditures in Guyana in the amount $1,568,109 (excludes stock-based compensation of $72,329). The Corporation's net loss also included a $172,000 payment to the former Chief Executive Officer as part of his compensation package for his departure from the Corporation. All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $239,025.

Results of Operations

Nine months ended September 30, 2009, compared with nine months ended September 30, 2008

The Corporation's net loss totalled $5,107,598 for the nine months ended September 30, 2009, with basic and diluted loss per share of $0.22. This compared with a net loss of $8,879,966 with basic and diluted loss per share of $0.39 for the nine months ended September 30, 2008. The decrease of $3,772,368 in net loss was principally due to:

- Guyana exploration expenses (excluding stock-based compensation) decreased by $3,553,329 for the nine months ended September 30, 2009, compared with the same period in 2008. This decrease in exploration activity can be attributed to cash conservation initiatives undertaken by the Corporation in light of the uncertainty in global financial markets while continuing to advance key aspects of its exploration strategy. See "Current Exploration Activities" above;

- A decrease of $23,504 in stock-based compensation during the nine months ended September 30, 2009, compared with the same period in 2008, was mainly due to the timing of stock-based compensation depending on the date of issue and the vesting term of the options granted. Users of the Corporation's financial information should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact operating results significantly;

- Professional fees for the nine months ended September 30, 2009 were $205,941 (nine months ended September 30, 2008 - $491,706 (excluding stock-based compensation)). The decrease of $285,765 was mainly attributable to professional fees paid in the 2008 period for the Corporation's successful defense against Aberdeen International Inc.'s attempt to take control of the Corporation. These expenditures were incurred prior to and during the 2008 Annual and Special Meeting of the Corporation;

- Investor relations expense (excluding stock-based compensation) for the nine months ended September 30, 2009, was $4,815 (nine months ended September 30, 2008 - $215,876 (excluding stock-based compensation)). The decrease of $211,061 was mainly attributable to the reduction of investor relations services provided by outside firms during the 2009 period compared with the same period in 2008;

- Management compensation expense (excluding stock-based compensation) for the nine months ended September 30, 2009, was $220,800 (nine months ended September 30, 2008 - $306,521 (excluding stock-based compensation)). The decrease of $85,721 was mainly attributable to the payments made to the former Chief Executive Officer for consulting services as part of his compensation package for his departure from the Corporation during the nine months ended September 30, 2008, which were not paid in the 2009 period;

- Business development expense for the nine months ended September 30, 2009 was $318,599 (nine months ended September 30, 2008 - $296,185). The increase of $22,414 resulted mainly from business initiatives by the management team of the Corporation to increase shareholder value;

- Administrative and general costs increased by $74,406 during the nine months ended September 30, 2009, compared with the same period in 2008 (excluding stock-based compensation). The increase was due to greater corporate activity during the 2009 period. The Corporation continues to assess these costs to ensure that cost-effective choices are being made;

- Foreign exchange loss increased by $82,205 during the nine months ended September 30, 2009, compared with the same period in 2008. The increase in foreign exchange loss can be attributed to transactions in Guyana and the US dollar exchange rate fluctuations;

- The decreases in expenses during the nine months ended September 30, 2009 coincided with a decrease in interest income of $309,346. The Corporation earned interest on liquid fixed income securities from funds raised from the initial public offering, which occurred in December 2006. Interest income continues to decrease as these funds are depleted for exploration expenditures and operating costs; and

- All other expenses relate to general working capital purposes.

Three months ended September 30, 2009, compared with three months ended September 30, 2008

The Corporation's net loss totalled $1,537,131 for the three months ended September 30, 2009, with basic and diluted loss per share of $0.07. This compared with a net loss of $3,476,546 with basic and diluted loss per share of $0.15 for the three months ended September 30, 2008. The decrease of $1,903,415 in net loss was principally due to:

- Guyana exploration expenses (excluding stock-based compensation) decreased by $2,028,832 for the three months ended September 30, 2009, compared with the same period in 2008. This decrease in exploration activity can be attributed to cash conservation initiatives undertaken by the Corporation in light of the uncertainty in global financial markets while continuing to advance key aspects of its exploration strategy. See "Current Exploration Activities" above;

- A decrease of $15,876 in stock-based compensation during the three months ended September 30, 2009, compared with the same period in 2008, was mainly due to the timing of stock-based compensation depending on the date of issue and the vesting term of the options granted. Users of the Corporation's financial information should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact operating results significantly;

- Professional fees for the three months ended September 30, 2009 were $33,464 (three months ended September 30, 2008 - $69,346). The decrease of $35,882 was mainly attributable to professional fees paid in the 2008 period for the Corporation's successful defense against Aberdeen International Inc.'s attempt to take control of the Corporation. These expenditures were incurred prior to and during the 2008 Annual and Special Meeting of the Corporation;

- Investor relations expense (excluding stock-based compensation) for the three months ended September 30, 2009 was $1,605 (three months ended September 30, 2008 - $58,861 (excluding stock-based compensation)). The decrease of $57,256 was mainly attributable to the reduction of investor relations services provided by outside firms during the 2009 period compared with the same period in 2008;

- Business development expense for the three months ended September 30, 2009 was $78,769 (three months ended September 30, 2008 - $53,992). The increase of $24,777 resulted mainly from business initiatives by the management team of the Corporation to increase shareholder value;

- Administrative and general costs increased by $28,629 during the three months ended September 30, 2009, compared with the same period in 2008 (excluding stock-based compensation). The increase was due to greater corporate activity during the 2009 period. The Corporation continues to assess these costs to ensure that cost-effective choices are being made;

- Foreign exchange loss increased by $141,936 during the three months ended September 30, 2009, compared with the same period in 2008. The increase in foreign exchange loss can be attributed to transactions in Guyana and the US dollar exchange rate fluctuations;

- The decreases in expenses during the three months ended September 30, 2009, coincided with a decrease in interest income of $67,763. The Corporation earned interest on liquid fixed income securities from funds raised from the initial public offering, which occurred in December 2006. Interest income continues to decrease as these funds are depleted for exploration expenditures and operating costs; and

- All other expenses relate to general working capital purposes.

Use of proceeds from final prospectus dated December 15, 2006

The Corporation through its subsidiary, Prometheus Guyana, has undertaken exploration in accordance with the plan laid out in the final prospectus dated December 15, 2006. In defining an initial resource on the properties, the Corporation has gone beyond the work originally contemplated in the prospectus. The Corporation has spent in excess of the Phase I and Phase II expenditure requirements of the recommended exploration programs for Permits A and B set out in the prospectus and will continue its efforts to define an economic uranium deposit.

Budget for Calendar 2009

The following is a summary of the plans related to the Corporation's operations in calendar 2009. Exploration expenditures incurred in Q1, Q2 and Q3 2009 covered the work required to keep the concessions in good standing with the State and included closure and retrenchment costs. Q2 and Q3 expenditures reflected reduced discretionary exploration activities in order to conserve cash in light of the uncertainty in financial markets while focusing on priority exploration initiatives. Expenditures are expected to rise through Q4 with the scout drilling program on basement-hosted targets underway in the latter half of 2009 as discussed above in "Current Exploration Activities".

Cost Category	Plans for Project	Planned Expenditures for Fiscal 2009	Expenditures to Date	Remaining Expenditures	Timing for Completion of Planned Activities
Guyana Operations	Kurupung drilling program, ongoing exploration and overhead costs	$5,000,000 (1)(3)(4)	$3,616,036 (6)	$1,383,964	December 2009
Canadian Operations	Head office costs (2)	$1,500,000 (4)	$1,054,493 (5)	$445,507	December 2009

(1) The budget for Guyana operations is $5 million for fiscal 2009 as a result of the decision to undertake a scout drilling program in the second half of 2009;

(2) Head office costs include professional fees, business development, management compensation, investor relations, administrative and general, consulting fees, reporting issuer costs and director fees in Canada;

(3) Includes budgets for five Prospecting Licenses for uranium and other radioactive and rare earth minerals;

(4) Discretionary expense, subject to change if management decides to scale back operations or accelerate exploration;

(5) This figure includes interest income but excludes stock-based compensation and amortization; and

(6) Stock-based compensation is excluded from this figure.

Liquidity and Capital Resources

The activities of the Corporation, principally the exploration and acquisition of properties for uranium, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. During the nine months ended September 30, 2009, the Corporation did not have any equity transactions. There is no assurance that equity capital will be available to the Corporation in the amounts or at the times desired by the Corporation or on terms that are acceptable to the Corporation, if at all. See "Risk Factors" below.

Accounts payable and accrued liabilities decreased to $203,132 at September 30, 2009, compared to $516,921 at December 31, 2008, primarily due to payments for exploration expenditures. The Corporation's cash and cash equivalents as at September 30, 2009, were sufficient to pay these liabilities.

As of September 30, 2009, the Corporation had met its capital commitment obligations to keep its Reconnaissance Permits and Prospecting Licenses in good standing.

The Corporation has recently made a breakthrough in the recognition of targets in the basement rocks in the Kurupung area through the integration of different types of geophysical data. More specifically, airborne magnetic data clearly define the structures that drilling has shown to contain uranium mineralization. In addition, mineralized shoots in structures that have been intensively drilled are located where anomalies in VLF-EM data coincide with the demagnetized structures that are defined by the magnetic data. These empirical characteristics of known areas of mineralization are being applied to other parts of the Kurupung district as a tool to identify new target areas. These tools are helping to speed up the targeting process. A total estimated budget of approximately $3,000,000 for the second half of 2009 (approximately $1,800,000 remains to be spent as of September 30, 2009) has been allocated primarily for a scout drilling program to test these new targets. This scout drilling campaign is designed to provide guidance on the potential size of the Kurupung uranium district in the short-term and expand U3O8 Corp's pipeline of mineralized structures required to grow its resource base. This budget also includes funding for ongoing exploration for unconformity-related uranium in the Roraima Basin and overhead costs.

The Corporation plans to incur about $1,400,000 in budgeted expenditures for operations in Guyana in the last quarter of 2009. These expenditures are not committed and are discretionary in nature. See "Results of Operations" above. These expenditures are subject to change if management decides to scale back operations or accelerate exploration in Guyana.

At September 30, 2009, the Corporation had $6,505,216 in cash and cash equivalents and guaranteed investment certificates, compared with $11,401,241 at December 31, 2008. Working capital as of September 30, 2009 was $6,424,051 compared with $11,163,247 at December 31, 2008. The decrease was mainly due to exploration expenditures in Guyana in the amount of $3,616,036 (excluding stock-based compensation), and funds spent on operating costs. The decrease was offset by interest income received during the nine months ended September 30, 2009, in the amount of $110,915. The Corporation earned interest on guaranteed investment certificates from funds raised from the initial public offering in December 2006.

U3O8 Corp. is a uranium exploration company without operating revenues; and therefore, the Corporation must utilize its current cash reserves, income from investments, funds obtained from the exercise of stock options and other financing transactions to maintain its capacity to meet the planned exploration in Guyana, or to fund any further development activities. See "Risks Factors" below.

As of September 30, 2009, the Corporation had 23,057,700 common shares issued and outstanding and 2,275,000 options outstanding which would raise $3,657,450 if exercised in full. Exercise of these options is not anticipated before they expire or until the market value of U3O8 Corp's common shares recovers. See "Trends" above.

The Corporation continues to be debt free and its credit and interest rate risk is limited to interest bearing assets of cash and guaranteed investment certificates. Accounts payable and accrued liabilities are short-term and non-interest bearing.

The Corporation's liquidity risk with financial instruments is minimal as excess cash is invested with major Canadian chartered banks in bank-backed guaranteed investment certificates. In addition, accounts receivable are composed mainly of federal Goods and Services Tax (Canada) recoveries.

The funds on hand are adequate to meet the Corporation's ongoing discretionary exploration program as currently proposed. (See "Results of Operations" above). However, the Corporation will require additional funds from equity sources to complete the development of the project in Guyana, if warranted. See "Risks Factors" below.

Due to the current market conditions, the Corporation aims to enhance the value of its Kurupung uranium property while making efficient use of cash and ensuring that U3O8 Corp. remains capitalized into 2010. The Corporation's use of cash at present occurs, and in the future will occur, principally in two areas, namely, for funding of its administrative and general expenditures and for funding of its investment activities. Investment activities include the cash components of the cost of acquisition and exploration related with the Corporation's Guyana operations. Currently, the Corporation's operating expenses are averaging less than $118,000 per month for management compensation, month-to-month professional fees and other working capital related expenses. The Corporation also plans to incur about $1,400,000 in budgeted expenditures for operations in Guyana in the last quarter of 2009.

Assuming that management is successful in developing a substantial uranium deposit in Guyana, future work plans to develop the uranium deposit will depend upon the Corporation's assessment of prior results, the condition of the Corporation financially and the then prevailing economic climate in general.

Regardless of whether or not the Corporation discovers a significant uranium deposit, its working capital of $6,424,051 as at September 30, 2009, is anticipated to be adequate for it to continue operations at the current level in the short-term. However, to meet long-term business plans, developing a significant uranium deposit in Guyana is an important component of the Corporation's financial success.

Related Party Transactions

For the three and nine months ended September 30, 2009, the Corporation paid $10,500 and $31,500, respectively to Marrelli CFO Outsource Syndicate Inc. ("Marrelli") for the services of Carmelo Marrelli to act as Chief Financial Officer of the Corporation (three and nine months ended September 30, 2008 - $10,500 and $31,500, respectively). Carmelo Marrelli is the president of Marrelli. The Chief Financial Officer is also the president of a firm providing accounting services to the Corporation. During the three and nine months ended September 30, 2009, the Corporation expensed $7,713 and $23,559, respectively (three and nine months ended September 30, 2008 - $6,455 and $27,340, respectively) for services rendered by this firm. In addition, as at September 30, 2009, this firm was owed $2,685 (December 31, 2008 - $11,436) and this amount was included in accounts payable and accrued liabilities.

These transactions are in the normal course of operations and are measured at the exchange value (the amount established and agreed to by the related parties).

Off-Balance Sheet Arrangements

As of the date of this filing, the Corporation does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Corporation, including, and without limitation, such considerations as liquidity and capital resources.

Proposed Transactions

There are no proposed transactions of a material nature being considered by the Corporation. However, the Corporation continues to evaluate properties and corporate entities that it may acquire in the future. See "Overall Objective" above.

Critical Accounting Estimates

The preparation of the Corporation's unaudited interim consolidated financial statements requires management to make certain estimates that affect the amounts reported in the financial statements. The accounting estimates considered to be significant are the valuation of its Reconnaissance Permits and Prospecting Licenses and stock-based compensation.

The accounting policy of expensing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of the Corporation's Reconnaissance Permits and Prospecting Licenses is dependent entirely upon the discovery of economic uranium deposits.

The Corporation uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Corporation uses historical price data and comparables in the estimate of the stock price volatility.

Other items requiring estimates for the unaudited interim consolidated financial statements are accounts receivable, amortization of property and equipment, accounts payable and accrued liabilities and future income taxes.

Change in Accounting Policies

During the nine months ended September 30, 2009, the Corporation adopted the following new accounting policies:

Goodwill and Intangible Assets

Effective January 1, 2009, the Corporation adopted Section 3064, "Goodwill and Intangible Assets", which replaced CICA Handbook sections 3062 and 3450, EIC-27 and part of Accounting Guideline 11. Under previous Canadian standards, more items were recognized as assets than under International Financial Reporting Standards ("IFRS"). The objectives of CICA 3064 are to reinforce the principle based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition and to clarify the application of the concept of matching revenues and expenses such that the current practice of recognizing asset items that do not meet the definition and recognition criteria is eliminated. The portions in the new standard with respect to Goodwill remain unchanged. The provisions relating to the definition and initial recognition of intangible assets intend to reduce the differences with IFRS in the accounting for intangible assets. The new standard also provides guidance for the recognition of internally developed intangible assets (including research and development activities), ensuring consistent treatment of all intangible assets.

The adoption of this standard had no impact on the Corporation's presentation of its financial position or results of operations as at September 30, 2009.

Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities", which applies to interim and annual financial statements for periods ending on or after January 20, 2009. The adoption of this standard had no impact on the Corporation's presentation of its financial position or results of operations as at September 30, 2009.

Future Accounting Changes

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

The CICA issued three new accounting standards in January 2009: Section 1582, "Business Combinations", Section 1601, "Consolidated Financial Statements" and Section 1602, "Non-Controlling Interests". These new standards will be effective for fiscal years beginning on or after January 1, 2011. The Corporation is in the process of evaluating the requirements of the new standards.

Sections 1582 replaces section 1581 and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3 – Business Combinations. The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Sections 1601 and 1602 together replace section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1601 applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS IAS 27 – "Consolidated and Separate Financial Statements" and applies to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Corporation, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of approval from the CSA.

The CSA has approved the Corporation's application for early adoption of IFRS beginning in 2010.

Accordingly, the Corporation will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2010. The Corporation's 2010 interim and annual financial statements will include comparative 2009 financial statements, adjusted to comply with IFRS.

IFRS Transition Plan

The Corporation has established a comprehensive IFRS transition plan and engaged third-party advisers to assist with the planning and implementation of its transition to IFRS. The following summarizes the Corporation's progress and expectations with respect to its IFRS transition plan:

Initial scoping and analysis of key areas for which accounting policies may be impacted by the transition to IFRS.	Completed
Detailed evaluation of potential changes required to accounting policies, information systems and business processes, including the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards.*	Completed
Final determination of accounting policies and the quantitative impact of adopting IFRS on key line items in the Corporation's financial statements.	In progress, completion expected during Q4 2009
Resolution of the accounting policy change implications on information technology, business processes and contractual arrangements.	In progress, completion expected during Q4 2009

First-time Adoption of IFRS

The adoption of IFRS requires the application of IFRS 1 *First-time Adoption of International Financial Reporting Standards* ("IFRS 1"), which provides guidance for an entity's initial adoption of IFRS. IFRS 1 generally requires retrospective application of IFRS as effective at the end of its first annual IFRS reporting period. However, IFRS 1 also provides certain optional exemptions and mandatory exceptions to this retrospective treatment.

The Corporation has identified the following optional exemptions that it expects apply in its preparation of an opening IFRS statement of financial position as at January 1, 2009, the Corporation's "Transition Date":

- To apply IFRS 2 *Share-based Payments* only to equity instruments which were issued after November 7, 2002 and had not vested by the Transition Date.
- To apply IFRS 3 *Business Combinations* prospectively from the Transition Date, therefore not restating business combinations that took place prior to the Transition Date.
- To apply the transition provisions of IFRIC 14 *Determining whether an Arrangement Contains a Lease*, therefore determining if arrangements existing at the Transition Date contain a lease based on the circumstances existing at that date.
- To apply IAS 23 *Borrowing Costs* prospectively from the Transition Date. IAS 23 requires the capitalization of borrowing costs directly attributable to the acquisition, production or construction of certain assets.

Prior to reporting interim financial statements in accordance with IFRS for the quarter ended March 31, 2010, the Corporation may decide to apply other optional exemptions contained in IFRS 1.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Corporation's opening IFRS statement of financial position as at the Transition Date will be consistent with those made under current Canadian GAAP. If necessary, estimates will be adjusted to reflect any difference in accounting policy.

Impact of Adopting IFRS on the Corporation's Financial Statements

The adoption of IFRS will result in some changes to the Corporation's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. However, based on its evaluation to date, the Corporation does not expect any changes to its accounting policies that would result in significant changes to line items within its financial statements.

The following provides a summary of the Corporation's evaluation of potential changes to accounting policies in key areas based on the current standards and guidance within IFRS. This is not intended to be complete list of areas where the adoption of IFRS will require a change in accounting policies, but to highlight the areas the Corporation has identified as having the most potential for a significant change. The International Accounting Standards Board has a number of ongoing projects, the outcome of which may have an effect on the changes required to the Corporation's accounting policies on adoption of IFRS. At the present time however, the Corporation is not aware of any significant expected changes that would affect the summary provided below.

1) Exploration Expenditures

IFRS currently allows an entity to retain its existing accounting policies related to the exploration for and evaluation of mineral properties, subject to some restrictions.

The Corporation expects to retain its current policy of expensing exploration expenses as incurred, and therefore does not expect that the adoption of IFRS will result in any significant change to the related line items within its financial statements.

2) *Impairment of (Non-financial) Assets*

IFRS requires a write down of assets if the higher of the fair market value and the value in use of a group of assets is less than its carrying value. Value in use is determined using discounted estimated future cash flows. Current Canadian GAAP requires a write down to estimated fair value only if the undiscounted estimated future cash flows of a group of assets are less than its carrying value.

The Corporation's accounting policies related to impairment of non-financial assets will be changed to reflect these differences, however the Corporation does not expect this change will have an immediate impact to the carrying value of its assets. The Corporation will perform impairment assessments as at the Transition Date in accordance with IFRS.

3) *Foreign Currency*

IFRS requires that the functional currency of the Corporation and its subsidiaries be determined separately, and the factors considered to determine functional currency are somewhat different than current Canadian GAAP.

The Corporation does not expect any changes to its accounting policies related to foreign currency that would result in a significant change to line items within its financial statements at the Transition Date.

4) *Share-based Payments*

In certain circumstances, IFRS requires a different measurement of stock-based compensation related to stock options than current Canadian GAAP.

The Corporation does not expect any changes to its accounting policies related to share-based payments that would result in a significant change to line items within its financial statements.

5) *Asset Retirement Obligations (Decommissioning Liabilities)*

IFRS requires the recognition of a decommissioning liability for legal or constructive obligations, while current Canadian GAAP only requires the recognition of such liabilities for legal obligations. A constructive obligation exists when an entity has created reasonable expectations that it will take certain actions.

The Corporation's accounting policies related to decommissioning liabilities will be changed to reflect these differences, however the Corporation does not expect this change will have an immediate impact to the carrying value of its assets.

6) *Property and Equipment*

IFRS contains different guidance related to recognition and measurement of property and equipment than current Canadian GAAP.

The Corporation does not expect any changes to its accounting policies related to property and equipment that would result in a significant change to line items within its financial statements.

7) *Income Taxes*

In certain circumstances, IFRS contains different requirements related to recognition and measurement of future (deferred) income taxes.

The Corporation does not expect any changes to its accounting policies related to income taxes that would result in a significant change to line items within its financial statements.

Impact of Adopting IFRS on the Corporation's Business

During its analysis of requirements for conversion to IFRS, the Corporation has identified some changes that need to be made to its accounting systems and business processes. The Corporation believes that these changes are minimal and the systems and processes can accommodate the necessary changes. The Corporation has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Corporation's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the anticipated changes to accounting policies. Employees of the Corporation who will be affected by a change to business processes as a result of the conversion to IFRS have also been appropriately trained.

The Board of Directors and Audit Committee have been regularly updated on the progress of the IFRS conversion plan, and are aware of the key aspects of IFRS affecting the Corporation.

Subsequent Disclosures

Further disclosures of the IFRS transition process are expected as follows:

- The Corporation's Management Discussion and Analysis for the year ended December 31, 2009 will include an update on the progress of the transition plan and, to the extent known, any further quantitative information regarding the impact of adopting IFRS on key line items in the annual financial statements.

- U3O8 Corp's first financial statements prepared in accordance with IFRS will be the interim financial statements for the three months ending March 31, 2010, which will include notes disclosing transitional information and disclosure of new accounting policies under IFRS. The interim financial statements for the three months ending March 31, 2010 will also include 2009 financial statements for the comparative period, adjusted to comply with IFRS, and the Corporation's transition date IFRS statement of financial position (as at January 1, 2009).

Management of Capital

When managing capital, the Corporation's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of uranium resource assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. The Corporation considers its capital to be equity, which comprises share capital, contributed surplus and accumulated deficit, which at September 30, 2009, totalled $7,669,108 (December 31, 2008 - $12,633,458).

The Corporation invests all capital not required for its immediate needs in short-term, liquid and highly rated financial instruments, such as cash and other short-term guaranteed deposits, all held with major Canadian financial institutions.

Management has chosen to mitigate the risk and uncertainty associated with raising additional capital in current economic conditions by:

(i) maintaining a liquidity cushion in order to address any potential disruptions or industry downturns;
(ii) minimizing discretionary disbursements;
(iii) focusing financing exploration expenditures on those properties considered to have the best potential; and
(iv) exploring alternative sources of liquidity.

In light of the above, the Corporation will continue to assess new properties and seek to acquire an interest in additional properties if the Corporation believes there is sufficient potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is appropriate.

There were no changes in the Corporation's approach to capital management during the three and nine months ended September 30, 2009. The Corporation is not subject to externally imposed capital requirements.

Financial Instruments

The Corporation's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and uranium price risk).

Risk management is carried out by the Corporation's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Corporation's credit risk is primarily attributable to cash and cash equivalents, guaranteed investment certificates, accounts receivable and restricted cash. Cash and cash equivalents and restricted cash are held with major Canadian chartered banks, from which management believes the risk of loss to be minimal.

Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Accounts receivable are in good standing as of September 30, 2009. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

Liquidity risk

Liquidity risk is the risk that the Corporation will not have sufficient cash resources to meet its financial obligations as they come due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. The Corporation generates cash flow primarily from its financing activities. At September 30, 2009, the Corporation had a cash and cash equivalents balance of $1,981,672 (December 31, 2008 - $6,781,440) to settle current liabilities of $203,132 (December 31, 2008 - $516,921). All of the Corporation's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Corporation regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Market risk

(a) Interest rate risk

The Corporation has cash balances and no interest-bearing debt. The Corporation's current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of major Canadian chartered banks. The Corporation regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

The Corporation's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Corporation funds certain operations, exploration and administrative expenses in Guyana on a cash call basis using US dollar currency converted from its Canadian dollar bank accounts held in Canada. The Corporation maintains US dollar bank accounts in Canada, Barbados, and Guyana, and Guyanese bank accounts in Guyana. The Corporation is subject to gains and losses from fluctuations in the US dollar and Guyanese dollar against the Canadian dollar.

(c) Commodity uranium price risk

The Corporation is exposed to price risk with respect to commodity uranium prices. Commodity uranium price risk is defined as the potential adverse impact on earnings and economic value due to commodity uranium price movements and volatility. The Corporation closely monitors commodity uranium prices to determine the appropriate course of action to be taken.

Sensitivity analysis

The Corporation has designated, for accounting purposes, its cash and cash equivalents, guaranteed investment certificates and restricted cash as held-for-trading, which are measured at fair value. Accounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost and are equal to fair value. Accounts payable and accrued liabilities are classified for accounting purposes as other financial liabilities, which are measured at amortized cost and are also equal to fair value.

As of September 30, 2009, both the carrying and fair value amounts of the Corporation's financial instruments are approximately equivalent.

The sensitivity analysis shown in the notes below may differ materially from actual results.

Based on management's knowledge and experience of the financial markets, the Corporation believes the following movements are "reasonably possible" over a nine month period:

(i) Cash and cash equivalents and guaranteed investment certificates are subject to floating interest rates. At September 30, 2009, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for the nine months ended September 30, 2009, would have been approximately $49,000 higher/lower as a result of lower/higher interest income from cash and cash equivalents and guaranteed investment certificates, and reported shareholders' equity would have been approximately $49,000 lower/higher.

(ii) Cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities denominated in US and Guyanese dollars are subject to foreign currency risk. At September 30, 2009, had the US and Guyanese dollar weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Corporation's loss for the nine months ended September 30, 2009, would have been approximately $53,000 higher/lower as a result of foreign exchange losses/gains on translation of non-Canadian dollar denominated financial instruments, and reported shareholders' equity would have been approximately $53,000 lower/higher.

(iii) Commodity uranium price risk could adversely affect the Corporation. In particular, the Corporation's future profitability and viability of development depends upon the world market price of uranium. Uranium prices have fluctuated significantly in recent years. There is no assurance that, even if commercial quantities of uranium are produced in the future, a profitable market will exist for them. As of September 30, 2009, the Corporation was not a uranium producer. As a result, uranium price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Corporation's liquidity and its ability to meet its ongoing obligations.

Share Capital

At November 27, 2009, the Corporation had 23,057,700 issued and outstanding common shares. At November 27, 2009, U3O8 Corp. had 2,295,000 stock options outstanding, each exercisable to acquire one common share. Therefore, the Corporation has 25,352,700 common shares on a fully diluted basis.

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements, and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented.

In contrast to the certificate required under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Corporation utilizes the Venture Issuer Basic Certificate, which does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.
The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risk Factors

An investment in the securities of the Corporation is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors, which have affected, and which in the future are reasonably expected to affect, the Corporation and its financial position. Please refer to the section entitled "Risk Factors" in the Corporation's management's discussion and analysis for the fiscal year ended December 31, 2008, available on SEDAR at www.sedar.com. There have been no significant changes to such risk factors since the date thereof.

Subsequent Events

(a) On October 13, 2009, the Corporation granted an aggregate of 20,000 incentive stock options to an employee pursuant to the Corporation's Stock Option Plan, at an exercise price of $0.355 per share. The options are exercisable for a period of 5 years.

(b) On November 23, 2009, the Guyana Geology & Mines Commission ("GGMC") approved the Corporation's application to amend the terms of Permit A and Permit B. The Corporation was granted permission to continue to explore approximately 50% of the land area originally covered by Permit A until November 22, 2010, and a 2-year extension to continue to explore approximately 50% of the land area originally covered by Permit B from May 31, 2010 to May 31, 2012. These extensions will allow the Corporation to continue its reconnaissance work on focused exploration areas, which will cover approximately 50% or about 661,006 hectares of the original 1.3 million hectares included under the permits first issued in 2005.

Additional Information

Additional information relating to the Corporation is available on its website at www.u3o8corp.com or on SEDAR at www.sedar.com.