The **Uranium** Discovery Company

MANAGEMENT'S DISCUSSION AND ANALYSIS

U3O8 CORP.

THREE MONTHS ENDED MARCH 31, 2010

Prepared by:

U3O8 Corp.

8 King Street East, Suite 710
Toronto, Ontario
M5C 1B5

www.u3o8corp.com

Introduction

This Management's Discussion and Analysis ("MD&A") is dated May 27, 2010, unless otherwise indicated and should be read in conjunction with the condensed unaudited consolidated interim financial statements of U3O8 Corp. ("U3O8 Corp", "the Company", "we", "our" or "us") for the three months ended March 31, 2010, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. Results are reported in Canadian dollars, unless otherwise noted. 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 months ended March 31, 2010, are not necessarily indicative of the results that may be expected for any future period.

As of January 1, 2010, U3O8 Corp. adopted International Financial Reporting Standards ("IFRS"). The condensed unaudited consolidated interim financial statements for the three months ended March 31, 2010 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and using accounting policies consistent with IFRS. Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its affect on the Company's financial presentation.

Further information about U3O8 Corp., each material project and technical reports are available on our website at **www.u3o8corp.com** or on SEDAR at **www.sedar.com**.

Highlights

- Creation of a leading South American uranium exploration company as a result of the Mega Uranium Ltd. transaction – On April 7, 2010, U3O8 Corp acquired Mega Uranium Ltd's ("Mega") uranium properties in South America as well as approximately $4.0 million in cash for a consideration of 30,564,858 shares in U3O8 Corp. which were distributed to Mega shareholders registered on April 26, 2010 as a dividend-in-kind. The principal uranium properties acquired from Mega are the Berlin Project in Colombia and the Laguna Salada Project in Argentina.

- Kurupung Project, Guyana – During the quarter, U3O8 Corp. continued to advance this lead project, and show that the Kurupung uranium district is emerging into a uranium discovery of potentially significant size comparable to albitite-hosted uranium systems worldwide. Through a scout drilling program, of which 3,148 metres was drilled in Q1 2010, we continued to identify additional mineralized zones. To date, twelve targets have been drilled, seven of which contained potentially economic grades.

  As a result, we have delineated eight uranium-bearing structures so far towards our immediate goal of demonstrating that the Kurupung has the potential to host a conceptual resource of 20-30 million tonnes grading 0.08% to 0.10% U_3O_8 (for an estimated 30-50 million pounds U_3O_8) aggregated from multiple structures.

- Berlin Project[1], Colombia – The first assay results from trenches were consistent with historic grades, and provide the first step in verifying the historic uranium resource of 38 million pounds U_3O_8 at Berlin.

- Laguna Salada, Argentina – This surficial uranium project is being prepared for potential NI 43-101 resource estimation, which we aim to complete by the end of 2010.

---

[1] *Berlin Project – Historic resource of 12.9 million tonnes at a grade of 0.13% U_3O_8 (38 million pounds U_3O_8). The Berlin resource estimate is historical and is reported in Castano, R. (1981), Calcul provisoire des reserves geologiques de Berlin, sur la base des resultants des sondages, unpublished Minatome report, 15p. There has been insufficient exploration work completed to verify the historic estimate. U3O8 Corp. is not treating the historical estimate as current mineral resources and it should not be relied upon or considered a National Instrument NI 43-101 ("NI 43-101") compliant resource. As the 38 million pound U_3O_8 historic estimate is based only on 11 widely-spaced drill holes, it is regarded by U3O8 Corp. as merely an indication of the magnitude of the uranium resource potential of the southernmost 4.4 kilometre long portion of the syncline containing the Berlin uranium mineralization.*

- Grassroots exploration – Exploration for unconformity-related uranium in the Roraima Basin in Guyana continued to progress with the first drill targets expected to be defined in the latter half of 2010.

- In Q1 2010, the Company incurred exploration expenditures of $1.1 million, down from $1.7 million in Q1 2009 due to expenses associated with the scaling back its exploration activities, reducing staff and retrenchment costs in the first half of 2009 in response to the global economic crisis.

- At March 31, 2010, U3O8 Corp. had working capital of $3.5 million (December 31, 2009 – $4.9 million; March 31, 2009 – $8.9 million). We had $3.5 million in cash and cash equivalents and bank-backed guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 31, 2009 - $5.1 million; March 31, 2009 – $9.1 million). The decline in total cash was largely due to ongoing exploration activities, as discussed below, and operating costs.

Overview

U3O8 Corp. is a Toronto-based exploration company, focused on uranium exploration and resource expansion in South America. We are advancing a portfolio of projects at various stages that comprise NI 43-101 compliant resources in Guyana, significant historic resources in Colombia and near-resource and discovery potential in Argentina as well as grassroots opportunities in these jurisdictions. To date, the Company has not earned any revenues from uranium exploration.

Mineral Resources

U3O8 Corp. has an initial NI 43-101 resource estimate of 5.8 million pounds indicated and 1.3 million pounds inferred on the Aricheng South and Aricheng North structures in the Kurupung Batholith in Guyana[2].

Exploration Projects

U3O8 Corp. has significant land holdings in Guyana, Colombia and Argentina in South America. The three most advanced projects with the potential to add NI 43-101 resources in the short-term are:

1. Kurupung Project, an albitite-hosted uranium project in Guyana;
2. Berlin Project, a historic resource of uranium in phosphatic shale and associated with vanadium, molybdenum and phosphate in Colombia; and
3. Laguna Salada Project, a surficial uranium project in Argentina.

In addition, we have a suite of early-stage opportunities, which we are investigating and offer exploration upside. Currently, the principal grassroots project is the Roraima Basin Project, an unconformity-related uranium prospect in Guyana that shares geological and geochemical similarities with uranium deposits in the Athabasca Basin.

Board and Management Update

In connection with the Mega transaction, the size of U3O8 Corp's board of directors increased by one to six directors. U3O8 Corp's board of directors now comprises Sheldon Inwentash, Stewart Taylor and Richard Patricio (each nominees of Mega) and Keith Barron, Bryan Coates and David Constable (current directors of U3O8 Corp.). U3O8 Corp's current management team, led by Richard Spencer as President and CEO, was joined by Phillip Williams (Vice President, Business Development) and Hugo Bastias (Vice President, Exploration in Argentina/Colombia).

[2] *Kurupung Project – On the Aricheng South and Aricheng North structures, a NI 43-101 resource estimate of 5.8 million pounds indicated at an average grade of 0.10% (2.0 lbs/st) U_3O_8 and 1.3 million pounds inferred at an average grade of 0.09% (1.9 lbs/st) U_3O_8. For further details, refer to the technical report dated January 19, 2009 titled "A Technical Review of the Aricheng North and Aricheng South Uranium Deposits in Western Guyana for U3O8 Corp. and Prometheus Resources (Guyana) Inc." available on the company's website at www.u3o8corp.com and on SEDAR at www.sedar.com.*

Outlook

U3O8 Corp. is poised to potentially make multiple uranium discoveries in South America in the short-term. During 2010, we are advancing clear exploration programs on three lead projects towards our objective of significantly increasing our NI 43-101 resource base:

1. On the Kurupung Project, we plan to continue scout drilling new target areas until June 2010. At that time, we will decide whether to continue scout drilling to further increase the size potential of the uranium district, move to infill drilling to potentially increase our existing NI 43-101 resource, or do a combination of both. The 2010 budget for the Kurupung Project is approximately $2.5 million.

2. On the Berlin Project, a $1.0 million budget is planned for 2010 to advance the project and position for potential NI 43-101 resource estimation in 2011. The 2010 work program is expected to include a 26-trench program in the southern area in which the historic resource was estimated, a 1,500-metre drill program and metallurgical work to verify the historic estimate at Berlin. Concurrent with drilling in the southern area, trenching will extend into the northern part of the mineralized trend.

3. On the Laguna Salada Project, a $0.5 million budget is planned for 2010 to prepare the project for NI 43-101 resource estimation for anticipated completion by year-end.

In addition, we continue to advance our exploration in the Roraima Basin as well as evaluate the prospectivity of grassroots targets in Argentina. We have budgeted approximately $1.0 million for these early-stage and reconnaissance exploration activities in 2010 with about 50% devoted to the Roraima Basin at this time.

U3O8 Corp's performance will be largely tied to the outcome of the exploration programs in Guyana, Colombia and Argentina. There is no guarantee that the Company will discover an economic uranium resource from its exploration activities. See below "Caution Regarding Forward-Looking Statements."

U3O8 Corp. has no revenue-producing operations. A total discretionary budget of approximately $7.5 million for fiscal 2010 (approximately $6.0 million remains for fiscal 2010) has been proposed, primarily allocated to the most advanced projects discussed above as well as head office costs. Management may increase or decrease the budget depending on exploration results and ongoing volatility in the capital markets. During these uncertain economic times, we believe our focused exploration strategy will make efficient use of our cash while maintaining momentum on key projects that have the potential to create value in the near-term. The Company's total cash position was $3.5 million as at March 31, 2010. With approximately $4.0 million provided on April 7, 2010 from the Mega transaction, we expect to be adequately capitalized for the next twelve months ending on March 31, 2011.

See below "Results of Operations."

Priority Exploration Projects

Kurupung Project, Guyana

U3O8 Corp's exploration drilling is showing that the Kurupung uranium district, located in the basement near the Roraima Basin in Guyana, may contain a resource of significant size and grade comparable to peer deposits. Uranium in the Kurupung is geologically similar to albitite-hosted uranium systems worldwide that typically host resources of 50 to 130 million pounds U_3O_8 with typical grades of 0.06% to 0.10% U_3O_8, contained in multiple structures. Through scout drilling, we are identifying new areas of uranium mineralization in the Kurupung district in a cost-effective manner, and growing our inventory of mineralized structures with the potential to add to our existing NI 43-101 resource base.

To date, five clusters of uranium-bearing structures have emerged in the Kurupung Batholith:

1. Aricheng North Complex – comprising the Aricheng North and Aricheng A structures;
2. Aricheng West Complex – comprising Aricheng West, Aricheng Alpha, Aricheng Epsilon structures;
3. Aricheng South – near the northeastern margin of the batholith;
4. Accori North – near the southwest margin of the batholith; and
5. Accori South – near the southern margin of the batholith.

During the first quarter, 3,148 metres in 18 bore holes (at a cost of approximately $71 per metre) were completed in the scout drilling program with a further 1,562 metres drilled to date (Table 1). In Q1, 2010, six targets were tested of which three new uranium-mineralized shoots were identified in the Aricheng North Complex. Since the start of the scout drilling program in August 2009, we have tested twelve targets of which seven have shown to contain potentially economic mineralization.

<u>Table 1 – Scout Drilling Summary in the Kurupung Batholith</u>

Summary of scout drilling in Q1 2010 and subsequent to the first quarter by U3O8 Corp. on albitite-hosted uranium targets in the Kurupung Batholith.

COMPLEX AREA	Target	Q1 2010		April-May 2010		Total Bore Holes	Total Metreage
		No. of Holes	Metreage	No. of Holes	Metreage		
ARICHENG NORTH	Aricheng North	2	377	7	1,562	9	1,939
	Aricheng A	7	1,243	0	0	7	1,243
ACCORI	Acorri Area 4	3	512	0	0	3	512
ILLIWA		2	429	0	0	2	429
MEAMU		4	587	0	0	4	587
					TOTAL	**25**	**4,710**

Aricheng North Complex

The Aricheng North Complex comprises the Aricheng North and Aricheng A structures. Scout drilling has now increased the total number of shoots on the main Aricheng North structure to five, while a parallel structure was identified at Aricheng A. Mineralization at Aricheng North remains open at depth and along strike, and is open down dip on the Aricheng A structure. Summary assays from the scout drilling on the extensions of the principal structure at Aricheng North are shown in Table 2, and those for Aricheng A are shown in Table 3.

Table 2 – Aricheng North Extensions Assay Results

Summary assays of significantly mineralized intercepts cut in the nine bore holes (1,934 metres) completed in scout drilling on the extensions of the Aricheng North main structure, which forms part of the Aricheng North Complex.

Bore Hole Number	Intercept				Grade	
	From (m)	To (m)	Interval (m)	Estmated True Thickness (m)	U_3O_8 (%)	U_3O_8 (lb/st)
ARN-093	67.0	69.0	2.0	1.9	0.061	1.22
ARN-094	109.0	116.0	7.0	6.8	0.072	1.44
ARN-095a	143.0	150.0	7.0	6.8	0.077	1.54
ARN-096	113.0	121.0	8.0	7.7	0.073	1.46
ARN-097	116.0	124.0	8.0	7.7	0.049	0.98
ARN-098	87.0	89.0	2.0	1.9	0.071	1.42
ARN-099	136.0	138.0	2.0	1.9	0.065	1.30
	187.0	194.0	7.0	6.8	0.055	1.10
ARN-100	130.0	138.0	8.0	7.7	0.056	1.12
	145.0	147.0	2.0	1.9	0.060	1.20
	158.0	161.0	3.0	2.9	0.228	4.56
ARN-101	136.0	138.0	2.0	1.9	0.073	1.46
	143.0	146.0	3.0	2.9	0.068	1.36

Note: *lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes. Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on the extensions of Aricheng North noted above and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

Table 3 – Aricheng A Assay Results

Summary assays of significantly mineralized intercepts cut in the seven bore holes (1,243) completed in scout drilling of the Aricheng A structure, which forms part of the Aricheng North Complex.

Bore Hole Number	Intercept				Grade	
	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U_3O_8 (%)	U_3O_8 (lb/st)
ANOMA-001	56.0	58.0	2.0	1.6	0.031	0.6
ANOMA-002	62.0	63.0	1.0	0.8	0.109	2.2
ANOMA-003	78.5	81.5	3.0	2.5	0.046	0.9
	145.0	153.0	8.0	6.6	0.056	1.1
ANOMA-004	38.0	40.0	2.0	1.6	0.190	3.8
	100.0	102.0	2.0	1.6	0.047	0.9
ANOMA-005	100.0	107.0	7.0	5.7	0.038	0.8
	144.0	161.0	17.0	13.9	0.048	1.0
Including	144.0	147.0	3.0	2.5	0.078	1.6
ANOMA-006	55.0	58.0	3.0	2.5	0.040	0.8
	93.0	94.0	1.0	0.8	0.149	3.0
	132.0	133.0	1.0	0.8	0.123	2.5
	137.0	140.0	3.0	2.5	0.072	1.4
ANOMA-007	No Significant Results					

Note: *lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes. Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on the Aricheng A target area and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

Berlin Project, Colombia

The Berlin Project in Caldas Province, Colombia was explored primarily by Minatome, a French company, between 1978 and 1981, and culminated in the drilling of 11 bore holes and the excavation of 20 trenches and three adits. A historic resource estimate[1] of 38 million pounds U_3O_8 was generated on the southern 4.4 kilometres of a 10.5 kilometre long syncline. Historic data from trenching shows that anomalous grades of uranium continue along strike to the north. The Berlin Project appears geologically similar to the uranium, vanadium and nickel-bearing Alum Shale in Sweden, although assays from U3O8 Corp's trenching program and the historic results are significantly higher than uranium and vanadium grades reported from the Alum Shale.

Uranium lies within a one to three metre thick shale horizon that has been folded into a keel-shaped syncline measuring 10.5 kilometres long by a maximum of two kilometres wide. The deepest part of the keel reaches about 250 metres below surface.

U3O8 Corp's exploration of the Berlin Project recently commenced with a 26-trench program in the southern area in which the historic resource was estimated. Results from the first 13 trenches show potentially economic grades of uranium, vanadium and phosphate similar to historic grades. Summary assays from trenching are shown in Table 4.

Trenching of the southern area is scheduled for completion in May 2010, at which time, trenching will extend into the northern area with planned completion in Q3 2010. The application for permission to drill is being processed by the authorities and drilling is expected to start in Q3 2010. A 1,500-metre drill program in seven bore holes will aim to confirm some of the historic intercepts in the southern area. Contingent on successful drilling of potentially economic uranium grades, fresh core samples will be used for metallurgical test work to determine the approximate recovery rates of the different commodities from the host rock. These metallurgical test results are expected to be completed in early 2011. Subject to the results of the 2010 work program, the objective is to position the Berlin Project for an extensive drill program in order to define a potential NI 43-101 resource in 2011.

Table 4 – Assay Results for the Berlin Project

Summary assay results for the thirteen trenches of a 26-trench program in the southern part of the Berlin Project – the area from which the historic resource was estimated.

Trench Number	Estimated true width of mineralization (m)	Assay Values			
		U_3O_8 (%)	V_2O_5 (%)	P_2O_5 (%)	Mo (ppm)
Tb0	1.03	0.090	0.82	18.46	278
Tb1	1.28	0.117	0.88	3.79	839
Tb2	1.73	0.213	0.98	4.31	162
Tb3	1.36	0.083	0.94	5.52	165
Tb4	1.22	0.091	1.38	19.92	181
Tb4du	1.48	0.127	1.03	18.35	49
Tb5	2.96	0.108	0.72	8.56	81
Tb6	1.86	0.110	0.72	12.95	33
Tb8	1.20	0.099	0.61	13.92	10
Tb10	0.82	0.068	1.03	15.70	115
Tb11	0.56	0.038	0.85	3.65	14
Tb12	1.72	0.101	0.51	5.25	196
Tb13	1.10	0.044	0.66	10.01	45

Note: *Potential quantity and grade are conceptual in nature. There has been insufficient exploration to define a mineral resource on this target area and it is uncertain if further exploration will result in the target being delineated as a mineral resource.*

[1] *See Berlin note, page 2.*

Laguna Salada Project, Argentina

The Laguna Salada Project in Chubut Province, Argentina hosts uranium that occurs from surface to a maximum depth of three metres in unconsolidated gravel. This surficial uranium target is characteristic of a class of deposits known as "caliche"-type uranium, which is similar to, but softer than, calcrete-type uranium deposits such as Lake Maitland in Western Australia and Langer Heinrich and Trekkopje in Namibia.

Exploration at Laguna Salada has been mainly through trenching since the unconsolidated nature of the gravel makes conventional diamond, aircore or reverse circulation drilling an ineffective means of sampling. A major exploration program at Laguna Salada hinged on the excavation of over 700 trenches. An independent consulting company, Coffey Mining, has just been retained to oversee the trenching and sampling required to prepare for NI 43-101 compliance with the objective of having a resource estimate completed by the end of 2010.

While there is currently an open pit mining ban in Chubut Province, there are indications that the Provincial Government is increasing its support for pro-mining legislation. Discussions are underway between government officials and mining industry representatives to lift the provincial ban in certain areas, including the central tableland area where Laguna Salada is located. Progress to date suggests the policy change could occur as early as 2011.

Grassroots Exploration

Exploration is being undertaken on a number of early-stage and reconnaissance projects with the principal project being the Roraima Basin Project in Guyana at this time. A number of surficial and sandstone-hosted uranium targets are being evaluated in Argentina and the most prospective areas will be considered for further exploration. In Q1 2010, U3O8 Corp. spent approximately $163,000 on the Roraima Basin Project. Other grassroots projects were acquired subsequent to the first quarter from the acquisition of projects from Mega.

Roraima Basin Project

Based on the Athabasca exploration model and techniques, U3O8 Corp. has identified unconformity-related uranium targets in the Roraima Basin through fieldwork and analysis of clay alteration and metal content of archived core drilled by a gold exploration company in the mid-1990's. Further detailed field evaluation of these broader target areas is being used to define specific targets for drilling. The Company's intention is have a handful of targets earmarked for initial scout drilling in the latter part of 2010.

Technical Disclosure

Mr. Rick Cleath (M.Sc), Vice President of U3O8 Corp., and Dr. Richard Spencer, President and Chief Executive Officer of the Company, are both "qualified persons" within the definition of that term in NI 43-101. Mr. Cleath has supervised the preparation of, and verified, all technical information related to the Company's exploration activities in South America. All technical disclosure presented in this MD&A was prepared under the supervision of Dr. Spencer. Summary of the Company's quality assurance and quality control ("QAQC") procedures for the assay results reported above on Aricheng North, the Berlin Project and Aricheng A are incorporated by reference to the following press releases respectively: "U3O8 Corp. intersects 2.9 metres at 0.228% (4.6 pounds per short ton) U_3O_8 at Aricheng North, Kurupung Project, Guyana" dated May 20, 2010; "U3O8 Corp. confirms continuity of significant uranium, vanadium, phosphate & molybdenum grades from trenching in the Berlin Project, Colombia" dated May 12, 2010; and "U3O8 Corp. intersects eighth uranium-bearing structure, underscoring significant size potential of the Kurupung system" dated March 16, 2010.

Summary of Quarterly Results

For prior quarters ending after January 1, 2009, the quarterly results have been restated to reflect accounting policies consistent with IFRS. Quarterly results for quarters ended before January 1, 2009 have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP").

Three Months Ended (*)	Accounting Policies	Net Loss $	Basic and Diluted Loss Per Share $
2010-March 31	IFRS	(1,562,767) (1)	(0.07)
2009-December 31	IFRS	(1,595,608) (2)	(0.06)
2009-September 30	IFRS	(1,573,131) (3)	(0.07)
2009-June 30	IFRS	(1,108,505) (4)	(0.05)
2009-March 31	IFRS	(2,425,962) (5)	(0.11)
2008-December 31	Canadian GAAP	(2,463,717) (6)	(0.11)
2008-September 30	Canadian GAAP	(3,476,546) (7)	(0.15)
2008-June 30	Canadian GAAP	(3,329,067) (8)	(0.14)

(*) U3O8 Corp. did not have any income (loss) before discontinued operations or extraordinary items for each period presented.

Notes:

(1) Net loss of $1,562,767 principally related to exploration expenditures in Guyana of $1,059,427 (excluding share based payments of $10,712 and amortization of $72,336). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $5,096.

(2) Net loss of $1,595,608 principally related to exploration expenditures in Guyana of $887,421 (excluding share based payments of $17,459). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $7,250.

(3) Net loss of $1,573,131 principally related to exploration expenditures in Guyana of $993,657 (excluding share based payments 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.

(4) Net loss of $1,108,505 principally related to exploration expenditures in Guyana of $873,475 (excluding share based payments 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.

(5) Net loss of $2,425,962 principally related to exploration expenditures in Guyana of $1,748,904 (excluding share based payments 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.

(6) Net loss of $2,463,717 principally related to exploration expenditures in Guyana of $2,369,633 (excluding share based payments 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.

(7) Net loss of $3,476,546 principally related to exploration expenditures in Guyana of $3,022,489 (excluding share based payments 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.

(8) Net loss of $3,329,067 principally related to exploration expenditures in Guyana of $2,470,121 (excluding share based payments of $60,845) and professional fees of $376,372, which included additional fees for U3O8 Corp's successful defence against Aberdeen International Inc.'s attempt to take control of the Company at the 2008 Annual and Special Meeting. In addition, net loss included business development of $180,187, which included hiring an outside consulting firm to review potential acquisitions and joint ventures. All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of $146,325.

Results of Operations

<u>Three months ended March 31, 2010, compared with three months ended March 31, 2009</u>

U3O8 Corp's net loss totalled $1,562,767 for Q1 2010, with basic and diluted loss per share of $0.07. This compared with a net loss of $2,425,962 with basic and diluted loss per share of $0.11 for Q1 2009. The decrease of $863,195 in net loss was principally due to:

- Guyana exploration expenses (excluding share based payments and amortization) decreased by $689,477 in Q1 2010 compared to Q1 2009, which reflected expenses incurred in Q1 2009 related to retrenchment costs. Exploration costs in Q1 2010 are also lower due to slowing the pace of exploration from the corresponding period in 2009 in response to the global economic crisis.

- Share based payments for Q1 2010 was $35,388 (Q1 2009 - $39,177). The decrease of $3,789 was mainly due to the timing of share based payments depending on the date of issue and the vesting term of the options granted. Users of U3O8 Corp's financial information should be cautious of the valuation of share based payments since its calculation is subjective and can impact operating results significantly;

- Professional fees increased by $12,558 during Q1 2010, compared with the Q1 2009, which was mainly attributable to accounting fees pertaining to IFRS project conversion;

- Business development expense increased by $1,793 Q1 2010, compared with Q1 2009, which was mainly from business initiatives by management aimed at increasing shareholder value;

- Management compensation expense (excluding share based payments) for Q1 2010, was $62,717 (Q1 2009 - $62,500), reflecting no change in the Company's management team in that period;

- Administrative and general costs decreased by $6,309 during Q1 2010, compared with Q1 2009, primarily due to reduced support costs in Canada. The Company continues to assess these costs to ensure that cost-effective choices are being made;

- Foreign exchange loss decreased by $204,842 during Q1 2010, compared with Q1 2009, which was attributed to US dollar exchange rate fluctuations;

- The changes in expenses during Q1 2010, were further augmented by a decrease in interest income of $46,294. Interest income continues to decrease as invested funds are depleted for exploration expenditures and operating costs; and

- All other expenses related to general working capital purposes.

Budget for Calendar 2010

A 2010 budget of $7.5 million is proposed for U3O8 Corp's exploration and operating activities in Guyana, Colombia, Argentina and Canada. As exploration progresses on various fronts, expenditure requirements may be adjusted to ensure funds are focused on projects considered to be the most prospective in light of results from advanced projects, new targets from reconnaissance exploration or changes in general market conditions.

Cost Category	Plans for Project	Planned Expenditures for Fiscal 2010 (approx.)	Quarter 1 (Three Months Ended March 31, 2010) Expenditures (approx.)	Remaining Expenditures (approx.)	Proposed Timing for Completion of Planned Activities
Guyana Operations	Kurupung Project, Roraima Basin Project, overhead costs	$3.7 million (2)(3)(6)	$1.1 million	$2.6 million	December 2010
Colombia Operations	Berlin Project	$1.0 million (4)(6)	$nil	$1.0 million	December 2010
Argentina Operations	Laguna Salada Project, early-stage and reconnaissance exploration	$1.0 million (5)(6)	$nil	$1.0 million	December 2010
Canadian Operations	Head office costs (1)	$1.8 million (6)	$0.4 million	$1.4 million	December 2010

(1) 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.

(2) Approximately $2.5 million has been budgeted for the Kurupung Project. Scout drilling is expected to continue in the Kurupung until June 2010. At that time, we will decide whether to continue scout drilling to further increase the size potential of the uranium district, move to infill drilling to potentially add to our existing NI 43-101 resource, or do a combination of both. The remaining $1.2 million has been allocated for the Roraima Basin Project as well as head office costs and administrative staff in Guyana.

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

(4) A $1.0 million budget is planned to advance the Berlin Project and position for potential NI 43-101 resource estimation in 2011. The 2010 work program is underway and expected to include a 26-trench program in the southern area, a 1,500-metre drill program and metallurgical work to verify the historic estimate at Berlin. Concurrent with drilling in the southern area, trenching is planned for the northern part of the mineralized trend.

(5) A $0.5 million budget is planned for the Laguna Salada Project to prepare for NI 43-101 resource estimation for anticipated completion by year-end. In addition, we continue to evaluate the prospectivity of grassroots targets in Argentina with the remaining $0.5 million budgeted for these reconnaissance exploration activities.

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

Liquidity and Capital Resources

The activities of U3O8 Corp., 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 first quarter of 2010, we did not have any equity transactions. There is no assurance that equity capital will be available to U3O8 Corp. in the amounts or at the times desired by the Company or on terms that are acceptable to the Company, if at all. See "Risk Factors" below.

At March 31, 2010, accounts payable and accrued liabilities increased to $311,392 (December 31, 2009 - $288,167), primarily due to higher trade payables. U3O8 Corp's cash and cash equivalents as at March 31, 2010, were sufficient to pay these liabilities.

At March 31, 2010, U3O8 Corp. had total cash of $3,470,493 (December 31, 2009 - $5,121,877). Working capital as of March 31, 2010 was $3,477,880 (December 31, 2009 - $4,933,332). The decrease was mainly due to exploration expenditures in Guyana of $1,059,427 (excluded share based payments and amortization) and funds spent on operating costs. The Company earned interest on guaranteed investment certificates.

As of March 31, 2010, U3O8 Corp. had 23,057,700 common shares issued and outstanding and 1,165,000 options outstanding, which would raise $737,850 if exercised in full. Exercise of these options is not anticipated until the market value of U3O8 Corp's common shares increase in value over the exercise price of the options.

U3O8 Corp. remains 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 Company'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 and deposits with service providers.

The Company aims to spend the remaining portion of its fiscal 2010 budget of approximately $6.0 million as disclosed above under the heading "Budget for Calendar 2010" in the section titled "Results of Operations". As of the date of this MD&A, including the funds obtained from the Mega transaction, U3O8 Corp's total cash position is sufficient to meet its current budgetary requirements. These expenditures are subject to change if management decides to scale back operations or accelerate exploration in Guyana, Colombia and Argentina.

U3O8 Corp's working capital was $3,477,880 as at March 31, 2010. With approximately $4.0 million received on April 7, 2010 from the Mega transaction, U3O8 Corp. expects to be adequately capitalized to fund ongoing operations at the current level for the next twelve months ending on March 31, 2011. However, U3O8 Corp. will require additional funds from equity sources to complete the development of our projects in Guyana, Colombia and Argentina, if warranted. See "Risks Factors" below.

Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed.

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

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

(a) U3O8 Corp. entered into the following transactions with related parties:

Related Parties	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Marrelli CFO Outsource Syndicate Inc. ("Marrelli") (i)	$10,500	$10,500
Marrelli Support Services Inc. ("MSSI") (ii) (iii)	$10,614	$7,781

(i) The Chief Financial Officer ("CFO") of U3O8 Corp. is the president of Marrelli. Fees related to CFO function performed.

(ii) The CFO of U3O8 Corp. is the president of MSSI. Fees related to accounting services provided by MSSI.

(iii) As at March 31, 2010, MSSI was owed $10,728 (December 31, 2009 - $10,757) and this amount was included in accounts payable and accrued liabilities.

(b) Remuneration of directors and key management of the Company was as follows.

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Salaries and benefits (i) (ii)	$77,217	$78,800
Share based payments	20,884 (iii)	20,124 (iv)
Total	**$98,101**	**$98,924**

(i) Included in salaries and benefits are director fees. The Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and stock options for their services.

(ii) This consists of: Richard Spencer (Chief Executive Officer) - $62,717 (Q1 2009 - $62,500); Bryan Coates (Director) - $4,000 (Q1 2009 - $4,000); David Constable (Director) - $5,500 (Q1 2009 - $5,500); Patrick Anderson (former Director) - $2,500 (Q1 2009 - $2,500); Keith Barron (Director) - $2,500 (Q1 2009 - $2,500); and Alan Ibbitson (former Chief Executive Officer) - $nil (Q1 2009 - $1,800).

(iii) This consists of: Richard Spencer (Chief Executive Officer) - $9,539; Carmelo Marrelli (CFO) - $2,269; Bryan Coates (Director) - $2,269; David Constable (Director) - $2,269; Patrick Anderson (former Director) - $2,269; and Keith Barron (Director) - $2,269.

(iv) Share based payments for Richard Spencer.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company 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 Company, 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 U3O8 Corp. However, the Company continues to evaluate properties and corporate entities that may be acquired in the future.

Critical Accounting Estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable which are included in the unaudited condensed consolidated interim statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Guyana project. The Company expenses the exploration and evaluation expenditures in the statement of comprehensive profit or loss;
- the estimated useful lives and residual value of property, plant and equipment which are included in the unaudited condensed consolidated interim statement of financial position and the related depreciation included in profit or loss;
- the inputs used in accounting for share based payment transactions in profit or loss;
- Management applied judgment in determining the functional currency of U3O8 Corp. as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- Management assumption of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period; and
- Management's position that there is no income tax consideration required within these unaudited condensed consolidated interim financial statements.

Critical accounting judgments

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Change in Accounting Policies

During the three months ended March 31, 2010, the Company adopted the following new accounting policies:

Transition to and Initial Adoption of IFRS

The Canadian Accounting Standards Board has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, including the Company, effective for fiscal years beginning on or after January 1, 2011. Early adoption of IFRS is permitted upon receipt of the appropriate exemption from the applicable Canadian Securities Administrators ("CSA").

In October, 2009, the Ontario Securities Commission granted the Company exemptive relief to adopt IFRS as issued by the International Accounting Standards Board ("IASB") with the adoption date of January 1, 2010 and a transition date of January 1, 2009.

The condensed unaudited consolidated interim financial statements for the three months ended March 31, 2010 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), using accounting policies consistent with IFRS. These are U3O8 Corp's first Financial Statements prepared in accordance with IAS 34 using accounting policies consistent with IFRS. Previously, the Company prepared its consolidated annual and consolidated interim financial statements in accordance with Canadian GAAP.

The preparation of these condensed unaudited consolidated interim financial statements resulted in changes to the accounting policies as compared with the most recent annual financial statements prepared under Canadian GAAP.

The accounting policies listed below have been applied consistently to all periods presented in the Financial Statements. They also have been applied in preparing an opening IFRS statement of financial position as at January 1, 2009 for the purposes of the transition to IFRS, as required by IFRS 1, First Time Adoption of International Financial Reporting Standards ("IFRS 1").

The accounting policies have been selected to be consistent with IFRS as is expected to be effective or available for early adoption on December 31, 2010, U3O8 Corp's first annual IFRS reporting date. The standards and interpretations within IFRS are subject to change and accordingly, the accounting policies for the annual period that are relevant to these condensed unaudited consolidated interim financial statements will be finalized only when the first full IFRS financial statements are prepared for the year ending December 31, 2010.

Impact of Adopting IFRS on the Company's Business

The adoption of IFRS has resulted in some changes to U3O8 Corp's accounting systems and business processes, however the impact has been minimal. The Company has not identified any contractual arrangements that are significantly impacted by the adoption of IFRS.

The Company's staff and advisers involved in the preparation of financial statements have been appropriately trained on the relevant aspects of IFRS and the changes to accounting policies.

The Board of Directors and Audit Committee have been regularly updated through the Company's IFRS transition process, and are aware of the key aspects of IFRS affecting the Company.

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 Company has elected to apply the following optional exemptions in its preparation of an opening IFRS statement of financial position as at January 1, 2009, the Company'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 4 *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. The Company has no leases.
- 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.

IFRS 1 does not permit changes to estimates that have been made previously. Accordingly, estimates used in the preparation of the Company'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 Company's Accounting Policies

U3O8 Corp. has changed certain accounting policies to be consistent with IFRS as is expected to be effective or available for early adoption on December 31, 2010, the Company's first annual IFRS reporting date. However, these changes to its accounting policies have not resulted in any significant change to the recognition and measurement of line items within its financial statements.

The following summarizes the significant changes to the Company's accounting policies on adoption of IFRS.

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

IFRS requires a write down of assets if the higher of the fair value less costs to sell 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 Company's accounting policies related to impairment of non-financial assets have been changed to reflect these differences, and the Company performed impairment assessments as at the Transition Date in accordance with IFRS. There is no impact on the unaudited condensed consolidated interim financial statements.

2) *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 Company's accounting policies related to decommissioning liabilities will be changed to reflect these differences, however the Company does not expect this change will have an immediate impact to the carrying value of its assets. There is no impact on the unaudited condensed consolidated interim financial statements.

Impact of Adopting IFRS on the Company's Financial Statements

(i) Transition date unaudited condensed consolidated statement of financial position

The changes in accounting policies resulting from the Company's adoption of IFRS had no impact on the unaudited condensed consolidated statement of financial position as at the transition date of January 1, 2009.

(ii) Comparative unaudited condensed consolidated financial statements

The changes in accounting policies resulting from U3O8 Corp's adoption of IFRS had no impact on the unaudited condensed consolidated statement of financial position as at December 31, 2009, or on the unaudited condensed consolidated statement of loss and comprehensive loss and the unaudited condensed consolidated statement of cash flows for Q1 2009.

<u>Accounting policies applied on adoption of IFRS</u>

Basis of presentation

The unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis. In the preparation of the unaudited condensed consolidated interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the period. Actual results could differ from these estimates. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in "Significant accounting judgments and estimates" below.

Basis of consolidation

The unaudited condensed consolidated interim financial statements incorporate the financial statements of the Company and its subsidiaries.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The following companies have been consolidated within the unaudited condensed consolidated interim financial statements:

Company	Registered	Principle activity
U3O8 Corp.	Ontario, Canada	Parent company
Prometheus Resources (Barbados) Limited [1]	Barbados	Holding company
Prometheus Resources (Guyana) Inc. [2][3]	Guyana, South America	Exploration company

[1] 100% owned by U3O8 Corp.;
[2] 100% owned by Prometheus Resources (Barbados) Limited; and
[3] Referred to Prometheus Guyana (as defined herein).

Foreign currencies

The functional currency, as determined by management, of U3O8 Corp. and each of its subsidiaries is the Canadian Dollar. For the purpose of the unaudited condensed consolidated interim financial statements, the results and financial position are expressed in Canadian Dollars.

Transactions in currencies other than the functional currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the period end exchange rates are recognised in the unaudited condensed consolidated interim statement of loss and comprehensive loss. Non monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given up, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the subsidiary. Acquisition related costs are recognized in profit or loss as incurred.

If the transaction doesn't meet the definition of a business combination the transaction is recorded as an acquisition of an asset.

Financial assets

The Company's financial instruments are comprised of the following:

Financial assets:	Classification:
Cash and cash equivalents	Loans and receivables
Guaranteed investment certificates	Loans and receivables
Accounts receivable	Loans and receivables
Restricted cash	Loans and receivables

Financial liabilities:	Classification:
Accounts payable and other liabilities	Other financial liabilities

Loans and receivables:

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Other financial liabilities:

Other financial liabilities are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition.

Other financial liabilities are derecognized when the obligations are discharged, cancelled or expired.

Impairment of financial assets:

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of accounts receivable, where the carrying amount is reduced through the use of an allowance account. When an account receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value:

Financial instruments recorded at fair value on the condensed consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of March 31, 2010, December 31, 2009 and January 1, 2009, none of the Company's financial instruments are recorded at fair value on the condensed consolidated statement of financial position.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to an annual impairment assessment.

U3O8 Corp. has assessed the assets of all its operating entities and has determined that there is no impairment of its non-financial assets.

Exploration and evaluation expenditures

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of exploration and evaluation assets, which are recognized as the fair value at the acquisition date.

Once a project has been established as commercially viable and technically feasible, related development expenditure is capitalized. This includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs which give rise to a future benefit.

Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of PPE consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is recognized based on the cost of an item of property, plant and equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Percentage	Method
Vehicles	30%	Declining balance
Mobile and drilling equipment	30%	Declining balance
Furniture and fixtures	20% to 30%	Declining balance
Field equipment	20%	Declining balance

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

An item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the condensed consolidated interim statements of comprehensive income or loss.

Where an item of plant and equipment consists of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Expenditures incurred to replace a component of an item of PPE that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash. The Company's cash and cash equivalents are invested with major financial institutions in business accounts and guaranteed investment certificates which are available on demand by the Company for its programs, and are not invested in any asset-backed deposits/investments.

Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at December 31, 2009.

Share based payment transactions

The fair value of share options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

Restoration, rehabilitation and environmental obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either an unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

Loss per share

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Significant accounting judgments and estimates

The preparation of these unaudited condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of accounts receivable which are included in the unaudited condensed consolidated interim statements of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Guyana project. The Company expenses the exploration and evaluation expenditures in the statement of comprehensive profit or loss;
- the estimated useful lives and residual value of property, plant and equipment which are included in the unaudited condensed consolidated interim statement of financial position and the related depreciation included in profit or loss;
- the inputs used in accounting for share based payment transactions in profit or loss;
- Management applied judgment in determining the functional currency of U3O8 Corp. as Canadian Dollars and the functional currency of its subsidiaries, based on the facts and circumstances that existed during the period;
- Management assumption of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period; and
- Management's position that there is no income tax consideration required within these unaudited condensed consolidated interim financial statements.

Critical accounting judgements

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Standards and interpretations in issue not yet required to be adopted but adopted by the Company

The amendments to IAS 24, Related Party Disclosures, with effective date for annual periods beginning on or after January 1, 2011, simplify the disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a government (referred to as government related entities) and clarify the definition of a related party.

Amendments to IAS 32, Classification of Rights Issues, effective for annual periods beginning on or after February 1, 2010, with early adoption permitted, sets out that rights, options and warrants, that otherwise meet the definition of equity instruments in IAS 32, issued to acquire a fixed number of an entity's own non derivative equity instruments for a fixed amount in any currency are classified as equity instruments, provided the offer is made pro rata to all existing owners of the same class of the entity's own non derivative equity instruments.

Future accounting changes

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2010 or later periods. Updates are not applicable or are not consequential to the Company and have been excluded from the list below.

IFRS 9, Financial Instruments: Classification and Measurement, effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments. Management anticipates that this standard will be adopted in the Company's consolidated financial statements for the period beginning January 1, 2013 and has not yet considered the potential impact of the adoption of IFRS 9.

Management of Capital

U3O8 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, other components of equity and accumulated deficit, which at March 31, 2010, totalled $4,603,338 (December 31, 2009 - $6,130,717).

This is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fund raisings.

The Company is not subject to any material externally imposed capital requirements or covenants.

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

There were no changes in U3O8 Corp's approach to capital management during Q1 2010.

Disclosure of Internal Controls

Management has established processes to provide sufficient knowledge to support representations that it has 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 financial statements fairly present in all material respects the financial condition, results of operations and cash flow of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings (NI 52-109), the Venture Issuer Basic Certificate 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 this 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 consolidated financial statements for external purposes in accordance with the issuer's GAAP.

The issuer'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 the 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.

Financial Instruments

U3O8 Corp'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 Management 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. U3O8 Corp's credit risk is primarily attributable to cash and cash equivalents, guaranteed investment certificates, accounts receivable and restricted cash. Cash and cash equivalents, guaranteed investment certificates 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 March 31, 2010. 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 U3O8 Corp. will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its 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 Company. Cash flow is primarily from the Company's financing activities. As at March 31, 2010, U3O8 Corp. had a cash and cash equivalents and guaranteed investment certificates balance of $3,470,493 (December 31, 2009 - $5,121,877) to settle current liabilities of $311,392 (December 31, 2009 - $288,167). All of its financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity.

Market risk

(a) Interest rate risk

U3O8 Corp. has cash balances and no interest-bearing debt. Its current policy is to invest excess cash in guaranteed investment certificates or interest bearing accounts of major Canadian chartered banks. The Company regularly monitors compliance to its cash management policy.

(b) Foreign currency risk

U3O8 Corp's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company 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 Company maintains US dollar bank accounts in Canada, Barbados, and Guyana and Guyanese bank accounts in Guyana. U3O8 Corp. is subject to gains and losses from fluctuations in the US dollar and Guyanese dollar against the Canadian dollar.

(c) Commodity uranium price risk

U3O8 Corp. is exposed to price risk with respect to commodity uranium prices. Commodity uranium price risk is defined as the potential adverse impact on earnings due to uranium price movements and volatility. The Company closely monitors uranium prices to determine the appropriate course of action to be taken in terms of exploration expenditures and to ensure that its focus is on projects that have potential cost production profiles consistent with the longer-term price projections related to forecast demand and supply.

Sensitivity analysis

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, we believe the following movements are "reasonably possible" over a three month period:

(i) Cash and cash equivalents and guaranteed investment certificates are subject to floating interest rates. Sensitivity to a plus or minus 1% change in rates would affect the reported loss by approximately $8,700.

(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. As at March 31, 2010, had the US and Guyanese dollar weakened/strengthened by 10% against the Canadian dollar with all other variables held constant, the Company's loss for Q1 2010 would have been approximately $54,000 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 $54,000 lower/higher.

(iii) Commodity uranium price risk could adversely affect the Company. In particular, the Company'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 as commercial quantities of uranium may be produced in the future, a profitable market will exist for them. As of March 31, 2010, the Company 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 Company's liquidity and its ability to meet its ongoing obligations.

Share Capital

At May 27, 2010, U3O8 Corp. had 53,622,558 issued and outstanding common shares. At May 27, 2010, the Company had 4,435,000 stock options outstanding, each exercisable to acquire one common share. Therefore, the Company has 58,057,558 common shares on a fully diluted basis at such date.

Risk Factors

An investment in the securities of U3O8 Corp. 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 Company and its financial position. Refer to the section entitled "Risk Factors" in the Company's management's discussion and analysis for the fiscal year ended December 31, 2009, available on SEDAR at **www.sedar.com**. There have been no significant changes to such risk factors since the date thereof other than as discussed herein.

Subsequent Events

(a) On April 7, 2010, U3O8 Corp. completed the acquisition of Mega's South American uranium properties, adding assets in Colombia and Argentina to the Company's holdings in Guyana. Under the terms of the acquisition, U3O8 Corp. issued 30,564,858 common shares of U3O8 Corp. in exchange for Mega's South American properties and $4,000,000 in cash.

As of March 31, 2010, transaction costs for Mega's South American uranium properties amounted to $198,797 and $4,000 related to the issue of its common shares to Mega.

(b) On May 5, 2010, U3O8 Corp. granted 3,290,000 stock options to employees, officers, directors and consultants pursuant to the Company's stock option plan. The stock options were issued at an exercise price of $0.41 and will expire on May 4, 2015.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the potential of U3O8 Corp's properties and recently acquired assets from Mega to contain economic uranium deposits; our ability to meet our operating costs for fiscal 2010 and exploration programs at current operating levels; the plans, costs, timing and capital for future exploration and development of U3O8 Corp's property interests including the costs and potential impact of complying with existing and proposed laws and regulations; Management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for uranium; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond U3O8 Corp's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, uranium price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with the U3O8 Corp's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the uranium exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for U3O8 Corp's exploration and development activities; our operating and exploration and development costs; our ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U3O8 Corp's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information

Additional information relating to U3O8 Corp. is available on SEDAR at **www.sedar.com**.

Additional Disclosure for Venture Corporations

The following table sets forth a breakdown of material components of the general and administrative costs of the Company for Q1 2010 and Q1 2009.

Detail	March 31, 2010 ($)	March 31, 2009 ($)
Salaries and benefits (Canada)	$ 176,763	$ 174,794
Administrative and general	65,245	71,554
Professional fees	60,784	48,226
Business development	59,473	57,680
Reporting issuer costs	14,046	14,379
Consulting	10,500	12,300
Amortization	1,189	1,429
Total	**$ 388,000**	**$ 380,362**

The following table sets forth a breakdown of material components of Guyana exploration expenditures for the three months ended March 31, 2010 and 2009.

Detail	**March 31, 2010 ($)**	**March 31, 2009 ($)**
Guyana location costs (head office, base camp)		
Camp expenses	60,462	4,160
Salaries and benefits	108,284	114,151
Head office costs	393,492	682,418
Travel and accommodation	21,290	24,150
Total Guyana head office costs	$583,528	$824,879
Permit A costs		
Camp expenses	157,315	208,980
Salaries and benefits	184,697	370,260
Travel and accommodation	36,519	58,000
Geology	nil	7,392
Assays	26,234	43,566
Total Permit A costs	$404,765	$688,198
Permit B costs		
Camp expenses	34,010	46,958
Salaries and benefits	20,961	97,073
Permits	nil	23,325
Travel and accommodation	16,163	58,993
Geology	Nil	9,478
Total Permit B costs	$71,134	$235,827
Share based payments	$10,712	$12,447
Amortization	$72,336	$93,409
Total Guyana exploration expenditure	**$1,142,475**	**$1,854,760**