



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**U308 CORP.**

**THREE AND SIX MONTHS ENDED JUNE 30, 2010**

**Prepared by:**

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**U3O8 CORP.****Management's Discussion & Analysis**

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## Introduction

This Management's Discussion and Analysis ("MD&A") is dated August 24, 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 and six months ended June 30, 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 and six months ended June 30, 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 and six months ended June 30, 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](http://www.u3o8corp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## Highlights

- In Q2 2010, U3O8 Corp's priority remained focused on advancing its three principal projects in Guyana, Colombia and Argentina with the potential to add significantly to its National Instrument 43-101 ("NI 43-101") uranium resources in the next 18 months.
- Kurupung Project, Guyana – Through a scout drilling program, of which 3,021 metres were drilled in Q2 2010, we continued to test new targets and expand the size potential of the Kurupung uranium system. During the quarter, another uranium-bearing structure, the Aricheng C target, was discovered. We have made a breakthrough in having identified which parts of the fault network in the Kurupung area are more likely to contain thicker mineralized intervals. To date, 16 targets have been scout drilled, nine of which contained potentially economic grades.

Assays from the scout drilling suggest that the nine uranium-bearing structures delineated so far in the Kurupung may contain a conceptual target of 10-15 million tonnes grading 0.08% to 0.10% U<sub>3</sub>O<sub>8</sub> (for an estimated 20-25 million pounds U<sub>3</sub>O<sub>8</sub>) including the initial NI 43-101 resource estimate of 5.8 million pounds U<sub>3</sub>O<sub>8</sub> Indicated and 1.3 million pounds U<sub>3</sub>O<sub>8</sub> Inferred<sup>1</sup>.

<sup>1</sup> 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<sub>3</sub>O<sub>8</sub> and 1.3 million pounds Inferred at an average grade of 0.09% (1.9 lbs/st) U<sub>3</sub>O<sub>8</sub> has been reported. Refer to the technical report dated January 14, 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](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). See also "Priority Exploration Projects" below. Potential quantity and grade in the areas of the Kurupung Project, other than Aricheng South and Aricheng North, are conceptual in nature. There has been insufficient exploration to define a mineral resource in any of these other areas and it is uncertain if further exploration will result in any such targets being delineated as mineral resources.



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- Berlin Project, Colombia – A 29-trench program has now been completed as the first step in verifying the uranium grade in the area in which a historic resource of 38 million pounds  $U_3O_8$  was estimated<sup>2</sup>. The first 13 trenches showed similar grades to historic assays. Results from the remaining 16 trenches are due to be reported shortly.
- Laguna Salada, Argentina – 463 exploration trenches have defined two areas of near surface uranium-vanadium mineralization extending over approximately 16 square kilometres at the Laguna Salada Project. An extensive trenching program is underway with the aim of determining the size of the uranium-vanadium system. The first set of trench results from this extension program is expected shortly towards the preparation of a potential NI 43-101 resource estimate by the end of 2010.
- In Q2 2010, the Company incurred cumulative exploration expenditures of \$2.3 million, up from \$1.0 million in Q2 2009. The increased spending can be attributed to the new projects acquired in April 2010 from Mega Uranium Ltd. ("Mega").
- At June 30, 2010, U308 Corp. had working capital of \$4.7 million (December 31, 2009 – \$4.9 million; June 30, 2009 – \$7.9 million). The Company had \$4.9 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; June 30, 2009 – \$8.0 million). The decline in total cash was largely due to ongoing and increased exploration activities, as discussed below, and operating costs.

## Overview

U308 Corp. is a Toronto-based exploration company focused on exploration for and resource expansion of, uranium and related minerals in South America. We are advancing a portfolio of projects 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 its exploration for uranium and related minerals.

### Mineral Resources

U308 Corp. has an initial NI 43-101 resource estimate of 5.8 million pounds Indicated  $U_3O_8$  and 1.3 million pounds Inferred  $U_3O_8$  on the Aricheng South and Aricheng North structures in the Kurupung Batholith in Guyana<sup>3</sup>.

### Exploration Projects

U308 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 phosphate-bearing sandstone that also contains vanadium and molybdenum mineralization in Colombia; and
3. Laguna Salada Project, a surficial uranium-vanadium project in Argentina.

<sup>2</sup> 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. U308 Corp. is not treating the historical estimate as current mineral resources and it should not be relied upon or considered a 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 U308 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.

<sup>3</sup> Kurupung Project – see note 2 on page 2.

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In addition, the Company has a portfolio of early-stage opportunities, which we are investigating and that offer exploration upside for the future. 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 in Canada.

Other than discussed elsewhere herein, there has been no material change in the general trends affecting the Company to those discussed under "Trends" in the Company's MD&A for the fiscal year ended December 31, 2009, available on U308 Corp's web site at [www.u308corp.com](http://www.u308corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Outlook

U308 Corp. believes it has made three uranium discoveries in South America. Given the advancements made in Q2 2010 towards growing our resource pipeline both organically and through recently acquired projects, we have re-allocated the majority of our funding in the latter half of 2010 to focus on the three lead projects with the potential to significantly increase our NI 43-101 resource base in the near-term:

1. On the Kurupung Project in Guyana, we extended our scout drilling program until December 2010 given the efficiency and success of our geophysical targeting in identifying new mineralized zones. We aim to continue to add to our inventory of mineralized structures and position the project for infill drilling and potential resource expansion in 2011. Given the growing size prospects of the Kurupung uranium district, we increased our 2010 budget for this project by \$0.4 million to approximately \$2.9 million.
2. On the Berlin Project in Colombia, a significant advancement in the understanding of the controls of the multi-commodity mineralization has underscored the potential of the project to contain a large resource. Consequently, the 2010 budget has been increased by \$0.8 million to \$1.8 million to advance the project towards potential NI 43-101 resource estimation in 2011. As part of the 2010 work program, a 29-trench program in the southern part of the project area in which the historic resource was estimated, has been completed. The next logical step is a 1,500-metre drill program to verify that uranium, vanadium, phosphate and molybdenum grades continue from surface, where the trenches have been excavated, to depth. Fresh rock from mineralized zones intersected in the drilling will be used for metallurgical test work that should determine the extent to which the various commodities can be extracted from the host rock. Concurrent with drilling in the southern area, trenching will extend into the northern part of the mineralized trend.
3. On the Laguna Salada Project in Argentina, exploration has encountered mineralization over a larger area than initially targeted; therefore, we have increased the 2010 budget by \$1.0 million to \$1.5 million to better define the mineralized zones and prepare the project for potential NI 43-101 resource estimation to be completed by the end of 2010.

While we continue to advance our exploration in the Roraima Basin as well as evaluate the prospectivity of grassroots targets in Argentina, the 2010 budget for these early-stage and reconnaissance activities has been reduced to \$0.7 million in favour of the above-mentioned priority projects.

U308 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."

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U308 Corp. has no revenue-producing operations. The original total discretionary budget of approximately \$7.5 million for fiscal 2010, recently increased to \$9.3 million (about \$4.9 million of the \$9.3 million remains), has been proposed and 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 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 \$4.9 million as at June 30, 2010, including approximately \$4.1 million received on April 7, 2010 from the Mega transaction. The Company expects to be adequately capitalized in the short-term for fiscal 2010. However, we will require additional funds to maintain the current momentum on the three lead projects, and to complete the development of these projects, if warranted.

See below "Results of Operations."

## Priority Exploration Projects

### Kurupung Project, Guyana

U308 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 with peer deposits elsewhere in the world. 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 average grades of 0.06% to 0.10%  $U_3O_8$ , contained in multiple structures. Our scout drilling program is proving to be a cost-effective and efficient way of identifying new areas of uranium mineralization in the Kurupung district, providing a means of growing our inventory of mineralized structures with the potential to add to our existing NI 43-101 resource base. Based on assays from the nine uranium-bearing structures defined so far, U308 Corp. estimates that the Kurupung may host a conceptual target of approximately 20-25 million pounds  $U_3O_8$  (see above "Highlights"). Mineralization on all structures remains open along trend and at depth.

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

1. Aricheng North Complex – comprising the Aricheng North, Aricheng A and Aricheng C structures near the southeast margin of the batholith;
2. Aricheng West Complex – comprising Aricheng South, Aricheng West, Aricheng Alpha and Aricheng Epsilon structures that also lie near the southeast margin of the batholith; and
3. Accori Complex – comprising Accori North C and Accori South structures near the southwestern margin of the batholith.

In Q2 2010, we drilled 3,021 metres in 15 bore holes (at a cost of approximately \$71 per metre) and a further 1,097 metres have been drilled between the end of Q2 to the date of this report. During the second quarter, four target areas were drill-tested, resulting in the discovery of three new uranium-mineralized zones in the Aricheng North Complex including extensions of the principal Aricheng North structure (assays reported in Q1 2010 MD&A) as well as the discovery of the Aricheng C structure.

#### Aricheng C

Mineralization at Aricheng C has been defined over a strike distance of 150 metres and remains open along trend and at depth. Summary assays from the scout drilling at Aricheng C are shown in Table 1.

The discovery of Aricheng C marks a breakthrough in the exploration of the uranium-bearing fault system in the Kurupung. Assay results to date from the Aricheng North and Aricheng West Complexes suggest that east-west orientated structures, like Aricheng C, contain wider intervals of uranium mineralization than northeast-trending ones. Further scout drilling will focus on east-striking structures identified from geophysical data as priority targets given the potential for greater uranium content in these areas.

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**Table 1 – Aricheng C Assay Results**

Summary assays of significantly mineralized intercepts cut in the four bore holes (1,017 metres) completed in scout drilling at Aricheng C.

Bore Hole Number	Intercept				Grade		
	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lbs/st)	
ARC-001	46.0	50.0	4.0	3.4	0.109	2.2	
	57.0	64.0	7.0	5.9	0.092	1.8	
	70.0	78.0	8.0	6.8	0.078	1.6	
	129.0	135.0	6.0	5.1	0.040	0.8	
	142.0	155.0	13.0	11.0	0.098	2.0	
ARC-002	212.0	214.0	2.0	1.7	0.062	1.2	
	140.0	145.0	5.0	4.2	0.059	1.2	
	174.0	179.0	5.0	4.2	0.097	1.9	
ARC-003	216.0	217.0	1.0	0.8	0.118	2.4	
	203.0	212.0	9.0	7.6	0.128	2.6	
Including	258.0	286.0	28.0	23.7	0.099	2.0	
	259.0	270.0	11.0	9.3	0.137	2.7	
ARC-004	Including	281.0	286.0	5.0	4.2	0.131	2.6
	58.0	64.0	6.0	5.1	0.111	2.2	
	79.0	83.0	4.0	3.4	0.069	1.4	
	109.0	152.0	43.0	36.5	0.092	1.8	
	179.0	182.0	3.0	2.5	0.110	2.2	
	211.0	219.0	8.0	6.8	0.055	1.1	

**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 at Aricheng C noted above and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

## Berlin Project, Colombia

The Berlin Project is located in Caldas Province of central Colombia. Uranium mineralization in the Berlin Project was investigated by a French company, Minatome, between 1978 and 1981 when the company was nationalized by the French government. Minatome made a historic (non-NI 43-101 compliant) resource estimate<sup>4</sup> of 38 million pounds U<sub>3</sub>O<sub>8</sub> on the southern 4.4 kilometres of a 10.5 kilometre long keel-shaped fold. The maximum altitude of the Berlin Project is 1,400 metres, well below the Paramo ecosystem that lies above 3,000 metres for which additional environmental restrictions were recently introduced in Colombia.

U3O8 Corp. has now completed a 29-trench program in the southern area in which the historic resource was estimated. The grade and thickness of the mineralized zone encountered in U3O8 Corp's trenching are consistent with historic results. The accumulation of uranium-vanadium-phosphate-molybdenum mineralization is tabular in form and extends over a strike distance of at least three kilometres in the east limb of the keel-shaped fold. Assays from the last 16 trenches of the 29-trench program will be reported shortly.

<sup>4</sup> Berlin Project – see note 2 on page 3.

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Trenching is planned to continue along strike to confirm historic data that shows the entire length of the 10.4 kilometre long fold is prospective for uranium. A 1,500-metre drill program is scheduled to start in September 2010 with the objective of confirming grades obtained in historic drilling as well as to provide fresh mineralized rock for metallurgical tests. Preliminary results from the metallurgical tests are anticipated 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.

**Laguna Salada Project, Argentina**

The Laguna Salada Project is a grassroots uranium discovery in soft, unconsolidated pebbly sand located in Chubut Province of southern Argentina. The uranium-vanadium mineralization occurs at surface to a maximum depth of three metres in a flat to gently undulating layer that averages 0.8 metres thick.

This surficial uranium target is characteristic of "caliche"-type uranium deposits found in semi-desert environments, and is softer than calcrete-type uranium deposits such as Lake Maitland in Western Australia and Langer Heinrich in Namibia. Laguna Salada is similar to free-digging uranium-vanadium deposits such as the Tubas Red Sand deposit in Namibia.

A total of 463 exploration trenches have defined two areas of near surface uranium-vanadium mineralization extending over 16.4 square kilometres. Summary assays from these exploration trenches are shown in Table 2.

Mineralization at Laguna Salada is still open along strike and an extensive trenching program is underway to define the extent of the uranium-vanadium system. Trenches are being spaced in a 400 by 400 metre square grid and infilled to 200 by 200 metre spacing in mineralized areas. This extension program is expected to be completed in September 2010. Ongoing exploration data is being submitted to Coffey Mining, a leading global independent consultant experienced in surficial-type uranium, towards the planned completion of a NI 43-101 resource estimated in late 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. Draft legislation, which was prepared after discussions between government officials and mining industry representatives, is currently being debated in the Provincial Legislature. The proposal is to lift the open-pit mining ban in the central semi-desert part of the province where Laguna Salada is located. Another positive sign is that Pan American Silver has commenced an aggressive program towards development of its Navidad silver project with a proposed open-pit mine to be located in Chubut Province about 300 kilometres northwest of Laguna Salada. Progress to date suggests the policy change could occur in 2011.

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**Table 2 – Trench Results from the Laguna Salada Project**

Summary assay results from the 285 trenches (of the 463 trenches excavated) in the Laguna Salada Project that have grade-thickness values greater than 50 parts per million – metre (ppm-m).

Grade-Thickness Interval	Number of Trenches in Grade-Thickness Interval	Thickness of Mineralized Zone			U <sub>3</sub> O <sub>8</sub> (ppm)	V <sub>2</sub> O <sub>5</sub> (ppm)
		Minimum (m)	Maximum (m)	Average (m)		
GxT 50 - 100	123	0.2	1.4	0.74	109	805
GxT 100 - 250	120	0.1	2.4	0.83	249	976
GxT 250 - 1400	42	0.2	2.7	1.00	630	1156
Total Area GxT >50	285	0.1	2.7	0.82	201	881

The results have been separated into three groups according to the uranium grade-thickness value from each trench. Grade-thickness (the uranium grade in ppm multiplied by the thickness in metres of the uranium-bearing layer in each trench) provides a means of defining the metal content of the mineralized unit. This table shows the average grade and average thickness of all the trenches within each of the three groups. The arithmetic average thickness of the uranium-vanadium-bearing layer in the 285 trenches is 0.82 metres at an average sample grade of 201ppm U<sub>3</sub>O<sub>8</sub> and 881ppm V<sub>2</sub>O<sub>5</sub>. The average density of the gravel is 1.72 tonnes per cubic metre.

## Grassroots Exploration

Limited exploration continues on a number of early-stage and reconnaissance projects, primarily in Guyana and Argentina, to evaluate new targets for further investigation and rank for initial trenching and/or scout drilling in due course. On the Roraima Basin Project in Guyana, detailed field work is ongoing on broader unconformity-related uranium targets identified from alteration and metal zoning in archived core from historic drilling. Analysis of stream sediment for pathfinder elements is being used to define specific targets in the Roraima Basin. In Argentina, a number of surficial and sandstone-hosted uranium targets are being evaluated and will be considered for exploration drilling after the Laguna Salada Project has advanced to NI 43-101 resource estimation.

## 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. A summary of the Company's quality assurance and quality control ("QAQC") procedures for the assay results reported above on Aricheng C and the Laguna Salada Project are incorporated by reference to the following press releases respectively: "U3O8 Corp. intersects 36.5 metres at 0.09% (1.8 pounds per short ton) U<sub>3</sub>O<sub>8</sub> in a new target in the Kurupung Project, Guyana" dated July 14, 2010; and "U3O8 Corp. advances towards NI 43-101 resource estimation on the Laguna Salada Project, Argentina" dated June 3, 2010, each available on U3O8 Corp's web site at [www.u3o8corp.com](http://www.u3o8corp.com) and SEDAR at [www.sedar.com](http://www.sedar.com).

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## 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. There was no impact on net loss due to conversion to 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-June 30	IFRS	(3,103,631) <sup>(1)</sup>	(0.06)
2010-March 31	IFRS	(1,562,767) <sup>(2)</sup>	(0.07)
2009-December 31	IFRS	(1,595,608) <sup>(3)</sup>	(0.06)
2009-September 30	IFRS	(1,573,131) <sup>(4)</sup>	(0.07)
2009-June 30	IFRS	(1,108,505) <sup>(5)</sup>	(0.05)
2009-March 31	IFRS	(2,425,962) <sup>(6)</sup>	(0.11)
2008-December 31	Canadian GAAP	(2,463,717) <sup>(7)</sup>	(0.11)
2008-September 30	Canadian GAAP	(3,476,546) <sup>(8)</sup>	(0.15)

(\*) U308 Corp. did not have any income (loss) before discontinued operations or extraordinary items for each period presented.

## Notes:

- (1) Net loss of \$3,103,631 principally related to exploration expenditures in Guyana of \$951,461, Colombia of \$487,356 and Argentina of \$628,214 (excluding stock-based compensation of \$116,130 and amortization of \$82,466). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$5,997.
- (2) Net loss of \$1,562,767 principally related to exploration expenditures in Guyana of \$1,059,427 (excluding stock-based compensation 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.
- (3) Net loss of \$1,595,608 principally related to exploration expenditures in Guyana of \$887,421 (excluding stock-based compensation 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.
- (4) Net loss of \$1,573,131 principally related to exploration expenditures in Guyana 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.
- (5) Net loss of \$1,108,505 principally related to exploration expenditures in Guyana 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.
- (6) Net loss of \$2,425,962 principally related to exploration expenditures in Guyana 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.

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- (7) Net loss of \$2,463,717 principally related to exploration expenditures in Guyana 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.
- (8) Net loss of \$3,476,546 principally related to exploration expenditures in Guyana of \$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.

## Results of Operations

### Three months ended June 30, 2010, compared with three months ended June 30, 2009

U3O8 Corp's net loss totalled \$3,103,631 for Q2 2010, with basic and diluted loss per share of \$0.06 (Q2 2009 - net loss of \$1,108,505 with basic and diluted loss per share of \$0.05). The increase of \$1,995,126 in net loss was principally due to:

- Incremental exploration expenses (excluding stock-based compensation and amortization) in Colombia of \$487,356 and in Argentina of \$628,214 that were incurred after the acquisition of these properties in the Q2 2010 from Mega;
- Guyana exploration expenses (excluding stock-based compensation and amortization) increased by \$77,986 in Q2 2010 compared to Q2 2009;
- Stock-based compensation, a component of salaries and benefits, was \$297,063 for Q2 2010 (Q2 2009 - \$22,556). The increase of \$274,507 was affected by stock options of which a significant proportion were issued to personnel who left Mega, and therefore forfeited their Mega options, to join U3O8 Corp. to continue to manage the exploration properties that were acquired from Mega in Colombia and Argentina;
- Salaries and benefits expense (excluding stock-based compensation) for Q2 2010, was \$187,476 (Q2 2009 - \$157,354), reflecting the addition of an executive, employed on a part-time basis, to the Company's management team in the second quarter this year;
- Administrative and general costs decreased by \$56,569 during Q2 2010, to \$21,425 (Q2 2009 - \$77,994). These costs comprised mostly of general administrative expenses for the Toronto head office;
- Professional fees increased by \$12,162 during Q2 2010, compared with Q2 2009, which was mainly attributable to accounting fees pertaining to IFRS project conversion;
- Business development expense decreased by \$21,920 in Q2 2010, compared with Q2 2009, which was mainly due to reduced business initiatives in the 2010 period compared with the prior year second quarter;
- Reporting issuer costs increased by \$85,976 Q2 2010, compared with Q2 2009, primarily due to costs of communication and mailing for the Annual General Meeting to the significantly enlarged shareholder base that resulted from the distribution of U3O8 Corp. shares to Mega shareholders as a result of the acquisition in Q2 2010;
- Differences in foreign exchange resulted in an increased loss of \$351,840 during Q2 2010, compared with Q2 2009, which was attributed to US dollar exchange rate fluctuations, especially during Q2 2009;

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- The changes in expenses during Q2 2010 were further augmented by a decrease in interest income of \$31,675. 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.

**Six months ended June 30, 2010, compared with six months ended June 30, 2009**

U3O8 Corp's net loss totalled \$4,666,398 for the first six months of 2010, with basic and diluted loss per share of \$0.13 (first six months of 2009 – net loss of \$3,534,467 with basic and diluted loss per share of \$0.15). The increase of \$1,131,931 in net loss was principally due to:

- Incremental exploration expenses (excluding stock-based compensation and amortization) in Colombia of \$487,356 and in Argentina of \$628,214 that were incurred after the acquisition of these properties in the Q2 2010 from Mega;
- Guyana exploration expenses (excluding stock-based compensation and amortization) decreased by \$611,491, mostly in Q1 2010 compared to Q1 2009, which reflected expenses incurred in Q1 2009 related to retrenchment costs;
- Stock-based compensation for the first six months of 2010 was \$321,739 (first six months 2009 – \$49,286), largely due to grants to Mega personnel in Q2 2010;
- Salaries and benefits expense (excluding stock-based compensation) for the first six months of 2010, was \$339,563 (first six months 2009 – \$305,418). This increase was due to an additional executive joining the Company's management team on a part-time basis;
- Administrative and general costs decreased to \$86,670 during the first six months of 2010, compared with the first six months of 2009, mostly due to cost-efficient measures in Q2 2010;
- Professional fees increased by \$24,720 during the first six months of 2010, compared with the first six months of 2009, which was mainly attributable to accounting fees pertaining to IFRS project conversion;
- Business development expense decreased by \$20,127 during the first six months of 2010, compared with the first six months of 2009, mostly due to reduced activities in Q2 2010;
- Reporting issuer expense increased by \$85,643 during the first six months of 2010, compared with the first six months of 2009, primarily due to the Mega deal significantly increasing the Company's shareholder base and related communication and mailing costs for the Annual General Meeting in Q2 2010;
- Differences in foreign exchange resulted in an increased loss of \$146,998 during the first six months of 2010, compared with the first six months of 2009, which was attributed to US Dollar exchange rate fluctuations;
- Interest income was reduced by \$77,969 during the first six months of 2010, compared with the first six months of 2009 as invested funds are depleted for exploration expenditures and operating costs; and
- All other expenses related to general working capital purposes.

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**Budget for Calendar 2010**

A 2010 budget of \$9.3 million is proposed for U308 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 that funds are focused on projects that are considered to be the most prospective in light of exploration results. The exploration budget may also be changed in response to evolving general market conditions and such other factors as the Company may deem relevant from time to time.

Cost Category	Plans for Project	Planned Expenditures for Fiscal 2010 (approx.)	Quarter 2 (Six Months Ended June 30, 2010) Expenditures (approx.)	Remaining Expenditures (approx.)	Proposed Timing for Completion of Planned Activities
<b>Guyana Operations</b>	Kurupung Project, Roraima Basin Project	\$3.8 million <sup>(2)(3)(6)</sup>	\$2.2 million	\$1.6 million	December 2010
<b>Colombia Operations</b>	Berlin Project	\$1.8 million <sup>(4)(6)</sup>	\$0.6 million	\$1.2 million	December 2010
<b>Argentina Operations</b>	Laguna Salada Project and reconnaissance exploration	\$1.8 million <sup>(5)(6)</sup>	\$0.6 million	\$1.2 million	December 2010
<b>Canadian Operations</b>	Head office costs <sup>(1)</sup>	\$1.9 million <sup>(6)</sup>	\$1.0 million	\$0.9 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 \$3.8 million has been budgeted for Guyana with \$2.9 million allocated for the Kurupung Project and associated local administration. Scout drilling is expected to continue in the Kurupung until December 2010 with the aim of adding to the pipeline of mineralized structures and position the project for infill drilling to potentially add to the existing NI 43-101 resource in 2011. \$0.4 million has been allocated for the Roraima Basin Project with the remaining \$0.5 million for head office and administrative costs in Guyana.

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

(4) A \$1.8 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 with a 29-trench program in the southern area recently completed. A 1,500-metre drill program is planned to verify prior drill results that were used in the calculation of a historic resource in the southern part of the Berlin property. Fresh rock from the drill program will be used for metallurgical test work. Concurrent with drilling in the southern area, trenching is planned to continue in the northern part of the mineralized trend.

(5) \$1.8 million has been budgeted for Argentina with \$1.5 million planned for the Laguna Salada Project aimed at expanding the mineralized areas and prepare for NI 43-101 resource estimation for anticipated completion by year-end. In addition, we continue to evaluate the prospectivity of grassroots targets similar to Laguna Salada in Argentina with the remaining \$0.3 million budgeted for these reconnaissance exploration activities.

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## Management's Discussion &amp; Analysis

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- <sup>(6)</sup> Discretionary expense, subject to change if management decides to scale back operations or accelerate exploration.

## Liquidity and Capital Resources

The activities of U308 Corp., principally the exploration and acquisition of properties for uranium and other metals and commodities that are used in the generation of low-emission energy, may be financed through joint ventures or through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. During the second quarter of 2010, the Company issued 30,564,858 common shares to Mega shareholders in exchange for Mega's exploration assets in South America and approximately \$4.1 million in cash.

At June 30, 2010, accounts payable and accrued liabilities increased to \$843,561 (December 31, 2009 - \$288,167), due to higher trade payables, balances due to Mega, and \$178,952 in payables assumed on the Mega transaction. U308 Corp's cash and cash equivalents as at June 30, 2010, were sufficient to pay these liabilities.

At June 30, 2010, U308 Corp. had total cash of \$4,860,907 (December 31, 2009 - \$5,121,877). Working capital as of June 30, 2010 was \$4,679,330 (December 31, 2009 - \$4,933,332). The cash decrease was mainly due to cash spent on exploration of \$3,126,458 (excluding stock-based compensation and amortization) and funds spent on operating costs of \$903,460 (excluding stock-based compensation and amortization), which was mostly offset by \$4,060,991 received in the Mega transaction and partly offset by interest income of \$11,093 received during the first six months of 2010. The Company earned interest on guaranteed investment certificates.

U308 Corp. is an exploration company focused on uranium and associated commodities and does not have operating revenues; and therefore, it 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 programs, or to fund any further development activities. There is no certainty that future financing will be available to the Company in the amounts or at the times desired on terms acceptable to the Company, if at all. See "Risks Factors" below.

As of June 30, 2010, U308 Corp. had 53,622,558 common shares issued and outstanding as well as 4,520,000 options outstanding, which would raise \$2.1 million if exercised in full. Exercise of these options is not anticipated until the market value of U308 Corp's common shares increases in value.

U308 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 \$9.3 million fiscal 2010 budget of approximately \$4.9 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, U308 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.

The Company expects to be adequately capitalized to fund ongoing operations at the current level in the short-term for fiscal 2010. However, U308 Corp. will require additional funds from equity sources to maintain the current momentum on its three lead projects, and to complete the development of our projects in Guyana, Colombia and Argentina, if warranted. See "Risks Factors" below.

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**Management's Discussion & Analysis**
**Three and Six Months Ended June 30, 2010**

## 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) U308 Corp. entered into the following transactions with related parties:

Related Parties	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Marrelli CFO Outsource Syndicate Inc. ("Marrelli") <sup>(i)</sup>	\$10,500	\$10,500	\$21,000	\$21,000
Marrelli Support Services Inc. ("MSSI") <sup>(ii) (iii)</sup>	6,022	8,065	16,636	15,846
John Ross <sup>(iv)</sup>	3,675	-	3,675	-

(i) The former Chief Financial Officer ("CFO") of U308 Corp. is the president of Marrelli. Fees related to CFO function performed.

(ii) The former CFO of U308 Corp. is the president of MSSI. Fees related to accounting services provided by MSSI.

(iii) As at June 30, 2010, MSSI was owed \$3,196 (December 31, 2009 - \$10,757) and this amount was included in accounts payable and accrued liabilities.

(iv) Fee to the current CFO of the Company, which was included in accounts payable and accrued liabilities.

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

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Salaries and benefits <sup>(i) (ii)</sup>	\$82,434	\$77,000	\$159,651	\$155,800
Stock-based compensation <sup>(iii)</sup>	258,822	16,770	279,706	36,894
<b>Total</b>	<b>\$341,256</b>	<b>\$93,770</b>	<b>\$439,357</b>	<b>\$192,694</b>

(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.

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- (ii) For the six month period, this balance is comprised of: Richard Spencer (Chief Executive Officer) - \$125,651 (six months 2009 - \$125,000); Bryan Coates (Director) - \$8,000 (six months 2009 - \$8,000); David Constable (Director) - \$11,000 (six months 2009 - \$11,000); Patrick Anderson (former Director) - \$5,000 (six months 2009 - \$5,000); Keith Barron (Director) - \$2,500 (six months 2009 - \$5,000); Sheldon Inwentash (Director) - \$2,500 (six months 2009 - \$nil); Richard Patricio (Director) - \$2,500 (six months 2009 - \$nil); Stewart Taylor - \$2,500 (six months 2009 - \$nil); and Alan Ibbitson (former Chief Executive Officer) - \$nil (six months 2009 - \$1,800).
- (iii) For the six month period, this balance comprised of: Richard Spencer (Chief Executive Officer) - \$62,010 (six months 2009 - \$36,894); Carmello Marrelli (former CFO) - \$5,779 (six months 2009 - \$nil); John Ross (CFO) - \$4,775 (six months 2009 - \$nil); Bryan Coates (Director) - \$32,068 (six months 2009 - \$nil); David Constable (Director) - \$32,068 (six months 2009 - \$nil); Patrick Anderson (former Director) - \$5,779 (six months 2009 - \$nil); Keith Barron (Director) - \$32,068 (six months 2009 - \$nil); Sheldon Inwentash (Director) - \$35,052 (six months 2009 - \$nil); Richard Patricio (Director) - \$35,052 (six months 2009 - \$nil); and Stewart Taylor - \$35,052 (six months 2009 - \$nil).

## 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 opportunities.

## Change in Accounting Policies

During the six months ended June 30, 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").

The Company was permitted early adoption of IFRS effective January 1, 2010 through the exemption received from the CSA under National Instrument 52-107, Acceptable Accounting Principles, Auditing Standards and Reporting Currency.

The condensed unaudited consolidated interim financial statements for the six months and three months ended June 30, 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 second 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.

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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, U308 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 U308 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 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.

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***

U308 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.

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## Management's Discussion &amp; Analysis

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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.

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.

***Impact of Adopting IFRS on the Company's Financial Statements***

(i) *Transition date unaudited 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 consolidated financial statements*

The changes in accounting policies resulting from U308 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 comprehensive loss and the unaudited condensed consolidated statement of cash flows for the three months and six months ended June 30, 2009.

**Accounting policies applied on adoption of IFRS*****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 revenue and 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 comprehensive loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. All intra company transactions, balances, income and expenses are eliminated upon consolidation.

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

<b>Company</b>	<b>Registered</b>	<b>Principle activity</b>
U308 Corp.	Ontario, Canada	Parent company
Prometheus Resources (Barbados) Limited <sup>(1)</sup>	Barbados	Holding company
Prometheus Resources (Guyana) Inc. <sup>(2)(3)</sup>	Guyana, South America	Exploration company
Gaia Energy Inc. <sup>(1)</sup>	Ontario, Canada	Holding company
Maple Minerals Exploration and Development Inc. <sup>(4)</sup>	Ontario, Canada	Exploration company
Mega Uranium Argentina S.A. <sup>(4) (5)</sup>	Argentina	Exploration company
Energientia Ltd. <sup>(4)(5)</sup>	British Virgin Islands	Holding company

<sup>(1)</sup> 100% owned by U308 Corp.;

<sup>(2)</sup> 100% owned by Prometheus Resources (Barbados) Limited;

<sup>(3)</sup> Referred to as Prometheus Guyana (as defined herein);

<sup>(4)</sup> 100% owned by Gaia Energy Inc.; and

<sup>(5)</sup> Consolidated as of April 7, 2010.

**Foreign currencies**

The functional currency, as determined by Management, of U308 Corp. and each of its subsidiaries is the Canadian Dollar. For purposes 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 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 a transaction does not meet the definition of a business combination, the transaction is recorded as an asset acquisition.

**Financial assets**

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

<b>Financial assets:</b>	<b>Classification:</b>
Cash and cash equivalents	Loans and receivables
Guaranteed investment certificates	Loans and receivables
Accounts receivable	Loans and receivables
Restricted cash	Loans and receivables
<b>Financial liabilities:</b>	<b>Classification:</b>
Accounts payable and other liabilities	Other financial liabilities

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## Management's Discussion &amp; Analysis

Three and Six Months Ended June 30, 2010

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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 expire.

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 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 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).


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As of June 30, 2010, December 31, 2009, and January 1, 2009, none of U308 Corp's financial instruments are recorded at fair value on the 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.

U308 Corp. has assessed the assets of all its operating entities and has determined that there is no impairment of its non-financial assets.

**Exploration 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 asset, which are recognized at 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.

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Where an item of plant and equipment consists of major components with different useful lives, the components are accounted for as separate items of 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 June 30, 2010, nor 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.

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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 and value-added taxes receivable which are included in the unaudited condensed consolidated interim statements of financial position;
- the recoverability of South American property interests in Colombia and Argentina presented in the statement of financial position;
- the recoverability of exploration and evaluation expenditures incurred on the Guyana, Colombia and Argentina projects. The Company expenses the exploration and evaluation expenditures in the statement of comprehensive profit or loss;

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- 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 compensation expense in profit or loss;
- Management applied judgment in determining the functional currency of U308 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 had an opportunity to consider the potential impact of the adoption of IFRS 9.

**Management of Capital**

U308 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 June 30, 2010, totalled \$15,051,789 (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.

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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 U308 Corp's approach to capital management during the three and six months ended June 30, 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 the certificates accompanying this MD&A and related financial statements 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 Company 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 Company's GAAP or IFRS.

The Company'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

U308 Corp's use of financial instruments is described in "Financial Assets" above.

U308 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. U308 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.

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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 June 30, 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 June 30, 2010, U3O8 Corp. had a cash and cash equivalents and guaranteed investment certificates balance of \$4,860,907 (December 31, 2009 - \$5,121,877) to settle current liabilities of \$843,561 (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, Colombia and Argentina 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, Guyanese Dollar bank accounts in Guyana, Colombian Peso accounts in Colombia and Argentina Peso accounts in Argentina. U3O8 Corp. is subject to gains and losses from fluctuations in the US Dollar, Guyanese Dollar, the Colombian Peso and the Argentina Peso 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. As at June 30, 2010, if interest rates had decreased/increased by 1% with all other variables held constant, the loss for Q2 2010 would have been approximately \$24,000 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 \$24,000 lower/higher.

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- (ii) Cash and cash equivalents, accounts receivable, value-added taxes receivable and accounts payable and accrued liabilities denominated in US and Guyanese Dollars, and Argentina and Colombian Pesos, are subject to foreign currency risk. As at June 30, 2010, had the US and Guyanese Dollar, and the Argentina and Colombian Peso weakened/strengthened by 10% against the Canadian Dollar with all other variables held constant, the Company's loss for Q2 2010 would have been approximately \$160,000 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 \$160,000 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 June 30, 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 August 24, 2010, U3O8 Corp. had 53,622,558 issued and outstanding common shares and 4,520,000 stock options outstanding, each exercisable to acquire one common share, for 58,142,558 common shares outstanding 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](http://www.sedar.com). There have been no significant changes to such risk factors since the date thereof other than as discussed herein.

## 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 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 and government regulation in Chubut Province, Argentina and elsewhere; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for uranium; and general business and economic conditions.


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Inherent in forward-looking statements are risks, uncertainties and other factors beyond U308 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 U308 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 U308 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, regulatory and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U308 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 U308 Corp. is available on SEDAR at [www.sedar.com](http://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 the three month and six month periods ended June 30, 2010 and June 30, 2009.

Detail	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Salaries and benefits (Canada)	\$ 484,539	\$ 179,910	\$ 661,302	\$ 354,704
Administrative and general	21,425	77,994	86,670	149,548
Professional fees	136,413	124,251	197,197	172,477
Business development	80,262	102,182	139,735	159,862
Reporting issuer costs	101,574	15,598	115,620	29,977
Consulting	14,175	10,500	24,675	22,800
Investor relations	-	3,210	-	3,210
Amortization	1,186	1,428	2,375	2,857
<b>Total</b>	<b>\$ 839,574</b>	<b>\$ 515,073</b>	<b>\$1,227,574</b>	<b>\$ 895,435</b>

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The following table sets forth a breakdown of material components of Guyana exploration expenditures for the three months and six months ended June 30, 2010 and 2009.

Detail	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Guyana location costs (head office, base camp)				
Camp expenses	-	15,032	7,173	19,192
Salaries and benefits	31,299	161,878	109,527	276,059
Head office costs	218,449	177,220	457,793	859,608
Travel and accommodation	33,023	19,974	54,314	44,124
<b>Total Guyana location costs</b>	<b>\$282,771</b>	<b>\$374,104</b>	<b>\$628,807</b>	<b>\$1,198,983</b>
Kurupung Project costs				
Camp expenses	121,995	137,475	279,612	346,455
Salaries and benefits	215,888	122,275	430,641	492,535
Permits	-	-	47,795	-
Travel and accommodation	60,718	42,496	100,523	100,496
Geology	110,107	-	233,429	7,392
Assays	20,809	40,954	48,943	84,520
<b>Total Kurupung Project costs</b>	<b>\$529,517</b>	<b>\$343,200</b>	<b>\$1,140,943</b>	<b>\$1,031,398</b>
Roraima Basin costs				
Camp expenses	22,662	53,721	56,672	100,679
Salaries and benefits	48,929	60,029	69,890	157,102
Permits	-	2,363	-	25,688
Travel and accommodation	27,799	40,058	43,962	99,051
Geology	27,526	-	58,357	9,478
Assays	12,257	-	12,257	-
<b>Total Roraima Basin costs</b>	<b>\$139,173</b>	<b>\$156,171</b>	<b>\$241,138</b>	<b>\$391,998</b>
<b>Stock-based compensation</b>	<b>\$30,021</b>	<b>\$11,857</b>	<b>\$40,733</b>	<b>\$24,304</b>
Amortization	\$73,447	\$93,185	\$145,783	\$186,594
<b>Total Guyana exploration expenditure</b>	<b>\$1,054,929</b>	<b>\$978,517</b>	<b>\$2,197,404</b>	<b>\$2,833,277</b>

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The following table sets forth a breakdown of material components of Colombia exploration expenditures for the three months and six months ended June 30, 2010 and 2009.

Detail	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Colombia location costs				
Administrative expenses	138,859	nil	138,859	nil
Salaries and benefits	138,930	nil	138,930	nil
Travel and accommodation	18,713	nil	18,713	nil
<b>Total Colombia location costs</b>	<b>\$296,502</b>	<b>\$nil</b>	<b>\$296,502</b>	<b>\$nil</b>
Field costs	190,854	nil	190,854	nil
<b>Total field costs</b>	<b>\$190,854</b>	<b>\$nil</b>	<b>\$190,854</b>	<b>\$nil</b>
<b>Stock-based compensation</b>	<b>\$68,887</b>	<b>\$nil</b>	<b>\$68,887</b>	<b>\$nil</b>
Amortization	\$7,420	\$nil	\$7,420	nil
<b>Total Colombia exploration expenditure</b>	<b>\$563,663</b>	<b>\$nil</b>	<b>\$563,663</b>	<b>\$nil</b>

The following table sets forth a breakdown of material components of Argentina exploration expenditures for the three months and six months ended June 30, 2010 and 2009.

Detail	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009
Argentina location costs				
Administrative expenses	73,779	nil	73,779	nil
Salaries and benefits	45,315	nil	45,315	nil
Travel and accommodation	71,709	nil	71,709	nil
<b>Total Argentina location costs</b>	<b>\$190,803</b>	<b>\$nil</b>	<b>\$190,803</b>	<b>\$nil</b>
Field costs				
Field expenses	410,842	nil	410,842	nil
Land fees	26,569	nil	26,569	nil
<b>Total field costs</b>	<b>\$437,411</b>	<b>\$nil</b>	<b>\$437,411</b>	<b>\$nil</b>
<b>Stock-based compensation</b>	<b>\$17,222</b>	<b>\$nil</b>	<b>\$17,222</b>	<b>\$nil</b>
Amortization	\$1,599	\$nil	\$1,599	\$nil
<b>Total Argentina exploration expenditure</b>	<b>\$647,035</b>	<b>\$nil</b>	<b>\$647,035</b>	<b>\$nil</b>