



MANAGEMENT'S DISCUSSION AND ANALYSIS

U308 CORP.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011

Prepared by:

U308 Corp.

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

www.u308corp.com



U3O8 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Introduction

This Management's Discussion and Analysis ("MD&A") is dated November 23, 2011, unless otherwise indicated and should be read in conjunction with the unaudited condensed consolidated interim financial statements of U3O8 Corp. ("U3O8 Corp.", "the Company", "we", "our" or "us") for the three and nine months ended September 30, 2011, 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 and nine months ended September 30, 2011, 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 unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2011 have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). Readers of this MD&A should refer to "Change in Accounting Policies" below for a discussion of IFRS and its affect on the Company's financial presentation.

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

Highlights

- Berlin Project¹, Colombia – A 19,000 metre ("m") infill drilling program has now been completed. Work is progressing well towards a maiden, initial 20-25 million pound ("mlb") National Instrument 43-101 ("NI 43-101") uranium resource on the southernmost three kilometres ("km") of the Berlin Project by the end of 2011. Drilling has confirmed excellent continuity of uranium mineralization as well as vanadium, phosphate, rare earths and other metals, which constitute potential by-products. Trench results from the northern part of the 10.5km mineralized trend continue to highlight the potential of Berlin to contain a resource substantially in excess of the historic resource. Initial metallurgical test results are being corroborated for anticipated release in December, 2011.

¹ Berlin Project – A historic resource of 12.9 million tonnes at a grade of 0.13% U₃O₈ (38mlb U₃O₈) was estimated on the project 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 and it should not be relied upon as a NI 43-101 compliant resource. As the 38mlb U₃O₈ historic estimate is based on only 11 widely-spaced drill holes, it is regarded by U3O8 Corp. as merely an indication of the uranium resource potential of the southern 4.4km long portion of the syncline containing the Berlin uranium mineralization.

- Kurupung Project², Guyana – Infill drilling has been completed on the Aricheng C area, and is in progress on the uranium-bearing structure at Aricheng West. Drilling is planned to be completed by year-end with the aim of increasing the current NI 43-101 resource in the Kurupung to 20-25mlb of uranium, due to be reported in January 2012.
- Laguna Salada Project, Argentina – Further metallurgical testing showed that most of the fine metal-rich material in the Guanaco area, which contains 90% of the uranium-vanadium resource at Laguna Salada, can be efficiently leached in an alkaline solution with low reagent consumption:
 - Leach periods range from 2-48 hours;
 - Metal recovery ranges from 90-94% for uranium and 32%-51% for vanadium;
 - Reagent (bicarbonate) consumption ranges from 2.8 to 8.1 kilogram ("kg") per tonne of metal-rich fines.

² Kurupung Project – Scout drilling to date suggests that the Kurupung may contain a conceptual target of 13-18 million tonnes at a grade of 0.08-0.10% U₃O₈ (estimated 30-35mlb) including the initial NI 43-101 resource of 5.8mlb Indicated at an average grade of 0.10% U₃O₈ and 1.3mlb Inferred at an average grade of 0.09% U₃O₈. 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 U3O8 Corp's web site at www.u3o8corp.com and on SEDAR at www.sedar.com.



U3O8 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

- In Q3 2011, U3O8 Corp. incurred cumulative cash exploration expenditures of \$4.4 million, up from \$2.2 million in Q3 2010. Increased spending was due primarily to increased exploration activities on projects acquired in April 2010 from Mega Uranium Ltd. ("Mega").
- At September 30, 2011, U3O8 Corp. had working capital of \$9.5 million (December 31, 2010 – \$4.3 million; September 30, 2010 – \$1.5 million). The Company had \$10.6 million in cash and cash equivalents and guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 31, 2010 – \$5.0 million; September 30, 2010 – \$2.0 million).

Overview

U3O8 Corp. is a Toronto-based exploration company focused on exploration 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 and Argentina and significant historic resources in Colombia 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

U3O8 Corp. has initial NI 43-101 resource estimates on projects in Guyana and Argentina:

| Resource | Resource Class | Tonnes (million) | Grade U ₃ O ₈ | Grade V ₂ O ₅ | U ₃ O ₈ lbs (million) | V ₂ O ₅ lbs (million) |
|---|---------------------|------------------|-------------------------------------|-------------------------------------|---|---|
| Kurupung Project ³ (Guyana) | NI 43-101 Indicated | 2.7 | 0.10% | -- | 5.8 | -- |
| | NI 43-101 Inferred | 0.6 | 0.09% | -- | 1.3 | -- |
| Laguna Salada Project* ⁴ (Argentina) | NI 43-101 Indicated | 47.3 | 60ppm | 550ppm | 6.3 | 57.1 |
| | NI 43-101 Inferred | 20.8 | 85ppm | 590ppm | 3.8 | 26.9 |

*Laguna Salada – uranium and vanadium grades can be increased between three to 11 times by scrubbing and screening. For uranium, this would lead to a head grade of 620-670ppm U₃O₈ from free-digging mineralization that lies at surface and typical of the mill feed grade of operating mines of similar deposits elsewhere in the world. See "Priority Exploration Projects" below.

Exploration Projects

U3O8 Corp. has significant land holdings in Colombia, Guyana 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. Berlin Project⁵, a historic uranium resource in sandstone and limestone that also contains phosphate, vanadium, yttrium and other metals of potential economic interest in Colombia;
2. Kurupung Project, an albitite-hosted uranium project in Guyana; and
3. Laguna Salada Project, a surficial uranium-vanadium project in Argentina.

In addition, the Company has a portfolio of early-stage opportunities, which we are investigating and offer exploration upside for the future. Currently, grassroots projects include:

- the Roraima Basin Project in Guyana, a target for unconformity-related uranium of the type found in the Athabasca Basin in Canada; and
- further surficial uranium-vanadium mineralization in Argentina.

³ Kurupung Project – See note 2 on page 2.

⁴ Laguna Salada Project – Refer to the technical report dated May 20, 2011 titled, "Laguna Salada Project, Chubut Province, Argentina: NI 43-101 Technical Report: Initial Resource Estimate" available on U3O8 Corp's web site at www.u3o8corp.com and on SEDAR at www.sedar.com.

⁵ Berlin Project – See note 1 on page 2.



U3O8 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Other than discussed elsewhere herein, there has been no material change in the general trends affecting the Company to those discussed under "Trends" in U3O8 Corp's MD&A for the fiscal year ended December 31, 2010, available on the Company's web site at www.u3o8corp.com and on SEDAR at www.sedar.com.

Outlook

U3O8 Corp. has three key uranium projects in South America. Our objective is to considerably increase our NI 43-101 resource portfolio across our projects in Colombia, Guyana and Argentina in 2011, and set up and prioritize projects for further resource growth and the next stage of advancement in 2012:

1. On the Berlin Project in Colombia, drilling is demonstrating the potential for a large uranium resource with phosphate, vanadium, yttrium and other metals as potential co-products. Infill drilling has now been completed towards defining a potential NI 43-101 resource of an initial 20-25mlb⁶ of uranium by the end of 2011 in part of the southern area in which a historic resource was estimated. Metallurgical testwork is in progress, and trenching continues in the northern part of the property to define the overall size of the Berlin Project. A 2011 budget of approximately \$6.3 million has been allocated for Berlin.
2. On the Kurupung Project in Guyana, an infill drill program began in March 2011 towards the goal of expanding the current NI 43-101 resource to a potential 20-25mlb⁷ of uranium this year, with further scout drilling planned to show greater size potential of the Kurupung system. A budget of approximately \$4.2 million has been allocated for the Kurupung Project for 2011.
3. On the Laguna Salada Project in Argentina, a NI 43-101 resource was estimated in April 2011. A 2011 budget of approximately \$3.3 million has been allocated including ongoing metallurgical testing on Laguna Salada, to position the project for advancement as well for exploration of other similar targets with the goal of defining a cumulative resource estimate of 20-25mlb⁸ on several projects in southern Argentina.

A 2011 budget of approximately \$0.7 million has been allocated for early-stage and reconnaissance activities in Colombia, Guyana and Argentina.

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

U3O8 Corp. has no revenue-producing operations. For 2011, a total discretionary budget of approximately \$17.4 million (approximately \$4.0 million remains for fiscal 2011) has been 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 in response to ongoing volatility in the capital markets. 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. U3O8 Corp. had a total cash position of \$10.6 million as at September 30, 2011. The Company is adequately capitalized for fiscal 2011; however, additional funds will be required to maintain the current momentum on the three lead projects, to fully delineate contained resources, undertake scoping studies, preliminary economic assessments and feasibility studies, and ultimately, develop the projects, if warranted.

⁶ Berlin Project – See note 1 on page 2.

⁷ Kurupung Project – See note 2 on page 2.

⁸ Laguna Salada Project – Based on the NI 43-101 resource defined at Laguna Salada, two projects of similar size and grade have the potential to contain a cumulative target of 9-11 million tonnes at a grade of 100ppm to 150ppm U₃O₈ (estimated 20-24mlb). Refer to the technical report dated May 20, 2011 titled, "Laguna Salada Project, Chubut Province, Argentina: NI 43-101 Technical Report: Initial Resource Estimate" available on U3O8 Corp's web site at www.u3o8corp.com and on SEDAR at www.sedar.com.

U3O8 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Priority Exploration Projects**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 estimate⁹ of 38mlb U₃O₈ on the southern 4.4km of a 10.5km long keel-shaped fold. Historic work did not include estimates for commodities other than uranium. The maximum altitude of the Berlin Project is 1,400m, well below the Paramo ecosystem that lies above 3,000m, for which additional environmental restrictions were introduced in Colombia. The project is favourably located adjacent to Colombia's agricultural heartland between the country's largest cities of Bogota and Medellin with infrastructure nearby. A 395 megawatt hydroelectric plant is located 12km from the project and a principal paved highway, a major river that is navigable by barge and a railway line that the Government has prioritized for refurbishment, lie 60km east of the project.

Since acquiring the property in April 2010, U3O8 Corp. has aggressively advanced its exploration plans towards the goal of defining an initial high-value, multi-commodity NI 43-101 resource on the Berlin Project.

An infill drilling program of 82 bore holes (18,547m) has now been completed and estimation work is progressing towards the aim of delineating a maiden, interim 20-25mlb¹⁰ NI 43-101 uranium resource on the southernmost 3km of the Berlin Project by the end of 2011. U3O8 Corp's drilling has confirmed excellent continuity of uranium mineralization as well as phosphate, vanadium, rare earths and other metals as potential by-products (Table 1). Trench results from the northern part of the 10.5km mineralized trend continue to highlight the upside potential of the Berlin Project beyond the historic resource (Table 2).

Results from initial metallurgical tests on the extent to which uranium and the various potential co-products can be extracted from the mineralized rock, has been received on a composite sample derived from five bore holes. These positive test results are currently being corroborated and confirmed in a second sample comprised of ore from an additional 10 bore holes, and these metallurgical results are expected in December, 2011.

(The remainder of this page has been left blank intentionally.)

⁹ Berlin Project – See note 1 on page 2.

¹⁰ Berlin Project – See note 1 on page 2.

U308 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011
Table 1 – Assay Results from Drilling in the Southern Part of the Berlin Project¹¹

Summary results for the bore holes drilled in Cross Sections 3 to 9 in the southern part of the Berlin Project, using a 0.04% U₃O₈ cut-off grade.

| | Bore Hole Info | | Intercept | | | Uranium | | Vanadium | Phosphate | Molybdenum | Rhenium | Silver | Yttrium |
|-----------------|----------------|-----------|--------------------------------------|-------|----------------------|-------------------------------|------|-------------------------------|-------------------------------|------------|---------|--------|-------------------------------|
| | Platform | Bore Hole | From | To | Estimated True Width | U ₃ O ₈ | | V ₂ O ₅ | P ₂ O ₅ | Mo | Re | Ag | Y ₂ O ₃ |
| | | | (m) | (m) | | (m) | % | lbs/st | % | % | ppm | ppm | ppm |
| CROSS SECTION 3 | P2 | DDB004 | Did not reach target depth. | | | | | | | | | | |
| | | DDB005 | 138.7 | 144.8 | 6.11 | 0.182 | 4.00 | 0.77 | 13.1 | 718 | 10.2 | 7.6 | 812 |
| | | DDB006 | 199.7 | 201.2 | 1.52 | 0.046 | 1.01 | 0.33 | 5.3 | 142 | 1.6 | 2.3 | 273 |
| | P11 | DDB031 | 295.1 | 297.7 | 2.53 | 0.090 | 1.99 | 0.34 | 2.3 | 409 | 4.3 | 2.0 | 368 |
| | | DDB034 | 296.4 | 299.4 | 3.00 | 0.111 | 2.44 | 0.47 | 2.3 | 593 | 6.0 | 2.3 | 403 |
| | | DDB035 | 69.9 | 77.9 | 8.02 | 0.120 | 2.64 | 0.45 | 9.7 | 596 | 4.6 | 2.8 | 470 |
| | | | 79.6 | 82.5 | 2.91 | 0.132 | 2.90 | 0.47 | 11.4 | 619 | 5.0 | 3.1 | 446 |
| | | | 83.2 | 89.9 | 6.67 | 0.130 | 2.87 | 0.49 | 9.1 | 686 | 5.7 | 3.1 | 532 |
| | | | 130.7 | 134.6 | 3.87 | 0.162 | 3.56 | 0.58 | 13.0 | 747 | 5.7 | 3.7 | 641 |
| | | DDB035* | 301.9 | 304.0 | 2.09 | 0.093 | 2.04 | 0.44 | 8.6 | 671 | 5.8 | 1.9 | 290 |
| DDB035* | 305.5 | 308.3 | 2.80 | 0.120 | 2.64 | | | | | | | | |
| CROSS SECTION 4 | P13 | DDB076 | 74.7 | 77.6 | 2.20 | 0.120 | 2.40 | 0.47 | 9.2 | 675 | 5.8 | 3.5 | 510 |
| | | DDB077 | 116.3 | 130.8 | 2.10 | 0.140 | 2.80 | 0.55 | 10.6 | 739 | 7.3 | 2.9 | 578 |
| | | DDB077* | 239.2 | 241.3 | 2.10 | 0.110 | 2.20 | | | | | | |
| | P21 | DDB067* | 152.2 | 153.5 | 1.30 | 0.336 | 6.72 | | | | | | |
| | | DDB069* | 153.3 | 154.4 | 1.10 | 0.074 | 1.49 | | | | | | |
| | | DDB070 | 253.0 | 256.4 | 2.20 | 0.110 | 2.20 | 0.47 | 8.9 | 593 | 5.3 | 2.5 | 472 |
| CROSS SECTION 5 | P3 | DDB007 | 152.4 | 155.5 | 3.12 | 0.115 | 2.53 | 0.45 | 8.9 | 632 | 7.3 | 2.2 | 386 |
| | | DDB008 | 91.4 | 93.0 | 1.52 | 0.068 | 1.51 | 0.73 | 14.4 | 81 | 0.5 | 5.5 | 916 |
| | | DDB009* | 95.2 | 96.8 | 1.60 | 0.078 | 1.55 | | | | | | |
| | P14 | DDB062 | 83.8 | 84.7 | 0.90 | 0.112 | 2.47 | 0.96 | 12.7 | 23 | 1.2 | 27.1 | 1,918 |
| | | DDB063 | Mineralized horizon was faulted out. | | | | | | | | | | |
| | | DDB064 | Mineralized horizon was faulted out. | | | | | | | | | | |
| | | DDB066* | 78.9 | 80.0 | 1.10 | 0.150 | 3.30 | | | | | | |
| | 215.3 | | 217.6 | 2.30 | 0.330 | 7.26 | | | | | | | |
| | P23 | DDB057 | 46.3 | 47.1 | 0.60 | 0.089 | 1.95 | 1.04 | 23.5 | 154 | 0.2 | 1.9 | 1,321 |
| | | DDB059 | 48.8 | 49.4 | 1.00 | 0.405 | 8.90 | 1.78 | 1.3 | 3,850 | 47.4 | 12.2 | 411 |
| DDB060 | | 76.6 | 77.6 | 0.65 | 0.051 | 1.13 | 1.12 | 11.8 | 138 | 0.3 | 6.2 | 762 | |

* Denotes an intercept from which significant core loss, due to the friable nature of the mineralized horizon, resulted in an incomplete sample of core being retrieved from the bore hole. In these cases, the uranium grade was estimated from the measurement of the radioactivity within the bore hole at the mineralized interval with a calibrated Mount Sopris Gamma ray probe.

¹¹ Berlin Project - Assay results – lbs/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 the Berlin Project to date and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

U308 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011
Table 1 (continued) – Assay Results from Drilling in the Southern Part of the Berlin Project¹²

| | Bore Hole Info | | Intercept | | | Uranium | | Vanadium | Phosphate | Molybdenum | Rhenium | Silver | Yttrium |
|------------------|----------------|---|-----------|-------|----------------------|-------------------------------|--------|--|-------------------------------|------------|---------|--------|-------------------------------|
| | Platform | Bore Hole | From | To | Estimated True Width | U ₃ O ₈ | | V ₂ O ₅ | P ₂ O ₅ | Mo | Re | Ag | Y ₂ O ₃ |
| | | | (m) | (m) | (m) | % | lbs/st | % | % | ppm | ppm | ppm | ppm |
| CROSS SECTIONS 6 | P25 | DDB046* | 101.8 | 103.2 | 1.40 | 0.135 | 2.71 | | | | | | |
| | | DDB043* | 139.5 | 142.8 | 3.30 | 0.135 | 2.70 | | | | | | |
| | P24 | DDB048# | 167.4 | 168.0 | 0.58 | 0.185 | 4.08 | 0.63 | 13.4 | 809 | 12.1 | 3.3 | 572 |
| | | DDB048* | 164.3 | 167.0 | 2.70 | 0.106 | 2.12 | | | | | | |
| | | DDB049* | 186.6 | 181.8 | 3.16 | 0.098 | 1.96 | | | | | | |
| | | DDB051 | 241.4 | 244.0 | 2.60 | 0.118 | 2.59 | 0.46 | 8.8 | 581 | 6.7 | 2.8 | 420 |
| | | DDB053 | 157.0 | 159.8 | 2.82 | 0.084 | 1.85 | 0.35 | 6.7 | 485 | 4.1 | 1.7 | 362 |
| DDB055* | 157.7 | 158.9 | 1.22 | 0.155 | 3.10 | | | | | | | | |
| CROSS SECTION 7 | P4 | DDB10 | 206.0 | 211.9 | 5.9 | 0.077 | 1.54 | 0.35 | 6.1 | 459 | 4.0 | 2.5 | 300 |
| | | Including | 207.9 | 211.9 | 4.0 | 0.103 | 2.06 | 0.40 | 7.7 | 584 | 5.4 | 2.7 | 402 |
| | | DDB11 | 123.2 | 125.9 | 2.7 | 0.126 | 2.51 | 0.47 | 3.7 | 609 | 6.8 | 3.0 | 491 |
| | | DDB12 | 135.5 | 138.2 | 2.7 | 0.066 | 1.33 | 0.30 | 6.3 | 403 | 4.5 | 2.5 | 339 |
| | P15 | DDB45 | 30.2 | 31.3 | 1.1 | 0.034 | 0.69 | 0.18 | 3.6 | 103 | 1.6 | 0.8 | 103 |
| | | | | | | 0.108 | 2.17 | Poor core recovery from this intercept renders the above assay data non-representative of the interval. Uranium grade is estimated from Mont Sopris gamma ray probe measurements. | | | | | |
| | P16 | DDB47 | 39.6 | 41.5 | 1.9 | 0.113 | 2.27 | 0.82 | 11.8 | 955 | 10.0 | 3.0 | 348 |
| | | DDB44 | 65.5 | 68.0 | 2.4 | 0.214 | 4.29 | 0.42 | 12.6 | 711 | 5.0 | 3.3 | 458 |
| | P17 | DDB42 | 132.8 | 135.8 | 3.0 | 0.112 | 2.23 | 0.41 | 2.3 | 563 | 6.7 | 2.6 | 467 |
| | | DDB37 | 137.2 | 138.0 | 0.8 | 0.045 | 0.89 | 0.95 | 2.3 | 196 | 0.5 | 3.8 | 635 |
| | | DDB39 | 155.4 | 156.3 | 0.9 | 0.067 | 1.33 | 0.54 | 11.0 | 120 | 1.5 | 4.8 | 755 |
| | | DDB41 | 170.3 | 171.9 | 1.6 | 0.125 | 2.49 | 0.80 | 2.3 | 225 | 5.7 | 6.0 | 589 |
| CROSS SECTION 8 | P27 | DDB36 | 111.3 | 115.2 | 4.0 | 0.066 | 1.32 | 0.33 | 5.6 | 533 | 6.3 | 1.6 | 244 |
| | | | 161.5 | 163.5 | 1.9 | 0.046 | 0.91 | 0.28 | 4.4 | 556 | 4.6 | 1.4 | 163 |
| | | | 222.9 | 225.0 | 2.1 | 0.092 | 1.83 | 0.35 | 5.8 | 453 | 4.0 | 2.1 | 347 |
| | | DDB38 | 94.7 | 97.5 | 2.8 | 0.094 | 1.88 | 0.54 | 6.1 | 672 | 5.5 | 2.1 | 209 |
| | DDB40 | | 14.1 | 16.2 | 2.1 | 0.091 | 1.83 | Poor core recovery from these intercepts renders assay data non-representative of the mineralized intervals. Uranium grade is estimated from Mont Sopris gamma ray probe measurements. | | | | | |
| | | | 98.7 | 100.4 | 1.7 | 0.076 | 1.52 | | | | | | |
| | P28 | DDB25 | 156.3 | 159.1 | 2.8 | 0.133 | 2.67 | 0.42 | 10.3 | 605 | 6.3 | 3.0 | 488 |
| | | DDB26 | 159.3 | 162.2 | 2.9 | 0.122 | 2.44 | 0.41 | 9.8 | 630 | 6.3 | 2.7 | 442 |
| | | DDB27 | 160.3 | 163.2 | 2.8 | 0.084 | 1.67 | 0.36 | 7.2 | 464 | 4.2 | 2.8 | 326 |
| | | DDB28 | 181.0 | 183.6 | 2.6 | 0.104 | 2.09 | 0.36 | 7.7 | 482 | 6.0 | 2.5 | 419 |
| DDB30 | | No significant intersections - mineralized unit is faulted out. | | | | | | | | | | | |
| P29 | DDB32 | No significant intersections - mineralized unit is faulted out. | | | | | | | | | | | |
| | DDB33 | 370.5 | 373.2 | 2.7 | 0.094 | 1.87 | 0.36 | 7.3 | 522 | 4.1 | 2.3 | 423 | |

* Denotes an intercept from which significant core loss, due to the friable nature of the mineralized horizon, resulted in an incomplete sample of core being retrieved from the bore hole. In these cases, the uranium grade was estimated from the measurement of the radioactivity within the bore hole at the mineralized interval with a calibrated Mount Sopris Gamma ray probe.

This is a section of core that was retrieved from a zone of otherwise poor recovery that provides an indication (although incomplete) of the grade of other elements in the uranium-mineralized layer.

¹² Berlin Project – See note 11 on page 6

U308 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

 Table 1 (continued) – Assay Results from Drilling in the Southern Part of the Berlin Project¹³

| | Bore Hole Info | | Intercept | | | Uranium | | Vanadium | Phosphate | Molybdenum | Rhenium | Silver | Yttrium |
|-----------------|----------------|-----------|---|-------|----------------------|-------------------------------|--------|-------------------------------|-------------------------------|------------|---------|--------|-------------------------------|
| | Platform | Bore Hole | From | To | Estimated True Width | U ₃ O ₈ | | V ₂ O ₅ | P ₂ O ₅ | Mo | Re | Ag | Y ₂ O ₃ |
| | | | (m) | (m) | (m) | % | lbs/st | % | % | ppm | ppm | ppm | ppm |
| CROSS SECTION 9 | P30 | DDB21 | 113.2 | 113.7 | 0.5 | 0.070 | 1.39 | 0.89 | 19.0 | 11 | 0.1 | 0.9 | 1,500 |
| | | DDB22 | 134.6 | 135.1 | 0.5 | 0.092 | 1.84 | 0.80 | 17.8 | 128 | 4.0 | 5.2 | 1,200 |
| | | DDB23 | No significant intersections - mineralized unit is faulted out. | | | | | | | | | | |
| | | DDB24 | No significant intersections - mineralized unit is faulted out. | | | | | | | | | | |
| | P5-P5' | DDB13 | 328.7 | 333.2 | 4.6 | 0.074 | 1.48 | 0.35 | 6.2 | 486 | 5.3 | 2.5 | 322 |
| | | Including | 330.7 | 332.7 | 2.0 | 0.132 | 2.63 | 0.51 | 9.3 | 743 | 9.6 | 3.8 | 554 |
| | | DDB14 | 258.0 | 261.9 | 3.9 | 0.091 | 1.82 | 0.44 | 7.8 | 559 | 4.9 | 2.4 | 373 |
| | | Including | 259.9 | 261.9 | 2.0 | 0.142 | 2.84 | 0.54 | 10.3 | 725 | 8.0 | 3.4 | 605 |
| | | DDB15 | 161.1 | 163.9 | 2.7 | 0.111 | 2.22 | 0.44 | 9.1 | 568 | 6.2 | 2.7 | 436 |
| | | Including | 161.9 | 163.9 | 2.0 | 0.136 | 2.71 | 0.49 | 10.0 | 658 | 7.4 | 2.9 | 518 |
| | | DDB16 | 182.2 | 186.2 | 4.0 | 0.099 | 1.98 | 0.39 | 7.6 | 552 | 5.9 | 2.3 | 378 |
| | Including | 184.2 | 185.2 | 1.0 | 0.204 | 4.08 | 0.39 | 11.9 | 846 | 11.4 | 3.6 | 749 | |

 Table 2 – Assay Results from Trench TB 34, TB37 and TB38 of the Berlin Project¹⁴

Summary results for trench TB34 and TB37 excavated in the northern part of the Berlin Project, and trench TB38 in the south.

| Trench Intercept | | Uranium | | Vanadium | Phosphate | Molybdenum | Rhenium | Silver | Yttrium |
|------------------|----------------|-------------------------------|--------|-------------------------------|-------------------------------|------------|---------|--------|-------------------------------|
| Trench Number | True Width (m) | U ₃ O ₈ | | V ₂ O ₅ | P ₂ O ₅ | Mo | Re | Ag | Y ₂ O ₃ |
| | | % | lbs/st | % | % | ppm | ppm | ppm | ppm |
| TB34 | 1.2 | 0.135 | 2.70 | 0.67 | 2.1 | 92 | 0.1 | 3.7 | 904 |
| TB37 | 2.1 | 0.130 | 2.86 | 1.12 | 11.2 | 317 | 0.05 | 0.6 | 2317 |
| TB38 | 1.6 | 0.104 | 2.28 | 0.91 | 16.4 | 67 | 0.04 | 0.8 | 603 |

¹³ Berlin Project – See note 11 on page 6

¹⁴ Berlin Project – See note 11 on page 6.

**U3O8 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Kurupung Project, Guyana

U3O8 Corp's exploration drilling is showing that the Kurupung uranium district, located in the basement near the Roraima Basin in Guyana, may contain a resource of significant size and grade comparable with peer deposits elsewhere in the world. Uranium in the Kurupung is geologically similar to albitite-hosted uranium systems worldwide that typically host 60-130mlb of uranium with average grades of 0.06%-0.10% U₃O₈, contained in multiple structures.

Through scout drilling, we are identifying new areas of uranium in the Kurupung in a cost-effective manner, and growing our inventory of mineralized structures with the potential to add to our existing NI 43-101 resource estimate. Based on assays from the 10 uranium-bearing structures defined so far, U3O8 Corp. estimates that the Kurupung may host a conceptual target of 30-35mlb U₃O₈¹⁵. Mineralization on all structures remains open along trend and at depth.

In Q3 2011, 30 bore holes were drilled for 8,587m at a cost of approximately \$52/m. Infill drilling has been completed on Aricheng C, and is now focused on the Aricheng West mineralized structure. Aricheng C and Aricheng West are expected to contribute to an updated resource estimate that is presently underway. U3O8 Corp's objective is to increase the current NI 43-101 resource on the Kurupung Project to potentially 20-25mlb¹⁶ of uranium (comprising estimates for four of the 10 uranium-bearing structures identified to date) to be reported in January 2012.

Aricheng C

Infill drilling has defined the shape and grade of the uranium-bearing shoots at Aricheng C, which has a strike length of approximately 400m. The uranium extends from the near-surface saprolite to 235m below surface. Mineralization remains open at depth and along strike. Saprolite is the clay layer that lies between the soil and hard-rock which could offer an opportunity for low-cost mining. Furthermore, the uranium mineral found in the soft clay is typically easily extracted and tests are underway on samples of the mineralized saprolite to determine the extent to determine uranium recoveries. The saprolite varies from 10m to 80m thick over the Kurupung, and averages 20m thick at Aricheng C.

Summary assays of the principal mineralized intercepts cut in the 24 bore holes (5,591m) drilled at Aricheng C are shown in Table 3.

¹⁵ Kurupung Project – See note 2 on page 2.

¹⁶ Kurupung Project – See note 2 on page 2.

U308 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011
Table 3 – Assay Results for Aricheng C

| Bore Hole Number | Intercept | | | | Grade | |
|------------------|---------------------------|--------|--------------|------------------------------|-----------------------------------|--|
| | From (m) | To (m) | Interval (m) | Estimated True Thickness (m) | U ₃ O ₈ (%) | U ₃ O ₈ (lbs/st) |
| ARC-011 | 108 | 113 | 5 | 4.7 | 0.079 | 1.6 |
| | 121 | 134 | 13 | 12.2 | 0.109 | 2.2 |
| Including | 127 | 134 | 7 | 6.6 | 0.137 | 2.7 |
| ARC-012 | 26 | 31 | 5 | 4.7 | 0.036 | 0.7 |
| | 47 | 49 | 2 | 1.7 | 0.064 | 1.3 |
| ARC-013 | 189 | 194 | 5 | 4.3 | 0.087 | 1.7 |
| | 218 | 221 | 3 | 2.6 | 0.057 | 1.1 |
| ARC-014 | 83 | 85 | 2 | 1.5 | 0.070 | 1.4 |
| ARC-015 | 18 | 32 | 14 | 13.9 | 0.073 | 1.5 |
| | 40 | 45 | 5 | 5.0 | 0.108 | 2.2 |
| ARC-016 | 146 | 155 | 9 | 7.8 | 0.040 | 0.8 |
| ARC-017 | 111 | 120 | 9 | 8.9 | 0.074 | 1.5 |
| ARC-018 | 202 | 208 | 6 | 5.2 | 0.075 | 1.5 |
| ARC-019 | 164 | 199 | 35 | 30.3 | 0.072 | 1.4 |
| ARC-020 | No significant intercepts | | | | | |
| ARC-021 | | | | | | |
| ARC-022 | | | | | | |
| ARC-023 | 76 | 80 | 4 | 2.8 | 0.051 | 1.0 |
| | 146 | 148 | 2 | 1.4 | 0.113 | 2.3 |
| | 165 | 171 | 6 | 4.2 | 0.057 | 1.1 |
| | 177 | 180 | 3 | 2.1 | 0.067 | 1.3 |
| ARC-024 | 243 | 259 | 16 | 10.3 | 0.121 | 2.4 |
| Including | 248 | 253 | 5 | 3.2 | 0.193 | 3.9 |
| ARC-025 | 88 | 92 | 4 | 2.0 | 0.060 | 1.2 |
| | 170 | 175 | 5 | 2.4 | 0.089 | 1.8 |
| ARC-026 | 47 | 53 | 6 | 4.2 | 0.080 | 1.6 |
| ARC-027 | No significant intercepts | | | | | |
| ARC-028 | 289 | 293 | 4 | 2.3 | 0.081 | 1.6 |
| ARC-029 | No significant intercepts | | | | | |
| ARC-030 | 239 | 253 | 14 | 10.7 | 0.115 | 2.3 |
| ARC-031 | No significant intercepts | | | | | |
| ARC-032 | | | | | | |
| ARC-033 | 78 | 84 | 6 | 3.9 | 0.068 | 1.4 |
| | 111 | 116 | 5 | 3.2 | 0.060 | 1.2 |
| ARC-034 | 170 | 179 | 9 | 5.2 | 0.168 | 3.4 |
| | 188 | 194 | 6 | 3.4 | 0.065 | 1.3 |

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. Infill drilling has been undertaken on the Aricheng C structure with the aim of defining a mineral resource. No mineral resource has been completed at Aricheng C to date, and it is uncertain if further exploration will result in a mineral resource being defined in this area.

U308 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Aricheng West

Infill drilling is confirming that the Aricheng West corridor is one of the most consistently mineralized areas of the Kurupung Project. Uranium at Aricheng West is concentrated in a set of near-vertical, sheet-like breccias that have an easterly trend that extends over 1km in length and is still open along strike. As with many of the structures in the Kurupung, the uranium at Aricheng West starts in the near-surface saprolite and has been intersected to a maximum depth of 340m below surface, and is still open at depth.

Summary assays of the principal mineralized intercepts cut in the 19 bore holes drilled at Aricheng West are shown in Table 4.

Table 4 – Assay Results for Aricheng West

| Bore Hole Number | Intercept | | | | Grade | |
|------------------|------------------------|--------|--------------|------------------------------|-----------------------------------|---------------------------------------|
| | From (m) | To (m) | Interval (m) | Estimated True Thickness (m) | U ₃ O ₈ (%) | U ₃ O ₈ (lb/st) |
| ARW-036 | 121 | 133 | 12 | 7.7 | 0.048 | 0.97 |
| ARW-037 | 19 | 33 | 14 | 11.5 | 0.041 | 0.81 |
| ARW-038 | 89 | 91 | 2 | 1.5 | 0.101 | 2.02 |
| ARW-039 | 339 | 370 | 31 | 10.6 | 0.072 | 1.45 |
| ARW-040 | 268 | 276 | 8 | 6.1 | 0.083 | 1.65 |
| ARW-041 | 237 | 247 | 10 | 7.1 | 0.072 | 1.44 |
| | 255 | 302 | 47 | 33.2 | 0.040 | 0.80 |
| ARW-042 | 173 | 178 | 5 | 4.8 | 0.111 | 2.23 |
| | 367 | 374 | 8 | 7.7 | 0.055 | 1.11 |
| ARW-043 | 180 | 211 | 32 | 26.2 | 0.075 | 1.51 |
| Including | 203 | 210 | 7 | 5.7 | 0.144 | 2.87 |
| | 218 | 222 | 4 | 3.3 | 0.062 | 1.23 |
| ARW-044 | 112 | 115 | 3 | 2.3 | 0.070 | 1.40 |
| | 168 | 171 | 3 | 2.3 | 0.060 | 1.21 |
| ARW-045 | No Significant Results | | | | | 0.00 |
| ARW-047 | No Significant Results | | | | | 0.00 |
| ARW-049 | 166 | 171 | 5 | 2.5 | 0.042 | 0.84 |
| ARW-050 | 121 | 128 | 7 | 3.5 | 0.042 | 0.85 |
| | 133 | 137 | 4 | 2.0 | 0.078 | 1.56 |
| ARW-051 | 87 | 91 | 4 | 2.6 | 0.038 | 0.77 |
| ARW-052 | 77 | 79 | 2 | 1.5 | 0.124 | 2.49 |
| | 94 | 98 | 4 | 3.1 | 0.060 | 1.21 |
| | 117 | 121 | 4 | 3.1 | 0.056 | 1.11 |
| | 143 | 176 | 33 | 25.3 | 0.055 | 1.11 |
| ARW-053 | 78 | 82 | 4 | 2.3 | 0.052 | 1.03 |
| | 157 | 189 | 32 | 18.4 | 0.104 | 2.08 |
| ARW-054 | 34 | 81 | 47 | 23.5 | 0.094 | 1.89 |
| | 56 | 62 | 6 | 3.0 | 0.154 | 3.09 |
| | 90 | 98 | 8 | 4.0 | 0.085 | 1.69 |
| ARW-056 | 69 | 83 | 14 | 9.0 | 0.049 | 0.98 |
| ARW-057 | 19 | 30 | 11 | 7.1 | 0.038 | 0.76 |
| | 57 | 80 | 23 | 14.8 | 0.047 | 0.95 |
| | 57 | 65 | 8 | 5.1 | 0.058 | 1.15 |

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. Infill drilling has been undertaken on the Aricheng West structure with the aim of defining a mineral resource. No mineral resource has been completed at Aricheng West to date, and it is uncertain if further exploration will result in a mineral resource being defined in this area.

**U3O8 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Laguna Salada Project, Argentina

The Laguna Salada Project is a grassroots free-digging uranium-vanadium discovery in Chubut Province, Argentina. U3O8 Corp. has reported an initial NI 43-101 Indicated Resource on the project of 6.3mlb at 60ppm U_3O_8 and 57mlb at 550ppm V_2O_5 , and a NI 43-101 Inferred Resource of 3.8mlb at 85ppm U_3O_8 and 27mlb at 590ppm V_2O_5 ¹⁷.

Laguna Salada has a number of positive attributes for a potentially low-cost project. Firstly, mineralization occurs at the surface of flat-topped mesas to a maximum depth of approximately 3m within a flat to gently undulating layer that averages 0.95m thick. Mining could simply lower the profile of the mesas. The uranium-vanadium occurs in soft, unconsolidated sandy gravel that requires no blasting and crushing.

In addition, simple and inexpensive screening to remove the pebbles and coarse sand concentrates the uranium-vanadium minerals into a small, fine-grained fraction of the original gravel. Metallurgical tests showed that the uranium and vanadium grades can be increased by three to 11 times in the screened, fine-grained fraction. For uranium, this would result in a head grade (the metal-rich fines that would enter a processing plant) of approximately 620-670ppm U_3O_8 – similar to the mill feed grade of operating surficial uranium deposits elsewhere in the world. Additional test work is underway in an effort to improve the head grade further.

Furthermore, additional alkaline leach tests of the metal-rich fines in the Guanaco area, which constitutes 90% of the Laguna Salada deposit, has confirmed excellent uranium and moderate vanadium recovery with very low reagent consumption. Leach times vary from 2-48 hours to yield uranium recoveries of 90-94% and vanadium recoveries of 32-51% with consumption rates of 2.8 – 8.1 kg/tonne of bicarbonate. Therefore, alkaline leaching seems the likely economically attractive option for metal extraction. In contrast, acid leach was very effective on the Lago Seco area (containing 10% of the deposit) and recovered 96% of the uranium and 71% of the vanadium after a leach time of 36 hours with 49.5kg/tonne of acid consumption per tonne of raw mineralized gravel. Metallurgical testwork is ongoing to optimize the recovery and beneficiation results achieved to date.

Exploration on extensions of Laguna Salada as well as other similar targets will aim to define an overall NI 43-101 uranium resource of 20-25mlb¹⁸ on several projects in southern Argentina.

While there is presently an open-pit mining ban in Chubut Province, draft legislation is reported to propose that the open-pit mining ban be lifted in the central semi-desert plain of the province. A similar approach, that allows mining in the central plain, is in effect in the adjacent Santa Cruz Province. Laguna Salada and several other mining projects are situated in this central plain of Chubut Province including CNEA's (Argentinean National Nuclear Authority) Cerro Solo uranium deposit and Pan American Silver's Navidad silver project, both of which are reported to be due for development by open-pit mining methods. Both of these projects are moving towards production and indications are that a change in Chubut Province's mining policy may be made in short- to medium-term.

Grassroots Exploration

Limited exploration continues on a number of early-stage and reconnaissance projects in Guyana, Argentina and Colombia, to evaluate potential new targets for further investigation.

Rare Earth Properties

U3O8 Corp. holds an 18.2% interest in South American Rare Earth Corp. ("SAREC"), a private rare earth exploration company, as well as a 2% net smelter royalty on SAREC's Jacimampa property in Argentina. U3O8 Corp. is initially directing exploration activities for SAREC with a focus on its early-stage Jacimampa Project.

¹⁷ Laguna Salada Project – See note 4 on page 3.

¹⁸ Laguna Salada Project – See note 8 on page 4.



U3O8 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

The Jacimampa Project shows promise for light rare earths, mainly cerium, lanthanum and neodymium. The principal uses for cerium is in oil refining, for lanthanum is glass polishing (for fibre optics), while neodymium is a key element used in the manufacture of magnets for wind turbines to consumer electronics and hybrid cars. An airborne geophysics survey was recently completed on the Jacimampa area with the objective of defining prospective zones beneath shallow soil cover. Trench samples have also been sent for metallurgical testing to determine the extent to which the rare earth elements can be recovered from the host rock. Assay values from trenching will be tied back into the geophysics to generate targets for drilling in due course.

In addition, SAREC acquired a grassroots target in northwestern Ontario, the Carb Lake property, where SAREC has recently completed both an airborne magnetic and radiometric survey and an initial field program of soil sampling over the magnetic anomaly that defines the extent of the target carbonatite. These data will be reviewed to determine whether any targets warrant further follow-up through exploration drilling.

Corporate Update

In August 2011, U3O8 Corp. announced the appointments of Hugo Bastias to Executive Vice President, Elpidio Reis to Chief Operating Officer and Gabriel Bastias to Vice President of Exploration, each of whom take on key roles to advance the Company's projects through exploration to resource definition and to subsequent reserve estimation, scoping and feasibility studies.

Technical Disclosure

Dr. Richard Spencer, President and Chief Executive Officer of the Company, is the "qualified person" within the definition of that term in NI 43-101. Dr. Spencer has supervised the preparation of, and verified, all technical information contained in this MD&A related to the Company's exploration activities in South America and Ontario. A summary of the Company's quality assurance and quality control procedures for the assay results reported above are incorporated by reference to the press releases dated February 24, 2011 on the Berlin Project in Colombia and April 20, 2011 on the Kurupung Project in Guyana, available on U3O8 Corp's web site at www.u3o8corp.com and SEDAR at www.sedar.com.

Summary of Quarterly Results

The quarterly results have been prepared using accounting policies consistent with IFRS.

| Three Months Ended (*) | Net Loss (\$) | Basic and Diluted Loss Per Share (\$) |
|------------------------|----------------------------|---------------------------------------|
| 2011-September 30 | (5,468,539) ⁽¹⁾ | (0.05) |
| 2011-June 30 | (4,419,431) ⁽²⁾ | (0.04) |
| 2011-March 31 | (4,573,652) ⁽³⁾ | (0.05) |
| 2010-December 31 | (4,342,297) ⁽⁴⁾ | (0.06) |
| 2010-September-30 | (2,873,332) ⁽⁵⁾ | (0.05) |
| 2010-June 30 | (3,103,631) ⁽⁶⁾ | (0.06) |
| 2010-March 31 | (1,562,767) ⁽⁷⁾ | (0.07) |
| 2009-December 31 | (1,595,608) ⁽⁸⁾ | (0.06) |

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


U3O8 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011
Notes:

- (1) Net loss of \$5,468,539 principally related to cash exploration expenditures in Guyana of \$1,292,963, Colombia of \$2,083,912 and Argentina of \$1,069,841 (excluding stock-based compensation of \$188,308, amortization of \$80,307, and Colombia tax accruals of \$26,626). All other expenses related to general working capital purposes and management and director compensation. All expenses were partly offset by interest income of \$21,157.
- (2) Net loss of \$4,419,431 principally related to cash exploration expenditures in Guyana of \$951,945, Colombia of \$2,261,613 and Argentina of \$1,221,611 before recovery of \$434,160 from SAREC which was reported in gain on sale of investment in Gaia in the income statement (excluding stock-based compensation of \$235,657, amortization of \$77,816, and Colombia tax accruals of \$70,100). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$60,615.
- (3) Net loss of \$4,573,652 principally related to cash exploration expenditures in Guyana of \$1,016,372, Colombia of \$1,261,140 and Argentina of \$894,784 (excluding stock-based compensation of \$105,297, amortization of \$68,539, and Colombia tax accruals of \$559,079). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$11,462.
- (4) Net loss of \$4,342,297 principally related to exploration expenditures in Guyana of \$785,706, Colombia of \$1,421,964 and Argentina of \$1,300,295 (excluding stock-based compensation of \$113,218 and amortization of \$85,209). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$12,464.
- (5) Net loss of \$2,873,332 principally related to exploration expenditures in Guyana of \$1,038,174, Colombia of \$392,708 and Argentina of \$720,260 (excluding stock-based compensation of \$218,037 and amortization of \$80,056). All other expenses related to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$4,164.
- (6) 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.
- (7) 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. Interest income of \$5,096 offset all expenses.
- (8) 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.

Results of Operations

Three months ended September 30, 2011, compared with three months ended September 30, 2010

U3O8 Corp's net loss totalled \$5,468,539 for Q3 2011, with basic and diluted loss per share of \$0.05 (Q3 2010 – net loss of \$2,873,332 with basic and diluted loss per share of \$0.05). The increase of \$2,595,207 in net loss was principally due to:

- Cash exploration expenses (excluding stock-based compensation, amortization, and tax accruals) in Colombia of \$2,083,912 (Q3 2010 - \$563,822) and in Argentina of \$1,069,841 (Q3 2010 - \$763,038). Higher expenditures reflected increased exploration activities on these properties that were acquired in Q2 2010 from Mega;
- Guyana exploration expenses rose to \$1,292,963 (excluding stock-based compensation and amortization) as drilling increased towards the goal of completing an updated NI 43-101 resource in 2011;
- Stock-based compensation for Q3 2011 increased to \$277,895 (Q3 2010 – \$223,770) due to option grants for general incentives to technical and administrative personnel and management and the addition of a senior staff member as well as a seventh director to the board.


U3O8 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011

- Salaries and benefits expense (excluding stock-based compensation) for Q3 2011 decreased to \$180,759 (Q3 2010 – \$202,484), reflecting no significant change in the compensation of the Company's personnel;
- Administrative and general costs increased by \$21,274 in Q3 2011 compared with Q3 2010, reflecting higher head office expenses associated with larger operations in multiple countries and enhancements to IT and corporate-wide remote data backup systems;
- Professional fees increased by \$169,500 during Q3 2011 compared with Q3 2010, mainly attributed to recruitment fees for a new hire and legal costs related to new opportunities;
- Business development expense rose by \$47,553 in Q3 2011 versus Q3 2010, mostly due to marketing activities;
- Reporting issuer expense rose marginally by \$3,103 during Q3 2011 compared with Q3 2010;
- The foreign exchange gain increased by \$142,521 during Q3 2011 compared with Q3 2010, mostly attributed to US Dollar exchange rate fluctuations during the respective quarters;
- Interest income increased by \$16,993 during Q3 2011 compared with Q3 2010, reflecting increased invested funds from the February 2011 financing;
- U3O8 Corp. has significant influence over the operations of SAREC. As a result, the Company recorded a \$177,354 loss from SAREC during Q3 2011; and
- All other expenses related to general working capital purposes.

Nine months ended September 30, 2011, compared with nine months ended September 30, 2010

U3O8 Corp's net loss totalled \$14,461,622 for the first nine months of 2011, with basic and diluted loss per share of \$0.15 (first nine months of 2010 – net loss of \$7,539,730 with basic and diluted loss per share of \$0.18). The increase of \$6,921,892 in net loss was principally due to:

- Cash exploration expenses (excluding stock-based compensation, amortization and tax accrual) in Colombia of \$5,550,160 and in Argentina of \$3,186,236 (before recovery of \$434,160 from SAREC which was reported in gain on sale of investment in Gaia in the income statement) reflected increased activities on properties acquired in Q2 2010 from Mega;
- Guyana exploration expenses (excluding stock-based compensation and amortization) increased by \$426,110 due to heightened exploration work towards the goal of completing an updated NI 43-101 resource by year-end;
- Stock-based compensation for the first nine months of 2011 was \$874,248 (first nine months 2010 – \$672,351), reflecting option grants for general incentives to technical and administrative personnel and management and the addition of a senior staff member as well as a seventh director to the board;
- Salaries and benefits expense (excluding stock-based compensation) for the first nine months of 2011 was \$548,215 (first nine months 2010 – \$542,047), reflecting no significant change in compensation of personnel;
- Administrative and general costs increased by \$63,217 for the first nine months of 2011, compared with the same 2010 period due to head office expenses associated with larger operations in multiple countries and enhancements to IT and corporate-wide remote data backup systems;
- Professional fees increased by \$262,371 during the first nine months of 2011, compared with the same 2010 period, mainly attributable to recruitment fees for a new hire and legal costs related to new opportunities;

**U308 CORP.****Management's Discussion & Analysis****Three and Nine Months Ended September 30, 2011**

- Business development expense increased by \$104,058 during the first nine months of 2011, compared with the same 2010 period, reflecting increased marketing activities;
- Reporting issuer expense increased marginally by \$10,366 during the first nine months of 2011, compared with the same 2010 period, reflecting no significant change to the Company's shareholder base and related communication and mailing costs;
- The foreign exchange loss increased by \$13,634 during the first nine months of 2011, compared with the same 2010 period, which was attributed to US Dollar exchange rate fluctuations;
- Interest income rose by \$77,977 during the first nine months of 2011, compared with the same 2010 period, reflecting increased invested funds from the February 2011 financing;
- The Company transferred its Jacimampa Property to SAREC in Q2 2011 for 5.6 million SAREC shares and a cash refund of \$434,160 for exploration work done prior to the transfer. The shares were valued at \$1,117,982 and, including the cash, were reported as a gain on sale of investment. As U308 Corp. significantly influences the operations of SAREC, the Company reported a \$578,688 loss from its equity share of SAREC; and
- All other expenses related to general working capital purposes.

Budget for Calendar 2011

A 2011 budget of \$17.4 million is proposed for U308 Corp's exploration and operating activities in Colombia, Guyana, Argentina and Canada. This is a \$2.0 million increase from the budget presented in Q2 2011 due to added exploration work undertaken towards the Company's goal of significantly increasing its NI 43-101 uranium resource portfolio this year, and to position for similar potential resource expansion as well as prioritizing projects for advancement in 2012. 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. See also "Outlook" and "Caution Regarding Forward-Looking Statements".

| Cost Category | Plans for Project | Revised Planned Expenditures for Fiscal 2011 (approx.) | Expenditures for the Nine Months Ended Sep. 30, 2011 (approx.) | Remaining Expenditures (approx.) | Proposed Timing for Completion of Planned Activities |
|-----------------------------|---|---|---|---|---|
| Colombia Operations | Berlin Project and reconnaissance exploration | \$7.1 million ⁽²⁾⁽⁵⁾ | \$5.6 million | \$1.5 million | December 2011 |
| Guyana Operations | Kurupung Project and Roraima Basin Project | \$4.5 million ⁽³⁾⁽⁵⁾ | \$3.3 million | \$1.2 million | December 2011 |
| Argentina Operations | Laguna Salada Project, other surficial targets and reconnaissance exploration | \$3.5 million ⁽⁴⁾⁽⁵⁾ | \$2.8 million | \$0.7 million | December 2011 |
| Canadian Operations | Head office costs ⁽¹⁾ | \$2.3 million ⁽⁵⁾ | \$1.7 million | \$0.6 million | December 2011 |

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

Three and Nine Months Ended September 30, 2011

- (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) \$6.3 million (previously \$5.5 million) has been budgeted for the Berlin Project with the aim to position for an initial NI 43-101 resource in 2011 while setting the stage to define the overall size potential of the project and towards a scoping study in 2012. A 19,000m infill drilling program has now been completed on the southernmost 3km of the Berlin property on which part of the historic resource was estimated. Further exploration drilling and trenching is planned to continue into the northern part of the mineralized trend. Metallurgical test work will be ongoing during the year. \$0.6 million has been allocated for option payment and concession fees, and \$0.2 million for reconnaissance initiatives to assess other areas of potential interest in Colombia.
- (3) \$4.2 million (previously \$4.6 million) has been budgeted for the Kurupung Project and associated local administration, reflecting operational efficiencies in deploying two drill rigs. Drilling is presently focused on infill drilling to potentially add to the existing NI 43-101 resource. In addition, scout drilling is planned to show further size potential of the Kurupung system. \$0.3 million has been allocated for grassroots exploration of the Roraima Basin Project.
- (4) \$3.3 (originally \$2.0 million) has been allocated for exploration and property-related fees for Laguna Salada (including an option to purchase the surface rights) and other surficial uranium targets to potentially increase the overall NI 43-101 resource in Argentina and set up for the next stage of advancement. The remaining \$0.2 million has been budgeted for reconnaissance exploration activities to evaluate the prospectivity of grassroots targets similar to Laguna Salada.
- (5) Discretionary expense, subject to change if management decides to scale back operations or accelerate exploration.

Liquidity and Capital Resources

U3O8 Corp. is an exploration company focused on uranium and associated commodities that are used in the generation of low-emission energy and green technology. The Company 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 warrants and other financing transactions to maintain its capacity to meet the planned exploration programs, or to fund any further development activities.

At September 30, 2011, accounts payable and accrued liabilities increased to \$1,442,013 (December 31, 2010 - \$939,234), as activities increased compared to the end of December. U3O8 Corp's cash and cash equivalents as at September 30, 2011, were sufficient to pay these liabilities.

At September 30, 2011, U3O8 Corp. had total cash of \$10,615,325 (December 31, 2010 - \$5,033,076), and working capital of \$9,517,403 (December 31, 2010 - \$4,285,649). The increase reflected \$20,527,500 of gross proceeds raised in Q1 2011 upon the issue of 24,150,000 units at \$0.85 per unit. Each unit comprised one common share of U3O8 Corp. and one-half common share purchase warrant. Each full warrant is exercisable into one common share of U3O8 Corp. at a price of \$1.00 per share until February 15, 2013. Agents of this transaction were granted 1,378,410 broker warrants. Each broker warrant is exercisable into a unit at \$0.85 per unit until February 15, 2013.

At September 30, 2011, U3O8 Corp. had issued and outstanding 102,676,658 common shares, 26,132,303 warrants and 7,091,250 stock options, and the full exercise of all outstanding warrants and options could raise cash proceeds of approximately \$22.6 million. Exercise of these warrants and options is not anticipated until the market value of U3O8 Corp's common shares increases in value.


U308 CORP.

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

U308 Corp. remains debt free and its credit and interest rate risk is limited to interest-bearing assets of cash and bank or government guaranteed investment vehicles. 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 government-backed securities or bank-backed guaranteed investment certificates. In addition, accounts receivable are composed mainly of federal Harmonized Sales Tax (Canada) recoveries and deposits with service providers.

U308 Corp. aims to spend the remaining \$4.0 million of its fiscal 2011 budget as disclosed above under the heading "Budget for Calendar 2011" in the section titled "Results of Operations". U308 Corp's total cash of \$10.6 million at September 30, 2011, is sufficient to meet obligations in the near-term. These expenditures are subject to change if management decides to scale back operations or accelerate exploration in Guyana, Colombia or Argentina. However, U308 Corp. will require additional funds from equity sources in 2012 to maintain the current momentum on its lead projects, and to complete the development of our projects in Guyana, Colombia and Argentina, if warranted. 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.

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 September 30 | | Nine Months Ended September 30 | |
|---|------------------------------------|-----------|-----------------------------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| Marrelli CFO Outsource Syndicate Inc. ("Marrelli") ⁽ⁱ⁾ | \$ - | \$ - | \$ - | \$ 21,000 |
| Marrelli Support Services Inc. ("MSSI") ⁽ⁱⁱ⁾ | \$ - | \$ - | \$ - | \$ 16,636 |
| John Ross ⁽ⁱⁱⁱ⁾ | \$ 15,000 | \$ 11,025 | \$ 45,000 | \$ 14,700 |

(i) The former Chief Financial Officer ("CFO") of U308 Corp. is the president of Marrelli. Fees related to CFO function performed. Effective July 1, 2010, Marrelli was no longer a related party.

(ii) The former CFO of U308 Corp. is the president of MSSI. Fees related to accounting services provided by MSSI. Effective July 1, 2010, Marrelli was no longer a related party.

(iii) Fees expensed to U308 Corp's current CFO, which was included in accounts payable and accrued liabilities.

**U308 CORP.****Management's Discussion & Analysis**

Three and Nine Months Ended September 30, 2011

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

| | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|------------------------------------|------------------|-----------------------------------|-------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Salaries and benefits ^{(i) (ii)} | \$ 82,978 | \$ 84,934 | \$ 250,803 | \$ 244,585 |
| Stock-based compensation ⁽ⁱⁱⁱ⁾ | \$ 221,089 | \$ 10,009 | \$ 468,852 | \$ 289,715 |
| Total | \$ 304,067 | \$ 94,943 | \$ 719,655 | \$ 534,300 |

- (i) Included in salaries and benefits are director fees. Directors do not have employment or service contracts with the Company. They are entitled to director fees and stock options for their services.
- (ii) For the nine month period, salaries and benefits consisted of: Richard Spencer (Chief Executive Officer) - \$188,803 (nine months 2010 - \$188,585); Bryan Coates (Director) - \$12,000 (nine months 2010 - \$12,000); David Constable (Director) - \$16,500 (nine months 2010 - \$16,500); Patrick Anderson (former Director) - \$nil (nine months 2010 - \$5,000); Keith Barron (Director) - \$7,500 (nine months 2010 - \$7,500); Sheldon Inwentash (Director) - \$7,500 (nine months 2010 - \$5,000); Pablo Marcet (Director) - \$3,500 (nine months 2010 - \$nil); Richard Patricio (Director) - \$7,500 (nine months 2010 - \$5,000); and Stewart Taylor - \$7,500 (nine months 2010 - \$5,000).
- (iii) For the nine month period, stock-based compensation consisted of: Richard Spencer (Chief Executive Officer) - \$54,976 (nine months 2010 - \$53,566); Carmello Marrelli (former CFO) - \$nil (nine months 2010 - \$5,779); John Ross (CFO) - \$49,681 (nine months 2010 - \$12,578); Bryan Coates (Director) - \$52,800 (nine months 2010 - \$32,881); David Constable (Director) - \$52,800 (nine months 2010 - \$32,881); Patrick Anderson (former Director) - \$nil (nine months 2010 - \$5,779); Keith Barron (Director) - \$52,800 (nine months 2010 - \$32,881); Sheldon Inwentash (Director) - \$55,580 (nine months 2010 - \$37,790); Pablo Marcet (Director) - \$39,055 (nine months 2010 - \$nil); Richard Patricio (Director) - \$55,580 (nine months 2010 - \$37,790); and Stewart Taylor - \$55,580 (nine months 2010 - \$37,790).

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 U308 Corp. However, the Company continues to evaluate properties and corporate opportunities.

**U308 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Change in Accounting Policies

During the nine months ended September 30, 2011, the Company adopted no new accounting policies.

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, relate to, but are not limited to, the following:

- the recoverability of accounts receivable and value-added taxes receivable which are included in the consolidated statements of financial position;
- the recoverability of South American property interests in Colombia and Argentina presented in the statement of financial position;
- the estimated useful lives of PPE 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 determination of no material restoration, rehabilitation and environmental, based on the facts and circumstances that existed during the period.

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.

Future accounting changes

The accounting policies applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied by the Company in its most recent annual financial statements as at and for the year ended December 31, 2010 except for the following:

**U308 CORP.****Management's Discussion & Analysis****Three and Nine Months Ended September 30, 2011***Equity investment in associate*

Since April, 2011, the Company has significant influence on SAREC, but does not have control; this investment is accounted for using the equity method. Under the equity method, the investment is initially recorded at cost and the carrying value is adjusted thereafter, to reflect the Company's pro-rata share of post acquisition income or loss. The amount of adjustment is included in the determination of net income or loss of the Company, and the investment account of the Company is also increased or decreased to reflect the Company's share of capital transactions and changes in accounting policies. The carrying values of equity investments are regularly reviewed to ensure there is no impairment. When there is a loss in value other than a temporary decline, the investment is written down to recognize the loss. The accounting policies of an associate are changed where necessary to align with the accounting policy of the Company.

International Financial Reporting Standard 9, Financial Instruments (IFRS 9)

Financial instruments ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013. The Company has not yet assessed the impact of the standard.

International Financial Reporting Standards 10, Consolidation (IFRS 10)

Consolidated financial statements ("IFRS 10") was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns. IFRS 10 is effective for annual periods beginning on or after January 1, 2013. Earlier adoption is permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Financial Reporting Standard 11, Joint Arrangements (IFRS 11)

Joint arrangements ("IFRS 11") was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method. IFRS 11 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company has not yet assessed the impact of the standards or determined whether it will adopt the standard early.

International Financial Reporting Standard 12, Disclosure of Interests in Other Entities (IFRS 12)

Disclosure of interests in other entities ("IFRS 12") was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

**U3O8 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

International Financial Reporting Standard 13, Fair Value Measurement (IFRS 13)

Fair value measurement ("IFRS 13") was issued by the IASB in May 2011. IFRS 13 is a new standard which provides a precise definition of fair value and a single source of fair value measurement considerations for use across IFRSs.

The key points of IFRS 13 are as follows:

- fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;
- financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;
- disclosures regarding the fair value hierarchy has been moved from IFRS 7 to IFRS 13, and further guidance has been added to the determination of classes of assets and liabilities;
- a quantitative sensitivity analysis must be provided for financial instruments measured at fair value;
- a narrative must be provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;
- and information must be provided on an entity's valuation processes for fair value measurements categorized under Level 3 of the fair value hierarchy.

IFRS 13 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company has not yet assessed the impact of the standard or determined whether it will adopt the standard early.

International Accounting Standard 28, Investments in Associates and Joint Ventures (IAS 28)

In addition, there have been amendments to existing standards, including IAS 28, Investments in Associates and Joint Ventures (IAS 28). IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 11 – 13 which are discussed above. The Company will assess the impact of the amendment in conjunction with assessments made for IFRS 11 -13.

International Accounting Standard 1, Presentation of financial statements ("IAS 1")

Presentation of financial statements ("IAS 1") was amended by the IASB in June 2011 in order to align the presentation of items in other comprehensive income with US GAAP standards. Items in other comprehensive income will be required to be presented in two categories: items that will be reclassified into profit or loss and those that will not be reclassified. The flexibility to present a statement of comprehensive income as one statement or two separate statements of profit and loss and other comprehensive income remains unchanged. The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The Company will assess the impact of the amendment.

Management of Capital

U3O8 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, other components of equity and accumulated deficit, which at September 30, 2011, totalled \$20,941,269 (December 31, 2010 - \$15,056,902).

This capital management 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 fundraisings.

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

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

There were no changes in U3O8 Corp's approach to capital management during Q3 2011.

**U308 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Disclosure of Internal Controls

Management has established processes to provide sufficient knowledge to support representations that it has exercised reasonable diligence that (i) the audited annual 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 condensed consolidated interim 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 the audited annual consolidated financial statements for external purposes in accordance with IFRS as issued by the IASB.

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 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.

Financial instruments included in accounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Accounts receivable are in good standing as of September 30, 2011. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is minimal.

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

Three and Nine Months Ended September 30, 2011

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 September 30, 2011, U3O8 Corp. had total cash of \$10,615,325 (December 31, 2010 - \$5,033,076) to settle current liabilities of \$1,442,013 (December 31, 2010 - \$939,234). 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. As of September 30, 2011, 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.

Uranium prices have been volatile with the spot price peaking at US\$136/lb U₃O₈ in mid 2007, then retreating to a US\$40 low during the financial crisis in 2009 and continuing in the low US\$40s until mid 2010, when prices started to rise in response to a recognition of the growing demand for uranium to fuel escalating nuclear energy programs around the world. The tragic accident in Japan in mid-March 2011 has resulted in a pull-back in uranium prices.

Since the events in Japan in March 2011, many countries are reviewing their plans for nuclear energy. Despite these reviews, many of the countries that have plans for a rapid buildup of nuclear energy, such as China, Russia and India, have stated their continued commitment to nuclear energy. Under these conditions, the demand for uranium for the growth of nuclear reactors that are under construction is forecast to exceed supply starting in 2014, according to the World Nuclear Association. However, volatility in the uranium price is expected to continue while uncertainty remains regarding the future growth of nuclear power.

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:

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

Three and Nine Months Ended September 30, 2011

- (i) Cash and cash equivalents are subject to floating interest rates. Sensitivity to a plus or minus 1% change in interest rates would affect the reported loss and comprehensive loss by approximately \$65,000.
- (ii) The Company holds balances in foreign currencies which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in foreign exchange rate against the Canadian Dollar would affect the reported loss and comprehensive loss by approximately \$130,000.
- (iii) Commodity uranium and related mineral 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 and related minerals. 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 September 30, 2011, the Company was not a uranium or related mineral producer. As a result, uranium and related mineral 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 November 23, 2011, U3O8 Corp. had 102,676,658 issued and outstanding common shares, 26,132,303 warrants and 7,091,250 stock options outstanding, each exercisable to acquire one common share, for 135,900,211 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 MD&A for the fiscal year ended December 31, 2010, available on U3O8 Corp's web site at www.u3o8corp.com and on SEDAR at www.sedar.com. There have been no significant changes to such risk factors since the date thereof other than as discussed herein.

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 achieve our resource objectives; our ability to meet our operating costs for fiscal 2011 and exploration programs at current operating levels; prospects for the future demand and price of uranium and other commodities; 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.


U3O8 CORP.
Management's Discussion & Analysis
Three and Nine Months Ended September 30, 2011

Inherent in forward-looking statements are risks, uncertainties and other factors beyond U3O8 Corp's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, uranium price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with the U3O8 Corp's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the uranium exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for U3O8 Corp's exploration and development activities; our operating and exploration and development costs; our ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business, regulatory and economic conditions. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U3O8 Corp's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information

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

Additional Disclosure for Venture Corporations

The following table sets forth a breakdown of material components of the general and administrative costs of the Company for the three and nine month periods ended September 30, 2011 and September 30, 2010.

| Detail | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--------------------------------|------------------------------------|------------------|-----------------------------------|--------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Salaries and benefits (Canada) | \$270,346 | \$208,217 | \$893,201 | \$869,519 |
| Administrative and general | 66,564 | 45,290 | 195,177 | 131,960 |
| Professional fees | 244,410 | 74,910 | 534,478 | 272,107 |
| Business development | 72,694 | 25,141 | 268,934 | 164,876 |
| Reporting issuer costs | 19,459 | 16,356 | 142,342 | 131,976 |
| Consulting | - | 18,025 | - | 42,700 |
| Amortization | 244 | 1,133 | 3,730 | 3,508 |
| Total | \$673,717 | \$389,072 | \$2,037,862 | \$1,616,646 |

**U308 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Guyana Exploration Expenditures

A breakdown of material components of Guyana exploration expenditures for the three and nine months ended September 30, 2011 and September 30, 2010 is set forth below.

| Detail | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|------------------|-----------------------------------|--------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Guyana location costs (head office, base camp) | | | | |
| Salaries and benefits | 30,532 | 35,766 | 98,723 | 145,293 |
| Head office costs | 325,308 | 207,974 | 775,284 | 672,940 |
| Travel and accommodation | 6,288 | 13,729 | 16,239 | 68,043 |
| Total Guyana location costs | \$362,128 | \$257,469 | \$890,246 | \$886,276 |
| Kurupung Project costs | | | | |
| Camp expenses | 334,105 | 99,890 | 877,881 | 379,502 |
| Salaries and benefits | 258,795 | 203,529 | 634,383 | 634,170 |
| Permits | 17,222 | 95 | 62,525 | 47,890 |
| Travel and accommodation | 60,769 | 50,198 | 143,817 | 150,721 |
| Geology | 128,668 | 80,165 | 268,010 | 313,594 |
| Assays | 34,892 | 18,344 | 57,233 | 67,287 |
| Total Kurupung Project costs | \$834,451 | \$452,221 | \$2,043,849 | \$1,593,164 |
| Roraima Basin costs | | | | |
| Camp expenses | 28,221 | 27,156 | 107,416 | 83,828 |
| Salaries and benefits | 19,833 | 31,458 | 94,842 | 101,348 |
| Travel and accommodation | 10,423 | 18,061 | 45,610 | 62,023 |
| Geology | 32,166 | 20,042 | 67,002 | 78,399 |
| Assays | 5,741 | 17,875 | 12,315 | 30,132 |
| Total Roraima Basin costs | \$96,384 | \$114,592 | \$327,185 | 355,730 |
| Stock-based compensation | \$45,291 | \$36,781 | \$104,320 | \$77,514 |
| Amortization | \$56,282 | \$73,694 | \$168,429 | \$219,477 |
| Total Guyana exploration expenditures | \$1,394,536 | \$934,757 | \$3,534,029 | \$3,132,161 |

**U308 CORP.**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2011

Colombia Exploration Expenditures

A breakdown of material components of Colombia exploration expenditures for the three and nine months ended September 30, 2011 and September 30, 2010 is set forth below.

| Detail | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|--|------------------------------------|------------------|-----------------------------------|--------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Colombia location costs | | | | |
| Administrative expenses | 293,571 | 68,449 | 793,412 | 207,308 |
| Salaries and benefits | 500,812 | 204,111 | 1,370,734 | 343,041 |
| Travel and accommodation | 126,756 | - | 370,652 | 4,977 |
| Total Colombia location costs | \$921,139 | \$272,560 | \$2,534,798 | \$555,326 |
| Total field costs | \$1,162,773 | \$291,262 | \$3,015,362 | \$495,852 |
| Tax accruals | \$26,626 | \$Nil | \$642,210 | \$Nil |
| Stock-based compensation | \$79,629 | \$145,005 | \$260,138 | \$213,892 |
| Amortization | \$19,481 | \$4,434 | \$48,078 | \$11,854 |
| Total Colombia exploration expenditures | \$2,209,648 | \$713,261 | \$6,500,586 | \$1,276,924 |

Argentina Exploration Expenditures

A breakdown of material components of Argentina exploration expenditures for the three and nine months ended September 30, 2011 and September 30, 2010 is set forth below.

| Detail | Three Months Ended September 30 | | Nine Months Ended September 30 | |
|---|------------------------------------|------------------|-----------------------------------|--------------------|
| | 2011 | 2010 | 2011 | 2010 |
| Argentina location costs | | | | |
| Administrative expenses | 122,647 | 32,061 | 353,044 | 105,840 |
| Salaries and benefits | 57,303 | 47,138 | 229,607 | 92,453 |
| Travel and accommodation | 113,271 | - | 342,556 | 52,020 |
| Total Argentina location costs | \$293,221 | \$79,199 | \$925,207 | \$250,313 |
| Total field costs | \$776,620 | \$683,839 | \$2,261,029 | \$1,140,939 |
| Stock-based compensation | \$63,388 | \$36,251 | \$164,804 | \$53,473 |
| Amortization | \$4,544 | \$1,928 | \$10,155 | \$3,527 |
| Total Argentina exploration expenditures | \$1,137,773 | \$801,217 | \$3,361,195 | \$1,448,252 |

Argentina exploration activities during the nine months ended September 30, 2011 included \$434,160 (US\$450,000) in costs reimbursed from SAREC in Q2 2011 and included in the gain on sale of investment in Gaia in the income statement.