



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**U308 CORP.**

**THREE MONTHS ENDED MARCH 31, 2012**

**Prepared by:**

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## U3O8 CORP.

### Management's Discussion & Analysis

Three Months Ended March 31, 2012

## Introduction

This Management's Discussion and Analysis ("MD&A") is dated May 23, 2012, 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 months ended March 31, 2012 and the audited annual consolidated financial statements for the year ended December 31, 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 months ended March 31, 2012, are not necessarily indicative of the results that may be expected for any future period.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed consolidated interim financial statements for the three months ended March 31, 2012 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

Further information about U3O8 Corp., each material project and technical reports are available on our website at [www.u3o8corp.com](http://www.u3o8corp.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

## Highlights

U3O8 Corp. is continuing to focus on growing its uranium resources prepared in accordance with National Instrument 43-101 ("NI 43-101") across its principal projects in South America.

- Kurupung Project, Guyana<sup>1</sup> – A doubling of the NI 43-101 uranium resource to 8.4million pounds ("mlb") Indicated and 7.7mlb Inferred on four of the 10 structures identified to date in the Kurupung. The remaining six structures are poised for resource drilling in due course. Field-based work is progressing to identify extensions of existing mineralized areas and new targets for scout drilling with the goal of adding to the inventory of mineralized structures awaiting infill drilling.
- Berlin Project, Colombia<sup>2</sup> – Drilling has begun with the aim of increasing the Berlin resource and outlining the size potential of the entire 10.5 kilometre ("km") mineralized trend. One rig has stepped out about 600 metres ("m") while a second rig is drilling 1,300m north of the NI 43-101 resource area, and we have continued to encounter mineralization. We have now engaged Bateman Engineering, a design and construction company with extensive experience in uranium, phosphate, vanadium and rare earth processing and plant construction, to undertake a scoping study on the initial resource defined at Berlin.
- Laguna Salada, Argentina<sup>3</sup> – Trenching is underway to evaluate two new discovery areas with uranium-vanadium mineralization towards the goal of growing the existing NI 43-101 resource. Bateman Engineering has also been engaged to conduct a scoping study on this project.

<sup>1</sup> Kurupung Project – Scout drilling to date suggests that the Kurupung may contain a conceptual target of 13-18 million tonnes ("Mt") at 0.08-0.10% U<sub>3</sub>O<sub>8</sub> (~30-35mlb) including the NI 43-101 resource of 8.4mlb Indicated at 0.09% U<sub>3</sub>O<sub>8</sub> and 7.7mlb Inferred at 0.08% U<sub>3</sub>O<sub>8</sub>. For the NI 43-101 resources see the January 14, 2009 technical report: "A Technical Review of the Aricheng North and Aricheng South Uranium Deposits in Western Guyana for U3O8 Corp. and Prometheus Resources (Guyana) Inc." and the May 23, 2012 press release, both available on U3O8 Corp's web site at [www.u3o8corp.com](http://www.u3o8corp.com), and on SEDAR at [www.sedar.com](http://www.sedar.com).

<sup>2</sup> Berlin Project – A historic resource (not in accordance with NI 43-101) of 12.9Mt at 0.13% U<sub>3</sub>O<sub>8</sub> (38mlb) was reported in Castano, R. (1981), *Calcul provisoire des reserves geologiques de Berlin, sur la base des resultants des sondages*, unpublished Minatome report, 15p. The historic resource is regarded by U3O8 Corp. as merely an indication of the uranium resource potential on the southern 4.4km of the 10.5km long syncline. The historic resource did not include estimates for other commodities. U3O8 Corp. has defined a multi-commodity NI 43-101 resource on just the southernmost 3km of the Berlin trend. See the March 2, 2012 technical report: "Berlin Project, Colombia – National Instrument NI 43-101 Report" available on U3O8 Corp's web site at [www.u3o8corp.com](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

<sup>3</sup> Laguna Salada Resource – See the May 20, 2011 technical report: "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](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).



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- In Q1 2012, U308 Corp. incurred cumulative cash exploration expenditures of \$2.7 million, down from \$3.2 million in Q1 2011 as exploration was ongoing across the Company's projects.
- At March 31, 2012, U308 Corp. had working capital of \$12.5 million (December 31, 2011 – \$5.0 million). The Company had \$13.3 million in cash and cash equivalents and guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 31, 2011 - \$5.7 million).
- In Q1 2012, 19.2 million units were issued for gross proceeds of \$11.5 million to support the Company's ongoing resource expansion plans and goals to complete scoping studies on two projects in 2012.
- On May 8, 2012, our common shares began trading on the OTCQX International in the U.S. (symbol: UWEFF), which will make it easier for U.S. investors to trade our shares and help to broaden investor reach. Our shares continue to also trade on the TSX Venture Exchange.

## Overview

U308 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 resources in Colombia, Argentina and Guyana as well as grassroots opportunities in these jurisdictions. To date, the Company has not earned any revenues from its exploration for uranium and related minerals.

### Mineral Resources

U308 Corp. has initial NI 43-101 resource estimates on projects in Colombia, Argentina and Guyana:

Project	NI 43-101 Resource	Tonnes (million)	Grade U <sub>3</sub> O <sub>8</sub>	Grade V <sub>2</sub> O <sub>5</sub>	Grade P <sub>2</sub> O <sub>5</sub>	U <sub>3</sub> O <sub>8</sub> lbs (million)	V <sub>2</sub> O <sub>5</sub> lbs (million)	P <sub>2</sub> O <sub>5</sub> tonnes (million)
Berlin Project <sup>4</sup> (Colombia)	Indicated	0.6	0.11%	--	--	1.5	--	--
	Inferred	8.1	0.11%	0.50%	9.3%	19.9	97.0	0.8
Laguna Salada <sup>5</sup> (Argentina)	Indicated	47.3	60ppm	550ppm	--	6.3	57.1	--
	Inferred	20.8	85ppm	590ppm	--	3.8	26.9	--
Kurupung <sup>6</sup> Project (Guyana)	Indicated	4.1	0.09%	--	--	8.4	--	--
	Inferred	4.3	0.08%	--	--	7.7	--	--

<sup>4</sup>Laguna Salada – uranium and vanadium grades can be increased between 3-11 times by screening. For uranium, this would lead to a head grade of 620-670ppm U<sub>3</sub>O<sub>8</sub> 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

U308 Corp. has significant land holdings in Colombia, Argentina and Guyana in South America. The three most advanced projects with the potential to add further NI 43-101 resources in the short-term are the:

1. Berlin Project, a uranium resource in limestone and sandstone that also contains phosphate, vanadium, rare earths and other metals, in Colombia;
2. Laguna Salada Project, a surficial uranium-vanadium deposit in Argentina; and
3. Kurupung Project, an albitite-hosted uranium resource in Guyana.

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

<sup>5</sup> Laguna Salada Project – See note 3 on page 2.

<sup>6</sup> Kurupung Project – See note 1 on page 2.

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In addition, we have interests in early-stage uranium opportunities in these three countries, which may offer exploration upside for the future. Through our investee companies, South American Rare Earth Corp. ("SAREC") in Argentina and Minexco Minerals Corp. ("Minexco") in Guyana, grassroots targets offer potential for rare earth elements and iron oxide-gold-copper ("IOCG") respectively.

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, 2011, available on its web site at [www.u3o8corp.com](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Outlook

U3O8 Corp's uranium assets in South America are contributing to a rapidly expanding NI 43-101 resource portfolio across three key projects in Colombia, Argentina and Guyana. Our objective continues to be focused on significantly growing our global NI 43-101 uranium resources to a potential 70-80mlb in 2012 while aiming to complete scoping studies on two projects:

1. The Berlin Project in Colombia has emerged as U3O8 Corp's flagship property given the high rock value of its suite of commodities and considerable size potential. We have defined an initial NI 43-101 uranium resource with phosphate, vanadium and other metals on just the southern third of the 10.5km mineralized trend at Berlin. Drilling is continuing with one rig aimed at exploration drilling on ~500m to 1,000m step-outs to show the overall size potential of the project, while a second rig aims to grow the Berlin resource towards a goal of 40-50mlb<sup>7</sup> of uranium plus phosphate and other metals in 2012. Metallurgical testwork is ongoing to build on the positive metal recoveries achieved to date and a flow sheet is being developed so that extraction costs can be modeled, while a scoping study has also commenced. A 2012 budget of ~\$8.0 million has been allocated for Berlin.
2. On the Laguna Salada Project in Argentina, we aim to grow the current NI 43-101 resource to a cumulative 20-25mlb<sup>8</sup> of uranium in the mineralized district in southern Argentina by year-end. Given the encouraging targets being identified through trenching, we have reduced the 2012 budget by \$0.05 million to \$3.0 million to continue to focus on this cost-efficient, near surface exploration work towards potential resource expansion. In addition, metallurgical testing is ongoing, the development of a flow sheet that defines the complete processing method and extraction of the metals is underway, and completion of a scoping study is targeted for year-end.
3. On the Kurupung Project in Guyana, we plan to continue field work and scout drilling to add to our inventory of mineralized structures for infill drilling in due course with the goal of increasing the current NI 43-101 resource<sup>9</sup> on the project. Given the useful pathfinder elements that we are seeing in the soil geochemistry work, the 2012 budget has been increased by \$0.05 million to \$2.0 million to undertake a more extensive field sampling and mapping program that will help to better define the most prospective areas for potential exploration drilling.

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

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<sup>7</sup> Berlin Project – See note 2 on page 2.

<sup>8</sup> Laguna Salada Project – See note 3 on page 2.

<sup>9</sup> Kurupung Project – See note 1 on page 2.

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U3O8 Corp. has no revenue-producing operations. For 2012, a total discretionary budget of ~\$15.0 million (about \$11.6 million remains in fiscal 2012) 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 aimed at resource expansion and completion of scoping studies on two advanced projects will make efficient use of cash while demonstrating the value on these two key projects. We had \$13.3 million in total cash as at March 31, 2012, which is expected to be adequate funding in the short-term for fiscal 2012. However, we will require additional funds to maintain the current momentum on the three lead projects, to fully delineate contained resources, undertake further economic studies such as pre-feasibility and full feasibility studies, and ultimately, develop the projects, if warranted.

See below "Results of Operations."

## 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 estimate<sup>10</sup> of 38mlb U<sub>3</sub>O<sub>8</sub> 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 recently 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 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 project in April 2010, U3O8 Corp. has aggressively advanced exploration and is demonstrating the potentially high value of the Berlin Project. To that end, we have defined a maiden NI 43-101 uranium resource associated with phosphate, vanadium, rare earths and other commodities on just the southern 3km of the Berlin trend. We have also reported positive metal recoveries showing that we can efficiently and effectively extract the suite of elements on the project using a two-step process comprising of an initial ferric leach, followed by a hydrochloric or sulphuric acid wash.

Based on the initial NI 43-101 resource and positive metallurgical results, U3O8 Corp. is beginning a scoping study on Berlin with the plan to complete the work by the end of this year. In addition, two rigs have been mobilized to undertake a 15,000 to 20,000m drilling program in 2012 with the objective of growing the current deposit to 40-50mlb<sup>10</sup> of uranium by the end of 2012 as well as undertaking exploration drilling with the aim of outlining the overall size of the Berlin Project. One rig has now stepped out ~600m and a second rig is drilling ~1,300m to test the 7.5km of strike to the north of the resource area where our trenching has reported similar mineralization at surface. Initial drilling has continued to encounter mineralization that has levels of radioactivity comparable with the resource area.

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<sup>10</sup> Berlin Project – See note 2 on page 2.

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**Laguna Salada Project, Argentina**

The Laguna Salada Project is a near-surface, free-digging discovery in Chubut Province, Argentina on which U3O8 Corp. has reported an initial NI 43-101 uranium-vanadium resource<sup>11</sup>. Laguna Salada has a number of positive attributes for a potentially low-cost mining operation. 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 scrape off the mineralized layer, lowering the profile of the mesas. The uranium-vanadium occurs in soft, unconsolidated sandy gravel that requires no blasting and crushing. The uranium and vanadium grades can be increased three to 11 times by simple and inexpensive screening to remove the pebbles and coarse material, concentrating the mineralization in the 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<sub>3</sub>O<sub>8</sub> – similar to the mill feed grade of operating surficial uranium deposits elsewhere in the world.

Alkaline leaching 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. Metallurgical testwork is ongoing to optimize the recovery and beneficiation results achieved to date.

Trenching is underway to evaluate two new discoveries of gravel-hosted uranium-vanadium mineralization in the Laguna Salada region towards the goal of increasing the project's NI 43-101 uranium resource to 20-25mlb<sup>12</sup> in 2012.

Regulatory Update on Chubut Province

An open-pit mining ban is currently in effect in Chubut Province. Draft legislation is reported to propose that the open-pit mining ban could be lifted in certain parts of the central semi-desert plain of the province. The Cerro Solo uranium deposit, owned by the Argentina Federal Government through CNEA (Argentinean National Nuclear Commission), and Pan American Silver's Navidad silver project are located in the area, both of which are reported to be due for development by open-pit mining methods. U3O8 Corp's principal exploration projects, namely, Laguna Salada and Cerro Solo East (ground adjacent to the CNEA's Cerro Solo deposit) are situated in this central plain of Chubut.

**Kurupung Project, Guyana**

U3O8 Corp's exploration drilling is showing that the Kurupung uranium district in Guyana may contain a resource of significant size and grade comparable with peer deposits elsewhere in the world. Uranium in the Kurupung is geologically similar to albitite-hosted uranium systems worldwide that typically host resources of 60 to 130mlb U<sub>3</sub>O<sub>8</sub> with average grades of 0.06% to 0.10% U<sub>3</sub>O<sub>8</sub>, contained in multiple structures.

A recently updated NI 43-101 estimate has doubled the uranium resource in the Kurupung Project, which is now based on four zones in the Aricheng area of the 10 mineralized structures identified to date in the district (Table 1). The remaining six structures are ready for resource drilling in due course.

Field evidence suggests that uranium in the Aricheng area consists of one large system of linked structures – an interpretation that has positive implications for resource growth potential. These structures are marked by corridors of weak magnetism that are clearly visible in geophysical data. Each of the Aricheng South, Aricheng West, Aricheng North and Aricheng C resources lies within one of these weakly magnetic areas. Recent results from soil geochemistry show conspicuous anomalies in adjacent magnetic low points that we plan to investigate with scout drilling to add to the inventory of mineralized areas that can advance to resource drilling in due course.

Uranium recoveries of 82% were achieved using acid leach in the first phase of metallurgical testwork on hard-rock from the Kurupung, and work is ongoing with the aim of refining and improving the efficiency of the extraction process.

<sup>11</sup> Laguna Salada Project – See note 3 on page 2.

<sup>12</sup> Laguna Salada Project – See note 3 on page 2.

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 Table 1 – Summary of Total Uranium Resources in the Kurupung Project<sup>13</sup>

A summary of the resource estimates in the Kurupung Project, which is comprised of the Aricheng South, Aricheng North, Aricheng West and Aricheng C structures, is shown below. The base case cut-off grade for the Aricheng resources is 0.05% U<sub>3</sub>O<sub>8</sub>.

Total Kurupung Resource - Aricheng Area						
Resource Category	Indicated			Inferred		
Cut-off grade (%U <sub>3</sub> O <sub>8</sub> )	Mineralized Material (tonnes)	Grade (% U <sub>3</sub> O <sub>8</sub> )	Contained U <sub>3</sub> O <sub>8</sub> (lb)	Mineralized Material (tonnes)	Grade (% U <sub>3</sub> O <sub>8</sub> )	Contained U <sub>3</sub> O <sub>8</sub> (lb)
0.03	6,869,000	0.07	10,812,000	6,834,000	0.07	9,926,000
0.04	5,383,000	0.08	9,668,000	5,560,000	0.07	8,939,000
0.05	4,112,000	0.09	8,412,000	4,273,000	0.08	7,664,000

### Grassroots Exploration

While the priority remains on U3O8 Corp's three lead uranium projects in Colombia, Argentina and Guyana as discussed above, we also have interests in a number of early-stage and reconnaissance properties including:

South American Rare Earth Corp. ("SAREC") – 18.2% owned by U3O8 Corp.

SAREC's focus is on its early-stage Jasimampa Project in Argentina, which shows promise for light rare earths ("LREE"), mainly cerium, lanthanum and neodymium. An airborne magnetic and radiometric survey has been completed to help map the prospective zone beneath the shallow soil cover, and has identified the presence of two much larger targets. Trenching is underway and assay values will be tied back to the geophysics to generate drill targets. In addition, initial metallurgical testing on trench samples is being carried out to determine the extent to which the LREEs at Jasimampa can be extracted from the rock. SAREC also has a grassroots rare earth target in northwestern Ontario, the Carb Lake property, on which an airborne geophysics survey and initial soil sampling has been conducted. These data will be reviewed to determine whether any targets warrant further follow-up.

Minexco Minerals Corp. ("Minexco") – 13% owned by U3O8 Corp.

The interest in Minexco provides U3O8 Corp's shareholders with exposure to promising targets for gold and IOCG deposits in a prospective part of Guyana.

### 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. All technical disclosure presented in this MD&A was prepared under the supervision of Dr. Spencer.

<sup>13</sup> Kurupung Project – See note 1 on page 2.

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## Summary of Quarterly Results

A summary of results for the eight most recently completed quarters has been prepared in accordance with IFRS.

Three Months Ended (*)	Net Loss (\$)	Basic and Diluted Loss Per Share (\$)
2012-March 31	(3,575,251)	(0.03)
2011-December 31	(4,649,708)	(0.05)
2011-September 30	(5,468,539)	(0.05)
2011-June 30	(4,419,431)	(0.04)
2011-March 31	(4,573,652)	(0.05)
2010-December 31	(4,342,297)	(0.06)
2010-September-30	(2,873,332)	(0.05)
2010-June 30	(3,103,631)	(0.06)

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

U308 Corp. is an exploration company focused on defining mineral resources and advancing them towards production. At this time, commodity market fluctuations have no direct impact on our results or operations but influence our exploration approach based on our expectations regarding our ability to raise capital to advance projects. The Company currently expenses its exploration costs. In the past two years, U308 Corp. has added to its portfolio of projects across several countries and increased exploration activities to drive resource definition and expansion. Most notably in Q2 2010, we acquired properties in Colombia and Argentina, which added to our original project in Guyana. 2011 reflected a full year of operation of this expanded portfolio and higher costs associated with an aggressive exploration program, which resulted in significant growth in the Company's resource base as well as positive metallurgical results on its key projects in Colombia, Argentina and Guyana. 2011 results also reflected the transfer of the Company's Jasimampa Property to SAREC in which U308 Corp. maintains an equity share. Quarterly variations in net losses are primarily due to the timing of exploration activities on its properties. An extensive drilling program continues on our flagship property, the Berlin Project in Colombia, while trenching and field-based exploration are being carried out in Argentina and Guyana.

## Results of Operations for the Three Months Ended March 31, 2012

For Q1 2012, U308 Corp's net loss declined to \$3,575,251 or \$0.03 loss per share (Q1 2011 – net loss of \$4,573,652 or \$0.05 loss per share). The decrease of \$998,401 in net loss was principally due to a \$559,079 tax accrual in Colombia in Q1 2011 and lower cash exploration costs.

Colombia cash exploration expenses (excluding stock-based compensation and amortization) decreased by \$165,826 to \$1,095,314 as infill drilling had been completed and the focus turned to resource estimation work and metallurgical testing on the Berlin Project in Q1 2012. Argentina cash exploration expenses declined by \$200,199 to \$694,585 in Q1 2012 compared with the same period in the prior year as work shifted to regional exploration from mechanized trenching to evaluate new surficial target areas with similar potential as Laguna Salada. In Guyana, cash exploration expenses were down by \$23,745 to \$958,627 in Q1 2012 due to timing of drilling on the Kurupung Project in those comparative first quarters.

General and administrative ("G&A") costs were up by \$62,417 to \$610,921 in Q1 2012 compared with the 2011 first quarter, primarily due to higher professional fees attributable to advisory costs related to new opportunities, which included property deals with Minexco and Pacific Bay Minerals Ltd. For a breakdown of G&A expenses, see "Additional Disclosure for Venture Corporations" below.

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The foreign exchange gain increased by \$136,514 during Q1 2012 compared with Q1 2011, which was mostly attributed to US Dollar exchange rate fluctuations. Interest income was up by \$10,497 during the 2012 first quarter compared with the same quarter in 2011, reflecting increased invested funds from the February 2012 financing.

U3O8 Corp. has significant influence over the operations of SAREC in which the Company transferred its Jasimampa property to SAREC in April 2011. In Q1 2012, the Company recorded a \$132,000 loss from its 18.2% equity share of SAREC.

**Budget for Calendar 2012**

A 2012 budget of \$15.0 million is proposed for U3O8 Corp's exploration and operating activities in Colombia, Argentina, Guyana and Canada. As exploration progresses on various fronts, expenditure requirements may be adjusted to ensure that funds are focused on projects that are considered to be the most prospective in light of exploration results, developments in equity markets or other factors that the Company may deem relevant from time to time. See also "Outlook" and "Caution Regarding Forward-Looking Statements".

Cost Category	Plans for Project	Planned Expenditures for Fiscal 2012 (approx.)	Expenditures for the Three Months Ended March 31, 2012 (approx.)	Remaining Expenditures (approx.)	Proposed Completion of Planned Activities
<b>Colombia Operations</b>	Berlin Project	\$8.0 million <sup>(1)(5)</sup>	\$1.1 million	\$6.9 million	December 2012
<b>Argentina Operations</b>	Laguna Salada Project	\$3.0 million <sup>(2)(5)</sup>	\$0.7 million	\$2.3 million	December 2012
<b>Guyana Operations</b>	Kurupung Project	\$2.0 million <sup>(3)(5)</sup>	\$1.0 million	\$1.0 million	December 2012
<b>Canadian Operations</b>	Head Office	\$2.0 million <sup>(4)(5)</sup>	\$0.6 million	\$1.4 million	December 2012

- (1) An \$8.0 million budget is planned to drive resource expansion of the Berlin deposit as well as outline the size potential of the property. An estimated 15,000 to 20,000m drill program is underway with one rig aimed at resource drilling and a second rig focused on exploration drilling into the northern part of the property with the aim of showing resource growth potential. Metallurgical testing will be ongoing during the year and will incorporate bench-scale testwork. A scoping study has also commenced on the Berlin Project with the goal of completion by the end of 2012.
- (2) \$3.0 million has been budgeted for exploration of other surficial uranium targets with the potential to increase the overall NI 43-101 resource in southern Argentina. Near surface exploration will continue to be done by trenching and a vibrosonic drill rig is planned to define potential mineralization at greater depths. Metallurgical testwork will be ongoing. A scoping study is planned to commence shortly on the Laguna Salada Project for targeted completion by the end of 2012.
- (3) \$2.0 million has been budgeted for the Kurupung Project, which will focus on field-based exploration and scout drilling to identify additional mineralized structures for infill drilling in due course that could potentially add to the existing NI 43-101 resource.
- (4) 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.
- (5) Discretionary expense, subject to change if management decides to scale back operations or accelerate exploration.

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## 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 March 31, 2012, accounts payable and accrued liabilities increased to \$1,433,915 (December 31, 2011 - \$1,132,075), as activities increased compared to the prior year. U3O8 Corp's total cash as at March 31, 2012, was sufficient to pay these liabilities.

At March 31, 2012, U3O8 Corp. had total cash of \$13,299,524 (December 31, 2011 - \$5,747,539) and working capital of \$12,548,809 (December 31, 2011 - \$5,033,633). The increase reflected the issuance of 19,205,000 units at \$0.60 per unit for gross proceeds of \$11,523,000. Each unit comprised one common share and one-half common share purchase warrant. Each full warrant is exercisable into one common share at a price of \$0.80 per share until February 9, 2014. The agents of this transaction were granted 1,104,096 units, exercisable at \$0.60 per unit February 9, 2014.

At March 31, 2012, U3O8 Corp. had issued and outstanding 122,434,158 common shares, 36,403,536 warrants and 6,806,250 stock options. The full exercise of all warrants and options could raise approximately \$30.4 million. Exercise of these warrants and options is not anticipated until there is an increase in market value of U3O8 Corp's common shares, although 12,243,892 warrants at an exercise price of \$0.45 are due to expire on October 14, 2012. Should these October 2012 warrants be fully exercised, approximately \$5.5 million could be raised.

U3O8 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. During the three months ended March 31, 2012, there was no material change in the Company's financial risks since the most recent annual consolidated statements as at and for the year ended December 31, 2011.

U3O8 Corp's fiscal 2012 budget is approximately \$15.0 million as disclosed above under the heading "Budget for Calendar 2012" in the section titled "Results of Operations". As of the date of this MD&A, U3O8 Corp's total cash position is sufficient to meet its current budgetary requirements for 2012. These expenditures are subject to change if management decides to scale back operations or accelerate exploration in Colombia, Argentina and Guyana.

The Company expects to be adequately capitalized to fund ongoing operations at the current level in the short-term for fiscal 2012. However, U3O8 Corp. will require additional funds from equity sources to maintain the current momentum on its three lead projects, and to complete the development of our projects in Colombia, Argentina and Guyana, if warranted. See "Risks Factors" below.

## Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed. Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the exchange value (the amount established and agreed to by the related parties).

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## Management's Discussion &amp; Analysis

Three Months Ended March 31, 2012

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

Three Months Ended March 31,	2012	2011
John Ross <sup>(i)</sup>	\$15,000	\$15,000

(i) Fees paid to U3O8 Corp's CFO were included in accounts payable and accrued liabilities.

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

Three Months Ended March 31,	2012	2011
Salaries and benefits <sup>(i) (ii)</sup>	\$78,934	\$82,434
Stock-based compensation <sup>(iii)</sup>	33,345	43,658
<b>Total</b>	<b>\$112,279</b>	<b>\$126,092</b>

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

(ii) For Q1 2012, salaries and benefits comprised of: Richard Spencer (Chief Executive Officer) - \$56,934 (Q1 2011 - \$62,934); Bryan Coates (Director) - \$4,000 (Q1 2011 - \$4,000); David Constable (Director) - \$5,500 (Q1 2011 - \$5,500); Keith Barron (Director) - \$2,500 (Q1 2011 - \$2,500); Sheldon Inwentash (Director) - \$2,500 (Q1 2011 - \$2,500); Richard Patricio (Director) - \$2,500 (Q1 2011 - \$2,500); Stewart Taylor (Director) - \$2,500 (Q1 2011 - \$2,500); and Pablo Marcet (Director) \$2,500 (Q1 2011 - \$nil).

(iii) For Q1 2012, stock-based compensation comprised of: Richard Spencer (Chief Executive Officer) - \$3,363 (Q1 2011 - \$7,214); John Ross (CFO) - \$3,363 (Q1 2011 - \$2,733); Bryan Coates (Director) - \$3,363 (Q1 2011 - \$5,008); David Constable (Director) - \$3,363 (Q1 2011 - \$5,008); Keith Barron (Director) - \$3,363 (Q1 2011 - \$2,269); Sheldon Inwentash (Director) - \$3,364 (Q1 2011 - \$6,229); Richard Patricio (Director) - \$3,364 (Q1 2011 - \$6,229); Stewart Taylor (Director) - \$3,364 (Q1 2011 - \$6,229); and Pablo Marcet (Director) \$6,438 (Q1 2011 - \$nil).

## Off-Balance Sheet Arrangements

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

## Proposed Transactions

There are no proposed transactions of a material nature being considered by U3O8 Corp. However, the Company continues to evaluate properties and corporate opportunities other than described herein.

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Management's Discussion &amp; Analysis

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## Change in Accounting Policies

During the three months ended March 31, 2012, the Company adopted no new accounting policies. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the annual financial statements as at and for the year ended December 31, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2012 could result in restatement of these condensed interim financial statements.

## Management of Capital

U3O8 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, other components of equity and accumulated deficit, which at March 31, 2012, totalled \$23,921,296 (December 31, 2011 - \$16,435,739).

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 Q1 2012.

## Disclosure of Internal Controls

During the three months ended March 31, 2012, there was no change in the Company's disclosure of internal controls over financial reporting since reported for the year ended December 31, 2011.

## Share Capital

At May 23, 2012, U3O8 Corp. had 123,934,158 issued and outstanding common shares, 36,403,536 warrants and 10,256,250 stock options outstanding, each exercisable to acquire one common share, for 170,593,944 common shares outstanding on a fully diluted basis.

## 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, 2011, available on U3O8 Corp's web site at [www.u3o8corp.com](http://www.u3o8corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). There have been no significant changes to such risk factors since the date thereof other than as discussed herein.

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Management's Discussion &amp; Analysis

Three Months Ended March 31, 2012

## 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 2012 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.

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](http://www.sedar.com).

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Management's Discussion &amp; Analysis

Three Months Ended March 31, 2012

## Additional Disclosure for Venture Corporations

Set forth below is a breakdown of material components of the Company's G&A costs for Q1 2012 and Q1 2011.

Three Months Ended March 31,	2012	2011
Salaries and benefits (Canada)	\$ 223,231	\$ 235,350
Administrative and general	74,799	60,928
Professional fees	194,076	117,294
Business development	69,616	93,773
Reporting issuer costs	48,257	38,431
Amortization	942	2,728
<b>Total</b>	<b>\$ 610,921</b>	<b>\$ 548,504</b>

### Guyana Exploration Expenditures

A breakdown of material components of Guyana exploration expenditures on U308 Corp's primary projects in the country for Q1 2012 and Q1 2011 is set forth below.

Three Months Ended March 31,	2012	2011
Guyana location costs (head office, base camp)		
Salaries and benefits	\$ 28,310	\$ 34,097
Head office costs	129,063	232,721
Travel and accommodation	11,332	6,629
<b>Total Guyana location costs</b>	<b>\$ 168,525</b>	<b>\$ 273,447</b>
Kurupung Project costs		
Camp expenses	\$ 109,460	\$ 265,290
Salaries and benefits	202,446	184,241
Permits	46,272	45,303
Travel and accommodation	32,066	33,449
Geology	232,556	77,528
Assays	125,819	14,074
<b>Total Kurupung Project costs</b>	<b>\$ 748,619</b>	<b>\$ 619,885</b>
Roraima Basin costs		
Camp expenses	\$ 5,992	\$ 46,340
Salaries and benefits	-	34,859
Travel and accommodation	-	22,459
Geology	8,651	19,382
Assays	-	-
<b>Total Roraima Basin costs</b>	<b>\$ 14,643</b>	<b>\$ 123,040</b>
<b>Stock-based compensation</b>	<b>\$ 17,038</b>	<b>\$ 8,456</b>
<b>Amortization</b>	<b>\$ 43,878</b>	<b>\$ 55,243</b>
<b>Total Guyana exploration expenditures</b>	<b>\$ 992,703</b>	<b>\$1,080,071</b>

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## Management's Discussion &amp; Analysis

Three Months Ended March 31, 2012

**Colombia Exploration Expenditures**

A breakdown of material components of exploration expenditures on U308 Corp's primary property in Colombia, the Berlin Project, for Q1 2012 and Q1 2011 is set forth below.

<b>Three Months Ended March 31,</b>	<b>2012</b>	<b>2011</b>
Colombia location costs		
Administrative expenses	\$ 282,490	\$ 230,358
Salaries and benefits	345,037	358,772
Travel and accommodation	57,946	104,153
<b>Total Colombia location costs</b>	<b>\$ 685,473</b>	<b>\$ 693,283</b>
<b>Total field costs</b>	<b>\$ 392,924</b>	<b>\$ 567,857</b>
<b>Tax accruals</b>	<b>\$ 16,917</b>	<b>\$ 559,079</b>
<b>Stock-based compensation</b>	<b>\$ 22,093</b>	<b>\$ 77,472</b>
<b>Amortization</b>	<b>\$ 26,451</b>	<b>\$ 10,490</b>
<b>Total Colombia exploration expenditures</b>	<b>\$ 1,143,858</b>	<b>\$ 1,908,181</b>

**Argentina Exploration Expenditures**

A breakdown of material components of exploration expenditures on U308 Corp's primary project in Argentina, the Laguna Salada Project, for Q1 2012 and Q1 2011 is set forth below.

<b>Three Months Ended March 31,</b>	<b>2012</b>	<b>2011</b>
Argentina location costs		
Administrative expenses	\$ 116,659	\$ 142,493
Salaries and benefits	59,399	75,046
Travel and accommodation	91,161	89,375
<b>Total Argentina location costs</b>	<b>\$ 267,219</b>	<b>\$ 306,914</b>
<b>Total field costs</b>	<b>\$ 427,366</b>	<b>\$ 587,870</b>
<b>Stock-based compensation</b>	<b>\$ 22,121</b>	<b>\$ 19,369</b>
<b>Amortization</b>	<b>\$ 6,137</b>	<b>\$ 2,806</b>
<b>Total Argentina exploration expenditures</b>	<b>\$ 722,843</b>	<b>\$ 916,959</b>