



MANAGEMENT'S DISCUSSION AND ANALYSIS

U308 CORP.

THREE AND SIX MONTHS ENDED JUNE 30, 2012

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U3O8 CORP.

Management's Discussion & Analysis

Three and Six Months Ended June 30, 2012

Introduction

This Management's Discussion and Analysis ("MD&A") is dated August 22, 2012, unless otherwise indicated and should be read in conjunction with the unaudited condensed interim consolidated financial statements of U3O8 Corp. ("U3O8 Corp.", "the Company", "we", "our" or "us") for the three and six months ended June 30, 2012 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 six months ended June 30, 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 interim consolidated financial statements for the three and six months ended June 30, 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 or on SEDAR at www.sedar.com.

Highlights

- Berlin Project, Colombia¹ – We continue to intersect mineralization in the scout drilling that has been undertaken on multiple sites north of the initial deposit delineated to date on our flagship property, the Berlin Project. The first assay results are expected shortly. Two rigs are progressing northward in this drilling campaign, which aims to show the extent to which the 10.5 kilometre ("km") geological trend is mineralized at Berlin and set up for further resource drilling. One rig has now stepped out 4km from the southern tip while a second rig is drilling some 6km north of the southern point of the Berlin trend. We have also filed a patent application for the metallurgical process developed to efficiently extract the mix of commodities from the Berlin rock. By applying this simple method to third-party deposits, we may be able to unlock additional value for producers that have similar multi-commodity projects and open potential new revenue opportunities for U3O8 Corp.
- Laguna Salada Project, Argentina² – A preliminary economic assessment ("PEA") has begun on the initial uranium-vanadium deposit defined at Laguna Salada, and is expected to be completed by year-end. Further exploration has been minimized until there is clarity on proposed changes to the mining law in Chubut Province, where the project is located. The draft legislation proposes a lifting of the ban on open pit mining, while imposing heavy tax burdens on mining projects. Our understanding is that this draft law has not been tabled to the provincial legislature and there is no certainty that these changes will be submitted. Of note, uranium is to be considered a strategic commodity whereby special provisions are contemplated to attract uranium exploration and mine development that could provide a domestic source for Argentina's growing nuclear power generating needs.
- In Q2 2012, U3O8 Corp. incurred cumulative cash exploration expenditures of \$3.8 million, down from \$4.4 million in Q2 2011 as exploration shifted to scout drilling on our priority project in Colombia while field-based work was undertaken to identify potential new targets in Argentina and Guyana.
- At June 30, 2012, U3O8 Corp. had working capital of \$7.9 million (December 31, 2011 – \$5.0 million), and \$8.2 million in cash and cash equivalents and guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 30, 2011 – \$5.7 million).

¹ Berlin Project – U3O8 Corp. has defined a multi-commodity mineral resource on just the southernmost 3km of the 10.5km long Berlin trend. See the March 2, 2012 technical report: "Berlin Project, Colombia – National Instrument NI 43-101 Report." See also "Mineral Resources" below.

² Laguna Salada Project – See the May 20, 2011 technical report: "Laguna Salada Project, Chubut Province, Argentina: NI 43-101 Technical Report: Initial Resource Estimate." See also "Mineral Resources" below.



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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 resources in Colombia, Argentina and Guyana prepared in accordance with National Instrument 43-101 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 mineral resource estimates prepared in accordance with National Instrument 43-101 ("NI 43-101 resource") on projects in Colombia, Argentina and Guyana:

Project	NI 43-101 Resource	Tonnes (million)	Grade U ₃ O ₈	Grade V ₂ O ₅	Grade P ₂ O ₅	U ₃ O ₈ lbs (million)	V ₂ O ₅ lbs (million)	P ₂ O ₅ tonnes (million)
Berlin Project ³ (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 ⁴ (Argentina)	Indicated	47.3	60ppm	550ppm	--	6.3	57.1	--
	Inferred	20.8	85ppm	590ppm	--	3.8	26.9	--
Kurupung ⁵ Project (Guyana)	Indicated	4.1	0.09%	--	--	8.4	--	--
	Inferred	4.3	0.08%	--	--	7.7	--	--

³Laguna 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 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.

U3O8 Corp's NI 43-101 technical reports are available on the company's web site at www.u3o8corp.com and on SEDAR at www.sedar.com.

Exploration Projects

U3O8 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.

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 and on SEDAR at www.sedar.com.

³ Berlin Project – See note 1 on page 2.

⁴ Laguna Salada Project – See note 2 on page 2.

⁵ Kurupung Project – See the June 26, 2012 technical report: "Technical Review and Mineral Resource Estimates of the Aricheng C and Aricheng West Structures, Kurupung Uranium Project, Mazaruni District, Guyana for U3O8 Corp."

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Outlook

U308 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 objectives are focused on completing scoping studies on two projects by the end of 2012 while setting up for further growth in our global uranium resources towards a potential 70-80 million pounds ("mlb")⁶:

1. The Berlin Project in Colombia has emerged as U308 Corp's flagship property given the high rock value of its suite of commodities and considerable size potential. We have defined a maiden NI 43-101 uranium resource with phosphate, vanadium and other metals on just the southern third of the 10.5km mineralized trend at Berlin. Scout drilling is ongoing on ~500 metre ("m") to 2,000m step-outs to test the 7.5km of strike north of the resource area to show that the entire trend could host a very large deposit. Metallurgical testwork is continuing 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 PEA has also begun. During these volatile markets, our focus is scout drilling and completion of the PEA by year-end to demonstrate the project's considerable upside. Further resource drilling to grow the Berlin deposit towards the next goal of 40-50mlb of uranium plus other commodities has been deferred until market conditions improve. Consequently, the 2012 budget has been reduced by \$2.4 million to \$5.6 million.
2. On the Laguna Salada Project in Argentina, metallurgical work is ongoing to optimize the beneficiation results achieved to date. We are also developing a flow sheet that defines the complete processing method and extraction of the metals as well as undertaking a PEA that is targeted for completion by year-end. Further exploration expenditure towards resource expansion has been minimized until there is clarity on proposed changes to the provincial mining legislation that could affect the direction of the project. Therefore, the 2012 budget has been reduced by \$1.1 million to \$1.9 million for Laguna Salada.
3. On the Kurupung Project in Guyana, exploration plans included field work and scout drilling with the aim of adding to our inventory of mineralized zones for future infill drilling towards resource expansion. Given the useful pathfinder elements identified in the soil geochemistry work, a more extensive field sampling and mapping program was undertaken in the first half of 2012, which resulted in a budget increase of \$0.2 million to \$2.2 million for 2012. While new compelling targets have been delineated, further field work will be limited in the latter half of the year until equity markets improve.

U308 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."

U308 Corp. has no revenue-producing operations. For 2012, a total discretionary budget of \$11.7 million (~\$3.8 million remains in fiscal 2012) has been mainly 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 completing scoping studies on two advanced projects and scout drilling on our lead property in Colombia that intends to show that the Berlin deposit could increase to a significant size will make efficient use of our cash to build shareholder value. We had \$8.2 million in total cash as at June 30, 2012, which is expected to be adequate funding in the short-term for fiscal 2012. However, additional funds will be required to further advance 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."

⁶ 70-80mlb cumulative conceptual uranium target across the three key projects: Berlin Project – Based on the NI 43-101 resource, there may be a conceptual uranium target of 9-10 million tonnes ("Mt") at a grade of 0.09% to 0.11% U₃O₈ (~20-25mlb) on an additional 2km of the Berlin trend and a potential target of 27-36Mt at a grade of 0.09% to 0.11% U₃O₈ (~60-80mlb) on the entire 10.5km trend. Kurupung Project – Scout drilling suggests that the 10 structures identified to date may contain a conceptual target of 13-18Mt at 0.08-0.10% U₃O₈ (~30-35mlb) including the NI 43-101 resource. Laguna Salada Project – Based on the NI 43-101 resource, two projects of similar size and grade have the potential to contain a cumulative target of 9-11Mt at a grade of 100ppm to 150ppm U₃O₈ (~20-25mlb). See notes 1 and 2 on page 2, note 5 on page 3 and "Mineral Resources" above. Potential quantity and grades are conceptual in nature. There has been insufficient exploration to define mineral resources on the above conceptual targets, and it is uncertain if further exploration will result in additional mineral resources being delineated on the company's projects.

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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 estimate⁷ 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 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, lies 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 trend⁸. 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. Furthermore, we have applied for a patent of this metallurgical process, together with Sulphide Resource Processing Pty Ltd., a consulting metallurgical company. The proposed patent will be jointly owned by both parties and may open new revenue-generating opportunities for U3O8 Corp. by applying this technology to similar third-party multi-commodity deposits.

Based on the initial NI 43-101 resource and positive metallurgical results, a PEA is underway on the Berlin deposit with work expected to be completed by the end of 2012 to broadly define the expected capital and operational costs on the project. In addition, wide-spaced exploration drilling is ongoing to sketch out the overall size potential of the entire 10.5km Berlin trend to be followed up with infill drilling in due course towards expanding the current deposit. One rig has now stepped out ~2,000m while a second rig is drilling more than 3,000m north of the initial NI 43-101 resource area to test the 7.5km of strike north of the current deposit where our trenching has reported similar mineralization at surface. Initial drilling has continued to encounter mineralization that has radioactive values comparable with the resource area. The first assay results from this scout drilling are due to be reported shortly.

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 resource⁹. 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 U₃O₈ – similar to the mill feed grade of operating surficial uranium deposits elsewhere in the world.

⁷ Berlin Project – A historic resource (not in accordance with NI 43-101) of 12.9Mt at 0.13% U3O8 (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. U3O8 Corp. is not treating the historic estimate as current mineral resources or mineral reserves, but viewed merely as an indication of the uranium resource potential on the southern 4km of the 10.5km long syncline. The historic resource did not include estimates for other commodities. See note 1 on page 2.

⁸ Berlin Deposit – See note 1 on page 2.

⁹ Laguna Salada Project – See note 3 on page 2.

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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.

A flow sheet is being developed for the metallurgical process. In addition, a PEA is being carried out on the Laguna Salada deposit, which is planned for completion by the end of 2012. Until there is clarity on proposed changes to the Chubut mining law, exploration work to evaluate two new discoveries of gravel-hosted uranium-vanadium mineralization in the region has been tempered.

Regulatory Update on Chubut Province

An open-pit mining ban is currently in effect in Chubut 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. U308 Corp's exploration projects, namely, Laguna Salada and Cerro Solo East (ground adjacent to the CNEA's Cerro Solo deposit) are situated in Chubut.

Presently, draft legislation has been proposed that the open-pit mining ban be lifted but with significant tax increases and a free carried interest in mining projects by Chubut's provincial mining company, Petrominera. These changes have not been tabled and remain subject to revision and debate within the parliamentary sub-committee before they can advance to the full legislature for consideration. Of note, the provincial government is viewing uranium as a strategic commodity, whereby provisions are being considered to encourage uranium exploration and the development of uranium mines that could fuel Argentina's growing nuclear power generation capacity. Argentina is one of two nuclear energy producing countries in South America with two operating reactors, a third due to come online in 2013, and a fourth currently open for tender.

Kurupung Project, Guyana

U308 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 U₃O₈ with average grades of 0.06% to 0.10% U₃O₈, contained in multiple structures¹⁰.

A recently updated NI 43-101 estimate has doubled the uranium resource in the Kurupung Project¹¹, which is based on only four zones in the Aricheng area of the 10 mineralized structures identified to date in the district. 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. Further field work to identify more targets has been slowed to minimize expenditures on this project until capital markets improve.

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.

¹⁰ Albitite-hosted uranium systems – Comparison of the Kurupung Project with other uranium deposits are conceptual in nature. There is no certainty that further exploration on the Kurupung will result in the delineation of a similar size mineral resource.

¹¹ Kurupung deposit – see note 5 on page 3.



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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 in order to map the prospective zone beneath the shallow soil cover, and has identified the presence of two much larger targets. Further trenching is planned 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. – 13% owned by U3O8 Corp.¹²

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. Exploration will be carried out by a unit of U3O8 Corp's non-core Guyana team on a contract basis.

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.

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-June 30	(4,997,932)	(0.04)
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)

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

¹² Minexco – Completion of this transaction is subject to approval by the Guyanese government of the permit transfer.

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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. We currently expense our exploration costs. The first half of 2011 reflected extensive infill drilling programs and metallurgical testwork being carried out across all our properties, which resulted in the delineation of three mineral deposits as well as positive metal recoveries achieved on these projects in Colombia, Argentina and Guyana. In the first part of 2012, our focus shifted to an extensive, but wider-spaced, drilling campaign on our priority property, the Berlin Project in Colombia, while trenching and field-based exploration were undertaken in Argentina and Guyana. In addition, we are refining the metallurgical processes established to extract the various commodities from the Colombian and Argentinean deposits while scoping studies are progressing to define the preliminary capital and production cost estimates for both these projects.

Results of Operations for the Three and Six Months Ended June 30, 2012

For Q2 2012, U308 Corp's net loss increased to \$4,997,932 or \$0.04 loss per share (Q2 2011 – net loss of \$4,419,431 or \$0.04 loss per share). For the six months ended June 30, 2012, net loss decreased to \$8,573,183 or \$0.07 loss per share (Q2 2011 YTD – net loss of \$8,993,083 or \$0.09 loss per share). The increase in net loss during the three month period in 2012 was principally due to a non-cash gain on sale of SAREC exploration properties in Argentina in Q2 2011. The SAREC gain similarly reduced the six month loss in 2011, offsetting greater exploration spending in the 2011 six-month period.

Colombia cash exploration expenses (excluding stock-based compensation, taxes and amortization) for Q2 2012 decreased by \$176,955 to \$2,084,658 and declined by \$342,781 to \$3,179,972 for the first half of 2012 compared with the 2011 periods. These declines reflected the move from a more intensive infill drilling program in 2011 to scout drilling to test the mineralized trend north of the Berlin deposit and ongoing testwork to build on positive metallurgical results achieved to date. Argentina cash exploration costs were down by \$497,938 to \$723,673 in Q2 2012 and declined by \$698,137 to \$1,418,258 in the first half of 2012 compared with the same 2011 periods as work shifted to regional exploration through trenching to evaluate new target areas in the Laguna Salada district. In Guyana, cash exploration expenses of \$982,458 in Q2 2012 and \$1,914,245 year-to-date (Q2 2011 – \$951,945; Q2 2011 YTD – \$1,968,317) remained at a consistent pace with the focus on scout drilling and field-based exploration to identify new targets in the Kurupung during these comparative 2012 and 2011 periods.

General and administrative (“G&A”) costs were up by \$60,443 to \$876,084 in Q2 2012 compared with the 2011 second quarter. For the year-to-date, G&A expenses rose \$122,680 to \$1,487,005 versus Q2 2011 YTD. Increased G&A costs were mainly due to higher reporting issuer costs associated with the annual mailing to shareholders and annual listing fees as well as an analyst tour to the Colombia project. Increased professional fees also contributed to higher G&A, which were due to the annual audit and 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.

Foreign exchange gains rose by \$162,834 in Q2 2012 and by \$299,348 for the year-to-date compared with the same 2011 periods, which were due mostly to US Dollar exchange rate fluctuations. Interest income declined to \$36,112 in Q2 2012 and to \$58,071 in Q2 2012 YTD (Q2 2011 – \$60,615; Q2 2011 YTD – \$72,077), as invested funds were depleted for exploration expenditures and operating costs.

U308 Corp. has significant influence over the operations of SAREC in which the Company transferred its Jasimampa property to SAREC in April 2011, reporting a non-cash gain of \$1.6 million. From its 18.2% equity share of SAREC, the Company recorded an \$86,000 loss in Q2 2012 and a \$218,000 loss in the 2012 year-to-date.

During April 2012, the Company finalized the acquisition of three mineral concessions from Pacific Bay Minerals Ltd. at a cost of \$100,000 cash and 1,500,000 U308 Corp. shares valued at \$720,000. These properties are contiguous to the Company's properties in Chubut Province, Argentina, which are adjacent to the state-owned Cerro Solo uranium deposit.

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During March 2012, the Company and Minexco entered an agreement for gold exploration in Guyana. This agreement is contingent on government approval. The gold properties were considered non-core exploration properties of the Company. The Company would receive 9,000,000 Minexco shares for its seven non-core properties. Although Minexco would finance exploration, the Company's Guyana team would carry out the exploration on a contract basis. The Company would retain certain success-based options for additional investment in Minexco.

Budget for Calendar 2012

A 2012 budget of \$11.7 million was adopted for U308 Corp's exploration and operating activities in Colombia, Argentina, Guyana and Canada, which is a \$3.3 million reduction from the budget presented in Q1 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, 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	Adjusted Planned Expenditures for Fiscal 2012 (approx.)	Q2 2012 Expenditures (Six Months Ended June 30, 2012 (approx.))	Remaining Expenditures (approx.)	Proposed Completion of Planned Activities
Colombia Operations	Berlin Project	\$5.6 million ⁽¹⁾⁽⁵⁾	\$3.2 million	\$2.4 million	December 2012
Argentina Operations	Laguna Salada Project	\$1.9 million ⁽²⁾⁽⁵⁾	\$1.5 million	\$0.4 million	December 2012
Guyana Operations	Kurupung Project	\$2.2 million ⁽³⁾⁽⁵⁾	\$1.9 million	\$0.3 million	December 2012
Canadian Operations	Head Office	\$2.0 million ⁽⁴⁾⁽⁵⁾	\$1.3 million	\$0.7 million	December 2012

- (1) A \$5.6 million budget is planned to outline the size potential of the entire property towards driving resource expansion of the Berlin deposit. A ~5,000m to 7,000m exploration drilling program is progressing with two rigs focused in the northern part of the property with the aim of showing resource growth potential, and will be followed up with further infill drilling in due course. 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) \$1.9 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, although minimal exploration will be conducted in the back half of the year until there is clarification of the proposed draft mining law. Metallurgical testwork is ongoing. A scoping study is underway on the Laguna Salada Project for targeted completion by the end of 2012.
- (3) \$2.2 million has been budgeted for the Kurupung Project for 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. Exploration expenditures are being minimized in the latter half of 2012 until market conditions improve.
- (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 June 30, 2012, accounts payable and accrued liabilities increased to \$1,329,191 (December 31, 2011 – \$1,132,075), as activities increased compared to the year end. U3O8 Corp's total cash as at June 30, 2012, was sufficient to pay these liabilities.

At June 30, 2012, total cash was \$8,153,844 (December 31, 2011 – \$5,747,539) and working capital was \$7,870,747 (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 during Q1 2012. 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 until February 9, 2014.

At June 30, 2012, U3O8 Corp. had issued and outstanding 123,934,158 common shares, 36,403,536 warrants and 10,286,250 stock options. The full exercise of all warrants and options could raise approximately \$31.8 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 of cash proceeds 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 six months ended June 30, 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 \$11.7 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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- (a) U3O8 Corp. entered into the following transactions with related parties:

Related Parties	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
John Ross ⁽ⁱ⁾	\$ 15,000	\$ 15,000	\$ 30,000	\$ 30,000

- (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 June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Salaries and benefits ^{(i) (ii)}	\$ 89,934	\$ 85,391	\$ 168,868	\$ 167,825
Stock-based compensation ⁽ⁱⁱⁱ⁾	\$ 117,470	\$ 179,213	\$ 150,815	\$ 247,763
Total	\$ 207,404	\$ 264,604	\$ 319,683	\$ 415,588

- (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 Q2 2012 YTD, salaries and benefits comprised of: Richard Spencer (Chief Executive Officer) - \$124,868 (Q2 2011 YTD - \$127,825); Bryan Coates (Director) - \$8,000 (Q2 2011 YTD - \$8,000); David Constable (Director) - \$11,000 (Q2 2011 YTD - \$11,000); Keith Barron (Director) - \$5,000 (Q2 2011 YTD - \$5,000); Sheldon Inwentash (Director) - \$5,000 (Q2 2011 YTD - \$5,000); Richard Patricio (Director) - \$5,000 (Q2 2011 YTD - \$5,000); Stewart Taylor (Director) - \$5,000 (Q2 2011 YTD - \$5,000); and Pablo Marcet (Director) \$5,000 (Q1 2011 - \$1,000).
- (iii) For Q2 2012 YTD, stock-based compensation comprised of: Richard Spencer (Chief Executive Officer) - \$27,532 (Q2 2011 YTD - \$29,258); John Ross (CFO) - \$18,671 (Q2 2011 YTD - \$24,725); Bryan Coates (Director) - \$14,241 (Q2 2011 YTD - \$27,070); David Constable (Director) - \$14,241 (Q2 2011 YTD - \$27,070); Keith Barron (Director) - \$14,241 (Q2 2011 YTD - \$27,070); Sheldon Inwentash (Director) - \$14,242 (Q2 2011 YTD - \$29,226); Richard Patricio (Director) - \$14,242 (Q2 2011 YTD - \$29,226); Stewart Taylor (Director) - \$14,242 (Q2 2011 YTD - \$29,226); and Pablo Marcet (Director) \$19,161 (Q2 2011 YTD - \$24,892).

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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Change in Accounting Policies

During the six months ended June 30, 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 consolidated 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 June 30, 2012, totalled \$20,013,655 (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 Q2 2012.

Disclosure of Internal Controls

During the six months ended June 30, 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 August 22, 2012, U3O8 Corp. had 123,934,158 issued and outstanding common shares, 36,403,536 warrants and 10,286,250 stock options outstanding, each exercisable to acquire one common share, for 170,623,944 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 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.

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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 U308 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 U308 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 U308 Corp's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, uranium price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with the U308 Corp's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the uranium exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for U308 Corp's exploration and development activities; our operating and exploration and development costs; our ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business, regulatory and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U308 Corp's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information

Additional information relating to U308 Corp. is available on SEDAR at www.sedar.com.

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Three and Six Months Ended June 30, 2012

Additional Disclosure for Venture Corporations

Below is a breakdown of U308 Corp's G&A costs for the three and six months ended June 30, 2012 and 2011.

	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Salaries and benefits (Canada)	\$ 341,151	\$ 387,505	\$ 564,382	\$ 622,855
Administrative and general	85,787	67,685	160,586	128,613
Professional fees	238,358	172,774	432,434	290,068
Business development	62,328	102,467	131,944	196,420
Reporting issuer costs	146,032	84,452	194,289	122,883
Amortization	2,428	758	3,370	3,486
Total	\$ 876,084	\$ 815,641	\$ 1,487,005	\$ 1,364,325

Guyana Exploration Expenditures

A breakdown of Guyana exploration expenditures on U308 Corp's primary projects in the country for the three and six months ended June 30, 2012 and 2011 is set forth below.

Details	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Guyana location costs (head office, base camp)				
Salaries and benefits	\$ 30,917	\$ 34,094	\$ 59,047	\$ 68,191
Head office costs	105,929	217,255	234,992	449,976
Travel and accommodation	4,819	3,322	16,151	9,951
Total Guyana location costs	\$ 141,665	\$ 254,671	\$ 310,190	\$ 528,118
Kurupung Project costs				
Camp expenses	\$ 343,634	\$ 278,486	\$ 453,094	\$ 543,776
Salaries and benefits	170,065	191,347	372,511	375,588
Permits	24,817	-	71,089	45,303
Travel and accommodation	54,293	49,599	86,359	83,048
Geology	152,950	61,814	385,506	139,342
Assays	74,247	8,267	200,066	22,341
Total Kurupung Project costs	\$ 820,006	\$ 589,513	\$ 1,568,625	\$ 1,209,398
Roraima Basin costs				
Camp expenses	\$ 3,585	\$ 32,855	\$ 9,577	\$ 79,195
Salaries and benefits	-	40,150	-	75,009
Travel and accommodation	-	12,728	-	35,187
Geology	17,202	15,454	25,853	34,836
Assays	-	6,574	-	6,574
Total Roraima Basin costs	\$ 20,787	\$ 107,761	\$ 35,430	\$ 230,801
Stock-based compensation	\$ 53,859	\$ 50,573	\$ 70,897	\$ 59,029
Amortization	\$ 43,915	\$ 56,904	\$ 87,793	\$ 112,147
Total Guyana exploration expenditures	\$ 1,080,232	\$ 1,059,422	\$ 2,072,935	\$ 2,139,493

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Colombia Exploration Expenditures

A breakdown of exploration expenditures on U308 Corp's primary property in Colombia, the Berlin Project, for the three and six months ended June 30, 2012 and 2011 is set forth below.

Detail	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Colombia location costs				
Administrative expenses	\$ 356,059	\$ 269,482	\$ 638,549	\$ 499,840
Salaries and benefits	460,050	511,151	805,087	869,923
Travel and accommodation	238,605	139,383	296,551	243,896
Total Colombia location costs	\$ 1,054,714	\$ 920,016	\$ 1,740,187	\$ 1,613,659
Total field costs	\$ 1,039,127	\$ 1,271,497	\$ 1,432,051	\$ 1,852,589
Tax accruals and payments	\$ 72,421	\$ 70,100	\$ 89,338	\$ 615,584
Stock-based compensation	\$ 79,815	\$ 103,037	\$ 101,908	\$ 180,509
Amortization	\$ 31,236	\$ 18,107	\$ 57,687	\$ 28,597
Total Colombia exploration expenditures	\$ 2,277,313	\$ 2,382,757	\$ 3,421,171	\$ 4,290,938

Argentina Exploration Expenditures

A breakdown of exploration expenditures on U308 Corp's primary project in Argentina, the Laguna Salada Project, for the three and six months ended June 30, 2012 and 2011 is set forth below.

Detail	Three Months Ended June 30		Six Months Ended June 30	
	2012	2011	2012	2011
Argentina location costs				
Administrative expenses	\$ 110,723	\$ 87,904	\$ 227,382	\$ 230,397
Salaries and benefits	80,872	97,258	140,271	172,304
Travel and accommodation	124,670	139,910	215,831	229,285
Total Argentina location costs	\$ 316,265	\$ 325,072	\$ 583,484	\$ 631,986
Total field costs	\$ 407,408	\$ 896,539	\$ 834,774	\$ 1,484,409
Stock-based compensation	\$ 79,387	\$ 82,047	\$ 101,508	\$ 101,416
Amortization	\$ 7,618	\$ 2,805	\$ 13,755	\$ 5,611
Total Argentina exploration expenditures	\$ 810,678	\$ 1,306,463	\$ 1,533,521	\$ 2,223,422

*Q1 2011 Argentina exploration activities included \$434,160 in cash field costs which were recovered from SAREC in Q2 2011 and reported as a gain on sale of investment in Gaia in the income statement.