



MANAGEMENT'S DISCUSSION AND ANALYSIS

U308 CORP.

THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2012

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U3O8 CORP.

Management's Discussion & Analysis

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Introduction

This Management's Discussion and Analysis ("MD&A") is dated November 14, 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 nine months ended September 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 nine months ended September 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 nine months ended September 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 – Exploration drilling has shown that the Berlin deposit could grow to a potential 45-50 million pounds ("Mlb") of uranium along 6.3 kilometres ("km") of the 10.5km mineralized trend. Scout drilling is planned to continue moving north with the aim of showing the extent to which the entire Berlin trend is mineralized, to be followed by infill drilling in due course towards growing the current resource.

In addition, U3O8 Corp. has further optimized the metallurgical process on the Berlin Project by demonstrating that acetic acid (vinegar) efficiently removes calcite from the mineralized material, thereby concentrating the valuable commodities in 40-47% of the original ore mass. This significant volume reduction could have a material impact on project economics by reducing operating and capital costs, simplifying downstream metal recovery and reducing tailings volumes. Beneficiation of the ore with acetic acid also generates a potential gypsum by-product, the value of which may reduce operating costs. A flow sheet that defines the entire metallurgical process has been released as another key advancement towards completing the preliminary economic assessment ("PEA") on Berlin, which is due out by the end of 2012.

- On August 27, 2012, U3O8 Corp. graduated to the main board on the Toronto Stock Exchange ("TSX"), which reflects our transition from a junior explorer into a mid-sized uranium company with a rapidly expanding portfolio of uranium resources estimated in accordance with National Instrument 43-101 ("NI 43-101") with additional upside.
- In Q3 2012, U3O8 Corp. incurred cumulative cash exploration expenditures of \$3.4 million, down from \$4.4 million in Q3 2011 as exploration shifted to scout drilling on our priority project in Colombia and preparation of the PEA's for the Berlin (Colombia) and Laguna Salada deposits (Argentina).
- At September 30, 2012, U3O8 Corp. had working capital of \$3.6 million (December 31, 2011 – \$5.0 million), and \$3.7 million in cash and cash equivalents and guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 31, 2011 – \$5.7 million). Q4 2012 is expected to focus primarily on delivering our next milestones being the PEA's for both the Colombia and Argentina deposits by year-end to demonstrate the economic value of these projects while further exploration spending will be minimized as we evaluate drill results and exploration plans for 2013.

¹ Berlin Project – U3O8 Corp. has defined a multi-commodity 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 "Overview – Mineral Resources" below. Based on the resource and scout drilling results, there is a conceptual uranium target of 20-30 million tonnes ("Mt") at 0.09% to 0.11% U3O8 (45-50Mlb) on 6.3km of the Berlin trend. Potential quantity and grades are conceptual in nature. There has been insufficient exploration to define a mineral resource north of the current Berlin deposit. It is uncertain if further exploration will result in additional mineral resources being delineated on the property.



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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 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

U3O8 Corp. has initial NI 43-101 mineral resource estimates 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 ² (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 ³ (Argentina)	Indicated	47.3	60ppm	550ppm	--	6.3	57.1	--
	Inferred	20.8	85ppm	590ppm	--	3.8	26.9	--
Kurupung ⁴ Project (Guyana)	Indicated	4.1	0.09%	--	--	8.4	--	--
	Inferred	4.3	0.08%	--	--	7.7	--	--

²Laguna 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 contained in gravels 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.

² Berlin Project – See note 1 on page 2.

³ Laguna Salada Project – See the May 20, 2011 technical report: "Laguna Salada Project, Chubut Province, Argentina: NI 43-101 Technical Report: Initial Resource Estimate."

⁴ 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

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 objectives are focused on completing PEA's on two projects by the end of 2012 while setting up for further growth in our global uranium resources towards a potential 70-80Mlb⁵:

1. The Berlin Project in Colombia has emerged as U3O8 Corp's flagship property given the potentially high 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 has successfully extended mineralization to at least 6.3km of the Berlin trend to show that there is growth potential beyond the current deposit. Metallurgical test work is continuing to build on the positive metal recoveries achieved to date and a flow sheet has been defined, forming a key component of the PEA that is in progress. During these volatile markets, our focus is on completion of the PEA by year-end to demonstrate the project's considerable upside. Consequently, the 2012 budget for Berlin has been increased by \$1.1 million to \$6.7 million. Further exploration drilling on the rest of the mineralized trend, as well as resource drilling to grow the Berlin deposit towards the next goal of 40-50Mlb⁶ of uranium plus other commodities, has been deferred until market conditions improve.
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 the routes by which the metals can be extracted. In addition, a PEA is in progress, which is targeted for completion by year-end in order to position the project for further development into a potential source of domestic supply that could fuel Argentina's growing nuclear reactor fleet. Therefore, the 2012 budget has been increased by \$0.6 million to \$2.5 million for Laguna Salada. Further exploration expenditure towards resource expansion has been minimized until there is clarity on proposed changes to the provincial mining legislation.
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, an extensive field sampling and mapping program was undertaken in the first part of 2012, which contributed to a budget increase of \$0.07 million to \$2.9 million for 2012. While new compelling targets have been delineated, further field work continues to be limited in the latter quarter of the year until equity markets improve.

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."

⁵ 70-80Mlb cumulative conceptual uranium target across the three key projects: Berlin Project – Based on the NI 43-101 resource and scout drilling, there may be a conceptual uranium target of 27-36Mt at 0.09%-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 100ppm-150ppm U₃O₈ (~20-25Mlb). See notes 1 on page 2, notes 3 and 4 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.

⁶ Berlin 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 \$14.5 million (~\$2.5 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 strategy of demonstrating the economic viability of two of the projects through the completion of PEA's will provide shareholders with a reliable means of valuing the Company. At the same time, exploration results have shown that the Berlin deposit is likely to be significantly larger than the initial resource on which the current PEA is based, which should provide an indication of additional upside. We had \$3.7 million in total cash as at September 30, 2012, which is expected to be adequate funding in the short-term for fiscal 2012. However, additional funds beyond this level of cash 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."

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 1,400 metres ("m"), 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 resource of uranium, phosphate, vanadium, rare earths and other commodities on just the southern 3km of the Berlin trend⁸. Exploration drilling on 600m to 1,700m step-outs has confirmed that mineralization extends over an additional area that is more than double the size of the maiden resource area, which we estimate may contain an additional 25-30Mlb⁸ of uranium. Berlin continued to show excellent geological continuity with the mineralization consistently intersected in a specific and easily identifiable limestone-sandstone unit in both the exploration drilling and resource area. Further scout drilling is planned to show the size potential of the entire Berlin trend to be followed by infill drilling in due course to increase the resource.

In addition, U3O8 Corp. achieved positive metal recoveries derived from extensive metallurgical test work conducted by two independent labs on bore hole core from the initial resource area. While the use of 10% of the intercepts in metallurgical test work would generally be considered representative, we took a more conservative approach in using intercepts from 35% of the bore hole intercepts drilled across the initial resource area for our test work. An entire flow sheet has now been defined for processing of the Berlin ore comprised of three principal sections including:

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. U3O8 Corp. has defined a multi-commodity mineral resource on the southern 3km of the Berlin trend. See note 1 on page 2.

⁸ Berlin Deposit – See note 1 on page 2.

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1. Beneficiation: Weak acetic acid (vinegar) is used to dissolve calcite from the ore, thereby concentrating the elements of value into 40-47% of the original sample, which makes the subsequent ferric iron extraction process more efficient, leads to smaller-sized equipment, lowers reagent requirements and generates 50-60% less tailings, and consequently, should lower capital and operating costs. In addition, the re-generation of the vinegar for recycling into the process yields a gypsum by-product that could contribute to lowering reagent costs;
2. Extraction: We have developed a straightforward process that efficiently and effectively extracts the suite of elements from Berlin using a two-step process comprising of an initial acidic ferric iron leach, followed by a sulphuric acid wash; and
3. Recovery of the individual metals and phosphate is achieved by conventional techniques through ion exchange, solvent extraction and direct precipitation.

The definition of the flow sheet represents a key component of the PEA being undertaken by Bateman Engineering N.V., an international engineering company with extensive experience in multi-commodity plants. The PEA is scheduled for release by the end of 2012 and will broadly define the expected capital and operating costs to provide the first estimates on the economic value of the maiden deposit at Berlin.

Laguna Salada Project, Argentina

The Laguna Salada Project is a near-surface, free-digging deposit 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. The uranium-vanadium occurs in soft, unconsolidated sandy gravel that requires no blasting or 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. Mining could simply scrape off the mineralized layer with a continuous surface miner, screen out the mineralized fines for processing and return the pebbles and coarse materials to reconstitute the mine site.

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 test work is ongoing to optimize the recovery and beneficiation results achieved to date.

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

Regulatory Update on Chubut Province

Open pit mining and ore processing with cyanide are currently banned in Chubut Province of Argentina. U3O8 Corp's exploration projects, namely, Laguna Salada and Cerro Solo East (located adjacent to the CNEA's (Argentinean National Nuclear Commission) Cerro Solo deposit) are situated in Chubut. Mining plans being developed as part of the PEA on Laguna Salada contemplate a scenario in which continuous mining with in situ screening results in replacement of the excavated gravel in the excavation from which it was extracted. In other words, no open pit is developed and continuous mining leads to reconstitution of the original topography of the gravel. In addition, cyanide is not used in processing of the ore, and hence the mining and processing methods contemplated for Laguna Salada are considered by U3O8 Corp. to be compliant with current mining legislation.

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



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Presently, draft legislation proposes 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 in the provincial legislature 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 of uranium 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. In addition, soil geochemistry has identified a number of larger targets that may have an iron oxide – copper – gold ("IOCG") affinity and will be investigated in due course.

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

Grassroots Exploration

While the priority remains on U308 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. – 18.2% owned by U308 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.

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 4 on page 3.



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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" as defined 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.

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-September 30	(4,635,084)	(0.04)
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)

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

U3O8 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 nine months of 2011 reflected extensive infill drilling programs and preliminary metallurgical test work 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 2012 year-to-date, 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.

¹² Minexco – Ownership upon completion of this transaction, which is subject to final approval by the Guyanese government of the permit transfer.

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Results of Operations for the Three and Nine Months Ended September 30, 2012

For Q3 2012, U3O8 Corp's net loss decreased to \$4,635,084 or \$0.04 loss per share (Q3 2011 – net loss of \$5,468,539 or \$0.05 loss per share). For the nine months ended September 30, 2012, net loss decreased to \$13,208,267 or \$0.11 loss per share (Q3 2011 YTD – net loss of \$14,461,622 or \$0.15 loss per share). The reduction in net loss during Q3 2012 was principally due to lower exploration spending with the focus on scout drilling on the Berlin Project to show size potential while limited field-based work was undertaken on the other projects. Lower exploration expenses to date in 2012 were partly offset by the SAREC gain recognized in the first nine months of 2011, which resulted in a decreased loss in 2012.

Colombia cash exploration expenses (excluding stock-based compensation, taxes and amortization) increased to \$2,321,353 and \$5,501,325 for Q3 2012 and year-to-date respectively compared with the same 2011 periods (Q3 2011 – \$2,083,912; Q3 2011 YTD – \$5,550,160). Although similar in terms of cash spend, these variances 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 refinement of the metallurgical process as work progressed towards the PEA targeted for completion by the end of 2012. Argentina cash exploration costs were down to \$543,018 in Q3 2012 and \$1,961,276 year-to-date (Q3 2011 – \$1,069,841; Q3 2011 YTD – \$3,186,236) as work shifted to the PEA on the initial deposit and regional exploration through trenching to evaluate new target areas in the Laguna Salada district. In Guyana, cash exploration expenses decreased to \$583,008 in Q3 2012 and \$2,497,253 year-to-date (Q3 2011 – \$1,292,963; Q3 2011 YTD – \$3,261,280) having completed an updated resource estimate in the first part of 2012 and further field work was minimized until equity markets improve.

General and administrative ("G&A") costs were up by \$100,551 to \$774,268 in Q3 2012 compared with the 2011 third quarter. For the year-to-date, G&A expenses rose \$223,411 to \$2,261,273 versus Q3 2011 YTD. Increased G&A costs were mainly due to higher reporting issuer expenses associated with for the Company's graduation from a venture listing to the main board of the TSX as well as annual mailing to shareholders, annual listing fees and 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 including property deals with Minexco and Pacific Bay Minerals Ltd.

Foreign exchange loss rose by \$185,329 in Q3 2012 and fell by \$114,019 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 \$19,975 in Q3 2012 and to \$78,046 in Q3 2012 YTD (Q3 2011 – \$21,157; Q3 2011 YTD – \$93,234), as invested funds were depleted for exploration expenditures and operating costs.

U3O8 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 a \$79,000 loss in Q3 2012 and a \$297,000 loss in the 2012 year-to-date.

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Budget for Calendar 2012

A 2012 budget of \$14.5 million was adopted for U3O8 Corp's exploration and operating activities in Colombia, Argentina, Guyana and Canada, which is a \$2.8 million increase from the budget presented in Q2 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.)	Q3 2012 Expenditures (Nine Months Ended Sept. 30, 2012 (approx.))	Remaining Expenditures (approx.)	Proposed Completion of Planned Activities
Colombia Operations	Berlin Project	\$6.7 million ⁽¹⁾⁽⁵⁾	\$5.5 million	\$1.2 million	December 2012
Argentina Operations	Laguna Salada Project	\$2.5 million ⁽²⁾⁽⁵⁾	\$2.0 million	\$0.5 million	December 2012
Guyana Operations	Kurupung Project	\$2.9 million ⁽³⁾⁽⁵⁾	\$2.5 million	\$0.4 million	December 2012
Canadian Operations	Head Office	\$2.4 million ⁽⁴⁾⁽⁵⁾	\$2.0 million	\$0.4 million	December 2012

- (1) \$6.7 million has been budgeted for scout drilling to show the size potential of the Berlin property while resource expansion from the successful exploration of the Berlin deposit will be deferred. As the PEA on the Berlin Project has progressed, additional metallurgical test work has been required to focus on defining efficient processing strategies. The PEA on Berlin is progressing well towards completion by the end of 2012.
- (2) \$2.5 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 in the first half of the year. The focus in the second half of the year switched to the PEA with associated test work on various mining and extraction methods. A PEA on the Laguna Salada Project is progressing well and is scheduled for completion by the end of 2012.
- (3) \$2.9 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. The increase in budgeted head office costs is related mainly with the promotion to the main board of the TSX in August 2012.
- (5) Discretionary expense, subject to change if management decides to scale back operations or accelerate exploration.

Liquidity and Capital Resources

U3O8 Corp. is an exploration company focused on uranium and associated commodities that are used in the generation of low-emission energy and green technology. The Company does not have operating revenues; and therefore, it must utilize its current cash reserves, income from investments, funds obtained from the exercise of stock options and warrants and other financing transactions to maintain its capacity to meet the planned exploration programs, or to fund any further development activities.

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At September 30, 2012, total cash was \$3,728,269 (December 31, 2011 – \$5,747,539) and working capital was \$3,589,997 (December 31, 2011 – \$5,033,633). The decrease reflected spending on exploration properties, primarily scout drilling with the aim of showing increasing size potential of the Berlin deposit, as well as mining studies and continuing metallurgical test work aimed at refining the extraction process and testing of additional by-products that are likely to have a positive economic impact on the PEA's that are on schedule for completion for both the Colombia and Argentinean projects by year-end.

We expect our current cash position of \$3.7 million to be adequate funding for the remainder of fiscal 2012. However, additional funds beyond this level of cash 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.

At September 30, 2012, accounts payable and accrued liabilities increased moderately to \$1,197,042 (December 31, 2011 – \$1,132,075), as activities continued at a similar pace compared to the year end. U3O8 Corp's total cash as at September 30, 2012, was sufficient to pay these liabilities.

The following table summarizes the Company's material contractual obligations, which related to office lease agreements in Canada, Colombia, Argentina and Guyana expiring at various periods up to June 2017:

	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Debt	–	–	–	–	–
Finance lease obligations	–	–	–	–	–
Facility leases	\$435,756	\$158,248	\$130,900	\$146,608	–
Purchase obligations	–	–	–	–	–
Other obligations	–	–	–	–	–
Total Obligations	\$435,756	\$158,248	\$130,900	\$146,608	–

At September 30, 2012, U3O8 Corp. had issued and outstanding 123,934,158 common shares, 36,403,536 warrants and 10,286,250 stock options. Subsequent to quarter-end, 50,000 warrants were exercised for \$0.45 and 12,193,892 of the \$0.45 warrants expired unexercised on October 14, 2012. The full exercise of the remaining warrants and options could raise approximately \$26.3 million. Exercise of these warrants and options is not anticipated until there is an increase in market value of U3O8 Corp's common shares.

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 nine months ended September 30, 2012, there was no material change in the Company's financial risks since the most recent annual consolidated statements and MD&A as at and for the year ended December 31, 2011.

U3O8 Corp's fiscal 2012 budget is approximately \$14.5 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 remaining 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.

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The Company expects to be adequately capitalized to fund ongoing operations at the current level in the short-term for fiscal 2012. However, U308 Corp. will require additional funds from equity sources to maintain the current momentum on its three lead projects, and to complete the development of our projects in Colombia, Argentina and Guyana, if warranted. See "Risks Factors" below.

Related Party Transactions

U308 Corp. entered into the following transaction with related parties:

Related Parties	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
John Ross ⁽ⁱ⁾	\$ 15,000	\$ 15,000	\$ 45,000	\$ 45,000

- (i) Fees paid to U308 Corp's Chief Financial Officer ("CFO") were included in accounts payable and accrued liabilities.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of U308 Corp., which include the Company's Board of Directors, Chief Executive Officer ("CEO") and CFO. Compensation of such personnel is as follows.

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Salaries and benefits ^{(i) (ii)}	\$ 79,935	\$ 82,978	\$ 248,803	\$ 250,803
Stock-based compensation ⁽ⁱⁱⁱ⁾	\$ 77,872	\$ 221,089	\$ 228,687	\$ 468,852
Total	\$ 157,807	\$ 304,067	\$ 477,490	\$ 719,655

- (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 Q3 2012 YTD, salaries and benefits comprised of: Richard Spencer (CEO) - \$182,803 (Q3 2011 YTD - \$188,803); Bryan Coates (Director) - \$12,000 (Q3 2011 YTD - \$12,000); David Constable (Director) - \$16,500 (Q3 2011 YTD - \$16,500); Keith Barron (Director) - \$7,500 (Q3 2011 YTD - \$7,500); Sheldon Inwentash (Director) - \$7,500 (Q3 2011 YTD - \$7,500); Richard Patricio (Director) - \$7,500 (Q3 2011 YTD - \$7,500); Stewart Taylor (Director) - \$7,500 (Q3 2011 YTD - \$7,500); and Pablo Marcet (Director) \$7,500 (Q3 2011 YTD - \$3,500).
- (iii) For Q3 2012 YTD, stock-based compensation comprised of: Richard Spencer (CEO) - \$43,544 (Q3 2011 YTD - \$54,976); John Ross (CFO) - \$28,817 (Q3 2011 YTD - \$49,681); Bryan Coates (Director) - \$21,454 (Q3 2011 YTD - \$52,800); David Constable (Director) - \$21,454 (Q3 2011 YTD - \$52,800); Keith Barron (Director) - \$21,453 (Q3 2011 YTD - \$52,800); Sheldon Inwentash (Director) - \$21,454 (Q3 2011 YTD - \$55,580); Richard Patricio (Director) - \$21,454 (Q3 2011 YTD - \$55,580); Stewart Taylor (Director) - \$21,454 (Q3 2011 YTD - \$55,580); and Pablo Marcet (Director) \$27,603 (Q3 2011 YTD - \$39,055).

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.

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Proposed Transactions

There are no proposed transactions of a material nature being considered by U308 Corp. However, the Company continues to evaluate properties and corporate opportunities other than described herein.

Critical Accounting Estimates and Change in Accounting Policies

During the nine months ended September 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 and MD&A 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

U308 Corp. manages its capital to ensure that funds are available or are scheduled to be raised to provide adequate funds to carry out its defined exploration programs and to meet its ongoing administrative costs. The Company considers its capital to be equity, which comprises share capital, other components of equity and accumulated deficit, which at September 30, 2012, totalled \$15,622,293 (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 U308 Corp's approach to capital management during Q3 2012.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

There were no significant changes in the Company's internal controls, or in other factors, that could significantly affect those controls subsequent to the date the CEO and CFO evaluated such internal controls as of September 30, 2012, nor were there any significant deficiencies or material weaknesses in the Company's internal controls identified requiring corrective actions.

The Company's management, with the participation of its CEO and CFO, has evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this report, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods.

The Company's management, including the CEO and the CFO, does not expect that its disclosure controls and internal controls over financial reporting will prevent or detect all errors and fraud. A cost-effective system of internal controls, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the internal controls over financial reporting are achieved.

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Share Capital

At November 14, 2012, U3O8 Corp. had 123,984,158 issued and outstanding common shares, 24,159,644 warrants and 10,286,250 stock options outstanding, each exercisable to acquire one common share, for 158,430,052 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.

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; anticipated timing of the finalization of PEA's on two of the Company's projects, which are presently underway 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.



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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.