



MANAGEMENT'S DISCUSSION AND ANALYSIS

U308 CORP.

THREE MONTHS ENDED MARCH 31, 2013

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

Three Months Ended March 31, 2013

Introduction

This Management's Discussion and Analysis ("MD&A") is dated May 14, 2013, 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 months ended March 31, 2013 and the audited annual consolidated financial statements for the year ended December 31, 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. The results presented for the three months ended March 31, 2013, are not necessarily indicative of the results that may be expected for any future period.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting for the three months ended March 31, 2013. Information about U3O8 Corp., each material project and technical reports prepared in accordance with National Instrument 43-101 ("NI 43-101") are available on our website at www.u3o8corp.com or on SEDAR at www.sedar.com.

Highlights

Having defined initial NI 43-101 uranium resources and achieved positive metallurgical results across its key projects in Colombia, Argentina and Guyana, U3O8 Corp. is now focused on building on the favourable preliminary economic assessment ("PEA") reported on its Berlin Deposit in Colombia, which could be a large, low-cost uranium producer. In addition, we are progressing on the Laguna Salada PEA in Argentina that is expected in the latter half of 2013, to position this deposit as a potential near-term uranium producer using low-cost mining and processing methods.

Other highlights Q1 2013 were:

- U3O8 Corp. entered into a joint venture with Avocet Resources Limited ("Avocet"), whereby Avocet will earn a 51% interest in our non-core Sierra Cuadrada properties in Argentina on spending US\$1.0 million in uranium exploration.
- We incurred cumulative cash exploration expenditures of \$1.2 million, down from \$2.7 million in Q1 2012 as work was focused on the PEA's for the Berlin (Colombia) and Laguna Salada deposits (Argentina).
- At March 31, 2013, U3O8 Corp. had working capital of \$2.2 million (December 31, 2012 – \$2.3 million). We had approximately \$0.2 million in cash and cash equivalents and guaranteed investment certificates held with major Canadian chartered banks ("total cash") (December 31, 2012 - \$1.3 million).
- We raised gross proceeds of \$2.3 million on the issuance of 10,525,000 units. Subsequent to the quarter-end, we closed the first tranche of a non-brokered private placement to raise an additional \$0.4 million.

On May 14, 2013, U3O8 Corp. completed its acquisition of Calypso Uranium Corp. ("Calypso"), which consolidates our strategic land holdings around Argentina's two largest known uranium deposits, enhances our pipeline of targets for exploration after Laguna Salada and adds \$3.3 million in working capital to treasury. With this acquisition, U3O8 Corp. solidifies its position as a leading uranium company in Argentina at a time when the country is calling for local uranium resources to supply its growing nuclear fleet.

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.



U308 CORP.

Management's Discussion & Analysis

Three Months Ended March 31, 2013

Mineral Resources

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

Project	NI 43-101 Resource	Tonnes (million)	Grade U 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 (Colombia)	Indicated	0.6	0.11%	0.4%	8.4%	1.5	6.0	0.5
	Inferred	8.1	0.11%	0.5%	9.3%	19.9	91.0	0.8
Laguna Salada (Argentina)	Indicated	47.3	60ppm	550ppm	--	6.3	57.1	--
	Inferred	20.8	85ppm	590ppm	--	3.8	26.9	--
Kurupung Project (Guyana)	Indicated	4.1	0.09%	--	--	8.4	--	--
	Inferred	4.3	0.08%	--	--	7.7	--	--

**Laguna Salada – uranium and vanadium grades can be increased between 3-11 times by screening. For uranium, this would lead to a head grade of 620-670ppm 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.*

U308 Corp's NI 43-101 technical reports are available on our web site at www.u308corp.com and on SEDAR at www.sedar.com.

Exploration Projects

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

1. Berlin Project, a uranium resource in limestone and sandstone that also contains phosphate, vanadium, nickel, 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 as well as gold 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 U308 Corp's MD&A for the fiscal year ended December 31, 2012, available on our web site at www.u308corp.com and on SEDAR at www.sedar.com.

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. We aim to continue enhancing the economics of the Berlin PEA, complete the PEA on the Argentinean deposit while setting up for further growth in our global uranium resources. Since mineralization in the three deposits is open, the rate at which we increase resources is dependent on the drill budgets that are adjusted according to prevailing market conditions:

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

Three Months Ended March 31, 2013

1. The Berlin Project in Colombia has emerged as U308 Corp's flagship property in which a maiden NI 43-101 uranium resource supported by phosphate, vanadium, nickel, rare earths and other metals has been delineated on just the southern third of the 10.5 kilometres ("km") mineralized trend at Berlin. Based on this initial resource and excellent metallurgical results, a PEA shows that revenue from the by-products could pay for extraction of the uranium, which would place Berlin in the lower quartile in terms of production costs of potential uranium producers. Scout drilling results to date suggest that the existing resource could grow to 40-50 million pounds ("Mlb")¹ of uranium along 6.3km of the Berlin trend. Therefore, it is expected that the Berlin resource will increase on completion of infill drilling, and that a larger resource would have a positive impact on the economics of the deposit. However, both infill drilling for resource estimation and further exploration drilling in the northernmost 4km of the mineralized trend, have been deferred until market conditions improve. During these volatile markets, we will focus on optimizing specific areas of the PEA with the aim of increasing revenue while lowering operating costs to further enhance the project's economics.
2. A PEA is in progress on the initial uranium-vanadium resource defined on the Laguna Salada Project in Argentina. The study is expected to be completed in the latter half of 2013. Metallurgical work is continuing with the aim of optimizing the beneficiation process and rates of extraction using alkaline leach. Results of exploration towards resource expansion are expected to be reported on shortly.
3. The resource that has been delineated in the Kurupung Project in Guyana is based on four vein-breccias. Scout drilling has identified another six mineralized structures that are awaiting infill drilling to contribute towards a probable increase in resources. In addition, limited field work has identified compelling targets that warrant scout drilling. Further work on the project will be limited until equity markets improve.

U308 Corp's performance will largely be tied to the outcome of the improvements to the Colombian PEA, completion of a positive PEA on Argentina and successful 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. We believe our goal of improving the economics on the Berlin PEA while providing the first financial estimates on the Laguna Salada Deposit will continue to 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 potential to the Company's valuation.

As at March 31, 2013, we had \$0.2 million in total cash and working capital of \$2.2 million. Working capital included an investment of 2,528,736 common shares of Pinetree Capital Ltd. ("Pinetree") (TSX: PNP), which were subject to a statutory hold period that expired on May 12, 2013. Subsequent to quarter-end, we raised gross proceeds of \$0.4 million in a non-brokered private placement as well as adding \$3.3 million in working capital from the Calypso acquisition, which transaction was completed on May 14, 2013 (see below "Liquidity and Capital Resources").

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."

¹ Berlin Project – U308 Corp. has defined a multi-commodity resource on just 3km of the 10.5km long Berlin trend. See the January 31, 2013 technical report: "Berlin Project, Colombia – Preliminary Economic Assessment, NI 43-101 Report." See also "Overview – Mineral Resources" above. Based on the resource and scout drilling results, there is a conceptual uranium target of 27-36 million tonnes ("Mt") at 0.09% to 0.11% U3O8 (60-80Mlb) on the entire 10.5km 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.



U3O8 CORP.

Management's Discussion & Analysis

Three Months Ended March 31, 2013

Priority Exploration Projects

Berlin Project, Colombia

The Berlin Project is located in Caldas Province of central Colombia. Uranium mineralization at Berlin 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 estimate² 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 reportedly prioritized for refurbishment, lies 60km east of the project.

Since acquiring the project in April 2010, U3O8 Corp. has advanced an intensive exploration program to delineate a maiden NI 43-101 resource of uranium, phosphate, vanadium, rare earths and other commodities on just the southern 3km of the Berlin trend³. 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 may contain an additional 25-30Mlb³ of uranium. The project 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 and subsequent infill drilling would be required to increase the resource.

In addition, U3O8 Corp. achieved positive metal recoveries in extensive metallurgical test work conducted by four independent labs that show the uranium and suite of other commodities of economic interest at Berlin can be efficiently and effectively extracted using a ferric iron leach method. While metallurgical test work from 10% of bore hole intercepts would be considered a representative sample, we took a more conservative approach in using 35% of the bore hole intercepts drilled across the initial resource area for our test work. A complete flowsheet for processing the Berlin material from beneficiation and extraction to recovery of the individual commodities has been defined and incorporated in the recently published PEA on the Berlin Project.

U3O8 Corp. achieved a key milestone in reporting a positive PEA on its Berlin Deposit, which showed that the uranium could be produced at \$0 per pound ("lb") thanks to revenue from the associated by-products of phosphate, vanadium, nickel, rare earths and other metals covering the costs of extraction of the uranium. The PEA valued Berlin at a 10% discounted net present value ("NPV") of US\$223 million for an internal rate of return ("IRR") of 19%. The financial model estimates an initial capital investment of US\$360 million plus US\$40 million in sustaining capital and a US\$41 million contingency for an underground operation that would produce an average of 1.2Mlb of uranium annually. Berlin is expected to generate US\$2.8 billion in revenue with operating cash flow of US\$982 million over the 15-year life of the mine. Uranium (35%), phosphoric acid (31%), nickel (15%), vanadium (9%) and yttrium (6%) represent the most significant commodities in terms of revenue in the mineralized material at Berlin.

Although conducted early in the life of the project, the PEA indicates that Berlin has robust economics based on only one-third of the resource potential of property. Higher returns should be generated as the size of the deposit increases and efficiencies are realized from ongoing metallurgical test work. The economic model identifies specific areas in which revenue could be increased and operating costs reduced in order to achieve increased margins to further enhance the project's economics.

² 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 4.

³ Berlin Deposit – See note 1 on page 4.

**U3O8 CORP.**

Management's Discussion & Analysis

Three Months Ended March 31, 2013

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 resource⁴. Laguna Salada is one of the most advanced uranium projects in Argentina and has the potential to be a near-term producer using low-cost mining and processing methods. 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 would involve scraping off the mineralized layer with a continuous surface miner and screening out the mineralized fines in a rotating trommel for transport to a central processing facility. The pebbles and coarse sand would be replaced in the excavation from which the material had just been removed and the surface would be recontoured to its original topography, seeded and reclaimed while mining continued in the adjacent area.

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 flowsheet is being developed for the processing of mineralized material from Laguna Salada.

In addition, a PEA is being carried out on the initial Laguna Salada Deposit, which is planned for completion in the second half of 2013 and should position the project for further advancement as Argentina seeks domestic uranium supply to fuel its expanding nuclear reactor fleet. Laguna Salada is expected to be simple and easy to move into production in a relatively short timeframe.

Regulatory Update on Chubut Province

Open pit mining and ore processing with cyanide are currently banned in Chubut Province of Argentina. U3O8 Corp's Laguna Salada Project is located in Chubut, which is in the same province as the state-owned Cerro Solo uranium deposit where CNEA (Argentinean National Nuclear Commission) is drilling to expand the existing resource. The Laguna Salada PEA contemplates a continuous mining scenario in which in situ screening results in replacement of the excavated gravel in the channel 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 mineralized material, and hence the mining and processing methods contemplated for Laguna Salada are considered by U3O8 Corp. to be compliant with current mining legislation.

Of note, the Chubut Government is viewing uranium as a strategic commodity, whereby consideration is being given to encourage uranium exploration and the development of uranium mines that could provide a source of local uranium for Argentina's growing nuclear power generation capacity. Argentina is one of two nuclear energy producing countries in South America and has two operating reactors. When a third reactor comes online later in 2013, 9% of Argentina's electricity will be derived from nuclear – and bids for construction of a fourth reactor are currently open for tender.

⁴ 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 "Overview – Mineral Resources" above.



U3O8 CORP.

Management's Discussion & Analysis

Three Months Ended March 31, 2013

Kurupung Project, Guyana

U3O8 Corp's exploration drilling is showing that the Kurupung uranium district in Guyana may contain a resource of 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 60-130Mlb of uranium with average grades of 0.06% to 0.10% U₃O₈, contained in multiple structures⁵.

A recently updated NI 43-101 estimate has doubled the uranium resource in the Kurupung Project⁶, which is based on only four 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. Soil geochemistry anomalies that are coincident with weakly magnetic areas represent targets that warrant scout drilling. In addition, soil geochemistry has identified a number of larger targets that may have an IOCG affinity that should 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. Further exploration and metallurgical testing has been minimized until the financial markets improve.

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, as well as phosphate. An airborne magnetic and radiometric survey has been completed that has identified the presence of two large targets. Further trenching is planned and assay values will be tied back to the geophysics to generate drill targets. 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 follow-up.

Minexco Minerals Corp. – 11% owned by U3O8 Corp.⁷

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 adjacent to the Company's Kurupung Project. Exploration is funded by Minexco and the work is carried out by a unit of U3O8 Corp's non-core Guyana team on a contract basis for Minexco.

Technical Disclosure

Dr. Richard Spencer, President and Chief Executive Officer ("CEO") of the Company, is the "qualified person" as defined by 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 projects in South America.

⁵ 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.

⁶ Kurupung Deposit – See the June 26, 2012 technical report: "Technical Review and Mineral Resource Estimates of the Aricheng C and Aricheng West Structure, Kurupung Uranium Project, Mazaruni District, Guyana for U3O8 Corp." See also "Overview – Mineral Resources" above.

⁷ Minexco – Ownership is subject to final approval by the Guyanese government of the remaining permit transfer. Currently, U3O8 Corp. holds approximately 8% of Minexco's shares outstanding with the potential to increase to 11% upon government approval of two remaining concessions.

**U308 CORP.**

Management's Discussion & Analysis

Three Months Ended March 31, 2013

Summary of Quarterly Results

The following summary of results for the eight most recently completed quarters has been prepared in accordance with International Financial Reporting Standards ("IFRS").

Three Months Ended (*)	Net Loss (\$)	Basic and Diluted Loss Per Share (\$)
2013-March 31	(1,815,922)	(0.01)
2012-December 31	(1,883,730)	(0.02)
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)

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

U308 Corp. is an exploration company focused on defining mineral resources and advancing them towards production. At this time, commodity market fluctuations have no direct impact on our results or operations but influence our exploration approach based on our expectations regarding our ability to raise capital to advance projects. We expense our exploration costs. 2011 reflected a focus on extensive infill drilling programs and preliminary metallurgical test work across our key projects, which resulted in the delineation of three mineral deposits in Colombia, Argentina and Guyana as well as positive metal recoveries on all three projects. In 2012, our focus shifted to wider-spaced scout drilling and field-based exploration with the aim of showing additional size potential beyond the initial deposits, refining metallurgical processes and commencement of PEA work on the Colombian and Argentinean deposits. Having defined initial resources and achieved positive metallurgical results, lower spending in Q1 2013 reflected completion of the Berlin PEA in Colombia that showed favourable economics on the initial deposit while we continued to advance the PEA in Argentina.

Results of Operations for the Three Months Ended March 31, 2013

For Q1 2013, U308 Corp's net loss declined to \$1,815,922 or \$0.01 loss per share (Q1 2012 – net loss of \$3,575,251 or \$0.03 loss per share). The decrease of \$1,759,329 in net loss in 2013 quarter was principally due to minimized exploration efforts and cash conservation until market conditions improve while focusing on economic studies for both the initial deposits in Colombia and Argentina to show the economic potential of these projects. A deferred income tax recovery as a result of expired warrants was mostly offset by an unrealized loss on our Pinetree investment in Q1 2013.

Colombia cash exploration expenses (excluding stock-based compensation, taxes and amortization) decreased by \$437,752 to \$657,562 as a PEA was completed on the Berlin Project in Q1 2013 (Q1 2012 – \$1,095,314), which showed positive economics on just the initial deposit and identified areas that could further enhance the project's economics. The first quarter of 2013 salary expenditures included severances of \$57,384. Argentina cash exploration expenses declined by \$398,536 to \$296,049 in Q1 2013 as work shifted to the PEA on the initial uranium-vanadium deposit at Laguna Salada (Q1 2012 – \$694,585). In Guyana, cash exploration expenses were down by \$690,699 to \$267,928 in Q1 2013 (Q1 2012 – \$958,627) as a resource estimate update was completed in the 2012 quarter while further field work was minimized to commit funds and resources to the more advanced projects in the other countries.

**U3O8 CORP.****Management's Discussion & Analysis****Three Months Ended March 31, 2013**

General and administrative ("G&A") cash spending declined to \$501,736 (Q1 2012 - \$567,237) primarily due to lower professional fees attributable to advisory costs related to new opportunities being evaluated compared with the prior year quarter.

A foreign exchange loss of \$2,496 in Q1 2013 (Q1 2012 – gain of \$5,115) was due mostly to US Dollar exchange rate fluctuations. Interest income declined to \$9,660 in Q1 2013 (Q1 2012 – \$21,959) 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. From its 18.2% equity share of SAREC, we recorded a \$29,000 loss in Q1 2013 (Q1 2012 – loss of \$132,000).

A deferred income tax recovery of \$804,077 resulted from expired warrants in the first quarter of 2013 and was mostly offset by an unrealized loss of \$682,758 as our Pinetree investment was marked to market in Q1 2013.

Liquidity and Capital Resources

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

At March 31, 2013, total cash was \$161,923 (December 31, 2012 - \$1,279,948) and working capital of \$2,221,217 (December 31, 2012 - \$2,294,693). The decrease in cash levels reflected the emphasis on completing the PEA on the Berlin Deposit, which demonstrated favourable economics on this project in Colombia. A PEA is also in progress on the Argentinean project which is expected in the latter half of 2013.

In Q1 2013, U3O8 Corp. raised gross proceeds of \$2.3 million through the issuance of 10,525,000 units at \$0.22 per unit (of which \$2.2 million was satisfied by the issuance to U3O8 Corp. of common shares in Pinetree (TSX: PNP), which was subject to a statutory hold period that expired on May 12, 2013). Each unit comprised of one common share and one-half of one warrant. Each full warrant is exercisable into one common share at \$0.30 per share until January 11, 2015.

Subsequent to quarter-end of Q1 2013, we issued 2,025,000 units at \$0.20 per unit to raise \$0.4 million in gross proceeds. Each unit comprised one common share and a one-half of one warrant. Each whole warrant is exercisable into one common share at \$0.30 per share until April 15, 2015.

On May 14, 2013, U3O8 Corp. acquired Calypso, which provides us with a dominant land position strategically located around Argentina's two largest known uranium deposits and adds about \$3.3 million in working capital in exchange for 20,252,327 common shares of U3O8 Corp.

At March 31, 2013, accounts payable and accrued liabilities increased to \$1,945,218 (December 31, 2012 - \$1,565,391). Working capital as at March 31, 2013 in addition to funds raised subsequent to the quarter-end are sufficient to pay these liabilities.

Since its 2012 year-end, there has been no material change to the Company's material commitments, which related to office lease agreements in Canada, Colombia, Argentina and Guyana expiring at various periods up to June 2017.

As of the date of this MD&A, U3O8 Corp. had issued and outstanding 160,632,882 common shares, 18,904,764 warrants and 11,320,250 stock options. The full exercise of all warrants and options could raise approximately \$15.6 million. Exercise of these warrants and options is not anticipated until the market value of U3O8 Corp's common shares increases in value.

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

Three Months Ended March 31, 2013

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.

U3O8 Corp. had a working capital balance of \$2.2 million at March 31, 2013. Subsequent to year-end, we raised gross proceeds of \$0.4 million through a private placement and added \$3.3 million in working capital from the Calypso acquisition. Certain of the Company's discretionary exploration activities have considerable scope for flexibility in terms of the amount and timing of exploration, and expenditures may be adjusted accordingly.

However, U3O8 Corp. will require additional funds from equity sources to maintain the current momentum on its three lead projects, including those acquired from Calypso, and to complete the development of our projects in Colombia, Argentina and Guyana, if warranted. There is no assurance that these funds can be raised upon terms acceptable to the Company or at all. See "Risks Factors" below.

Related Party Transactions

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

Three Months Ended March 31,	2013	2012
John C. Ross Consulting ⁽ⁱ⁾	\$15,000	\$15,000

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

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

Three Months Ended March 31,	2013	2012
Salaries and benefits ^{(i) (ii)}	\$84,934	\$78,934
Stock-based compensation ⁽ⁱⁱⁱ⁾	25,012	33,345
Total	\$109,946	\$112,279

(i) Included in salaries and benefits are director fees. Part of the CEO's 2012 salary was charged to an investee company. The Board of Directors do not have employment or service contracts with the Company. They are entitled to director fees and are eligible for stock options for their services.

(ii) For Q1 2013, salaries and benefits comprised of: Richard Spencer (CEO) - \$62,934 (Q1 2012 - \$56,934); Bryan Coates (Director) - \$4,000 (Q1 2012 - \$4,000); David Constable (Director) - \$5,500 (Q1 2012 - \$5,500); Keith Barron (Director) - \$2,500 (Q1 2012 - \$2,500); Sheldon Inwentash (Director) - \$2,500 (Q1 2012 - \$2,500); Richard Patricio (Director) - \$2,500 (Q1 2012 - \$2,500); Stewart Taylor (Director) - \$2,500 (Q1 2012 - \$2,500); and Pablo Marcet (Director) \$2,500 (Q1 2012 - \$2,500).

(iii) For Q1 2013, stock-based compensation comprised of: Richard Spencer (CEO) - \$5,684 (Q1 2012 - \$3,363); John Ross (CFO) - \$3,410 (Q1 2012 - \$3,363); Bryan Coates (Director) - \$2,274 (Q1 2012 - \$3,363); David Constable (Director) - \$2,274 (Q1 2012 - \$3,363); Keith Barron (Director) - \$2,274 (Q1 2012 - \$3,363); Sheldon Inwentash (Director) - \$2,274 (Q1 2012 - \$3,363); Richard Patricio (Director) - \$2,274 (Q1 2012 - \$3,363); Stewart Taylor (Director) - \$2,274 (Q1 2012 - \$3,363); and Pablo Marcet (Director) \$2,274 (Q1 2012 - \$6,438).

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

Three Months Ended March 31, 2013

- (c) Sheldon Inwentash, a director of the Company is the chairman, CEO and director of Pinetree. On January 11, 2013, U3O8 Corp. raised gross proceeds of \$2,315,500 through the issuance of 10,000,000 units at \$0.22 per unit, of which \$2.2 million was satisfied by the issuance to U3O8 Corp. of 2,528,736 common shares in Pinetree.

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 here.

Change in Accounting Policies

During the three months ended March 31, 2013, 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, 2012 ("FY 2012 financial statements"), except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2013 could result in restatement of these condensed interim financial statements.

At January 1, 2013, U3O8 Corp. adopted the following pronouncements: Consolidated Financial Statements ("IFRS 10"), Joint Arrangements ("IFRS 11"), Disclosure of Interests in Other Entities ("IFRS 12"), Investments in Associates and Joint Ventures ("IAS 28") and Financial Instruments: Disclosures ("IFRS 7") as described in the Company's FY2012 financial statements as well as those policies presented below.

(i) IFRS 10 was issued by the IASB in May 2011. IFRS 10 is a new standard which identifies the concept of control as the determining factor in assessing whether an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: power over an investee; exposure to variable returns from an investee; and the ability to use power to affect the reporting entity's returns.

(ii) IFRS 11 was issued by the IASB in May 2011. IFRS 11 is a new standard which focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified into two groups: parties having rights to the assets and obligations for the liabilities of an arrangement, and rights to the net assets of an arrangement. Entities in the former case account for assets, liabilities, revenues and expenses in accordance with the arrangement, whereas entities in the latter case account for the arrangement using the equity method.

(iii) IFRS 12 was issued by the IASB in May 2011. IFRS 12 is a new standard which provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose vehicles, and off balance sheet vehicles.

The adoption of these policies had no material impact on the Company's unaudited 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 March 31, 2013, totalled \$14,340,911 (December 31, 2012 - \$14,543,245).

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

Three Months Ended March 31, 2013

This capital management is achieved by the Board of Directors' review and acceptance of exploration budgets that are achievable within existing resources and the timely matching and release of the next stage of expenditures with the resources made available from private placements or other fundraisings.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in U3O8 Corp's approach to capital management during Q1 2013.

Internal Controls over Financial Reporting and Disclosure Controls and Procedures

During the three months ended March 31, 2013, there was no change in the Company's disclosure of internal controls over financial reporting and disclosure controls and procedures since reported for the year ended December 31, 2012.

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 March 31, 2013, nor were there any significant deficiencies 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 and internal controls over financial reporting 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.

Share Capital

At May 14, 2013, U3O8 Corp. had 160,632,822 issued and outstanding common shares, 18,904,764 warrants and 11,320,250 stock options outstanding, each exercisable to acquire one common share, for 190,857,836 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, 2012, 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.

**U3O8 CORP.**

Management's Discussion & Analysis

Three Months Ended March 31, 2013

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 2013 and exploration programs at current operating levels; prospects for the future demand and price of uranium and other commodities; the plans, costs, timing and capital for future exploration and development of U3O8 Corp's property interests including the costs and potential impact of complying with existing and proposed laws and regulations; Management's outlook regarding future trends and government regulation in Chubut Province, Argentina and elsewhere; sensitivity analysis on financial instruments, which may vary from amounts disclosed; prices and price volatility for uranium; and general business and economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond U3O8 Corp's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, uranium price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with the U3O8 Corp's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the uranium exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for U3O8 Corp's exploration and development activities; our operating and exploration and development costs; our ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business, regulatory and economic conditions.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause U3O8 Corp's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Additional Information

Additional information relating to U3O8 Corp., including its Annual Information Form for the year ended December 31, 2012, is available on SEDAR at www.sedar.com.