

Dear Shareholder,

Thank you for your continued support during this period of extreme pressure on our sector, in which the resource component of the Toronto Stock Exchange and Venture Market have both fallen to multi-decade lows in 2014 and early 2015. Our share value has not been spared, trading near its all-time lows, despite the considerable economic potential that we have demonstrated on our projects. These challenging times drive home the importance of focusing on quality, low production-cost projects that could be profitable through the resource industry's deepest cyclical troughs. To this end, U3O8 Corp. remains focused on its potential low-cost projects, the Laguna Salada Deposit in Argentina and the Berlin Deposit in Colombia.

As we start to see encouraging signs of a market turnaround, with the spot price firming to ~\$36 per pound ("lb") – up >25% from its June 2014 low, the term price steady at just under \$50/lb, and increased buying interest from global utilities shoring up their dwindling stockpiles – our priority is on the Laguna Salada Deposit as one of the few new deposits that could come online ahead of the worldwide uranium supply deficit forecast to start in 2019. Towards this goal, we had two key deliverables in the last year:

- **Completion of a preliminary economic assessment ("PEA") on Laguna Salada**, which showed potential low cash cost of production at ~US\$22/lb of uranium over the life of the mine¹ – making the project potentially competitive with low-cost *in situ* recovery and high grade Athabasca deposits. The PEA also recommended that the project advance to pre-feasibility with the immediate goal of resource expansion on mineralized areas that we have already discovered in the district. A larger resource would further enhance the project's economics; and
- **Provincial partnership agreement** – In April 2015, we announced an agreement to partner with Petrominera Chubut S.E. ("Petrominera"), the provincial mining company of Chubut Province in Argentina, to advance a larger Laguna Salada Project. U3O8 Corp. is the first private sector company to partner with Petrominera on a mineral resource project, which aligns our interests as we continue to position Laguna Salada as one of the most advanced uranium assets in the region with the potential to meet and exceed the immediate needs of Argentina's growing fleet of nuclear reactors that presently relies entirely on imported uranium.

The agreement forms the foundation upon which we will work closely with the provincial company to define a potentially larger resource on an expanded area that incorporates the province's three concessions that adjoin our mineral tenements. If resources are defined on the provincial land, we may elect to form a joint venture on a larger Laguna Salada Deposit and Petrominera would receive a percentage stake based on the proportion of the total reserve that lies on its land relative to the reserve that lies on our properties. Many successful mining operations in Argentina are based on similar models in which provincial resource companies have a minority interest in the projects, for example: Orocobre Ltd's ("Orocobre") lithium mine in Jujuy Province, Goldcorp's Cerro Negro, AngloGold Ashanti's Cerro Vanguardia and Yamana Gold's mines in Santa Cruz and Barrick Gold's Veladero in San Juan.

Improving Investment Outlook and Nuclear Growth in Argentina: U3O8 Corp's milestones have been achieved against a backdrop of gradually improving investor perception about Argentina. While media attention has focused on Argentina's legal dispute with certain minority bond holders that resulted in a "selective" default on its sovereign debt, the Buenos Aires stock exchange was the world's best performing index in 2014, and is up >30% so far in 2015. Other encouraging indicators include:

- Settlement with the Paris Club of lenders, which has opened up access to the French capital market;
- Repsol has been compensated for the takeover of its stake in oil company, YPF;
- The USA is now supporting the approval of loans to Argentina from the World Bank – changing a position that it has held since 2009;
- Argentina concluded a US\$11 billion currency swap with China;
- US\$15 billion was invested in the development of Argentina's giant Vaca Muerta shale basin in 2014 including initiatives with Chevron, Exxon-Mobil, BP, Total, Wintershall, China National Oil. Going forward, US companies alone plan to invest ~US\$20 billion per year in Argentina's energy sector despite current weak oil prices;
- US\$4 billion was invested in the mining sector in 2014 with Orocobre's lithium mine, Minera IRL's Don Nicolas gold mine and Goldcorp's Cerro Negro gold mine starting production in the last year; and
- Investors are looking to a new administration after the October 2015 national elections to adopt market-friendly practices and to build on: the country's excellent infrastructure; a well educated population; its enormous agricultural resources; and Argentina's potential to become a regional energy powerhouse.

¹ Based on a US\$60/lb uranium price, refer to the September 18, 2014 PEA on Laguna Salada at www.u3o8corp.com and on SEDAR at www.sedar.com.

Argentina's nuclear leadership – Argentina now derives 9% of its electricity from nuclear with its third reactor coming online in early 2015. The country is on track to achieve its goal of generating 18% of its electricity from nuclear by 2025 with the recent signing of contracts to build three new reactors. Argentina is also building the world's first small modular reactor, and an Argentine company has been selected to design and build the first medical isotope facility in the USA. Despite this nuclear energy strategy and enviable know-how, Argentina imports all of its uranium fuel, offering a ready opportunity for our Laguna Salada Deposit to contribute to the country becoming self-sufficient, as well as having additional uranium supply for potential export.

Berlin Project in Colombia – a “clean energy deposit” offering exposure to high-growth markets: The Berlin PEA showed that revenue from by-product commodities within the deposit would pay for the cost of extracting the uranium – meeting our criterion of a potential low-cost production project. Furthermore, the suite of commodities at Berlin has remarkable application for clean energy and agriculture, accounting for >80% of the deposit's value (~35% from uranium, 31% from phosphate, 9% from vanadium and 7% from two rare earths (yttrium and neodymium)).

While uranium for nuclear power is our focus, it is worth highlighting Berlin's application to other high-growth energy markets. Aside from being a key element in agricultural fertilizer, phosphate is used, along with vanadium, in the latest generation of lithium-ion batteries. Some applications for these batteries are the powering of electric vehicles, cordless power tools and home energy storage units – a new market that is expected to grow from the current 0.3 gigawatts (“GW”) per annum to ~30GW per annum by 2022 – equivalent to the power generated by ~30 nuclear reactors. Vanadium redox batteries, another growth area, are storage container-sized units that can be grouped into “storage parks” for industrial use and can be quickly charged and discharged over many thousands of cycles without losing storage capacity.

The Berlin PEA included only yttrium and neodymium in its first economic model. Inclusion of other rare earths, such as europium and dysprosium, in a subsequent economic analysis, could potentially increase revenue by ~7% without additional capital requirement.

Frac Sands – Potential for Near-Term Cash Flow: Through our 39% interest in South American Silica Corp. (“SAS”), we have exposure to the promising frac sand market, especially with the growing demand for domestic supply needed to develop Argentina's giant oil and gas reserves in the Vaca Muerta shale. Our local partner's processing plant for frac sand in Argentina, is nearing completion. SAS has also identified potentially large, high quality sand targets in Uruguay and southern Brazil that are within viable transport distance from the Vaca Muerta and also to deepwater ports for potential export.

Our Plans: U3O8 Corp's next steps are to outline a larger resource and run an on-site pilot plant at Laguna Salada, to refine metallurgical test work on the Berlin Project to demonstrate incremental value, and to support SAS's aim of delineating frac sand resources in Brazil and Uruguay. The pace at which we can achieve these goals is dependent on the availability of funds, which is our immediate priority. We are pursuing multiple financing options that include strategic partnerships and merger and acquisition opportunities, with the aim of being among a handful of companies that are well positioned to benefit from a resurgence in the global uranium market.

While the restarting of some Japanese reactors expected this year is largely a psychological catalyst, the real nuclear growth is being driven by China, India and Russia where new reactor builds are growing at an unprecedented pace. And Cameco Corp's landmark deal to deliver nuclear fuel to India opens up the world's second most populous nation as a market for uranium. These are some of the market drivers that should support analysts' consensus for uranium prices to continue to gradually strengthen.

I extend my deep gratitude for your patience and support during this protracted market downturn. I believe that the worst is behind us and I look forward to a sustained recovery in uranium equities, especially for companies that have high quality, potential low production-cost deposits like U3O8 Corp.

Yours truly,

“Richard Spencer”

Richard Spencer
President & CEO

June 12, 2015

This letter contains forward-looking statements (“FLS”) that involve substantial known and unknown risks and uncertainties including, but not limited to, the impact of industry conditions, volatility of commodity prices, legislative and geopolitical change and risks associated with the uncertainty of exploration results and estimates, that the Berlin and Laguna Salada PEAs and resource potential on exploration projects will be achieved, that the Argentine frac sand property will realize production and the uncertainty of obtaining additional financing (refer to U3O8 Corp's 2014 Management's Discussion & Analysis for risk factors related to the company). Readers are cautioned that assumptions, although considered reasonable at the time, may prove to be imprecise and, as such, undue reliance should not be placed on FLS. PEAs are preliminary in nature as it includes resources that are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the results of the PEAs will be realized. Information on U3O8 Corp., its projects and technical reports are available on its web site at www.u3o8corp.com. Dr. Richard Spencer, U3O8 Corp's President and CEO, is a “qualified person” as defined by National Instrument 43-101 and has supervised the preparation of, and verified, all technical disclosure contained herein related to the company's projects. Sources: Ux Consulting, Dundee Capital Markets, World Nuclear News, Reuters, Bloomberg, company reports and other public news outlets.