

Press Release

U3O8 Corp. outlines 2011 exploration program aimed at rapidly expanding its NI 43-101 resource portfolio in South America

Toronto, Ontario – January 24, 2011 – **U3O8 Corp. (TSX Venture: UWE)**, a Canadian-based company, focused on exploration and resource expansion of uranium and associated commodities in South America, today announced its planned exploration program, which aims to substantially increase its National Instrument 43-101 (“NI 43-101”) resource portfolio in Colombia, Guyana and Argentina in 2011.

The primary objectives are:

- **Berlin Project, Colombia:** to define a potential NI 43-101 resource of an initial 20 to 25 million pounds (“mlb”) uranium in part of the area on which a historic resource was estimated¹;
- **Kurupung Project, Guyana:** to expand the current NI 43-101 resource to 20 to 25mlb² of uranium while continuing to show further size potential of the Kurupung uranium system; and
- **Laguna Salada Project, Argentina:** to report a NI 43-101 resource estimate on Laguna Salada while exploring the next target with the aim of increasing the overall resource to 20 to 24mlb³ uranium on these two projects in southern Argentina.

Berlin Project¹

A 10,000 metre (“m”) exploration drilling program is underway in the southern part of the mineralized trend at Berlin – in the area on which a historic resource was estimated. A second drill rig is scheduled to arrive on-site in February. U3O8 Corp’s trenching has demonstrated consistent mineralization over 3km along trend and drilling has intersected similar uranium grades to historic data, but over greater widths than those recorded in historic reports. In addition, potential co-products including phosphate, vanadium, yttrium, rhenium, molybdenum and silver have been identified (December 8, 2010 press release).

Preliminary metallurgical test results are expected in Q1 2011. Infill drilling is planned to start in Q2 as the Berlin Project is advanced towards a potential NI 43-101 uranium resource estimate with an initial objective of 20 to 25mlb by year-end. In addition, trenching continues in the northern part of the property to confirm historic records that show that the entire 10.5km mineralized trend is prospective, which could substantially expand the size potential of the project.

Kurupung Project²

An infill drill program of approximately 11,000m is planned to begin in March, on the first of three mineralized areas: the Aricheng West corridor, Aricheng C, and on the Accori North C structure – towards expanding the current NI 43-101 resource on the Kurupung Project (January 20, 2011 press release).

Concurrent with infill drilling, scout drilling will continue with the aim of showing that the Kurupung could be of comparable size to peer deposits that typically contain 60 to 130mlb of uranium⁴.

Laguna Salada Project³

Initial metallurgical test results and a NI 43-101 resource on Laguna Salada are expected in Q1 2011. U3O8 Corp. has commenced exploration of another surficial uranium target with similar size potential and grade to Laguna Salada. As with Laguna Salada, exploration of the second target is planned through mechanized trenching due to the soft and unconsolidated nature of the uranium-vanadium - bearing gravels. The goal is to have a cumulative resource estimate of 20 to 24mlb completed on the two projects in southern Argentina by the end of 2011.

“U3O8 Corp. has established a clear path to efficiently and rapidly increase its uranium resources through organic growth in the next 12 months,” said Dr. Richard Spencer, U3O8 Corp’s President and CEO. “In addition, we are finding potentially valuable co-products such as phosphate, vanadium, rhenium and the heavy rare earth, yttrium.”

Dr. Richard Spencer (P.Geol.), CEO and President of U3O8 Corp., a Qualified Person within the definition of that term in NI 43-101 of the Canadian Securities Administrators, has overall responsibility for all aspects of the exploration program. Dr. Spencer has supervised the preparation of, and verified, the technical information in this release.

About U3O8 Corp.

U3O8 Corp. is a Toronto-based exploration company, focused on exploration and resource expansion of uranium and associated commodities in South America – a promising new frontier for exploration and development in the uranium industry. U3O8 Corp. has one of the most advanced portfolios of uranium projects in the region comprising NI 43-101 compliant resources in Guyana to significant historic resources in Colombia and near-resource and discovery potential in Argentina.

- (1) *The Berlin Project has a historic resource of 12.9 million tonnes at an average grade of 0.13% U₃O₈ (38mlb U₃O₈) and is reported in Castano, R. (1981), Calcul provisoire des reserves geologiques de Berlin, sur la base des resultants des sondages, unpublished Minatome report, 15p. There has been insufficient exploration to verify the historic estimate and it should not be relied upon as a NI 43-101 compliant resource.*
- (2) *Scout drilling to date suggests that the Kurupung may contain a conceptual target of 13-18 million tonnes at a grade of 0.08% to 0.10% U₃O₈ (estimated 30 to 35mlb U₃O₈) including the initial NI 43-101 resource. The initial NI 43-101 resource estimate of 5.8mlb Indicated at an average grade of 0.10% (2.0 lbs/st) U₃O₈ and 1.3mlb Inferred at an average grade of 0.09% (1.9 lbs/st) U₃O₈ was reported on the Aricheng North and Aricheng South structures. Refer to the technical report dated January 14, 2009 titled “A Technical Review of the Aricheng North and Aricheng South Uranium Deposits in Western Guyana for U3O8 Corp. and Prometheus Resources (Guyana) Inc., available on U3O8 Corp’s web site at www.u3o8corp.com and on SEDAR at www.sedar.com.*
- (3) *Based on trench results reported to date on the Laguna Salada Project (press release dated October 27, 2010), two projects of similar size and grade have the potential to contain a cumulative target of 9 to 11 million tonnes at a grade of 100ppm to 150ppm U₃O₈ (estimated 20 to 24mlb U₃O₈).*
- (4) *Geologically similar albitite-hosted uranium deposits worldwide (e.g. Coles Hill (USA), the Valhalla (Australia) and Michelin (Canada)) typically host resources in the 60 to 130mlb range with typical grades of 0.06% to 0.10% U₃O₈. These deposits have not been independently verified by U3O8 Corp. and information regarding these deposits is drawn from publicly available information. Comparisons of U3O8 Corp’s uranium resource and exploration targets with other uranium deposits are conceptual in nature. There is no certainty that further exploration of U3O8 Corp’s resource or targets will result in a similar mineral resource.*

Forward-Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of U3O8 Corp., including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates and that the resource potential will be achieved on the Kurupung Project, Berlin Project and Laguna Salada, currency fluctuations, dependence upon regulatory approvals, and the uncertainty of obtaining additional financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

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