

Press Release

U3O8 Corp. reports positive metallurgical test results from the Laguna Salada Project, Argentina

Corroborates potential for low-cost uranium-vanadium project

Toronto, Ontario – March 2, 2011 – **U3O8 Corp. (TSX Venture: UWE)**, a Canadian-based company focused on exploration and resource expansion of uranium and associated commodities in South America, reports positive results from the first metallurgical tests on uranium- and vanadium-bearing gravels from the Laguna Salada Project, Chubut Province, Argentina, which show that:

- Uranium and vanadium grades can be increased between 4 and 12 times simply by screening;
- Uranium leach recovery from upgraded material was between 74% and 96%; and
- Vanadium leach recovery from upgraded material was between 71% and 86%.

“U3O8 Corp’s initial metallurgical test results mark an important step towards demonstrating the economic viability of Laguna Salada, adding yet another positive attribute to this potentially low cost project” said Richard Spencer, U3O8 Corp’s President and CEO. “Firstly, the mineralized layer at Laguna Salada lies near the surface of flat-topped mesas and mining could simply lower the profile of the mesas. Secondly, the uranium-vanadium occurs in soft, unconsolidated sandy gravel that should be amenable to low-cost mining techniques that require no blasting and crushing. Thirdly, our metallurgical tests show that simple and inexpensive screening results in a concentration of the uranium-vanadium into a small component of the original gravel.”

Dr. Spencer continued, “These metallurgical results show good recoveries for both uranium and vanadium using an acid leach. Other similar deposits use an alkaline leach and our tests using this approach are in progress. Further test work will be ongoing in 2011 to optimize the recovery of uranium and vanadium. Coffey Mining, of Australia, is incorporating these preliminary beneficiation and uranium-vanadium extraction results into its calculation of a proposed National Instrument 43-101 (“NI 43-101”) resource estimate on Laguna Salada that is due out shortly.”

Metallurgical Test Work

The Laguna Salada Project contains slightly different types of gravel that occur in two distinct areas. Both gravels are soft and unconsolidated. A composite sample from each area was excavated with a backhoe and sent, without any processing or crushing, to SGS Lakefield’s laboratory in Lakefield, Ontario, for metallurgical testing.

The metallurgical tests involved three components as follows:

1. Wet Screening of Mineralized Gravel

The gravel samples from both areas were screened to determine the extent to which the fine powdery uranium-vanadium mineral, carnotite, could be separated from the coarser pebbles and sand grains in the gravel. In each case, the gravel was tumbled and wet screened through successively smaller mesh sizes. Optimal results were achieved by screening the samples through a 0.15 millimetre (“mm”) mesh.

- Results from the Guanaco area show that the coarse material can be screened from the sample, leaving between 70% and 100% of the fine-grained carnotite concentrated in only 8% of the weight of the original sample. Therefore, the carnotite can be upgraded as much as 12 times by tumbling and wet screening the raw mineralized gravel.
- Results from the Lago Seco area show that between 88% and 100% of the carnotite can be concentrated in 23% of the original sample, which corresponds to about a four time increase in grade by screening the raw sample that was excavated from the field.

2. Acid Leach Test

The fine-grained material that contains up to 100% of the uranium and vanadium screened from the original raw sample was then subjected to an acid leach test to determine the extent to which the mineralization can be recovered.

- The sample from the Guanaco area showed 74% uranium and 86% vanadium recovery after a leach time of 36 hours with 23.6 kilogram/tonne (“kg/t”) sulphuric acid consumption per tonne of the raw mineralized gravel.
- The sample from the Lago Seco area showed 96% uranium and 71% vanadium recovery with 49.2 kg/t of acid consumption per tonne of the raw mineralized gravel.

3. Carbonate Leach Test

Carbonate leach testing on the fine-grained samples is underway to determine the extent to which uranium and vanadium can be recovered using alkaline fluids as opposed to acid. Results are due in late March.

Table 1 – Summary of Provisional Metallurgical Tests from the Laguna Salada Project

Sample Area	Screen Test	% Metal Recovery after 36 Hour Leach		Sulphuric Acid Consumption
	Up to 100% of the carnotite (uranium-vanadium mineral) concentrated in the following % weight of the original sample	Uranium	Vanadium	Per tonne of gravel as excavated
Guanaco	8%	74%	86%	23.6kg
Lago Seco	23%	96%	71%	49.2kg

Table 2 – Summary Trench Results from the Laguna Salada Project

Summary of assay results from the 465 trenches (of the 1,090 trenches excavated) in the Laguna Salada Project that have grade-thickness values greater than 50 ppm-m (parts per million - metre) before screening of the mineralized gravel to increase the uranium and vanadium grades.

Area	Grade-Thickness Interval	Number of Trenches in Grade-Thickness	Thickness of Mineralized Zone			Grade		Area Covered by Each Mineralized Interval (m ²)
			Minimum (m)	Maximum (m)	Average (m)	U ₃ O ₈ (ppm)	V ₂ O ₅ (ppm)	
GUANACO	GxT 50-100	109	0.1	1.6	0.84	95	815	7,532,000
	GxT 100 - 250	116	0.2	2.1	0.97	168	880	4,808,000
	GxT 250 - 1400	48	0.2	2.1	1.05	528	1,292	1,666,882
		273				181	904	14,006,882
LAGO SECO	GxT 50-100	102	0.4	1.5	0.78	96.6	706	9,038,000
	GxT 100 - 250	88	0.4	1.9	0.88	172	847	4,993,000
	GxT 250 - 1400	2	0.7	0.8	0.75	550	1,375	118
		192				126	760	14,031,118
Total Laguna Salada Project	GxT 50-100	211	0.4	1.5	0.78	96.6	706	9,038,000
	GxT 100 - 250	204	0.4	1.9	0.88	172	847	4,993,000
	GxT 250 - 1400	50	0.7	0.8	0.75	550	1,375	118
		465	0.1	2.4	0.93	155	842	28,038,000

The results have been separated into three groups according to the uranium grade-thickness value from each trench. Grade-thickness (the uranium grade in ppm multiplied by the thickness in metres of the uranium-bearing layer in each trench). This table shows the average grade and average thickness of all the trenches within each of the three groups or contour-bounded intervals. The arithmetic average thickness of the uranium-vanadium-bearing layer in the 465 trenches is 0.93 metres at an average sample grade of 155ppm U₃O₈ and 842ppm V₂O₅. The average density of the gravel is 1.68 tonnes per cubic metre.

Regulatory Update in Chubut Province

The Laguna Salada Project is located in Chubut Province of Argentina, where an open-pit mining ban is currently in effect. Draft legislation is under review in the Provincial Legislature, which proposes that mining carried out in an environmentally and socially responsible manner be allowed in the central, semi-desert plain of the region. A similar approach that allows mining in the central plain, which is an area of low economic viability, is in effect in the adjacent Santa Cruz Province. Laguna Salada and several other mining projects are situated in this central plain of Chubut Province including CNEA's (Argentinean National Nuclear Authority) Cerro Solo uranium deposit and Pan American Silver's Navidad silver project, both of which are due to be mined by open-pit methods. Both of these projects are moving towards production and indications are that a change in Chubut Province's mining policy may be made in late 2011.

Mr. John Goode, P.Eng., a Qualified Person within the definition of that term in NI 43-101 of the Canadian Securities Administrators, has overseen the metallurgical test work carried out by SGS Lakefield, and verified the technical information relating to the tests from which results are reported in this press release. Dr. Richard Spencer, P. Geo., President & CEO of U3O8 Corp., a Qualified Person within the definition of that term in NI 43-101 of the Canadian Securities Administrators, has supervised the preparation of, and verified the technical information relating to the Laguna Salada Project and the grade-thickness information provided above.

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 uranium exploration and development. 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.

For further information on U3O8 Corp's Laguna Project, refer to the technical report entitled "The Geology of Uranium Mineralization of the Laguna Salada Project, Chubut Province, and exploration strategies for exploration of early-stage properties in Argentina" prepared by Richard Spencer and Richard Cleath dated March 23, 2010, which is available on the company's web site at www.u3o8corp.com or on SEDAR at www.sedar.com. Potential quantity and grade is conceptual in nature. There has been insufficient exploration to define a mineral resource at the Laguna Salada Project to date, and it is uncertain if further exploration will result in the target being delineated as a 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 possibility that the open-pit mining ban in Chubut Province may not be lifted or amended on terms that would allow for mining of the Laguna Salada Project, 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 exploration projects, currency fluctuations, dependence upon regulatory approvals, and the uncertainty of obtaining additional financing and exploration risk. There is no assurance that the Laguna Salada Project will add to U3O8 Corp's resource base in the short-term, or at all. 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.

For information, please contact:
U3O8 Corp.
(416) 868-1491

Nancy Chan-Palmateer
Vice President, Investor Relations
nancy@u3o8corp.com

Richard Spencer
President & CEO
richard@u3o8corp.com

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