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Press Release

U3O8 Corp. reports initial uranium-vanadium resource estimate on the Laguna Salada Project, Argentina

Resource estimate contributes towards rapid resource growth profile in 2011

Toronto, Ontario ï April 7, 2011 ï **U3O8 Corp. (TSX Venture: UWE)**, a Canadian-based company focused on exploration and resource expansion of uranium and associated commodities in South America, reports an initial National Instrument 43-101 resource estimate on the uranium- and vanadium-bearing gravels in the Laguna Salada Project, Chubut Province, Argentina as follows:

Uranium:
- Indicated Resource: 6.3 million pounds (ñmlbsò) U_3O_8 (47 million tonnes at a grade of 60ppm U_3O_8);
- Inferred Resource: 3.8mlbs U_3O_8 (21 million tonnes at a grade of 85ppm U_3O_8);

Vanadium:
- Indicated Resource: 57mlbs V_2O_5 (47 million tonnes at a grade of 550ppm V_2O_5); and
- Inferred Resource: 27mlbs V_2O_5 (21 million tonnes at a grade of 590ppm V_2O_5).

ñWe have demonstrated that the Laguna Salada Project contains a continuous and coherent core of mineralization whose grade can be increased, through a simple and inexpensive beneficiation process, to a level that is typical of the grade of ore that is fed into the mill of operating mines on similar deposits elsewhere in the world,ò said Dr. Richard Spencer, U3O8 Corpôs President and CEO. ñWe plan to pursue a path of continued resource growth through the exploration of possible extensions to the Laguna Salada Project as well as through exploration of similar targets in Santa Cruz Province in southern Argentina.ò

Beneficiation

A key attribute of Laguna Salada is the ease with which the uranium and vanadium in the free-digging, unconsolidated gravel can be beneficiated by screening as reported in U3O8 Corpôs press release of March 2, 2011. Screening of the gravel increases the uranium grade up to 12 times in the Guanaco area of the project and by approximately four-times in the Lago Seco sector. In estimating appropriate cut-off grades for uranium at Laguna Salada, we took into account that operating mines on similar deposits, such as Langer Heinrich in Namibia, typically have a mill feed grade of 500-600ppm U_3O_8 after beneficiation[1].

Our estimated cut-off grades for the two distinct mineralized areas at Laguna Salada were determined as follows:

- Guanaco: at a cut-off grade of 25ppm U_3O_8, the average grade of the Indicated Resource is 55ppm U_3O_8, which would lead to a head grade of up to 550ppm (55ppm U_3O_8 x 10-times enrichment by beneficiation); and

- Lago Seco: at a 100ppm U_3O_8 cut-off grade, the average grade of the Indicated Resource is 145ppm U_3O_8, which would lead to a head grade of up to 580ppm (145ppm U_3O_8 x 4-times enrichment by beneficiation).

Table 1 – Resource Estimate Summary

A summary of the resource estimates for uranium and vanadium in the Laguna Salada Project is shown below. The recommended cut-off grades for the two mineralized areas, taking into account their distinct beneficiation characteristics, are: 25ppm U_3O_8 for Guanaco and 100ppm U_3O_8 for Lago Seco. The resource estimates set forth below are dated effective April 6, 2011.

Guanaco Ordinary Kriging Estimate Using 100m x 100m x 1m Parent Cell. Density of 1.9 t/m^3						
			Average Grade		Contained Metal	
Category of Resource	Lower cut-off (ppm U_3O_8)	Tonnes (millions)	Average Grade U_3O_8 (ppm)	V_2O_5 (ppm)	U_3O_8 (millions of lbs)	V_2O_5 (millions of lbs)
Indicated	**25**	**44.6**	**55**	**530**	**5.5**	**52.0**
	50	17.6	85	585	3.3	22.7
	75	6.5	125	615	1.8	8.8
	100	3.9	155	630	1.3	5.4
Inferred	**25**	**19.4**	**80**	**555**	**3.4**	**23.7**
	50	11.6	110	600	2.8	15.3
	75	6.8	140	700	2.1	10.5
	100	4.6	170	780	1.7	7.9

Lago Seco Ordinary Kriging Estimate Using 100m x 100m x 1m Parent Cell. Density of 1.7 t/m^3						
			Average Grade		Contained Metal	
Category of Resource	Lower cut-off (ppm U_3O_8)	Tonnes (millions)	Average Grade U_3O_8 (ppm)	V_2O_5 (ppm)	U_3O_8 (millions of lbs)	V_2O_5 (millions of lbs)
Indicated	25	17.3	75	580	2.8	22.1
	50	12.6	85	610	2.3	16.9
	75	5.6	115	715	1.4	8.8
	100	**2.7**	**145**	**840**	**0.9**	**5.0**
Inferred	25	8.6	65	715	1.3	13.5
	50	5.0	85	835	0.9	9.2
	75	2.5	110	985	0.6	5.3
	100	**1.3**	**130**	**1,065**	**0.4**	**3.1**

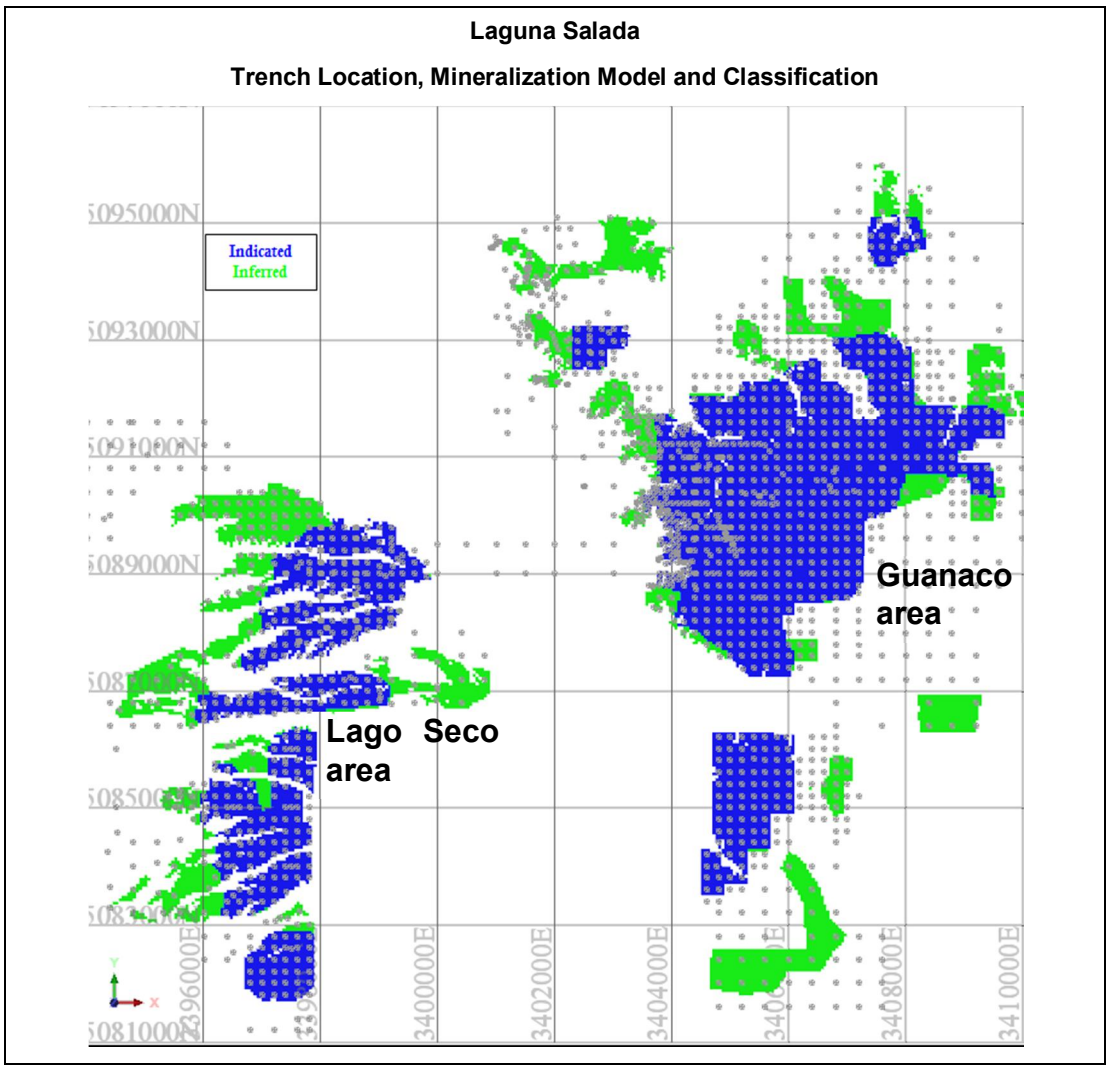
Summary of Resource for the Laguna Salada Project using recommended cut-off grades for the Guanaco and Lago Seco areas						
			Average Grade		Contained Metal	
Category of Resource	Lower cut-off (ppm U_3O_8)	Tonnes (millions)	Average Grade U_3O_8 (ppm)	V_2O_5 (ppm)	U_3O_8 (millions of lbs)	V_2O_5 (millions of lbs)
Indicated Resources						
Guanaco	25	44.6	55	530	5.5	52.0
Lago Seco	100	2.7	145	840	0.9	5.0
Total Indicated		47.3	60	550	6.3	57.1
Inferred Resources						
Guanaco	25	19.4	80	555	3.4	23.7
Lago Seco	100	1.3	130	1,065	0.4	3.1
Total Inferred		20.8	85	590	3.8	26.9
Note: Resource figures have been rounded						

Mineralization

Uranium-vanadium at Laguna Salada is contained in flat-topped mesas that are about 10 metres (ñmò) higher than the surrounding plain. The mineralized layer ranges between 0.2m and 1.5m thick, averaging 0.9m and lies at surface to a maximum depth of 3m in unconsolidated sandy gravel. Carnotite, the principal uranium-vanadium mineral at Laguna Salada, occurs as a powdery filling between the sand grains and as a partial rim on pebbles in the gravel. Mineralization remains open in both the Guanaco and Lago Seco areas of Laguna Salada. Exploration of the possible extensions to the project will be deferred until there is clear progress on the proposed lifting of the open-pit mining ban that is currently in effect in Chubut Province.

Details of Resource Estimate

Figure 1. Map shows the distribution of Indicated and Inferred Resources estimated at Laguna Salada. Grey dots show the distribution of trenches and the grey squares measure 2km by 2km.



- Trench coverage for the project areas ranges from a dominant 200m x 200m to localized regions of less than 100m. The trenches have been dug to a depth of up to 6m, averaging 2.8m deep.

- The trenches were sampled vertically with sample intervals ranging from 0.1m to 2.8m with an average interval of 0.95m. The mineralization has an average 3D vertical thickness of 1.1m.

- The bulk of the trench samples (1,662 out of 1,996 used in the resource estimate) were whole samples taken from the sampled interval. 334 samples were also included which were sieved using a 1/4ò screen prior to assaying. A mass weighting was applied to these samples to bring the assay to a whole-sample proportion.

- Samples taken prior to June 2008 were analysed at Alex Stewart Assayers Argentina using ICP-MS or ICP-AES after jaw crushing and pulverisation. Samples taken after June 2008 were analysed by ALS Chemex in Mendoza City using ICP-AES after crushing and pulverisation to -75 microns.

- A total of 894 trenches were used to form the Guanaco estimate, for a total of 1,379 samples; and 431 trenches were used to form the Lago Seco estimate, for a total of 617 samples.

- Density data was based upon nine test pits, with volume measured using the sand-volume method. The quantum of the nine test pits density values was supported by some 268 density values obtained by measuring the mass of the gravel within drums of known volume. *The drum density values are thought to underestimate the density due to expansion of sample and further density testwork is recommended for the project.*

- A nominal 25ppm U_3O_8 lower cut-off was used to define the mineralized zone boundaries from each of the prospects. The resulting mineralization interpretations showed very good geological continuity.

- The topographic surface was based upon satellite topography with ground control points located throughout the project area. The survey data was rectified to 10m X and Y for use in the model.

- The grade data (U_3O_8 and V) and length were accumulated for each mineralized interval along with the Length of the intersected mineralization. Variography and search neighbourhood analysis were used as an input into the estimation. High grade cutting was applied to the grade x length composites and length composites prior to estimation.

- U_3O_8 x Length, V x Length and Length were estimated using Ordinary Kriging (OK) with back calculation of U_3O_8 and V through the use of Length as an ancillary variable. Parent blocks of 100m x 100m x 1m were used with sub-celling to 50m x 50m x 0.25m (X, Y, Z) to allow adequate volume definition. The resulting model was validated against alternate OK methods and in 3D.

- Density was applied to each of the deposits based upon a statistical analysis of the density data. An *in situ* dry bulk density of 1.95t/m^3 was used for reporting the Guanaco area and 1.7t/m^3 for the Lago Seco sector.

- The available QAQC data has been evaluated and found to be appropriate for use in the current resource estimation studies by Coffey Mining.

- Resource classification was developed from the confidence levels of key criteria including trenching methods, geological understanding and interpretation, sampling, data density and location, grade estimation and the quality of the estimate.

- Further work is required to appropriately define the unconformity-hosted mineralization which represents a different target in the Guanaco area, and to obtain more detailed density information.

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A technical report prepared in accordance with National Instrument 43-101 of the Canadian Administrators (ñNI 43-101ò), containing the Mineral Resource set forth above, will be filed on SEDAR shortly, and not later than 45 days from the issuance of this news release.

The information that relates to the Mineral Resource is based on information compiled by Neil Inwood. Mr. Inwood is a Member of The Australasian Institute of Mining and Metallurgy, is employed by Coffey Mining Pty Ltd, and visited the Laguna Salada site in May 2010. Mr. Inwood has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to qualify as a Competent Person as defined in the 2004 Edition of the ñAustralasian Code for Reporting of Mineral Resources and Reservesò and as a ñqualified personò for purposes of NI 43-101. The disclosure contained in this news release relating to the Mineral Resource set forth above has been prepared under the supervision of, and verified by, Mr. Inwood and is included herein with his consent.

All other scientific and technical information contained in this news release has been prepared under the supervision of, and verified by Dr. Richard Spencer, P. Geo, President & CEO of U3O8 Corp., a ñqualified personò within the meaning of NI 43-101.

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 CNEAôs (Argentinean National Nuclear Authority) Cerro Solo uranium deposit and Pan American Silverôs 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 Provinceôs mining policy may be made in late 2011.

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 ï 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 resources in Guyana and Argentina to significant historic resources in Colombia.

For further information on U3O8 Corpôs Laguna Project, refer to the technical report entitled ñThe Geology of Uranium Mineralization of the Laguna Salada Project, Chubut Province, and exploration strategies for exploration of early-stage properties in Argentinaò prepared by Richard Spencer and Richard Cleath dated March 23, 2010, which is available on the companyôs web site at www.u3o8corp.com or on SEDAR at www.sedar.com.

(1) Similar deposits elsewhere in the world such as Langer Heinrich typically have a mill feed grade of 500-600ppm. These deposits have not been independently verified by U3O8 Corp. and information regarding these deposits is drawn from publicly available information.

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. 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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