

## Press Release

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## U308 Corp. completes \$4.5 million financing for new rare earth subsidiary

TORONTO, Ontario – May 18, 2011 – U308 Corp. (TSX Venture: UWE) (U308 Corp. or “the Company”) reports that it has completed its previously announced private placement (the “Offering”) for the new rare earth subsidiary, South American Rare Earth Corp. (“SAREC”), of 22,577,900 Units (the “Units”) at a price of \$0.20 per Unit for aggregate proceeds of \$4,515,580. Insiders of U308 Corp. purchased, directly or indirectly, approximately \$1.8 million of the Offering.

Each Unit consists of one common share in SAREC (a “Common Share”) and one-half of one Common Share purchase warrant (a “Warrant”). Each full Warrant is exercisable into one Common Share at a price of \$0.30 per Common Share for a period ending on the earlier of (i) 24 months following the public listing of the Common Shares; and (ii) five years following the completion of the Offering. The agent for the Offering was PowerOne Capital Markets Ltd. (“PowerOne”).

In consideration for the services of PowerOne, SAREC paid a cash commission and issued broker warrants (“Broker Warrants”) equal to 7.5% of the Units issued in the Offering. Each Broker Warrant is exercisable into one Unit of SAREC at a price of \$0.20 per Unit for a period ending on the earlier of (i) 24 months following the public listing of the Common Shares; and (ii) five years following the completion of the Offering.

The net proceeds will be used to explore the Jasimampa property in Argentina, and to search for and acquire additional properties prospective for rare earth metals. U308 Corp. holds a 19.9% interest in SAREC as well as a 2% net smelter royalty in return for its interest in the Jasimampa property. U308 Corp. will initially direct exploration activities and will be reimbursed for funds used to explore the Jasimampa property.

#### About U308 Corp.

U308 Corp. is a Toronto-based exploration company focused on exploration of uranium and associated commodities in South America – a promising new frontier for uranium exploration and development. U308 Corp. has one of the most advanced portfolios of uranium projects in the region comprising NI 43-101 resources in Guyana and Argentina and significant historic resources in Colombia. Additional information on U308 Corp., each material project and technical reports are available on the company’s web site at [www.u308corp.com](http://www.u308corp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

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#### 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 U308 Corp., including, but not limited to, the impact of general economic conditions, industry conditions, volatility of financial markets and commodity prices, currency fluctuations, dependence upon regulatory approvals, and the uncertainty of obtaining 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.*