The **Uranium** Discovery Company

U3O8 CORP

8 King Street East
Suite 710
Toronto, ON M5C 1B5
Canada

T 416.868.1491
F 416.868.1497
www.u3o8corp.com
TSX-V: UWE

Press Release

U3O8 Corp. reports positive metallurgical results with 82% uranium recoveries from the Kurupung Project, Guyana

Toronto, Ontario – July 26, 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 uranium recoveries of 82% from the first phase of ongoing metallurgical testwork on the Kurupung Project in Guyana by SGS Minerals Services ("SGS") in its Lakefield, Ontario, laboratory.

"These positive initial metallurgical results constitute an important step in advancing the Kurupung Project from a uranium discovery to a deposit of significant potential value," said Dr. Richard Spencer, U3O8 Corp's President and CEO. "A broad framework has now been established through which uranium can be extracted from the host rock and serves as a baseline from which additional metallurgical testing aims to refine and improve the efficiency of the extraction process. Infill drilling also continues to progress well in the Aricheng area towards our goal of increasing our current National Instrument 43-101 ("NI 43-101") resource on the Kurupung Project by the end of 2011[1]."

Metallurgical Testwork

The metallurgical testing was conducted on hard-rock core samples from 24 bore holes in the Aricheng North and Aricheng South deposits[1] of the Kurupung Project. These bore holes are representative of potential bulk ore and include a range of samples from low-grade to high-grade material. The individual samples were shipped from Guyana to SGS's facility in Lakefield, Ontario, where they were blended together to form one composite sample that has a grade of 0.1% U_3O_8.

The composite sample material was ground to a nominal 100 micrometres. Flotation was used to separate the bulk of the carbonate from the sample, which generated a high-carbonate fraction (approximately 20% of the original sample mass) and a low-carbonate fraction (about 80% of the original sample mass). The two fractions required different processing and leaching techniques as follows:

- **Low-carbonate fraction:** The low-carbonate fraction, that contains approximately 80% of the uranium, was re-ground to about a 40 micrometre grain size and leached at a temperature of 95°C. Uranium extraction was 85% after eight hours, increasing to 91% after 24 hours and to 93% after 72 hours. This equates to a uranium recovery of 74% (93% extraction of 80% of the original sample). 208 kilograms ("kg") of acid per tonne of whole ore had been added by the 24-hour mark, of which 50 grams per litre (equivalent to 100kg per tonne) remained in solution and would be available for recycling. Assuming a conservative 80% of the acid is recycled, net acid demand would be in the range of 144kg per tonne of whole ore.

- **High-carbonate fraction:** The high-carbonate fraction was subjected to alkaline leaching, in which a mixture of sodium carbonate and bicarbonate is used as the leach reagent instead of acid. The high-carbonate fraction contains about 20% of the uranium and yielded recoveries of 37.5% on material ground to 100 micrometres and 42% on the re-ground material (40 micrometre grain size). This equates to 8% recovery on a whole ore basis, contributing to a total uranium recovery of 82% (74% through acid leach + 8% from alkaline leach). There was little sulphate dissolved in the carbonate leach tests indicating modest reagent consumption.

Testwork is ongoing to refine these broad initial metallurgical results. Planned tests aim to increase the efficiency of the flotation process used to separate the majority of uranium-bearing minerals from carbonate minerals, the principal consumer of acid. Greater efficiency in the flotation process should lead to a further reduction in acid consumption. Further work also aims to optimize the acid and carbonate leach steps applied to the flotation products.

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, 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 Kurupung Project provided above.

SGS has been undertaking metallurgical testwork for over 50 years and its Lakefield facility is ISO/IEC 17025 accredited.

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 and Argentina to significant historic resources in Colombia.

(1) Scout drilling results suggest that the ten Kurupung structures identified to date may contain a conceptual target of 13-18 million tonnes at a grade of 0.08% to 0.10% U_3O_8 (estimated 30 to 35 million pounds ("mlb") U_3O_8) including the initial NI 43-101 resource estimate. The initial NI 43-101 resource estimate of 5.8mlb Indicated at an average grade of 0.10% (2.0 lbs/st) U_3O_8 and 1.3mlb Inferred at an average grade of 0.09% (1.9 lbs/st) U_3O_8 has been reported on the Aricheng North and Aricheng South structures in the Kurupung Batholith. 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.

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, metallurgical test results 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 Kurupung 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