

Press Release

U3O8 Corp. signs letter of intent to joint venture its non-core Sierra Cuadrada Project in Argentina

TORONTO, Ontario – December 6, 2011 – **U3O8 Corp. (TSX Venture: UWE)**, a Canadian-based company focused on exploration and resource expansion of uranium and green commodities in South America, has signed a letter of intent with U3O8 Limited (“UTO”), an Australian uranium exploration company, to form a joint venture to explore U3O8 Corp’s Sierra Cuadrada Project in Chubut Province, Argentina (Figure 1). Through this agreement, UTO will have the right to earn a 51% interest in the Sierra Cuadrada Project by spending US\$1 million in exploration over a maximum of four years. UTO will manage the exploration of the project.

The Sierra Cuadrada Project, which is 100% owned by U3O8 Corp., is prospective for sandstone-hosted uranium mineralization. Despite the prospectivity of the Sierra Cuadrada concessions, U3O8 Corp’s focus is on exploration and resource growth on its lead projects in Colombia, Argentina, and Guyana.

“We are delighted to have a company of the caliber of U3O8 Limited of Australia entering into a joint venture to explore our Sierra Cuadrada Project,” said Dr. Richard Spencer, U3O8 Corp’s President and CEO. “This arrangement exposes our shareholders to further discovery potential while we focus on resource expansion and creating value in our top-ranking projects, namely the multi-commodity Berlin Project in Colombia, the Laguna Salada uranium-vanadium deposit in Argentina, and the Kurupung uranium deposit in Guyana. U3O8 Limited is the second foreign company to enter into an agreement for uranium exploration in Chubut Province in as many months. Cameco was the other, who entered into a strategic alliance with a private company to explore ground adjacent to the state-owned Cerro Solo uranium deposit in Chubut. This interest underscores our view of the potential of this emerging uranium district at a time when Argentina is expanding its nuclear energy generating capacity.”

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. 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. Additional information on U3O8 Corp. and its projects are available on the company’s web site at www.u3o8corp.com.

About U3O8 Limited

U3O8 Limited is an Australian-listed uranium exploration company with projects in Western Australia, Queensland and South Australia. In addition to its 100% owned properties, U3O8 Limited has joint ventures with Cameco in the Ashburton region, and with Northern Star Resources in the East Kimberley region, both in Western Australia. U3O8 Limited has successfully advanced shallow calcrete-hosted uranium projects including its Dawson-Hinkler Well deposit, recently sold to Toro Energy. Subsequently, the company’s exploration has extended to unconformity-style uranium, sandstone-hosted deposits and volcanic-hosted uranium.

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 exploration projects, currency fluctuations, legislative change, dependence upon regulatory approvals, and the uncertainty of obtaining additional financing, exploration risk and that a joint venture agreement will be finalized with U3O8 Limited. 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.

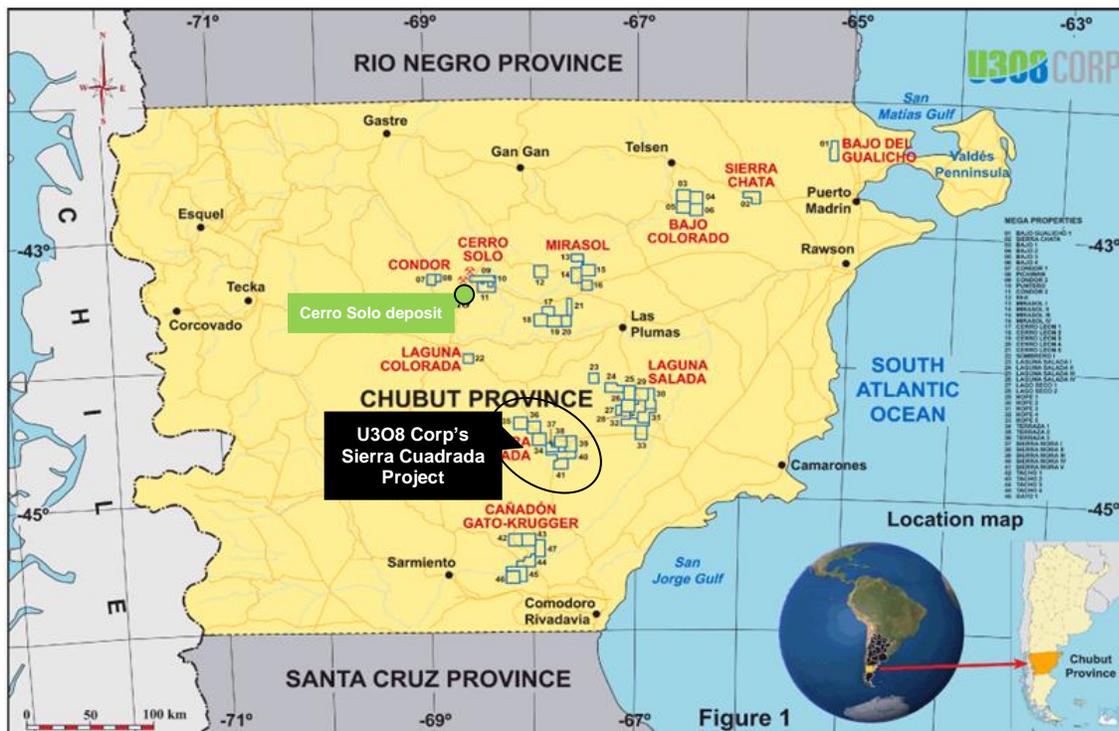
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Figure 1 – U3O8 Corp’s Exploration Properties in Chubut Province, Argentina



Map shows location of U3O8 Corp’s Sierra Cuadrada concessions (labeled in black). U3O8 Corp’s other properties in Chubut Province are labeled in red. Argentina’s state-owned uranium deposit, Cerro Solo, is marked by a green dot.