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: UWE
OTCQX: UWEFF

Press Release

U3O8 Corp. files PEA showing that its Berlin Project in Colombia could be a zero cash cost uranium producer

Project economics enhanced through further optimization work

Toronto, Ontario – February 14, 2013 – **U3O8 Corp. (TSX: UWE; OTCQX: UWEFF)**, a Canadian-based company focused on exploration and resource expansion of uranium and associated commodities in South America, has filed a National Instrument 43-101 ("NI 43-101") Preliminary Economic Assessment ("PEA") on its flagship Berlin Project in Colombia. The PEA evaluated two processing options for Berlin – both of which demonstrated positive project economics.

"The PEA shows that the uranium in the Berlin Project could be produced at zero cash cost thanks to the revenue generated from associated by-products – which would place Berlin in the lower quartile of potential uranium producers," said Dr. Richard Spencer, U3O8 Corp's President and CEO. "While conducted early in the life of the project, the study indicates that Berlin has robust economics based on just one-third of the resource potential of the property. The economic model also identified ways in which revenue could be increased and operating costs reduced in order to achieve higher margins to further enhance the project's economics. The Berlin PEA shows that, on the basis of this project alone, U3O8 Corp. continues to trade at a steep discount to its intrinsic value – and there is still considerable upside as the full potential of the property is explored through further drilling."

Economics of the one option in which acetic acid (vinegar) is used to beneficiate the mineralized material at Berlin, were reported in the December 13, 2012 press release. Positive economic results were also demonstrated in the PEA that considered an alternate route in which "as-mined" rock is crushed and processed without the beneficiation step ("non-acetic option"), which is the focus of this release.

PEA Highlights of the Non-Acetic Option (Pre-Tax Base Case at US$60/lb U_3O_8)

- Revenue of ~$406 per tonne ("t") of mineralized material against an operating cost of ~$201/t;
- Uranium cash cost of $0 per pound ("lb"), net of by-product credits;
- Net present value ("NPV") at a 10% discount is $223 million;
- Internal rate of return ("IRR") of 19% compared with a 17% IRR with the acetic option;
- Capital costs of $441 million including sustaining capital of $40 million and a $41 million contingency;
- Cumulative cash flow of $982 million over a 15-year mine life; and
- Average 1.2 million pounds ("Mlb") of uranium produced annually over the mine life from a 500,000t per year underground operation.

The PEA is based on an initial uranium resource of 1.5Mlb at 0.11% U_3O_8 Indicated and 19.9Mlb at 0.11% U_3O_8 Inferred, defined on three kilometres ("km") of the 10.5km mineralized trend at Berlin. Exploration drilling has shown similar grades extend over a further 3.3km of the trend for an additional conceptual target of 25-30Mlb[1] of uranium and this area is ready for resource drilling. Trenching shows that the remaining 4.2km of the Berlin trend is mineralized and this portion has yet to be drilled (Figure1).

(1) See the March 2, 2012 technical report: "Berlin Project, Colombia – National Instrument NI 43-101 Report" prepared by Coffey Mining Pty Ltd. and on U3O8 Corp's web site at www.u3o8corp.com. Based on the initial resource and scout drilling, there is a conceptual uranium target of 20-23Mt at 0.09% to 0.11% U_3O_8 (~45-50Mlb U_3O_8) on 6.3km of the Berlin trend. Potential quantity and grades are conceptual in nature. There has been insufficient exploration to define a mineral resource north of the current Berlin resource area, and it is uncertain if further exploration will result in additional mineral resources being delineated on the property.

The PEA is preliminary in nature as it includes Inferred mineral resources that are considered too speculative geologically for economic consideration that would enable them to be classified as mineral reserves. Mineral resources are not mineral reserves and have not demonstrated economic viability. There is no certainty that the results of the PEA will be realized.

In the non-acetic option, the Berlin Project is expected to generate $2.8 billion in revenue with operating cash flow of $982 million over the 15-year life of the mine. Uranium (35%), phosphoric acid (31%), nickel (15%), vanadium (9%) and yttrium (6%) represent the most significant commodities in the mineralized material at Berlin. The value of the by-products covers the cost of mining and extracting the uranium, resulting in Berlin having a production cash cost of less than $0/lb of uranium.

The economic viability of the Berlin Project is not dependent on beneficiation using acetic acid. In fact, the non-acetic route is moderately more economic yielding a NPV of $223 million at a 10% discount with an IRR of 19% (Table 1). This compares with a 17% IRR on the acetic option. Additional resource growth is likely to result in a higher IRR than the current 19% by providing flexibility to extend the mine life and increase the mining rate.

Table 1 – Discounted Cash Flow Calculation on Berlin NPV (in $ million) to Uranium Price

Uranium Price		**$40**	**$50**	**$60 (Base Case)**	**$70**	**$80**
Discount Rate	0%	$663	$822	$982	$1,142	$1,302
	5%	$291	$391	$491	$591	$691
	10%	$90	$157	$223	$290	$356
	15%	($21)	$24	$71	$117	$163

	IRR	**14%**	**16%**	**19%**	**21%**	**23%**
Pay-back period (years)		5.9	5.2	4.6	4.2	3.8

Capital Costs

The Berlin PEA estimates a capital investment of $441 million including $40 million in sustaining capital and a $41 million contingency.

Table 2 – Summary of Capital Costs

Items	**In millions**
Mining	$74
Process plant	$177
Infrastructure and tailing management	$84
Other (EPCM, indirect costs, etc.)	$65
Contingency	$41
TOTAL	**$441**

Operating Costs

Revenue estimated from the non-acetic option is $406/t of mineralized material against operating costs of $201/t with operating cash flow of $205/t.

Table 3 – Summary of Operating Costs

Items	Per tonne of mineralized material
Revenue	$406
Operating Costs:	
Revenue-based royalties	$18
Mining & dewatering	$60
Processing	$103
G&A	$4
Contingency	$16
	$201
Operating Cash Flow	**$205**

Tonnage of Yearly Commodity Production with Price Assumptions used for Revenue Estimates

Compound	Yearly production (t)	Price
U_3O_8	532	$60/lb
NH_4VO_3	2,137	$9/kg
H_3PO_4 (Phosphoric acid)	63,485	$1/kg
$Y(OH)_3$	257	$50/kg
$NiCO_3$	1,482	$9.25/lb
$Nd(OH)_3$	33	$50/kg
Mo	136	$12/lb
Zn	1,534	$0.89/lb

The uranium price is the average reported price for long-term contracts over the previous 12 months. Other commodities are based on current international market prices. A benefit of the ferric leach process used to extract the elements at Berlin is that a solution is generated from which metal salts are readily produced. In some cases, metal salts command a higher price than the metal itself. The salt prices vary widely with purity. In all cases, the lowest available price or conservative estimates are used. Since there is no quoted price for yttrium and neodymium hydroxides, a >25% discount is applied to the one-year average oxide price to allow for the conversion of the hydroxide to oxide. Where reliable pricing for the salt was unavailable, the associated metal price is used to ensure conservative price assumptions, e.g. Mo and Zn.

A copy of the PEA technical report: "U3O8 Corp. Preliminary Economic Assessment on the Berlin Deposit, Colombia" is available on the company's web site at www.u3o8corp.com or SEDAR at www.sedar.com.

Focus Areas for Further Enhancement of Project Economics:

Optimization in the following areas should help to increase revenue while reducing operating costs to further enhance the project's economics:

- Rhenium, a valuable potential by-product, is excluded from the financial model in the PEA. Due to the extremely good correlation of rhenium grades with molybdenum, rhenium is assumed to be associated with the molybdenite. Further work is required to prove this assumption before rhenium is included in the financial model;

- The current plant is designed to recover manganese that is added as a reagent in the process as well as manganese contained in the mineralized material. Revenue from manganese is excluded from the financial model as there is no resource estimate for this metal. Manganese will be included in the next resource update on Berlin;

- The ferric leach process is only moderately efficient at extracting nickel (66%), molybdenum (51%), rhenium (33%) and silver (25%) from the mineralized material. Ongoing test work indicates that flotation may be far more efficient in extracting these metal into a sulphide concentrate from which higher recoveries could be achieved. Results of this test work will be reported shortly;

- Due to the high carbonate content of the mineralized material, acid costs form the largest component of operating costs. Progress is being made using flotation as a means of reducing the carbonate content of the material that subsequently undergoes ferric leach. Results of ongoing test work will be released shortly; and

- The PEA includes a conservative estimate of the amount of electricity that can be generated from heat from the acid plant. More detailed design should result in a larger credit to operating costs from plant-generated electricity.

Dr. Richard Spencer, P. Geo., President & CEO of U3O8 Corp. and a Qualified Person as defined by NI 43-101, has supervised the preparation of, and verified the technical information contained in this press release relating to the Berlin Project and the PEA.

About U3O8 Corp.

U3O8 Corp. is an advanced 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. From 2010 to 2012, U3O8 Corp's uranium resources grew 7-fold with deposits now in Colombia, Argentina and Guyana comprising of:

- Berlin Project, Colombia – its flagship property contains a uranium deposit supported by a high-value suite of by-products including phosphate, vanadium, rare earths (yttrium and neodymium) and other metals;

- Laguna Salada Project, Argentina – a near surface, free-digging uranium, vanadium deposit that is potentially amenable to low-cost mining and processing methods; and

- Kurupung Project, Guyana – an initial uranium deposit in a large emerging uranium district.

Additional information on U3O8 Corp. and its mineral resources are available at www.u3o8corp.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 future results of metallurgical test work, whether results of metallurgical test work on a smaller scale to date can be duplicated on a larger scale, the impact of general economic conditions, industry conditions, the timing of laboratory results and preparation of technical reports and PEAs, the actual results of independent scoping studies and subsequent metallurgical testing, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates and that the resource potential and PEA will be achieved on the Berlin Project and other exploration projects, currency fluctuations, legislative change, 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.

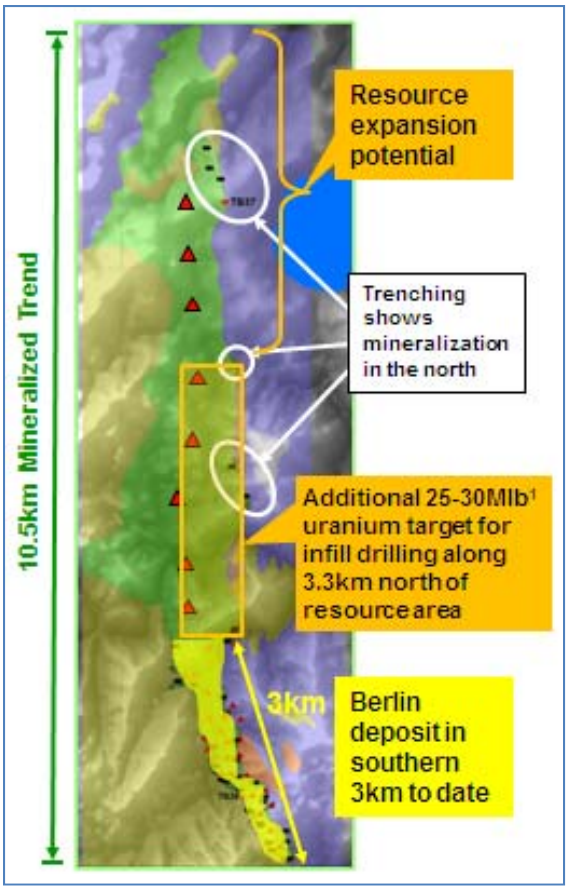
For information, please contact:

U3O8 Corp. (416) 868-1491

Richard Spencer
President & CEO
richard@u3o8corp.com

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

Figure 1 – Map Shows the NI 43-101 Resource Area on the Berlin Project



Geological map of the Berlin Project draped on an image of topography, which shows the extent of the sedimentary rocks that contain the mineralized layer at Berlin (green), enclosed by older basement rocks (blue) and younger alaskite intrusive stocks (brownish green).

The PEA is based on the maiden NI 43-101 resource that has been defined in just the southern 3km of the 10.5km Berlin trend (yellow shaded area). Exploration drilling has shown that the Berlin deposit could grow to add another 25-30Mlb[1] of uranium along the 3.3km north of the current resource area (orange shaded rectangle). Resources in phosphate, vanadium, rare earths and other metals are expected to increase in tandem with the uranium resource. The remaining third of the property is still to be drilled where trenching has reported similar mineralization and grades at surface.