

Press Release

U308 Corp. advancing strategy for near-term development to meet Argentina's growing need for domestic uranium supply

Recent Calypso acquisition sets up longer-term pipeline for further growth

TORONTO, Ontario – May 16, 2013 – **U308 Corp. (TSX: UWE; OTCQX: UWEFF)**, a Canadian-based company focused on exploration and resource expansion of uranium and associated commodities in South America, outlines its growth strategy in Argentina, which aims to position U308 Corp's Laguna Salada Deposit, defined in accordance with National Instrument 43-101 ("NI 43-101"), as a potential low-cost, near-term producer while setting up a pipeline of projects for sequential exploration.

U308 Corp's Argentina strategy comprises:

Near-term production potential: Given its simplicity, Laguna Salada in Chubut Province could be positioned for potentially near-term production using low-cost mining and processing techniques that would comply with stringent environmental requirements in Chubut's mining legislation. This NI 43-101 deposit lies within three metres of surface in soft gravel that requires no blasting or crushing. A preliminary economic assessment ("PEA") is anticipated in late 2013, and envisages continuous surface mining whereby the gravel is scooped into a cylindrical, rotating screen to separate the pebbles from the mineralized fines. The pebbles would be returned to the excavated area, contoured to recreate the original topography, seeded and reclaimed while mining continues in the adjacent area. The fine-grained mineralized material would be leached with an alkaline solution to extract the uranium and vanadium.

Another key step in the development of Laguna Salada is expected to be reported on shortly. In addition, other discoveries in U308 Corp's concessions in the Laguna Salada region offer further resource expansion potential.

Longer-term pipeline: U308 Corp. has been building strategic holdings in other, longer-term projects in Argentina including an enviable land position adjoining the country's largest known uranium deposits (the state-owned Cerro Solo and Sierra Pintada Deposits). U308 Corp's land position has been further strengthened with properties held by Calypso Uranium Corp. ("Calypso"), which was recently acquired in a friendly transaction:

- *Cerro Solo District, Chubut Province* – U308 Corp. holds exploration concessions adjacent to the Cerro Solo Deposit¹ that is currently being drilled by the Argentine State (Figure 1). We see the Cerro Solo region as the next development opportunity after Laguna Salada, and have, therefore, positioned U308 Corp. as a key player in the anticipated consolidation of this emerging uranium district. Cameco is reported to be drilling with a joint venture partner in the Cerro Solo district.
- *Sierra Pintada, Mendoza Province* – Calypso's concessions dove-tail with U308 Corp's land position so that we now control the property extensions to the State's past-producing Sierra Pintada Deposit¹ – Argentina's largest uranium deposit (Figure 2).
- *Huemel District, Mendoza Province* – Calypso also added exploration ground over and enclosing the State's Huemel Deposit (Figure 3), a historic mine that produced uranium, copper and vanadium.

Argentina – A Growing Nuclear Country and Regional Leader (Figure 4)

With Laguna Salada as one of the most advanced projects in Argentina followed by a strong pipeline to drive further growth, U3O8 Corp. is well placed to contribute to domestic uranium production to reduce Argentina's 100% reliance on imported nuclear fuel. With two fully operating reactors, a third reactor currently being tested and scheduled to be in commercial production by the end of the year, and a fourth reactor out to tender, Argentina represents a sizeable market for locally produced uranium. In addition, with Brazil's third reactor reported to be reliant on imported fuel, and Argentina having signed nuclear cooperation agreements with China, the United Arab Emirates and South Korea, there is significant export potential for Argentine uranium. And Argentina's nuclear leadership in South America is reflected in its research centres, medical isotope and enrichment facilities and small modular reactor design.

(1) *The Cerro Solo Deposit in Chubut Province has a 20 million pound ("Mlb") resource at 0.20% U₃O₈ and the Sierra Pintada Deposit in Mendoza Province has a 22Mlb resource at 0.10% U₃O₈, which are both owned by the National Atomic Energy Commission of Argentina (CNEA) (Source: CNEA, IAEA Redbook 2011).*

The Cerro Solo and Sierra Pintada Deposits are considered historic resources and do not conform to NI 43-101. They may vary materially from NI 43-101 estimates and should not be relied upon. U3O8 Corp. has not verified these historic resources and is not treating the historic estimates as current mineral resources. However, U3O8 Corp. believes the historic resources are relevant and offer fair descriptions of the projects' known mineralization.

Dr. Richard Spencer, P. Geo., U3O8 Corp's President & CEO 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.

About U3O8 Corp.

U3O8 Corp. is an advanced exploration company focused on exploration and resource expansion of uranium and associated commodities in South America. From 2010 to 2012, U3O8 Corp's uranium resources grew 7-fold with three NI 43-101 deposits defined in Colombia, Argentina and Guyana comprising of:

- **Berlin Deposit, Colombia** – a recent PEA shows Berlin could be a zero cash cost uranium producer thanks to revenue from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals occurring in the same deposit;
- **Laguna Salada Deposit, Argentina** – a near surface, free-digging uranium, vanadium deposit that is potentially amenable to low-cost mining and processing methods; and
- **Kurupung Deposit, Guyana** – an initial uranium deposit in a large emerging uranium district.

Additional information on U3O8 Corp., its mineral resources and NI 43-101 technical reports are available at www.u3o8corp.com. Follow U3O8 Corp. on: Facebook: www.facebook.com/u3o8corp, Twitter: www.twitter.com/u3o8corp, Youtube: www.youtube.com/u3o8corp.

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, the PEA will be achieved on the Berlin Project and positive economics will be reported in a Laguna Salada PEA, currency fluctuations, legislative change, and the uncertainty of obtaining additional financing, exploration risk and that the Calypso properties will result in a mineral resource. 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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President & CEO

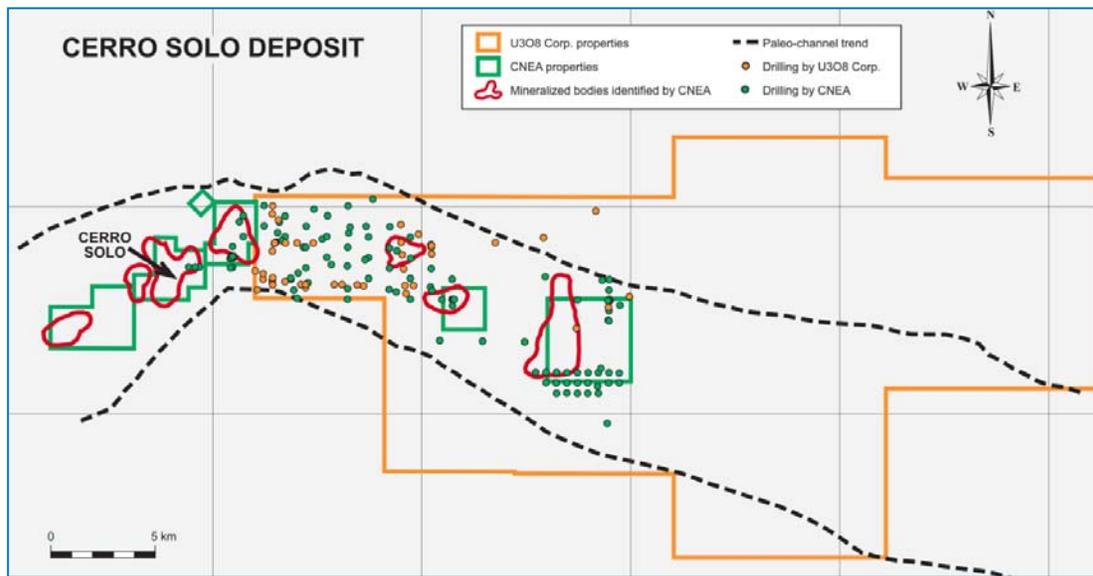
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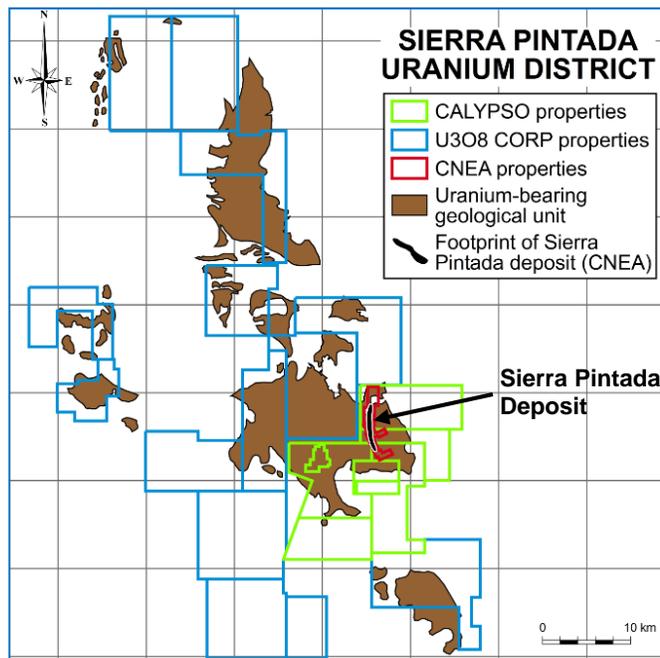
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Figure 1 – U3O8 Corp’s Strategic Land Position in the Cerro Solo District in Chubut, Argentina



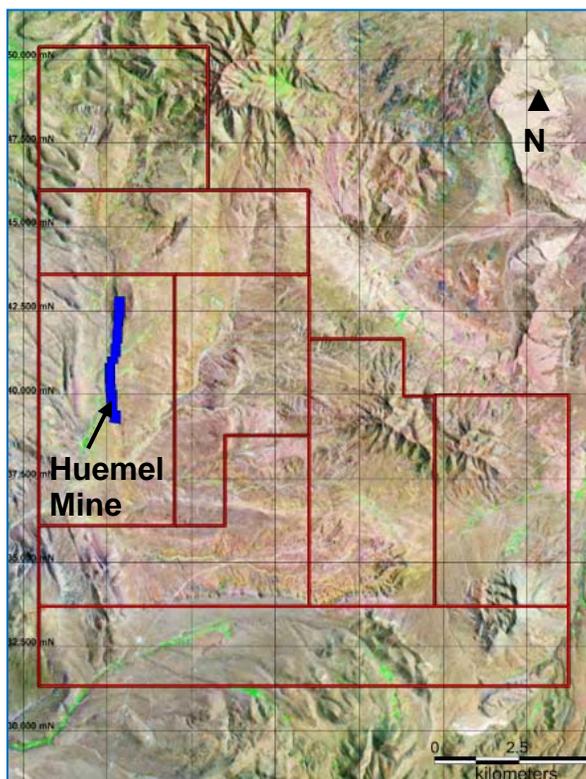
CNEA (Argentina’s nuclear authority) properties and exploration drilling locations are marked in green. U3O8 Corp’s properties and previous drilling locations are marked in orange. The State’s Cerro Solo uranium deposit, that the Argentine Government is currently drilling, and other mineralized bodies identified by CNEA are outlined in red. The black dashed line marks the uranium-bearing geological trend in the Cerro Solo district.

Figure 2 – U3O8 Corp’s Properties Adjoining State’s Sierra Pintada Deposit in Mendoza, Argentina



With the Calypso acquisition, U3O8 Corp. controls the extensions to Argentina’s largest uranium deposit, the State-owned Sierra Pintada (black footprint) – a past-producing mine. U3O8 Corp’s properties are outlined in blue. U3O8 Corp’s concessions acquired from Calypso are outlined in green. The CNEA properties are outlined in red.

Figure 3 – U3O8 Corp’s Properties Enclosing State’s Historic Huemel Mine in Mendoza, Argentina



U3O8 Corp. controls the ground over and around CNEA’s past-producing Huemel uranium mine (blue outline). U3O8 Corp’s properties, acquired through Calypso, are outlined in red.

Figure 4 – Argentina’s Nuclear Leadership and Expansion Plans

Argentina imports all of its fuel and is seeking domestic uranium production for its growing nuclear program – opening local, regional and international market opportunities for U3O8 Corp. Argentina’s nuclear leadership and expansion plans are reflected in:

A growing nuclear fleet

- Nuclear will power 9% of Argentina’s electricity when its 3rd reactor comes online this year
- 4th reactor out for tender

ATMEA 1

Investing in current reactors

- 2 operating reactors
- US\$240 million loan from the Development Bank of Latin America to extend Argentina’s Embalse reactor for 25 years
- Westinghouse Electric just contracted for upgrade work on the Embalse reactor

EMBALSE

Co-operation agreements with fast-growing nuclear countries

- Recently signed nuclear agreements with China & UAE as well as agreements with South Korea, Russia & Brazil

Brazil could be a regional market for uranium produced in Argentina

- Brazil has stated it’ll need to import uranium for its 3rd reactor now under construction
- Argentina & Brazil are party to a regional free trade agreement

Leader in nuclear technology in South America

- Argentina has its own enrichment facility, produces medical isotopes & has designed a next generation, small-scale reactor
- Argentina & Brazil to jointly build 2 research reactors

(Sources: World Nuclear Association, World Nuclear News, Cantor Fitzgerald, IAEA, *Economico Valor*)