

Press Release

U3O8 Corp. & Chubut Provincial Government in advanced negotiations to partner on the Laguna Salada Project in Argentina

Aim to provide framework to develop this potentially low-cost, near-term production project

Toronto, Ontario – August 27, 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, is in advanced discussions to enter into a joint venture with Petrominera Chubut S.E. (“Petrominera”), the provincial mining company of Chubut Province, Argentina. The proposed partnership would bring together U3O8 Corp’s Laguna Salada Project and adjoining Petrominera concessions for further exploration, resource growth and establish a framework for potential development of the Laguna Salada Deposit in compliance with the stringent requirements of the current provincial mining law.

“This proposed joint venture with Chubut’s provincial mining company represents a key milestone on the path to positioning the Laguna Salada Deposit as a potentially low-cost, near-term uranium producer in a country that has a comprehensive and growing nuclear energy program,” said Dr. Richard Spencer, U3O8 Corp’s President and CEO. “The principal points of our negotiations cover exploration of Petrominera’s mineral concessions onto which we believe our Laguna Salada Deposit extends, as well as laying down a framework under which the deposit could be developed on reasonable terms for both parties. With a preliminary economic assessment (“PEA”) expected later this year, Laguna Salada is well placed as one of the most advanced uranium projects in Argentina at a time when the country imports 100% of its nuclear fuel and is seeking domestic uranium supply.”

Laguna Salada Deposit

U3O8 Corp’s Laguna Salada Project is a near-surface, free-digging deposit on which an initial uranium-vanadium resource has been defined in accordance with National Instrument 43-101 (“NI 43-101”). Laguna Salada could be moved into production within a relatively short time-frame using low-cost mining and processing methods. Mineralization lies within three metres from surface in soft, pebbly gravel that requires no blasting or crushing. The plan is that a continuous surface miner would lift gravel onto screens to separate the pebbles and coarse material from the fine, mineralized material. The fine-grained material would be alkaline leached to extract the uranium and vanadium, while the gravel would be continuously returned to the mined area to be recontoured to its original topography and revegetated. This mining method ensures that no open pit is left behind and would comply with current Chubut mining law. Alkaline leach tests on the metal-rich fines extracted 90-94% of the uranium and up to 50% of the vanadium in a short leach time of four hours with a low reagent consumption.

Argentina – A Growing Nuclear Country

Argentina offers a ready market for locally produced uranium as well as regional and international opportunities for U3O8 Corp. The country’s leadership across the nuclear fuel cycle and expansion plans are reflected in:

- 9% of Argentina's electricity is expected to come from nuclear when a third reactor comes online this year. A fourth reactor is out for tender and a fifth reactor is in the planning stages;
- A US\$240 million loan from the Development Bank of Latin America will be used to extend the life of its Embalse Reactor for 25 years and increase its output by 7%. Westinghouse Electric Company recently won a contract related to this upgrade;
- Co-operation agreements with fast-growing nuclear countries, United Arab Emirates, China, South Korea, Russia and Brazil;
- Imported uranium is reported to be needed for Brazil's third reactor now under construction – Brazil and Argentina are members of Mercosur, a regional free trade agreement; and
- Argentina has its own uranium enrichment facility, produces medical isotopes, has built research reactors for domestic use as well as Australia, Peru, Egypt, and its small reactor design is being considered to power massive desalination plants in Saudi Arabia.

Sources: World Nuclear Association, World Nuclear News, Reuters

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 that 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 technical reports are available at www.u3o8corp.com. Follow U3O8 Corp. on Facebook: www.facebook.com/u3o8corp, Twitter: www.twitter.com/u3o8corp and Youtube: www.youtube.com/u3o8corp.

All scientific and technical information in this press release has been prepared under the supervision of Dr. Richard Spencer, P. Geo., President and CEO of U3O8 Corp. and a "qualified person" as defined by NI 43-101. For more on Laguna Salada, refer to the May 20, 2011 technical report: "Laguna Salada Project, Chubut Province, Argentina: NI 43-101 Technical Report: Initial Resource Estimate." available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain information in this release are forward-looking statements with respect to the proposed joint venture and development plans, economic potential and growth targets of U3O8 Corp's current projects. Forward-looking statements consist of statements that are not purely historical, including statements regarding beliefs, plans, expectations or intentions for the future, and include, but not limited to, statements with respect to: (a) a joint venture with the Chubut Government, (b) the low-cost, near-term production goal of Laguna Salada, (c) compliance with current Chubut mining law, (d) the Laguna Salada and Berlin PEAs, (e) the market opportunities for uranium from Argentina, and (e) the potential of the Kurupung district in Guyana. Assumptions on which such statements are based include that: (i) discussions with the Chubut Government will be favourable, (ii) actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will continue to be positive and proceed as planned, (iv) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U3O8 Corp., and (v) economic, political and industry market conditions will be favourable.

However, such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including, but not limited to: (1) that a joint venture will be formed with the Chubut Government, (2) timing and outcome of the PEA or that a mine will be achieved on the Laguna Salada Project in compliance with current Chubut mining law, (3) a mine will be achieved on the Berlin Deposit and other exploration projects, (4) results from small scale metallurgical test work can be duplicated on a larger scale, (5) the inherent uncertainties and speculative nature associated with exploration results, resource estimates, potential resource growth, future metallurgical test results, changes in project parameters as plans evolve, (6) volatility of commodity prices, (7) dependence on regulatory approvals and changes in legislation, environmental compliance, community support and the political and economic climate, (8) availability of future financing, and (9) exploration risk and other factors beyond the control of U3O8 Corp. including those factors set out in the "Risk Factors" in our Annual Information Form available on SEDAR at www.sedar.com. 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. U3O8 Corp. assumes no obligation to update such information, except as may be required by law.

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