

## Press Release

### **U308 Corp. signs agreement for near-term production potential of frac sand from its Carina property in Argentina**

*Opportunity to generate cash flow in the short-term from non-core asset*

Toronto, Ontario – January 16, 2014 – **U308 Corp. (TSX: UWE; OTCQX: UWEFF)**, a Canadian-based company focused on exploration and development of uranium resources and associated commodities in South America, has granted rights to a 100 hectare (“Ha”) area of its Carina property in Chubut Province, Argentina (Figure 1) to an Argentine operator for which U308 Corp. will receive annual cash option payments and a 7.5% gross royalty on production (“NSR”). The Carina property contains silica sand for potential use in the production of oil and gas from shale.

“The frac sand opportunity on the Carina property provides U308 Corp. with potential for modest cash flow in the short-term without further expenditure from us, while giving our shareholders exposure to a fast-growing market; frac sand production in the US has increased almost 500% between 2009 and 2013 to 31 million tonnes (“t”) per annum,” said Dr. Richard Spencer, U308 Corp’s President and CEO. “The Carina concession could be one of the closest known potential sources of frac sand to the Vaca Muerta basin in Argentina, which is considered one of the largest oil shale fields in the world and has attracted significant investment from major oil companies in the latter half of 2013. Although we are evaluating all options related to this non-core asset, the Carina property is likely to be vended to a company focused on frac sand to maximize this opportunity. U308 Corp’s core business remains the development of its uranium projects with our priority being to finalize the definitive joint venture agreement with Petrominera Chubut S.E., the provincial mining company, and completing the preliminary economic assessment (“PEA”), both of which are targeted for Q1 2014 in order to position the Laguna Salada Deposit in Argentina as a potential low-cost, near-term uranium producer.”

#### **Carina Property – Frac Sand Opportunity<sup>1</sup>**

Frac sands are made up of tiny silica beads that are pumped down production wells to hold induced fractures in shale open so that oil and gas can seep out of the otherwise impermeable rock. Frac sands are critical to the shale oil industry with each well typically requiring around 2,000t of frac sand to maintain production. In Wisconsin, which accounts for 75% of the US market, frac sand-mining has grown to be a \$1 billion per annum industry over the last three years.

U308 Corp’s Carina concession is located approximately 900 kilometres (“km”) by road along National Routes 3 and 22 from the Vaca Muerta oil shale basin in Neuquen Province, Argentina (Figure 1). The Vaca Muerta is about the size of Connecticut and estimated to contain 22.5 billion barrels of unconventional oil, which could make it one of the largest oil shale fields in the world ([www.vacamuertashale.com](http://www.vacamuertashale.com)). After the nationalization of YPF in early 2012, over which the Argentine government has now made an offer for compensation, government initiatives to attract investment in the oil sector have resulted in an influx of foreign companies to Argentina. As a result, major oil companies such as Chevron, Brazil’s Petrobras, China National Oil Corp., France’s Total SA, Wintershall Holding GmbH (Germany’s largest oil company) and Pan American Energy (a subsidiary of BP) have partnered with YPF and the Neuquen provincial government, for the exploration of the Vaca Muerta shale.

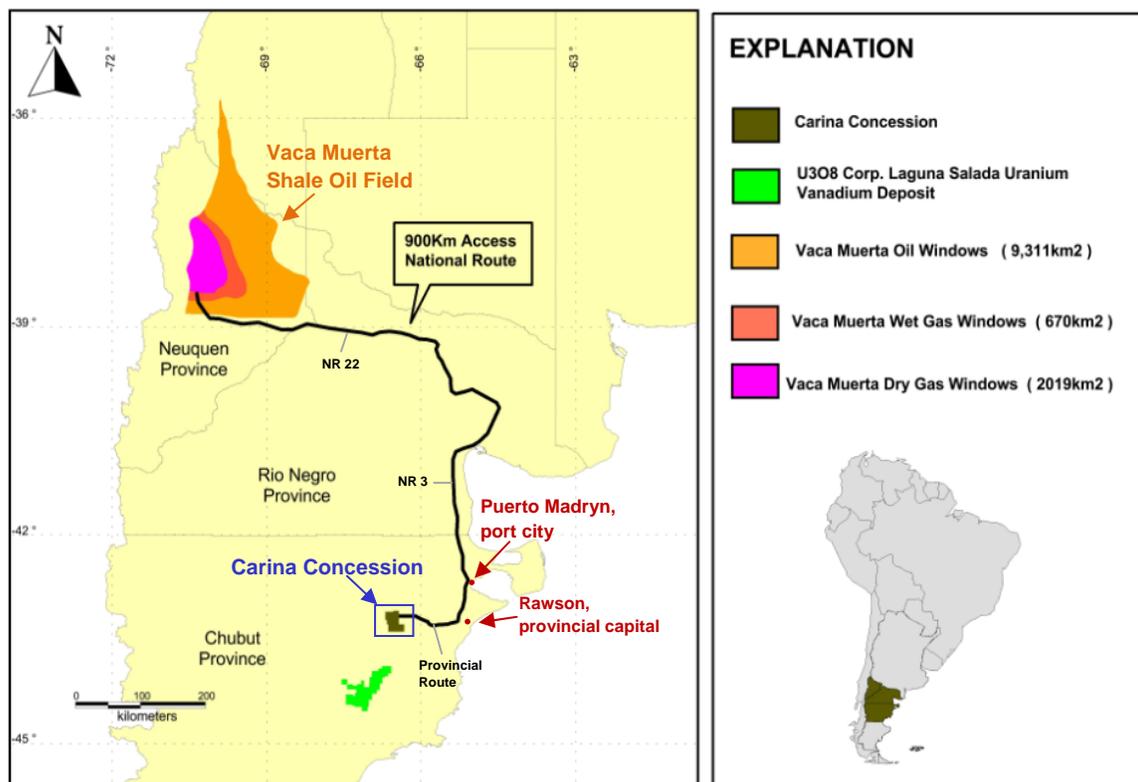
Frac sands for Argentina’s emerging shale oil and gas industry are primarily imported from Brazil and the US with minor local production estimated to be around 500t per month. As a major untapped source of shale oil, the Vaca Muerta basin provides a large developing market for domestically produced frac sand.

U3O8 Corp. has signed an agreement with an Argentine operator over a 100Ha section of the Carina property. The operator is obliged to reach a minimum production of 1,000t of frac sand per month by January 2015, 2,000t by January 2016 and 3,000t by January 2017 for which U3O8 Corp. will receive nominal annual cash option payments and a 7.5% NSR. The operator will bear all costs associated with the development of the 100Ha area including plant construction, transportation fleet and obtaining the environmental permit for production.

The quartz sand that contains the silica beads at Carina is exposed at surface over an area of approximately 500Ha in a bed that averages approximately 10 metres thick with potential to extend further beneath younger cover. The sand would be excavated in a quarry in which no blasting nor crushing would be required. The sand would be screened to concentrate and extract the silica beads of the required size. The screening is done with water – no chemicals are used. Indications are that beneficiation of the Carina sand by more stringent screening could result in a product that has all the optimal characteristics required for frac sands under ISO 13503-2 standards.

(1) Sources: Hart Energy, Madison, Daily Resource Hunter, YPF, Bloomberg, Chevron, TNPetroleo, Interfaxenergy, Buenos Aires Herald and other news outlets.

**Figure 1 – Location of the Carina Concession Relative to the Vaca Muerta Shale and the Deep Water Port of Puerto Madryn in Argentina**



The Carina concession (marked by a blue box) in Chubut Province on which quartz sand that contains the silica beads is exposed at surface over an area of approximately 500Ha. A joint venture agreement has been reached with an Argentine operator on a 100Ha area of Carina. The Carina property is located approximately 900km by road on National Routes 3 and 22 from the Vaca Muerta shale oil field in Neuquen Province.

## **About U3O8 Corp.**

U3O8 Corp. is focused on exploration and development of uranium resources and associated commodities in South America. The company's uranium resources comprise three deposits defined in accordance with National Instrument 43-101 located in Colombia, Argentina and Guyana:

- **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](http://www.u3o8corp.com). Follow U3O8 Corp. on Facebook: [www.facebook.com/u3o8corp](http://www.facebook.com/u3o8corp), Twitter: [www.twitter.com/u3o8corp](http://www.twitter.com/u3o8corp) and Youtube: [www.youtube.com/u3o8corp](http://www.youtube.com/u3o8corp). Below

### **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) beneficiation test work on Laguna Salada, (f) the Carina property, including potential for near-term production and cash flow, (g) the market opportunities for uranium and silica sands from Argentina, and (h) the potential of the Kurupung district in Guyana. Basis for such assumptions 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, (iii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U3O8 Corp., and (iv) 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 not 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) the Carina property will not be developed as anticipated and silica potential not realized; (4) risks that a mine will not be achieved on the Berlin Deposit and other exploration projects, (5) that beneficiation test work will continue to be favourable and results from small scale metallurgical testing can be duplicated on a larger scale, (6) 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, (7) volatility of commodity prices, (8) dependence on regulatory approvals and changes in legislation, environmental compliance, community support and the political and economic climate, (9) availability of future financing, and (10) 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](http://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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