

## Press Release

### **U3O8 Corp. spins out its Carina property in Argentina into a frac sand focused company to maximize opportunity**

*Potential for near-term cash flow while creating platform to capitalize on Argentina's shale oil & gas boom*

Toronto, Ontario – May 29, 2014 – **U3O8 Corp. (TSX: UWE; OTCQX: UWEFF)**, a Canadian-based company focused on exploration and development of uranium resources and associated commodities in South America, has vended its 100% interest in the Carina property in Chubut Province, Argentina (Figure 1) to South American Rare Earth Corp. ("SAREC"), a private investee company of U3O8 Corp. As consideration for Carina, U3O8 Corp. increases its ownership in SAREC from 13% to 39% as well as retaining a 7.5% net smelter royalty ("NSR") on frac sand production from the property. The Carina concession is prospective for frac sand for potential use in the extraction of oil and gas from shale.

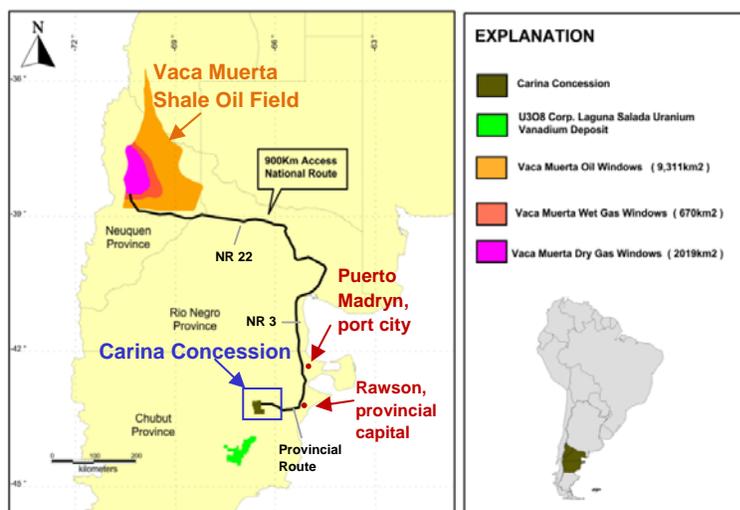
"The spin out of Carina provides an opportunity to maximize value from this property by placing it in a company that is focused on frac sand, rather than holding it as a non-core asset in U3O8 Corp.," said Dr. Richard Spencer, U3O8 Corp's President and CEO. "The frac sand potential at Carina is within trucking distance of the Vaca Muerta basin, which is estimated to contain the world's third largest shale oil and gas resource and represents a large, emerging market for domestic frac sand supply in Argentina. Currently, most of the country's frac sand is imported from Brazil, China and the USA. A joint venture with a local operator on the Carina property is advancing towards production at no cost to us, and could generate modest cash flow in the near-term. U3O8 Corp's immediate priority remains on the completion of the preliminary economic assessment ("PEA") on the Laguna Salada uranium deposit, which has taken longer than anticipated due to additional test work having been required on one component of the uranium-vanadium extraction process. We expect to announce results of the PEA imminently."

SAREC acquired the Carina property interest from U3O8 Corp. on the following terms:

1. On the joint venture area of Carina, SAREC receives a 7.5% gross royalty from the operator;
2. U3O8 Corp. receives a 7.5% NSR on any frac sand production from the whole of the Carina property including the joint venture block;
3. Issuance of 19 million shares of SAREC, increasing U3O8 Corp's ownership to 39% of SAREC; and
4. U3O8 Corp. maintains a right to explore for uranium and vanadium on the Carina property and a right of first refusal on any uranium-vanadium mineralization otherwise encountered on the property.

The transaction is subject to final approval by the Toronto Stock Exchange.

**Figure 1 – Carina Concession Relative to the Vaca Muerta & Deep Water Port of Puerto Madryn**



The Carina concession block (located in the blue box) in Chubut Province is located about 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 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](https://www.facebook.com/u3o8corp), Twitter: [www.twitter.com/u3o8corp](https://www.twitter.com/u3o8corp) and Youtube: [www.youtube.com/u3o8corp](https://www.youtube.com/u3o8corp).

Sources: [www.vacamuertashale.com](http://www.vacamuertashale.com), Professional Logistics Group.

### **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) the low-cost, near-term production goal of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) beneficiation test work on Laguna Salada, (d) the Carina property, including potential for near-term production and cash flow, (e) the market opportunities for uranium and frac sands from Argentina, and (f) the potential of the Kurupung district in Guyana. Basis for such assumptions include that: (i) actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will continue to be positive and proceed as planned, (ii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U3O8 Corp., and (iii) 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) 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, (2) the Carina property will not be developed as anticipated and frac sand potential not realized; (3) risks that a mine will not be achieved on the Berlin Deposit and other exploration projects, (4) that beneficiation test work will continue to be favourable and results from small scale metallurgical testing 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](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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