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Press Release

U3O8 Corp. files positive PEA that recommends its Laguna Salada Project in Argentina advance to pre-feasibility

Toronto, Ontario – September 25, 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 filed a National Instrument 43-101 ("NI 43-101") Preliminary Economic Assessment ("PEA") on its Laguna Salada Deposit in Argentina. The PEA was undertaken by internationally recognized engineering firm, Tenova Mining & Minerals. The economic model shows that uranium at Laguna Salada would be produced at an average life-of-mine ("LOM") cash cost of $21.62 per pound ("lb") of U_3O_8, net of a vanadium credit, and the total capital cost of $136 million would be paid back in 2.5 years (Table 1). All figures in this press release are in US$, unless otherwise noted.

"The PEA confirms that Laguna Salada would be among the uranium industry's lowest cash cost producers – in the same league as in-situ recovery and Athabasca Basin projects," said Dr. Richard Spencer, U3O8 Corp's President and CEO. "In addition, the economic model shows that a larger resource at Laguna Salada would significantly improve the project's economics. Hence, the PEA recommends resource expansion onto the adjacent La Susana area that has a footprint larger than the current deposit, and also onto the La Rosada target, where exploration returned average grades 30 times higher than at Laguna Salada. The estimated exploration budget to establish resources on these new areas is $1.8 million. The study also recommends that the project be advanced to pre-feasibility study with associated on-site pilot plant work."

Table 1 – PEA Highlights (base case, pre-tax, $60/lb U_3O_8)[1]

Average annual uranium produced	**0.64Mlb**
Average annual vanadium produced	**0.96Mlb**
Mine life	**10 years**
Cumulative free cash flow	**$109M**
NPV at 7.5% discount	**$55M**
IRR	**24%**
Payback period	**2.5 years**
LOM average uranium cash cost, net of vanadium credit	**$21.62/lb**
Average uranium cash cost over 2.5 year payback period	**$16.14/lb**
Capital investment (incl. sustaining & 20% contingency)	**$136M**

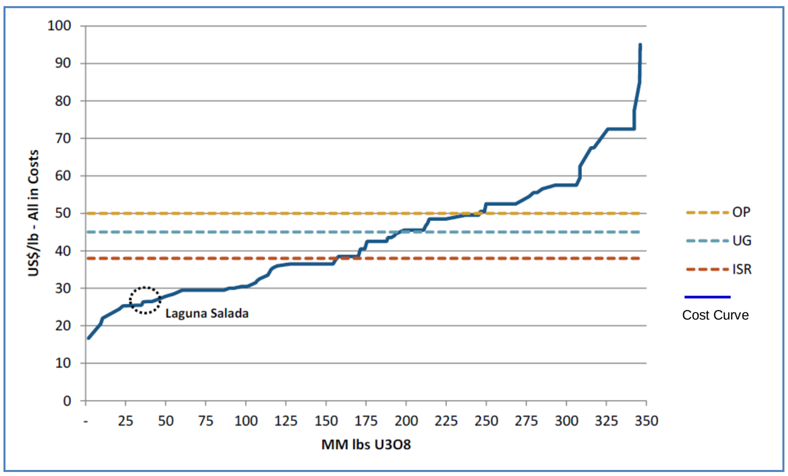
(1) Uranium cash cost includes a 3% net smelter royalty ("NSR") payable to the Provincial Government. The PEA is preliminary in nature as it includes Inferred mineral resources that are considered too speculative geologically for economic consideration that would enable them to be classified as mineral reserves. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that the results of the PEA will be realized.

Low Cost of Uranium Production

The PEA estimates a LOM cash cost of $21.62/lb of uranium, net of a vanadium by-product credit, and including a 3% NSR to the Chubut Province. Vanadium contributes 14% of revenues, on average. This would put the Laguna Salada Deposit well within the lower quartile in terms of production cash costs in the uranium industry (Figure 1) and competitive with operating costs of uranium mines in the Athabasca Basin and low-cost in-situ recovery ("ISR") operations.

Since the Laguna Salada mineralization lies in an unconsolidated, flat lying sheet just below surface, mining could start in the richest part of the deposit where revenue would be maximized so that the capital cost of the project could be paid back in 2.5 years. By taking this approach, initial uranium cash cost averages at $16.14/lb during the payback period or $11.66 in year 1 and $14.05 in year 2, gradually rising as uranium grades decrease over the 10-year mine life for an average cash cost of $21.62 (Figure 2).

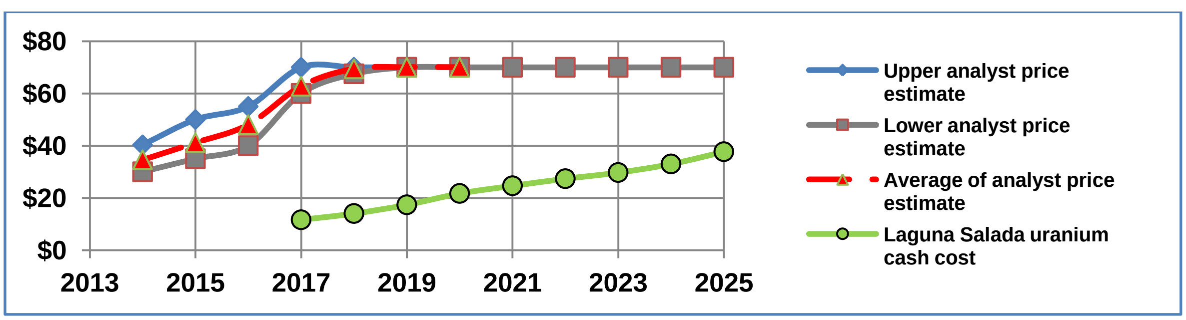
Figure 1 – Industry Cost Curve Comparison of Uranium Production



OP – open pit production; UG – underground production; ISR – in-situ recovery production

Sources: Dundee Capital Markets, UxC Consulting.

Figure 2 – Laguna Salada Cash Cost Per Pound Relative to Forecast Uranium Prices[2]



(2) While the graph assumes Laguna Salada potentially in production in 2017, the timeline is subject to market conditions, available funding, permitting and other associated risk factors. There is no assurance that a mine will be constructed and put into production on the project. Sources: Analysts' consensus price forecasts include Raymond James, Cantor Fitzgerald, Dundee Capital Markets, Haywood Securities, Canaccord Genuity and RBC Capital.

Net Present Value ("NPV") and Internal Rate of Return ("IRR")

The PEA demonstrates that the project should generate healthy operating margins relative to analysts' uranium price forecasts (Figure 2). The economic model was based on a $60/lb uranium ($U_3O_8$) price and $5.50/lb for vanadium ($V_2O_5$) to yield a NPV of $55 million at a 7.5% discount with a pre-tax IRR of 24% (18% post-tax IRR). At the consensus uranium price forecast of $70/lb, estimated to commence in 2019, the project's NPV (at a 7.5% discount rate) would increase to $98 million, the IRR would increase to 35% and the payback period would shorten to 1.9 years (Table 2).

U3O8 Corp. undertook this PEA before the full extent of the deposit is known in order to have independent verification that Laguna Salada's production cost would be comparable with the uranium industry's lowest-cost producers. As both the IRR and NPV are sensitive to deposit size, our next step aims to increase the resource, which would significantly improve both of these economic measures. For example, doubling the size of the Laguna Salada resource (and assuming a similar grade profile to the current resource), and doubling the production rate, would result in the NPV (at a 7.5% discount) increasing to $180 million and the IRR to 44%. The capital cost of a plant that has double the capacity would be approximately $25 million more than the current plant design (or a total of $138 million including contingency and sustaining capital) and would produce an average of 1.2 million pounds ("Mlb") of uranium and approximately 2Mlb of vanadium per year over a 10-year mine life.

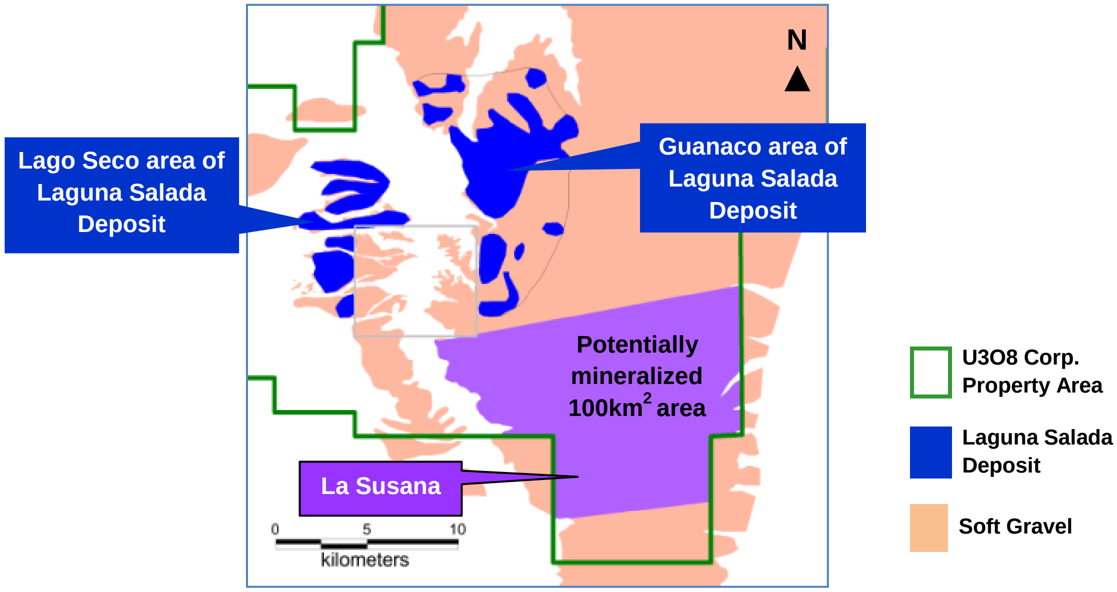
The immediate goal is further exploration on the La Susana area that appears to be an extension of the Laguna Salada Deposit, and on the La Rosada target, which show potential to increase the current resource to 20-25Mlb[3] of uranium (Figure 3).

(3) Based on the initial resource at Laguna Salada and exploration of other mineralized areas, there is an initial conceptual uranium target of 150-225 million tonnes at 50ppm to 60ppm U_3O_8 (~20-25Mlb U_3O_8) identified in the Laguna Salada district to date. Potential quantity and grades are conceptual in nature. There has been insufficient exploration to define a mineral resource beyond the current resource, and it is uncertain if further exploration will result in additional mineral resources being delineated in the region.

Table 2 – Discounted Cash Flow Estimates on the Laguna Salada NPV and IRR to Uranium Price

Uranium Price		**$45**	**$50**	**$60 (Base Case)**	**$70**
Discount Rate (in $ millions)	0%	$16	$47	$109	$170
	5%	($3)	$22	$70	$118
	7.5%	($10)	$12	$55	$98
	10%	($16)	$4	$43	$82
	15%	($25)	($10)	$23	$55
IRR		**4%**	**11%**	**24%**	**35%**
Pay-back period (years)		4.7	3.7	2.5	1.9

Figure 3 – District-Scale Potential in the Laguna Salada Region



Location of the La Susana area in which exploration results have shown potential to significantly increase the current Laguna Salada resource.

Value per Fully Diluted Share of U3O8 Corp.[4]

U3O8 Corp. has now demonstrated positive economics on its lead projects in Argentina and Colombia as potential low-cost uranium producers with both deposits open for further expansion. Based on an initial NPV of $55 million (7.5% discount) as estimated in the current PEA, Laguna Salada equates to a base case value of $0.22 per fully diluted U3O8 Corp. share. In addition, the company's flagship Berlin Project in Colombia has an NPV (7.5% discount) of $312 million based on only one-third of its resource potential for a value of $1.25 per fully diluted U3O8 Corp. share. These two projects together equate to a value of $1.47 per fully diluted U3O8 Corp. share. Although the preliminary economics of Laguna Salada are skewed by its relatively high capital cost to its current resource size (which other discoveries show potential to expand the resource significantly), both our Argentina and Colombian projects are strongly leveraged to improving uranium prices.

(4) NPV and NPV per fully diluted U3O8 Corp. share do not represent a fair market value of either the Laguna Salada or Berlin project, nor of the shares of U3O8 Corp. (refer to Note 1 above).

Capital Costs

The Laguna Salada PEA estimates a $135.7 million capital cost, the main components of which are $16 million for mining and beneficiation equipment, $79 million for the processing plant, indirect costs of $11 million and contingency of $22 million (Table 3).

Table 3 – Summary of Capital Costs

Items	**(in $millions)**
Mining and beneficiation*	$16.0
Sustaining capital	$3.3
Processing plant and infrastructure	$79.1
Mine closure**	$2.0
Indirect costs (EPCM, insurance, temporary works, first fills & spares etc.)	$10.9
Working capital	$2.5
Contingency of 20%	$21.9
TOTAL	**$135.7**

**Mining cost estimates include $1.7 million for the tailings facility not reflected in the August 5, 2014 press release.*
*** Mine site reclamation and closure would be ongoing during the LOM and the majority of this cost is captured in operating costs.*

Operating Costs

Revenue of approximately $10/t of mineralized gravel against operating costs of $4.34/t would generate operating cash flow of $5.58/t (Table 4).

Table 4 – Summary of Operating Costs

Items	**Per tonne of mineralized gravel**
Revenue	$9.92
Operating Costs:	
Revenue-based royalties	$0.30
Mining	$0.99
Processing	$2.94
G&A	$0.12
Total Operating Costs:	**$4.34**
Operating Cash Flow	**$5.58**

**Numbers may not add due to rounding*

Recommended Budget and Work to Prepare for Pre-Feasibility

The PEA proposes a budget of $4.4 million for the work recommended for completion of a pre-feasibility study on the Laguna Salada Project (Table 5). Permitting (budgeted at $1.5 million), $1.1 million for infill trenching and drilling to upgrade 20Mlb of prospective resources to the Indicated category, and $1.5 million for a full feasibility study, would ready the project for a decision as to whether to commence construction.

Table 5 – Budget Summary for Recommended Work

Items	**Budget**
Resource estimate & expansion	$1,817,000
Metallurgy	765,000
Pilot plant test work	500,000
Water resource studies	315,000
Social & environmental	300,000
Pre-feasibility study	750,000
Budget for Completion of Pre-Feasibility Study	**$4,447,000**
Permitting (including environmental impact assessment)	1,500,000
Resource upgrade to 20Mlb Indicated	1,100,000
Feasibility study	1,500,000
Budget for Feasibility Study	**$4,100,000**
Total	**$8,547,000**

Dr. Richard Spencer, P.Geo., President and 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 Laguna Salada Project and the PEA.

A copy of the PEA technical report: "U3O8 Corp: Preliminary Economic Assessment of the Laguna Salada Uranium-Vanadium Deposit, Chubut Province, Argentina" dated September 18, 2014 is available on the company's web site at www.u3o8corp.com or SEDAR at www.sedar.com.

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 NI 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 a PEA shows would have a cash cost in the industry's lower quartile of uranium production; 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.

Forward-Looking Statements *Certain information in this release are forward-looking statements with respect to the 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 intensions for the future, and include, but not limited to, statements with respect to: (a) the low-cost production goal of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) the outcome of the recommended work will result in completion of pre-feasibility and feasibility studies on Laguna Salada; (d) market opportunities for uranium in Argentina and internationally, (e) the potential for a mineral resource to be established on the La Susana or La Rosada targets; (f) the potential for existing inferred mineral resources on any of the company's projects to be upgraded to the Indicated category; and (g) 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, and assumptions in the Laguna Salada and Berlin PEAs prove to be accurate, (ii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U3O8 Corp., (iii) economic, political and industry market conditions will be favourable, and (iv) adequate funding will be available.*

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 mine will be achieved on the Laguna Salada Project in compliance with current Chubut mining law, (2) that a mine will be achieved on the Berlin Deposit and other exploration projects, (3) that beneficiation test work will continue to be favourable and results from small scale metallurgical testing can be duplicated on a larger scale, (4) 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, (5) volatility of commodity prices; (6) dependence on regulatory approvals and changes in legislation, environmental compliance, community support and the political and economic climate, (7) availability of future financing, and (8) 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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