U3O8 Corp.: South American Silica Corp. Stakes Concessions in Uruguay on Receipt of Positive Frac Sand Test Results

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Potential to supply the Vaca Muerta Shale development in Argentina

TORONTO, ONTARIO--(Marketwired - Aug 27, 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, reports that South American Silica Corp ("SAS"), in which U3O8 Corp. has a 39% equity interest, has staked mineral concessions over an area with good frac sand potential in southern Uruguay. The Santa Lucia concessions total 260 hectares ("Ha") in extent and are located in an area of excellent infrastructure. The target market for frac sands from southern Uruguay is Argentina's Vaca Muerta Shale Basin which is ranked as the world's third largest shale-hosted gas reserve, and its fourth largest shale-hosted oil reserve. Frac sand is an essential component in the production of oil and gas from shale.

"SAS' exploration for frac sands has focused on areas that have good infrastructure and easy access to the giant Vaca Muerta shale oil and gas field in Argentina, which has already attracted over US$7 billion in committed investment and development, and from which oil and gas production has just started," said Dr. Richard Spencer, U3O8 Corp.'s President and CEO. "The development of the Vaca Muerta field is likely to be transformational to the Argentine economy and, following the example of the USA, is expected to lead to Argentina achieving energy independence in the medium term. SAS' staking of the Santa Lucia property represents an important step in developing a dominant position in frac sand potential in southern South America and diversifies its portfolio into Uruguay which is ranked alongside Canada, the USA and Chile for political and financial stability in the Americas."

The Santa Lucia concessions build on SAS' current property package in Chubut province in Argentina which, at 900 kilometres ("km") by paved road, is within easy trucking distance of the Vaca Muerta Basin (Figure 2). SAS has joint ventured with a local operator to commence production of frac sand from a portion of the Argentine property package in Q1 2015. The Argentine property package is located between the Vaca Muerta Basin and the San Jorge Basin, in which oil from shale was recently discovered. SAS has a royalty on production from the property and SAS maintains the right to commence production from the property package for its own account.

Test Results for Frac Sand Suitability at Santa Lucia

The ISO 13503-2 standard stipulates the characteristics (roundness, sphericity, crush resistance and chemical resistance) required for a sand to be suitable as a "proppant" for use in oil and gas extraction from shale by hydraulic fracturing. Test results show that the sands on the Santa Lucia property meet or exceed these ISO specifications for frac sands.

- **Fraction**: initial sampling shows that the 40/70 fraction (grains are between 0.2 millimetre ("mm") and 0.4mm in diameter) of the sand meets ISO requirements for fracking purposes (Table 1). Approximately 40% of the bulk sand is in the 40/70 fraction - a grain size commonly used for the extraction of oil, as opposed to gas, from hydrocarbon-bearing shale layers.

- **Sphericity and roundness:** tests show that the sand from the Santa Lucia property has average sphericity and roundness values of 0.7, which exceed ISO specifications that require average minimum roundness and sphericity values of 0.6.

- **Turbidity:** the target sand meets the ISO specification for turbidity with a value of 8FTU (Formazin Turbidity Units), which is well below the maximum allowable value of 250FTU. Turbidity is the cloudiness of a fluid caused by minute suspended particles.

- **Crush test:** a measure of the strength of the sand grains, and therefore their ability to withstand the pressure that the overlying rock would exert on the sand-filled fractures in the shale. This resistance is measured by the percentage of fine quartz shards and fragments that split off the quartz grains during pressure tests. The maximum proportion of quartz shards permissible for the 40/70 size fraction under ISO standards is 8% after the sample has been subjected to a pressure of 5,000 pounds per square inch ("5Kpsi"). The composite sample from the Santa Lucia property exceeds those requirements with 7.4% quartz shards measured after the crush test on the 40/70 size fraction.

- **K-Value:** test work shows the sands at Santa Lucia exceed this measure of the estimated pressure in Kpsi that would result in 10% shard and fragment development.

Table 1 - Summary test result of a composite sample from the Santa Lucia project relative to ISO 13503-2 requirements

Characteristic	ISO 13503-2 Requirement	Composite Test Result	Conformity to ISO Requirement
Fraction		40/70	
% of sand in that fraction		40 %	
Sphericity	0.6	0.7	Exceed
Roundness	0.6	0.7	Exceed
Turbidity	250 FTU	8 FTU	Exceed
Crush test (% fines at 5Kpsi)	8 %	7.4 %	Meet
K Value		5K	Meet

To view Figure 1, please visit the following link: http://media3.marketwire.com/docs/uweff0827fig1.pdf.

Nature of the Santa Lucia Target

The unconsolidated sand in the Santa Lucia concession block lies at surface in sparse vegetation over an area of approximately 260 Ha and is estimated to be at least seven metres ("m") thick. (The bulk density of the sand is 1.47t/m^3). Since the ground water table lies approximately 2m below surface, the sand is likely to be amenable to hydromining in which an initial excavation is made and allowed to fill with groundwater. Hoses are used to slough sand from the edge into the pool from where it is dredged, wet-screened and readied for packaging and shipment. The excavation advances across the mining area with material excavated from the leading edge of the pond being screened to extract the component of the sand that has desirable fracking characteristics, and the residual material being replaced at the trailing edge of the pool where it is subsequently re-vegetated. This mining method is not only cost-effective and efficient, but it minimizes the generation of dust so that the frac sand can be mined, processed and handled under the highest health and safety conditions.

Location and Access of the Santa Lucia Property to the Vaca Muerta

The Santa Lucia property is located in southern Uruguay, approximately 40km from the capital city of Montevideo, which has the most advanced container-handling port facilities in South America. This provides excellent access to the deepwater port at San Antonio del Oeste in Argentina that is 500km on sealed, all-weather roads from the Vaca Muerta Shale (Figure 2).

To view Figure 2, please visit the following link: http://media3.marketwire.com/docs/uweff0827fig2.pdf.

Map of southern South America shows the locations of SAS' Santa Lucia Project and Argentine property package relative to potential transport route for frac sand from the deepwater port in Montevideo in Uruguay

to the deepwater port of San Antonio del Oeste, the closest port to the Vaca Muerta Shale in Argentina. Shale basins with oil and gas potential in southern South America (Chaco, Parana and Austral-Magellanes), other than the giant Vaca Muerta Shale, are shown for reference.

Quality Assurance & Quality Control ("QAQC")

The samples were collected by SAS geological personnel and shipped to the USA for analysis and test work by Global Energy Laboratories of Butte, Montana. The geological information provided above has been reviewed by Dr. Richard Spencer, President and CEO of U3O8 Corp., who is a qualified person as defined in National Instrument 43-101 ("NI 43-101") of the Canadian Securities Administrators.

About Uruguay

Through Mercosur, Uruguay has a free trade agreement with Argentina that should facilitate supply of frac sand for development of the Vaca Muerta Shale. Between 2003 and 2012, Uruguay's GDP grew by an average 5.2% per annum. Its GDP in 2013 was 4% and is estimated to be 3.5% in 2014 and 2015 by the International Monetary Fund. If this GDP estimate is achieved in 2014 and 2015, the Uruguayan economy would have grown consistently over a thirteen year period that elsewhere was marred by recession related to the 2008 financial crisis.

Despite being the second smallest country in South America, Uruguay has become an attractive destination for foreign investment due to the stability of its banks, its currency and financial system. The country has a small population of 3.4 million and has deep-seated history of broad-based social welfare and an ingrained preference for equality and political consensus. With an elected, democratic government in place, progressive social laws and stable economic conditions, Uruguay is a secure, business-friendly jurisdiction.

About South American Silica Corp. ("SAS")

SAS is a private Canadian company focused on identifying and putting frac sand resources in southern South America into production to capitalize on the region's forecast shale oil and gas boom. The company has established a strong entry point with its property package in Chubut Province, Argentina, which is advancing towards near-term production. With almost all of Argentina's frac sand supply currently imported from Brazil, the USA and China, there is a large emerging market for domestic supply as an essential commodity in the extraction of oil and gas from the massive Vaca Muerta shale basin currently under development with initial production underway. For information on SAS, visit www.samsilica.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 preliminary economic assessment ("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 recent PEA shows this near surface, free-digging uranium, vanadium deposit 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.

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, near-term production goal of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) the market opportunities for uranium in Argentina and internationally, (d) the potential of the Kurupung district in Guyana; and (e) potential development of the Argentine frac sand property package and the Santa Lucia concession block. 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., 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) 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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