Exploration agreement expands resource potential to build on positive economics of the project

TORONTO, April 23, 2015 /CNW/ - U3O8 Corp. (TSX: UWE, OTCQX: UWEFF, SSE: UWE), a Canadian-based company focused on exploration and development of uranium and associated commodities in South America, has signed an exploration agreement with the provincial petroleum and mining company of Chubut Province, Argentina, under which U3O8 Corp. may explore the provincial company's mineral properties that adjoin U3O8 Corp.'s Laguna Salada uranium deposit (Figure 1). If resources are defined on the concessions of the provincial petroleum and mining company, the agreement provides for the companies to form a joint venture on a larger Laguna Salada Deposit.

"The depth of the current resource cycle provides a stark reminder that only deposits with the lowest production costs continue to be profitable at cyclical bottoms," said Dr. Richard Spencer, U3O8 Corp.'s President and CEO. "With a cash cost of production of approximately US$22 per pound of uranium defined in the recently completed preliminary economic assessment ("PEA"), the Laguna Salada Deposit would be among the uranium industry's lowest-cost producers. The economic model also shows that a larger resource would significantly enhance the project's economics. For example, doubling the deposit's size and plant throughput would increase the project's net present value ("NPV") by about 230% to US$184 million[1]. So our focus at Laguna Salada is now on resource expansion. The addition of these new concessions could contribute to more than doubling the size of the resource at Laguna Salada and we look forward to advancing the project in association with Chubut's provincial petroleum and mining company."

(1) NPV at a 7.5% discount and US$60 per pound uranium price. 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.

Under the agreement, U3O8 Corp. has the option to invest $3 million over three years to explore and define resources on the provincial company's three properties that adjoin U3O8 Corp.'s concessions at Laguna Salada. If the option to form a joint venture is exercised, the percentage participation in that entity would be based on the proportion of the total resource that lies on each partner's properties.

Argentina's Expanding Nuclear Energy Initiatives

Argentina's commitment to grow its nuclear energy capabilities in-country and abroad presents an immediate domestic market for local uranium from U3O8 Corp.'s Laguna Salada Project. Argentine nuclear developments in the past 12 months have included:

- 3rd reactor online increasing electricity generated by nuclear to 10% – After a gradual start-up, the country's third reactor reached full power on February 17, 2015;
- Deals on two new reactors toward deriving 18% of energy needs from nuclear by 2025 – Agreements were signed with China to build Argentina's 4th reactor and collaborate on a 5th. China would fund construction and guarantee the supply of nuclear fuel for the entire life of the reactors;
- New medical isotope facility in the USA – Argentine nuclear engineering firm, INVAP, was selected by Coqui RadioPharmaceuticals Corp. to design and build the first medical isotope facility in the USA;
- Building the world's first small nuclear reactor – Argentina is the first to begin construction on a small modular reactor, the Argentine-designed CAREM-25, which is also being considered for desalination plants in Saudi Arabia;
- Expanding enrichment capacity – Argentina restarted operations at its uranium enrichment plant in Rio Negro Province and announced plans for a new facility in Formosa Province on the same site as a proposed second CAREM reactor; and
- Strengthening co-operation with fast-growing nuclear countries – Argentina expanded its nuclear co-operation with the United Arab Emirates and China last year, which open additional opportunities for bi-lateral trade.

Sources: World Nuclear Association, World Nuclear News, Reuters, El Comercial

Dr. Richard Spencer, P.Geo., President and CEO of U3O8 Corp. and a Qualified Person as defined by National Instrument 43-101 ("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.

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 Argentina, Colombia and Guyana:

- 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. Uranium could be produced at a cash cost of US$21.62 per pound, well within the industry's lower quartile of uranium cash costs;
- 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; and Kurupung Deposit, Guyana – an initial uranium deposit in a large emerging uranium district.

Information on U3O8 Corp., its resources and technical reports are available at www.u3o8corp.com and on SEDAR at www.sedar.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 development and resource goal of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) resources being defined on the provincial petroleum and mining company's concessions and a future joint venture, (d) the market opportunities for uranium in Argentina and internationally, and (e) 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) a joint venture will be formed with the provincial petroleum and mining company, (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 mine will be achieved on the Laguna Salada Project in compliance with current Chubut law, (2) that a joint venture will be established with the provincial petroleum and mining company, (3) that a mine will 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. 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. For more information on the above-noted PEAs, refer to the September 18, 2014 technical report titled "Preliminary Economic Assessment of the Laguna Salada Uranium-Vanadium Deposit, Chubut Province, Argentina" and the January 18, 2013 technical report titled "U3O8 Corp. Preliminary Economic Assessment on the Berlin Deposit, Colombia."

SOURCE U3O8 Corp.

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