

TORONTO, Feb. 7, 2017 /CNW/ - U3O8 Corp. (TSX: UWE), (OTCQB: UWEFF) ("[U3O8 Corp.](#)" or the "Company") announces that, building on the recent discovery of higher-grade uranium-vanadium mineralization at La Rosada, similar channels have been delineated in, and beneath, the lowermost gravel layer at Laguna Salada. These levels are in addition to the layer of mineralization on which the resource estimate¹ was based and may represent significant resource growth potential at Laguna Salada.

"By applying what we have learned from the discovery of higher-grade uranium-vanadium in the La Rosada area, announced in the last few weeks, our exploration team has identified similar higher-grade layers at the base of the gravel, and beneath the gravel, at Laguna Salada," said Dr. Richard Spencer, CEO of [U3O8 Corp.](#) "The identification of higher-grade potential provides an opportunity to further reduce estimated production costs for the Laguna Salada Deposit. In addition, it opens up new targets for shallow uranium-vanadium mineralization in soft gravel, sand and silt that can be inexpensively explored through trenching."

Assay Results

Table 1. Summary assay results from composite panel samples from trenches at the base of the unconsolidated gravel, sand and silt layers at Laguna Salada. The extent to which Laguna Salada gravel can be beneficiated, as per Preliminary Economic Assessment (PEA)² is also shown for reference.

Sample	Sample No	Material	Sample Data			Assay Data	
			Depth Below Surface		True Thickness (m)	U ₃ O ₈	V ₂ O ₅
			From (m)	To (m)		Bulk sample (ppm)	Bulk sample (ppm)
High Value	749	Gravel	0.8	1.05	0.3	5,302	3,793
Low Value	3818		0.9	1.9	1.0	107	474
Average of 69 samples					0.7	421	807
Estimated grade of fine-grained component of gravel after removal of pebbles. (Data from PEA)						4,636	3,227
High Value	3659	Sand	0.7	1.35	0.7	1,196	1,518
Low Value	10136		2.6	4.1	1.5	125	388
Average of 16 samples					0.5	353	1,144
High Value	3377	Silt	0.5	0.6	0.1	2,328	1,267
Low Value	3669		1.15	1.65	0.5	103	1,114
Average of 17 samples					0.7	408	1,531

¹ May 20, 2011 technical report: "Laguna Salada Project, Chubut Province, Argentina, NI 43-101 Technical Report on Laguna Salada: Initial Resource Estimate".

² September 18, 2014 technical report: "Preliminary Economic Assessment of the Laguna Salada Uranium Vanadium Deposit, Chubut Province, Argentina."

Uranium-Vanadium Bearing Layers at the Base of the Gravel at Laguna Salada

Uranium-Vanadium at Laguna Salada constitutes a "caliche" deposit where uranium and vanadium precipitated as a result of intense evaporation in a semi-desert environment. Mineralization is concentrated in a layer that is parallel to the surface from which evaporation occurred. Over 90% of the trenches that were used to estimate the resource at Laguna Salada are from

a layer of mineralization that is parallel to the surface at shallow depth – constituting typical caliche-style mineralization in the gravel plain.

Trenches excavated at the edge of the plain, where the upper part of the gravel has been removed by erosion, exposed higher-grade mineralization at the base of the gravel. This was considered to be part of the layer of caliche mineralization that simply draped the topography from which evaporation occurred – and was modelled as a single layer in the initial resource estimate at Laguna Salada.

Exploration of the La Rosada area (press releases made on Jan 11th and 19th, 2017 – the latter with video footage of the mineralization in the trenches) revealed, not only well mineralized gravel, but also an underlying, mineralized sand layer and mineralized volcanic material. With the La Rosada discoveries as a model, the exploration team revisited the lower part of the gravel at Laguna Salada and recognized a very similar situation that can be summarized as follows (Figure 1):

- Higher-grade uranium-vanadium at the base of the gravel occurs in an elongate zone that extends from northwest to southeast over at least 6 kilometres. The mineralized gravel averages 0.7 metres thick with an average grade of 0.04% (421ppm) U₃O₈ and 0.08% (807ppm) V₂O₅ over an area of 4 square kilometres, approximately half of which is included in the current resource estimate. Test work on Laguna Salada gravel has shown that removal of the pebbles and coarse sand by sieving results in an 11-times increase in uranium grade and a 4-times increase in vanadium grade in the fine material that would be fed to a processing plant. Screening of gravel with these grades would therefore generate a fine-grained feed with an estimated grade of approximately 0.46% U₃O₈ and 0.32% V₂O₅;
- Underlying the gravel in some parts of the northwestern margin of the Laguna Salada Deposit is an unconsolidated sand layer very similar to that observed at La Rosada. The mineralized part of the sand layer averages 0.5 metres thick and has an average grade of 353ppm U₃O₈ and 0.11% (1,144ppm) V₂O₅ over an area of approximately 4 square kilometres. The beneficiation characteristics – the extent to which grades can be increased in the fine-grained fraction by sieving – are currently being investigated; and
- Underlying either unconsolidated gravel or sand is a fine-grained silty unit, the mineralized component of which has an average grade of 408ppm U₃O₈ and 0.15% (1,531ppm) V₂O₅ over a true thickness of 0.7 metres. The beneficiation characteristics of the silty layer, which may be weathered volcanic rock similar to that observed at La Rosada, are unknown at this time and will be tested in due course.

There is a possibility that each of these three layers represents a zone of mineralization in its own right that is separate and distinct from the true "caliche" mineralization located in the upper part of the gravel on which the resource estimate is based.

Exploration Targets

Several target areas have been identified for exploration for additional higher-grade resource potential:

- Target 1 (Figure 1): Infill trenching of the higher-grade zone in the basal gravel on the northwestern margin of the Laguna Salada Deposit is required so that this layer may be incorporated into a resource estimate in its own right. This exploration would be done with a back-actor excavator in areas where the base of the gravel lies close to surface;
- Target 2: A prime exploration target lies along trend of the high-grade zone immediately to the north and south of the current resource area; and
- Target 3: It is suspected that the elongate zone of high-grade uranium-vanadium defined on the western margin of the current resource area at Laguna Salada lies in a gravel-filled channel. If this proves to be the case, other sub-parallel channels are likely to be located at the base of the gravel plain. The base of the gravel lies at a depth of 8 metres beneath the surface of the mesa-like plain and would require drilling with the Company's vibrosonic rig. The main targets for additional higher-grade channels at the base of the gravel lie beneath the current resource area as well as beneath the gravel plain that lies immediately north of the resource area.

Sample Preparation and Assay

Channel samples were taken on the walls of each trench, bagged and delivered to the ALS Chemex' preparation facility in Mendoza, Argentina. Each sample was riffle-split. One sub-sample was jaw-crushed to <2mm and then riffle-split again and a 250 gram sub-sample pulverized to 75µm for shipment to ALS Peru for assay by ICP (method ICP-MEMS61) after four-acid digestion.

Technical Information

Dr. Richard Spencer, P.Geo., CGeol., President and CEO of [U3O8 Corp.](#) and a Qualified Person as defined by National Instrument 43-101, has approved the technical information in this news release relating to the Laguna Salada Deposit and the related PEA.

About U3O8 Corp.

[U3O8 Corp.](#) is focused on exploration and development of deposits of uranium and associated commodities in South America.

Potential by-products from uranium production include commodities used in the energy storage industry – in the manufacture of batteries - such as nickel, vanadium and phosphate. The Company's mineral resources estimates were made in accordance with National Instrument 43-101, and are contained in three deposits:

- Laguna Salada Deposit, Argentina – a PEA shows this near surface, free-digging uranium - vanadium deposit has low production-cost potential;
- Berlin Deposit, Colombia – a PEA shows that Berlin also has low-cost uranium production potential due to revenue that would be generated from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals that occur within the deposit; and
- Kurupung Deposit, Guyana – a uranium resource has been estimated in four veins within a uranium-zirconium vein system. Resources have been estimated on four veins, while consistent mineralization of the same type has been intersected in scout drilling of an additional six veins, while yet other veins require first-time exploration drilling.

Information on [U3O8 Corp.](http://www.u3o8corp.com), its resources and technical reports are available at www.u3o8corp.com and on SEDAR at www.sedar.com. Follow [U3O8 Corp.](https://www.facebook.com/u3o8corp) on Facebook: www.facebook.com/u3o8corp, Twitter: www.twitter.com/u3o8corp and Youtube: www.youtube.com/u3o8corp

Forward-Looking Statements

This news release includes certain "forward looking statements" related with the development plans, economic potential and growth targets of [U3O8 Corp.](http://www.u3o8corp.com)'s 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 and near-term development of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) the potential of the Kurupung district in Guyana, (d) impact of the U- pgrade™ process on expected capital and operating expenditures, and (e) the price and market for uranium. These statements are based on assumptions, including 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 on the Argentina project, (iii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to [U3O8 Corp.](http://www.u3o8corp.com), (iv) economic, political and industry market conditions will be favourable, and (v) financial markets and the market for uranium will improve for junior resource companies in the short-term. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in such statements, including, but not limited to: (1) changes in general economic and financial market conditions, (2) changes in demand and prices for minerals, (3) the Company's ability to establish appropriate joint venture partnerships, (4) litigation, regulatory, and legislative developments, dependence on regulatory approvals, and changes in environmental compliance requirements, community support and the political and economic climate, (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) competitive developments, (7) availability of future financing, (8) exploration risks, and other factors beyond the control of [U3O8 Corp.](http://www.u3o8corp.com) 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.](http://www.u3o8corp.com) 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.](http://www.u3o8corp.com) Preliminary Economic Assessment on the Berlin Deposit, Colombia."

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