

TORONTO, May 23, 2017 /CNW/ - U3O8 Corp. (TSX: UWE), (OTCQB: UWEFF) ("[U3O8 Corp.](#)" or the "Company") announces that it will seek shareholder approval to undertake a restructuring of its common shares at its Annual and Special Meeting scheduled to be held at 11am on Thursday June 22 at 20 Toronto Street Second Floor, Toronto, Ontario M5C 2B8.

The proposed share consolidation includes three steps to achieve two things:

- To reduce the number of accounts that hold a small number of shares in the Company, which have a disproportionately high maintenance cost; and
- To consolidate 20 current common shares to one new share.

Reduction in the Number of Small Accounts

[U3O8 Corp.](#) has a large shareholder base that resulted from Company acquiring what are now its lead projects from [Mega Uranium Ltd.](#) ("Mega") in 2010. The projects were purchased with [U3O8 Corp.](#) shares, and Mega chose to distribute that stock as a dividend in kind to its shareholders. The result is that [U3O8 Corp.](#) now has 18,500 shareholders, 13,500 of whom hold less than 1,000 shares. The Company incurs significant printing and mailing costs for each shareholder meeting with such a large shareholder base, and the Company intends to reduce the number of small accounts by seeking shareholder permission to implement Steps 1 and 2 as described below:

Step 1: is a consolidation of 1,000 current common shares to 1 new share. Since the Company would not issue fractional shares, the 13,500 shareholders with accounts of less than 1,000 shares, representing 0.8% of the Company's issued and outstanding shares, would be flagged for payout for the value of their shares based on the market price;

Step 2: Immediately after the 1,000 for 1 consolidation, each share would be split by 1,000, to get back to the original share count minus the 0.8% that was held in accounts with less than 1,000 shares. The sole reason for doing steps 1 and 2 is to allow the Company to pay out the 13,500 shareholders who hold less than 1,000 shares in a cost-effective way, leaving the Company with about 5,000 shareholders.

A smaller shareholder base makes it far more practical and cost-effective for the Company to issue shares in spinout companies, such as South American Silica, in which [U3O8 Corp.](#) holds 39%, to its shareholders. It would also allow for capital to be raised through rights offerings, in which all shareholders may acquire additional shares in the Company, and not only through private placements, in which only Accredited Investors may participate.

Step 3: Immediately after Steps 1 and 2, twenty common shares of the Corporation would be consolidated to one new share. Again, no fractional shares would be issued, and shareholders would not be paid out for fractional shares because it would cost the Company approximately \$10 to issue and mail each cheque, whereas the maximum value that a shareholder could lose is that of 19 shares, which at current prices, are worth 67c.

The Company is providing this early warning to allow shareholders who hold fewer than 1,000 shares, ample time to increase their shareholding to at least 1,000 shares by June 22, 2017. To incentivize shareholders to purchase more shares, the Company intends to use the Existing Shareholder Prospectus Exemption through which shares are made available for purchase to all existing shareholders, excluding investment funds, up to a limit of \$15,000 per shareholder. A shareholder may purchase shares to a value greater than this limit if he or she has obtained appropriate advice from a registered investment dealer. Shares purchased under this rule are subject to a four-month hold period. Further details will be provided in a separate press release in due course.

Conclusion

Richard Spencer, President & CEO of [U3O8 Corp.](#) commented; "The Board is recommending that shareholders approve the capital restructuring proposal so as to strengthen the appeal of the Company to a broader spectrum of intuitional investors. It is hoped that the capital restructuring will lead to a revaluation of the Company based on:

- The outstanding technical results released on the Laguna Salada Project in Argentina earlier in the year with the discovery of gravels that are richer than those that yielded the lowest estimated cash costs of production in the preliminary economic assessment;
- The uranium price having bottomed in December 2016 and, in addition, the price of battery commodities rising in response to the current 10% per year growth in the battery manufacturing industry; and
- The pro-business government in Argentina where the Buenos Aires stock exchange has surged 65% in the 18 months since President Macri's government was inaugurated and which is committed to increasing the share of nuclear in the country's energy mix."

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.](#), 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

This news release includes certain "forward looking statements" related with the development plans, economic potential and growth targets of [U3O8 Corp.](#)'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.](#), (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.](#) 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."

ⁱ September 18, 2014 technical report: "Preliminary Economic Assessment of the Laguna Salada Uranium Vanadium Deposit, Chubut Province, Argentina." Available on www.sedar.com or at www.u3o8corp.com/technical-reports

SOURCE [U3O8 Corp.](#)

Contact

Richard Spencer, President & CEO, [U3O8 Corp.](#) Tel.: (416) 868-1491 & email: richard@u3o8corp.com