

U3O8 Corp. Announces Closing of Private Placement & Commitment by Shareholder to Fund the Company to Achieve Key Milestones

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TORONTO, Nov. 2, 2017 /CNW/ - U3O8 Corp. (TSX: UWE), (OTCQB: UWEFF or temporarily UWEFD) ("[U3O8 Corp.](#)" "Company") reports that the Company raised gross proceeds of C\$517,000 in a private placement that closed yesterday. Meanwhile, Dr. Keith Barron, founder, director and shareholder of [U3O8 Corp.](#), has offered to provide a C\$1.0 million unsecured operating line of credit to enable [U3O8 Corp.](#) to generate proof of concept uranium and vanadium products from the Laguna Salada Deposit.

Dr. Keith Barron commented, "I believe that the market cap of [U3O8 Corp.](#) has fallen to levels well below the value of the Laguna Salada Deposit, let alone the Company's other assets. Laguna Salada has a low-cost uranium production profile, is located in a country that needs uranium to fuel its expanding nuclear electricity program, and would produce by-product vanadium in a market that has fallen into long-term deficit. Raising equity funds to advance Laguna Salada at these share prices is significantly dilutive to existing shareholders and therefore I am willing to provide a financing facility to assist the Company through this period of low uranium commodity prices."

[U3O8 Corp.](#)'s President and CEO, Dr Richard Spencer commented, "Keith's offer is extremely generous to the Company and its shareholders. This additional funding comes as a result of Keith having spent considerable time at Laguna Salada where he has gained first-hand knowledge of the Deposit's potential. Keith is offering the funds required to complete proof of concept for the Deposit, while only being repaid in shares after the Project has been significantly de-risked."

Current Private Placement

The Company raised gross proceeds of C\$517,000 through the issue of 2,068,000 units ("Unit"), with each Unit priced at C\$0.25, consisting of a common share ("Common Share") and one half of one common share purchase warrant ("Warrant"). The 1,034,000 Warrants issued has a term of 30 months and a strike price of C\$0.35 to acquire one Common Share. All securities issued and issuable pursuant to the private placement will be subject to a four-month statutory hold period.

Financing Going Forward

Dr. Keith Barron has offered to provide an unsecured operating line of credit for up to C\$1 million at a zero-interest rate facility to be drawn upon on an as-needed basis, to be paid back in stock within three years, as a debt settlement subject to regulatory approval. The objective of making this facility available to the Company is to ensure that the Company may advance the Laguna Salada Deposit towards a feasibility study without excessive dilution that would result from the funds being raised in a private placement made at current share prices.

Dr. Barron is a director of the Company and therefore, an "insider", under applicable securities laws. The provision of a line of credit by an insider is considered a "related party transaction" as such term is defined under MI 61-101. The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements provided under MI 61-101 on the basis that the principal amount of the line of credit does not exceed 25% of the fair market value of the Company's market capitalization.

Use of Proceeds

The positive preliminary economic assessment ("PEA") that was completed on Laguna Salada in 2014 identified specific areas in the process flow sheet that had higher capital and/or operating costs than anticipated. Finding alternatives for those specific anomalies provides a compelling opportunity to lower both operating and capital costs, which are likely to significantly improve the economics of the Project. The Company's management team, bolstered by the recent appointment of David Marsh to the role of Chief Technical Officer with his deep experience in uranium processing plant design and optimization, has been studying alternatives that it is planning to test. The current and proposed financing will be used to fund that work program, details of which will be issued in a press release shortly. Results of the planned test work will be released as relevant information becomes available over the next nine months.

Technical Information

Cautionary Note: A PEA is preliminary in nature, and includes inferred mineral resources that are considered too speculative to be classified as mineral resources.

geologically to have the economic considerations applied to them that would enable them to be categorized as mineral and there is no certainty that the results of the PEA assessment will be realized.

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 related PEA.

About U3O8 Corp.

[U3O8 Corp.](#) is focused on exploration and development of deposits of uranium and battery commodities in South America. Battery commodities that occur with uranium resources include vanadium, nickel, zinc and phosphate. The Company's 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 with low production-cost potential;
- Berlin Deposit, Colombia – a PEA shows that Berlin also has low-cost uranium production potential due to the potential 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 system. Resources have been estimated on four veins, while consistent mineralization of the same type has been observed 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: <http://www.facebook.com/u3o8corp>, Twitter: <http://www.twitter.com/u3o8corp> and YouTube: <http://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, statements regarding beliefs, plans, expectations or intentions for the future, and include, but not limited to, statements regarding 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) the 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 mining companies in the short-term. Such statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contained in such statements, including, but not limited to: (1) changes in global economic and financial market conditions, (2) changes in demand and prices for minerals, (3) the Company's ability to secure 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 environment, (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 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 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 PEA's, see 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."

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