



18th May 2012

Three Rigs Recommence Drilling on Olary Creek Iron Ore Project



LIMITED



Olary Creek Update

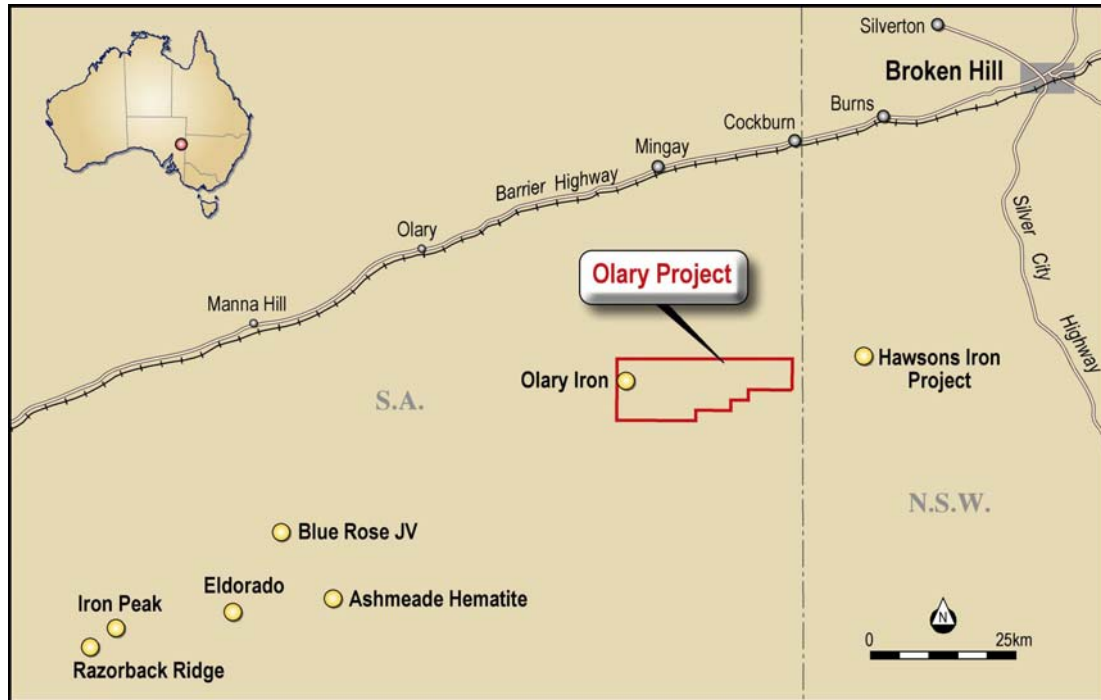
U3O8 Limited is pleased to announce that its Joint Venture partners at Olary Creek in South Australia have commenced drilling after several months delay.

Three reverse circulation drill rigs have been contracted to complete up to 10,000 metres of drilling on the Company's iron ore project in South Australia.

Earlier in 2012, U3O8's Joint Venture partners completed a 7,000 metre diamond drilling programme on the project. Whilst no geochemical assays have yet to be received, the results of some of the metallurgical test work should be available soon.

The Company has delineated a significant zone of magnetitic iron ore on the project and the current drilling is aimed at both increasing the tonnage and grade of mineralisation identified to date.

Results will be made available when they are received.



Olary Creek Iron Ore Project Location

Further information relating to the Company and its various exploration projects can be found on the Company's website at www.u3o8.com.au.

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Stephen Mann
Managing Director

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by S. Mann, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Mann has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which the Company is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Mann is a full-time employee of U3O8 Limited. Mr Mann consents to the inclusion of the information in this announcement in the form and context in which it appears.

