



14th May 2012

Field Work Commences at Cerro Chacon Gold Project in Argentina





Highlights

U3O8 Limited has commenced its 2012 field exploration activities at the Cerro Chacon gold project in the Patagonia region of Argentina. (Figure 1).

Earlier in 2012, U3O8 Limited announced that its 100% owned subsidiary, Piche Resources had signed a Joint Venture Agreement with MH Argentina on the project area.

The Cerro Chacon Project consists of 11 tenements, covering an area of approximately 419km², in the province of Chubut, in the Patagonia region of Argentina.

The project area is prospective for low sulphidation epithermal gold-silver mineralisation with several very significant anomalies having previously been identified. Epithermal vein systems up to 2km long and 40 metres wide have been followed on the surface with rock chip samples returning gold value to 9.8g/t gold (Au). Additionally, this and other prospects within the Joint Venture are anomalous in silver, base metals and other minerals indicative of this style of mineralisation.

No drilling has been undertaken on the project to date.

Piche Resources has the right to earn 60% in the Joint Venture by expending US\$500,000 during the first three years.

The Company's joint venture partner, MH Argentina S.A., is the Argentinean branch of Hochschild Mining, a leading underground precious metal producer in the Americas with a primary focus on gold and silver. The 2011 production of the five projects operated by Hochschild, totalled 21.45 million ounces Ag and 180,300oz Au. The 51% owned San Jose operation (also in Patagonia), produced 5.9 million oz Ag and 81,000oz Au in 2011.

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Figure 1: U308's Argentinean Projects

As very little exploration has been undertaken on this very prospective property, initial activities will include geological mapping, geochemical sampling and interpretation of hyperspectral imagery. Three main prospects have already been identified, and these will be explored in more detail. Additionally though, the remainder of the project area will be reviewed for further epithermal systems.

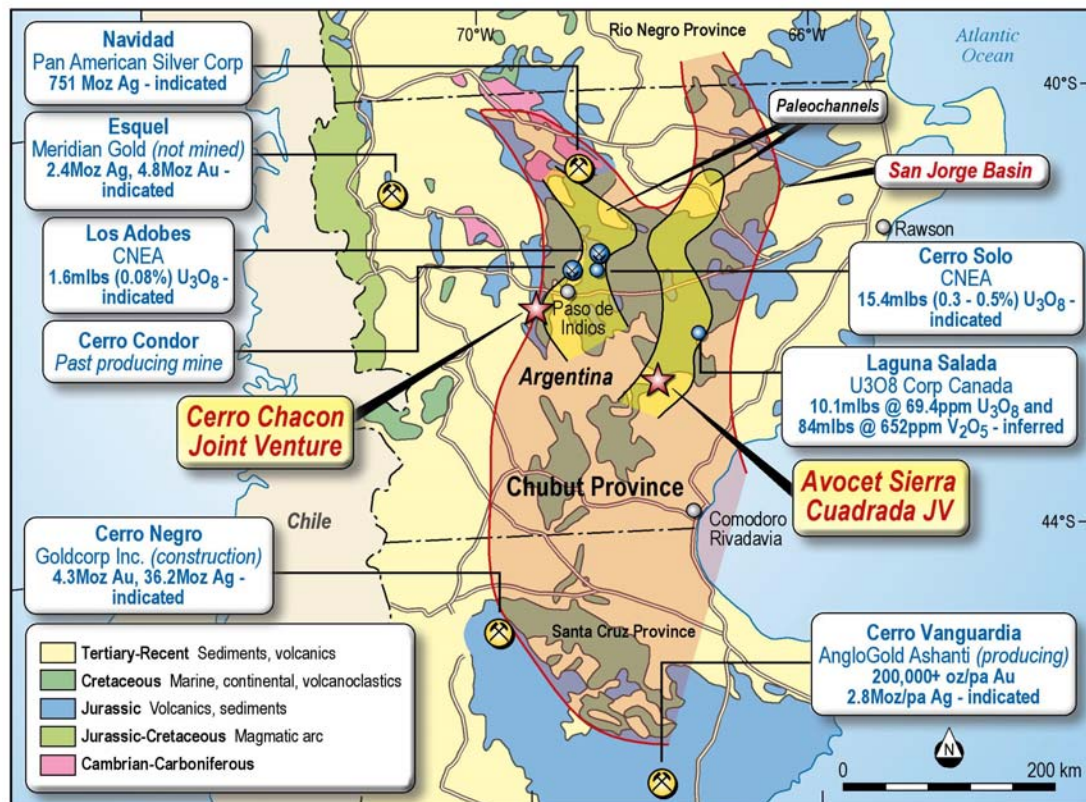


Figure 2: Cerro Chacon Joint Venture

There are many other low sulphidation epithermal gold/silver deposits in this part of Patagonia. To the north of Cerro Chacon lies Navidad, the largest undeveloped silver deposit in the world (containing an indicated resource of 751 million ounces silver), to the west lies Esquel (containing approximately 2.4 million ounces of silver and 4.8 million ounces gold) and to the south lies a host of deposits including Cerro Negro (currently in construction and hosting 4.3 million ounces gold and 36.2 million ounces silver) and Cerro Vanguardia (Anglofield Ashanti mine approximately 200,000oz gold per annum and 2.8 million ounces of silver per annum). Figure 2.



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.

