Sustainability a winning strategy with Benefits for Colombian Uranium Play

U3O8 Corp. (TSX: UWE, OTCQX: UWEFF) is advancing the Berlin Project in Colombia's province of Caldas. The project has defined a uranium, phosphate and vanadium deposit on just 3 km of a 10.5 km long mineralized trend with potential for further mineralization. The Company stands out for its commitment to socially and environmentally responsible exploration, or sustainability, which seeks an overall practical approach to improve the lives of the community from helping to promote better nutrition, health, education, water quality, employment and agricultural growth. A sustainable approach certainly shows that the Company cares about the community and the environment; nevertheless, what is less evident at first glance is that a sustainable approach actually shows just as much attention to the needs of investors and the business itself. Sustainability is only partially a demonstration of responsibility; it is, more importantly, evidence of an overall pro-active company management. In turn, the Colombian government has made it easier for businesses such as U3O8 Corp. to adopt a sustainable investment approach, having made important strides in improving the business regulatory system and private property.

U3O8 Corp's sustainability strategy is showing pragmatic results as the community near the Berlin project has been very supportive. The project is still in the exploration phase, but gaining community support is an important milestone. U3O8 Corp's sustainability practices and their impact on the community and their relevance to the actual day-to-day operations have been outlined in the 'Sustainability and Education' section of ProEdgeWire. In sum, the sustainability

policies have helped to ease the implementation of efforts already planned by the Colombian government in such areas as education, nutrition, healthcare, potable water and community business development.

U3O8 Corp's environmental management is also evident in its metallurgical process, which efficiently extracts a range of commercially viable by-products including phosphate, rare earths and vanadium along with the uranium and should leave behind a clean waste product. Furthermore, the adoption of an additional step using vinegar helps to concentrate the payable elements into as small a mass as possible for a 50% reduction in tailings while also producing gypsum, which has its own separate market potential. Gypsum has many commercial applications from fertilizer to plaster.

The advances in environmental stewardship are not just company trophies; associated benefits should transfer to the investors as these initiatives help to reduce risks that could arise from resistance to the project from the local communities. A preliminary economic assessment (PEA) is due out shortly. The PEA hinges on a two-step process to extract a host of recoverable minerals, as well as gypsum from the ore. The aim of the PEA is to show the extent to which the chosen extraction process contributes to favorable project economics, resulting in a low-cost uranium project thanks to multiple revenue streams. Meanwhile, the past few weeks have witnessed the first signs of a rally for the uranium spot market prices.

The uranium trend may have finally entered a new phase after suffering the effects of the Fukushima incident in 2011, which may herald a forthcoming renaissance for uranium company shares. The increasing uranium spot values are not the fruit of some market speculation occurrence. The Chinese government has lifted its ban on the construction of new nuclear reactors in November such that by 2015, over 40 new reactors are expected to be built. China expects to have 100 new reactors by 2020. Russia has announced, meanwhile, that it will double

investment in nuclear energy research as the country plans to shift more and more toward nuclear energy production. While Russia has its own reserves of uranium, it is also an importer. Increasingly, nuclear scientific organizations have re-discovered their ‘voice’, issuing reports and statements to help reduce public fears of nuclear energy. Perhaps, the greatest effort in this direction is coming from Japan itself.

The Japanese opposition party LDP, which is showing a lead in the polls ahead of the December 16 elections, is led by pro-nuclear candidate Shinzo Abe. While, Japanese politics rarely results in clear party victories, forcing coalitions and compromises, the costs of energy generation are simply too high (impacting the costs of doing business and competitiveness) in Japan for nuclear power to be ignored for much longer. Abe has not come out directly in support of restarting all nuclear reactors, but he has cautioned voters against kneejerk rejections of nuclear energy. That he did this during his campaign kick-off suggests that Abe will be very open to nuclear energy – along with more ‘politically correct’ renewable sources.