

TORONTO, Jan. 13, 2016 /CNW/ - U3O8 Corp. (TSX: UWE, OTCQX: UWEFF, SSE: UWECL) ("[U3O8 Corp.](#)" or the "Company") reports on significant changes that have been made by Argentina's new government that are likely to boost foreign investment in general, and in the mining and energy sectors in particular. These changes are significant for [U3O8 Corp.](#) whose most advanced project &#8211; the Laguna Salada Uranium-Vanadium Deposit - is located in Argentina.

"President Macri's new government in Argentina has had an impressive and exemplary first 30 days in office," said Richard Spencer, President & CEO of [U3O8 Corp.](#) "The government has moved quickly to re-establish the credibility of the central bank, has eased foreign exchange restrictions, and done away with limits on the repatriation of earnings and dividends. The importance of mining in the new administration has been underlined by the fact that, for the first time in Argentina's history, it now has ministerial level representation. And nuclear now has a clear function, alongside renewable energy, in the Electrical Energy Secretariat within the Ministry of Energy and Mines, as a source of carbon-free electricity. The Argentine government is sending a strong message that Argentina is open for business".

Since the new government took over the administration on December 10, 2015, it has moved quickly to re-establish fiscal credibility and, of direct importance to the extractive industry, has structured the Ministry of Energy and Mines into a logically organized entity.

## Financial Framework

Since taking over the administration, the new government has:

- Appointed Dr Federico Sturzenegger as governor of the Argentine Central Bank. Dr Sturzenegger has a doctorate in economics from MIT and was assistant professor of economics at the University of California &#8211; Los Angeles, before returning to Argentina as chief economist of oil company YPF. He served as a visiting professor of public policy at the John F. Kennedy School of Government at Harvard. He was asked by then-mayor of Buenos Aires City, Mauricio Macri, to act as President of the Bank of the City of Buenos Aires. During Dr Sturzenegger's tenure, he transformed the bank from a loss-making organization to the most profitable entity in the public sector in Argentina. The new governor of the reserve bank is charged with ensuring that the bank is independent and autonomous, and that Argentina's economic statistics are appropriately estimated;
- Relaxed foreign exchange controls and allowed the Argentine Peso to float freely with its value to be determined by market forces. The elimination of exchange controls led to the devaluation of the Peso by about 28% against the US\$. Although the devaluation was dramatic, the consensus view is that the measure will stimulate the Argentine economy. The devaluation should be good for mining and energy projects because it should reduce the capital cost of projects. Related operating costs should also fall since most costs are incurred in Pesos while the product is sold in US\$. [Goldcorp Inc.](#) has estimated that a 30% devaluation of the Peso could reduce its operating costs by as much as 21%;
- Dropped restrictions on the repatriation of earnings and dividends; and
- Reformed taxes on mining and agricultural exports. Taxes on exports of many metals and minerals, including uranium and vanadium, have been eliminated.

Moody's has upgraded Argentina's risk rating twice in response to the election results

- On the basis of Mr Macri's showing in the first round of the Argentine elections on October 25<sup>th</sup>, 2015, Moody's upgraded its outlook on Argentina from "negative" to "stable" on November 3<sup>rd</sup>. After his election win on November 25<sup>th</sup>, Moody's further upgraded Argentina's outlook to "positive" from "stable". Moody's did caution, however, that depleted foreign reserves would make it difficult for Argentina to service its foreign debt in 2016 without access to international financial markets &#8211; access that has been blocked since a default on sovereign bonds and an associated dispute with the "holdout" bond-holders in the US;
- Mr Macri's team is reported to have first met legal counsel for the holdout bond-holders in October 2015 and two subsequent meetings are reported to have taken place at which a framework for further negotiations was established. Once Argentina formally reopens negotiations with the holdout bond-holders, a US court may grant a stay, which would allow Argentina to pay the interest due to its current bond-holders without fear of the payments being seized against the amount claimed by the holdouts. The stay would also open international markets to a new bond issue by the Argentinean government. Argentine Minister of the Economy, Alfonso Prat-Gay, with Finance Secretary, Luis Caputo, is scheduled to lead negotiations with holdout bondholders in New York later today. Prat-Gay is a former President of the Central Bank of Argentina and during his two-year term, inflation fell from 40% to 5% while the economy grew at an annual rate of 8%.

## Ministry of Energy and Mines

The new Minister of Energy and Mines, Juan Jose Aranguren, was the CEO of Shell's subsidiary in Argentina for 12 years. Mr Aranguren has deep experience in the resource industry: he graduated as a chemical engineer and has a post-grad degree in systems engineering. He started his career at Shell 37 years ago as a junior technician and ascended through the ranks via economic analysis, marketing, sales and refining, and supply and distribution.

## Mining

The mining function reports to the Minister through the Secretary of Mines, Daniel Meilán. Mr Meilán originally held this portfolio

in the Menem government in the 1990's; a period in which Argentinean GDP grew at an average rate of 7% per annum.

## Energy

The energy component of the Ministry of Energy and Mines has been organized into logical portfolios, the most important of which, from [U3O8 Corp.](#)'s perspective, is the Secretariat of Electrical Energy. The Under-Secretary of Hydroelectricity, as well as the new posts of Under-Secretary of Nuclear Energy and of Renewable Energy, report to the Secretary of Electrical Energy. Key elements of this structure are:

- The National Atomic Energy Commission (CNEA), which is a 99% shareholder of the Argentine nuclear fuel fabrication company, Dioxitec SA, reports to the Under-Secretary of Nuclear Energy; and
- Despite the Minister of Energy and Mines being a veteran of the oil and gas industry, he has set ambitious goals for the incorporation of renewables into the energy mix in Argentina. The goal is to have 8% of the country's electricity requirement derived from renewable sources by 2017 and 20% by 2020. The strategy of incorporating a higher proportion of electricity from renewable sources is significant to [U3O8 Corp.](#) because the Company is currently evaluating the economics of incorporating wind power into the energy mix required for development of the Laguna Salada Deposit.

## Ministry of the Environment & Sustainable Development

The new Minister of the Environment is Rabbi Sergio Bergman. Bergman is reported to have a close relationship with Pope Francis, who served as archbishop of the City of Buenos Aires before moving to the Vatican. Both leaders have called for sustainable development to be undertaken in an environmentally responsible manner.

## About U3O8 Corp.

[U3O8 Corp.](#) is an advanced exploration company focused on exploration and resource expansion of uranium and associated commodities in South America; a promising new frontier for uranium exploration and development. [U3O8 Corp.](#)'s uranium resources are contained in deposits in Colombia, Argentina and Guyana:

- Laguna Salada Deposit, Argentina; a preliminary economic assessment ("PEA") shows this near surface, free-digging uranium-vanadium deposit is potentially amenable to low-cost mining and processing methods;
- Berlin Deposit, Colombia; a PEA shows that Berlin could be a potential low-cost uranium project thanks to revenue from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals that occur in the same deposit; and
- Kurupung Deposit, Guyana; an initial uranium deposit in a large emerging uranium district.

Additional information on [U3O8 Corp.](#) and its mineral resources are available at [www.u3o8corp.com](http://www.u3o8corp.com).

## Forward-Looking Statements

This news release includes certain "forward looking statements" with respect to 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) the price and market for uranium, (e) political and economic changes in respect of Argentina, and (f) the impacts of such changes on foreign investment in Argentina and on the Company. These statements are based on assumptions, including that: (i) actual results of the Company's 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 for Laguna Salada, (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, (v) financial markets and the market for uranium will improve for junior resource companies in the short-term, and (vi) changes in economic, political and regulatory conditions in Argentina will continue to be favourable to the Company. 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 and government policy, (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 the Company's Annual Information Form available on SEDAR at [www.sedar.com](http://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."

SOURCE [U3O8 Corp.](#)

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