

17th June 2011

ASX Code: **UTO**

ASX ANNOUNCEMENT

High Grade Gold and Silver Assays Ashburton Project Area

U3O8 Limited is pleased to announce the receipt of a number of exciting high grade gold and silver assays from rock chip sampling on the Saltwater Pool Joint Venture (in which Thundelarra Exploration and U3O8 Limited are together earning 70% interest from Cullen Resource Limited (100%)) in the Ashburton district of Western Australia. (Figure 1)

Rock chip sampling from Saltwater Pool JV has returned up to:

8.8 g/t gold (Au)
150 g/t silver (Ag)
1.1% antimony (Sb)

Additionally, rock chip sampling from Anomaly 22, 700 metres east of Ristretto, on the Cameco Ashburton JV project, has returned significant uranium anomalies including:

Up to 0.84% U₃O₈

U3O8 Limited signed a Joint Venture Agreement with Thundelarra Exploration on three tenements in the Ashburton area of Western Australia on 31st March 2011.

During the recent diamond drilling programme on the adjacent Cameco Joint Venture project area, U3O8 Limited visited, and sampled, low order electromagnetic and radiometric anomalies within its entire Ashburton project area, which includes tenements held under the Saltwater Pool Thundelarra JV, the Ashburton – Cameco JV and tenements held 100% by the Company. (Figure 2)

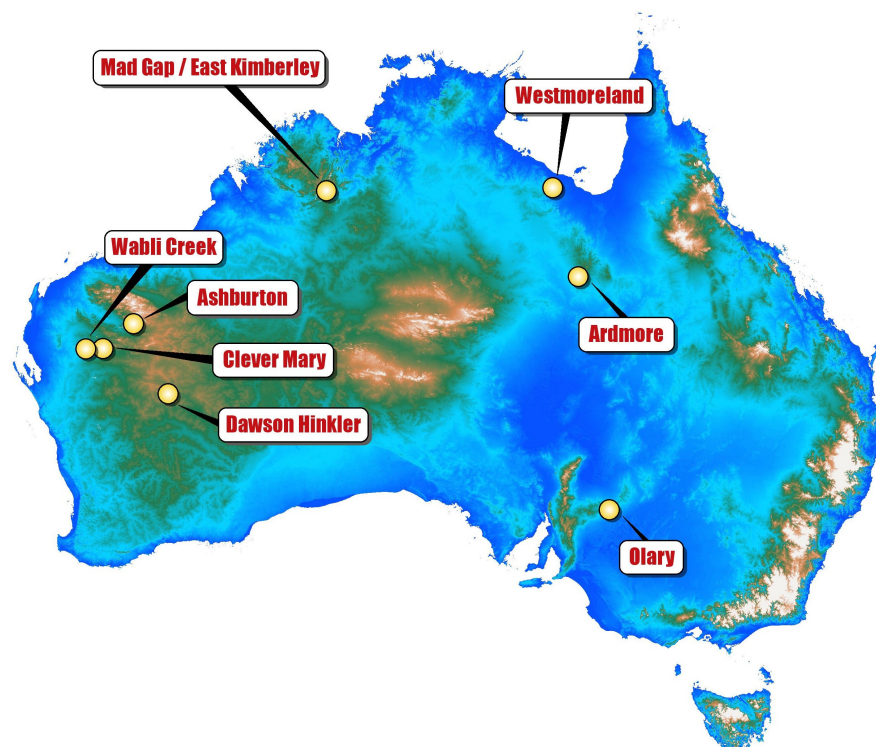


Figure 1: Ashburton Project Location Map

A number of samples collected on the Saltwater Pool Joint Venture returned significant results. All samples collected were assayed for a range of 63 elements.

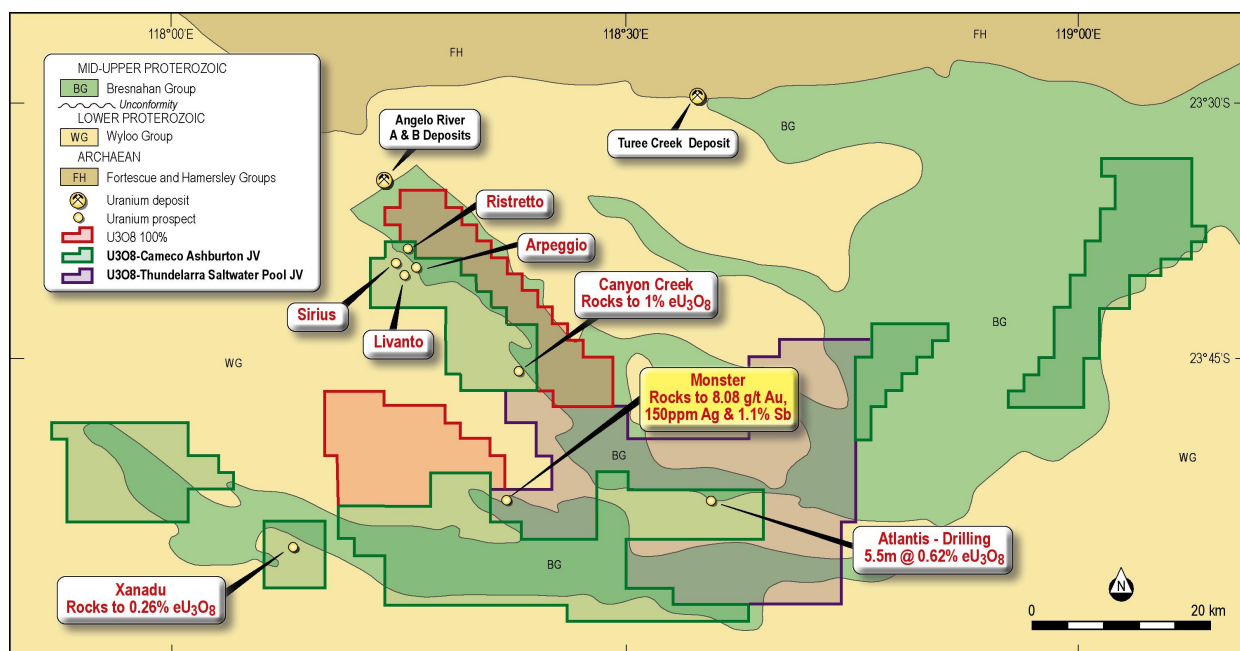


Figure 2: U308 Limited's Ashburton Project Area

**Table 1: Most Significant Sample Assays**

Area	Sample	Local	Coordinates	Au	Ag	U	V	Sb
		E	N	g/t	g/t	ppm	ppm	%
Monster	1976	7800	7794	0.72	33.3	15.2	164	-
	1978	7790	7797	2.02	110.0	-	-	-
	1981	7786	7803	0.58	87.0	-	-	-
	1986	7784	7805	6.73	41.2	19.2	188	0.33%
	1988	7773	7810	0.80	150.0	-	-	-
	1991	7770	7811	8.08	150.0	56.6	142	>1%
Monster East	1974	6885	9477	-	-	61.6	631	-
Anomaly 22	1951	627407	7385174	-	-	7410	-	-
	1952	627395	7385173	-	-	4700	-	-

***Monster, Monster East, Thundelarra Saltwater Pool JV.
Anomaly 22: Cameco Joint Venture (coordinates in AMG)**

Samples from the Monster Prospect were collected from a complex, ferruginous, brecciated quartz vein system associated with a sulphide rich shear zone which can be seen on satellite imagery to extend for at least several kilometres. These initial samples were collected from a small area of the vein system and over various parts of the veins. A total of 22 samples returned in excess of 1g/t Ag and an average of 35.4g/t Ag, and to a maximum of 150g/t Ag, whilst 10 samples returned in excess of 0.1g/t Au with an average grade of 2.0g/t Au, to a maximum of 8.08g/t Au. The widths of the structure and vein system varied significantly.

Samples from Anomaly 22 were collected from a shear zone containing visible secondary uranium minerals. Mineralisation has been followed for some distance along strike.

Further sampling has been undertaken on the project area and results are awaited.

Additional follow up sampling is proposed at Monster itself and along strike. To date, the sampling has been limited due to access and available time during the drilling programme. A review of radiometrics, electromagnetics and satellite imagery is ongoing. This will be followed by a detailed follow up sampling and geological mapping programme.

Stephen Mann
Managing Director

17th June 2011
Perth, Western Australia

The information in this report that relates to 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.