



U3O8 Limited

ABN 11 113 446 352

4th November 2009

ASX Code: **UTO**

ASX ANNOUNCEMENT

Very encouraging first results from ground survey in the Ashburton

The directors of the U3O8 Limited (the "Company") are pleased to report on some initial results of a sampling programme completed recently over the Canyon Creek Project (E52/1893) in the Ashburton region of W.A. part of the U3O8 Limited – Cameco Australia Ashburton Joint Venture.

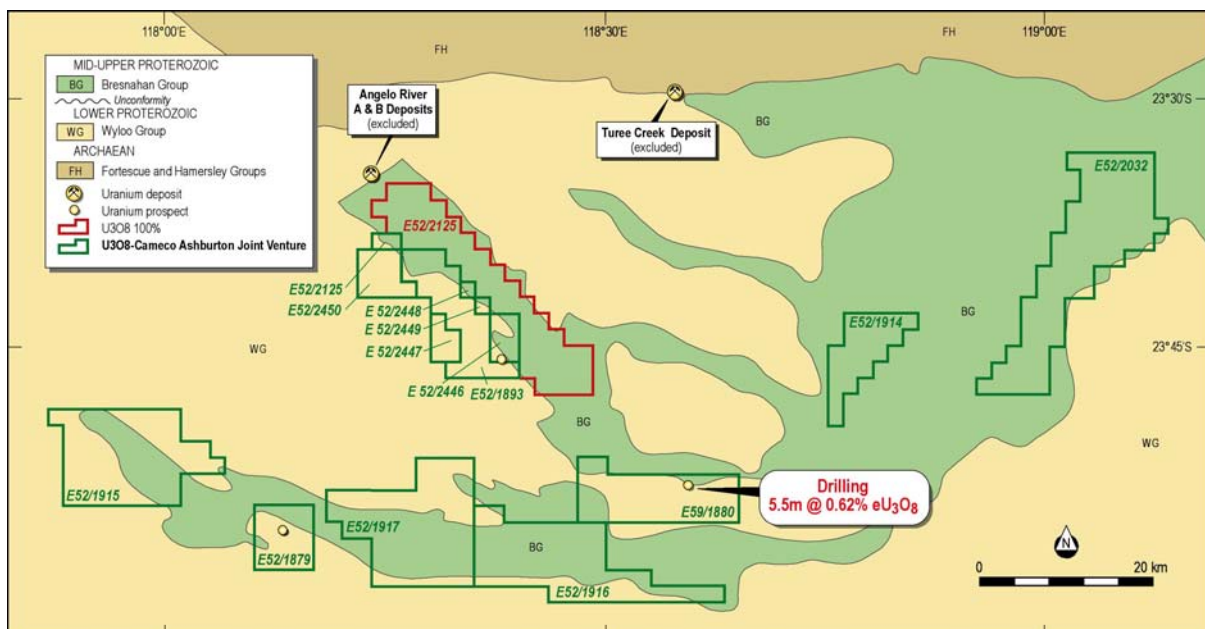


Figure 1: Project location map

This sampling programme followed the successful completion in late August of a heritage survey with representatives of the Nharnuwangga Wajarri and Ngarlawangga People.

The sampling and mapping programme saw the collection of 67 rock chip samples and 278 soil samples, focussing on some high order radiometric anomalies, some of which are spatially related with prominent basement electromagnetic conductors.

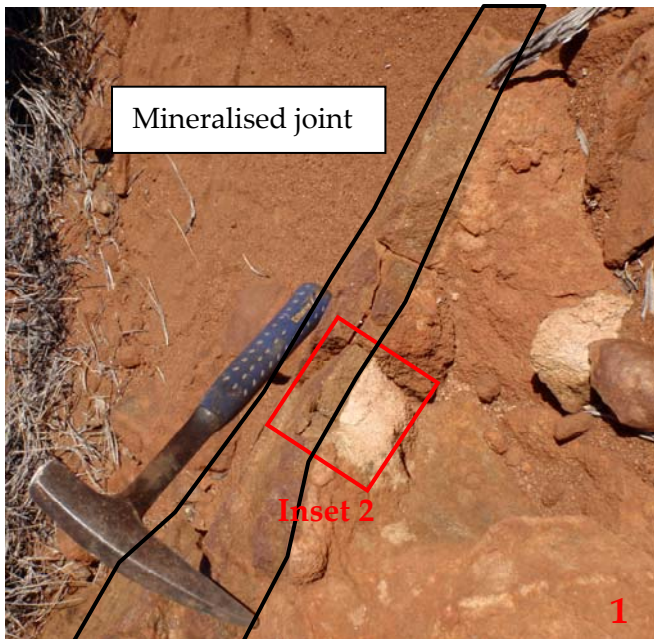


Figure 2: Two different levels of close-up along the mineralised structure



The first two samples collected from the Bresnahan Sandstone have returned grades of 1.39% and 0.20% U_3O_8 . Both samples showed strong anomalism in lead (0.3 and 0.1% respectively), as well as gold (0.45g/t and 0.04g/t) and arsenic (0.71% and 0.20%). Samples are also variably enriched in antimony, bismuth, cerium and copper. Samples were analysed by ICP-MS using a four acid digest. Due to its high uranium content, sample 318 was re-analysed by XRF using a lithium borate fusion. Gold was assayed by cyanide leach with an AAS finish.

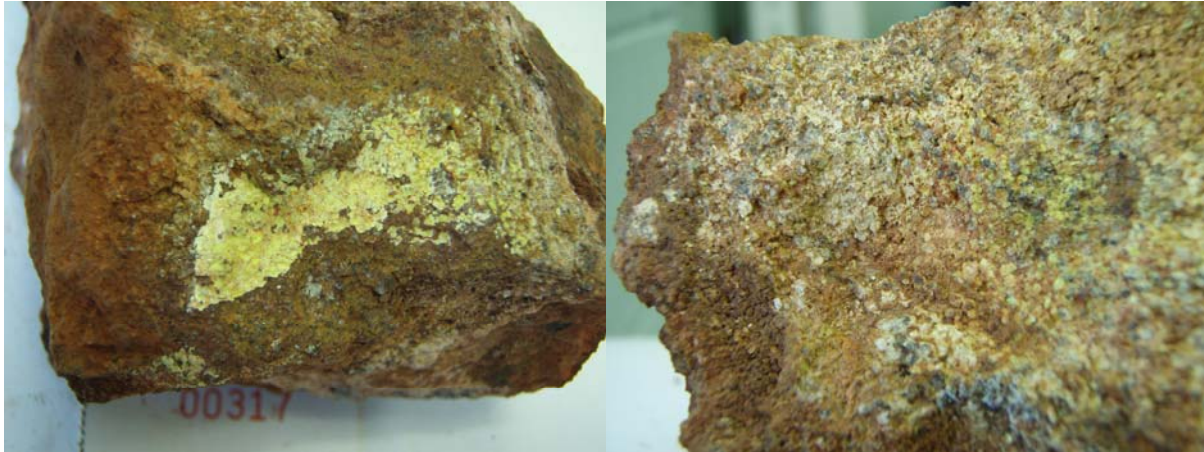


Figure 3: Close-up views of samples 317 and 318 showing secondary uranium minerals coating a fracture and within the sandstone groundmass respectively.

Table 1: Details of samples reported

Sample_ID	Easting	Northing	Total counts (c/s)	U3O8 (%)	Au g/t	As (%)	Pb (%)
317	626,716	7,358,608	35,000	0.20	0.45	0.71	0.10
318	626,716	7,358,609	45,000	1.39	0.04	0.20	0.30

Coordinates are reported in GDA94, zone 50, using a hand-held GPS.

This strong anomaly is part of a significant uranium rich anomalous trend over 1.5km in strike, with results for a second sharp anomaly (approximately 1km further southeast along that trend) still pending. A number of anomalous radiometric readings were also taken between these two samples.

The distribution of uranium secondary minerals is strongly controlled by steeply south west dipping joint sets within the sandstone (see Figures 2 & 4). The coarse-grained sandstone in the vicinity of the mineralisation also displays an increased drusy quartz veining and quartz overgrowth, associated with some bleaching of the diagenetic hematite.

The samples reported here relate to only one of a number of first order radiometric anomalies, the majority of which were not identified by previous explorers.

The Company believes that the sandstone-hosted anomalies are significant for the following reasons:



- Their geochemistry suggests a strong affinity and similarity with other basement-hosted uranium mineralisation in the region (e.g. Nobby's anomaly).
- The structural control of the mineralisation with associated bleaching of the sandstone and nearby increase in drusy quartz veining/quartz overgrowths.
- Their close vicinity (interpreted as less than 150m) from the unconformity making them amenable to shallow drilling.
- The identification of post-sedimentary cover structures and localised uranium enrichment in basement lithologies in the immediate vicinity of the unconformity.

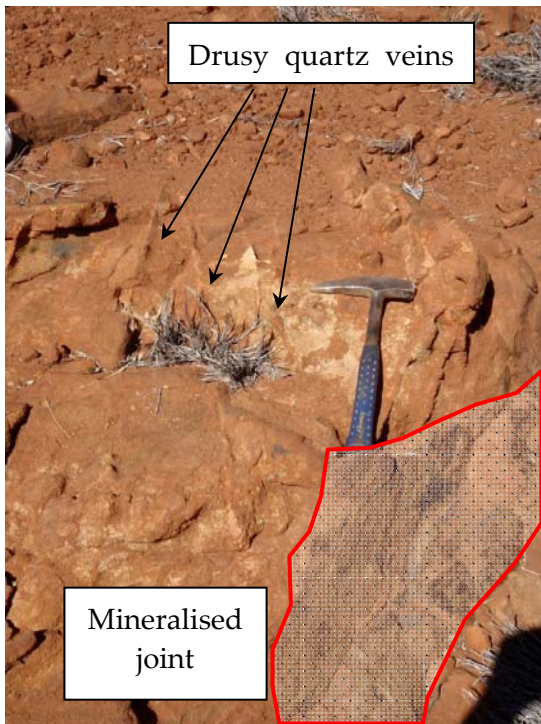


Figure 4: Outline of mineralised structure with associated drusy quartz.

As a result, these anomalies could represent a zone of perched mineralisation, a common occurrence in a number of Mid-Proterozoic unconformity-related uranium deposits, in particular in the Athabasca Basin (Saskatchewan, Canada).

The Company anticipates that remaining results of the sampling will become available in the coming 2 to 3 weeks, along with some further characterisation of the alteration observed in outcrop.

Further information relating to the Company and its various exploration projects can be found on the Company's website at:

www.u3o8.com.au.

Stephen Mann

4th November 2009

Managing Director

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 U308 Limited. Mr Mann consents to the inclusion of the information in this announcement in the form and context in which it appears.

U308 Limited

Level 3, 33 Ord Street, West Perth WA 6005

Telephone: (08) 9481 2243 Facsimile: (08) 9321 0070 Email: info@u3o8.com.au