



**U3O8
Limited**
ABN 11 113 446 352

10th December 2010

ASX Code: **UTO**

ASX ANNOUNCEMENT

U3O8 Limited's Sale of Dawson Hinkler Uranium Project Finalised

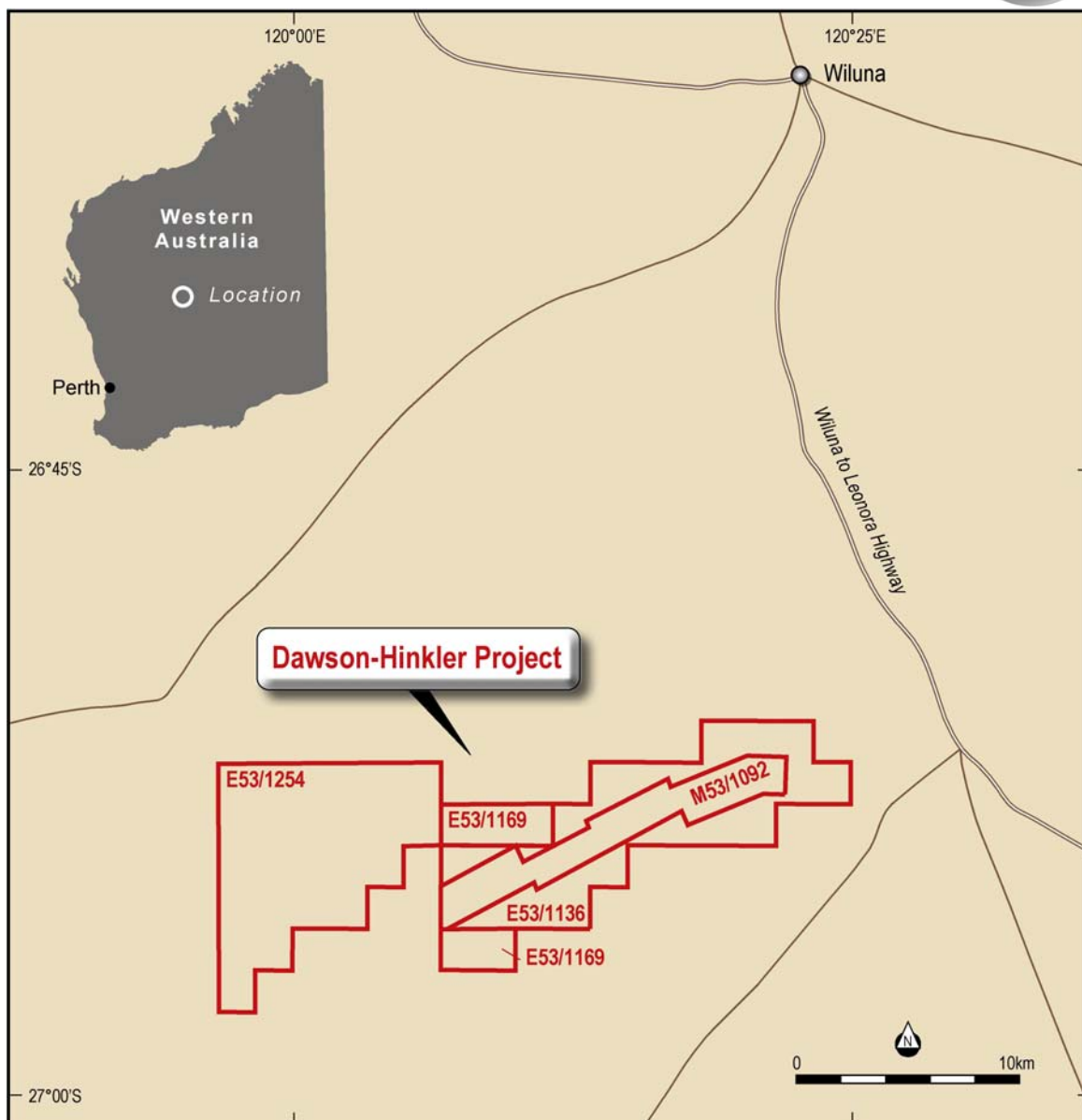
U3O8 Limited (ASX-UTO) and Toro Energy Limited (ASX-TOE) have executed the Definitive Agreement and Royalty Deed to complete the sale of the Dawson Hinkler Uranium Project.

The consideration for the sale included the payment to UTO of A\$6.2 million and the retention by UTO of a Net Smelter Return royalty on all uranium production from the tenements in excess of 6.2 million pounds of U₃O₈.

Dawson Hinkler has a JORC compliant inferred uranium mineral resource of 9.5 million tonnes of ore at 293ppm U₃O₈ for 6.2 million pounds of U₃O₈ (at a 200ppm U₃O₈ cut off grade). UTO has also completed a scoping study on the project.

TOE owns the nearby Lake Way and Centipede uranium deposits which contain a combined resource of 20.2 million tonnes of 548ppm U₃O₈ for approximately 24.4 million pounds of U₃O₈ (200ppm U₃O₈ cut off grade).

UTO will use the funds from the sale of its Dawson Hinkler project to continue an aggressive exploration programme on its quality portfolio of tenements, including uranium and rare earths on its Ashburton project in Western Australia, and uranium on the Ardmore and Westmoreland projects in Queensland, in addition to pursuing other opportunities in Australia and offshore.



Dawson Hinkler Location Map

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
Managing Director

10th December 2010
Perth, Western Australia

"The information in this report that relates to Mineral Resources is based on information compiled by S. Mann MAusIMM, S. Gatehouse MAIG and A. van der Heyden MAusIMM. Messrs Mann, Gatehouse and van der Heyden have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. Messrs Gatehouse and van der Heyden are employees of Hellman & Schofield Pty Ltd. Each of the above named consents to the inclusion of the information in this announcement in the form and context in which it appears."