



Uruguay Mineral Exploration

Results for Fiscal Year 2008, Four-Year Mine Plan & Outlook

August 13, 2008

This presentation should be read in conjunction with the announcement of Results for Fiscal 2008 ended May 31, 2008 and Management's Discussion and Analysis of Results

Conference Call Hosts

URUGUAY MINERAL EXPLORATION



Tony Shearer, Chairman

David Fowler, Chief Executive Officer

Operations for Fiscal 2008

URUGUAY MINERAL EXPLORATION



- **Gold production:** 90,668 ounces compared to 95,000 ounces target, as a result of :
 - A 10-day industrial dispute in April 2008; and
 - Lower than anticipated grade in April and May 2008.
- **Cash costs:** \$US 413 per ounce, above forecast range of \$US360 to \$US380 per ounce expected at the beginning of the year, due to:
 - A 5,000 ounce shortfall in anticipated production in 4Q08;
 - An increase in energy and consumable costs;
 - The appreciation of the Uruguayan peso against the \$US; and
 - Step change in 4Q08 costs

	\$US per ounce produced
Average cash costs forecast for the 2008 financial year	345
Difference due to lower production for the year (assuming 95,000 full year)	19
Cost changes	49
Actual cash costs for the 12-month period ended May 31, 2008	413

Financial Performance for Fiscal 2008

URUGUAY MINERAL EXPLORATION



- **Net profit after tax:** \$US 7.8 million, or \$US 0.22 basic EPS. Includes \$US 11.1 million write down of exploration expenditure
- **Operational cash flow:** \$US 26.5 million
- **Capital expenditure:** \$US 9.6 million in exploration and \$US 9.3 million in property, plant and equipment
- **Cash on hand at year-end:** \$US 18.5 million, up from \$US14.0 million at the beginning of the year
- **Debt:** paid down \$US 2.1 million of convertible notes in 1Q09, eliminating debt
- **Dividends & share buyback:** ceased dividend payments and suspended share buyback as cash will best be directed at exploration and development activities

Financial Performance for Fiscal 2008



URUGUAY MINERAL EXPLORATION

Summary of Results ¹	Three-months ended May 31,		Fiscal Year ended May 31,		
	Q4 2008	Q4 2007	FY 2008	FY 2007	
Operating Results					
Gold produced	Ounces	20,713	29,265	90,668	96,420
Average cash cost	US\$/oz	540	273	413	294
Average price received	US\$/oz	926	658	814	610
Financial Results					
Revenue	\$US '000s	22,408	21,840	79,061	63,056
Net income for the period	\$US '000s	(3,737)	6,337	7,798	14,554
Cash flow from operations ²	\$US '000s	11,804	11,356	33,067	24,177
Basic earnings (loss) per share	\$US	(0.08)	0.13	0.16	0.30
Cash at the end of the period	\$US '000s	18,601	13,978	18,601	13,978
Total debt at the end of the period	\$US '000s	2,300	3,385	2,300	3,385

¹ Results are based on Canadian GAAP and expressed in U.S. dollars.

² Before non-cash working capital movements.



Four-Year Mine Plan

- Anticipates 240,000 ounces of production

	Fiscal year ended May 31.			
	2009	2010	2011	2012
Gold Production (1,000's oz)	80	60	50	50

Strategies to Improve Plan & Extend Mine Life

- Exploration
- Underground mining
- Incremental plant expansion
- Plant enhancements to increase gold & silver recovery as well as throughput



Fiscal 2009

- Production: 80,000 ounces of gold, targeting more
- Cash cost per ounce: \$US 575 per ounce, assuming:
 - Waste mining costs are expensed;
 - Fuel prices are the equivalent to \$US 122 per barrel; and
 - The Uruguayan Peso to \$US exchange rate is 19.5.
- Sustaining Capital: \$2 million

Quarterly Production - Fiscal 2009

- First Quarter: 17,000 ounces of gold
- Second to Fourth Quarters: 21,000 ounces of gold

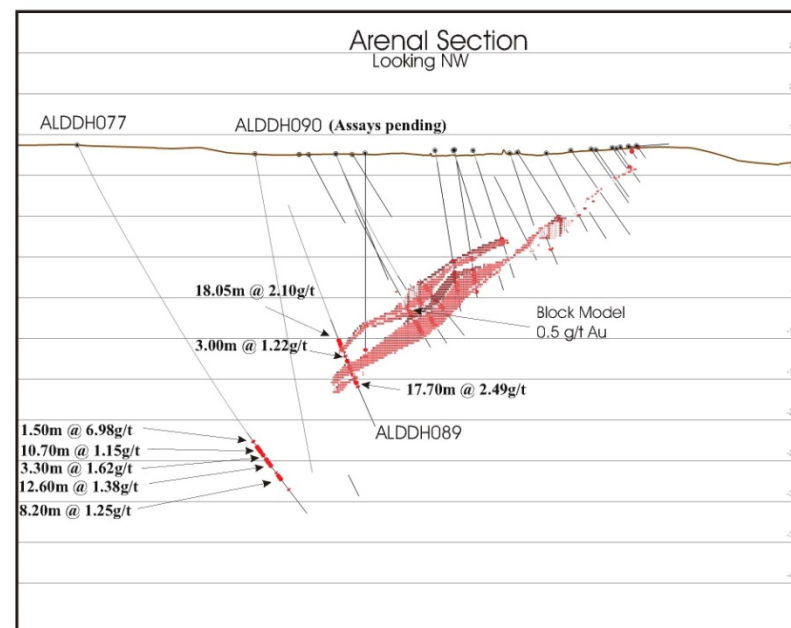


Potential for Underground Mining at Arenal

- Drilling in the down plunge projection is defining a zone of higher grade mineralization
- Potential to be mined with underground mining methods
- Results not contemplated in current four-year mine plan

Next steps:

- Drill one more hole to extend this zone
- Commence modeling to establish viability of mining
- Results expected to be released in January 2009 with 1H09 report



Hole	Intercept	Depth
ALDD087	13.4m at 1.33 g/t	293.8
ALDD087	6.05m at 2.14 g/t	311.2
ALDD088	14.25m at 1.44 g/t	316.8
ALDD088	8.00m at 2.80 g/t	332.5
ALDD088	5.70m at 3.92 g/t	343.6
ALDD089	18.05m at 2.10 g/t	243.0
ALDD089	3.00m at 1.22 g/t	270.6
ALDD089	17.70m at 2.49 g/t	285.2



Presidente Terra

- Full drilling update expected to be released early September
- Focusing on northern tenements

Lascano

- Third hole completed to a depth of 850 meters; assay results expected in six weeks
- Commenced drilling at fourth hole

Nueva Australia

- Two diamond holes completed with no significant results

Permits

- Exploration permits received for Madre Con Hijos, Vaca Muerta and Zaballa, Rivera Diamonds, and three drill sites at Lascano
- Prospecting drill permit received for the Vichadero project

Contacts

URUGUAY MINERAL EXPLORATION



Uruguay Mineral Exploration Inc

Tony Shearer, Chairman: +44 (0)20 7602 1570; tonyshearer@btinternet.com

David Fowler, CEO: + 598 2 6016354; urumin@ume.com.uy

Investor/Media Relations

Emily Bruning, Shared Value Ltd: +44 (0) 20 7321 5027; ebruning@sharedvalue.net

Investor Relations in North America

Susan Borinelli, Breakstone Group: +1 646-330-5907; sborinelli@breakstone-group.com

RBC Capital Markets

Andrew Smith: +44 (0) 20 7029 7882; andrew.smith@rbccm.com

Sarah Wharry: +44 (0)20 7653 4667; sarah.wharry@rbccm.com

Forward Looking Statements: All statements, other than statements of historical fact, contained or incorporated by reference in this news release, including any information as to the future financial or operating performance of UME, constitute “forward-looking statements” within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and the United States Private Securities Litigation Reform Act of 1995 and are based on expectations estimates and projections as of the date of this news release. There can be no assurance that such statements will prove to be accurate, such statements are subject to significant risks and uncertainties, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements include, without limitation success of exploration activities; permitting time lines; the failure of plant; equipment or processes to operate as anticipated; accidents; labour disputes; requirements for additional capital title disputes or claims and limitations on insurance coverage. UME disclaims any intention or obligation to update or revise any forward looking statements whether as a result of new information, future events and such forward-looking statements, except to the extent required by applicable law.