



**Investor Update**  
**April 2008**



## Cautionary Statement

### **Caution Regarding Forward-Looking Statements**

Certain of the statements that are not historical facts contained in this Presentation (“Presentation”) (and the other disclosure documentation of Uruguay Mineral Exploration Inc. (“UME”) such as its annual and quarterly reporting to shareholders) are forward- looking statements that involve risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in the forward- looking statements. Such forward-looking statements include, among other things, statements regarding targets, budgets, forecast, estimates and/or assumptions in respect of gold production and/or gold prices, cash operating costs and expenditures on property, plant and equipment, increases and decreases in production, reserves and/or resources and in anticipated grades and recovery rates and are or may be based on assumptions and/or estimates related to future economic, market and other conditions. Factors that could cause actual results, developments or events to differ materially from those anticipated include, among others, the factors described or referred to under “Risk and Uncertainties” as defined in the UME’s Annual Report and Management Discussion and Analysis and include unanticipated and/or unusual events. Most of such factors are beyond UME’s ability to control or predict.

Actual results may differ materially from those anticipated. Readers are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein. UME disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

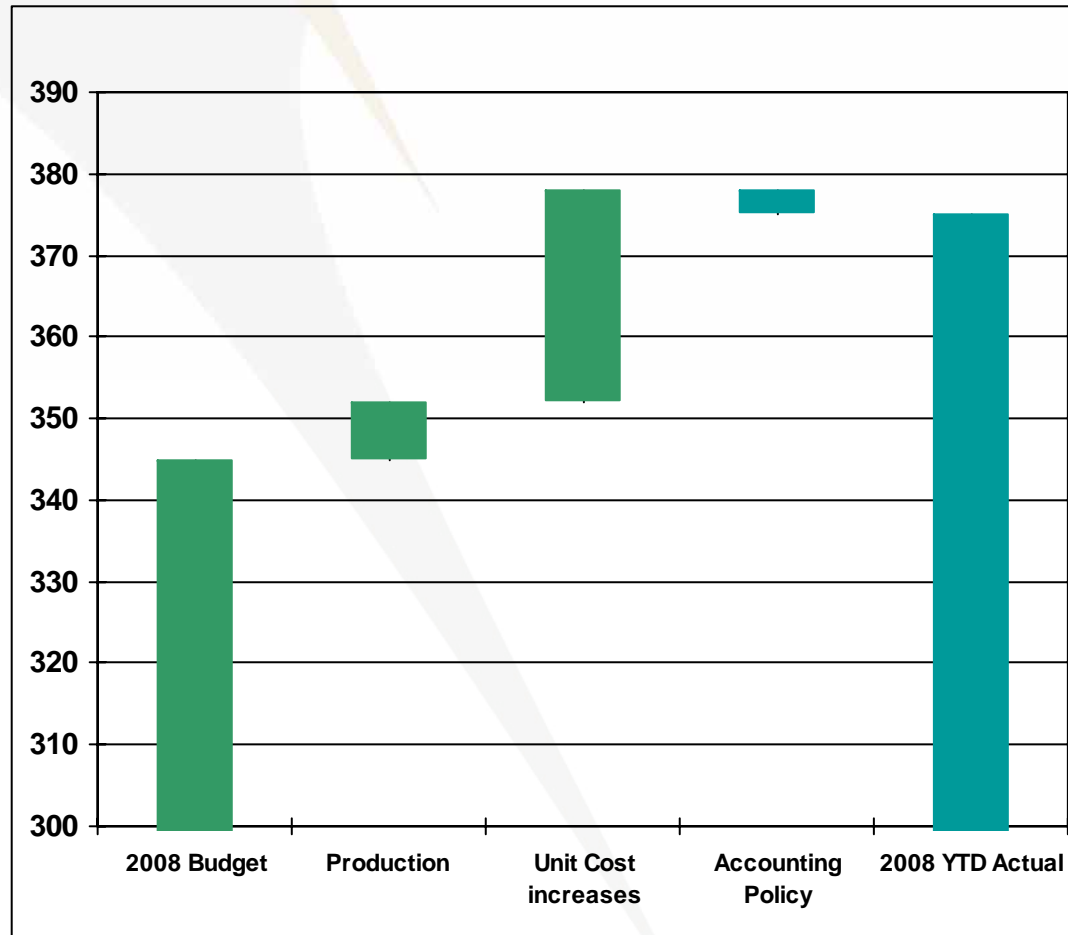


## Financial Performance

<b>Years ended 31 May</b>	<b>9 Months to Feb 2008</b>	<b>Year 2007</b>
Average gold price (\$US/Ounce)	777	610
Cash cost (\$US/Ounce)	375	294
Gold production (ounces)	69,931	96,420
Cash on hand (\$US million)	14.9	14.0
Debt (\$US million)	2.3	3.4
Sales (\$US million)	56.6	63.0
EBITDA (\$US million)	24.3	26.6
Net profit after tax (\$US million)	11.3	14.5
Earnings per share (\$US)	.24	.30
Dividends (\$CAD per share)	.02	.055



## Reconciliation of Cash Costs



Cost increases due to

- Appreciation of Peso v \$US by 13% together with 8% inflation in peso terms. 20% increase in local input costs of salaries and energy.
- 40 % appreciation in fuel price.
- Higher strip ratio than budgeted for vein material.



## San Gregorio Operations – Business Plan

### Base Case Operational Plan

- Existing reserves only, 2008/09 production profile is 80,000 ounces.
- Existing reserves imply lower levels of production thereafter.

### Strategies to improve

- Additional vein material for 2008/09 mine plan – target 95,000 ounces.
- Near mine exploration targets – still a lot to be tested.
- Review selective low capital underground mining opportunities.
- Regional trucking of high grade material with potentially mixed processing (heap leach).

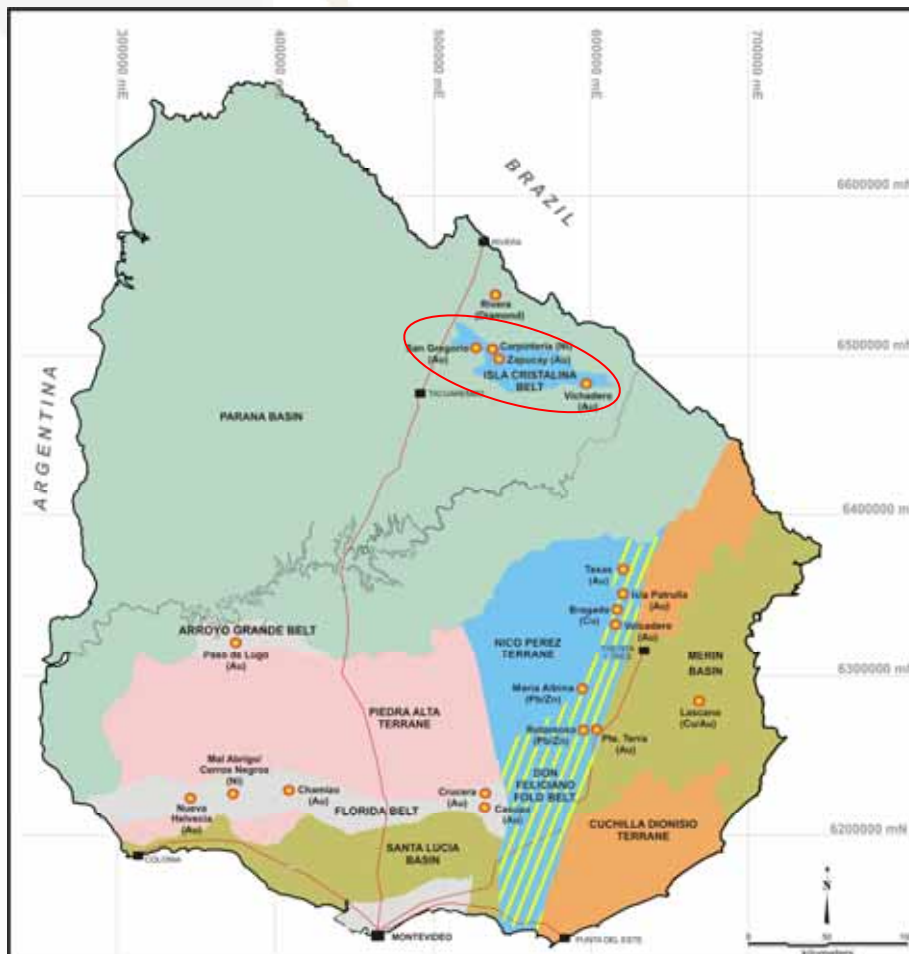


## Capital Management

- Cash position of \$US 15 m expected to build further in Quarter 4
- Significant low grade ore stocks have been mined.
- Buyback commenced, to continue in Quarter 4.
- Future dividend payments to be reviewed.
  
- Current exploration and development programs funded from cash flows.
- Capital expenditure on plant and equipment will reduce.
- Plant expansion using existing lower grade material is marginal and needs additional resources to justify.
- Capital investment will continue to focus on exploration.



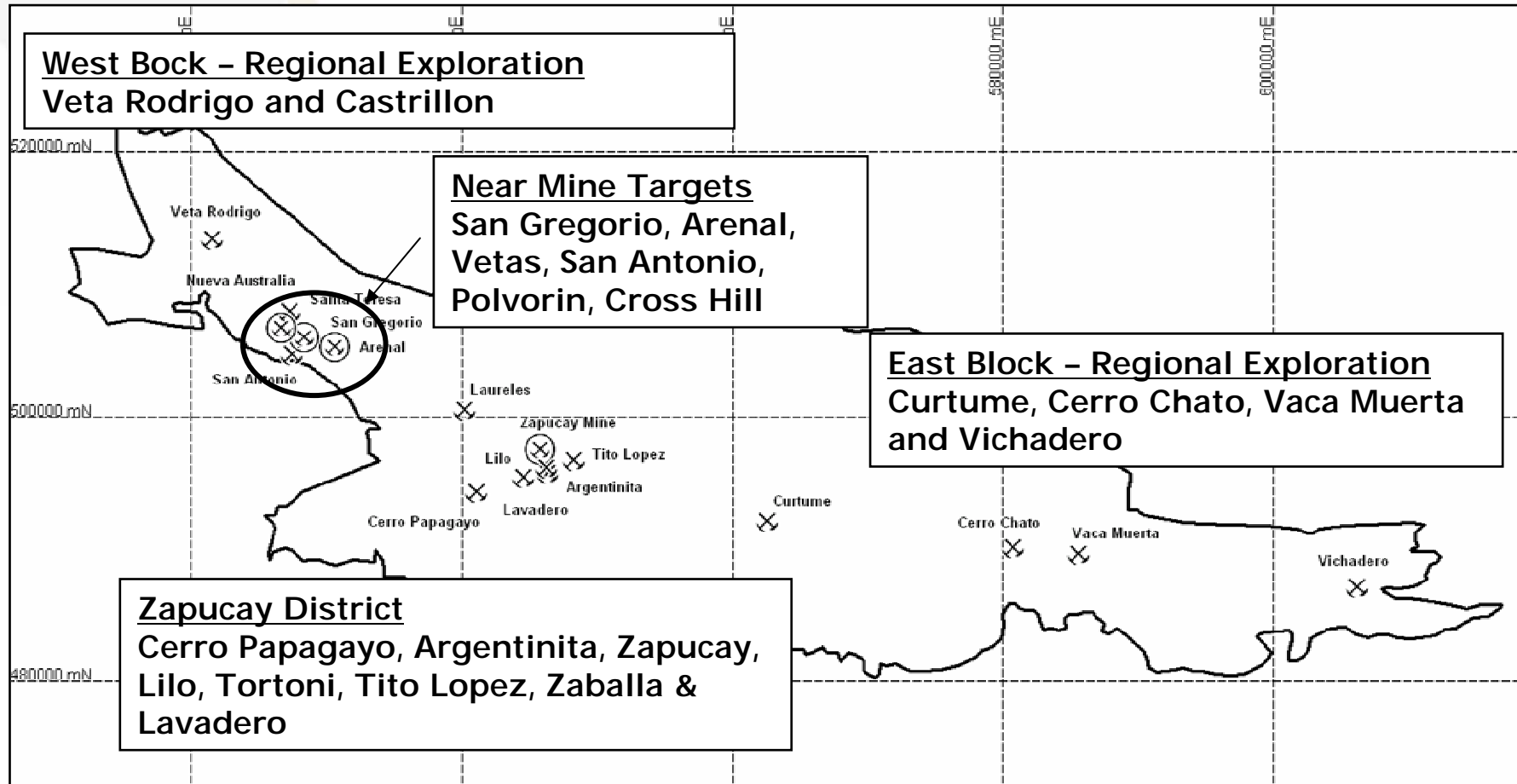
## Isla Cristalina Belt



- 339 Drill Holes completed totalling 43,700m
- 15 Prospects Tested
  - 8 Near Mine
  - 2 Western IC Belt
  - 5 Central IC Belt
- Exploration drilling continues on 6 prospects



## Isla Cristalina Exploration Project - Target Summary





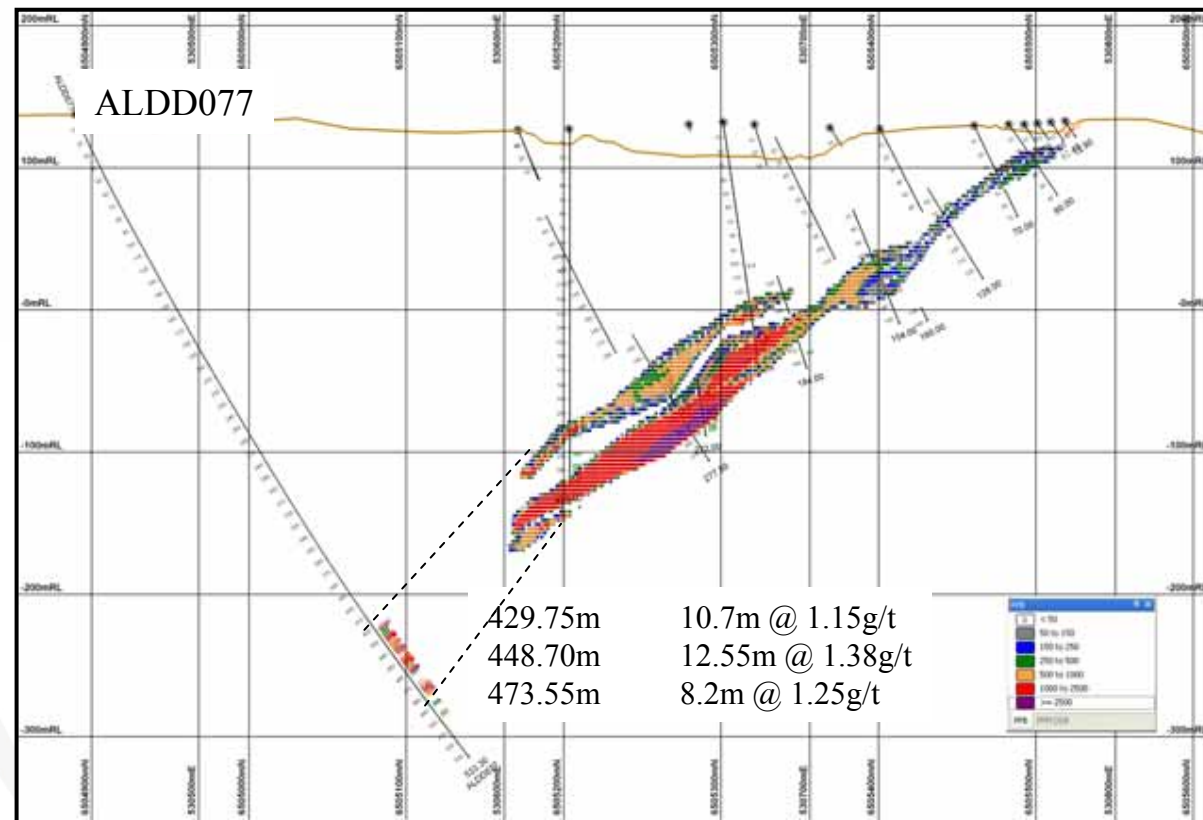
## San Gregorio Near Mine Exploration

- Drill programs in progress to extend current resources along strike and down dip/plunge San Gregorio, Arenal and St. Teresa
  - Total of 15 holes completed totalling 7,322 meters
  - Drilling along trend through Santa Teresa planned
- NE trending Vetas (A & Sur), Resource defined and being exploited
- Exploration for additional NE vein (Veta) sets is underway
  - Target identified south of St Teresa
  - Drilling on this target should commence in May 2008
- Locally high-grade mineralization encountered at Polvorin
  - Off set drilling underway to test for a continuous mineralized body
- Drilling commenced at Castrillon prospect
  - The program is designed to confirm historic drilling and expand the resource.
- Generative exploration work continues between the Arenal and Laurales
  - Exploration commenced on historic vein deposits Peru, Esperanza and Areiqua
  - “The Gap”, generative work located between Arenal and Laurales where little historic exploration has been completed.



## Arenal Underground Potential

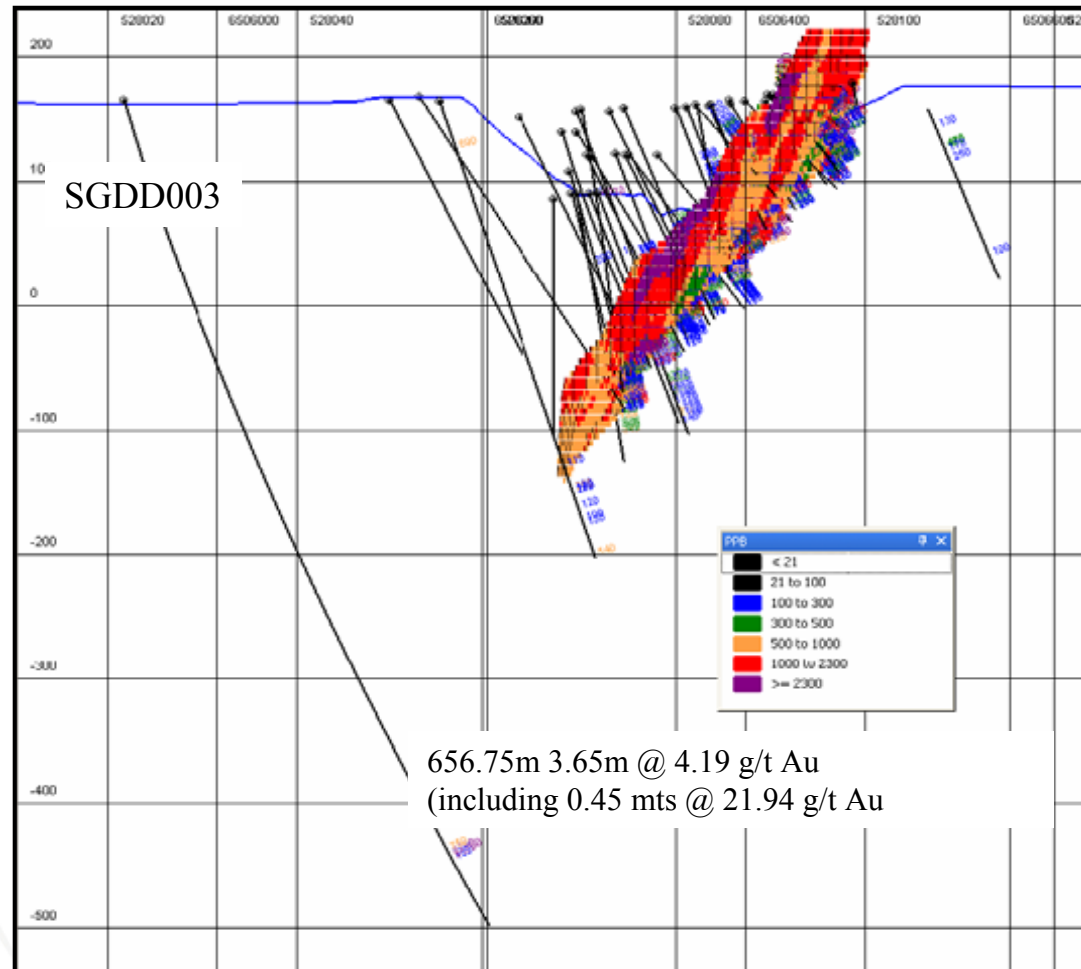
- To date underground drill program has not defined significant resource
- Intercepts have defined a thick structural zone with low grade lenses.
- Results encouraging enough to test for thicker higher grade resource in Arenal.





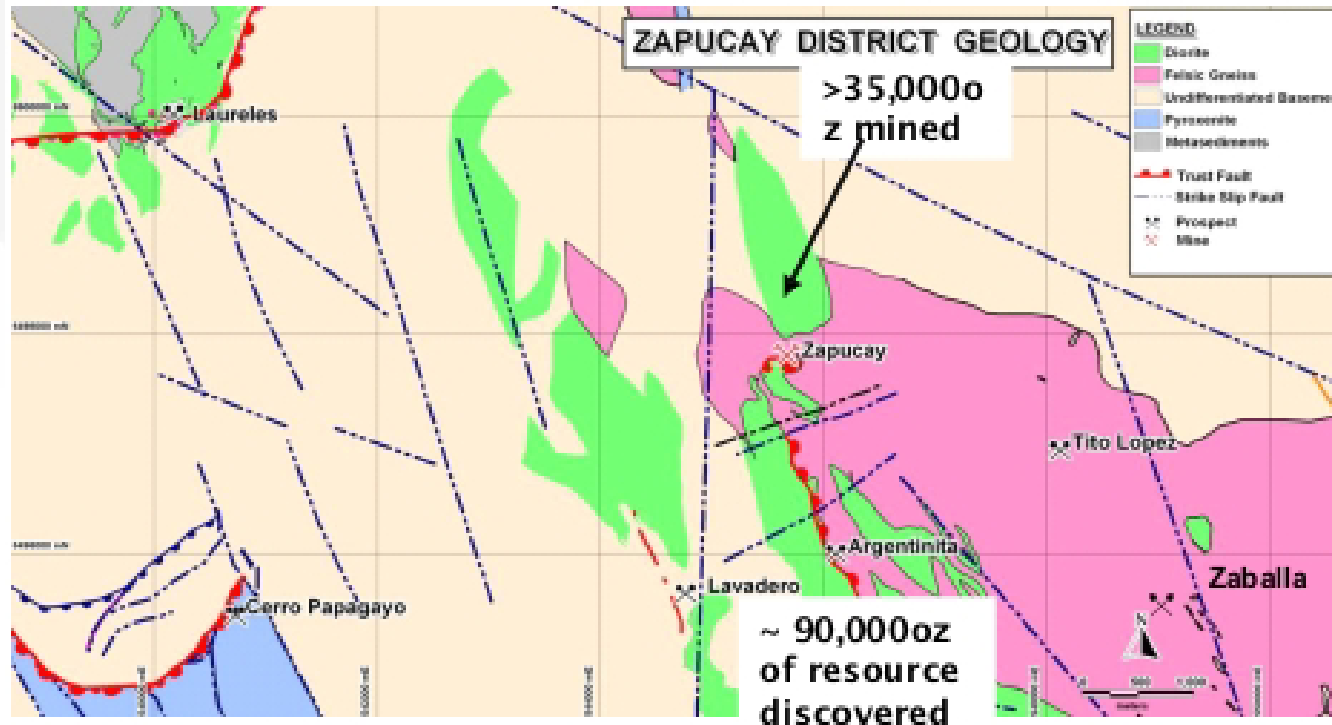
## San Gregorio – Down Dip Drill Results

- Structure and mineralization encountered
- Moderate to high-grade mineralization
- Thickness too thin to be economic based on current analysis





## Zapucay District – Four targets to be drilled



- Drill tested Zapucay, Gap between Zapucay and Argentinita, and Lavedero
  - Drilling has defined that Zapucay and Argentinita lie on the same structure
  - Mineralization encountered between Zapucay and Argentinita additional drilling planned.
- Drilling in progress at Zapucay district to increase Argentinita Resource and connect the deposits



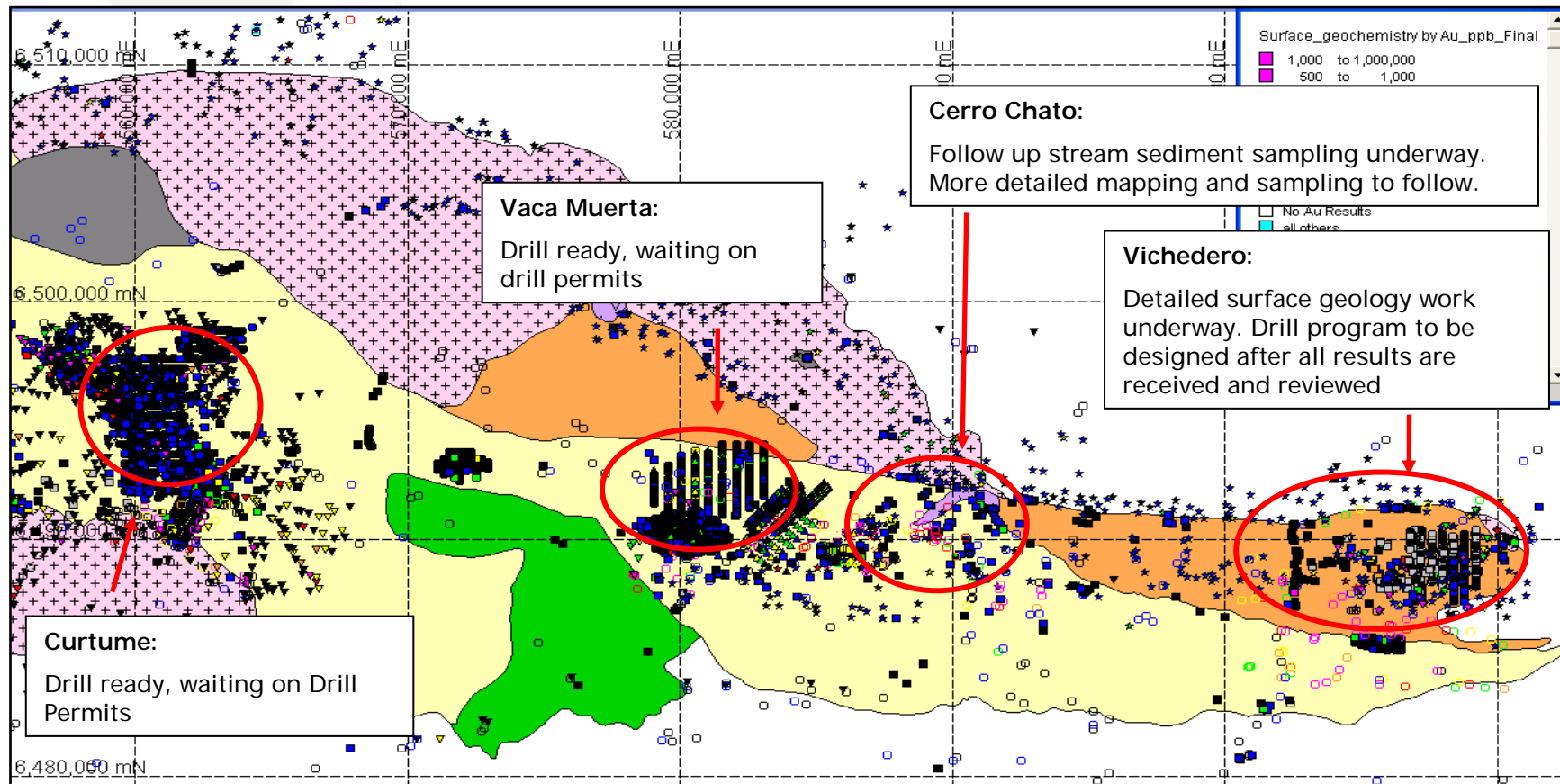
## Lavadero, Papagayo, Laurales, Tito Lopez and Zaballa

- Lavadero and Cerro Papagayo Drill tested
  - No significant mineralization encountered
  - No additional work planned
- Laurales to be drill tested in the next quarter
- Tito Lopez and Zaballa to be drill tested once Exploration Tenements are granted (last half of 2008).
  - Deposits are interpreted to be on the same structural set.
  - Characterized by large quartz veins and shear zones which trend N20-40W 40-60NE. The distance between the prospects is ~2 km.
  - Mineralization is associated with Quartz veins, shear zone and pyrite
  - The structure may extend an additional 4 kilometers to the south east.
  - 13 samples report >1 g/t with 8 samples reporting between 4 and 27 g/t Au



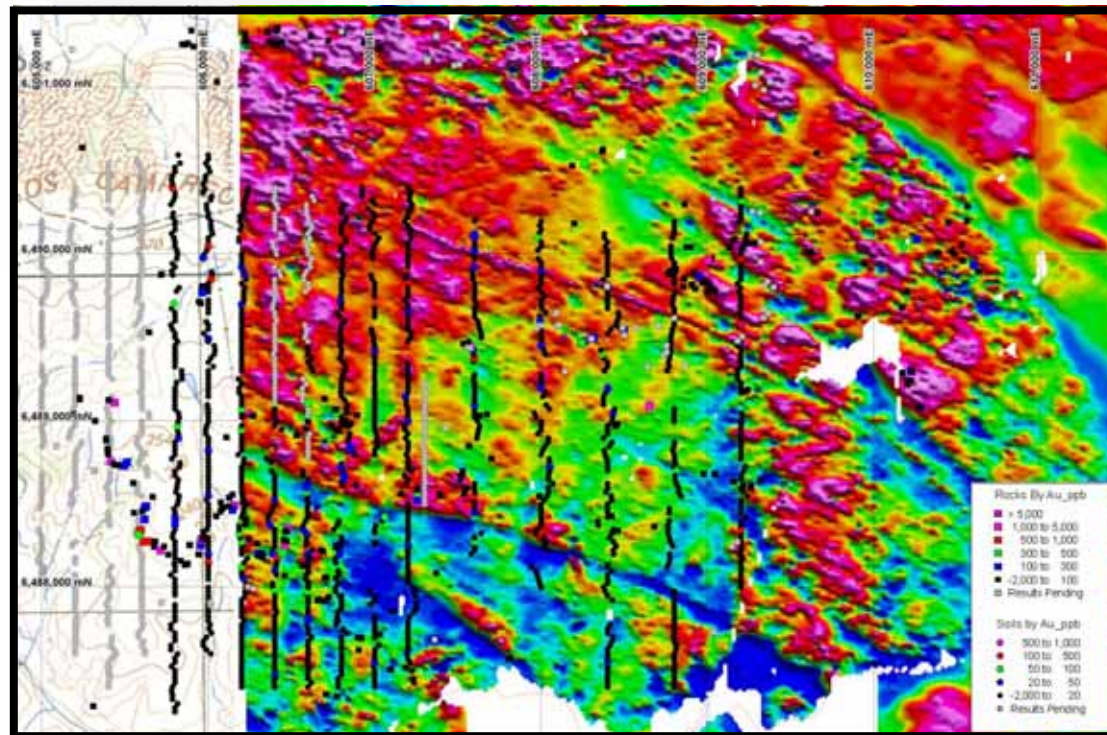
## Eastern Isla Cristalina – Regional Exploration

- Historic anomalies and workings currently being followed up
- Highly anomalous area, parallels regional structure (Rivera Shear) is under-explored with limited outcrop exposure; hidden targets





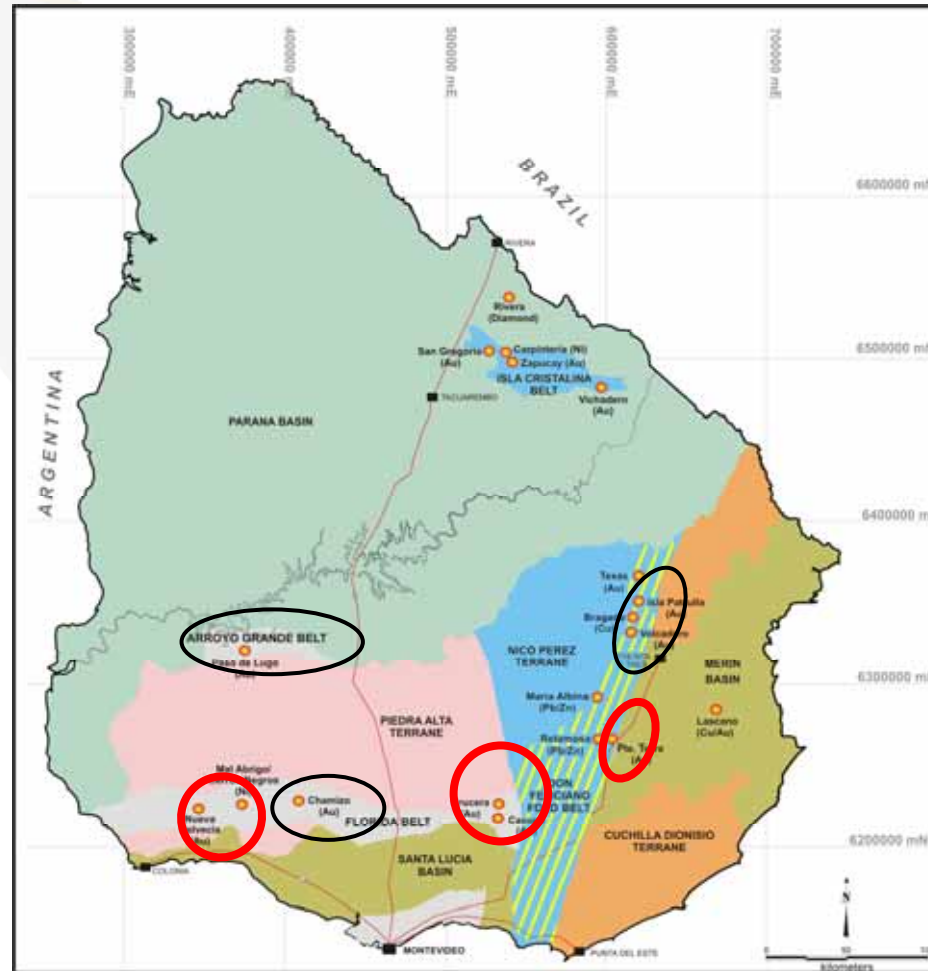
## Vichadero Results



- 18 square kilometre soil and ground geophysical program nearly completed
- Rock Chip samples and soil Au anomalies identified
- Most significant rock chip results from last quarter were six samples ranging from 1.7 to 84.1 g/t Au
- Geophysics identifying controlling structural fabric
- Drill program scheduled for second half of 2008 after review of full data set.



## Southern Uruguay High Priority Au Exploration Projects

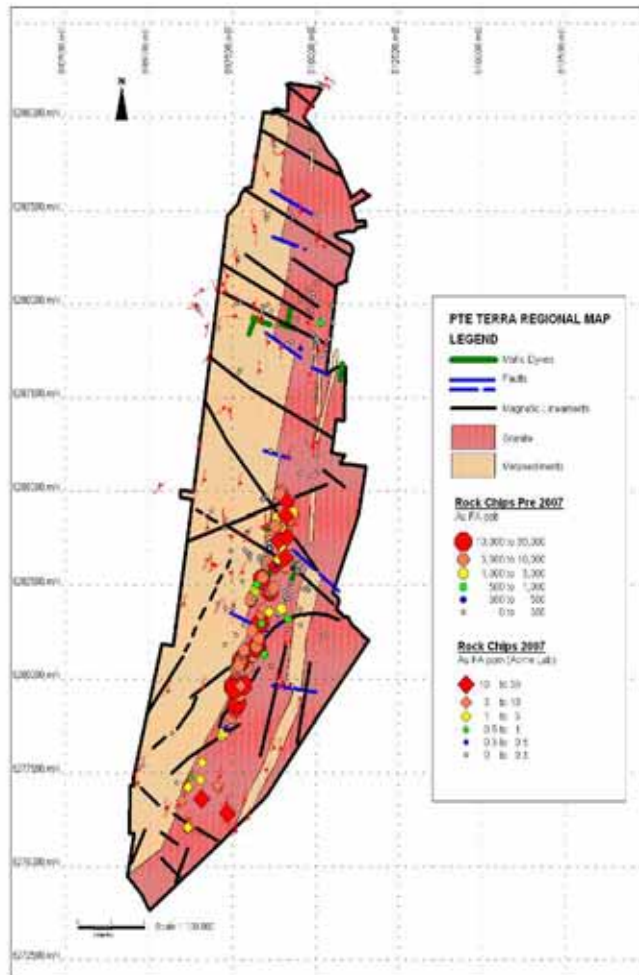


**High Priority Projects** ○

**2<sup>nd</sup> Tier Projects** ○



## Presidente Terra Project

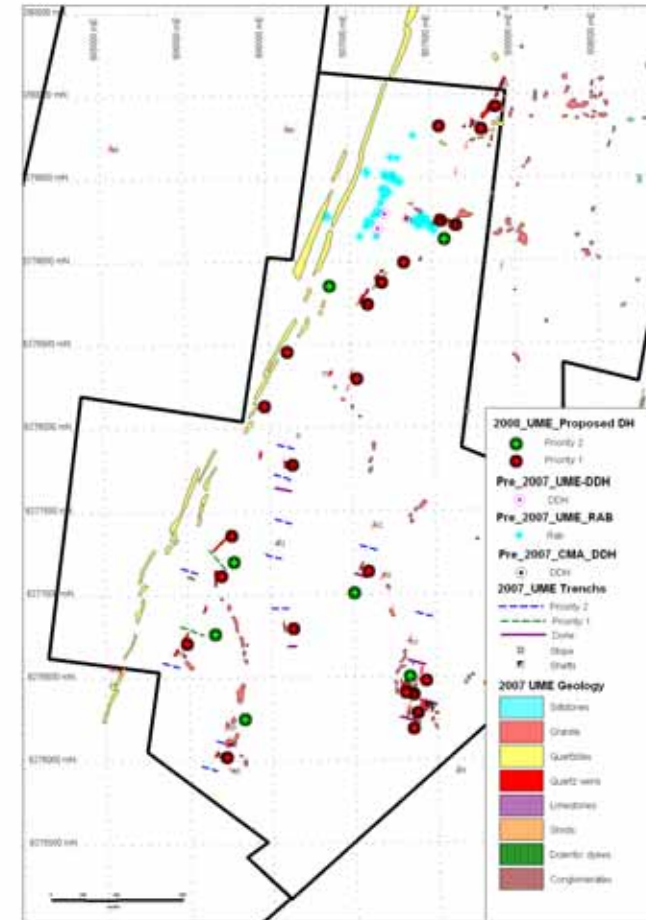
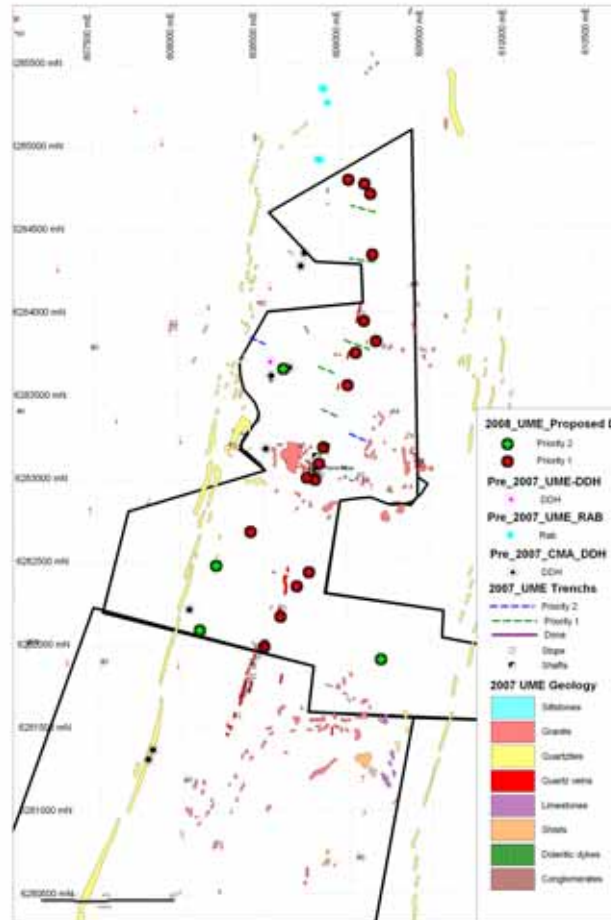


- Over 7km strike length of previously known Au mineralization > 1.0 g/t.
- Additional 3km of positive Au mineralization > 1.0 g/t in identified south along trend 2007.
- Exploration permits received in January 2008
  - Delayed trenching and drill program
- IP survey complete defining extension of veins under cover.
- Soil sampling program 80% complete results confirm trend of mineralization under cover
- 15 priority 1 trenches totaling 1,400m underway
  - 8 trenches complete
  - Results pending



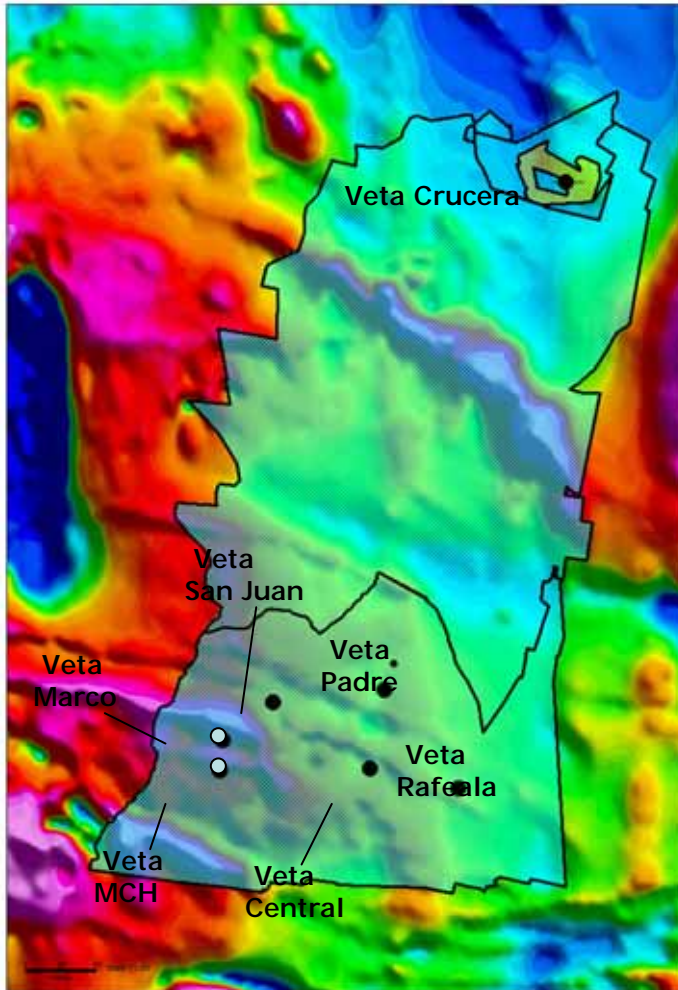
## Presidente Terra First Pass Drill Program

- Drill Program to begin April 22
- 38 holes totaling 4,750 meters
- Testing 2/3 of the anomalous 10 km strike length of mineralization
- Three target types;
  - Granite hosted quartz veins
  - Granite/meta-sediment (Shear?) contact
  - Altered meta-sediments





## Crucera-Casupa District

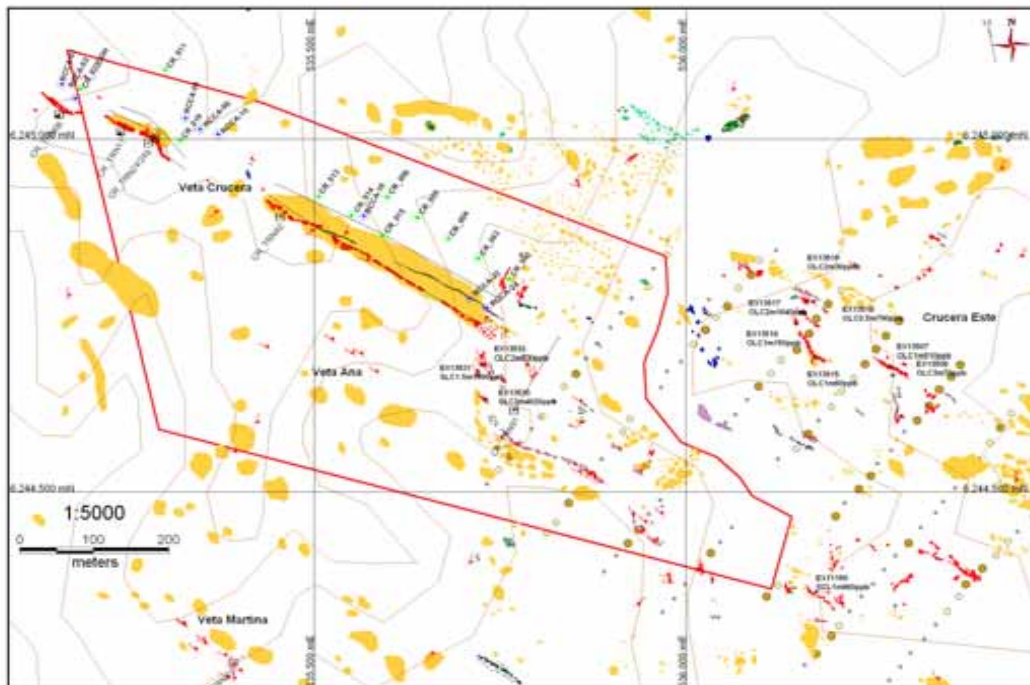


- Shear hosted Au quartz vein district play.
- Known continuous quartz vein Au mineralization at Crucera and MCH in the south.
- These represent two of seven prominent shear zone-hosted Qtz/Au/Ag vein systems  $\geq 800\text{m}$  in strike length.
- New vein set discovered north of Crucera totaling 3.7 km
- All prospects within 19 km of one another enabling the potential for greater than 500,000 ounce Au district.



## Advanced Work in Crucera District

- 2007 UME Soil Grid sampling on Crucera extension has extended target 1km to NW and 700m to SE of historical drilling (anomalous samples on extension).
- Drill program designed to test this extension once access permits are received.



### 2007 UME Surface mapping/ sampling

Detailed mapping completed  
9 samples between 510 – 6,730 ppb Au.

### 2007 UME Trenching

CR-07-TRN6 [5m@4.41g/t](#) Au  
 CR-07-TRN17 [3.5m@5.09g/t](#) Au  
 CR-07-TRN24 [2.5m@4.27g/t](#) Au  
 CR-07-TRN24b [3.5m@4.45g/t](#) Au  
 CR-07-TRN42 [7.5m@3.61g/t](#) Au  
 CR-07-TRN83 [1.0m@6.00g/t](#) Au  
 CR-07-TRN91 [1.0m@3.90g/t](#) Au

### 2007 UME Drilled 3490.55m (29 RC) & 458.35m (3 DDH) Intercepts ≥ 1.5g/t Au over 2m

CR-07-002 [12m@2.23g/t](#) Au from 90m  
 CR-07-003 [5m@2.35g/t](#) Au from 87m  
 CR-07-004 [3m@2.26g/t](#) Au from 87m  
 CR-07-005 [2m@1.92g/t](#) Au from 84m  
 CR-07-006 [2m@1.65g/t](#) Au from 78m  
 CR-07-011 [5m@2.19g/t](#) Au from 144m  
 CR-07-013 [2m@3.71g/t](#) Au from 42m  
 CR-07-014 [3m@5.30g/t](#) Au from 38m  
 CR-07-015 [3m@1.95g/t](#) Au from 38m  
 CR-07-019 [4m@1.94g/t](#) Au from 18m  
 CR-07-022DDH [7.85m@5.99g/t](#) Au from 62.15m

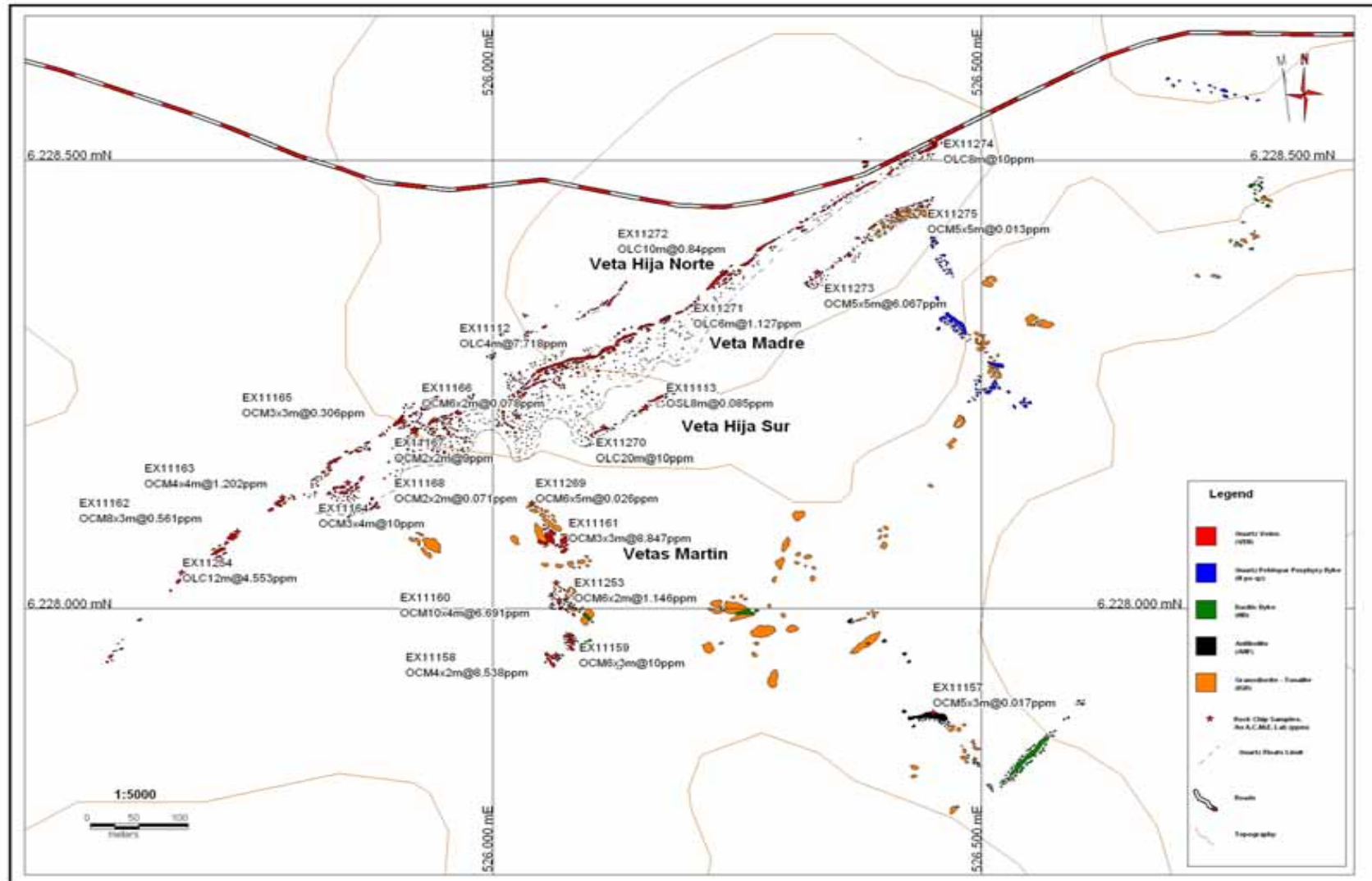


## Advanced Work at Casupa

- 2007 UME Mapping and Sampling
  - Detailed mapping completed
  - 32 rock chips between 100-1000ppb Au
  - 34 rock chips between 1000-10000ppb Au
  - 10 rock chips  $\geq 10000$ ppb Au
- 2008 UME Soil Sampling and Ground Magnetics
  - Soil sampling and Magnetics survey over NE extension of MCH vein into the Marco Vein area.
- 2008 UME Drilling – Phase 1, once permits are granted
  - 1875m (15 RC) Drill Camp 1 to test southern limb, and step out on 1km strike of northern limb of the MCH vein structure
  - 1250m (10 RC) Drill Camp 1 to test along strike of the San Juan vein structure



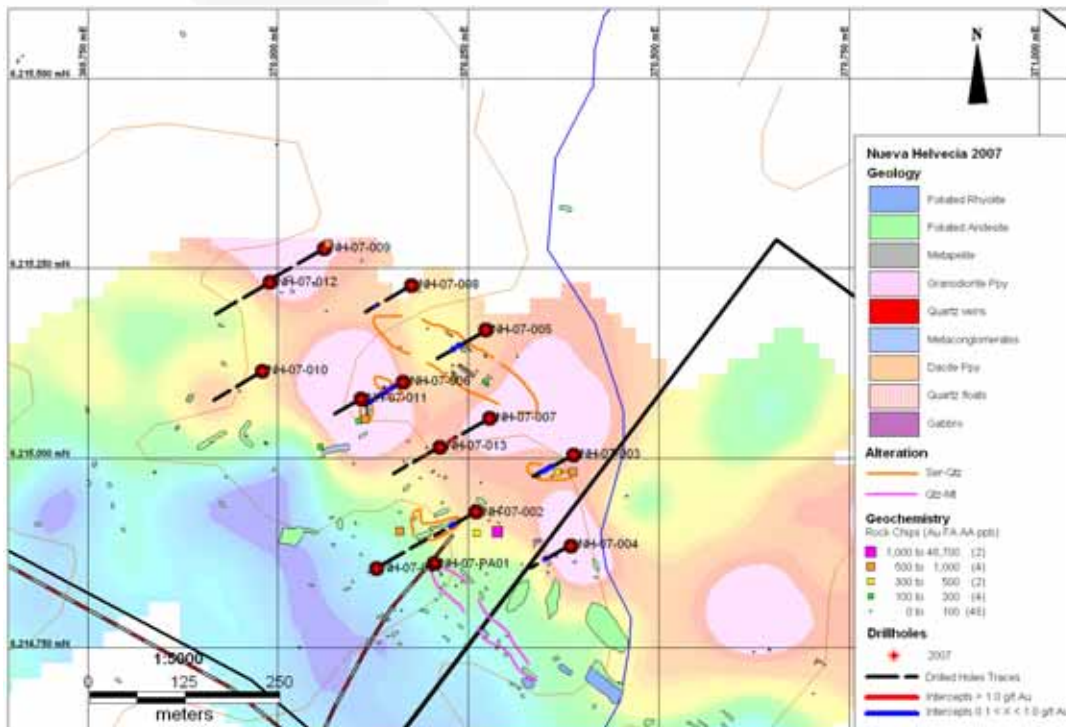
# Casupa Madre con Hijos





## Nueva Helvecia Project

- Drill Tested, no significant mineralized body delineated.
- Review of structural setting underway by consulting structural geologist
- Diamond drill program to be defined by data review/structural interpretation



### 2007 UME Surface Mapping/sampling in Campo Robaina Zone of Project

- Detailed mapping completed
- 10 samples between 0.2-1.9 ppm Au.

### 2007 UME IP Geophysical Survey (9 linear km)

- Multiple High chargeability anomalies
- Coincident High Resistivity / Moderate chargeability and mineralized host rock on contact.

### 2007 UME Drilled 1826m (13 RC holes) in Campo Robaina Zone of Project

#### Intercepts $\geq 0.5\text{g/t Au}$ over $\geq 1.0\text{m}$

- NH-07-002 [1m@0.67g/t](#) Au from 18m
- NH-07-003 [4m@0.64g/t](#) Au from 68m
- NH-07-005 [1m@0.57g/t](#) Au from 93m
- NH-07-006 [4m@1.79g/t](#) Au from 52m
- NH-07-007 [4m@2.45g/t](#) Au from 122m
- NH-07-011 [2m@0.60g/t](#) Au from 19m
- NH-07-013 [3m@1.20g/t](#) Au from 47m



## Other Exploration Targets

- Bragado Drilled (1474m, 12 RC holes) ,
  - No significant Au mineralization encountered
  - Anomalous copper reported
  - No additional work planned
- Volcadero Drilled (965m, 8 RC)
  - No significant results expected.
  - No additional work planned at this time.
- Cornillo – Mahoma - Chamizo District
  - Compilation of historic drill data suggests further evaluation
  - Data to be compiled into 3D software to evaluate drill targets
  - Exploration drill program to be designed if warranted
- Arroyo Grande (Paso de Lugo)
  - Prospecting permits partially granted and field work started
  - Historic data indicates a number of soil gold anomalies exist
- Generative exploration
  - Dom Feliciano
  - Florida belt



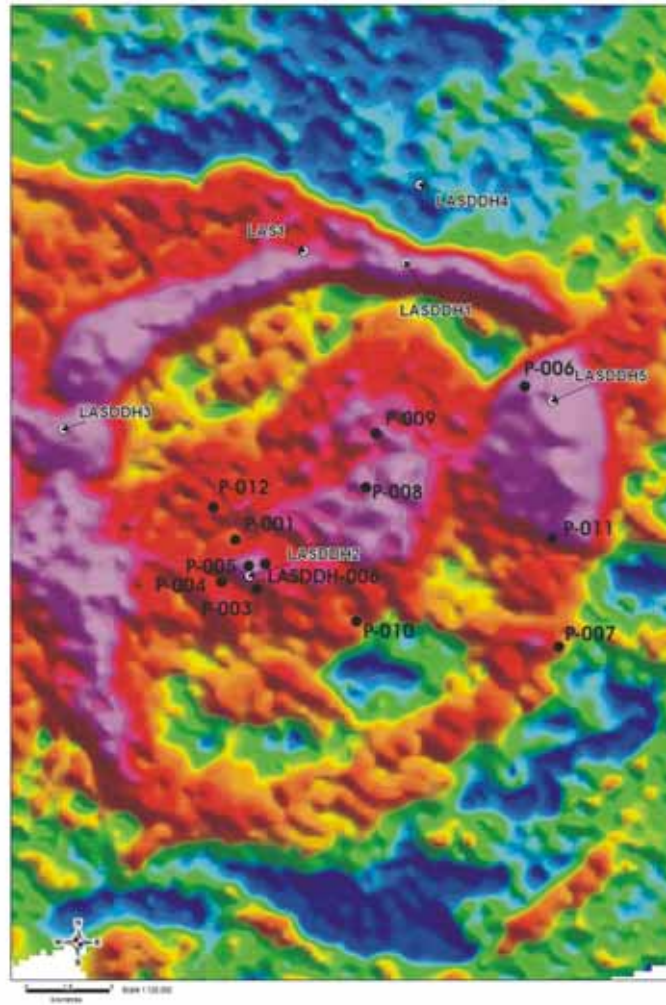
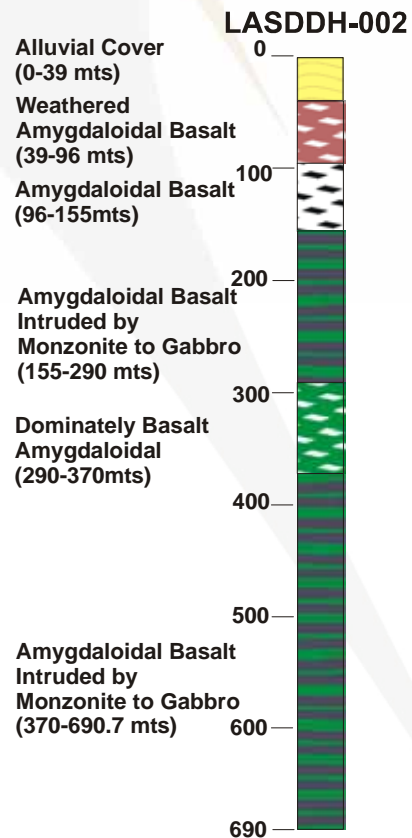
## Lascano

5 hole program completed to define geophysical anomaly.

- Significant intercept of weak copper mineralization in hole LASDDH002
  - Visible gold mineralization has been identified in one thin section.
  - Geochemically anomalous Cu mineralization encountered over a drill hole intercept of 201 to 327 meters depth (168ppm). No significant Au assay results reported.
  - Potassic alteration associated with FeOx metasomatism associated with the intercept
- Second phase drill program started in April
  - 8,000 m, 12 hole program to test area around hole LASDDH002 and other geophysical anomalies.



## Stratigraphy, Drill Hole Location and Magnetic Image





## Summary

- Production of 95,000 ounces in 2007/08, subject to current union action
- Mine plan for 2008/09, minimum 80,000 – target 95,000
- Completing exploration work planned, + 15 targets drilled in 9 months
- Defining new drill targets, + 10 drill defined in past 9 months
- Pipeline of addition prospects being worked into drill targets
- Evaluation of gold acquisition opportunities in South American ongoing.