

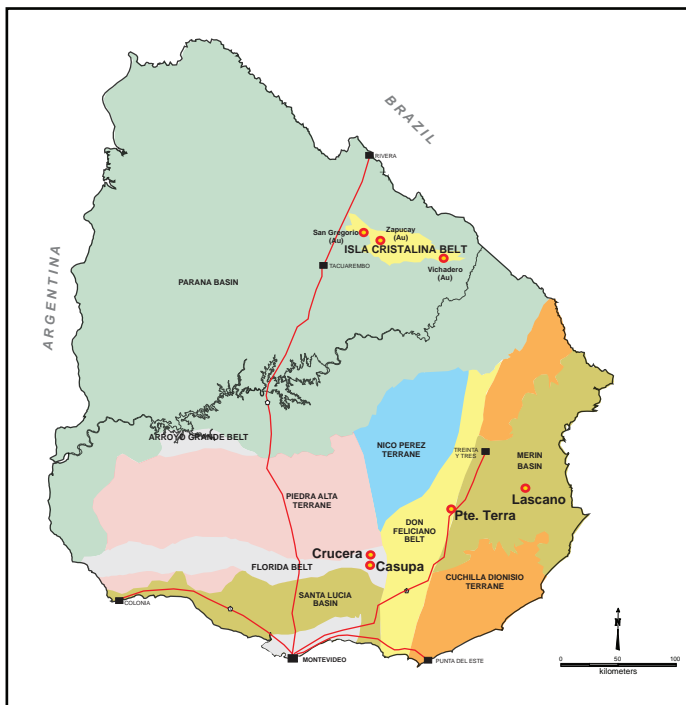


# DEBT FREE, WELL FUNDED EXPLORER AND PRODUCER

## URUGUAY MINERAL EXPLORATION

Uruguay Mineral Exploration Inc. (UME) is a gold production and exploration company that identifies and develops precious metal opportunities in South America. UME is well positioned for growth with a positive cash flow funding an active exploration program over 640,000 hectares in Uruguay, and evaluation of regional acquisition opportunities. UME operates the San Gregorio gold mine in northern Uruguay which is expected to produce 80,000 ounces in fiscal 2008/09.

### FY08/09 EXPLORATION BUDGET OF US\$11 MILLION



## KEY EXPLORATION PROJECTS

### ISLA CRISTALINA BELT

- The Minas de Corrales goldfield has produced approximately one million ounces to-date from moderate to low angle thrust systems, which cut late Proterozoic gneiss and schist
- Potential for near mine resource expansion
- Anomalous gold mineralization identified throughout the 110 km long belt with multiple projects being advanced
- 50,000 m of drilling is anticipated during the 08/09 fiscal year

### PRESIDENTE TERRA PROJECT

- Granite, quartzite and meta-sediments cut by northeast trending high-angle shear zones
- Anomalous gold mineralization over 11km strike length
- Visible gold in most vein sets with strongly anomalous rock chips up to 336 g/t
- First pass drilling completed for more than a total of 7,000m. Mineralization encountered with intercepts reported up to 3m @ 14.34 g/t Au

### LASCANO PROJECT

- A large geophysical anomaly comprised of 3 large (20km) circular features interpreted to represent intrusive bodies within a rift setting
- 158m of anomalous copper in LASDDH-002 indicates the potential for an IOCG or copper porphyry system
- 8,000m diamond drill program commenced in April 2008

### CRUCERA / CASUPA DISTRICT

- A district hosting multiple shear/vein sets cutting Proterozoic granitic host rocks which has resource potential
- At Crucera drilling has confirmed mineralization along 800m strike length of a 5km structure
- Continued development through the discovery of additional mineralized veins
- 5,000m of drilling planned in fiscal 2Q09 in the southern part of the district

### REGIONAL EXPLORATION

- Several early-stage and advanced projects are located in the Arroyo Grande and Florida belts in southern Uruguay. These are defined by vein/shear systems in early Proterozoic granite and meta-volcanic schist
- Early and advanced projects in middle to late Proterozoic granite and metasediments of the Don Feliciano Mobile Belt
- Significant surface gold mineralization discovered in the Arroyo Grande Belt.
- Drill targets being developed for early 2009

### NON GOLD ASSETS

- Base-metal projects are located in the Don Feliciano Mobile Belt
- Anomalous Pb/Zn is present in a carbonate sequence and anomalous copper in veins cutting folded meta-sediments, meta-volcanic and associated granitic host rocks
- Nickel projects are present in the San Jose granite-greenstone belt and the Isla Cristalina Belt of southern and northern Uruguay respectively.
- Trace to 2-3% sulphide has been observed at two projects
- The Rivera diamond project is located on the Rio de la Plata Craton in northern Uruguay
- Micro-diamond, garnet and chrome spinel have been recovered in a favourable structural setting
- Kimberlite pipe targets have been defined for drilling

## OPERATIONAL HIGHLIGHTS

- A proven exploration and operations team
- Sound track record in environmental management and community relations
- A 1.2km river diversion completed in 2007 within budget and on schedule

### KEY STATISTICS

		2005/06	2006/07	2007/08
Ore processed	Tonnes	1,266,529	1,312,999	1,244,341
Grade processed	(g/t Au)	2.65	2.45	2.45
Recovery	%	93.7	93.1	92.3
Gold produced	Ounces	101,287	96,420	90,668
Average cash cost	US\$/oz	210	294	413
Revenue	US\$ '000s	51,206	63,056	79,061
Net income for the period	US\$ '000s	10,583	14,554	7,798
Basic earnings per share	US\$	0.23	0.30	0.16
Dividend per share	US\$	0.000	0.056	0.049

### RESERVES & RESOURCES

As at 1 June 2007	Tonnes	Grade	Ounces
Reserves	6,933,000	1.58 g/t	353,000
Measured and indicated Resources	20,921,000	1.32 g/t	885,900
Inferred Resources	3,736,000	1.10 g/t	133,640

Reserves are contained within resources. All reserves and resources are NI 43-101 compliant.



## FOCUSED ON EXPANDING GOLD PRODUCTION IN SOUTH AMERICA

- **Internally funded budget of US\$11 M per annum to build resources and reserves in Uruguay through exploration and development**
  - **Short-term plan:** maximise production from San Gregorio with a target to produce 100,000 ounces per annum.
  - **Medium-term plan:** discover and define new resources throughout Uruguay.
- **Acquisition**  
UME is evaluating gold production / development projects in other South American countries.
- **Partnership to advance non-gold assets**  
UME plans to enhance the value of its non-gold assets and then seek joint venture partners to develop its diamond, copper, lead, zinc and nickel prospects.

## WHY INVEST IN UME

- Sound track record in environmental management and community relations
- Over 10,000 square km of prospective greenstone belts and other prospective terrain with tenements over the key areas
- Significant database of geological mapping, geochemistry and geophysics assembled over 10 years
- Advanced projects that will be drilled in the next 12 months with continued grass roots project generation
- Ability to execute programs with a team of 30 geologists, a fleet of 5 diamond/RC drill rigs (owned by the Company) and geophysical equipment
- One of the most stable political, regulatory and economic environments in South America
- Proven exploration and operations team



## CAPITAL STRUCTURE\*

**Market Cap:** C\$46.2 M  
**Shares Outstanding:** 48,667,068  
**Options:** 2,669,000  
**Warrants:** 20,000

\* As of August 28, 2008

## BOARD OF DIRECTORS

**Tony Shearer**  
Non Executive Chairman  
**David Fowler**  
Chief Executive Officer  
**Ignacio Salazar**  
Chief Financial Officer  
**William Lindqvist**  
Non Executive  
**John Morris**  
Non Executive  
**Julio Porteiro**  
Non Executive  
**Roger Davey**  
Non Executive

## MANAGEMENT TEAM

**David Fowler**  
Chief Executive Officer  
**Ignacio Salazar**  
Chief Financial Officer  
**John Sadek**  
Vice President Operations  
**George Schroer**  
Vice President Exploration

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