



# Uruguay Mineral Exploration

## Results for the Third Quarter of Fiscal 2009, Outlook & Exploration Update

April 16, 2009

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This presentation should be read in conjunction with the announcement of Results for the third quarter of fiscal 2009 ended February 28, 2009 and Management's Discussion and Analysis of Results

# Conference Call Hosts

URUGUAY MINERAL EXPLORATION



**Tony Shearer, Chairman**

**David Fowler, Chief Executive Officer**

**Ignacio Salazar, Chief Financial Officer**



- **Gold production in line with expectations; sequential improvement**
  - Q3 09: 19,371 ounces, 22% above Q2 09 production
  - Year to date: 51,647 ounces
- **As expected, increased grade was encountered at the Arenal pit as mining returned to the core of the deposit**
- **Plant feed:**
  - Arenal mining to finish in Q4 2009
  - 8,000 ounces of Veta Sur 2 and 3 material added to 2009 mine plan.
  - San Gregorio East ore deferred until fiscal 2010.
  - Additional ore being identified at Zapucay (Approx 2,000 ounces).
- **Production target for FY09 of 72 ,000 – 75,000 ounces**



- **Q3 09 cash costs per ounce of \$US 547, down 33% compared to Q2 09 reflecting:**
  - Increased head grade
  - Initial success of the company-wide cost reduction program
  - Decline in the price of oil and other consumables
  - Appreciation of the US dollar against the Uruguayan peso
- **Cost reduction will continue to be an important focus during Q4 09**
- **Cash costs per ounce for FY09 revised to the range of \$US 650 to \$US 680 per ounce from the previous estimate of \$US 600 to \$US 630**
  - A change in the mine plan to defer mining of San Gregorio east from Q4 09 into Q1 10.



- **Cash balance at February 28, 2009 up to \$US 8.1 million from 6.4 million in Q2 09**
- **Continue to expect to close FY09 with \$US 8 – 10 million in cash, after funding exploration expenditure of approximately US\$ 10 million for FY09**

# Financial Performance for Q3 09

URUGUAY MINERAL EXPLORATION



Summary of Results <sup>1</sup>		Three months ended February 28,		Nine months ended February 28,	
		Q3 2009	Q3 2008	2009	2008
<b>Operating Results</b>					
Gold produced	Ounces	19,371	25,150	51,647	69,931
Average cash cost	US\$/oz	547	342	706	375
Average price received	US\$/oz	822	888	841	777
<b>Financial Results</b>					
Revenue	\$US '000s	17,125	22,220	46,505	56,653
Net income (loss) for the period	\$US '000s	(1,098)	5,942	(11,859)	11,535
Cash flow from operations <sup>2</sup>	\$US '000s	4,091	4,416	3,289	17,359
Basic earnings per share	\$US	(0.02)	0.12	(0.24)	0.24
Cash at the end of the period	\$US '000s	8,051	14,942	8,051	14,942
Total debt at the end of the period	\$US '000s	71	2,309	71	2,309

<sup>1</sup> Results are based on Canadian GAAP and expressed in U.S. dollars.

<sup>2</sup> Before non-cash working capital movements.



# Arenal Underground Resources

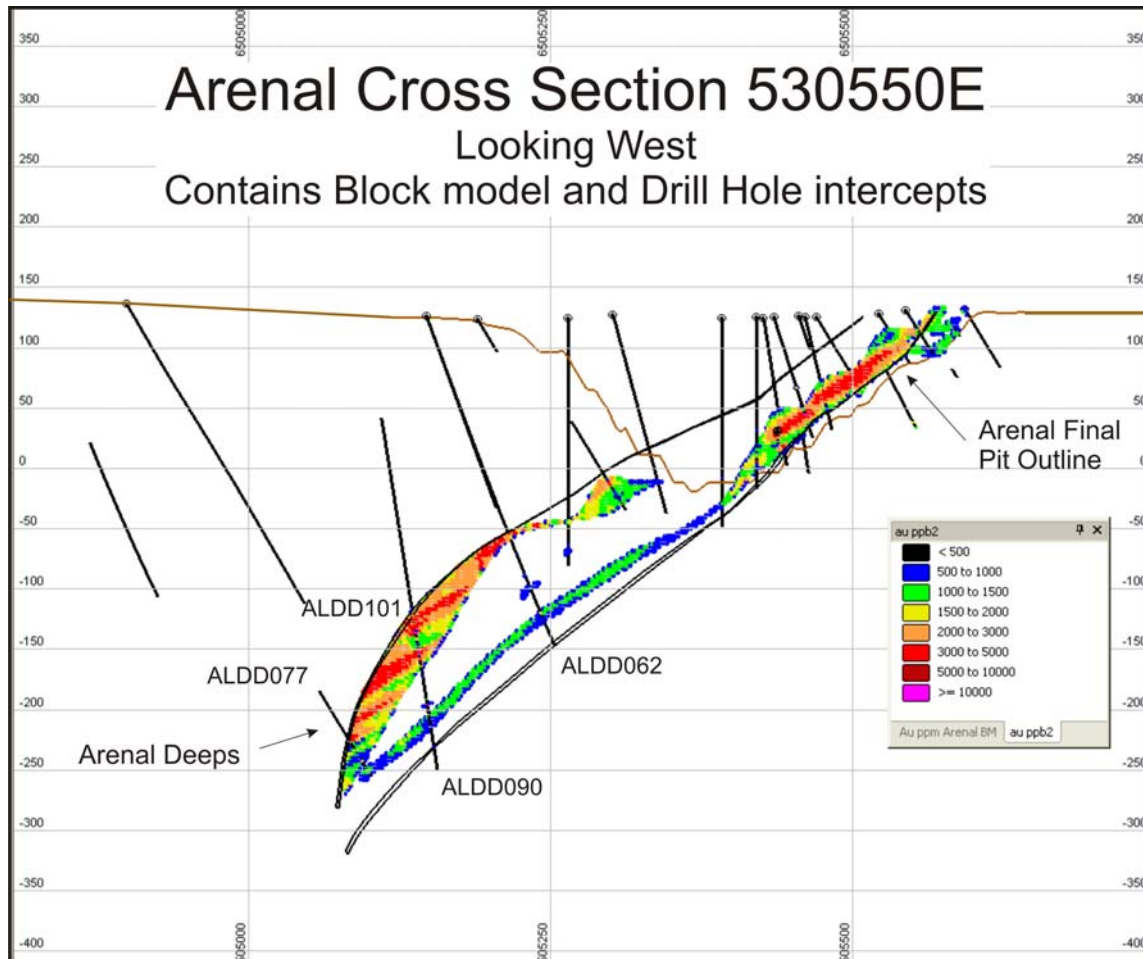
- Independent resource estimate indicates a measured and indicated resource below the designed limit of the open pit of 3.16 million tonnes at 2.2 g/t Au using a 1.5 g/t cut off.

■ Mineral Resource Estimate\*

Cut off Au g/t	Resource Category	Tonnes (dry metric)	Au g/t	Measured + Indicated		
				Tonnes	Au g/t	Contained Au Oz
0.5	Measured	991,000	1.32	9,126,000	1.39	408,000
	Indicated	8,135,000	1.40			
	Inferred	484,000	1.33			
1.0	Measured	616,000	1.65	5,780,000	1.77	328,000
	Indicated	5,164,000	1.78			
	Inferred	254,000	1.84			
<b>1.5</b>	<b>Measured</b>	<b>308,000</b>	<b>2.07</b>	<b>3,164,000</b>	<b>2.21</b>	<b>224,000</b>
	<b>Indicated</b>	<b>2,856,000</b>	<b>2.22</b>			
	<b>Inferred</b>	<b>152,000</b>	<b>2.27</b>			
2.0	Measured	130,000	2.54	1,557,000	2.70	135,000
	Indicated	1,427,000	2.71			
	Inferred	75,000	2.79			
2.5	Measured	49,000	3.09	790,000	3.16	80,000
	Indicated	741,000	3.16			
	■ Inferred	■ 40,000	■ 3.27			

■\* Totals have been rounded † 359 drill holes were used in an estimation process incorporating ordinary kriging for a high grade domain and inverse distance weighting for a low grade domain

# Arenal Underground Cross Section



- Resource down plunge of Arenal open pit resource.
- Opportunity with infill and extension drilling to increase tonnes and improve grade.



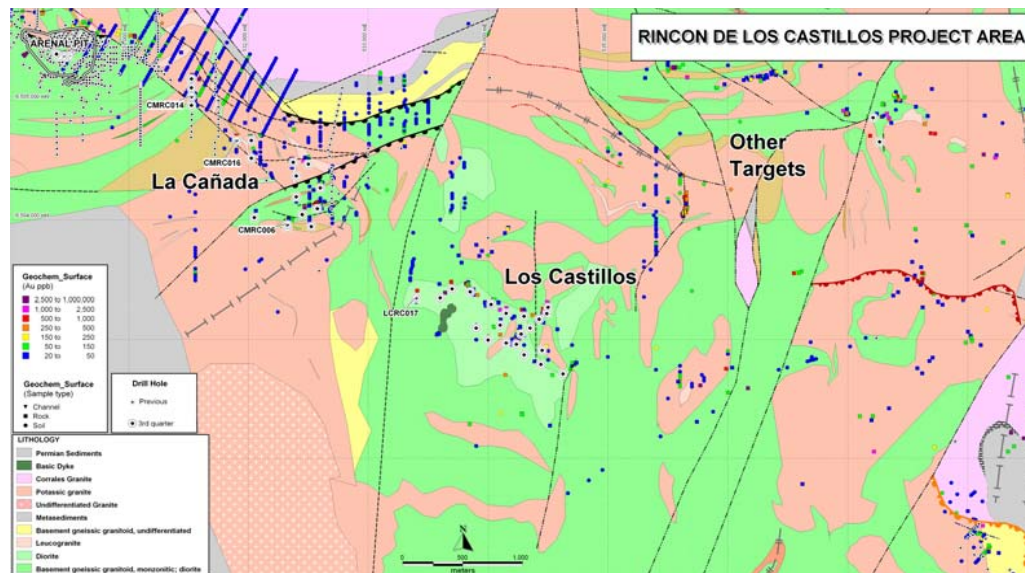
- An initial 4,500 meter drill campaign commenced in April 2009 to further define and increase resources.
- Underground pre-feasibility study planned to be released in June 2009.
- Further infill and extension program of 15,000 meters as part of a bankable feasibility study to commence June 2009.
- Bankable feasibility study completed Q3 fiscal 2010
- Following completion of a bankable feasibility study, mine plans will be updated to reflect underground mining
- **The Objective: contribute to production within two years and extend mine life to beyond five years**



## Rincon District - District 10 km by 5 km along strike east of the Arenal mine

### Q3 09 Update

- Surface exploration commenced a year ago.
- Three targets identified to date.
- Despite good surface anomalies announced in Q2 09, no significant mineralization was reported from the 2,334 meters drilled in Q3 09.
- Structures were encountered but surface mineralization did not extend to depth.



### Planned Work

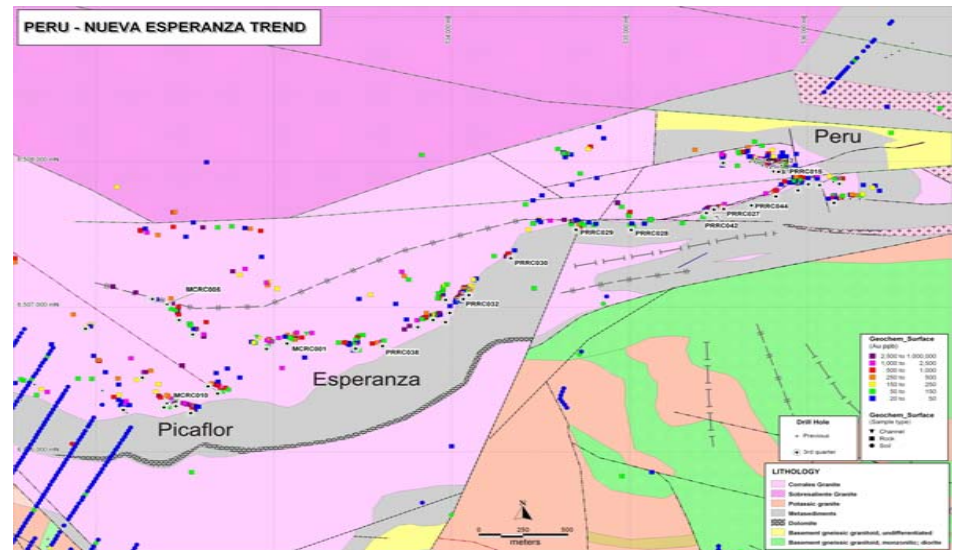
- Additional targets continue to be developed and are expected to be drilled during calendar 2009



## Peru & Esperanza Trend -4.5 Km trend of high grade surface anomalies less than <10km from the San Gregorio mill

### Work Done in Q3 09

- First pass drilling tested the 4.5 kilometer strike length of the trend
- Drilling identified two priority zones that have the potential to deliver resources
- Best drill results include:
  - MCRC01037 6m @ 5.40g/t
  - PRRC04263 3m @ 8.26g/t



### Planned Work

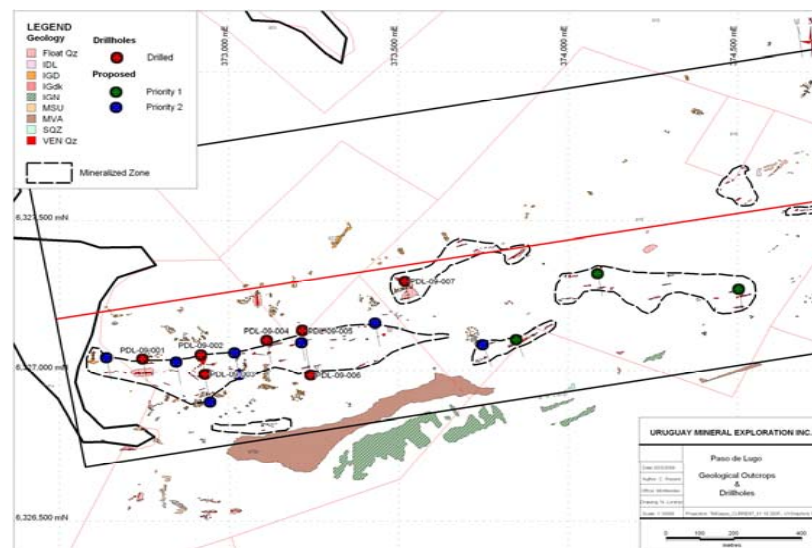
- Follow up infill and extension drilling in priority zones.
- IP survey to test correlation to high grade drill results.



**Paso de Lugo** - Shear/vein system 3 km long in the Arroyo Grande Belt, approximately 235 km from the San Gregorio mine.

## Work Done in Q3 09

- A 13 hole drill program commenced during Q3 09 to test approx. 2 km of a defined anomalous structure
- Results for the first six holes:
  - Quartz veining and anomalous mineralisation encountered in all holes
  - Best result of 9 meters at 2.95 g/t from 92 meters in PDL-09-005



## Planned Work

- Drilling will continue in the fourth quarter of the 2009 financial year.



## **Lascano**

- Encouraged with the system's potential following the 4 holes drilled in 1H09
- Due to its size and complexity, the project is being offered for joint venture
- Four major companies have expressed an interest in the project. To date two confidentiality agreements have been signed and data reviews have commenced.

## **Cinco Rios Diamond Project**

- Non-binding letter of intent has been signed with a Canadian junior

## **Nickel Properties**

- A final report from GeoDiscovery identified Carpentaria as very prospective for nickel and PGE minerals
- Evaluation of continued work to identify drill targets is underway



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