Press Release
April 16, 2009
Symbols: TSXV: UME; AIM: UGY

Uruguay Mineral Exploration Inc. Announces Results for the Third Quarter of Fiscal Year 2009

Uruguay Mineral Exploration Inc. (UME), a South American focused gold production and exploration company, today reported results for the third quarter of fiscal 2009 ended February 28, 2009.

David Fowler, Chief Executive Officer commented: "This quarter showed a significant improvement over the prior quarter. We produced 19,371 ounces of gold at an average cash cost of $US 547 per ounce. Production was in line with our expectation, and represented a 22 percent increase over the previous quarter. Average cash costs fell by 33 percent during the same period reflecting the increase in head grade, the initial success of the company-wide cost reduction program implemented during the quarter and the decline in the price of oil and other consumables."

Mr. Fowler continued: "On the exploration front, we have received the result of an independent resource estimate for Arenal Deeps, which indicates a measured and indicated resource of 3.16 million tones at 2.2 g/t Au using a 1.5 g/t cut off. We expect to release the results of an underground pre-feasibility study in June 2009 with potential production levels, capital investment and operating costs. Infill and extension drilling and feasibility studies are anticipated to follow. "

"Despite good surface anomalies in the Rincon district along strike to the east of the Arenal mine, to date drilling has not returned significant results to identify a new bulk open pit resource. Additional targets are however being defined in the Rincon district and will be tested in coming quarters. First pass drilling was completed over the Peru/Esperanza trend during the quarter to test for higher grade open pit vein resources. Two high priority targets have been defined for further definition in coming quarters. Best results were six meters at 5.4 g/t au from 37 meters in MCRC010 and three meters at 8.26 g/t au in PRRC042. "

"Away from the mine first pass drilling at Paso de Lugo reported a best result of 9 meters at 2.95 g/t au from 92 meters in hole PLD09005" Mr. Fowler closed.

		Three months ended February 28,		**Nine months ended February 28,**	
Summary of Results[1]		**Q3 2009**	**Q3 2008**	**2009**	**2008**
Operating Results					
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
Financial Results					
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[2]	$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

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

[2] Before non-cash working capital movements.

REVIEW FOR THE THIRD QUARTER ENDED FEBRUARY 28, 2009

Production and Costs

Gold production for the third quarter of fiscal 2009 was 19,371 ounces, 22% above production for the previous quarter, and in line with management's expectations. As anticipated, increased grade was encountered at the Arenal pit as mining returned to the core of the deposit. Arenal provided most of the plant feed, but considerable tonnage was sourced from the Zapucay area while smaller amounts of high grade Veta material provided supplementary feed.

Aggregate production for the first nine months of fiscal 2009 was 51,647 ounces. UME confirms its previously announced production forecast for fiscal 2009 of 72,000 to 75,000 ounces.

Cash costs for the quarter were $US 547 per ounce, and represent a 33% reduction from the previous quarter. As expected, the decline in cash costs was principally the result of:

- increased head grade;
- a company-wide cost cutting program, including a 20% reduction in headcount and elimination of discretionary expenditure;
- lower oil prices and the depreciation of the US dollar against the Uruguayan peso; and
- re-negotiation with suppliers resulting in a decline in the price of other consumables such as explosives and grinding media.

Cost reduction will continue to be an important focus during the last quarter of fiscal 2009. The average cash cost estimate for the 2009 financial year has been revised to the range of $US 650 to $US 680 per ounce from the previous estimate of $US 600 to $US 630. This reflects a change in the mine plan to defer mining of higher levels of medium grade ore at San Gregorio east from the fourth quarter of 2009 into the first quarter of 2010. These higher levels of medium grade ore were expected to produce an inventory credit of approximately $US 3 million which affects cash operating costs, but not the Company's cash position.

Financial Performance

Results for the quarter improved to a net loss after tax of $US 1.1 million from a net loss after tax of $US 7.9 million in the previous quarter. This compares against the $US 5.9 million net profit after tax posted in the corresponding quarter last year. The average gold sales price was $US 822 per ounce, against a cash cost of $US 547 per ounce.

The quarter on quarter improvement was principally the result of increased head grade and the positive impact from the company-wide cost cutting program. This was offset by an unrealized loss of $US 0.9 million on gold forward sales, a $US 0.8 million write-off of exploration expenses, and the depreciation of mine properties that have entered into production during the quarter. Year-on-year, however, results were negatively impacted by lower ounces produced and sold, as well as higher depreciation resulting from the shortfall in high grade ore at Arenal.

Cash flow generated by operations was $US 4.1 million after working capital items compared to $US 4.4 million in the year-ago quarter. The Company's cash position improved to US$ 8.1 million at the end of February 2009, from US$ 6.4 million at the end of November 2008. UME maintains its objective of achieving a cash position at May 31, 2009 of between $US 8 million to 10 million. This position is expected to be achieved after funding exploration expenditure of approximately US$ 10 million for fiscal 2009.

Capital expenditure for the quarter was $US 0.5 million invested in property, plant and equipment and $US 1.9 million in exploration. Investment in exploration included $US 1.2 million in exploration activities near the mine and in the Isla Cristalina belt and, $US 0.4 million in other gold projects in the Florida and Don Feliciano Belts and $US 0.1 million on Lascano.

Exploration and Development

A geological map of Uruguay and UME's key projects can be viewed at this link:
http://www.uruguayminerals.com/explorations/introduction/intro/

Arenal Deeps

On April 6, 2009 the Company published a new resource estimate for Arenal Deeps. A 3,164,000 tonne Measured and Indicated Resource below the designed limit of the open pit has been estimated at 2.21 g/t using a gold cut-off of 1.5 g/t. The open pit is expected to be completed to design by April 15, 2009.

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			
1.5	**Measured**	**308,000**	**2.07**	**3,164,000**	**2.21**	**224,000**
	Indicated	**2,856,000**	**2.22**			
	Inferred	**152,000**	**2.27**			
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*

The measured, indicated and inferred resource detailed above is outside of the final pit design used for reserve estimation. The 780,167 tonnes at 2.21 g/t using a 1.5 g/t cut of measured and indicated resource shown above have been included in the last resource statement for Arenal published June 1, 2008.

This resource estimate is being used by Golder Associates S.A. in its underground mining pre-feasibility study for Arenal Deeps which is expected to be released in June 2009. This study will provide preliminary estimates of mining recoveries, operating cost and capital.

Concurrent with the completion of prefeasibility work, in April 2009 UME has commenced a 4,500 meter drill campaign to further define and increase this resource. A follow up15,000 meter infill drill program would follow as part of a bankable feasibility study. The total cost of completing feasibility studies and drilling is estimated at $US 3 million and is expected to be funded from operating cash flow.

Following completion of a bankable feasibility study mine plans are expected to be updated to reflect underground mining with the objective of contributing to production within two years and extending mine life to beyond five years. Once the economics of underground mining for Arenal Deep are understood and equipment is available additional exploration targets at San Gregorio, Ombú, the Vetas and other areas are expected to be tested to incrementally add resources.

A cross section of the down dip drilling at Arenal can be viewed at this link:
http://www.uruguayminerals.com/explorations/isla_cristalina_belt/san_gregorio/

Veta Sur
Definition and extension drilling was completed at Veta Sur during the quarter. Selected significant drill results include:

HOLE ID	FROM	Intercept g/t Au
VSRC138	22	5m @ 3.33g/t
VSRC139	32	2m @ 8.11g/t
VSRC142	35	2m @ 3.47g/t
VSRC144	14	4m @ 4.48g/t
VSRC145	28	5m @ 3.90g/t
VSRC146	49	7m @ 3.86g/t
VSRC147	52	5m @ 2.47g/t
VSRC148	37	13m @ 13.67g/t
VSRC149	32	4m @ 4.64g/t
VSRC150	36	6m @ 6.68g/t
VSRC151	54	3m @ 4.7g/t
VSRC152	50	4m @ 2.90g/t

As a result of this drilling, 137,650 tones at 2.64 g/t, equivalent to 11,600 ounces have been added to reserves. Mining has commenced in this area and is expected to continue during the fourth fiscal 2009 quarter and the first fiscal 2010 quarter.

Zapucay
Drilling at Knob Hill, to the south of Zapucay, has returned the following significant results:

HOLE ID	from	Intercept
ZPRC096	16	6m @ 4.05g/t
ZPRC096	35	2m @ 2.73g/t
ZPRC096	39	5m @ 1.11g/t
ZPRC103	15	5m @ 5.27g/t

As a result of this drilling an extension of the Zapucay resource by approximately 5,000 ounces is expected to be defined during the forth quarter.

Peru/Esperanza
First pass drilling has tested the 4.5 kilometer strike length of the Peru/Esperanza trend. Best results include

HOLE ID	FROM	Intercept Au g/t
MCRC010	37	6m @ 5.40g/t
PRRC042	63	3m @ 8.26g/t

Drill result composites of >0.5g/t, includes intervals of 1.0mt <0.5 g/t

This drilling has identified two zones of interest that have the potential to deliver resources. Follow up drilling will continue in the coming quarters.

Rincon District

The Rincon district covers an area of 10 kilometers by 5 kilometers immediately east along strike of the Arenal mine. Detailed surface exploration commenced in this area a year ago targeting a bulk open pit target. Three targets have been identified to date with additional targets currently being developed. During the second quarter of fiscal 2009 UME announced that very promising surface samples were reported in the Los Castillos area. Despite these encouraging surface results no significant mineralization was reported from 2,334 meters of drilling in the area during the quarter. Structures were encountered but surface mineralization did not extend to depth.

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

Paso de Lugo

Paso de Lugo is located in the Arroyo Grande Belt in Central Uruguay approximately 235 kilometers from the San Gregorio mine. Drilling at the project commenced during the quarter with a 13 hole program designed to test approximately 2 kilometers of a defined anomalous structure. Results have been obtained for the first six holes. Quartz veining and anomalous mineralization have been encountered in all holes with the best result being 9 meters at 2.95 g/t from 92 meters in PDL-09-005. Drilling will continue in the fourth quarter of the 2009 financial year.

Other Projects

Work on other projects includes the following:

- A 13 hole drill program was completed at the Madre con Hijos project in December 2008. This drilling intercepted anomalous vein material but failed to define significant thickness or grade.
- Surface mapping and sampling at Texas has defined an anomalous area of interest 4.5 kilometers in length and up to 1.5 kilometers wide. Mineralization is associated with quartz veins in granite including zones of sheeting and stockworking. The target is expected to be further developed with surface mapping and geophysics. Drilling is planned early in the 2010 financial year.
- At Rocha, 60 kilometers south of Lascano, follow up soil sampling and surface geophysical surveys over a 15 kilometer structural/vein corridor commenced during the quarter and this work is expected to be completed during the fourth fiscal 2009 quarter. Preliminary results indicate that several new targets will be generated in outcropping and soil covered areas. Strong sulfide mineralization composed of arsenopyrite and occasional galena has been identified in the principal vein selvages. An induced polarization survey is planned over the more prospective zones to help define drill targets that are expected to be drilled in the 2010 financial year.
- Stream sediment sampling in the eastern end of the Isla Cristalina belt is defining new strongly anomalous areas that are expected to be followed up during calendar 2009.

Further details on exploration results for the quarter can be found in the company's exploration report for the quarter at the following link: http://www.uruguayminerals.com/investors/quarterly_results/

Corporate

Mergers and Acquisitions

On February 25, 2009 the Company announced a potential offer for all of its issued capital. After exploring the potential offer in detail and in consultation with key shareholders, UME's Board of Directors rejected the potential offer as it significantly undervalues the Company. UME is actively considering other growth opportunities.

Lascano

The Lascano exploration target is composed of three large circular geophysical features which are each approximately 20 kilometers in diameter. Drilling has confirmed that a strong hydrothermal system is associated with the underlying intrusive suite of rocks. All rock types encountered show evidence of hydrothermal alteration and analytical results had locally defined weak but anomalous copper mineralization.

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.

Other Properties

A final report was received from GeoDiscovery on UME's nickel properties. Carpentaria was identified as very prospective for nickel and PGE minerals. Evaluation of continued work to identify drill targets is underway.

A non binding letter of intent has been signed with a Canadian junior on the Company's Cinco Rios diamond project. While significant progress has been made on preparation of documents a number of final points require resolution. If these issues can be resolved during April the agreement is expected to be signed.

Qualified Person's Statement

The technical information presented in this press release has been reviewed and verified by Mr. John Sadek, Vice President Operations and a Mining Engineer, and Mr. George Schroer Vice President Exploration and a Certified Professional Geologist. Mr. Sadek and Mr. Schroer are the Qualified Persons for the purposes of the AIM Guidance Note on Mining, Oil and Gas Companies dated March 2006. Mr. Sadek has a Bachelor of Engineering (Mining) from the University of Sydney and is a member of the AusIMM and SME. He has over 20 years of international experience in mining. Mr. Schroer has a Masters of Science in Geology from Colorado State University and is a member of SEG and AIPG. He has over 20 years of international experience in exploration.

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.

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About Uruguay Mineral Exploration Inc.

Uruguay Mineral Exploration Inc. (UME) is a gold production and exploration company that identifies and develops mineral opportunities in South America. UME is a fully integrated mining company, possessing the skills necessary to explore and develop its discoveries. UME operates San Gregorio, the only producing gold mine in Uruguay, and is the leading mineral exploration company in Uruguay with an exploration portfolio of gold, diamonds and base metal prospects, including copper, nickel, lead, and zinc.

Uruguay Mineral Exploration Inc. is quoted in Canada (TSXV) and London (AIM) and RBC Capital Markets is its Nominated Adviser and Broker. More information can be found at www.uruguayminerals.com

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Financial Statements Follow

Consolidated Balance Sheets
(Unaudited)
(Thousands of United States Dollars, except where indicated

	As at	
	February 28, 2009	May 31, 2008
	$	$
Assets		
Current assets		
Cash	**8,051**	18,601
Accounts receivable	**4,267**	2,810
Inventories (Note 2)	**18,208**	16,749
Prepaid expenses	**1,092**	1,004
Total Current Assets	**31,618**	39,164
Property plant and equipment and mineral properties (Note 3)	**22,440**	29,681
Deferred exploration (Note 4)	**13,031**	8,948
Future income tax assets	**3,477**	5,375
Restricted cash	**176**	191
Total Non Current assets	**39,124**	46,079
Total assets	**70,742**	83,359
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	**8,343**	8,816
Fair value of derivatives (Note 9)	**1,696**	0
Restructure plan (Note 11)	**307**	0
Current portion of long term debt (Note 5)	**71**	2,275
Total Current liabilities	**10,417**	11,091
Long term tax payable	**2,414**	2,414
Long term debt (Note 5)	**0**	25
Asset retirement obligation	**2,975**	2,869
Total Non current liabilities	**5,389**	5,308
Total liabilities	**15,806**	16,399
Capital stock (Note 6)	**34,642**	35,043
Warrants and convertible notes (Note 6)	**12**	12
Contributed surplus	**4,118**	3,882
Accumulated other comprehensive income	**(19)**	(19)
Retained earnings	**16,183**	28,042
Total shareholders' equity	**54,936**	66,960
Total liabilities and shareholders' equity	**70,742**	83,359

Consolidated Statements of Income, other comprehensive income and Retained Earnings (Unaudited)

(Thousands of United States Dollars except for earnings per share and weighted average number of shares outstanding)

	Three months ended February 28		Nine months ended February 28	
	2009	2008	**2009**	2008
	$	**$**	$	$
Net Sales	**17,125**	22,220	**46,505**	56,653
Operating expenses	**(11,071)**	(9,244)	**(38,225)**	(26,914)
Amortization and depreciation	**(4,600)**	(3,567)	**(13,571)**	(10,772)
Operating expenses	**(15,671)**	(12,811)	**(51,796)**	(37,686)
Sub-total	**1,454**	9,409	**(5,291)**	18,967
Other income (expenses)				
Stock based compensation expense	**50**	(264)	**(236)**	(770)
General and administrative expense	**(910)**	(1,069)	**(3,173)**	(3,235)
Exploration expenses written off	**(775)**	0	**(775)**	0
Non-hedged derivative	**(901)**	0	**(1,696)**	0
Interest expense and debt accretion	**(80)**	(99)	**(218)**	(291)
Foreign exchange	**13**	4	**37**	54
Interest earned and other income	**32**	215	**309**	595
	(2,571)	(1,213)	**(5,752)**	(3,647)
Income (loss) before taxes	**(1,117)**	8,196	**(11,043)**	15,320
Current income taxes (provision) recovery	**(29)**	(3,467)	**1,081**	(5,903)
Future income taxes (provision) recovery	**48**	1,213	**(1,897)**	2,118
Net income (loss) and comprehensive income (loss) for the period	**(1,098)**	5,942	**(11,859)**	11,535
Retained earnings, beginning of period	**17,281**	26,803	**28,042**	22,896
Dividends	**0**	(1,000)	**0**	(2,776)
Retained earnings, end of period	**16,183**	31,745	**16,183**	31,745
Earnings (loss) per common share				
Basic	**(0.02)**	**0.12**	**(0.24)**	0.24
Diluted	**(0.02)**	**0.12**	**(0.24)**	0.24
Weighted average shares outstanding				
Basic	**48,667,068**	48,882,801	**48,672,890**	48,911,779
Diluted	**48,667,068**	48,904,758	**48,871,567**	48,929,474

Consolidated Statements of Cash Flows
(Unaudited)
(Thousands of United States Dollars, except where indicated)

	Three months ended February 28		Nine months ended February 28	
	2009	2008	**2009**	2008
	$	**$**	$	$
Operating activities				
Net income (loss) for the period	**(1,098)**	5,942	**(11,859)**	11,535
Adjustments for:				
Amortization and depletion	**4,600**	3,567	**13,571**	10,772
Exploration expenses written off	**775**	0	**775**	0
Fair value of derivatives	**901**	0	**1,696**	0
Accretion of debt	**36**	66	**118**	202
Future income taxes	**(48)**	(1,213)	**1,897**	(2,118)
Stock based compensation	**(50)**	264	**236**	770
Restructure plan	**(175)**	0	**307**	0
Other	**12**	45	**25**	102
	4,953	8,671	**6,766**	21,263
Net change in non-cash working capital balances (Note 8))	**(862)**	(4,255)	**(3,477)**	(3,904)
	4,091	4,416	**3,289**	17,359
Financing activities				
Proceeds from the issue of share capital	**0**	0	**0**	593
Payments of finance lease net of draw downs	**(46)**	(46)	**(140)**	(141)
Share repurchase	**0**	(270)	**(401)**	(270)
Dividend payment	**0**	0	**0**	(1,776)
	(46)	(316)	**(541)**	(1,594)
Investing activities				
Purchase of property, plant and equipment and development costs	**(537)**	(1,669)	**(4,994)**	(7,770)
Exploration expenditure	**(1,896)**	(2,230)	**(8,304)**	(7,031)
	(2,433)	(3,899)	**(13,298)**	(14,801)
Increase (Decrease) in cash	**1,612**	201	**(10,550)**	964
Cash at the beginning of period	**6,439**	14,741	**18,601**	13,978
Cash at the end of period	**8,051**	14,942	**8,051**	14,942

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(Thousands of United States Dollars, except where indicated)

	Three months ended February 2009			Nine month ended February 2009		
	Number (000's)		**Amount**	Number (000's)		Amount
Common shares						
Balance at beginning of period	48,667	$	34,642	48,811	$	35,043
Exercise of stock options	0		0	0		0
Share repurchases	0		0	(144)		(401)
Balance at end of period	48,667	$	34,642	48,667	$	34,642
Warrants and Convertible notes (Note 6)						
Balance at beginning of period	20	$	12	270	$	12
Expired warrants and convertible notes	(0)		0	(250)		
Balance at end of period	20	$	12	20	$	12
Contributed surplus						
Balance at beginning of period		$	4,168		$	3,882
Employee stock based compensation recognized			(50)			236
Transfer to common shares						(0)
Balance at end of period		$	4,118		$	4,118
Accumulated other comprehensive income						
Balance at beginning of period		$	(19)		$	(19)
Movement for the period			0			0
Balance at end of period		$	(19)		$	(19)
Retained earnings						
Balance at beginning of period		$	17,281		$	28,042
Net income for the period			(1,098)			(11,859)
Dividends			0			0
Balance at end of period		$	16,183		$	16,183
Shareholders' equity at end of period		$	54,936		$	54,936