



August 13, 2008

SYMBOLS: UME (TSXV), UGY (AIM)

### URUGUAY MINERAL EXPLORATION - DRILLING UPDATE

**Uruguay Mineral Exploration Inc. (“UME” or “the Company”)**, a gold production and exploration company, announced today that since the last exploration report released on July 17, 2008 three infill holes have been drilled in the down plunge projection of the Arenal orebody. A third drill hole has been completed at Lascano. In addition, exploration permits have been obtained for several other prospects.

David Fowler, UME Chief Executive Officer, commented: “We are encouraged by the results of the drill holes down plunge at Arenal, which were not included in our current four-year mine plan. Drilling over the last four months has defined a zone of higher grade mineralization in the down plunge projection of the Arenal orebody. Based on scoping studies completed during 2008, we believe this zone has the potential to be mined using underground mining methods. We plan to drill an additional hole to try to extend this zone further. Following that, we will commence modeling to establish the viability of mining this zone. The results of this work should be released in our half year report in January 2009.”

The holes drilled at Arenal are shown below.

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

One additional drill hole is planned in the down plunge area to complete the program.

A full update of all drilling on the Presidente Terra prospect is expected to be released in the first week of September 2008.

The third hole on the Lascano program has been completed to a depth of 850 meters. Sampling of selected intercepts will be done after detailed logging. Assay results are expected in six weeks. Results from Hole One of the campaign have been received and no significant mineralization has been reported. The fourth hole in the program has commenced.

In addition, two holes have been completed at Nueva Australia with no significant results.

Over the past month, exploration permits have been received for Madre Con Hijos, Vaca Muerta and Zaballa. An exploration permit has also been received for Rivera Diamonds and three drill sites at the Lascano project as well as a permit to drill in prospecting for the Vichadero prospect.

### **Qualified Persons' 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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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

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](http://www.uruguayminerals.com)

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