

Press Release
April 9, 2008
Symbols: TSXV: UME; AIM: UGY

Uruguay Mineral Exploration Inc. Announces Results for the Third Quarter of Fiscal Year 2007/2008

Uruguay Mineral Exploration Inc. (UME) today reported net profit after tax of US\$5.9 million for the third quarter ended February 29, 2008, up 52% from the third quarter of the prior financial year, or \$US 0.12 basic EPS.

David Fowler, Chief Executive Officer commented: "During the quarter we produced 25,150 ounces of gold at a cash cost of \$US 342 per ounce. At the current production rate, we expect to reach previously forecast levels of 95,000 ounces for this fiscal year."

"Exploration this quarter focused on drilling near the mine, where results to test depth extensions of the San Gregorio and Arenal systems were disappointing. Although we encountered broad mineralized widths, the grade is too low to be economic for an underground operation."

"Based on these results, we do not anticipate a significant restatement of resources for the 2008 financial year. Reserves were last calculated at 1 June 2007 at a gold price of about \$US 550 per ounce and will be re-calculated later this year using higher gold prices. Our current mine plan for fiscal 2008/2009 shows a base level of production of 80,000 ounces. We however expect to continue improving this position through optimization and exploration work over the next six months and our target remains 95,000 ounces," Mr. Fowler continued.

"Our experienced exploration team has established a systematic program aimed at defining new resources and reserves. Our rate of progress in defining and testing prospects has shown an important increase in the past year, as has productivity in exploration drilling which has in the last quarter increased by approximately 50% over prior performance. During the fourth quarter of fiscal 2007/2008 near mine exploration will focus on drilling Veta Rodrigo, Castrillón, additional targets at Santa Teresa and San Gregorio and infill drilling at depth in the Arenal plunge zone looking for higher grade mineralization. Away from the mine, drilling will focus on Presidente Terra and Crucera/Casupa, either of which we believe, based on current geological interpretation, has the potential to host a stand alone economic resource. An 8,000 metre drill campaign will also commence at the Lascano anomaly in April. Furthermore, we are continuing to evaluate opportunities in selected South American countries where we can use the strengths of our exploration and production teams to maximize shareholder value."

"We will pay a dividend of 2.0 Canadian cents per share on 11th April 2008. In July, after consultation with our major shareholders, we will consider priorities for our cash resources and what implications those priorities have on future dividend payments." closed Mr. Fowler.

Summary of Results		Q3 2007/08	Q3 2006/07	YTD 2007/08	YTD 2006/07
Operating Results					
Gold produced	Ounces	25,150	27,921	69,955	67,155
Average cash cost	US\$/oz	342	253	375	303
Average price received	US\$/oz	888	638	777	593
Financial Results					
Revenue	\$US '000s	22,220	16,606	56,653	41,216
Net income for the period	\$US '000s	5,942	3,899	11,535	8,217
Cash flow from operations	\$US '000s	4,416	4,840	17,359	11,737
Basic earnings per share	\$US	0.12	0.08	0.24	0.17
Cash at the end of the period	\$US '000s	14,942	7,796	14,942	7,796
Total debt at the end of the period	\$US '000s	2,309	2,425	2,309	2,425

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

REVIEW FOR THE QUARTER AND NINE MONTHS ENDED 28 FEBRUARY 2008

Production and Costs

Gold production for the quarter was 25,150 ounces with 69,331 ounces produced for the nine months to February 2008. Plant feed for the quarter was 313,340 tonnes with throughput increasing relative to the prior quarter as additional softer Veta material was available to blend with the Arenal ore. The average grade for the quarter was 2.71 g/t.

Ore stocks continued to build during the quarter with a balance of 482,000 tonnes at 1.18 g/t produced. At year end we anticipate having approximately 700,000 tonnes of ore stockpiled at an average grade of 1.00 g/t.

Cash costs for the quarter were \$US 342 per ounce. A reconciliation of the cash cost per ounce of \$US 375 for the nine month period ended February 2008 and the forecast at the beginning of the financial year of \$US 345 per ounce is shown below. Cost changes reflect a devaluation of the Uruguayan peso against the \$US by 15 percent over the nine-month period, increases in fuel prices and royalties amongst other factors.

	\$US per ounce produced
Original forecast cash cost for the 2007/08 financial year	345
Difference due to lower production for the 9 months (assuming 95,000 full year)	7
Cost changes	26
Change in accounting treatment for deferred stripping	(3)
Actual Cash costs for the nine months ended February 29 2008	375

The production forecast for the 2007/2008 financial year remains at 95,000 ounces with a reforecast cash cost between \$US 360 and \$US 380 per ounce.

Financial Performance

Net profit after tax was \$US 5.9 million for the quarter and \$US 11.5 million for the nine months ended February 29, 2008. The average gold sales price for the quarter was \$US 888 per ounce against a cash cost of \$US 342 per ounce. Cash flow generated by operations was \$US 8.67 million before working capital items. During the quarter \$US 2.8 million in cash flow was invested in working capital to build up ore stocks.

Capital expenditure for the quarter was \$US 1.7 million invested in plant and equipment and \$US 2.2 million in exploration. Investment in plant and equipment included the construction of the tailings dam and pre strip of San Gregorio East.

UME will pay an interim dividend of \$CAD 2 cents per share on 11 April 2008 to shareholders on the register on 25 March 2008.

On 11 December 2007 the Company announced its intention to make a Normal Course Issuer Bid to buy back up to \$C 2,000,000 of its common shares over a 12 month period. During the quarter \$271,000 was used to purchase 80,400 shares at an average price of \$3.36. Additional purchases are expected to be made in the coming quarter as the Company continues to believe exploration and development will be successful and will ultimately be reflected in capital appreciation of the Company's shares.

We will consider, in July, after consultation with our major shareholders, priorities for our cash resources and what implications this has on future dividend payments.

Exploration and Development

During the quarter the focus of our near mine drilling was to test the depth extensions of the Arenal system. Although we are pleased that we encountered broad mineralized intercepts, we are disappointed that to date the grades are too low to be economic for an underground operation. We will complete an additional three infill holes at Arenal to look for higher grade material in the down plunge zone. A number of targets have also been drilled in the Zapucay district. These programs are likely to define minor increases in resources in the district.

Based on these results, at present we do not anticipate a significant update in resources for the 2008 financial year end. We anticipate restating reserves for higher gold prices and taking into consideration drilling performed during the year.

In July the Board will review results of reserve modeling including a base case five year mine plan based on lower grade reserves and the economics of upgrading the plant to offset lower grade. This plan currently anticipates a base level of production for the 2008/9 financial year of approximately 80,000 ounces. We continue to believe that we have the potential in near mine targets to continue improving this position through optimization and exploration work over the next six months and our target remains 95,000 ounces.

Away from the mine, Presidente Terra, Crucera/Casupa, and Vichadero are developing well and we believe any one of them has the potential to host a stand alone economic resource. During the remainder of this calendar year we will be drilling all of these projects.

Drilling will commence later this month at the Lascano anomaly on the first of an anticipated 12 drill holes for 8,000 metres. Drilling will be performed by Boart Longyear. Land access agreements have been received and exploration permits are expected to be granted in April for the first five holes. Additional permits and agreements are expected to be finalized as required for the remainder of the program. Our target is a copper porphyry or Iron Oxide-Copper-Gold (IOCG) system.

Isla Cristalina Belt: San Gregorio Near Mine Exploration Program

After scoping studies indicated that underground mining was likely to be viable at San Gregorio if similar grades to existing open pits were encountered at depth, the Company commenced drilling to test the depth extensions of the San Gregorio system in the second quarter. This drilling has continued in the third quarter and is expected to be ongoing into the first quarter of fiscal 2009.

A program of nine holes has now tested the depth extension to the Arenal deposit to a vertical depth of approximately 450 metres over 500 metres strike. The best results to date have been encountered in the down plunge zone to the southeast of the main ore body. The three holes drilled in this area show the shear zone to be 50 to 80 meters in width. The intercepts encountered have been 1 to 1.5 g/t with narrower higher grade zones near the hanging wall and foot wall of the shear zone. In hole ALDD077 38.9 metres of mineralization was intercepted at 1.23 g/t. The grade of these intercepts is unlikely to justify the development of an underground operation. Three additional holes will however be drilled in this down plunge area to target higher grade mineralization.

At San Gregorio two of the initial three holes encountered a steep structure with 2.65 to 3.65 metres widths reporting 3.23 to 4.19 g/t, respectively. The program has now continued along strike to Rieles. The initial two holes have intercepted 5.9 metres of 2.39 g/t and 2.95 metres at 1.59 g/t. These intercepts should help firm up the resource in this area of the Rieles deposit.

During the quarter the Polvorín anomaly in the footwall of the San Gregorio structure north east of the Santa Teresa deposit was drilled targeting a vein deposit. The best results were 3 metres at 19.61 g/t, including 1 meter of 55.56 g/t from 116 metres and 5 metres of 5.8 g/t from 76 metres. Follow-up is now planned to define the extent of the mineralization.

Drilling in the coming quarter will include Veta Rodrigo, Castrillón, and additional targets in the Santa Teresa hanging wall and San Gregorio footwall. Refinement and identification of targets was completed in conjunction with the external structural geologist who worked at San Gregorio during the quarter. Exploration work continues in the district in areas which have seen little exploration in the past, including the area between Arenal and Zapucay.

During the quarter metallurgical testing for gravity, heap leach and to establish work indices on different deposits began. Initial results from gravity test work indicate that marginal improvements in recoveries of gold and silver and reduction in costs could be achieved by adding a gravity circuit to the existing plant. Testing will be completed by the end of April 2008. Heap leach test work has commenced and is 6 weeks into a 19 week program. Results from both programs are expected to be finalized in approximately three months' time.

Near mine drilling during the first three quarters is not likely to produce a significant restatement in resources for the 2008 financial year. Engineering studies are being performed to convert additional resource to reserve to reflect the current positive price environment, drilling during the year and the results of metallurgical test work.

The current mine plan shows production for the 2008/09 financial year of 80,000 ounces. Optimization and exploration work is expected to continue to improve this position.

Isla Cristalina Belt: Zapucay District Exploration Program

During calendar 2007 the Company developed six prospects within the Zapucay district to test during the 2008 financial year. These include the structural corridor between Zapucay and Argentinita, areas around the Zapucay deposit, Papagayo, Tito Lopez, Lavadero, and the Laureles prospects.

- a) Drilling south of Zapucay on trend to Argentinita returned mostly narrow mineralization with the best intercepts of 13 metres at 1.6 g/t and 4 m at 1.75 g/t. The structural corridor between Argentinita and Zapucay has now been drilled except for a zone of 400 metres between Zapucay and Argentinita. This zone is bound by some of the better intercepts at Zapucay south and Argentinita north and will be drilled once land access issues are resolved.

- b) Drilling around the Zapucay deposit was completed to augment the remnant resource around the old mine site. An in house resource will be developed from this recent drilling and historic data.
- c) Drilling on Papagayo during the quarter failed to define significant mineralization. No further work is planned for this prospect.

Drilling at Lavadero, southern Argentinita and Laureles, where permits have been granted and land access agreements have been signed, has commenced in March and is expected to be completed this fiscal year. Drilling at Tito Lopez and a new prospect along strike from Tito Lopez at Zaballa is expected to commence once exploration permits are granted.

Isla Cristalina Belt: Regional Exploration Program

The focus of regional work in the Isla Cristalina is now transitioning from prospecting to focus on specific targets. These include Vichadero, Vaca Muerta, Curtume and Cerro Chato.

Soil sampling and geophysics have been completed at Curtume and Vaca Muerta and drill programs will be performed when exploration permits are received. Soil sampling and geophysics over a 14 km square area near Vichadero are approximately 50 percent completed, and strongly mineralized rock chip samples have been identified during the collection of soil samples. Drill targets at Vichadero are expected to be defined in the last quarter of 2008. Drilling will commence soon after surface exploration results are evaluated and permits are received. The Cerro Chato target is planned to be developed over the coming quarters.

Southern Uruguay Exploration Program

At Presidente Terra additional trenching, soil sampling and IP surveys are being completed before drilling commences in April. Drill targets at Crucera/Casupa have been defined and are awaiting exploration permits to allow further exploration and drilling to commence. While drilling at Nueva Helvecia encountered anomalous mineralization, current indications have not defined a significant mineralized body. No further drilling for gold mineralization will be performed on the Bragado property.

Drill targets to extend Crucera and at Madre con Hijos have been developed and we are awaiting access and permits to commence drilling and advanced exploration respectively. This should occur in the last quarter of the financial year. The district continues to be developed. Regional mapping and prospecting are resulting in the discovery of new veins reporting anomalous gold values. Geophysics and soil sampling will be used to define drill targets on these new veins with drilling to follow when permits are obtained.

Presidente Terra sits on a regional north-west shear structure within the Don Feliciano Belt. Anomalous mineralisation over 10 kilometres is found along a contact between granite and metasediments which is believed to be sheared. Mineralisation is also found in metasediments and in quartz veining within the granites. Geophysical surveys, soil sampling and trenching on initial targets were expanded and continued into March. Results of this work will be received in April and will be used to refine drill programs that are now expected to commence in the second half of April. Exploration permits and land access have been granted.

At Nueva Helvecia the additional 6 holes drilled during the quarter were disappointing with only one intercept of 3 metres at 1.2 g/t. The project is now being reviewed prior to one final round of drilling later in the year.

Regional exploration programs continue in the Florida, Dom Feliciano and Arroyo Grande belts and are identifying new prospects that are being advanced.

Exploration Permits and Drilling

Three exploration permits were granted between 1 January 2008 to 31 March 2008 and 5 new permits were submitted during the same period. At the end of March 16, applications for exploration permits were pending.

Exploration drill productivity improved during the quarter and is now close to target levels.

Lascano Project Exploration Program

A contract has been signed for drilling at Lascano with an anticipated 8,000 metres of diamond drilling, commencing in April. Land access agreements have been received and exploration permits are expected to be granted in April for the first 5 holes. Exploration permits have been filed for 4 of the remaining seven holes and land access agreements are being negotiated. The objective of the drill program is to discover an Iron Oxide-Copper-Gold or porphyry copper system.

For more information on UME's exploration activities for the quarter, please refer to the Exploration Report for the Quarter ended February 29, 2008.

Third Quarter 2008 Earnings Conference Call

The management of UME will hold a conference call to discuss the 3rd Quarter results at 11:30 Toronto time, 16:30 UK time on Wednesday 9th April. The conference call can be accessed by dialing +1 514 315 1023 (Canada), +1 703 621 9126 (US) or +44 (0)20 8609 0205 (UK) and giving passcode 636996#. All participants will be required to register with the operator.

A simultaneous webcast of the call will be available at www.uruguayminerals.com. You will need to have Windows Media Player installed on your computer and you will also be required to complete a registration page in order to log on to the webcast.

A replay of the call will be available until midnight (UK time) on 16th April 2008. The replay is accessible by dialing +1 866 676 5865 (Canada & U.S.) or +44 (0)20 8609 0289 (UK) and entering passcode 211511#.

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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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

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-- Financial Statements Follow --

Uruguay Mineral Exploration Inc.
Consolidated Balance Sheets
(Unaudited - Prepared by management)
(Thousands of United States Dollars, except where indicated)

	As at	
	February 28, 2008	May 31, 2007
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	14,942	13,978
Accounts receivable	1,134	2,275
Inventories	15,153	8,484
Prepaid expenses and other	1,385	647
	32,614	25,384
Property plant and equipment (Note 2)	28,589	30,714
Deferred exploration (Note 3)	21,304	16,316
Future income tax assets	4,505	2,387
Other non current assets	152	140
Total assets	87,164	74,941
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	8,600	6,238
Dividends payable	1,000	0
Current portion of long term debt (Note 4)	2,238	1,231
	11,838	7,469
Long term tax payable	2,414	2,414
Long term debt (Note 4)	71	2,154
Asset retirement obligation	2,121	2,036
Total liabilities	16,444	14,073
Share capital (Note 5)	35,107	34,592
Warrants (Note 5)	12	12
Contributed surplus (Note 6)	3,875	3,297
Accumulated comprehensive income	(19)	(19)
Retained earnings	31,745	22,986
Total shareholders' equity	70,720	60,868
Total liabilities and shareholders' equity	87,164	74,941

Uruguay Mineral Exploration Inc.
Consolidated Statements of Income, Comprehensive Income and Retained Earnings
(Unaudited - Prepared by management)
(Thousands of United States Dollars, except where indicated)

	Three months ended February 29		Nine months ended February 29	
	2008	2007	2008	2007
	\$	\$	\$	\$
Sales	22,220	16,606	56,653	41,216
Operating expenses	9,863	7,374	28,768	21,799
Amortization, depletion and accretion	2,977	2,331	9,004	6,255
Total operating expenses	12,840	9,705	37,772	28,054
Sub – Total	9,380	6,901	18,881	13,162
Other expenses / (gains)				
Stock based compensation expense	264	278	770	758
General and administrative expense	1,069	1,229	3,235	3,218
Fair value adjustment for derivatives	0	0	0	(2,317)
Foreign exchange losses / (gains)	(4)	44	(54)	202
Interest and financing fees / (income)	(121)	(40)	(310)	(107)
Other expense / (income)	(24)	0	(80)	0
	1,184	1,511	3,561	1,754
Income before taxes	8,196	5,390	15,320	11,408
Current income taxes provision	3,467	2,028	5,903	1,914
Future income taxes provision / (recovery)	(1,213)	(537)	(2,118)	1,277
Net and comprehensive income for the period	5,942	3,899	11,535	8,217
Retained earnings, beginning of period	26,803	13,598	22,986	10,775
Dividends	(1,000)	(840)	(2,776)	(2,335)
Retained earnings, end of period	31,745	16,657	31,745	16,657
Comprehensive Income				
Balance - beginning of period	0	0	0	0
Unrealized gain and losses on translating financial statements of self-sustaining foreign operations (Note 1b)	0	0	(19)	0
Balance - end of period	0	0	(19)	0
Earnings per common share				
Basic (Note 9)	0.12	0.08	0.24	0.17
Diluted (Note 9)	0.12	0.08	0.24	0.17
Weighted average shares outstanding				
Basic	48,882,801	48,451,768	48,911,779	48,168,433
Diluted	48,904,758	48,451,768	48,929,474	48,168,433

Uruguay Mineral Exploration Inc.
Consolidated Statements of Cashflows
(Unaudited - Prepared by management)
(Thousands of United States Dollars, except where indicated)

	Three months ended		Nine months ended	
	February 29		February 29	
	2008	2007	2008	2007
	\$	\$	\$	\$
Operating activities				
Net income for the period	5,942	3,899	11,535	8,217
Adjustments for:				
Amortization, depletion and accretion	2,977	2,331	9,004	6,255
Deferred stripping	619	(341)	1,854	(1,354)
Future income taxes	(1,213)	(537)	(2,118)	1,277
Fair value adjustment of derivatives	0	0	0	(2,317)
Stock based compensation expense	264	278	770	758
Other	82	11	218	(15)
	8,671	5,641	21,263	12,821
Net change in non-cash working capital balances (Note 8))	(4,255)	(801)	(3,904)	(1,084)
	4,416	4,840	17,359	11,737
Financing activities				
Proceeds from the issue of share capital	0	344	593	1,512
Share buy back	(270)	0	(270)	0
Payments of finance lease net of drawdowns	(46)	21	(141)	(65)
Dividend payment	0	0	(1,776)	(1,495)
	(316)	365	(1,594)	(48)
Investing activities				
Net proceeds from sale of assets	0	0	0	45
Purchase of property, plant and equipment and development costs	(1,669)	(1,252)	(7,770)	(7,673)
Exploration expenditure	(2,230)	(1,959)	(7,031)	(5,196)
	(3,899)	(3,211)	(14,801)	(12,824)
Increase/ (decrease) in cash and cash equivalents	201	1,994	964	(1,135)
Cash and cash equivalents, beginning of period	14,741	5,802	13,978	8,931
Cash and cash equivalents, end of period	14,942	7,796	14,942	7,796