

Figure 3 – Model of Alteration Zoning Related to Unconformity-Related Uranium in the Athabasca

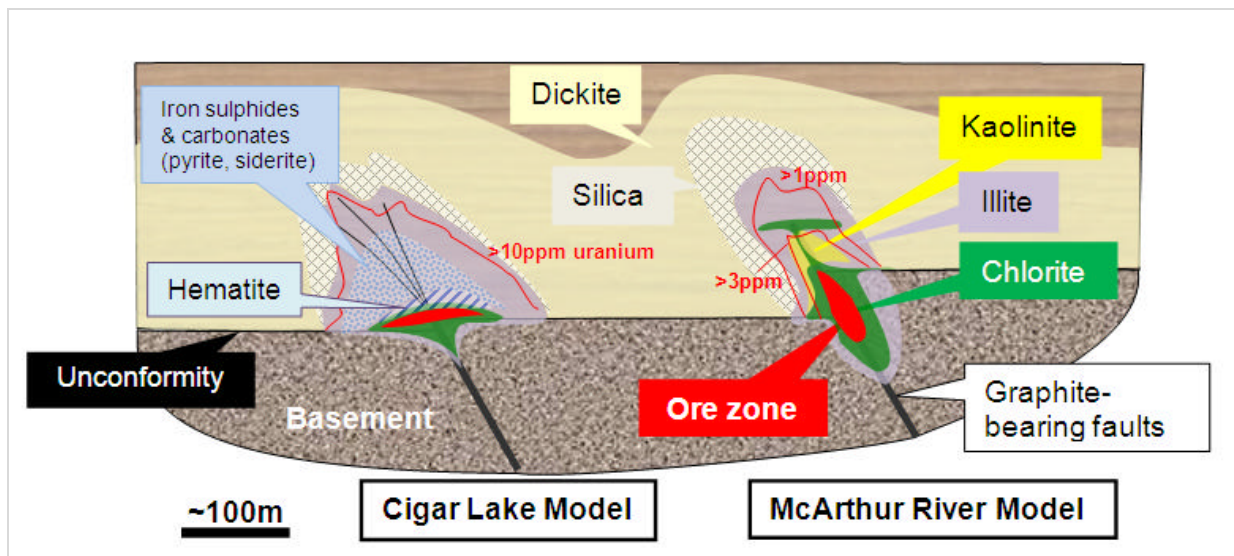


Diagram shows a generalized model of alteration associated with unconformity-related uranium deposits in the Cigar Lake and McArthur River deposits in Canada’s Athabasca Basin. Alteration zoning – specific clay minerals (eg. illite and chlorite) that occur in roughly concentric zones around many deposits – provide a much larger target than the deposits themselves and can help narrow exploration to within hundreds of metres of uranium mineralization. U3O8 Corp. is using alteration mapping as a key targeting tool to focus its exploration for unconformity-related deposits in the Roraima Basin.

The metal zoning associated with Athabasca-type deposits contains elevated levels of metals and other chemical elements. Rock more than 10ppm uranium seldom extends more than a hundred metres from deposits such as Cigar Lake and McArthur River.