

**Figure 1 – Alteration Zoning Associated with Unconformity-Related Uranium in the Athabasca Basin**

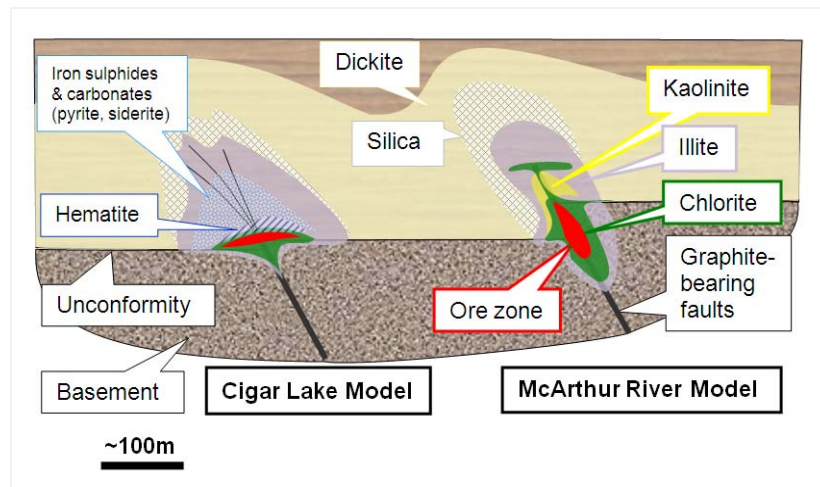


Diagram shows the model of alteration associated with unconformity-related uranium deposits in the Cigar Lake and McArthur River mines in Canada's Athabasca Basin. Alteration zoning – specific clay minerals (eg. illite and chlorite) that occur in roughly concentric zones around uranium deposits – are typically much larger than the deposits themselves and can help narrow exploration to within hundreds of metres of an ore body. U3O8 Corp. is using alteration mapping as a cost-effective primary exploration tool in the evaluation of its unconformity-type targets in the Roraima Basin.