Geophysical Test Work Proves Highly Successful on U308 Corp.’s Laguna Salada Uranium-Vanadium Deposit

written by Raj Shah | May 31, 2018

May 31, 2018 (Source) – **U308 Corp. (TSX: UWE) (OTCQB: UWEFF)** (“U308 Corp.” or the “Company”) reports that geophysical test work showed that electrical tomography (“ET”) proved successful as a means of delineating channels at the base of the gravel layer in its Laguna Salada Deposit (“Deposit” or “Project”) in Argentina. Gravel-filled channels contain generally higher uranium-vanadium grades and this test work proved that ET can be used to detect the location and depth of channels beneath younger cover.

Geophysical Test Work

The National Instrument 43-101 resource at Laguna Salada was based principally on a one-metre thick layer of uranium-vanadium-bearing gravel that extends from surface to a maximum depth of only three metres. However, exploration that was undertaken after the resource estimate had been completed, revealed that the mineralization extends downward in channels below the average level of the gravel base. These extensions not only increase the contained volume of mineralization, but contain generally higher uranium-vanadium grades, that may result in the estimated cash-cost of production being even lower than for the near-surface material on which the preliminary

economic assessment (“PEA”) was based (see press release dated February 7, 2017).

The Company’s initial exploration was in areas where the gravel is exposed on surface and thus yields strong radiometric anomalies that were easily located in the field with a hand-held scintillometer. In adjacent areas where the mineralized gravel is covered by barren gravel, the radioactivity is masked and exploration for the deeper layer has been done through trenching, which is time consuming and expensive. Using vertical ET profiling, the Company has successfully located completely buried gravel-filled channels that correspond with relatively high grades from prior drilling. The ET profile shown in Figure 1 shows subtle depressions that define the base of the gravel-filled channels that are anywhere from 100 to 400 metres wide. These channels can be projected in the third dimension to yield a map that outlines a network of channels that have a similar geometry to present-day braided rivers. This is consistent with the origin of the gravel at Laguna Salada: it developed in a very extensive gravel plain formed from the erosion of the Andes mountains.

This test work has proven that ET is highly effective as a tool to identify gravel-filled channels. Although the all-in cost of the survey was approximately US$3,500 per line kilometre ET would ideally be used to define the depth, location and orientation of channel features so that further resource expansion through trenching and/or drilling could be undertaken more efficiently and more cost-effectively. Even where channels are too deep for any contained uranium-vanadium to have potential to be commercially extracted, their location still provides valuable information that could be used to trace them into areas where they are less deeply buried – where they would constitute exploration targets.

Details of the Geophysical Survey

The trial was undertaken on five parallel lines spaced at approximately 200 metre intervals covering 7.6 kilometres. An array of 10 dipoles were used at a spacing of 15 metres between dipoles. The survey was conducted by an independent, Argentine-based consulting company.

Technical Information & Cautionary Note

A PEA is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the results of the PEA assessment will be realized.

Dr. Richard Spencer, P.Geo., CGeol., President and CEO of U3O8 Corp. and a Qualified Person as defined by National Instrument 43-101, has approved the technical information in this news release relating to the Laguna Salada Deposit and the related PEA.

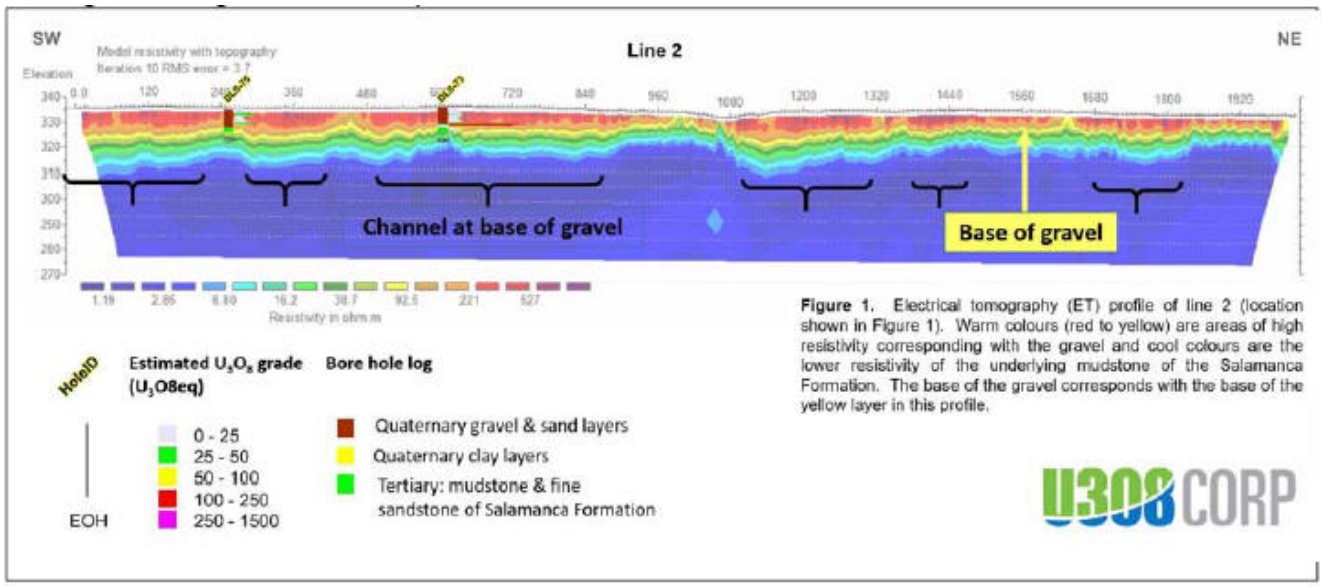

Figure 1. Electrical tomography (ET) profile of line 2 (location shown in Figure 1). Warm colours (red to yellow) are areas of high resistivity corresponding with the gravel and cool colours are the lower resistivity of the underlying mudstone of the Salamanca Formation. The base of the gravel corresponds with the base of the yellow layer in this profile.

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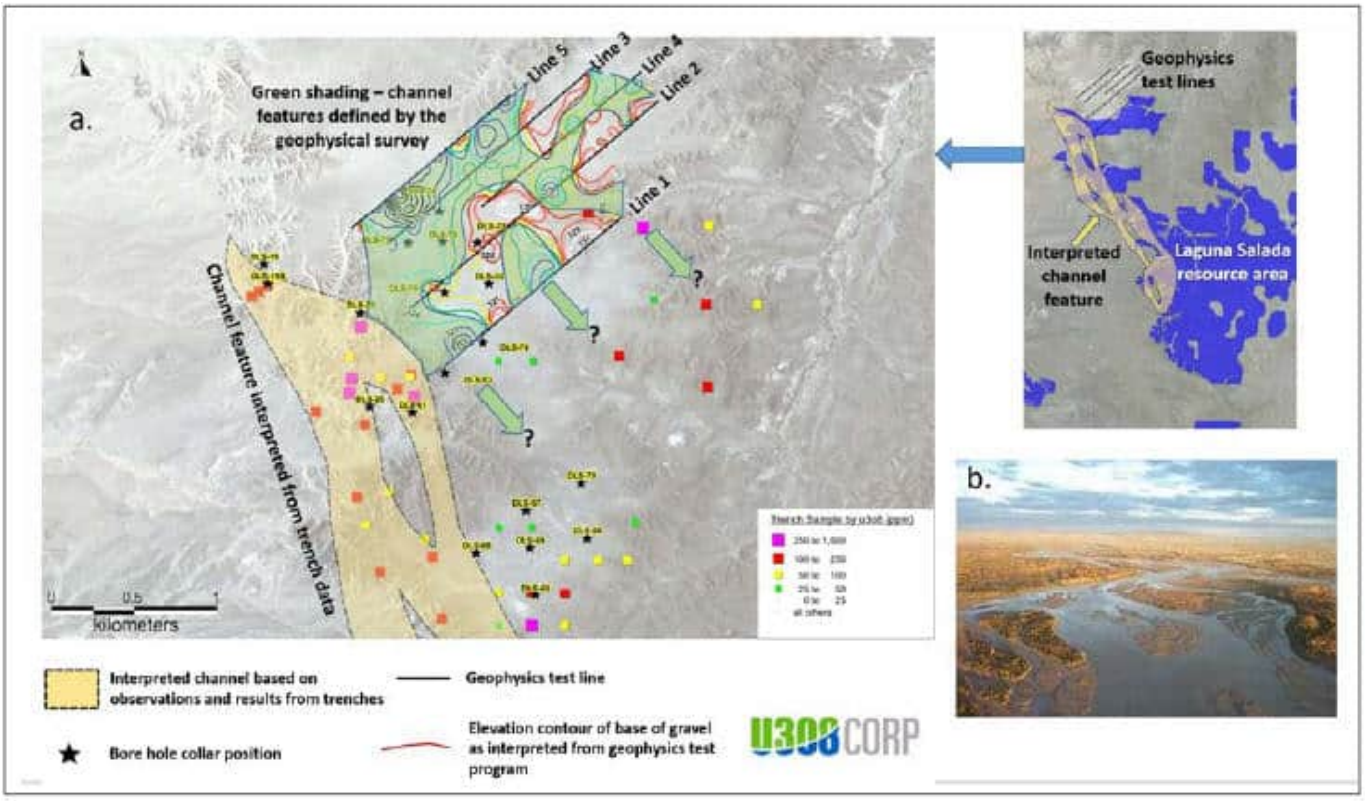

Figure 2. a. Contour map of the elevation of the base of the gravel defined by electrical tomography adjacent to the resource area at Laguna Salada. Lower elevations are in black and blue contour lines while higher-elevation areas are delineated in red and yellow contours. Pale green overlay shows the location of principal channels. Coloured rectangles are U_3O_8 values in trenches excavated in the Company's prior exploration at Laguna Salada. b. Present-day braided stream in a gravel plain similar to that in which the Laguna Salada region developed.

About U3O8 Corp.

U3O8 Corp. is focused on exploration and development of deposits of uranium and battery commodities in South America. Battery

commodities that occur with uranium resources include vanadium, nickel, zinc and phosphate. The Company's mineral resources estimates were made in accordance with National Instrument 43-101, and are contained in three deposits:

- Laguna Salada Deposit, Argentina – a PEA shows this near surface, free-digging uranium – vanadium deposit has low production-cost potential; and
- Berlin Deposit, Colombia – a PEA shows that Berlin also has low-cost uranium production potential due to revenue that would be generated from by-products of phosphate, vanadium, nickel, rare earths (yttrium and neodymium) and other metals that occur within the deposit.

Additional Information

Information on U3O8 Corp., its resources and technical reports are available at www.u3o8corp.com and on SEDAR at www.sedar.com. Follow U3O8 Corp. on Facebook: http://www.facebook.com/u3o8corp, Twitter:http://www.twitter.com/u3o8corp and YouTube: https://www.youtube.com/u3o8corp.

Further details on U3O8 Corp.'s Laguna Salada Deposit and Argentina's electricity generation from large nuclear reactors, as well as its prototype small modular reactor that represents a prime export opportunity, are available in the Company's Corporate Presentation accessible on the homepage of our website http://www.u3o8corp.com.

Forward-Looking Statements

This news release includes certain "forward looking statements" related with the development plans, economic potential and growth targets of U3O8 Corp's projects. Forward-looking statements consist of statements that are not purely historical, including statements regarding beliefs, plans, expectations or

intensions for the future, and include, but not limited to, statements with respect to: (a) the low-cost and near-term development of Laguna Salada, (b) the Laguna Salada and Berlin PEAs, (c) the potential of the Kurupung district in Guyana, (d) impact of the U- pgradeTM process on expected capital and operating expenditures, and (e) the price and market for uranium. These statements are based on assumptions, including that: (i) actual results of our exploration, resource goals, metallurgical testing, economic studies and development activities will continue to be positive and proceed as planned, and assumptions in the Laguna Salada and Berlin PEAs prove to be accurate, (ii) a joint venture will be formed with the provincial petroleum and mining company on the Argentina project, (iii) requisite regulatory and governmental approvals will be received on a timely basis on terms acceptable to U3O8 Corp., (iv) economic, political and industry market conditions will be favourable, and (v) financial markets and the market for uranium will improve for junior resource companies in the short-term. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in such statements, including, but not limited to: (1) changes in general economic and financial market conditions, (2) changes in demand and prices for minerals, (3) the Company’s ability to establish appropriate joint venture partnerships, (4) litigation, regulatory, and legislative developments, dependence on regulatory approvals, and changes in environmental compliance requirements, community support and the political and economic climate, (5) the inherent uncertainties and speculative nature associated with exploration results, resource estimates, potential resource growth, future metallurgical test results, changes in project parameters as plans evolve, (6) competitive developments, (7) availability of future financing, (8) exploration risks, and other factors beyond the control of U3O8

Corp. including those factors set out in the “Risk Factors” in our Annual Information Form available on SEDAR at www.sedar.com. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. U3O8 Corp. assumes no obligation to update such information, except as may be required by law. For more information on the above-noted PEAs, refer to the September 18, 2014 technical report titled “Preliminary Economic Assessment of the Laguna Salada Uranium-Vanadium Deposit, Chubut Province, Argentina” and the January 18, 2013 technical report titled “U3O8 Corp. Preliminary Economic Assessment on the Berlin Deposit, Colombia.”