



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

**THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008**

**Prepared by:**

**U308 Corp.**

8 King Street East, Suite 710  
Toronto, Ontario  
M5C 1B5

[www.u3o8corp.com](http://www.u3o8corp.com)



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Introduction**

The Management's Discussion and Analysis ("MD&A") of U308 Corp. (the "Corporation") provides an analysis of the Corporation's performance and financial condition for the three and nine months ended September 30, 2008 as well as an analysis of future prospects. This MD&A should be read in conjunction with the Corporation's unaudited interim consolidated financial statements for the three and nine months ended September 30, 2008 and audited consolidated financial statements for the year ended December 31, 2007, including the related note disclosures, which are prepared in accordance with generally accepted accounting principles in Canada ("GAAP"). Readers of the following MD&A should also refer to the Corporation's audited financial statements for the year ended December 31, 2006. All amounts are in Canadian dollars unless otherwise specified. This MD&A is dated, and was prepared using information that is current as of November 24, 2008 unless otherwise stated. The Corporation's consolidated financial statements along with management certifications, press releases, technical reports and final long form prospectus dated December 15, 2006, are available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at [www.sedar.com](http://www.sedar.com).

**Caution Regarding Forward-Looking Statements**

Except for statements of historical fact relating to the Corporation, certain information contained in this MD&A constitutes "forward-looking information" under Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the potential of the Corporation's properties; the future price of uranium; success of exploration activities; cost and timing of future exploration and development; requirements for additional capital and other statements relating to the financial and business prospects of the Corporation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and are inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during permitting; the possibility that future exploration results will not be consistent with the Corporation's expectations; timing and availability of external financing on acceptable terms and in light of the current decline in global liquidity and credit availability; future prices of uranium; currency exchange rates; government regulation of mining operations; failure of equipment or processes to operate as anticipated; risks inherent in uranium exploration and development including environmental hazards, industrial accidents, unusual or unexpected geological formations; and uncertain political and economic environments. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation does not undertake to update any forward-looking information, except in accordance with applicable securities laws.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**About U308 Corp.**

U308 Corp. is a Canadian mineral exploration company based in Toronto, Canada. Currently, focused on uranium exploration in the Roraima Basin area of Guyana, South America, the Corporation's primary objective is to explore, develop and acquire uranium projects in the Americas. To date, the Corporation has not earned any revenues from uranium exploration and is considered to be in the development stage as defined by the Canadian Institute of Chartered Accountants (the "CICA") Accounting Guideline 11.

U308 Corp. has exclusive uranium exploration rights in an area covering approximately 1.3 million hectares that straddles the northeastern and southeastern edges of the Roraima Basin in Guyana. The Corporation aims to deliver returns to shareholders by advancing a two-pronged exploration strategy that focuses on:

- Exploration in the basement adjacent to the Roraima Basin either for a structural system that contains multiple uranium-bearing breccias that could potentially aggregate to a significant total resource or for a style of mineralization in which uranium is concentrated in a large, coherent body; and
- Exploration for unconformity-related uranium deposits associated with the Roraima Basin, which is similar to the Athabasca Basin in Saskatchewan that hosts approximately one third of the world's known uranium resources.

Through its subsidiary, Prometheus Resources (Guyana) Inc. ("Prometheus Guyana"), U308 Corp's uranium exploration is focused on certain "Reconnaissance Permits" (consisting collectively of Permit "A" and Permit "B"), as described below.

Permit "A" was granted to Prometheus Guyana on November 28, 2005, and provides permission to carry out geological, geophysical and other surveys within an area of approximately 579,417 hectares located in the Cuyuni/Mazaruni and Potaro Mining Districts of Guyana, and excludes mining areas lawfully occupied or applied for prior to September 22, 2005, navigable rivers and Amerindian lands. Permit "A" provides Prometheus Guyana with the right to explore the Permit "A" area for uranium for three years commencing November 23, 2005 by undertaking geological, geochemical and geophysical surveys. On September 2, 2008, Prometheus Guyana was granted a one-year extension to Permit "A" by the Guyana Geological and Mines Commission ("GGMC"). In connection with Permit "A", Prometheus Guyana is obligated to pay to the Government of Guyana in advance, a non-refundable fee of US\$15,000 for the first year (paid), US\$20,000 for the second year (paid), US\$30,000 (paid) for the third year and US\$40,000 (paid) for the fourth year. Permit "A" grants Prometheus Guyana the right to apply to the GGMC for up to 20 prospecting licenses (each consisting of areas of approximately 202 hectares to approximately 4,856 hectares in extent) for radioactive minerals and rare earth elements, provided that it has satisfied the requirements stipulated by the GGMC in the granting of Permit "A".

Permit "A" is now valid until November 23, 2009.

Permit "B" was granted to Prometheus Guyana on June 1, 2006, and provides permission to carry out geological, geophysical, geochemical and other exploration-related surveys within an area of approximately 746,309 hectares located in the Potaro, Cuyuni/Mazaruni and Rupununi Mining Districts of Guyana, and excludes mining areas lawfully occupied or applied for prior to May 2, 2006, navigable rivers and Amerindian lands. With respect to the Amerindian lands, the permit provides for exploration to be undertaken in these areas with the consent of the Amerindian owners of that land. Permit "B" provides Prometheus Guyana with the right to explore the Permit "B" area for three years commencing May 31,



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

2006 for radioactive minerals and rare earth elements, which includes uranium. On September 2, 2008, Prometheus Guyana was granted a one-year extension to Permit "B" by the GGMC. In connection with the Permit "B", Prometheus Guyana is obligated to pay to the Government of Guyana in advance, a non-refundable fee of US\$25,000 for the first year (paid), US\$35,000 for the second year (paid), US\$50,000 (paid) for the third year and US\$40,000 (paid) for the fourth year. Permit "B" grants Prometheus Guyana the right to apply to the GGMC for up to 20 prospecting licenses (each consisting of areas of approximately 202 hectares to approximately 4,856 hectares in extent) for radioactive minerals and rare earth elements, provided that it has satisfied the requirements set out by the GGMC in the granting of Permit "B".

Permit "B" is now valid until May 31, 2010.

**Overall Performance**

**(a) Trends analysis**

The Corporation anticipates that it will continue to experience net losses as a result of ongoing exploration in Guyana and general corporate and administrative costs until such time, if any, as revenue generating activity is commenced. The Corporation's future financial performance is dependent on many external factors. Both the price of, and the market for, uranium is volatile, difficult to predict and subject to changes in domestic and international political, social and economic environments. These circumstances and events could materially affect the future financial performance of the Corporation. The Corporation is not currently aware of any trend, event or uncertainty that can reasonably be expected to have a materially adverse effect on the business, financial condition, or operating results of the Corporation other than as described in "Risks and Uncertainties" and "Overall Performance (d) Industry and economic factors affecting U308 Corp".

**b) Highlights**

- At **Aricheng South**, Phase I and II drill programs were completed in 2007. Phase III drilling at Aricheng South consisted of an initial 56 hole program for 10,731 metres that was completed in May, 2008. Thereafter, the Phase III program was extended with ten holes for an additional 2,242 metres. This additional drilling focused on further defining the orientation and extent of mineralization in both the western and eastern margins of the principal mineralized shoot. The results from these ten holes confirm the continuity of mineralized shoots within the host structure, which remains open at depth and along strike. Assay results for all 66 Phase III bore holes have been released. A total of 87 bore holes for 15,780 metres have been drilled in U308 Corp's Phases I, II and III at Aricheng South (Table 1). All assay and geological data for Aricheng South was delivered to an independent consulting company in Q3 2008 for resource estimation that is scheduled for completion in Q4 2008. Aricheng South is the first of a number of uranium-bearing structures identified in the Kurupung Batholith to advance to an initial resource estimation.
- At **Aricheng North**, Phases I and II drilling were completed in 2007. Phase III drilling at Aricheng North consisted of an initial 53 holes for 8,866 metres that was completed in July, 2008. The program was subsequently extended in order to confirm the orientation and extent of mineralized shoots with an additional ten holes for 2,038 metres. A total of 90 bore holes for 14,926 metres have been drilled in U308 Corp's Phase I, II and III drill programs at Aricheng North (Table 1). Assay results from 53 of the Phase III drill holes at Aricheng North have been released. Results

**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion &amp; Analysis

Three and Nine Months Ended September 30, 2008

from the remaining ten holes are expected to be released in late November 2008. On receipt of assay results for all of the holes from Aricheng North, this data will be delivered to an independent consulting company for inclusion in the resource estimate that is scheduled for completion in December 2008. Aricheng North is the second of the basement-hosted uranium-bearing breccias to be advanced to resource estimation in line with U308 Corp's objective of defining an aggregate resource of significant size from discrete mineralized structures in the Kurupung Batholith adjacent to the Roraima Basin.

- At **Aricheng West**, three Phase I diamond drill holes were completed in 2007. Three of six planned Phase II holes were completed in early 2008 before access to the drill platforms was flooded. A further 10 holes have now been drilled bringing the number of Phase II bore holes to 13 for 1,965 metres. These Phase II holes were designed to test the continuity of the mineralized structure as well as consistency of grade over a total strike length of ~300 metres. Results are pending.
- Phase I, or scout drilling, has been completed on four structures in the **Accori** sector of the Kurupung Batholith:
  - At **Accori North A**, seven bore holes have been drilled for 910 metres. Assay results from this drilling have been released. A VLF-EM (Very Low Frequency Electromagnetic) survey is planned to determine the orientation of structures in the Accori North A area.
  - At **Accori North B**, three bore holes have been drilled for 463 metres. Assay results for these Phase I bore holes have been released. A VLF-EM survey is planned in order to better define the structure in the Accori North B area.
  - At **Accori North C**, five bore holes have been drilled for 935 metres. Assay results for these Phase I bore holes have been released. Future drilling will be aimed at confirming the continuity of the structure and uranium mineralization along strike.
  - At **Accori South**, five bore holes have been drilled for 608 metres. Assay results for the first four holes have been released.
- On September 2, 2008 the Corporation was formally granted a one-year extension on Permit "A" until November 23, 2009, and on "Permit B" until May 31, 2010. U308 Corp. has advanced to the second step in the regulatory process and is applying for Prospecting Licenses over priority target areas. Prospecting Licenses are valid for three years with options for extension.
- On December 13, 2007, the Corporation was granted a Prospecting License for uranium and other radioactive and rare earth minerals in the Aricheng, Mid-Mazaruni area. The required bond was posted on April 21, 2008 and the signed license was received on May 8, 2008. Four additional Prospecting Licenses are awaiting final approval for specific areas within Permit "A". Applications have been submitted for the first five Prospecting Licenses for specific areas within Permit "B".
- The Corporation spent \$7,169,365 (that excludes stock-based compensation of \$107,392) on exploration in the first nine months of 2008, of which approximately \$1,871,000 was spent on direct drilling costs for the 25,460 metres completed in the first, second and third quarters;



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

- As at September 30, 2008, the Corporation had \$13,773,842 in cash and bank-backed guaranteed investment certificates held with major Canadian chartered banks. The Corporation funds operating expenditures in foreign countries to facilitate operations in Guyana.
- Subsequent to the quarter-end U308 Corp. reported that, in light of current capital market conditions, the Corporation has rationalized its exploration programs to conserve cash while optimizing the near term potential of key projects, as follows:
- Cash Conservation – Scale down exploration efforts to focus on priority projects. Reduce monthly expenditure in response to current market conditions. With its own drill rigs, U308 Corp's drill cost of approximately \$67 per metre (all inclusive) is roughly half that of typical contract drilling. Ownership of the rigs also gives the Corporation the flexibility to quickly expand or further reduce its drill programs as necessary. The Corporation will continue to monitor the global market situation and may re-adjust its programs, depending on future market conditions.
- Basement-Hosted Uranium Exploration in the Kurupung Batholith:
  - Initial Resource Estimates – Complete the resource estimates currently underway on the first two basement-hosted structures at Aricheng South and Aricheng North, which are due at the end of 2008. These initial resource estimates are expected to be interim in nature since mineralization in both structures is still open along strike and at depth. U308 Corp. intends to periodically update the resource contained in these structures as the extent of mineralization is expanded by further drilling.
  - Expand Resource Potential at Aricheng South – Given its resource prospects, ongoing drilling will be focused on Aricheng South to determine the size of the mineralized zone of this structure. Wider-spaced drilling will now be used at Aricheng South to efficiently convert metres drilled into *in situ* pounds of uranium. Further drilling on other basement targets have been put on hold and will be re-evaluated subject to financial market conditions.
- Unconformity-Related Uranium Exploration in the Roraima Basin:
  - Intense exploration for unconformity-related uranium continues on specific target areas in the Roraima Basin. Field work is concentrating on ground radiometric surveys to identify areas of radiation and is being combined with spectral analysis of clay minerals in order to identify alteration zoning within the Roraima Basin. This field-based exploration provides a cost-effective means of identifying the most prospective parts of the wider target areas.

(The remainder of this page was left blank intentionally)

**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 1. Summary of drilling to date by U308 Corp. on basement-hosted uranium mineralization in the Kurupung Batholith.**

Target	Phase I		Phase II		Phase III		Phase IV		Total BH's	Total metreage
	No of holes	Metreage	No of holes	Metreage	No of holes	Metreage	No of Holes	Metreage		
Aricheng South	5	760.6	16	2,066.7	66	12,953.4	0	0.0	87	15,780.7
Aricheng North	7	1,286.3	20	2,735.6	63	10,903.9	0	0.0	90	14,925.8
Aricheng West	3	455.7	13	1,965.1			0	0.0	16	2,420.8
Accori North A	7	909.8					0	0.0	7	909.8
Accori North B	3	463.0					0	0.0	3	463.0
Accori North C	5	934.7					0	0.0	5	934.7
Accori South	5	608.0					0	0.0	5	608.0

**(c) Current activities**

U308 Corp. is pursuing a two-pronged exploration strategy, which is aimed at offering both near-term exploration success through the search for uranium mineralization in the basement near the Roraima Basin, as well as on the longer-term potential of exploration for unconformity-related deposits within the Roraima Basin.

The majority of exploration to date has focused on confirming and expanding the basement-hosted uranium mineralization discovered by Cogema (now Areva) in the early 1980's, which is likely to result in the definition of a resource of significant size in the short term. The Corporation's exploration strategy has been to ensure that exploration for the basement-hosted deposits is well focused and on track in order to capitalize on this immediate opportunity before concentrating its efforts on grass roots exploration for unconformity-related uranium. With exploration of the basement-hosted mineralization now nearing the first resource estimate, exploration for unconformity-related uranium deposits that may lie within the Roraima Basin, is well underway and ongoing.

Exploration for unconformity-related uranium started from a lower knowledge base since U308 Corp. does not have a prior discovery to work from in the Roraima Basin as it did in the basement mineralization in the Kurupung Batholith. The Corporation focused on applying the principal geological controls on unconformity-related uranium deposits found in the Athabasca and Kombolgie basins in Canada and Australia respectively to identify target areas within the Roraima Basin. Specific target areas have been the focus of field work while others have undergone airborne geophysics to refine the most prospective parts of larger target areas.

Exploration of the Kurupung Batholith

Interpretation of data from the 1,800km<sup>2</sup> airborne radiometric survey, undertaken by the Corporation over Permit "A" in late 2006, identified 43 radiometric anomalies in the basement of the Roraima Basin. Many



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

of the targets had been explored previously and some targets had been drilled by two companies, one (Dennison Mines Ltd) in the late 1970's and by another (Areva) in the early 1980's. A total of 25 radiometric targets are clustered in the 360 km<sup>2</sup> Kurupung Batholith where the majority of the prior exploration had been undertaken by Areva.

A Phase I, or scout drilling, program was designed with bore holes located as close as possible to identifiable drill hole collars left by the previous exploration companies. The objective of the Phase I drilling was to confirm the existence of uranium of potentially economic grade over mineable widths in the selected target area. Phase II drilling generally refers to additional exploration drilling to probe the vertical and lateral extent of mineralization encountered in Phase I.

Phase III drilling typically represents drilling at a relatively regular, close spacing sufficient to define the extent of mineralization with a reasonable degree of confidence. Phase III drilling aims to fairly precisely define the location and grade of mineralized shoots to the extent that further infill drilling would add detail without significantly changing the overall shape and average grade of the mineralized zones. Phase III drilling thus generally forms the basis on which inferred resources are estimated. Further, closer-spaced drilling may be required to convert inferred resources to the measured and indicated category. Phase III, or infill drilling, is ongoing at Aricheng South and is likely to be continued at Aricheng North in due course. Phase III drilling completed to date will be used for interim resource estimation on the Aricheng North and Aricheng South structures.

Follow-up exploration, involving Phase II drilling, has been undertaken at Aricheng West, while Phase II drilling of the Accori North B, Accori North C and Accori South structures is likely to be undertaken in the future. Phase I, or scout drilling, may be undertaken in the Meamu, Anarabisi and Aricheng Alfa targets that all lie within the Kurupung Batholith.

Aricheng South

Phase I and II drilling was completed on the Aricheng South target, which covers an area of approximately 1.5km<sup>2</sup>, in 2007. The Phase I drill program consisted of five bore holes for a total of 761 metres, while Phase II drilling at Aricheng South consisted of 16 holes for a total of approximately 2,067 metres (Tables 1 and 2). Phase II drilling concentrated on extending mineralization down dip, and to a lesser extent, along strike to the west of the mineralized zone identified in Phase I drilling.

On the basis of the tenor and width of mineralized zones intersected in Phase I and II drilling on the Aricheng South structure, a Phase III drilling campaign of 56 bore holes for 10,731 metres was undertaken between January and August 2008. Thereafter, an additional ten holes for 2,242 metres were drilled. The Phase III drill campaign focused on defining the mineralized zone encountered in Phase I and II drilling in more detail in the 270-metre long central area of the mineralized structure, as well as testing the immediate strike extension of mineralization to the west and east. A summary of assay results for the most significant mineralized intervals intersected in Phase I, II and III drilling at Aricheng South is shown in Tables 2, 3 and 4 below.

Drilling to date has delineated uranium mineralization over a strike length of 270 metres and to a depth of approximately 180 metres below surface. The principal structure dips approximately 60° to the north, and the mineralized zone varies in width from 4 to 34 metres. The latest results from the additional ten holes confirm the continuity of mineralized shoots within the host structure, which remains open along strike and at depth.

**U3O8 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Very Low Frequency Electromagnetic (VLF-EM) geophysical surveys have identified a conductive zone at Aricheng South and suggest that the mineralized structure extends for a significant distance along strike. Mineralization intersected in drilling to date is located on the northern contact of the conductive zone. VLF-EM data from the Aricheng South area shows that the conductive zone on which mineralization has been drilled to date extends approximately 300 metres further west and approximately 400 metres further east. Given the meaningful resource prospects of Aricheng South, U3O8 Corp. will focus on expanding the overall size of the mineralized zone at this primary basement-hosted target, Ongoing drilling aims to establish the extent to which the eastern and western extensions of Aricheng South may be mineralized by using wider-space drilling to add potential pounds of uranium in a cost-efficient manner.

The assay and geological data from the Phase I-III drill programs has been delivered to an independent company that is preparing a resource estimate on the Aricheng South structure, which is due to be completed in December 2008. Aricheng South represents the first of multiple basement-hosted uranium-bearing breccias to advance to resource estimation in line with U3O8 Corp's objective of aggregating mineralization from a number of structures to reach a resource of significant size in the Kurupung Batholith. In addition, the basement has potential for other types of uranium deposit related to intrusive stocks and pegmatite bodies.

**Table 2. Significant assay results from Phase I drilling in the Aricheng South target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st
ARS-001	210	-50	150.1	67.0	84.5	17.5	16.8	0.121	2.42
ARS-002	210	-50	151.6	23.0	26.5	3.5	3.3	0.301	6.02
				33.0	35.5	2.5	2.4	0.093	1.86
				37.0	43.5	6.5	6.1	0.115	2.30
				61.5	65.0	3.5	3.3	0.121	2.42
				76.5	79.5	3.0	2.8	0.202	4.04
				88.0	90.0	2.0	1.9	0.083	1.66
ARS-003	210	-60	162.8	37.5	46.0	8.5	7.5	0.104	2.08
			Including	37.5	41.0	3.5	3.1	0.131	2.62
				54.5	75.5	21.0	18.5	0.062	1.24
			Including	54.5	58.5	4.0	3.5	0.084	1.68
			Including	62.5	63.5	1.0	0.9	0.113	2.26
ARS-004	210	-60	141.8	77.5	82.0	4.5	4.4	0.047	0.94
				84.0	85.0	1.0	1.0	0.075	1.50
				98.0	100.5	2.5	2.4	0.107	2.14
ARS-005	305	-60	154.3	117.0	124.0	7.0	6.8	0.042	0.84
				146.0	147.5	1.5	1.4	0.232	4.64

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

(The remainder of this page was left blank intentionally)

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 3. Significant assay results from Phase II drilling in the Aricheng South target.**

Bore hole data			Intercept				Grade			
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st	
ARS-006	210	-45	151.0	33.0	57.0	24.0	23.4	0.104	2.08	
			Including	34.5	39.0	4.5	4.4	0.156	3.12	
			Including	51.0	56.0	5.0	4.9	0.160	3.20	
ARS-007	210	-45	139.0	No Significant Results						
ARS-008	210	-45	142.1	40.0	41.0	1.0	1.0	0.076	1.52	
ARS-009	210	-50	121.6	38.0	65.5	27.5	26.4	0.112	2.24	
			Including	60.0	64.5	4.5	4.3	0.163	3.26	
ARS-010	210	-45	116.8	47.5	73.5	26.0	25.2	0.120	2.40	
			Including	65.5	72.5	7.0	6.8	0.168	3.36	
				77.0	79.5	2.5	2.4	0.168	3.36	
ARS-011	210	-50	157.5	64.0	71.5	7.5	7.0	0.081	1.62	
				73.5	104.0	30.5	28.7	0.071	1.42	
			Including	93.0	103.5	10.5	9.9	0.106	2.12	
				109.5	116.5	7.0	6.6	0.099	1.98	
ARS-012	210	-45	115.5	44.5	55.0	10.5	10.3	0.210	4.20	
			Including	44.5	49.5	5.0	4.9	0.356	7.12	
				93.5	96.5	3.0	2.9	0.098	1.96	
ARS-013	210	-45	118.2	68.5	75.5	6.5	6.3	0.141	2.82	
				78.0	83.5	5.5	5.4	0.120	2.40	
				85.0	88.5	3.5	3.4	0.082	1.64	
ARS-014	210	-45	135.5	57.5	75.5	18.0	17.5	0.065	1.30	
				116.5	120.5	4.0	3.9	0.138	2.76	
ARS-015	210	-45	172.8	44.0	47.5	3.5	3.4	0.074	1.48	
				75.5	77.0	1.5	1.5	0.100	2.00	
ARS-016	Hole abandoned at 43.6m									
ARS-017	210	-45	106.7	83.0	85.0	2.0	1.8	0.042	0.84	
ARS-018	210	-45	106.3	No Significant Results						
ARS-019	315	-45	118.8	100.5	103.5	3.0	3.0	0.055	1.10	
				107.5	108.5	1.0	1.0	0.091	1.82	
ARS-20	210	-45	139.5	78.0	79.0	1.0	1.0	0.467	9.34	
ARS-021	210	-60	181.8	71.0	81.0	10.0	9.1	0.112	2.24	
			Including	72.0	74.5	2.5	2.3	0.268	5.36	
				106.5	115.0	8.5	7.7	0.049	0.98	

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

(The remainder of this page was left blank intentionally)

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 4. Significant assay results from Phase III drilling in the Aricheng South target.**

Bore hole data				Intercept				Grade		
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st	
ARS-022	210	-45	140.3	66.0	69.5	3.5	3.4	0.103	2.06	
ARS-023	210	-59	140.2	No Significant Results						
ARS-024	210	-50	161.2	93.5	99.0	5.5	5.3	0.107	2.14	
				101.0	115.5	14.5	14.0	0.110	2.20	
			Including	111.5	115.5	4.0	3.9	0.172	3.44	
ARS-025	210	-61	170.3	103.0	117.5	14.5	13.0	0.096	1.92	
					119.0	132.0	13.0	11.7	0.088	1.76
ARS-026a	210	-45	160.8	76.5	103.5	27.0	26.6	0.115	2.30	
			Including	77.0	82.0	5.0	4.9	0.158	3.16	
			Including	84.5	90.0	5.5	5.4	0.167	3.34	
ARS-027	210	-45	171.2	85.5	120.5	35.0	34.5	0.131	2.62	
			Including	109.5	116.5	7.0	6.9	0.406	8.12	
ARS-028	210	-50	175.5	99.5	119.5	20.0	19.3	0.075	1.50	
			Including	99.5	103.0	3.5	3.4	0.191	3.82	
				120.5	125.0	4.5	4.3	0.140	2.80	
				130.0	136.0	6.0	5.8	0.097	1.94	
ARS-029	210	-59	190.8	137.0	141.5	4.0	3.9	0.139	2.78	
					92.0	95.5	3.5	3.2	0.150	3.00
					103.5	111.0	7.5	6.9	0.114	2.28
					125.0	135.0	10.0	9.1	0.122	2.44
ARS-030	210	-45	148.2	151.5	164.5	13.0	11.9	0.067	1.34	
					85.0	89.5	4.5	4.4	0.235	4.70
ARS-031	210	-57	168.0	75.5	80.0	4.5	4.2	0.178	3.56	
					95.5	98.5	3.0	2.8	0.131	2.62
					99.5	102.5	3.0	2.8	0.205	4.10
ARS-032	210	-45	187.0	84.5	99.0	14.5	14.3	0.074	1.48	
					116.5	120.5	4.0	3.9	0.105	2.10
ARS-033	210	-57	199.7	99.0	103.5	4.5	4.1	0.051	1.02	
ARS-034	210	-45	172.1	110.0	119.0	9.0	8.6	0.050	1.00	
ARS-035	210	-57	191.9	149.0	153.5	4.5	4.2	0.100	2.00	
ARS-036	210	-45	196.4	80.0	97.0	17.0	16.7	0.070	1.40	
					104.0	108.5	4.5	4.4	0.084	1.68
					119.0	121.0	2.0	2.0	0.101	2.02
					122.0	125.0	3.0	3.0	0.100	2.00
ARS-037	210	-58	208.9	97.5	102.5	5.0	4.6	0.113	2.26	
					103.5	112.5	9.0	8.3	0.078	1.56
					131.5	137.5	6.0	5.5	0.093	1.86
ARS-038	210	-55	235.9	144.0	153.0	9.0	8.5	0.137	2.74	
					154.0	168.0	14.0	13.2	0.081	1.62
				Including	162.0	168.0	6.0	5.6	0.122	2.44
					175.5	195.5	20.0	18.8	0.075	1.50

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Bore hole data				Intercept				Grade		
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st	
ARS-039	210	-55	251.1	162.5	164.5	2.0	1.9	0.107	2.14	
				190.5	196.0	5.5	5.2	0.095	1.90	
				202.0	206.0	4.0	3.8	0.097	1.94	
ARS-040	210	-60	212.0	151.0	152.5	1.5	1.4	0.085	1.70	
ARS-041	210	-45	196.2	164.0	166.5	2.5	2.5	0.068	1.36	
ARS-042	210	-53	211.8	116.0	118.5	2.5	2.4	0.088	1.76	
				183.0	186.0	3.0	2.6	0.090	1.80	
ARS-043	210	-55	211.9	121.0	130.5	9.5	8.2	0.085	1.70	
				132.0	151.5	19.5	16.9	0.122	2.44	
				Including	139.5	148.0	8.5	7.4	0.181	3.62
				159.0	170.0	11.0	9.5	0.078	1.56	
				171.0	185.0	14.0	12.1	0.068	1.36	
ARS-044	210	-63	230.1	122.5	126.0	3.5	3.1	0.178	3.56	
				146.5	149.5	3.0	2.6	0.104	2.08	
				155.0	170.5	15.5	13.7	0.110	2.20	
ARS-045	210	-55	202.6	123.5	125.0	1.5	1.4	0.141	2.82	
				150.5	159.0	8.5	7.4	0.114	2.28	
ARS-046	210	-63	212.0	130.5	133.5	3.5	3.1	0.076	1.52	
				141.0	143.0	2.0	1.8	0.215	4.30	
				180.0	183.5	3.5	2.8	0.078	1.56	
ARS-047	210	-45	202.8	105.0	108.5	3.5	3.4	0.101	2.02	
				109.5	117.0	7.5	7.4	0.054	1.08	
				149.5	153.5	4.0	3.8	0.063	1.26	
ARS-048	210	-63	233.2	118.5	121.0	2.5	2.2	0.144	2.88	
				124.5	126.5	2.0	1.8	0.076	1.52	
ARS-049	210	-55	220.9	161.0	162.5	1.5	1.4	0.084	1.68	
				191.5	196.0	4.5	3.9	0.147	2.94	
ARS-050	210	-63	230.2	174.0	176.0	2.0	1.6	0.126	2.52	
				203.5	210.0	6.5	5.1	0.125	2.50	
				Including	207.0	209.0	2.0	1.6	0.305	6.10
ARS-051	210	-55	220.7	109.5	111.0	1.5	1.4	0.082	1.64	
ARS-052	210	-62	248.0	No significant Results						
ARS-053	210	-55	236.0	131.5	133.5	2.0	1.9	0.082	1.64	
				158.0	162.5	4.5	4.2	0.081	1.62	
ARS-054	210	-45	142.5	81.0	86.0	5.0	4.9	0.061	1.22	
				89.0	91.5	2.5	2.5	0.057	1.14	
ARS-055	210	-63	210.0	147.0	149.0	2.0	1.8	0.080	1.60	
				190.5	194.5	4.0	3.5	0.067	1.34	
				223.0	229.5	6.5	5.1	0.050	1.00	
ARS-056	210	-45	169.4	55.5	62.0	6.5	6.3	0.050	1.00	
				80.5	98.0	17.5	17.1	0.056	1.12	
				127.5	133.0	5.5	5.2	0.070	1.40	
ARS-057	210	-50	127.7	27.0	33.5	6.5	6.3	0.120	2.40	
				Including	29.5	33.0	3.5	3.4	0.180	3.60
ARS-058	210	-45	103.1	43.5	46.0	2.5	2.5	0.087	1.74	

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 4 (continued) Significant assay results from Phase III drilling in the Aricheng South target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st
ARS-059	210	-50	127.1	84.5	87.5	3.0	2.9	0.052	1.04
				88.5	90.0	1.5	1.4	0.075	1.50
ARS-060	210	-45	136.1	81.5	82.5	1.0	1.0	0.121	2.42
				89.0	98.0	9.0	8.9	0.070	1.40
ARS-061	210	-45	166.0	84.0	86.0	2.0	2.0	0.056	1.12
ARS-062	210	-45	130.2	46.0	51.0	5.0	4.9	0.158	3.16
ARS-063	210	-50	154.6	111.0	121.5	10.5	9.5	0.095	1.90
			Including	115.5	121.0	5.5	5.0	0.132	2.64
ARS-064	210	-60	169.8	9.5	26.5	17.0	15.0	0.061	1.22
				38.0	46.5	8.5	7.5	0.050	1.00
ARS-065	210	-57	238.9	98.5	115.0	16.5	15.0	0.096	1.92
				128.0	138.0	10.0	9.1	0.061	1.22
				141.5	146.0	4.5	4.1	0.069	1.38
ARS-066	210	-64	247.6	131.0	135.5	4.5	3.8	0.068	1.36
			Including	138.5	152.0	13.5	11.4	0.094	1.88
ARS-067	210	-55	217.7	153.5	157.0	3.5	3.2	0.078	1.56
				161.0	165.5	4.5	4.1	0.075	1.50
				167.0	172.0	5.0	4.6	0.071	1.42
ARS-068	210	-45	160.5	34.5	44.5	10.0	9.7	0.088	1.76
			Including	37.0	41.5	4.5	4.4	0.106	2.12
			69.0	72.5	3.5	3.4	0.060	1.20	
ARS-069	210	-63	214.9	171.5	179.0	7.5	6.4	0.113	2.26
ARS-070	210	-45	187.5	110.0	113.0	3.0	2.9	0.052	1.04
				132.0	137.0	5.0	4.7	0.085	1.70
ARS-071	210	-45	220.6	115.5	127.5	12.0	11.7	0.058	1.16
ARS-072	210	-55	172.5	118.0	138.0	20.0	17.0	0.116	2.32
			Including	130.0	138.0	8.0	6.8	0.198	3.96
ARS-073	210	-64	214.0	132.0	160.5	28.5	24.2	0.092	1.84
			Including	151.0	157.0	6.0	5.1	0.139	2.78
ARS-074	210	-53	226.9	84.5	88.5	4.0	3.7	0.079	1.58
				117.0	126.5	9.5	8.9	0.085	1.70
				137.5	144.0	6.5	6.1	0.056	1.12
ARS-075	210	-63	256.0	163.5	190.5	27.0	23.1	0.083	1.66
ARS-076	210	-63	251.2	145.0	154.0	7.7	7.6	0.053	1.06
				164.5	166.0	1.3	1.3	0.211	4.22
				173.5	176.5	2.6	2.5	0.270	5.40
ARS-077	210	-45	148.0	207.0	213.5	5.1	5.9	0.067	1.34
				50.5	54.0	3.5	3.4	0.081	1.62

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 4 (continued) Significant assay results from Phase III drilling in the Aricheng South target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st
ARS-078	210	-65	253.3	162.0	181.5	19.5	16.4	0.079	1.58
ARS-079	210	-60	143.1	No Significant Results					
ARS-080	210	-60	170.1	115.0	122.0	7.0	6.2	0.100	2.00
ARS-081	210	-60	202.8	141.5	149.0	7.5	6.6	0.125	2.50
ARS-082	210	-60	223.6	163.0	176.0	13.0	11.5	0.096	1.92
ARS-083	210	-60	252.7	175.5	192.0	16.5	14.6	0.106	2.12
			Including	188.0	191.5	3.5	3.1	0.244	4.88
ARS-084	210	-60	220.9	91.5	96.5	5.0	4.4	0.068	1.36
				102.0	104.5	2.5	2.2	0.092	1.84
ARS-085	210	-60	241.9	88.0	103.0	15.0	13.2	0.075	1.50
			Including	91.5	97.5	6.0	5.3	0.107	2.14
ARS-086	210	-60	260.6	173.5	174.5	1.0	0.9	0.094	1.88
				245.5	247.0	1.5	1.2	0.103	2.06
ARS-087	210	-55	253.8	117.0	123.0	6.0	5.5	0.138	2.76
				158.5	182.5	24.0	22.1	0.045	0.90

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

(The remainder of this page was left blank intentionally)



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Aricheng North

The Aricheng North target covers an area of about 4km<sup>2</sup> in the Kurupung Batholith. A Phase I drill program, designed to confirm the presence of uranium mineralization of potentially mineable grades over significant widths, was completed on 2007. Phase I drilling included seven bore holes for a total of 1,286 metres (Tables 1 and 5). A Phase II program commenced immediately after completion of Phase I and consisted of 20 holes for a total of 2,736 metres. Phase II drilling was successful in confirming reasonable continuity of mineralization along strike and down dip.

An initial Phase III program of 8,866 metres of core drilling in 53 holes was completed in July, 2008. The objective of the Phase III drill program was to test for mineralization and continuity of the mineralized zone within the Aricheng North target. Significant assay results from the Phase I, II and the first 53 holes in Phase III drilling at Aricheng North are listed in Tables 5, 6 and 7 respectively. Subsequently, a further ten holes were drilled for 2,038 metres in order to confirm that mineralized shoots have a sub-horizontal plunge at Aricheng North, in contrast to the sub-vertical orientation of shoots in the Aricheng South structure. Results are pending.

Drilling to date has delineated uranium mineralization over a 750 metre long sector of the Aricheng North structure to a maximum depth of approximately 150 metres below surface. The mineralized structure dips approximately 75° to the northwest, and varies in width from 1.5 metres to 22 metres.

Assay data from the Aricheng North structure has been delivered to the independent consulting company that is undertaking the resource estimate on this mineralized structure for completion in December 2008. Aricheng North is the second of the basement-hosted uranium-bearing breccias to advance to resource estimation on track with U308 Corp's objective of defining an aggregate resource of significant size in the Kurupung Batholith.

(The remainder of this page was left blank intentionally)



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 5. Significant assay results from Phase I drilling in the Aricheng North target.**

Bore hole data				Intercept				Grade	
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lb/st)
ARN-001	270	-50	223.6	109.0	111.5	2.5	2.2	0.124	2.73
				116.0	126.5	10.5	9.2	0.091	2.00
				134.5	137.5	3.0	2.6	0.120	2.65
ARN-002*	135	-60	306.9	102.0	109.5	7.5	5.3	0.125	2.75
ARN-003	150	-60	150.8 Including	41.0	52.0	11.0	8.8	0.233	5.14
				41.5	42.5	1.0	0.8	1.700	37.48
				60.0	61.0	1.0	0.8	0.083	1.83
				77.5	82.0	4.5	3.6	0.139	3.06
ARN-004	150	-60	150.8	20.5	29.5	9.0	7.2	0.071	1.57
				75.5	79.0	3.5	2.8	0.062	1.37
ARN-005	335	-60	151.7	121.5	122.0	0.5	0.4	0.135	2.98
ARN-006	330	-50	151.9 Including	40.5	49.5	9.0	6.3	0.221	4.87
				41.5	43.5	2.0	1.4	0.395	8.71
ARN-007	138	-45	150.7	45.5	48.5	3.0	2.5	0.063	1.39
				60.5	62.0	1.5	1.3	0.060	1.32

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

(The remainder of this page was left blank intentionally)

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 6. Significant assay results from Phase II drilling in the Aricheng North target.**

Bore hole data				Intercept				Grade		
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lb/st)	
ARN-008	140	-45	101.8	44.5	45.5	1.0	0.8	0.080	1.60	
ARN-009	140	-45	129.9	67.5	69.5	2.0	1.7	0.230	4.60	
ARN-010	135	-55	201.6	134.0	136.0	2.0	1.4	0.138	2.76	
ARN-011	135	-60	232.9	148.5	149.5	1.0	0.6	0.146	2.92	
ARN-012	135	-45	111.6	64.0	76.0	12.0	10.4	0.093	1.86	
ARN-013	135	-60	142.6	74.0	83.0	9.0	6.5	0.260	5.20	
Including			77.5	80.0	2.5	1.8	0.592	11.84		
ARN-014	140	-45	79.4	37.0	39.0	2.0	1.7	0.196	3.92	
ARN-015	140	-45	112.5	41.0	44.0	3.0	2.6	0.245	4.90	
				Including	38.0	46.5	8.5	7.5	0.168	3.36
ARN-016	140	-65	150.7	Including	38.0	40.0	2.0	1.8	0.297	5.94
				Including	41.0	44.0	3.0	2.6	0.240	4.80
ARN-017	140	-45	131.5	150.7	53.0	64.0	11.0	7.6	0.133	2.66
				Including	53.0	56.0	3.0	2.1	0.272	5.44
ARN-018	140	-45	132.4	61.5	64.5	3.0	2.5	0.150	3.00	
ARN-019	140	-45	115.6	59.0	60.0	1.0	0.8	0.107	2.14	
				67.5	69.5	2.0	1.7	0.153	3.06	
ARN-020	140	-45	142.7	17.0	20.0	3.0	2.7	0.097	1.94	
				27.0	30.5	3.5	3.1	0.310	6.20	
ARN-021	140	-45	117.9	58.5	64.5	6.0	5.4	0.122	2.44	
ARN-022	140	-45	142.1	No significant results						
ARN-023	140	-50	175.6	64.0	69.5	5.5	4.9	0.287	5.74	
				95.0	96.5	1.5	1.3	0.098	1.96	
ARN-024	140	-45	115.4	75.5	78.0	2.5	2.0	0.133	2.66	
				81.5	82.5	1.0	0.8	0.135	2.70	
ARN-025	140	-45	142.5	35.5	39.0	3.5	3.1	0.238	4.76	
				61.0	64.0	3.0	2.7	0.080	1.60	
				80.5	82.0	1.5	1.3	0.188	3.76	
ARN-026	140	-45	115.0	70.0	73.0	3.0	2.7	0.086	1.72	
				108.5	109.5	1.0	0.9	0.305	6.10	
ARN-027	140	-45	142.1	29.5	32.5	3.0	2.5	0.300	6.00	
ARN-027	140	-45	142.1	54.0	58.5	4.5	3.9	0.163	3.26	

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

(The remainder of this page was left blank intentionally)

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 7. Significant assay results from the initial 53 holes in Phase III drilling in the Aricheng North target.**

Bore hole data				Intercept				Grade		
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lb/st)	
ARN-028	135	-50	160.7	44.0	51.0	7.0	6.4	0.070	1.40	
ARN-029	135	-60	180.8	41.5	46.5	5.0	4.9	0.113	2.26	
ARN-030	135	-45	115.2	33.0	36.5	3.5	3.2	0.076	1.52	
				74.0	82.0	8.0	7.3	0.103	2.06	
ARN-031	140	-60	134.2	89.5	100.0	10.5	8.0	0.268	5.36	
				Including	95.0	99.5	4.5	3.4	0.497	9.94
ARN-032	135	-60	135.0	98.0	99.0	1.0	0.8	0.085	1.70	
ARN-033	140	-60	167.0	80.5	85.0	4.5	3.4	0.287	5.74	
				103.0	105.0	2.0	1.5	0.163	3.26	
				139.0	140.5	1.5	1.1	0.116	2.32	
ARN-034	140	-55	130.9	114.0	115.0	1.0	0.8	0.077	1.54	
ARN-035	140	-70	161.1	100.0	105.0	5.0	3.2	0.391	7.82	
				111.5	119.0	7.5	4.8	0.102	2.04	
ARN-036	140	-64	266.2	137.0	150.5	13.5	9.7	0.134	2.68	
				Including	137.5	142.5	5.0	3.6	0.270	5.40
				182.0	184.5	2.5	1.8	0.129	2.58	
ARN-037	140	-45	154.5	37.5	43.0	5.5	5.0	0.249	4.98	
				85.5	89.0	3.5	3.2	0.100	2.00	
ARN-038	140	-45	127.5	No Significant Results						
ARN-039	140	-45	91.3	34.5	45.0	10.5	9.5	0.081	1.62	
				Including	39.5	44.5	5.0	4.5	0.117	2.34
ARN-040	140	-60	160.5	116.5	117.5	1.0	0.8	0.142	2.84	
ARN-041	140	-60	175.9	52.5	59.5	7.0	5.4	0.176	3.52	
				Including	52.5	56.5	4.0	3.1	0.283	5.66
ARN-042	140	-60	122.0	51.0	56.5	5.5	4.2	0.079	1.58	
ARN-043	125	-45	151.5	53.5	61.5	8.0	7.3	0.090	1.80	
				Including	59.0	60.5	1.5	1.4	0.260	5.20
ARN-044	140	-45	124.1	48.0	49.0	1.0	0.9	0.087	1.74	
ARN-045	140	-45	133.0	54.0	58.5	4.5	4.1	0.080	1.60	
ARN-046a	125	-45	120.5	68.0	69.0	1.0	0.9	0.076	1.52	
ARN-047	140	-60	130.6	No Significant Results						
ARN-048	125	-60	170.5	69.5	87.5	18.0	13.8	0.154	3.08	
				Including	76.0	86.5	10.5	8.0	0.214	4.28
ARN-049	140	-60	130.9	67.5	70.0	2.5	1.9	0.347	6.94	
				81.0	87.5	6.5	5.0	0.169	3.38	
				Including	84.5	87.0	2.5	1.9	0.336	6.72
ARN-050	140	-60	139.7	63.5	68.5	5.0	3.8	0.127	2.54	
ARN-051	140	-70	149.0	105.5	107.0	1.5	1.0	0.087	1.74	
ARN-052	125	-45	148.5	68.5	70.0	1.5	1.4	0.113	2.26	
				97.0	98.5	1.5	1.4	0.069	1.38	

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Table 7 (continued) Significant assay results from the initial 53 holes in Phase III drilling in the Aricheng North target.**

Bore hole data				Intercept				Grade	
Hole number	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lb/st)
ARN-053	125	-60	163.5	72.5	102.0	29.5	22.6	0.105	2.10
			Including	82.0	88.5	6.5	5.0	0.271	5.42
ARN-054	140	-60	160.9	67.5	68.5	1.0	0.8	0.081	1.62
ARN-055	140	-60	156.2	69.0	73.5	4.5	3.4	0.176	3.52
ARN-056	140	-70	164.3	87.5	91.5	4.0	2.6	0.179	3.58
ARN-057	135	-45	151.0	No Significant Results					
ARN-058	140	-60	241.9	195.5	198.0	2.5	1.9	0.054	1.08
ARN-059	140	-65	184.9	143.0	145.0	2.0	1.4	0.107	2.14
ARN-060	135	-60	239.0	101.5	108.5	7.0	5.4	0.085	1.70
			Including	101.5	105.0	3.5	2.7	0.127	2.54
ARN-061	135	-45	146.0	80.5	81.5	1.0	0.8	0.079	1.58
ARN-062	140	-60	200.1	127.5	132.0	4.5	3.4	0.126	2.52
ARN-063	140	-62	155.6	112.0	119.5	7.5	5.6	1.013	20.26
			Including	112.5	114.0	1.5	1.1	4.229	84.58
ARN-064	135	-60	176.0	No Significant Results					
ARN-065	125	-45	174.0	89.0	96.5	7.5	6.8	0.072	1.44
ARN-066	140	-60	175.9	70.0	71.5	1.5	1.1	0.126	2.52
			Including	91.0	93.0	2.0	1.5	0.196	3.92
ARN-067	125	-45	201.0	78.5	80.0	1.5	1.4	0.127	2.54
			Including	111.5	116.5	5.0	4.5	0.054	1.08
ARN-068	135	-60	181.9	29.0	31.0	2.0	1.5	0.073	1.46
ARN-069	140	-45	111.0	34.5	36.0	1.5	1.4	0.082	1.64
ARN-070	125	-60	243.0	131.0	150.0	19.0	14.6	0.124	2.48
			Including	134.0	141.0	7.0	5.4	0.219	4.38
ARN-071	140	-60	140.8	No Significant Results					
ARN-072	140	-60	247.8	78.0	84.0	6.0	4.6	0.071	1.42
			Including	160.0	169.5	9.5	7.3	0.082	1.64
ARN-073	125	-45	189.0	71.0	73.0	2.0	1.8	0.110	2.20
ARN-074	140	-62	244.9	144.0	150.5	6.5	4.8	0.062	1.24
ARN-075	125	-60	210.0	92.0	96.5	4.5	3.4	0.079	1.58
ARN-076	125	-45	196.8	73.5	80.5	7.0	6.3	0.112	2.24
ARN-077	125	-60	173.2	81.0	83.0	2.0	1.5	0.068	1.36
			Including	105.0	107.0	2.0	1.5	0.052	1.04
ARN-078	125	-60	166.9	108.5	116.5	8.0	6.1	0.081	1.62
			Including	134.5	141.5	7.0	5.4	0.121	2.42
ARN-079	125	-60	140.1	85.5	86.5	1.0	0.8	0.093	1.86
ARN-080	125	-60	182.1	144.5	146.5	2.0	1.5	0.050	1.00

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Aricheng West

The Aricheng West target covers an area of about 1.4km<sup>2</sup> in the Kurupung Batholith. Three bore holes for 456 metres were drilled in the Phase I program in 2007, the objective of which was to confirm the presence of significant uranium mineralization at Aricheng West. Significant assay intervals intersected in Phase I are listed in Table 8. A total of 13 Phase II boreholes have now been completed for 1,965 metres at Aricheng West. Results are pending. Uranium mineralization at Aricheng West is associated with a Very Low Frequency Electromagnetic (VLF-EM) anomaly that has a strike length of approximately 600 metres. Drilling to date has been over a strike length of approximately 200 metres of the VLF-EM conductor. The extensions of the VLF-EM conductor constitute a target that is likely to be drilled in due course.

**Table 8. Significant assay results from Phase I drilling in the Aricheng West target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> (%)	U <sub>3</sub> O <sub>8</sub> (lb/st)
ARW-001	350	-60	153.0	27.0	29.5	2.5	#	0.074	1.48
				32.0	40.0	8.0		0.094	1.88
				50.5	53.0	2.5		0.072	1.44
				72.0	73.0	1.0		0.097	1.94
ARW-002	350	-60	150.8	23.5	26.5	3.0	#	0.107	2.14
				37.0	38.5	1.5		0.096	1.92
				57.5	61.0	3.5		0.111	2.22
				69.0	71.0	2.0		0.161	3.22
				73.0	75.0	2.0		0.066	1.32
ARW-003	360	-60	151.9	118.5	127.5	9.0	#	0.096	1.92
			Including	122.0	125.0	3.0		0.130	2.60

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

# Estimated true width is unknown until the orientation of the structure has been established.

Accori Target Area

Four targets in the Accori area – Accori North A, Accori North B, Accori North C and Accori South – that lies on the southwestern margin of the Kurupung Batholith, were selected for Phase I or scout drilling in Q2 2008. Twenty drill holes were completed in the four targets for a total of 2,916 metres (Table 1). The objective of the Phase I drilling was to confirm that the structures contain uranium mineralization over significant widths. Further drilling of the Accori targets will be held off until there is clear evidence that the capital markets have stabilized.

Accori North A

Long intercepts of moderate grade were obtained from two holes drilled on one section line in Accori North A (Table 9). Five additional holes returned no significant values, suggesting that the mineralization may be contained within a pipe-like breccia body or it may have been displaced by post-mineral faulting. A VLF-EM survey is planned for the Accori North A area in order to better define suspected structural complexity of the target. Once the VLF-EM data has been interpreted, the need for further drilling will be assessed.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion &amp; Analysis

Three and Nine Months Ended September 30, 2008

**Table 9. Significant assay results from Phase I drilling in the Accori North A target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Dip (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Width (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> % lbs/st
ACCON-A-001	130	-45	142.2	15.0	76.0	61.0	#	0.072	1.44
			Including	17.0	30.5	13.5	#	0.101	2.02
				77.0	79.0	2.0	#	0.076	1.52
ACCON-A-002	130	-45	112.6	No Significant Results					
ACCON-A-003	130	-45	160.5	58.5	77.5	19.0	#	0.081	1.62
			Including	71.5	74.0	2.5	#	0.107	2.14
ACCON-A-004	290	-50	164.5	No Significant Results					
ACCON-A-005	130	-45	39.0	No Significant Results					
ACCON-A-005a	130	-45	160.5	No Significant Results					
ACCON-A-006	90	-45	130.5	No Significant Results					

\* Note: 1 short ton = 2,000lbs or 0.907 metric tonnes

# Estimated true width is unknown until the orientation of the structure has been established.

Accori North B

Magnetic data from the airborne geophysics survey carried out by the Corporation in 2006 indicate that the Accori North B and Accori North C targets lie 1.2 kilometres apart on the same east-west orientated structure, which further extends some seven kilometres to the east into the mineralized zone at Aricheng South.

Assay data from Phase I drilling at Accori North B are reported in Table 10. The three bore holes drilled in the Accori North B target all intersected a tabular breccia that corresponds with a magnetic anomaly that links the Accori North B and Accori North C targets. No significant uranium mineralization was intersected in holes ACCON-B-001 and 002 with a narrow zone of significant grade in hole 003 (Table 10). The current interpretation of the Accori North B sector is that it may be a low-grade interval between mineralized shoots. A VLF-EM survey is planned to better define the structure of the Accori North B-C sectors of the breccia.

**Table 10. Summary of assay results from Phase I drilling in the Accori North B target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Dip (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Width (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> % lbs/st
ACCON-B-001	330	-45	154.5	No Significant Results					
ACCON-B-002	330	-45	156.5	No Significant Results					
ACCON-B-003	330	-45	152.0	99.5	101.5	2.0	#	0.097	1.94

\* Note: 1 short ton = 2,000lbs or 0.907 metric tonnes

# Estimated true width is unknown until the orientation of the structure has been established.

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Accori North C

Significant uranium mineralization was encountered in Phase I scout drilling of the Accori North C structure (Table 11). Magnetic data from the 2006 airborne survey indicate that the Accori North B and Accori North C targets lie 1.2 kilometres apart on the same east-west orientated structure, which further extends some seven kilometres to the east into the mineralized zone at Aricheng South.

Uranium mineralization in the Accori North C area has now been intersected over a distance of 250 metres, to a depth of approximately 125 metres below surface and is open along strike and down dip. Mineralization occurs within a sheet-like breccia that strikes east and dips to the south at approximately 85°. The mineralized breccia varies from 5 metres to 33 metres in width.

**Table 11. Summary of significantly mineralized intercepts cut in the Phase I drilling at the Accori North C structure.**

Bore hole data				Intercept				Grade		
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated true width (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st	
ACCON-C-001	10	-45	130.7	61.5	68.0	6.5	5.4	0.061	1.22	
				74.0	79.5	5.5	4.6	0.068	1.36	
ACCON-C-002	30	-45	151.7	20.5	29.0	8.5	7.0	0.080	1.60	
			Including	28.0	29.0	1.0	0.8	0.258	5.16	
				111.5	121.0	9.5	7.9	0.109	2.18	
ACCON-C-003	29.14	-45	187.8	33.0	36.0	3.0	2.5	0.074	1.48	
			Including	102.0	135.5	33.5	27.8	0.083	1.66	
			Including	116.0	129.5	13.5	11.2	0.112	2.24	
ACCON-C-004	30	-45	211.0	124.5	129.5	5.0	4.1	0.145	2.90	
ACCON-C-005	30	-45	253.5	211.0	51.0	56.0	5.0	4.1	0.056	1.12
					116.5	118.5	2.0	1.7	0.081	1.62
					120.5	127.5	7.0	5.8	0.055	1.10
					142.0	172.5	30.5	25.3	0.099	1.98
	Including	162.0	172.0	10.0	8.3	0.139	2.78			

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

Accori South

Results for the first four holes drilled on the Accori South target are listed in Table 12. The bore holes drilled in the Accori South target intersected uranium mineralization in a sheet-like breccia that trends east-southeast and is inclined to the north at approximately 42°. Initial drilling intersected uranium mineralization over a strike distance of 130 metres and to a depth of approximately 80 metres below surface. Mineralization is open along strike and down dip.

Two of the bore holes intersected a secondary structure that has an east-northeast orientation and is projected to intersect the principal structure approximately 25 metres east of the easternmost bore hole (ACOS-004). The intersection of the two structures at Accori South constitutes a priority exploration

**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

target since a similar structural intersection in the Aricheng South area hosts a mineralized shoot containing elevated uranium grades.

**Table 12. Summary of significantly mineralized intercepts cut in the first four holes drilled on the Accori South target.**

Bore hole data				Intercept				Grade	
Hole	Bearing (°)	Inclination (°)	Total Depth (m)	From (m)	To (m)	Interval (m)	Estimated True Thickness (m)	U <sub>3</sub> O <sub>8</sub> %	U <sub>3</sub> O <sub>8</sub> lb/st
ACCOS-001	166.34	-45	91.6	16.0	24.5	8.5	8.5	0.064	1.28
ACCOS-002	164.12	-45	91.8	44.5	49.5	5.0	5.0	0.057	1.14
ACCOS-003	165.49	-45	121.5	74.0	78.0	4.0	4.0	0.108	2.16
				110.5	114.0	3.5	3.5	0.059	1.18
ACCOS-004	174.27	-45	121.6	92.0	97.5	5.5	5.5	0.116	2.32
				106.0	110.0	4.0	4.0	0.081	1.62

**Note:** lb/st is an abbreviation for pounds per short ton. 1 short ton = 2,000lbs or 0.907 metric tonnes.

Regional reconnaissance field work

In Q3 2008, reconnaissance exploration covered two different styles of uranium targets in keeping with U308 Corp's dual-prong exploration strategy:

- Basement-hosted uranium targets near the Roraima Basin: Exploration of structurally-controlled mineralization in basement rocks termed albitite-hosted mineralization has concentrated on the follow-up and expansion of discoveries made by Areva in the early 1980's and of radiometric anomalies identified in the Kurupung Batholith and surrounding areas from the airborne geophysical programs undertaken by the Corporation in late 2006 and 2007. Initial resource estimates on the first two basement-hosted targets, Aricheng South and Aricheng North, are underway and are expected to be completed in December, 2008. Ground radiometric surveys and geological mapping have been carried out in the Illiwa, Meamu, and Anaribisi areas of the batholith and in the Rumong area that lies in the basement approximately 60 kilometres to the southeast of the Kurupung Batholith. Meamu, Anarabisi and Aricheng Alfaare expected to be the next basement-hosted targets to advance to Phase I drilling in due course.
- Unconformity-related targets in the Roraima Basin: Integrated geological and geophysical studies have identified eight priority targets for potential unconformity-related uranium mineralization. Initial exploration in the Kurung area was negative and that specific target has been ruled out as having significant potential for unconformity-related mineralization. Reconnaissance exploration of a second target has been completed and alteration and geochemical data from rock chip samples taken within the area are currently being integrated with prior drilling that was undertaken in the target area. An airborne radiometric, magnetic and VLF-EM geophysics survey has been undertaken over specific target areas and results are awaited.



**U3O8 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Approach to exploration for unconformity-related uranium

A key objective of U3O8 Corp's exploration strategy hinges on the similarity of the Roraima Basin to the prolific Athabasca Basin in Saskatchewan, Canada, and the possibility that the Roraima Basin may host unconformity-related deposits similar to the world-class Cigar Lake and McArthur River mines. Therefore, the Corporation's exploration approach for unconformity-related targets in the Roraima Basin is consistent with the methods appropriate for the discovery of these uranium deposits in the Athabasca Basin. Targets were selected on the basis of the integration of airborne geophysical data acquired in surveys flown by the Corporation in 2006 and 2007 with regional structural and stratigraphic interpretations. In the Athabasca Basin, the majority of known uranium deposits are located where reactivated fault structures cut graphite-bearing stratigraphic units. U3O8 Corp. has adopted a similar approach in the Roraima Basin by focusing exploration on the intersection between regional faults and potentially carbonaceous components of the basement stratigraphy, combined with airborne radiometric surveys.

By analogy with deposits in the Athabasca Basin, the largest footprint related to unconformity deposits is the alteration zoning – specific clay minerals that are arranged in roughly concentric shells, like onion skins around the deposit. Clay alteration zones may be several kilometres wide, providing a much larger target for exploration than the deposit itself. Alteration mapping represents an indispensable, cost-effective tool for locating uranium deposits in the Athabasca Basin, which U3O8 Corp. is adopting in the exploration of its targets in the Roraima Basin.

Field work is concentrating on ground radiometric surveys to identify areas of radiation and is being combined with spectral analysis of clay minerals in order to define alteration zoning within the Roraima Basin. While scout drilling to locate these alteration haloes was anticipated in late 2008, the Corporation's field-based exploration is proving to be a cost-effective and efficient means to define the alteration and geochemical zoning that can provide a vector towards potential uranium mineralization. Therefore, it is considered prudent to complete this ground-based exploration, its integration with new airborne geophysics data and information from prior drilling to more precisely define specific targets within the broader target areas. This approach should contribute to the success of further drilling of these targets.

Prospecting license application

The Corporation's application for a Prospecting License for uranium and other radioactive and rare earth minerals in the Aricheng, Mid-Mazaruni area was approved on December 13, 2007. The Corporation posted a work performance bond in the amount of US\$35,550 (\$36,250 Canadian) on April 21, 2008 and the Prospecting License was granted on May 8, 2008.

Search and rescue in process for missing plane conducting geophysics survey for U3O8 Corp.

On November 3, 2008, U3O8 Corp. announced that an aircraft that was contracted to undertake a geophysical survey in Guyana for Prometheus Resources Guyana was reported missing with three people on board.

As of the date of the MD&A, search efforts are underway and further updates will be provided as soon as there are any material developments.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Summary

Results obtained from Phase I, II and III drilling on the Aricheng North and Aricheng South targets indicate the presence of significant basement-hosted, or albitite-hosted, uranium mineralization in Permit "A". Assay and geological data for Aricheng South and Aricheng North has been delivered to an independent consulting company for resource estimation, which is targeted for completion in December 2008. Due to current market conditions, it has been decided to scale back on exploration expenditures until such time as the capital markets stabilize. To this end, further drilling in Q4 2008 will focus on determining the extent of uranium mineralization at Aricheng South with the aim of expanding that resource at the expense of further drilling on other targets in the basement. In addition, an intensive reconnaissance exploration effort is directed at unconformity-related deposits associated with the Roraima Basin. Field work on specific unconformity targets will continue to focus on identifying alteration zones to home in on the most prospective parts of wider target areas.

There is no guarantee that the Corporation will discover a viable uranium resource from the above mentioned activities.

U308 Corp's performance will be largely tied to the outcome of the exploration program in Guyana.

**(d) Industry and economic factors affecting U308 Corp.**

The following factors may affect the Corporation's performance:

- The Corporation's future performance is largely tied to the outcome of future drilling results; the price and market for uranium; and the overall financial markets related to junior exploration companies;
- Current financial markets are likely to be volatile in Canada for the remainder of the calendar year and potentially into 2009-2010, reflecting ongoing concerns about the stability of the global economy and weakening global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets. Unprecedented uncertainty in the credit markets has also led to increased difficulties in borrowing/raising funds. Junior exploration companies worldwide have been hit particularly hard by these trends. As a result, the Corporation may have difficulties raising equity financing for the purposes of uranium exploration and development, particularly without excessively diluting present shareholders of the Corporation;
- With continued market volatility and slower worldwide economic growth, the Corporation's strategy is to spend its funds in a prudent manner by scaling back on its exploration program to focus on priority projects until such time as the capital markets stabilize. The Corporation believes this focused strategy will enable it to meet the near-term challenges presented by the capital markets while maintaining the momentum on key initiatives. The Corporation has a strong belief in the exploration potential of Permit "A" and Permit "B" and aims to emerge from the current economic situation in a solid financial position.

**Financial Summary**

Nine months ended September 30, 2008 compared with nine months ended September 30, 2007

The net loss for the nine months ended September 30, 2008 was \$8,879,966, an increase of \$4,148,073 compared with the same period last year. Basic and diluted loss per share for the nine months ended



**U3O8 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

September 30, 2008 was \$0.39, an increase of \$0.18, or 85% compared with the same period last year. The increase in net loss was principally due to:

- An increase of \$4,528,028 in exploration expenses (excluding stock-based compensation) in Guyana for the nine months ended September 30, 2008, compared with the same period last year. The increase in exploration activity can be attributed to the Corporation complying with its recommended work program as disclosed in the Corporation's prospectus dated December 15, 2006;
- A decrease of \$1,204,462 in stock-based compensation during the nine months ended September 30, 2008, compared with the same period last year, mainly due to (i) cancellation of 778,750 stock options of which 191,250 were cancelled before they vested and (ii) timing of stock-based compensation depends on the date of issue and the vesting term of the options granted. During the nine months ended September 30, 2008, vesting of the December 15, 2006 option issue had a smaller Black-Scholes impact on expenses compared with the same period last year. Users of the Corporation's financial information should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact operating results significantly;
- An increase of \$6,000 in independent directors' compensation expense during the nine months ended September 30, 2008, compared with the same period last year. Four directors of the Corporation are paid \$10,000 per annum with the Chairman receiving an additional \$12,000 per annum and the Audit Chair receiving \$6,000 per annum;
- An increase of \$90,959 in investor relations expense (excluding stock-based compensation) during the nine months ended September 30, 2008, compared with the same period last year. The increased amount resulted from the addition of a Vice President, Investor Relations;
- An increase of \$258,039 in professional expense (excluding stock-based compensation) during the nine months ended September 30, 2008, compared with the same period last year. The increased amount resulted from the Corporation's successful defense against Aberdeen International Inc.'s attempt to take control of the Corporation. These expenditures were incurred prior to and during the 2008 Annual and Special Meeting of the Corporation;
- An increase of \$151,274 in business development during the nine months ended September 30, 2008, compared with the same period last year. The increased amount resulted from the Corporation hiring an outside consulting firm to review potential acquisitions and joint ventures in the Americas. Due to current market conditions, the consulting firm and U3O8 Corp. have decided to terminate the relationship until market conditions improve;
- An increase of \$122,220 in management compensation expense (excludes stock-based compensation) during the nine months ended September 30, 2008, compared with the same period last year. This amount includes the remuneration for the CFO, new CEO and former CEO;
- An increase of \$124,239 in administrative and general costs during the nine months ended September 30, 2008, compared with the same period last year. The increased amount is due to regulatory requirements and corporate activity. The Corporation continues to assess these costs to ensure that cost effective choices are being made;
- An increase of \$464,030 in foreign exchange during the nine months ended September 30, 2008 compared with the same period last year. The increase in foreign exchange can be attributed to increased transactions in Guyana and US dollar exchange rate fluctuations; and
- The increases in expenses during the nine months ended September 30, 2008 were offset by a decrease in interest income of \$335,626. The Corporation earned interest on liquid fixed income securities from funds raised from the initial public offering which occurred in December 2006.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Three months ended September 30, 2008 compared with three months ended September 30, 2007

The net loss for the three months ended September 30, 2008 was \$3,476,546, an increase of \$1,461,720 compared with the same period last year. Basic and diluted loss per share for the three months ended September 30, 2008 was \$0.15, an increase of \$0.06, or 70% compared with the same period last year. The increase in net loss was principally due to:

- An increase of \$1,880,723 in exploration expenses (excluding stock-based compensation) in Guyana for the three months ended September 30, 2008, compared with the same period last year. The increase in exploration activity can be attributed to the Corporation complying with its recommended work program as disclosed in the Corporation's prospectus dated December 15, 2006;
- A decrease of \$179,334 in stock-based compensation during the three months ended September 30, 2008, compared with the same period last year, mainly due to (i) cancellation of 3,750 stock options before they vested and (ii) timing of stock-based compensation depends on the date of issue and the vesting term of the options granted. During the three months ended September 30, 2008, vesting of the December 15, 2006 option issue had a smaller Black-Scholes impact on expenses compared with the same period last year. Users of the Corporation's financial information should be cautious of the valuation of stock-based compensation since its calculation is subjective and can impact operating results significantly;
- An increase of \$15,080 in investor relations expense (excluding stock-based compensation) during the three months ended September 30, 2008, compared with the same period last year. The increased amount resulted from the addition of a Vice President, Investor Relations;
- A decrease of \$47,603 in professional expense (excluding stock-based compensation) during the three months ended September 30, 2008, compared with the same period last year. The decrease resulted from less corporate activity occurring in the current period compared to the same period last year;
- An increase of \$38,932 in business development during the three months ended September 30, 2008, compared with the same period last year. The increased amount resulted from recurring expenses, travel and costs for the development of the Corporation's new web page;
- A decrease of \$31,250 in management compensation expense (excludes stock-based compensation) during the three months ended September 30, 2008, compared with the same period last year. The decrease can be attributed to the timing of the former CEO salary;
- An increase of \$37,819 in administrative and general costs during the three months ended September 30, 2008, compared with the same period last year. The increased amount is due to regulatory requirements and corporate activity. The Corporation continues to assess these costs to ensure that cost effective choices are being made;
- An increase of \$465,180 in foreign exchange during the three months ended September 30, 2008 compared with the same period last year. The increase in foreign exchange can be attributed to increased transactions in Guyana and US dollar exchange rate fluctuations; and
- The increases in expenses during the three months ended September 30, 2008 were offset by a decrease in interest income of \$151,840. The Corporation earned interest on liquid fixed income securities from funds raised from the initial public offering which occurred in December 2006.



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Results of Operations**

The Corporation through its subsidiary, Prometheus Guyana, concentrated its efforts on uranium exploration in its Reconnaissance Permit properties in Guyana. In order for the uranium properties to be profitable, the asset must be developed into an economically viable uranium reserve.

In order to fund exploration for uranium, the Corporation filed a final prospectus dated December 15, 2006 and raised net proceeds of \$28,323,700. The Corporation's proposed use of proceeds is in accordance with the final prospectus dated December 15, 2006, less adjustments and the Prospecting License granted on December 13, 2007, as outlined below:

Use of Proceeds	Actual Costs ( '000')	Recommended Program ( '000')	Over (Under) Expenditures ( '000')
(i)(ii) Complete Phase I and, if warranted, Phase II of the recommended exploration program for the Reconnaissance Permits "A" and "B"	\$12,101	\$11,600	\$406
(iii) Optional expenses to fund future growth plans	360	760	(400)
(iv) Prospecting Licence Budget	343	377	(33)
<b>Use of Proceeds</b>	<b>\$12,804</b>	<b>\$12,737</b>	<b>(\$27)</b>

(i) For the three and nine months ended September 30, 2008, the Corporation has spent \$2,594,381 and \$6,690,272 (three and nine months ended September 30, 2007 - \$1,141,766 and \$2,641,337) in exploration expenditures in furtherance of the recommended work programs in Guyana. These amounts exclude stock-based compensation and Permit "A" and Permit "B" acquisition costs.

(ii) Recommended program in accordance with the proposed use of proceeds per final prospectus dated December 15, 2006. Significant progress has been made in Phase I exploration by advancing the first two uranium-bearing structures in the basement to resource estimation. Phase II - exploration of the potential of the Roraima Basin to host uranium deposits has been aggressively pursued in the latter half of 2008.

(The remainder of this page was left blank intentionally)



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**  
 Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

As of September 30, 2008, a summary of funds spent to date is as follows:

	\$
Funds spent from April 19, 2006 to September 30, 2006	693,923
Funds spent from October 1, 2006 to December 31, 2006	574,856
Funds spent from January 1, 2007 to March 31, 2007	594,879
Funds spent from April 1, 2007 to June 30, 2007	904,692
Funds spent from July 1, 2007 to September 30, 2007	1,141,766
Funds spent from October 1, 2007 to December 31, 2007	1,500,673
Funds spent from January 1, 2008 to March 31, 2008	1,676,755
Funds spent from April 1, 2008 to June 30, 2008	2,419,136
Funds spent from July 1, 2008 to September 30, 2008	2,594,381
Note: amounts exclude stock-based compensation	12,101,061

(iii) This amount represents expenses over the course of the ensuing 18 months which are not committed but required to fund the future growth plans of the Corporation, and include: (i) helicopter support to perform exploratory work on the Permit "B" area (\$150,000); (ii) investor relations and business development (\$200,000); and contingencies (\$50,000).

(iv) The Corporation is obliged to spend US\$355,500 (\$376,794 Canadian) over the three-year term of its Prospecting Licence which was granted on December 13, 2007.

(The remainder of this page was left blank intentionally)



**U308 CORP.**  
**(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

**Selected Quarterly Information**

Three Months Ended	Net loss \$	Basic and diluted loss per share \$
2008-September 30	(3,476,546) <sup>(1)</sup>	(0.15)
2008-June 30	(3,329,067) <sup>(2)</sup>	(0.14)
2008-March-31	(2,074,353) <sup>(3)</sup>	(0.09)
2007-December 31	(1,939,890) <sup>(4)</sup>	(0.08)
2007-September 30	(2,014,826) <sup>(5)</sup>	(0.09)
2007-June 30	(1,468,745) <sup>(6)</sup>	(0.06)
2007-March 31	(1,248,322) <sup>(7)</sup>	(0.06)
2006-December 31	(1,510,674) <sup>(8)</sup>	(0.17)

Notes:

- (1) Net loss of \$3,476,546 principally relates to exploration expenditures in Guyana in the amount \$3,022,489 (excludes stock-based compensation of \$34,850). All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$89,616.
- (2) Net loss of \$3,329,067 principally relates to exploration expenditures in Guyana in the amount \$2,470,121 (excludes stock-based compensation of \$60,845) and professional fees of \$376,372, which includes additional fees for the Corporation's successful defense against Aberdeen International Inc.'s attempt to take control of the Corporation at the 2008 Annual and Special Meeting of the Corporation. In addition, net loss also includes business development of \$180,187, which includes hiring an outside consulting firm to review potential acquisitions and joint ventures in the Americas. All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$146,325.
- (3) Net loss of \$2,074,353 principally relates to a vesting amount of \$101,276 regarding 1,960,000 stock options that were issued on December 15, 2006, 90,000 stock options that were issued on March 6, 2007 and 300,000 stock options issued on January 15, 2008 and exploration expenditures in Guyana in the amount \$1,676,755 (excludes stock-based compensation of \$11,697). All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$184,320.
- (4) Net loss of \$1,939,900 principally relates to a vesting amount of \$200,031 regarding 1,960,000 stock options that were issued on December 15, 2006 and 90,000 stock options that were issued on March 6, 2007 and exploration expenditures in Guyana in the amount \$1,568,109 (excludes stock-based compensation of \$72,329). The Corporation's net loss also includes a \$172,000 payment to the former CEO as part of his compensation package for his departure from the Corporation. All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$239,025.
- (5) Net loss of \$2,014,826 principally relates to a vesting amount of \$264,868 regarding 1,960,000 stock options that were issued on December 15, 2006 and 90,000 stock options that were issued on March 6, 2007 and exploration expenditures in Guyana in the amount \$1,141,766 (excludes stock-based compensation of \$96,568). All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$241,456.
- (6) Net loss of \$1,468,745 principally relates to a vesting amount of \$472,734 regarding 1,960,000 stock options that were issued on December 15, 2006 and 90,000 stock options that were issued on March 6, 2007 and exploration expenditures in Guyana in the amount \$904,692 (excludes stock-based compensation of \$136,130). All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$257,354.



**U3O8 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

- (7) Net loss of \$1,248,322 principally relates to a vesting amount of \$633,612 regarding 1,960,000 stock options that were issued on December 15, 2006 and 90,000 stock options that were issued on March 6, 2007 and exploration expenditures in Guyana in the amount \$594,879 (excludes stock-based compensation of \$235,306). All other expenses relate to general working capital purposes and management and director compensation. All expenses were offset by interest income of \$257,077.
- (8) Net loss of \$1,510,674 principally relates to a vesting amount of \$595,595 regarding 1,960,000 stock options that were issued on December 15, 2006 and exploration expenditures in Guyana in the amount \$599,642 (excludes stock-based compensation of \$158,016). All other expenses relate to general working capital purposes.

**Liquidity and Capital Resources**

The activities of the Corporation, principally the acquisition and exploration of properties for uranium, are financed through the completion of equity transactions such as equity offerings and the exercise of stock options and warrants. For the periods indicated, the following equity transactions were completed:

Three and nine months ended September 30, 2008

- No transactions occurred.

As at September 30, 2008, the Corporation had \$13,773,842 in cash and guaranteed investment certificates, compared with \$22,515,045 at December 31, 2007. Working capital as of September 30, 2008 was \$13,350,407 compared with \$22,030,379 at December 31, 2007. The decrease was mainly due to the acquisition of property and equipment in the amount of \$319,779, exploration expenditures in Guyana in the amount of \$7,169,365 (excludes stock-based compensation) and funds spent on general corporate and administrative costs. The decrease was offset by interest income received during the nine months ended September 30, 2008 in the amount of \$420,261. The Corporation earned interest on guaranteed investment certificates from funds raised from the initial public offering which occurred in December 2006.

U3O8 Corp. is a uranium exploration company without operating revenues and therefore, the Corporation must utilize its current cash reserves, income from investments, funds obtained from the exercise of broker warrants and stock options and other financing transactions to maintain the Corporation's capacity to meet the planned exploration in Guyana, or to fund any further development activities. See "Risks and Uncertainties" of this MD&A.

The Corporation relies on external financings to generate capital. As a result, U3O8 Corp. continues to incur net losses.

As of September 30, 2008, the Corporation had 23,057,700 Common Shares issued and outstanding, 568,300 broker warrants outstanding which would raise \$1,420,750 if exercised in full, and 1,846,250 options outstanding which would raise \$3,755,700 if exercised in full.

The Corporation continues to be debt free and its credit and interest rate risk is limited to interest bearing assets of cash and guaranteed investment certificates. Accounts payable and accrued liabilities are short-term and non-interest bearing.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

The Corporation's liquidity risk with financial instruments is minimal as excess cash is invested with major Canadian chartered banks in bank-backed guaranteed investment certificates. In addition, receivables are comprised mainly of Federal Goods and Services Tax (Canada) recoveries.

The funds on hand are adequate to meet the ongoing exploration program. However, the Corporation will require additional funds from equity sources to complete the development of the project in Guyana, if warranted.

The financial position of the Corporation is stable and provides for adequate financial resources to fund necessary activities over the next 18 months. There is no guarantee that the Corporation will raise additional funding in the future.

**Related Party Transactions**

The CFO, Carmelo Marrelli, is a partner in Marrelli & Drake Corporate Services ("M&D"), a firm which provides corporate secretarial and accounting services to U308 Corp. During the three and nine months ended September 30, 2008, U308 Corp. expensed \$6,455 and \$27,340, respectively (three and nine months ended September 30, 2007 - \$8,250 and \$24,750, respectively) for services rendered by M&D. As at September 30, 2008, M&D was owed \$3,462 (December 31, 2007 - \$11,549) and this amount was included in accounts payable and accrued liabilities.

This transaction is in the normal course of operations and is measured at the exchange value (the amount established and agreed to by the related parties).

**Off-Balance Sheet Arrangements**

The Corporation has not entered into any off-balance sheet arrangements.

**Proposed Transactions**

There are no proposed transactions of a material nature being considered by U308 Corp. However, U308 Corp. continues to evaluate properties that it may acquire in the future.

**Critical Accounting Estimates**

The preparation of the Corporation's unaudited interim consolidated financial statements requires management to make certain estimates that affect the amounts reported in the consolidated financial statements. The accounting estimates considered to be significant are the valuation of Permit "A" and Permit "B" costs and stock-based compensation.

The policy of expensing exploration costs to date does not necessarily relate to the future economic value of the exploration properties. The valuation of Permit "A" and Permit "B" is dependent entirely upon the discovery of economic uranium deposits and the ability of the Corporation to obtain prospecting licences for uranium from the Guyana Geological and Mines Commission (GGMC).

The Corporation uses the Black-Scholes model to determine the fair value of options and warrants. The main factor affecting the estimates of stock-based compensation is the stock price volatility used. The Corporation uses historical price data and comparables in the estimate of future volatilities.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Other items requiring estimates for the three and nine months ended September 30, 2008 are accounts receivable, amortization of property and equipment, accounts payable and accrued liabilities and future income taxes. Changes in the accounting estimates in these items will not have a material impact on the financial presentation of U308.

**Change in Accounting Policies**

During the three and nine months ended September 30, 2008, the Corporation adopted the following new accounting policies:

***Capital Disclosures***

Handbook Section 1535 specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance.

***Financial Instruments***

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks.

***Amendments To Section 1400 – General Standards of Financial Statement Presentation***

In June 2007, the CICA amended Handbook Section 1400, Going Concern, to include additional requirements to assess and disclose an entity's ability to continue as a going concern. Section 1400 is effective for interim and annual reporting periods beginning on or after January 1, 2008. The adoption of this standard had no impact on the Company's operating results or financial position.

**Future Accounting Changes**

***International Financial Reporting Standards ("IFRS")***

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Corporation is currently assessing the impact of IFRS on its consolidated financial statements.



**U3O8 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

***Goodwill and Intangible Assets***

In November 2007, the CICA approved Handbook Section 3064, "Goodwill and Intangible Assets" which replaces the existing Handbook Sections 3062, "Goodwill and Other Intangible Assets" and 3450 "Research and Development Costs". This standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009, with earlier application encouraged. The standard provides guidance on the recognition, measurement and disclosure requirements for goodwill and intangible assets. The Corporation is currently assessing the impact of this new accounting standard on its consolidated financial statements.

**Financial Instruments**

The Corporation has not entered into any specialized financial agreements.

**Share Capital**

As at November 24, 2008, the Corporation had 23,057,700 issued and outstanding Common Shares. As at November 24, 2008, U3O8 Corp. had 568,300 broker warrants and 1,846,250 stock options outstanding or 25,472,250 shares on a fully diluted basis.

**Disclosure of Internal Controls**

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the unaudited interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the unaudited interim consolidated financial statements and (ii) the unaudited interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation, as of the date of and for the periods presented by the unaudited interim consolidated financial statements.

In contrast to the certificate required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (MI 52-109), the Corporation utilizes the Venture Issuer Basic Certificate which does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in MI 52-109. In particular, the certifying officers filing the Certificate are not making any representations relating to the establishment and maintenance of:

(a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP. The Corporation's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate.



**U308 CORP.  
(A DEVELOPMENT STAGE COMPANY)**

Management's Discussion & Analysis

Three and Nine Months Ended September 30, 2008

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in MI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

**IFRS implementation plan**

The AcSB has confirmed that IFRS will replace current Canadian GAAP for publicly accountable enterprises, effective for fiscal years beginning on or after January 1, 2011. Accordingly, the Corporation will report interim and annual financial statements in accordance with IFRS beginning with the quarter ended March 31, 2011.

The Corporation has commenced the development of an IFRS implementation plan to prepare for this transition, and is currently in the process of identifying the key accounting policy changes that may be required. Once the potential accounting policy changes have been identified, other elements of the plan will be addressed including the implication on information technology, internal controls, contractual arrangements and employee training.

**Technical disclosure**

Rick Cleath, Vice President of U308 Corp., and Richard Spencer, as President, CEO and Director of the Corporation, are both "qualified persons" within the definition of that term in National Instrument 43-101. Mr. Cleath has supervised the preparation of, and verified, all technical information related with the Corporation's exploration activities in Guyana, South America. All technical disclosure presented in this MD&A was prepared under the supervision of Dr. Spencer.

**Risks and uncertainties**

For a summary of risk factors which have effected, and which in the future are reasonably expected to effect, the Corporation and its financial position, please refer to the section entitled "Risk and Uncertainties" in the Corporation's management's discussion and analysis for the fiscal year ended December 31, 2007, available on SEDAR at [www.sedar.com](http://www.sedar.com). There have been no significant changes to such risk factors since the date thereof.