

The Athabasca Basin's Patterson Lake Continues to Grow for Purepoint Uranium

By Ellsworth Dickson

Buoyed by recent developments in the uranium market, including 57 nuclear power plants under construction around the world, Japan resuming operations at 25 nuclear power plants over the next few years, Cameco closing the largest producing mine in the world and Kazakhstan slashing its uranium output forecast by 20% over the next three years, **Purepoint Uranium Group Inc.** [PTU-TSXV] and partners are drilling feverishly in the Athabasca Basin, northern Saskatchewan.

The 28,683-hectare Hook Lake Project, Purepoint's flagship project in the southwestern Athabasca Basin, shares claim lines with Fission Uranium's 79.61 million-pound U_3O_8 Triple R deposit at Patterson Lake and NexGen Energy's 179.5 million-pound U_3O_8 Arrow deposit. The project is owned jointly by **Cameco Corp.** [CCO-TSX; CCJ-NYSE], 39.5%, **AREVA Resources Canada Inc.**, 39.5%, and **Purepoint Uranium**, 21%.

Driven by recent drill results, the financial support of its partners and its location along the 50-km Patterson Lake trend, Chris Frostad, President and CEO, told Resource World that the Hook Lake Project is advancing at an exciting pace.

Last year, Purepoint's Spitfire uranium discovery at Hook Lake returned 53.3% U_3O_8 over 1.3 metres within a 10.0-metre interval of 10.3% U_3O_8 . By the end of 2017, the Spitfire Zone had been tested with 28 diamond drill holes, 16 of which are mineralized and includes 6 holes that returned high-grade uranium intervals. Of note, the Spitfire discovery appears to be part of the same mineralized system containing NexGen's Harpoon discovery just across the claim boundary where drill hole HP-16-20 intersected 13.5 metres grading 3.9% U_3O_8 , including 2.5 metres of 20.9% U_3O_8 . The Spitfire Zone will continue to be drill tested in 2018 due to the successful expansion of mineralization last year.

To the northeast, Purepoint is testing the Dragon zone which to-date has demonstrated geology and hydrothermal alteration that is considered similar to Spitfire. In addition, drilling is proposed at the Derkson area where a ground gravity survey was recently completed along the Derkson Corridor. Historic exploration efforts in the area originally



The Northern Lights form a stunning backdrop to Purepoint's Hook Lake exploration camp in the Athabasca Basin. Photo courtesy Antonio Benedicto.

focused on the Derkson Corridor, where SMDC encountered uranium mineralization near the unconformity averaging 0.24% U_3O_8 and 1.35% nickel over 2.5 metres in 1978.

The \$4 million 2018 Hook Lake JV exploration program includes 9,000 metres of diamond drilling, approximately 16 holes utilizing two drills, and the gravity geophysical survey. Costs will be divided among the partners as to: Cameco \$1,580,000; AREVA \$1,580,000; and Purepoint \$840,000.

Purepoint Uranium has several other uranium projects in the Athabasca Basin region, including Smart Lake to the west of Hook Lake where the company has earned a 26% interest from Cameco by spending \$2.7 million on exploration. So far, drilling at Smart Lake has intersected 0.22% U_3O_8 over 0.20 metres within a hydrothermally-altered graphitic shear zone. In the northeast region of the "ring" around the Athabasca Basin, Purepoint holds 100% of the Red Willow, Turnor Lake, Henday Lake, McArthur East and Umfreville Lake projects.

Purepoint recently staked six new claims adjacent to their 100%-owned McArthur East Project, increasing the claim package to 5,600 hectares. The McArthur East property, initially adjoining Cameco's McArthur River Project to the west, now also adjoins their Cigar Lake Project to the north. These projects host the world's two largest high-grade uranium mines, McArthur River and Cigar Lake, with grades that are 100 times the world average. The McArthur East Project is located on the eastern uranium mine trend in the Athabasca Basin.

"These new claims represent a sizable and valuable addition to the project," said Frostad. "The target definition program carried out earlier this year has demonstrated significant potential particularly in light of the project's association with the neighbouring properties which host two of the world's largest high-grade uranium mines."

As of late 2017, Purepoint had approximately \$2 million in its treasury and is fully funded through to 2020. ■