

# MONTHLY ATHABASCA BASIN EXPLORATION UPDATE

MAY 2018

## Cameco swings into the black as it focuses on “what we can control” - Gitzel

Source: Mining Weekly  
 2018-04-29

Canadian uranium major Cameco is settling in to a more relaxed pace of business as it rides out the uranium price doldrums, with two of its best assets languishing on care and maintenance. President and CEO Tim Gitzel noted on Friday that “unprecedented noise in the political economy” are yet to translate into higher uranium prices and increased contracting by the world’s nuclear power utilities.

The Saskatoon, Saskatchewan-based miner, which operates the world’s largest and highest-grade uranium mines in the province’s prolific Athabasca Basin, said the market was “at a stand-still” in the first quarter ended March, as utilities digested changing market dynamics. Market prices and contracted volumes remained low in the quarter. “Today the market remains quiet. There are a lot of moving pieces, and utilities continue to evaluate the implications of what is perhaps best described as unprecedented noise in the political economy,” Gitzel said in a statement. “As 2018 unfolds we will continue to evaluate the market signals, however we remain resolved in our efforts to focus on what we can control and deliver long-term value to our shareholders.”

Cameco noted that long-term contracting volumes amounted to more than 10-million pounds in the quarter, compared with 28-million pounds in the same period of 2017. Volumes continue to be less than the quantities consumed, and remain largely discretionary owing to currently high inventory levels, it pointed out. The average reported long-term price at the end of the quarter was \$29/lb, down \$2/lb from the December quarter. Global uranium spot sales amounted to about 13.5-million pounds, compared to 10-million pounds in the first quarter of 2017. At the end of the quarter, the average reported spot price was \$21.05/lb, down \$2.70/lb from the previous quarter, the company reported.

Cameco said that the McArthur River/Key Lake suspension will remove 18-million pounds of uranium from the market in 2018. First-quarter production fell 64% to 2.4-million pounds of uranium oxide, but a 16% year-on-year bump in uranium sales to 6.6-million pounds, and a 25% higher average realised price for the first quarter helped push headline profit back into black at C\$23-million, or C\$0.06 a share, compared with a loss of C\$29-million, or C\$0.07 a share a year earlier. Adjusted earnings, which is seen by some as a more meaningful way to compare results from period to period. This result comfortably beat average Bay Street forecasts for a loss of \$0.01 a share.

Revenue in the period improved 12% year-over-year to C\$439-million. Cameco slightly increased its uranium production guidance for the year to 9.2-million pounds of yellow cake, up from 9.1-million previously, owing to higher than expected production during the curtailment of existing wellfields at the US in situ recovery operations.

Unit costs of production was higher in the period thanks to the short-term shuttering of the McArthur River and Key Lake operations and the change in reporting for the restructured JV Inkai, in Kazakhstan.

UxC Consulting Spot Price (US\$)	
April 30, 2018	\$20.93/lb U <sub>3</sub> O <sub>8</sub>
March 30, 2018	\$20.88/lb U <sub>3</sub> O <sub>8</sub>
<b>Change of +\$0.05</b>	

UxC Consulting Long-Term Price (US\$)	
April 30, 2018	\$30.00/lb U <sub>3</sub> O <sub>8</sub>
March 30, 2018	\$30.00/lb U <sub>3</sub> O <sub>8</sub>
<b>Unchanged</b>	

### Key Basin Announcements

- 2018-04-18:** Denison Reports High-Grade Uranium Intercepts Northeast of the Gryphon Deposit
- 2018-04-19:** CanAlaska Reports further Uranium from West McArthur
- 2018-04-20:** Purepoint Uranium Completes Winter Program at Hook Lake
- 2018-04-23:** ALX Uranium Commences Drilling at Newham Lake Project
- 2018-04-23:** ISOEnergy Reports Geochemical Results from Geiger Property

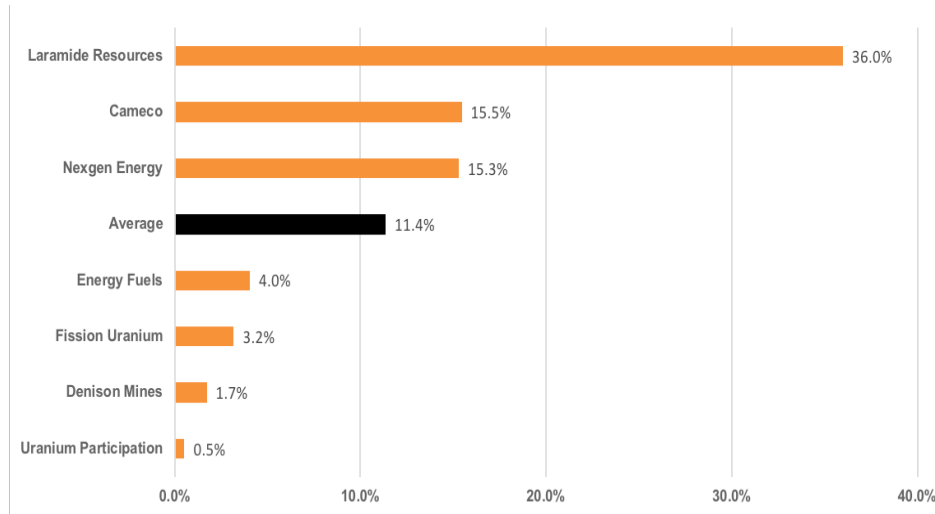
### Upcoming Conference

If you are attending the upcoming Cambridge House International Mining Investment Forum, drop by to meet the Purepoint Team at Booth 713

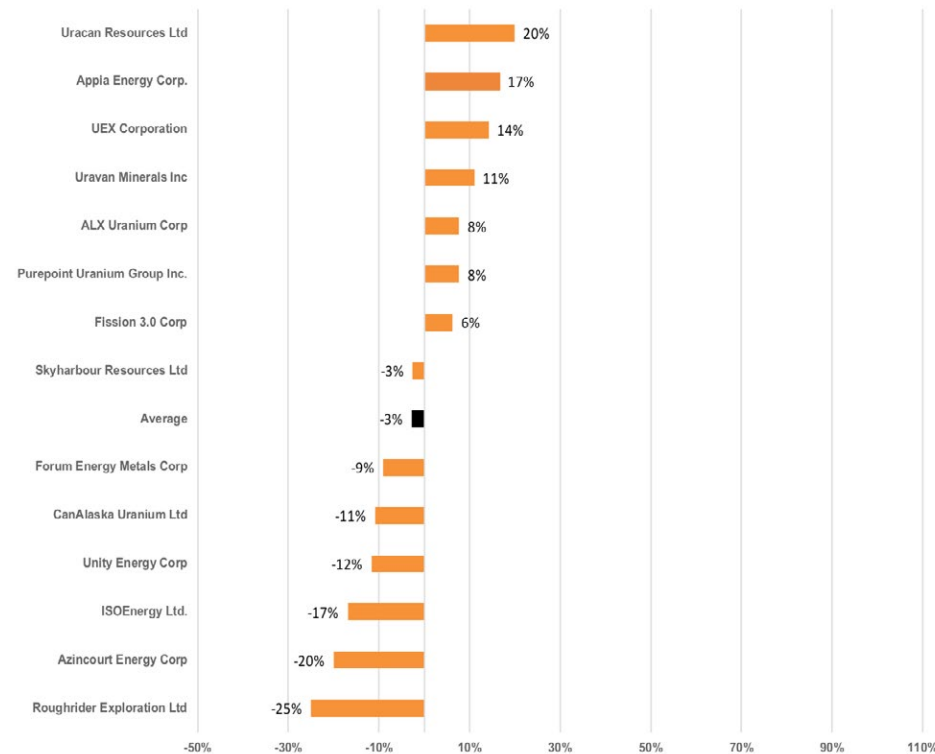
May 15 - 16, 2018  
 Vancouver Convention Centre East

## April 2018 Monthly Uranium Stock Performance

### Producing, Development & Advanced Exploration Companies



### Athabasca Basin Exploration Companies



#### Disclaimer information:

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## Monthly Athabasca Basin Exploration Update

Presented by Purepoint Uranium Group Inc. (TSXV: PTU), the Monthly Athabasca Basin Exploration Update is a monthly newsletter that gathers information on what's happening with uranium exploration companies in the Athabasca Basin, including its monthly exploration news, stock performances as well as the spot- and long-term uranium prices.

### Purepoint Uranium Group Inc. TSXV: PTU

Purepoint Uranium Group Inc. is a uranium exploration company focused on the precision exploration of its ten projects in the Athabasca Basin.

Its flagship project is the Hook Lake, a joint venture with two of the largest producers in the world, Cameco Corporation and Orano Canada.

2018 exploration budget is completed funded for a total of \$4M.

For more information, please visit: [www.purepoint.ca](http://www.purepoint.ca)

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## Purepoint Uranium Completes Winter Program at Hook Lake

**TSXV: PTU**

2018-04-20

Market Cap	Price as of 04/30/18	52-Week High	52-Week Low
\$14.34M	\$0.07	\$0.10	\$0.055

Purepoint announced the completion of the latest winter program at its Hook Lake Project, a joint venture between Cameco Corporation (39.5%), Orano Resources Canada Inc. (39.5%) and Purepoint (21%) in the Patterson Uranium District, Saskatchewan Canada. A total of 24 holes and 12,733 metres have been completed since the program commenced in November.

“We had a very productive season, with unusually favorable weather, allowing for the extension of the drill program to mid-April.” said Chris Frostad, President and CEO of Purepoint. “We initiated our work in November at the Spitfire discovery, which lies at the southern border of our claim group. Guided by 350-metre step-outs towards the northeast we quickly advanced out along the eight kilometre, 4,000 hectare Patterson target region that stretches northeast across the property. A complete review of the program results will be disseminated immediately following the upcoming JV technical committee meeting.”

The Company also conducted a ground gravity survey this season along the southern portion of the Derkson Corridor carried out by MWH Geo-Surveys of Vernon, BC.

### Highlights:

- 12,733 metres in 24 holes of diamond drilling was completed along the Patterson Uranium District commencing in November 2017;
- 2,392 metres on five holes completed during November/December (see news release dated January 18, 2018);
- 10,341 metres on 19 holes completed in 2018;
- A Ground gravity survey was conducted along the Derkson corridor collecting 1,472 readings;
- Interpretation and assays are currently being processed for presentation to the Hook Lake Joint Venture Technical Committee May 9th, 2018;
- A complete review of the program and results will be disseminated and made available immediately following that meeting

### About Hook Lake JV Project

Located along the Patterson Uranium District, the Hook Lake JV is a project owned jointly by Cameco Corporation (39.5%), Orano Canada Inc. (39.5%) (formerly known as Areva Canada Inc.) and Purepoint (21%). Operated by Purepoint since 2007, the project consists of nine claims totaling 28,598 hectares including the Spitfire high-grade discovery (53.3% U<sub>3</sub>O<sub>8</sub> over 1.3 metres including a 10 metres interval of 10.3% U<sub>3</sub>O<sub>8</sub>).

The Patterson Uranium District is a corridor lying across the SW edge of Saskatchewan’s Athabasca Basin, interpreted to extend at least 50km, hosting Fission Uranium’s Triple R deposit, NexGen’s Arrow deposit and Purepoint Uranium’s Spitfire discovery.

The Derkson Corridor was the focus of historic exploration efforts to the south-east of Patterson, where SMDC encountered uranium mineralization near the unconformity averaging 0.24% U<sub>3</sub>O<sub>8</sub> and 1.35% Ni over 2.5 metres in 1978. Drill holes along this trend encountered very encouraging clay basement alteration but were typically completed only 30 to 40 metres past the unconformity. Based on the geologic setting of the Patterson Corridor mineralization, it is considered that the historic shallow drilling along the Derkson Corridor did not properly test for basement-hosted uranium deposits.

### About Purepoint Uranium Group Inc.

Purepoint Uranium Group Inc. (TSXV: PTU) is focused on the precision exploration of its ten projects in the Canadian Athabasca Basin, the world’s richest uranium region. Purepoint proudly maintains project ventures in the Basin with two of the largest uranium producers in the world, Cameco Corporation and Orano Resources Canada Inc.

## Denison Reports High-Grade Uranium Intercepts NE of the Gryphon Deposit

**TSX: DML**

2018-04-18

Market Cap	Price as of 04/30/18	52-Week High	52-Week Low
\$335.51	\$0.60	\$0.80	\$0.50

Denison Mines Corp. reported the discovery of high-grade uranium mineralization 600 metres and 1 kilometre to the north-east of the Gryphon uranium deposit, on the Company's 63.3% owned Wheeler River project, in northern Saskatchewan. The winter drilling program is now complete, resulting in a total of 21,153 metres drilled in 29 diamond drill holes. The program was focused on step-out drilling along strike of the Gryphon deposit and reconnaissance level regional exploration along the K-North and K-West trend. The winter 2018 drilling results reported in this release are preliminary, equivalent uranium ("eU3O8") results derived from a calibrated downhole probe. Drill core samples have been collected and submitted for chemical assay, results of which will be reported when available.

### Regional Exploration Highlights:

High-grade intercepts were obtained at the sub-Athabasca unconformity along the K-North trend, to the northeast of Gryphon, from reconnaissance drill fences spaced 200 metres apart, including:

- 0.55% eU3O8 over 5.6 metres, located 600 metres northeast of Gryphon, including 2.3% eU3O8 over 1.0 metre in drill hole WR-704; and
- 0.94% eU3O8 over 3.5 metres, located 1 kilometre northeast of Gryphon, including 2.7% eU3O8 over 1.0 metre in drill hole WR-710D1.

The results indicate a continuation of the Gryphon mineralizing system to the northeast, and highlight the potential for the discovery of an additional high-grade uranium deposit within the basement or at the unconformity along strike of Gryphon.

In addition, wide-spaced reconnaissance drilling along the K-West trend, approximately 500 metres west and northwest of the Gryphon deposit, has identified the hallmarks of a significant fertile trend with the potential to host high-grade uranium – including a large re-activated graphite-bearing fault zone, hydrothermal alteration and elevated radioactivity.

### Gryphon Exploration Highlights:

Multiple basement intercepts were obtained from step-out drilling on 50 to 100 metre centres immediately along strike to the northeast of the Gryphon deposit. Highlights from the Gryphon step-out drilling include:

*Intercepts of upper basement mineralization extending the E series lenses to the northeast:*

- 2.5% eU3O8 over 1.3 metres in drill hole WR-696;
- 0.86% eU3O8 over 1.9 metres in drill hole WR-709; and
- 0.38% eU3O8 over 2.8 metres in drill hole WR-702.

*Intercept of mineralization, 100 metres along strike to the northeast of the previous down-plunge extent of A series mineralization for the Gryphon deposit, including:*

- 0.82% eU3O8 over 3.9 metres, including 2.1% eU3O8 over 1.0 metre in drill hole WR-698

## CanAlaska Reports Further Uranium from West McArthur Drill Program

TSX.V: CVV

2018-04-19

CanAlaska Uranium Ltd. reported results from Cameco's winter drill program at the 5 kilometre long Grid 5 target area at the West McArthur uranium project. Cameco's drilling concentrated on developing an overall view of the geology and alteration between hole WMA047, located 1.4 kilometres to the southwest of the uranium mineralization in hole WMA042, through to hole WMA050 located 800 metres to the northeast.

### Key Points:

- New TDEM conductor along holes WMA048 and WMA050 in large magnetic embayment
- Two other graphitic conductors to the south, with complex basement offsets
- Large offset near mineralized holes WMA042 and WMA42-2 not yet intersected.
- New uranium mineralization in WMA045 and anomalous values in WMA048

The follow-up drill hole to mineralization intersected in drill hole WMA042 targeted the unconformity 100 metres to the southeast, but did not intersect the structural offset, however the next drill hole 300 metres to the northeast intercepted further uranium mineralization. Additional drill holes over a two kilometre trend also intercepted encouraging alteration and additional graphitic horizons. Of the seven drill holes completed this winter, six had significant faulting and alteration and one was mineralized (WMA045).

Drill location and technical details are available with tables and maps at [www.canalaska.com](http://www.canalaska.com)

**Table 1: WMA045 U<sub>3</sub>O<sub>8</sub> Assay Grades (0.1% U<sub>3</sub>O<sub>8</sub> cut-off)**

Hole Number	Depth From (m)	Depth To (m)	Length (m)	Average Grade (%U <sub>3</sub> O <sub>8</sub> )	Max Grade (%U <sub>3</sub> O <sub>8</sub> )	GT (m%)
WMA045	775.2	778.0	2.8	0.10	0.17	0.28
WMA045	780.0	781.0	1.0	0.13	0.14	0.13

## ALX Uranium Commences Drilling Program at Newham Lake Project

TSX.V: AL

2018-04-23

ALX Uranium Corp. announces that a diamond drilling program has commenced at its Newnham Lake Uranium Project ("Newnham Lake", or the "Project") located in the northeastern Athabasca Basin, Saskatchewan, approximately 75 kilometres east of Stony Rapids.

The 2018 drilling program is planned at a minimum of 1,500 metres in up to five holes. A helicopter will be employed to move the drill between hole locations due to weak ice conditions caused by heavy snowfall on local wetlands in late 2017. ALX has identified several high-priority drill targets interpreted from the results of a ground geophysical survey carried out during the spring of 2017. A deep-penetrating, 3D induced polarization/resistivity ("IP/resistivity") survey method was used to better detail conductors and possible alteration zones outlined from historical ground and airborne surveys.

"ALX's 2018 drill targets were chosen to test conductive structures located deeper below shallow, Athabasca Basin sediments, where historical drilling intersected anomalous uranium at the unconformity," said Sierd Eriks, President and CEO of the Company. "This is the first true test of the basement-hosted deposit model at Newnham Lake, which we believe has significant potential for higher-grade uranium mineralization at depth."

Market Cap	Price as of 04/30/18	52-Week High	52-Week Low
\$9.50M	\$0.34	\$0.45	\$0.26

Market Cap	Price as of 04/30/18	52-Week High	52-Week Low
\$ 5.67M	\$0.065	\$0.11	\$0.06

## Denison Reports Expansion of the Huskie Zone

**TSX: DML**

2018-04-25

Denison Mines Corp. reported the expansion of the Huskie zone with the receipt of chemical assay ("U3O8") results from the Company's winter 2018 diamond drilling program on the 64.22% owned Waterbury Lake project. The winter drilling program involved 9,794 metres of diamond drilling in 19 drill holes, and was focused on 50 metre step-out drilling along strike and down-dip of the Huskie zone, as well as wider-spaced reconnaissance drilling to the west along the geological trend. The winter drilling program is part of a larger 14,400 metre drill program planned for Waterbury Lake in 2018, with the remainder to be completed during the summer months.

Winter 2018 Drilling Program Highlights:

The basement-hosted uranium mineralization discovered by Denison in 2017 (see Denison's press release dated October 11, 2017) was extended down-dip as a result of step-out drilling completed on an approximate 50 metre spacing. The results were highlighted by the following intercepts:

- 4.5% U3O8 over 6.0 metres, including 5.8% U3O8 over 4.5 metres in drill hole WAT18-452, located approximately 100 metres down-dip of drill hole WAT17-446A, which returned 9.1% U3O8 over 3.7 metres (including 16.8% U3O8 over 2.0 metres) in the summer of 2017;
- 0.57% U3O8 over 6.3 metres, including 1.9% U3O8 over 1.0 metre also in drill hole WAT18-452;
- 0.62% U3O8 over 1.0 metre in drill hole WAT18-460A, located approximately 50 metres along strike to the west of drill hole WAT17-450A, which returned 1.5% U3O8 over 4.5 metres (including 3.9% U3O8 over 1.0 metres) in the summer of 2017.

## ISO Energy Reports Geochemical Results from Geiger Property

**TSXV: ISO**

2018-04-26

IsoEnergy Ltd. reported analytical geochemistry results from samples collected from drill holes GG18-08 and GG18-09 during a recently completed core drilling program at its 100% owned Geiger property in the Eastern Athabasca Basin region of Saskatchewan.

Highlights include a sample containing 0.35% U3O8 over 0.2 metres in drill hole GG18-08, within a larger 2.0 metre interval (above a cutoff of 100 ppm U3O8) that averages 0.11% U3O8 from 271.2 to 273.2 metres. Additionally, drill hole GG18-09 returned a 15.0 metre interval (also above a cutoff of 100 ppm U3O8) that averages 0.03% U3O8 from 207.0 to 222.0 metres. Both drill holes also intersected elevated uranium pathfinder elements.

A summer core drilling program to follow up on the results in drill holes GG18-08 and GG18-09 is being planned. Drilling will likely begin in June and will consist of 8-10 holes targeting both areas.

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\$335.51	\$0.60	\$0.80	\$0.50

Market Cap	Price as of 04/30/18	52-Week High	52-Week Low
\$17.78M	\$0.36	\$1.00	\$0.255



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