

# Purepoint Uranium Group: aggressive drill plans this winter

Purepoint Uranium Group (TSX-V:PTU) has announced one of the largest drill programs to be carried out by a junior exploration company in the Athabasca Basin this winter.

"The new geophysical discoveries at Purepoint's Turnor Lake project have prompted us to significantly expand our drilling this coming season," said John Steele, chief geophysicist and exploration manager, Purepoint Uranium Group Inc. "We are currently analyzing three geophysical surveys performed at our Red Willow Project and are hopeful that they will also provide similar opportunities."

Purepoint's Red Willow project adjoins Cogema's claim group that contains the JEB, Sue and McClean deposits to the west and, to the south, adjoins Cameco's claim group that contains the Rabbit Lake, Collins Bay and Eagle Point deposits.

Purepoint is currently planning a 9,000- to 10,000-metre drill program on its Turnor Lake and Red Willow Projects during the 2005-2006 winter season. In addition, detailed ground geophysical surveys will be performed on targets at Purepoint's McEwen, Umfreville and South Newnham properties in preparation for drilling the following year.

"Being established in the Basin since 2002, before the resurgence in uranium, has enabled us to be at the forefront of drilling in the region," said Chris Frostad, president and CEO Purepoint Uranium Group Inc. "This early entry into the region, combined with our approach of leveraging existing knowledge has proven to be highly economical, reducing the historic cost of discovery."

A more detailed discussion of Purepoint properties can be found on the Purepoint Web site at [www.purepoint.ca](http://www.purepoint.ca).

Purepoint Uranium Corporation is a uranium exploration company driven by intellectual, precision prospecting focusing on distinct, targeted properties with historic significance in the Canadian Athabasca Basin. Currently, Purepoint's seven, 100-per-cent-owned, Athabasca Basin uranium projects cover nearly 120,000 hectares and are considered high prospect properties that include several near term targets drill ready for winter 2005/06.

*The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.*

## Management Buy Outs: Changing of the Guard

The next major investment opportunity for small and medium-sized enterprises is to be found in our demographics.

The numbers are fairly straightforward. A large percentage of today's business owners belong to the baby boomer generation, that huge wave of people born in the years immediately following the Second World War. And with the leading edge of that wave approaching retirement age, their thoughts are increasingly turning to succession and the sale of their business.

The surge of business transfers from one generation to the next is so large one chartered bank recently projected that in excess of a trillion dollars would be changing hands in the process.

A trillion dollar play – even Saskatchewan's portion of it – represents one of the largest investment opportunities ever to surface in this country but it also means literally hundreds of businesspeople will be hunting for buyers at the same time. That isn't necessarily the best environment for maximizing returns.

"Management buyouts or MBOs are perhaps the most attractive mechanism for maximizing returns to existing business owners while passing the enterprise to a trusted team of employees that has helped build the business," offers Randy Beattie, president of PFM Capital of Regina.

PFM Capital manages private equity investments for a range of institutional and individual investors either directly or through funds such as SaskWorks and Prairie Ventures Fund or in syndicates with other investment funds. They have also helped a host of entrepreneurs transfer their holdings to an employee-led team through structured management buyouts.

"The big challenge for employees is not their ability to run the business, it's being able to finance the share purchase," explains Rob Duguid, PFM's VP Investments. "That's where we come in – we bring capital to the table."

Beattie and Duguid point to their recent participation in an MBO at Crestline Coach, a Saskatoon-based ambulance maker that earned

an international reputation under its three founders. And, when they decided it was time to transfer the business to new owners, they found a willing buyer group among their employees.

The three-member executive team – Tim Morrow, Geoff Booth and Daryl Bitz – were able to spearhead the purchase with financial support from a syndicate that included Prairie Venture Fund and SaskWorks as well as Kensington Capital of Toronto, which boasts the Canada Pension Plan as its largest investor.

### Management Depth

While money is an important element of an MBO, Beattie notes that financial investors are in a position to deliver professional advisory support to a new ownership team through the board of directors.

"We bring more than money, we bring experience and the ability to attract high quality board members that an employee or management team may not be able to secure on their own," Beattie says.

In its drive to explain the potential of MBOs, the PFM team has scheduled a seminar on the process October 27 in Saskatoon. Stay tuned for more information on the seminar in the upcoming editions. **SB**