

The Basin Advantage

A junior explorer leverages historic data

By the time world leaders began re-considering nuclear power as a viable option in the early 2000s, an adventure-some junior exploration company, Purepoint Uranium Group (PTU-V), had already begun staking targeted properties with historic significance in the Canadian Athabasca Basin.

Burgeoning nuclear programs in countries such as China, combined with supply shortages and a growing demand for a clean energy alternative prompted Purepoint founders to pick up where early explorers left off when the uranium market declined in the 1980s.

"When we first went into the Basin, there was an opportunity to leverage millions of dollars worth of existing exploration work that had been performed by earlier players," says Chris Frostad, President and CEO, Purepoint Uranium Group Inc.

"That existing data, combined with our systematic approach to identifying solid indicators, lead us to select the seven high prospect properties we now own 100 percent of," says Frostad. Purepoint's seven properties cover 120,000 hectares of the Athabasca Basin.

"Getting into the Basin early also enabled us to engage some exceptional talent," says Frostad. "The Purepoint leadership team is comprised of an independent, highly qualified group of experts with deep provincial and regulatory ties, as well as decades of experience in the Athabasca Basin. They're absolutely passionate about staying focused on projects with strong, high-grade uranium potential."

Currently underway is a 9,000 to 10,000 metre drill program on Purepoint's Turnor Lake and Red Willow Projects during the 2005-2006

winter season. Detailed ground geophysical surveys will also be performed on targets at Purepoint's McEwen, Umfreville and South Newnham properties in preparation for drilling the following year.

Situated in northern Saskatchewan and northeastern Alberta, the Athabasca Basin contains the world's richest source of uranium with average grades of up to 21.2 percent uranium. That's 20 times greater than what is mined throughout the world. In total, one-third of the world's uranium production originates out of the Athabasca Basin.

"Getting into the Basin early also enabled us to engage some exceptional talent," – Frostad

Purepoint's Turnor Lake Property

Twenty-four kilometres of conductors have been outlined by ground geophysics at Purepoint's Turnor Lake. Numerous recommended drilling programs by previous operators were never carried out to test these conductors (Asamera, 1982; SMDC, 1983, 1984; Cogema, 1996). However, drilling conducted on the Turnor property to date has intersected graphitic pelites, hydrothermal bleaching and clay alteration, all of which can act to precipitate uranium mineralization.

Purepoint's 2005 geophysical surveys, conducted on Turnor Lake's Turaco Grid, were successful in identifying conductors and magnetic features indicative of basement structures and

potentially clay alteration. A zone of flat-lying conductivity is bound by two parallel conductors, terminates to the south where depth to basement is interpreted to change from 250 m to 175 m, and remains open to the north-east.

The Turnor Lake Project is located 12 kilometres east of Cameco Corporation's high-grade uranium zone at La Rocque Lake. Drilling completed in the winter and summer of 1999 on the La Rocque Lake claims encountered uranium mineralization of 8.2%, 19.1% and 29.9% U308 in three drill holes over 3.6m, 2.5m and 7.0m, respectively.

Anomalous uranium was intersected approximately 1/2 kilometre south of the Purepoint Turnor Property in Cogema drill hole HLH-48. The underlying basement rocks in this hole consisted of altered, graphitic and pyritic sediments that are highly fractured. The anomalous intercept at 168 metres returned a weighted assay of 0.17% U308 over 0.6 metres.

The project is in close proximity to several uranium deposits including Midwest Lake, McClean Lake, Eagle Point, and Collins Bay.

Purepoint's Red Willow Property

The Red Willow project consists of four claims on the eastern edge of the Athabasca Basin. Proterozoic sandstone on the property is found to cover the Archean and Aphebian basement rocks at depths of zero to 80 metres. The basement is composed of intensely deformed and metamorphosed sedimentary, volcanic and plutonic rocks trending NE to SW.

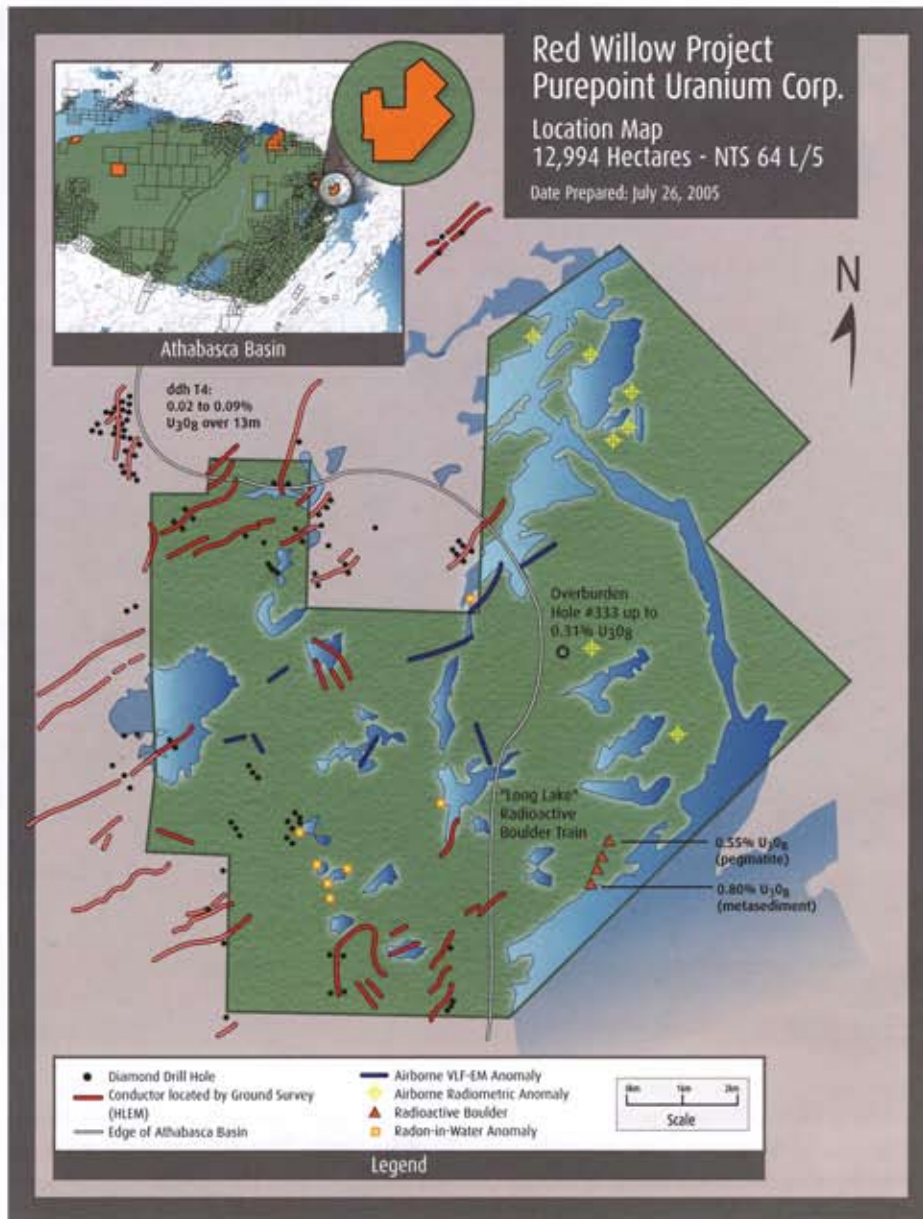
Five major uranium deposits, JEB, Midwest, Cigar Lake, McArthur River and Millennium, are located along a NE to SW trend that corresponds to the

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trend of the host basement rocks. The Red Willow project is located on this NE-SW mine trend. Cogema's Moonlight deposit, which returned 0.27 percent U₃O₈ over 10 metres, is associated with a NE-SW trending conductor and located only five kilometres SW of Red Willow. Purepoint's Petrel and Osprey grids cover the interpreted NE extension of the Moonlight conductor trend.

Over twenty kilometers of conductors are known on Red Willow and drilling conducted to date has intersected graphitic/pyritic pelites, zones of hydrothermal bleaching, and anomalous radioactivity. In addition to these positive indicators from drilling, a large scale radon-in-water anomaly at Radon Lake improves the potential of discovering significant uranium mineralization at Red Willow.

Purepoint considers the potential to discover new EM conductors and extend known anomalies on the property to be excellent. Numerous ground geophysical surveys by Cogema Resources have traced EM conductors to the western boundary of the Red Willow property. Surveys to determine if EM conductors outlined by Cogema



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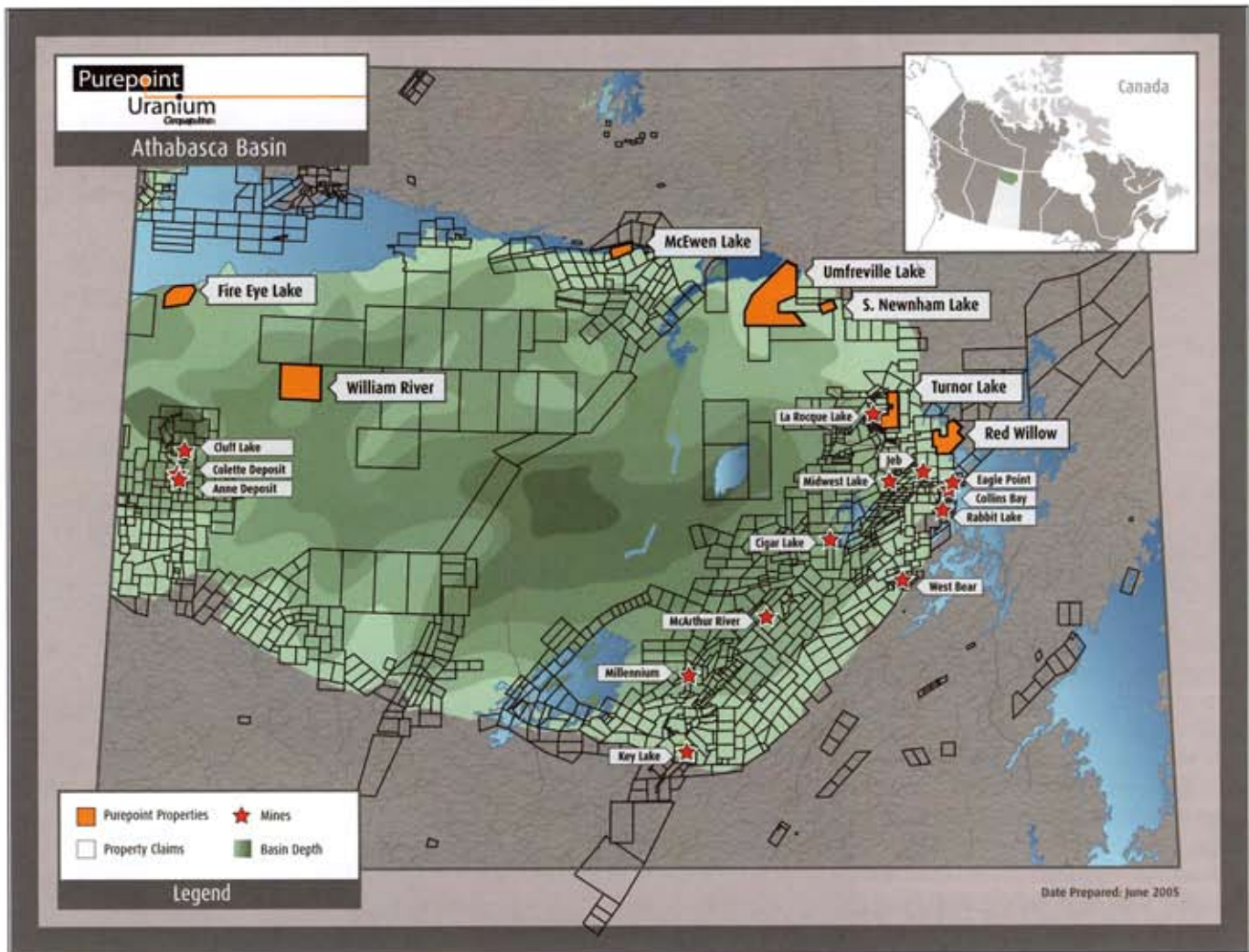
Uranium
 Group Inc.

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Seven projects in the world's richest uranium region - the Canadian Athabasca Basin
Drilling commences this winter

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extend onto the Red Willow property will be conducted. The possible NE extension of a major EM anomaly, traced by Cogema from the JEB mine to the Red Willow SW corner, will also be examined by Purepoint.


A radioactive boulder field was discovered on the Red Willow property in 1975 by Gulf Minerals. By 1984, Eldorado Resources had determined

the boulder field was a part of a boulder train that they named the Long Lake Boulder Train. The NE trending train was found to be 2 km long and 300 to 400 m wide. A number of radioactive biotite schist boulders were discovered and assayed up to 0.80% U₃O₈ while pegmatite boulders assayed up to 0.55% U₃O₈. The source of the Long Lake Boulder Train remains unknown.


The best results from an overburden drill program conducted by Gulf Minerals in the 1970's were returned from the Red Willow property. Over 350 holes were drilled along NW-SE lines and in Hole #333, values up to 0.31% U₃O₈ are found. Since the anomaly was not found in neighbouring holes located approximately 300 metres either side, and the radioactive zone was quite thick, the source is implied to be relatively local. Although Gulf recommended that additional overburden drilling be conducted to trace the uranium to its source, this work was not done.

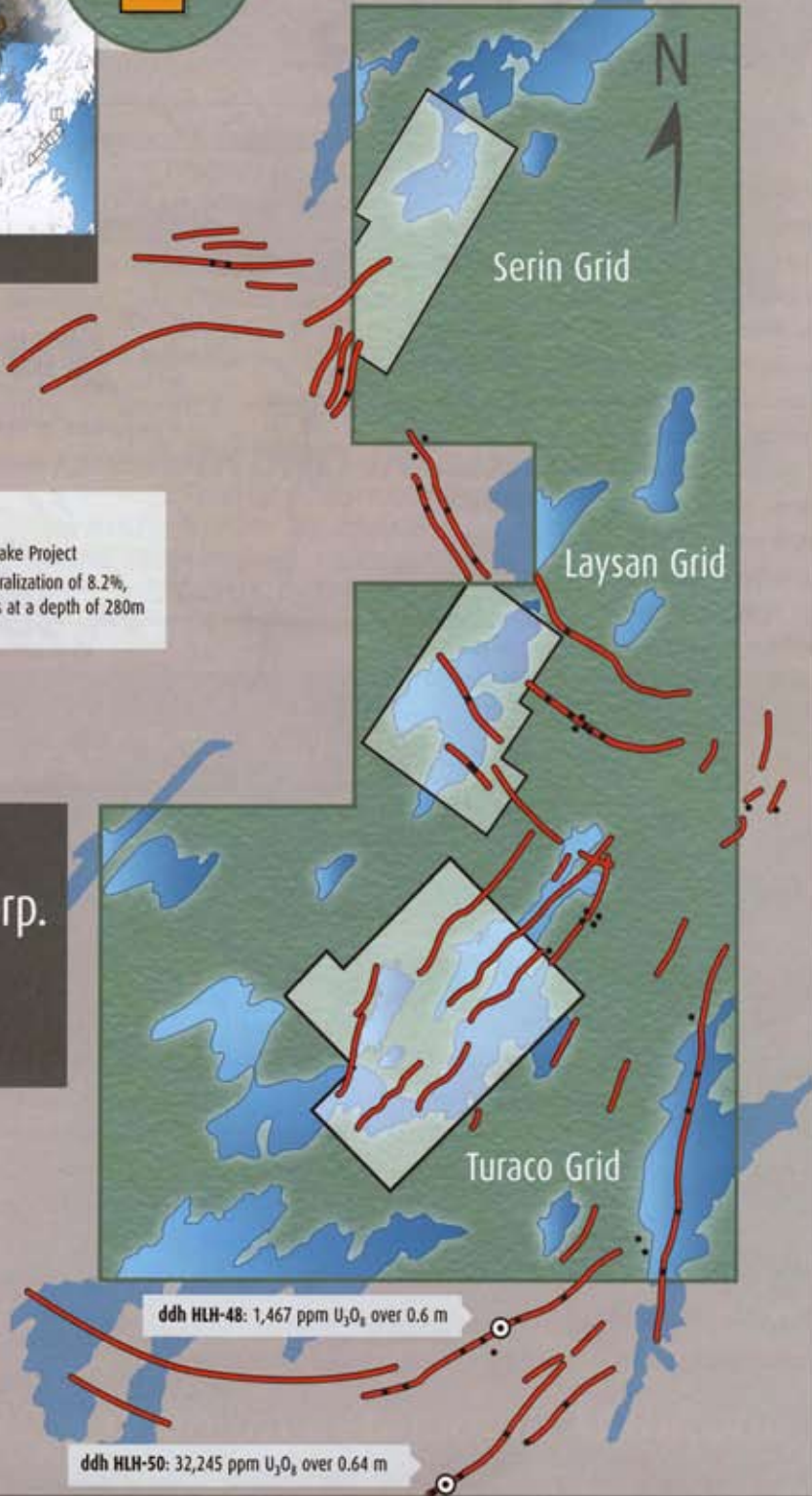
The Red Willow project adjoins Cogema's claim group that contains the JEB, Sue and McClean deposits to the west and, to the south, adjoins Cameco's claim group that contains the Rabbit Lake, Collins Bay and Eagle Point deposits.

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La Roque Deposit

- Located 10 km east of Purepoint Turnor Lake Project
- 1999 Cameco encountered uranium mineralization of 8.2%, 19.1% and 29.9% U₃O₈ in three drill holes at a depth of 280m

Turnor Lake Project
Purepoint Uranium Corp.
 Location Map
 9,705 Hectares
 NTS 74 I/9

Date Prepared: March 15, 2005

● Diamond Drill Hole
 — Conductor located by ground survey (UTEM, EM 37, MAXMIN)

Scale

Legend