

Purepoint looks to leverage its early bird status

Being one of the first juniors in a region dominated by the majors can put a company in a good position. It's a situation that Toronto-based **Purepoint Uranium (PTU-T)** found itself in back in 2002 on Saskatchewan's Athabasca Basin.

Back then Purepoint was sniffing around the world-renowned area - the Basin is responsible for roughly one third of the world's uranium production - trying to find ways to bring discovery costs down.

With uranium prices still in the tank at the time the cost of discovery was roughly the same as the mineral's spot price - both were sitting in the \$8-10 per lb. range.

Such poor economics lead big players like Cogema and Cameco (CCO-T, CCJ-N) to abandon some of their permits.

Purepoint smelled opportunity, came in, sifted through the data compiled by the companies, and began targeting permits just before interest in uranium showed signs of renewal.

As Purepoint's president and chief executive, Chris Frostad says, "the party bus" full of other prospective juniors began pulling into the area, but by then Purepoint had already claimed some of the more prized areas.

The company currently has 100% ownership of 2,400 sq. km. of prospective land, and much of that is in the eastern part of the Basin - an area where, thus far, most of the uranium deposits have been found.

Purepoint's 97 sq. km. Turnor Lake project is the company's most advanced.

While the market took a harsh view of the 12 exploratory drill holes drilled there over the winter - shares lost roughly 16% on April 18, the day results were announced - the company remains bullish on the areas prospectiveness.

The drills did not encounter uranium, but they did return elevated radioactivity, which the company says is a positive indication of nearby uranium deposition.

Purepoint has \$700,000 budgeted for drilling to the end of third quarter of 2006 and says its summer drill program will focus on the strongest of three geophysical targets.

At less than 185 metres in depth, the target is shallow which should allow Purepoint to complete a further 15 to 20 drill holes by summer's end.

Turnor Lake is located 12 km east of Cameco's high-grade uranium zone at La Rocque Lake.

Besides Turnor Lake the company's next most significant project is its 130 sq. km. Red Willow project.

It was there that last winter a ground geophysics program found an extension of a graphitic conductor that



Cameco had found to have anomalous uranium mineralization back in 1993.

The new 2.5 km conductor target is very shallow, at less than 90 metres in depth, and the company plans to begin drilling there this winter.

Red Willow is on trend with the Basin's major mine corridor, which hosts the JEB, Midwest, Cigar Lake, McArthur River and Millennium uranium deposits

The company's shares have been trading in and around the 40¢ mark since mid-May. ■