

Athabasca Basin EXPLORATION UPDATE

July 1, 2009

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Uranium
Group Inc.

	May 31, 2009	June 30, 2009	Change
Ux Consulting's Spot Price	US\$49.00/lb U ₃ O ₈	US\$52.00/lb U ₃ O ₈	US +3.00
Ux Consulting's Term Price	US\$65.00/lb U ₃ O ₈	US\$65.00/lb U ₃ O ₈	unchanged

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Bayswater Uranium Corp. (BAY-TSXV): Brudell Lake Update - On June 5, Bayswater released an update on exploration work completed on the Brudell Lake property, located in the Athabasca Basin.

Final analytical results have been received from core samples from the drill program completed in late 2008. This drill program was designed to test strong MT (magnetotelluric) anomalies. One vertical hole was completed to a depth of 1,006 metres, and the unconformity between Athabasca sandstone and basement rocks was intersected at a depth of 965 metres. The cause of the MT anomaly was not explained by this hole and no anomalous uranium values were intersected. However, systematic sampling of the Athabasca sandstone resulted in the definition of what are interpreted to be significant geochemical anomalies. In the 100 metres of sandstone above the unconformity, several zones of nickel (Ni), cobalt (Co), lead (Pb) and boron (B) enrichment were defined. These elements are commonly associated with the margins of alteration zones surrounding unconformity related uranium deposits. A sample from this zone yielded 19.7 ppm Ni; background Ni contents are generally less than 2.8 ppm.

CanAlaska Uranium Ltd. (CVV-TSXV): West McArthur Exploration Results – On June 4, CanAlaska reported that it had received assays and detailed geophysical information from the winter drilling program completed on its West McArthur property, located in the Athabasca Basin.

The 5-hole exploration program included 4,751 metres of drilling and corresponding TDEM geophysical surveys and was designed to test a previously un-drilled zone located in the southern region of the West McArthur Project. VTEM magnetic and airborne EM surveys, ground-based AMT and EM surveys identified a new, well-defined, but variably-conductive zone, approximately 6 km in length associated with apparent alteration in the sandstone column.

The first two drill holes of the program, WMA013 and WMA014, targeted a conductive zone in the south-centre of a 4km conductive trend. These holes encountered various levels of dravite and illite clay alteration as well as zones of strong fracturing in the sandstone column. There was no significant uranium enrichment in these holes. However, there were boron values in the sandstone above the unconformity of up to 77 ppm which is 2-3 times background.

Drill hole WMA015, located 3.3 km northeast of the first two holes, tested the northern end of a strong conductive target. This drill hole encountered a zone of fracturation from 250 to 325 metres depth. There was dravite and enhanced illite clay alteration in the top 400 metres of the drill hole with additional dravite alteration near the base of the sandstone and moderate fracturation in the last 30 metres of the sandstone column above the unconformity. There was no significant uranium enrichment intersected in the hole, however slightly-elevated boron was intersected from 100 to 500 metres depth and again from 750 metres to the unconformity (120-191 ppm boron).

Elevated uranium was intersected in drill holes WMA016 and WMA019, located 400 metres and 1,200 metres south of drill holes 13 and 14. The drilling indicated a fault zone with vertical offsets between these two holes. The vertical offsets of up to 15.4 metres were present at the unconformity and also in the overlying sandstone. An offset of the conductive trend also indicates horizontal structural movement.

Both WMA016 and WMA019 intersected favorable graphitic horizons in the basement. Above the unconformity, there was clay alteration, fracturation, and anomalous geochemistry in the sandstone. Drill hole WMA016 exhibited generally-normal clay pattern, but with the presence of enhanced higher temperature dravite near the unconformity. Above this immediate zone, there were several fractured and friable zones, with an increase of boron from 40 to 917 ppm at the unconformity. There was also silicification from 750 to 785 metres and anomalous trace element geochemistry for uranium (0.9 to 3.7 ppm), and nickel (0.3-3.8 ppm) in the last 38 metres of the sandstone column. In the basement rocks the drill hole intersected strongly-graphitic pelites with 0.5 metres assaying 0.055 % U₃O₈.



Drill hole WMA019 was located 400 metres south of drill hole WMA016. This hole contained a generally normal clay pattern in the upper levels, again with silicification from 780 to 830 metres, with elevated uranium and boron in the last 14 metres of the sandstone column above the unconformity. The basement is predominantly semi-pelites with abundant leucosome where 2 metres assayed 0.034% U₃O₈.

CanAlaska Uranium Ltd. (CVV-TSXV): Drilling Resumes at Black Lake – On June 5, CanAlaska reported that drilling had re-commenced on its Black Lake property, located in the northern Athabasca Basin. The current program is a continuation of the March winter program, following a shut down for spring thaw. The drilling will continue on the Platt Creek zone, 4 kilometres south of the basin rim. In this area the sandstone unconformity targets are interpreted at 200 metres depth.

The drill program at Black Lake is following-up on geological and geophysical targets identified from airborne and ground surveys completed in 2008. The current drill targets are along the Platt Creek fault/conductor, which starts in the north, at the limit of the Black Lake First Nation Reserve, and extends south into claims held by UEX/AREVA.

Drilling commenced on the northern portion of the Platt Creek fault in March 2009. This was in the Patterson Creek area, on a lake covered portion of the main conductive trend. Drilling was halted early because of ice break-up on the lake.

The first drill hole for the winter program, BLK001, went directly into basement and intersected intensely mylonitic graphitic pelites. The second drill hole, BLK002, was lost near surface. Drill hole BLK 003 intersected a hematized zone of mafic tuff near surface with elevated boron (428ppm) and uranium values (11ppm).

Drill holes BLK004, and BLK005, located to the west of the first holes, penetrated the very thin (less than 5 metre) sequence of overlying sandstones. In these sandstones there was boron enrichment to 143 ppm and, significantly, more boron enrichment and hematized tuff units in the underlying basement rocks (with up to 733 ppm boron). These two holes were targeting splay structures off the main conductor drilled in holes BLK001. The structures are defined as weak VTEM conductors from the airborne survey, and are located within a major north-south trending magnetic lineament. Drill hole BLK005 intersected an 8 metre section of 12 ppm U₃O₈ in the upper basement rocks. All of the sandstone intercepts were characterized by intense hematite alteration, which then extended up to 60 metres into the basement rocks.

Drill hole BLK006, drilled back on the main Platt Creek fault zone, south of BLK001, had multiple zones of intense fracturing as well as strong hematization in an amphibolitic gneiss unit.

Drill holes BLK001 to BLK006 are all located up ice of the "Rapids" boulder train, which has uranium-arsenic mineralized boulders with assays of up to 1.9% U₃O₈. CanAlaska anticipates a series of new holes across this concentrated target area, when conditions permit.

The second half of the program will target the land based conductive anomalies on the Platt Creek fault zone. This main target is approximately 4 km south of the Patterson Creek drill holes.

In this area, mineralized sandstone boulders were found during prospecting at Platt Creek, down-ice of the major geophysical target. The Platt Creek fault is a major regional fault system, which has previously shown high-grade uranium mineralization in drill holes on the adjacent mineral exploration property (Black Lake Property owned by UEX/AREVA).

CanAlaska expects the current drill program to extend until the end of June. Drill and assay results from the Black Lake and other active projects will be provided as they become available.



CanAlaska Uranium Ltd. (CVV-TSXV): MOU for Poplar Property – On June 25, CanAlaska announced that it had executed a Memorandum of Understanding with East Resources (ERI) to begin exploration on the Poplar property, located on the northern rim of the Athabasca Basin.

In December, 2008, ERI had executed a similar agreement with CanAlaska to undertake uranium exploration at the NE Wollaston project in Manitoba. However, due to continual delays with the award of exploration permits by the Government of Manitoba arising from prolonged consultations with native communities, both CanAlaska and ERI have opted to initiate their cooperation by first conducting uranium exploration in Saskatchewan.

Under the terms of the MOU, ERI may earn a 40% interest in the Poplar project by undertaking a minimum of 100,000 metres of diamond drilling within 5 years. ERI may earn a 70% interest in the project by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 15 million pounds U₃O₈ and fully-financing the costs of mine construction. ERI may earn an 80% interest in the project by undertaking a minimum of 50,000 metres of diamond drilling, successfully completing a feasibility study for a minimum economic reserve of 35 million pounds U₃O₈ and fully-financing the costs of mine construction. ERI may also earn an additional 15% interest in the project to hold a cumulative 95% ownership by granting to CanAlaska a 5% gross revenue royalty from the production and sale of minerals.

In 2007 and 2008, CanAlaska carried out airborne EM and waterborne seismic surveys across the southern portion of the Poplar project. These surveys defined a large number of structural events, and zones of high conductivity with disruption in the sandstone cover indicative of hydrothermal alteration.

Pending ice-free conditions at the Project and the execution of a definitive agreement, exploration will commence in July of this year. This Summer 2009 program, to be funded by ERI, will allow detailed reviews of the many strong targets across the property and lead to early drill-testing of the most significant mineralized targets in the following winter season.

Denison Mines Corp. (DML-TSX) and Northern Continental Resources Inc. (NCR-TSXV): Acquisition Update – On June 8, Denison and Northern Continental announced that they had signed a definitive Arrangement Agreement whereby Denison will acquire all of the issued and outstanding shares of Northern Continental.

The transaction, which was announced on April 30, 2009, is scheduled to close on or about July 27, 2009, subject to, among other conditions, Northern Continental obtaining shareholder approval, TSX Venture Exchange approval, and interim and final orders of the Supreme Court of British Columbia.

Northern Continental holds a 60% interest (Hathor Exploration Limited 20%) in the Russell Lake uranium property that is located immediately adjacent to Denison's Wheeler River uranium discovery in the Athabasca Basin of northern Saskatchewan.

Denison will acquire Northern Continental on the basis of 0.0920 Denison common shares for each share of Northern (the "Exchange Ratio") resulting in the issuance of 5,079,642 common shares to Northern shareholders. In addition, all Northern options and warrants outstanding on closing will become exercisable into common shares of Denison, the number and exercise price of which will be determined using the Exchange Ratio.



Denison Mines Corp. (DML-TSX): KEPCO Agreements Signed - On June 15, Denison announced that it had signed agreements with Korea Electric Power Corporation and certain of its subsidiaries (KEPCO) to formalize the general terms of the Memorandum of Understanding that was signed by Denison and KEPCO in April.

KEPCO has agreed to purchase 58 million common shares of Denison at an issue price of \$1.30 per share for proceeds of \$75.4 million and entities affiliated with Lukas Lundin, a director of Denison, will purchase an additional 15 million common shares at the same issue price for proceeds of \$19.5 million, both on a private placement basis. The issue price of \$1.30 per share agreed to in April was based on a 15% premium to the 30 day moving average share price. KEPCO will own approximately 17% of the issued capital outstanding at the closing of these financings, assuming the completion of an \$82 million bought deal prospectus financing announced by Denison on May 26.

Denison and KEPCO have entered into a long-term offtake agreement which provides for the delivery to KEPCO 20% of Denison's annual U3O8 production (+/-10%) but not less than 350,000 pounds (+/-10%) per year from 2010 to 2015, inclusive. Denison has also granted KEPCO an option, exercisable within 30 days from the closing of the equity financing, to purchase an additional 400,000 pounds U3O8 (+/-10%) per year from 2011 to 2015, inclusive. The purchase price per pound U3O8 for the initial term to 2015 will be based on industry standard terms. The offtake agreement also provides that KEPCO will purchase 20% of Denison's uranium production after 2015, subject to agreement on pricing and KEPCO maintaining a 10% minimum shareholder percentage in Denison.

KEPCO has the right to appoint one director to Denison's board of directors at the time of closing and a second director at the Company's next Annual General meeting. KEPCO will also have certain ongoing financing rights which will permit it to maintain its pro-rata interest in Denison.

Denison and KEPCO have agreed to co-operate when appropriate on potential acquisitions and divestitures.

These transactions are subject to regulatory approvals and satisfaction of certain conditions including delivery of opinions and other customary closing documents. Denison expects that the transaction will close in late June 2009.

Denison Mines Corp. (DML-TSX): Wheeler River Drilling Results - On June 30, Denison reported on the results of an ongoing summer drill program at the Wheeler River property located in the eastern Athabasca Basin. Drilling has extended mineralization on the eastern portion of the Phoenix discovery, previously known as the R Zone.

Drill holes WR-272, 273 and 274 have intersected high-grade uranium mineralization, at a depth of approximately 400 metres, extending this zone a further 150 metres to the northeast to a strike length of over 250 metres. The eastern portion of the Phoenix discovery remains undrilled along strike to the northeast and for at least 150 metres to the southwest where it may continue as part of the western zone.

Drill hole WR-275, designed to test for the extension of the eastern zone 50 metres to the northeast of drill hole WR-274, is currently in progress.

The intersections in drill holes WR-272 and 273 were unconformity type and included 5 m of massive pitchblende in drill hole WR-273. In drill hole WR-274, the high-grade interval was unconformity type mineralization, with the other four intervals in this drill hole being stringer zones in intensely altered basement rocks.



On the western portion of the Phoenix discovery, which extends south-westerly from Line L150, drill hole WR-270 was drilled to test for unconformity type mineralization at the southwestern end of the zone. Minor mineralization was encountered grading 0.35% eU₃O₈ over 1.4 metres. The unconformity was intersected 15 metres higher than expected and further testing of this area will be carried out in 2010.

Drill hole WR-271 tested for mineralization in the quartzite ridge to the northwest of drill hole WR-260. No mineralization of consequence was intersected in this hole.

The western portion of the Phoenix discovery remains open along the unconformity in all directions and further drilling is planned in 2010 to further evaluate the high grade mineralization and intense alteration zone encountered in the drilling completed to date.

All drill holes reported to date were drilled at -80 degrees, and while the exact attitude of the mineralization remains uncertain, it is believed, at this time, that the mineralized intervals represent near true widths. Assay results for drill holes WR-270 to 274 will be reported when they have been received.

The 11 drill hole, 5,500 metre summer program is ongoing. The remainder of the program will focus on extending the eastern portion of the Phoenix mineralization along strike to the northeast in preparation for the planning of a major resource delineation program to be carried out in 2010.

Denison is the operator of and holds a 60% interest in the Wheeler River Property. Cameco Corp. holds a 30% interest and JCU (Canada) Exploration Company, Limited holds the remaining 10% interest.

Forum Uranium Corp. (FDC-TSXV) and Hathor Exploration Ltd. (HAT-TSXV): Henday Lake Geophysics Completed – On June 1, Forum and Hathor reported that ground EM and gravity surveys had identified several high-priority drill targets on the Henday Lake property, located in the Athabasca Basin. The property is subject to an option agreement whereby Hathor must spend \$3.5 million in exploration over the next three years to earn a 60% interest in the project.

The 2008 geophysical program identified an important east-northeast trending conductive structure and drilling by Forum in 2008 identified a clay altered zone having elevated trace metal geochemistry in the Mallen Lake area. Ground EM and gravity surveys were conducted this past winter over three target areas.

Fifteen conductor segments totaling 8.4 km in length as well as a number of gravity lows were identified.

Forum, as operator of the Henday project, will recommend a drill campaign slated for January, 2010 or earlier.

Forum Uranium Corp. (FDC-TSXV) and Hathor Exploration Ltd. (HAT-TSXV): Geophysics Commences on Henday Property – On June 30, Forum and Hathor reported that a high-resolution airborne magnetometer survey is currently underway on the Henday Project in northern Saskatchewan. This survey will help identify and prioritize the structural geology and rock types on the project, and place them in context with surrounding properties, including Hathor's Roughrider Zone.

This new airborne magnetic data will be used together with recently acquired electromagnetic and gravity data to identify the best targets for an aggressive diamond drill program planned for this winter.

Hathor must spend \$3.5 million in exploration over the next three years to earn a 60% interest in the project. Forum is the operator of the Henday project.



Hathor Exploration Ltd. (HAT-TSXV): Further Assay Results from Roughrider – On June 4, Hathor reported the assay results for 23 additional holes from the winter 2009 drill program on its Roughrider Zone, located on the Midwest NorthEast property in the eastern Athabasca Basin. Hathor had previously released drill hole information and counts per second (cps) for these holes. Twenty of these drill holes intersected uranium mineralization.

Highlights from the latest round of assays include:

- 18.12% U3O8 over 13 metres, including 2.5 metres grading 70.34% U3O8 in drill hole MWNE-09-116
- 4.96% U3O8 over 16 metres, including 4.5 metres grading 16.13% U3O8 in drill hole MWNE-09-110C
- 5.68% U3O8 over 10 metres, including 2.5 metres grading 19.3% U3O8 in drill hole MWNE-09-88
- 4.91% U3O8 over 12 metres, including 6.5 metres grading 8.03% U3O8 in drill hole MWNE-09-102
- 2.49% U3O8 over 19 metres, including 1.5 metres grading 7.12% U3O8 in drill hole MWNE-09-113
- 2.63% U3O8 over 13 metres, including 1.5 metres grading 16.88% U3O8 in drill hole MWNE-09-89
- 4.42% U3O8 over 6 metres, including 2.5 metres grading 7.53% in U3O8 drill hole MWNE-09-115

All intersections are down-hole, core-length intervals and true thickness of mineralization is yet to be determined.

The maximum grade intersected in this set of drill results is 84.20 wt% U3O8 over 0.5 metres in drill hole MWNE-09-116.

The other 13 drill holes contained uranium mineralization ranging from 0.39% U3O8 over 3.15 metres to 5.22% U3O8 over 1.5 metres. Three drill holes were not mineralized.

During the winter, Hathor completed 30,711 metres of diamond drilling in 89 drill holes from the ice of South McMahan Lake.

A summer drill program is planned to begin shortly, utilizing both barge-based and a land-based drill rigs. These will be used to: further test for strike-length extensions and for potential sandstone-hosted mineralization occurring above the basal unconformity; continue in-fill drilling; and provide material for detailed metallurgical testing.

Hathor Exploration Ltd. (HAT-TSXV): Final Roughrider Assay Results – On June 24, Hathor reported the final assay results from the 2009 winter drill program on the Roughrider Zone, located on the Midwest NorthEast property in the eastern Athabasca Basin.

Of the last batch of results, 17 drill holes intersected uranium mineralization. Highlights of the most recent results include:

- 8 metres of 2.32% U3O8 including 2 metres of 6.26% U3O8 in hole MWNE-09-087
- 11.5 metres 6.44% U3O8 including 3.5 metres of 14.1% U3O8 in hole MWNE-09-117
- 12 metres of 1.94% U3O8 including 1 metre of 16.80% U3O8 in hole MWNE-09-122
- 3.5 meters of 4.27% U3O8 including 1 metre of 14.14% U3O8 in hole MWNE-09-126
- 26 metres of 3.57% U3O8 including 5 metres of 15.65% U3O8 in hole MWNE-09-129
- 4.5 metres of 5.16% U3O8 including 1 metre 19.25% U3O8 in hole MWNE-09-130
- 13.5 metres of 9.64% U3O8 including 3.5% metres of 25.51% U3O8 in hole MWNE-09-131



All intersections are down-hole, core-length intervals and true thickness of mineralization is yet to be determined.

A summer drill program is planned to commence shortly, utilizing both barge-based and land-based drill rigs. These will be used to: further test for strike-length extensions and for potential sandstone-hosted mineralization occurring above the basal unconformity; continue in-fill drilling; and provide material for detailed metallurgical testing.

Pitchstone Exploration Ltd. (PXP-TSXV): Drilling Commences at Gumboot - On June 29, Pitchstone announced that the 2009 summer drilling program had begun on its Gumboot property, located in the eastern Athabasca Basin. Increased funding will allow for an expansion of the program to a minimum of six drill holes that will test two priority target areas.

At least three drill holes will target a mineralized zone discovered in March 2009 on the MJ-4 conductor. All five holes that previously tested this area have intersected a thick zone of moderate to intense alteration in proximity to the Athabasca unconformity. In addition to uranium values to 2.06% U₃O₈, Pitchstone also encountered very high levels of nickel (to 10.8%), cobalt (to 4.60%) and other pathfinder metals at Gumboot earlier this year. The mineralization sits immediately above faulted basement graphitic gneisses.

At least two drill holes will target a gravity anomaly outlined during a survey completed in March 2009. The target area is a large zone of low gravity where it intersects the projection of the alteration and the graphitic conductive zone, about 1.5 km north of the mineralized area.

Titan Uranium Inc. (TUE-TSXV): Virgin Trend Drilling Results – On June 15, Titan reported the results of drilling on its Virgin Trend property located in the central Athabasca Basin. The project is the subject of a Letter of Agreement between Titan and Japan Oil, Gas and Metals National Corporation (JOGMEC) wherein JOGMEC can earn a 50% interest in the Virgin Trend project by funding \$9 million in exploration over three years. The partners have agreed to amend the Letter of Agreement and extend the first farm-in period from March 31, 2009 to March 31, 2010. Titan is the operator of the exploration programs.

During February and March 2009, one vertical diamond drill hole was completed for a total of 1,340.55 metres. This is one of the deepest holes drilled to date in the Athabasca Basin. The hole was drilled to test coincident gravity, magnetic and electromagnetic anomalies defined by airborne and ground surveys in 2007 and 2008 including an anomaly defined by JOGMEC's proprietary ground Squitem system.

The drill hole intersected the unconformity between the flat lying Athabasca sandstone rocks and the underlying steeply dipping basement rocks at 1,237.55 metres depth. Analytical results from composite samples taken at 10 metre intervals displayed highly anomalous boron values in the sandstone rocks (up to 2320 ppm). From subcrop at 67 metres to 900 metres, 60% of the 84 samples exhibited greater than 500 ppm boron and all but two showed greater than 100 ppm boron. Anomalous boron concentrations were also noted from 1,010 metres to 1,100 metres and from 1,190 metres to 1,230 metres, just above the unconformity. The analytical results indicated the presence of illite and sudoite clay species throughout the sandstone rocks generally in areas with the greatest boron concentrations. In addition, the sandstone and basement rocks displayed evidence of faulting which is typically associated with bleaching. The probe results showed no significant radioactivity.



UEX Corp. (UEX-TSXV): Raven and Horseshoe Drill Results – On June 10, UEX announced that drilling results from its 2009 winter drill program on the Raven and Horseshoe deposits, located within the Hidden Bay Project in the eastern Athabasca Basin. This drill program expanded the footprint of the deposits, and the results will be incorporated into a revised 43-101 compliant resource estimate which is expected to be received in early July.

The Raven and Horseshoe Deposits collectively contain 43-101 compliant resources of 27,847,000 pounds U₃O₈ in the indicated category, and 2,560,000 pounds of U₃O₈ in the inferred category. Of the total, the Horseshoe Deposit contains 18.69 million pounds of U₃O₈ in the indicated category and 1.43 million pounds of U₃O₈ in the inferred category. Resource modeling incorporating the new drilling results is underway.

The winter 2009 drilling program comprised 32,167 metres of drilling in 105 diamond drill holes which were completed between January and April, 2009 using three drills. This program included 56 drill holes at Raven, consisting mostly of step-out drill holes in western parts of the deposit, but also included four infill drill holes and seven holes drilled to test targets east of Raven. A total of 49 drill holes were completed at Horseshoe which were focused mainly in the Horseshoe Northeast area, expanding mineralization there. Ten of the Horseshoe drill holes explored the area between Horseshoe and Raven to the west. In addition to the drilling, UEX completed a 170 line-km DC resistivity survey to identify additional targets west, northwest and south of the deposits.

Drilling in the Horseshoe Northeast area has now expanded mineralization by approximately 300 metres to the northeast of the Horseshoe resource. Mineralization in this area occurs in two new zones which lie close to, but northeast of, the previously defined areas of mineralization. One drill hole was also completed as an infill hole in previously defined eastern parts of Horseshoe.

Highlights from the Horseshoe drilling program include:

- 0.082% U₃O₈ over 15 metres in hole HU-311
- 0.187% U₃O₈ over 8 metres in hole HU-316
- 0.068% U₃O₈ over 21 metres in hole HU-321
- 0.220% U₃O₈ over 19.6 metres including 1.089% U₃O₈ over 3.1 metres in hole HU-324
- 0.687% U₃O₈ over 3.2 metres in and 0.183% U₃O₈ over 5.6 metres and 0.068% U₃O₈ over 27 metres also in hole HU-349

True thickness and morphology of the mineralization associated with these intercepts is variable, with the northeastern pod defining a steep northwest dipping, broad lobe that is parallel to the metamorphic stratigraphy.

The deeper G zone, represented by drill hole HU-324 as well as several previous drill holes, is a lenticular, southeast dipping lens which lies at depths of 300 to 450 metres below surface. The HU-349 intercept is a broad mineralized interval that returned 0.034% U₃O₈ over 316.4 metres when composited continuously, including 84.6 metres that were not sampled and which have been composited at zero grade. This hole has established a steeply dipping link between the two Horseshoe Northeast zones and has enhanced understanding of the mineralization continuity.

Drill holes HU-348 and HU-350 to HU-358 were directed at exploration targets west of the Horseshoe Deposit and east of the Raven Deposit. The most significant mineralization intercepted in this area is 0.078% U₃O₈ over 11 metres in drill hole HU-350. This mineralization could form part of a small pod between the two deposits, although its size is limited by adjacent drill holes. The potential for additional small pods still exists between the two deposits in areas of widely spaced drilling.



The winter 2009 drilling program expanded the Raven Deposit an additional 250 metres west of the current resource. Mineralization intersected is primarily in extensions of the two previously defined principal zones within the Raven Deposit: the shallow-plunging Upper zone and the southeast-dipping Lower zone. In addition, two infill drill holes also better established continuity of mineralization within the existing resource area.

Highlights of the drill program at Raven include:

- 0.748% U3O8 over 2.3 metres in hole RU-162
- 0.222% U3O8 over 5.4 metres in hole RU-164
- 0.425% U3O8 over 18.4 metres including 1.095% U3O8 over 3.1 metres in hole RU-169;
- 0.141% U3O8 over 23 metres in hole RU-172
- 0.108% U3O8 over 30.0 metres in hole RU-175
- 0.212% U3O8 over 11.25 metres in hole RU-187
- 0.800% U3O8 over 1.5 metres in hole RU-195
- 0.228% U3O8 over 10.3 metres in hole RU-206
- 0.062% U3O8 over 27.2 metres in hole RU-207

True thickness of the intercepts is variable since mineralized zones have complex shapes. Most zones are lensoidal.

Seven holes drilled east of the Raven Deposit indicate that the principal mineralized zones are now bounded in this eastern area. Narrow intervals of mineralization were intersected in several of these holes, including 0.122% U3O8 over 2.0 metres in drill holes RU-194, and intercepts of 0.152% U3O8 over 1.5 metres and 0.161% U3O8 over 1.0 metres in hole RU-202. Similar to the holes drilled west of Horseshoe, these results suggest the potential for small mineralized pods between the two deposits, but bounding drill holes limit their potential size.

Following the completion of the 2009 winter drill program, drilling has now largely tested the area of previous historical drilling by Gulf Minerals Canada. Parts of some mineralized zones which remain partially open will be tested with several drill holes this summer. A small near surface pod of mineralization at Raven which was intersected by several widely spaced Gulf drill holes will be tested this summer by six short drill holes. In addition to these near surface targets, areas of clay alteration and inferred structures defined by previous drill holes and 2009 resistivity surveys will be tested in the proximity of the Raven and Horseshoe Deposits.

In the Vixen Lake area to the northwest, drilling will also test the source area of pitchblende mineralization that occurs in glacial till and coincides with new anomalous DC resistivity lows identified during the winter geophysical program. Approximately 10,000 metres of drilling with two drills is planned for Horseshoe, Raven and adjacent areas.

An additional 5,000 metres of drilling is planned for the Telephone Lake area in the northwestern parts of the Hidden Bay property. This area, is located just south of and along strike from the Sue Deposits on the adjacent McClean Lake mine property operated by AREVA Resources Canada Inc. Drilling will target areas of mineralization down dip from previous mineralized intercepts near the Athabasca unconformity that include 0.20% U3O8 over 6.8 metres in drill hole SP-166, and 4.52% U3O8 over 0.5 metres in drill hole SP-156.