

Athabasca Basin EXPLORATION UPDATE

October.1.2009

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Uranium
Group Inc.

	Aug 31, 2009	Sept 30, 2009	Change
Ux Consulting's Spot Price	US\$47.00/lb U ₃ O ₈	US\$42.75/lb U ₃ O ₈	US - \$4.75
Ux Consulting's Term Price	US\$64.00/lb U ₃ O ₈	US\$64.00/lb U ₃ O ₈	unchanged

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For more information please contact:

Chris Frostad, President & CEO
Purepoint Uranium Group Inc.

cfrostad@purepoint.ca | 416.603.8368 | 360 Bay Street | Suite 401 | Toronto | Ontario | Canada | M5H 2V6



CanAlaska Uranium Ltd. (CVV-TSXV): West Fond Du Lac Exploration Update – On September 16 CanAlaska reported the results of a summer program of surface trench sampling and mapping on the western portion of the Fond Du Lac project, as well as a separate drill program on the Fond du Lac mineral deposit. Both areas contain significant surface, and near-surface, uranium mineralization. For the western target area, the company has released high grades of uranium mineralization obtained from the first saw-cut representative channel samples from the Adair showing. This mineralized zone is located north of the company's Helmer project and within the western portion of its Fond Du Lac project, which is situated on the reserve lands of the Fond Du Lac Denesuline First Nation.

The main showing consists of two historical trenches within a gossanous area on the southeast side of a three-kilometre swampy topographic low. This linear trend coincides with a magnetic low on the south side of a sharp linear magnetic feature. Historical drilling (1953) consisted of 14 holes spread over a length of 2.8 kilometres of this zone. The eight southern holes covering 1.2 kilometres of this zone intercepted uranium mineralization underneath the zone and its projected extensions. The northern four holes are not reported to have significant mineralization; however, recent samples from surface outcrops show a continuation of the zone in this area. There has been no modern exploration in this area since the 1960s, when the area was deemed a first nation reserve. CanAlaska sampling programs in 2008 identified significant mineralization in the area, with values over 5 per cent U₃O₈ from grab samples. In summer 2009, the area was revisited and systematic representative sampling was carried out.

Offscale scintillometer readings across a narrow (five-to-10-centimetre-wide) mineralized zone define the target for over 35 metres in an area where old trenches and stripping have exposed bedrock near the centre of the zone. Further exposures are intermittent along the structure, which has been confirmed by drilling. Along with mapping and prospecting, CanAlaska geologists collected a set of six representative saw-cut channel samples, each of 50-centimetre length, across the fracture-fill mineralization. The average uranium content of these samples is 0.94 per cent U₃O₈ (18.8 pounds per ton U₃O). Two of the samples also reported gold grades of 0.7 g/t Au, and two samples contained anomalous platinum mineralization.

Historical drilling consisted of 14 drill holes with an average depth of 185 feet (56 metres), along 2.8 kilometres of the zone. A review of (limited) historical records indicated that at least five drill holes (DDH No. 5, 7, 9, 10 and 13) were significantly mineralized with uranium, based on downhole probe information.

DDH No. 11 is lacking probe information, but is reported to intersect garnet biotite gneiss, with some mafic layers and frequently pyritic. This drill hole (No. 11) was not probed because the hole collapsed near surface at a 10-foot-wide (three-metre) highly sheared and brecciated zone. DDH No. 11 is 204 feet (62 metres) deep and contains four zones of sheared, brecciated and hematized chloritic schist, some of which is graphitic. The core logging for this drill hole is very similar to that of the mineralized sections in the other drill holes, but it contains a larger number of schist sections.

No chemical assays are available from the samples from the historical core, and similarly, the archived drill logs do not contain radioactivity measurements of the core. However, the historical records do show that the drill holes were measured by doing point-by-point measurements with a probe, up and down the holes, presumably using a Geiger Muller detector. The radioactivity is expressed in counts per minute, rather than the current higher counts per second of a modern scintillometer.

CanAlaska's evaluation of this data is that the probing defines a consistent mineralized zone. The reported probe measurements from the zones intercepted downhole, indicate values of up to 120 times the normal background radiation. The attached table represents these data, but a direct comparison with current scintillometer readings is not applicable, because of the non-linear correlation and factoring required to perform the computation.



The grade and consistency of the mineralized structure provide a significant target for future exploration efforts. The topographic low along which the mineralization occurs coincides with a magnetic low as measured by the recent airborne surveys. This magnetic low is interpreted as a large shear zone which cuts the basement stratigraphy at a low angle. The company is now evaluating early winter drilling along the zone.

CanAlaska Uranium Ltd. (CVV-TSXV): Intercepts Uranium Mineralization in Basement Rocks at Fond Du Lac – On September 22 CanAlaska released assay results from its August, 2009, drill program at the Fond Du Lac project in the Athabasca basin, Canada. The company's drill program of 19 holes was targeted on geophysical features which may represent the location of mineralized feeder zones for the Fond Du Lac unconformity-style sandstone hosted uranium deposit. Hole FDL 017, a step-out hole on the east side of a major crosscutting structure, intercepted a long zone of uranium mineralization in the basement rocks, east of, and below the Fond Du Lac deposit sandstone horizon. This zone starts at 41 metres (134 feet) below surface. Hole FDL017 returned 40.4 metres averaging 0.32 per cent U₃O₈, including six metres averaging 1.13 per cent U₃O₈ (22.6 pounds per ton), with individual values of half-metre samples grading up to 3.77 per cent U₃O₈.

Further drill holes from the August program intercepted uranium mineralization in the basement and in the overlying sandstone. Significant assay results for the program are listed in the attached tables.

These drill results are the second set of significant assay results to be returned from summer work on the Fond Du Lac project. The company previously reported on results from the West Fond Du Lac area, where a 2.4-kilometre-long zone of uranium stringer mineralization was resampled and mapped (see Sept 16, 2009, news in Stockwatch).

The Fond Du Lac project is located on the northern portion of the Athabasca basin, Saskatchewan, where the Athabasca sandstone units have minimal thicknesses of 20 to 75 metres overlying the unconformity. This area was explored by Amok in the 1960s and Amok and Eldorado Nuclear in the 1970s and early 1980s. The property is part of the Fond Du Lac Denesuline First Nation reserve lands, and CanAlaska is working with the community under an option to earn a 49-per-cent interest in the project. A small uranium resource (non-43-101 compliant) was previously discovered in the sandstone units, immediately above the unconformity. However, no significant effort was made to explore for structurally hosted uranium mineralization in the basement rock at that time. The historic zones of uranium mineralization at Fond Du Lac are principally within the Manitou Falls formation of the Athabasca sandstone sequence, and are characterized by strong fracturing, intense silicification, zones of hematization and minor clay alteration. Zoning is apparent, with a central highly mineralized core. The mineralization is evident as disseminations and replacement in the sandstone.

The 2009 drilling at Fond Du Lac was successful on two fronts. The drilling defined a new mineralized extension to the historical deposit as well as significant uranium mineralization in the basement.

The intercepts in diamond drill hole FDL017 are located 70 metres northeast of the known uranium deposit, on the east side of a north-northwest-trending mylonite zone. The mineralization occurs as narrow fracture fillings and breccia impregnation in mylonitic garnet-biotite gneisses. The main north-northwest structure was evident from the geophysical surveys performed by CanAlaska prior to the current drill programs (magnetics, VTEM, gravity and induced polarization-resistivity surveys were carried out). The structural events appear younger than the main deformation associated with the Grease River shear zone, which cuts the property south of the area of current drilling.

The morphology of the new mineralized zone is not well known as yet, but appears to be trending in a general east-west direction and with a dip close to vertical. The known deposit to the southwest trends at



50 degrees; an orientation that is parallel to the regional Grease River shear zone. Airborne magnetic surveys show that the Grease River shear fabric offset by the well-developed regional north-west fabric, and to a lesser extent, a north-south fabric.

During the 2009 drilling campaign, uranium mineralization was encountered along high-angle structures in biotite gneiss basement rocks where the uranium occurs as coatings on fractures and as rims around fragments within healed breccia. The mineralization has been tested over a vertical extent of 68 metres in the basement, to a depth of 99 metres, with some associated mineralization also occurring in sandstone above this mineralized zone, for a total vertical extent of 90 metres.

The new drill information is currently being modelled and linked with prior geophysical results and known geological features. The IP-chargeability survey appears to show clear basement rock types, and the location of bounding structures. There is also good IP response over the area of the historical uranium deposit. Multiple drill targets have been identified by the company's geologists. Some of these are formed from current drilling and surveys, whereas others are loosely defined by correlating the location of mineralized boulder trains on surface.

Denison Mines Corp. (DML-TSX): Commences 7,500 Metre Drill Program on Wheeler River

Uranium Property – On September 29 Denison announced their plans for a 7,500-metre drill program on the Wheeler River property in the Athabasca basin of Northern Saskatchewan to further define the high-grade Phoenix discovery made in 2009. The Wheeler River project is a joint venture among Denison, which is the operator and holds a 60-per-cent interest, Cameco Corp. (30-per-cent interest) and JCU (Canada) Exploration Company, Limited (10-per-cent interest).

New drill program

The Phoenix uranium discovery has the potential to develop into a deposit of major importance in Saskatchewan. In order to accelerate the evaluation of this discovery, a 7,500-metre, 15-hole drill program has been initiated. This drill program will include eight drill holes around hole WR-273, which intersected 62.6 per cent U₃O₈ over 6.0 metres. Four drill holes are also planned to further evaluate the area around WR-258 and WR-259, which intersected 11.8 per cent U₃O₈ over 5.5 metres and 17.8 per cent U₃O₈ over 4.5 metres, respectively. The balance of the program will test other priority targets along the one-kilometre strike length of the Phoenix discovery. The budget for this drill program is \$1.5-million and the results will be released following completion of the work.

Summer drill program

Assay results have been received for all the holes drilled this summer on the Wheeler River property. A total of 11 holes (WR-270-280 inclusive) were completed during the summer program. The table lists the drill hole assays with significant uranium intersections. Assay results for drill holes WR-270, 272, 273, 274 and 276 of the summer program have not only confirmed, but have substantially increased the high-grade down-hole probe results previously reported. Hole WR-275 was lost in altered sandstone just above the unconformity while five of the remaining six drill holes did not intersect significant mineralization, but did intersect intense alteration typically associated with uranium mineralization. The Phoenix zone has now been tested over a strike length of one kilometre, and remains open along strike.

Drill hole WR-279, intersected 0.26 per cent U₃O₈ over 0.5 metre from a depth of 520.5 metres, in the basement, 117.0 metres below the unconformity, as well as graphite, which is considered important in the formation of Athabasca basin deposits. This intersection may be indicative of the potential for basement-hosted mineralization up or down-dip from this drill hole. Strong alteration and structure encountered in hole WR-280 may be indicative of nearby mineralization. Further drilling will be carried out in these areas.



All drill holes reported to date were drilled at minus-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. All results are now reported at a 0.05-per-cent U₃O₈ cut-off.

The Wheeler River property, which hosts the Phoenix discovery, is located in the Athabasca basin between the McArthur River and Key Lake operations. This discovery has many geological similarities to the McArthur River deposit but is at a shallower depth.

Fission Energy Corp. (FIS-TSXV): Waterbury Lake Drill Results – On September 21 Fission Energy and its joint venture partner, the KEPCO consortium, reported the completion of their summer exploration program at Waterbury Lake.

The summer drill program achieved the following:

1. It extended the continuity of the Discovery Bay zone farther to the west.
2. Fission has learned considerably more about the geometry of the Discovery Bay zone and Roughrider zone mineralization.
3. A greater understanding of a second "lower" zone, identified by previous drilling (see the Stockwatch news release dated Sept. 23, 2008), is emerging. This zone has undergone limited drill testing, but exhibits a high potential for significant uranium mineralization within the Discovery Bay area.
4. The Waterbury Lake property continues to exhibit significant characteristics for potentially hosting a high-grade uranium discovery.

Subsequent to the completion of Fission's summer exploration program, Hathor Exploration, in its Sept. 9, 2009, Stockwatch news release, announced the discovery of high-grade uranium mineralization in hole MWNE-09-170, located approximately 200 metres to the east of the Roughrider zone. This discovery hole appears to lie within an eastern extension of the east-west-trending corridor that hosts Fission's Discovery Bay zone. More importantly, it demonstrates the potential for multiple occurrences of high-grade uranium concentrations along this corridor. Fission is planning its winter 2009 and 2010 program, which is expected to continue to explore for high-grade uranium mineralization along the western extension of this corridor, in addition to other high-priority targets on the property.

2009 summer exploration program details

The 2009 summer exploration program included a property-wide 11,857-line-kilometre combined high-resolution airborne magnetic and radiometric survey, and a seven-hole drill program focused on the Discovery Bay area located adjacent to Hathor's Roughrider zone uranium discovery as well as a previously untested target area located 14 kilometres to the southwest of Discovery Bay. The drilling concluded on Aug. 25 and a total of 2,726 metres in seven holes, including five restarts, were completed.

Five holes (WAT09-055, 056, 059, 060B and 061A) were drilled within the Discovery Bay zone, targeting locations west and northwest along strike of Hathor Exploration's Roughrider zone uranium discovery step-out holes MWNE-09-116 (70.34 per cent U₃O₈ over 2.5 m within 13 m grading 18.12 per cent U₃O₈) and MWNE-09-129 (intersected five metres grading 15.65 per cent U₃O₈). The remaining two holes, WAT09-057 and 058, tested the "359 grid" target, located approximately nine kilometres southwest of the Denison-AREVA Midwest deposit.



All holes were radiometrically surveyed with a Mount Sopris 2PGA-1000 Gamma-SP probe. Drill core has been split and forwarded to the SRC Geoanalytical Laboratories in Saskatoon for analysis, which includes a 63-element ICP-OES, with uranium by fluorimetry (partial digestion) and boron. Assay results will be updated once they have been received. An updated map can be found on the company's website.

Discovery Bay zone

A total of 2,024.3 m was drilled in five completed holes. Although no high-grade uranium intervals were intersected, significant anomalous radioactivity intersected in holes WAT09-055, 056 and 061A, in association with alteration and faulting, appears to have confirmed the interpreted continuity approximately 110 metres to the west of MWNE-09-129. Furthermore, alteration, faulting and localized anomalous radioactivity encountered in holes WAT09-059 and WAT09-060B indicate the presence of a second "lower" zone in the Discovery Bay area.

Holes WAT09-055 and WAT09-056 targeted the potential westward extension of the Roughrider zone. Hole 055, drilled 85 metres west of MWNE-09-129, intersected a 3.3-metre-wide moderately radioactive interval with a maximum peak of 4,161 counts per second, in a strongly altered felsic gneiss from 224.55 m to 228.75 m. Hole 056 stepped out farther to the west and intersected a 3.4-metre-wide interval of anomalous radioactivity in extremely altered and clay-replaced rock, directly below the unconformity. The basement rock below the clay-altered interval consisted of relatively fresh and unaltered granitic gneiss. It is interpreted that the clay-altered section represents the southern boundary of the east-west-trending Discovery Bay structural corridor. Hole 056, the farthest step-out to the west of the Discovery Bay drill holes, shows strong alteration with associated radioactivity. This anomalous corridor is open to the west, and may be connected with the strong alteration found in Disco Bay as observed in hole WAT08-025, a further 200 metres to the west of hole 056.

In 2008, previous drilling in the Discovery Bay area identified an interpreted lower zone of intense alteration and anomalous radioactivity, which dips to the north. Holes WAT08-017 and WAT08-022C encountered several metres of anomalous radioactivity and elevated uranium within strongly altered gneiss (locally graphitic). This lower zone appeared somewhat detached and trending at a slightly oblique orientation and steeper dip from what was interpreted from Hathor's publically available results of the Roughrider zone. WAT09-059 targeted this interpreted lower zone approximately 30 metres east of hole 017 and intersected an interval of moderate to locally intensely altered and structurally disrupted garnet-biotite gneiss (locally graphitic) with several occurrences of a mafic intrusive dike from 307 m to 364 m downhole. An interval of anomalous radioactivity was encountered from 342.55 m to 345.35 m (maximum peak of 1,235 cps). WAT09-060B targeted this same lower zone between holes 017 and 059. An interval of similarly structurally disrupted and altered pegmatite-rich garnet gneiss (locally graphitic) rocks was intersected from 297 to 372 m and a corresponding interval of anomalous radioactivity was encountered from 339.55 to 342.35 m (maximum peak of 2,114 cps).

To date, the lower zone has been intersected in seven holes (WAT08-017, 021, 022C, 031 and 032, and most recently with WAT09-059 and 060B). It remains open on strike and at depth. Delineation of this zone and identifying potential high-grade mineralization will constitute an important part of future drill programs in Discovery Bay.

Hole WAT09-061A targeted the western extension of the "upper" zone as intersected in holes WAT09-055 and WAT08-016, approximately 15 m to the east of hole 055. The hole targeted the interpreted location where the upper and lower zones may possibly merge. Localized zones of intense clay alteration within the basal 20 metres of sandstone above the unconformity were intersected from 183 to 208 m. Basement rocks from 208 to 276 m downhole consisted of moderately to locally strongly altered and structurally disrupted alternating intervals of granitic gneiss, garnet-biotite gneiss (locally graphitic) and occurrences of mafic intrusive dikes. A 6.4-metre-wide interval of anomalous radioactivity from 219.25 to 225.65 m was encountered (maximum peak of 3,001 cps). The location of this zone of radioactivity



appears to correspond spatially with the upper zone and has characteristics of lithology and alteration with that of the lower zone.

359 grid

The 359 grid drill targets are located approximately nine kilometres to the southwest of the Denison-AREVA Midwest deposit, on the same interpreted prolific northeast-southwest structural trend which hosts several deposits including Midwest Lake, Midwest A and the Roughrider deposit. Holes WAT09-057 and WAT09-058 both tested a well-defined northeast-trending coincidental magnetic low and conductive area identified from the 2008 VTEM airborne survey and a resistivity low identified during the winter 2009 3-D IP survey. Neither hole intersected significant secondary alteration in the sandstone and basement rocks. The geophysics and surface geochemistry in the area are considered anomalous and the area will be re-evaluated with respect to identifying possible future drill targets.

While exploration at Fission's Waterbury Lake project remains focused on the ground adjacent to Hathor's Roughrider zone uranium discovery, the company continues to identify multiple new priority targets from continuing exploration on this large, strategically located property. The Waterbury Lake property is located in the northeast part of the Athabasca basin, where several open-pit uranium deposits, including Midwest Lake, McClean Lake and Rabbit Lake, are found. Fission is the operator of the Waterbury Lake project.

The Waterbury consortium has budgeted \$4-million for exploration in 2009.

Hathor Exploration Ltd. (HAT-TSXV): Discovers High-Grade Uranium Mineralization 200m from Roughrider Zone – On September 9 Hathor reported a new discovery of high-grade uranium mineralization approximately 200 metres to the east of the Roughrider zone on its 90-per-cent-owned Midwest NorthEast property.

This high-grade uranium mineralization has been identified in the discovery drill hole MWNE-09-170, the only hole to be drilled in this part of the property to date, which is located approximately 170 metres northeast of the alteration zone described in Hathor's news release of Aug. 5, 2009. The closest unconformity pierce points to the mineralization intersected in MWNE-09-170 are approximately 117 m to the west (DDH MWNE-09-135) and 135 m to the south (DDH MWNE-09-165). There are no drill holes to the east or north within a 350-metre proximity. This NQ-sized drill hole is collared on land approximately 250 m east of the Roughrider zone and was drilled at a dip of negative 70 degrees toward 335 degrees (approximately north-northwest).

Similar to the Roughrider zone, this uranium mineralization is also basement-hosted and shows very high-grade uranium mineralization within a large alteration system. For pictures of this high-grade uranium mineralization, visit Hathor's website.

Natural gamma radiation from drill core was measured in the field as counts per second (cps) using exploranium GR-110G gamma-ray scintillometer data (see table). Mineralization (greater than 500 cps) is initially intercepted at 272.5 m (core length) and is variably present until 333.3 m (estimated vertical depths of 256 and 312 metres respectively). Within this 60.8 m core-length interval, two zones of strong mineralization are noteworthy: 308 to 311.7 m and 325.5 to 329 m. Both of these intervals measure off-scale scintillometer radiation (greater than 9,999 cps) and contain dark black uranium mineralization, similar to high-grade uranium intersected in other drill holes within the Roughrider zone. In addition to these two intervals, smaller intersections of off-scale mineralization are present throughout the mineralized interval (for example, 299.3 to 299.5, 302.7 to 302.9, 306.5 to 307.0, 324.2 to 324.4, and 329.8 to 330.2 m).



Dr. Alistair McCready, Hathor's senior project geologist, said: "Finding what may be an eastern extension of the Roughrider zone, or perhaps a second, large high-grade zone, shows that we are executing the right decisions in the exploration of this robust, mineralized system. This new discovery could add very significant uranium resources at Midwest NorthEast."

In drill hole MWNE-09-170, the Athabasca sandstone from 165 m to 220 m is altered (strong bleaching, variable argillization and numerous clay-filled gouges and fault breccias). From 220 m to the unconformity, the sandstone is strongly altered (very strong bleaching, intense argillization and secondary hematitic alteration). The unconformity is located at a depth of approximately 234.35 m (estimated vertical depth of 220 m). The basement comprises variably clay-altered to clay-replaced Wollaston group rocks (pelitic gneisses and graphitic pelitic gneisses) and Hudsonian pegmatites and leucogranites. The alteration within the basement rocks extends from the unconformity to a depth of approximately 423 m core length (vertical depth of around 397 m). This alteration is comparable, if not larger, than that encountered within the main Roughrider zone.

Hathor Exploration Ltd. (HAT-TSXV): Midwest Update – On September 24 Hathor announced the completion of its summer exploration program at its 90-per-cent-owned Midwest Northeast property, Northern Saskatchewan. Fifty-six diamond drill holes have been completed for a total of 20,106 metres. A barge-based drill completed 20 holes for 6,724 m, a land-based drill rig at the Roughrider zone completed 20 holes for 8,056 m, and a land-based reconnaissance drill completed 16 holes for 5,326 m.

Highlights of the successes of the summer program include:

Discovery of a very important new zone of mineralization (intersected in drill hole MWNE-09-170) located on land and approximately 200 m east of the Roughrider zone. This mineralization could be an extension of the Roughrider zone or a second mineralized system within a larger alteration zone;

Identification of two new large zones of alteration, one of which hosts the new zone of mineralization;

The second zone of alteration, located around 1.5 km from the Roughrider zone, was discovered during the reconnaissance drill testing of a number of other targets on the property. This zone will be tested further in the upcoming winter exploration when drilling can be carried out on the ice;

Completion of two drill holes for metallurgical samples of higher grade uranium within the envelope of the Roughrider zone.

Out of the 20 barge-based drill holes completed, two were metallurgical drill holes and 18 were exploration drill holes. From these 18 drill holes, 13 intersected variable amounts of anomalous radioactivity (greater than 500 cps). While five did not intersect anomalous radioactivity, all five did intersect the alteration package/halo, thus the possibility of these drill holes being near-misses cannot be precluded. Two metallurgical drill holes completed by the barge-based drill rig will be used by Hathor's metallurgical consultants, Melis Engineering Ltd. from Saskatoon, to further evaluate the mineral processing characteristics of the Roughrider zone. Metallurgical results will be released in due course.

The land-based drill, located on the peninsula to the east of the Roughrider zone was utilized to complete 1) shallow-angled drill holes into the Main Roughrider zone, and 2) steeply dipping drill holes targeting the eastern extension of the Roughrider zone, collectively referred to as the Greater Roughrider zone. Out of the 20 drill holes completed in the Greater Roughrider zone, a total of seven intersected anomalous radioactivity (greater than 500 cps). Out of the remaining 13 drill holes, 10 drill holes intersected alteration within either the sandstone and/or basement rocks. The information gained from both of these drill rigs will be incorporated into Hathor's geological-structural-mineralization model of the Roughrider zone to plan the next winter drill program on the now enlarged Greater Roughrider zone.



The four westerly dipping drill holes (MWNE-09-132 through 135) were not drilled at an optimum angle to intersect mineralization but did provide geological evidence for interpreted northwesterly orientated faults.

The reconnaissance drill rig, in addition to identifying an alteration zone around 1.5 kilometres from the Roughrider zone, tested a number of targets around the property. While none of these intersected anomalous radioactivity, seven drill holes did intersect alteration within the sandstone and/or basement rocks. These results and the forthcoming whole rock geochemical analyses will be incorporated into Hathor's 3-D model and be used to further refine winter drill targets.

Mineralized samples will be analyzed for U₃O₈ at the Geoanalytical Laboratories of the Saskatchewan Research Council (SRC). The facilities used for the analysis operate in accordance with ISO/IEC 17025:2005 (CAN-P-4E). The samples were analyzed using ISO/IEC 17025:2005-accredited U₃O₈ method. Laboratory method quality control includes the insertion of certified reference materials applicable for the ranges of mineralization encountered. Repeat analyses will be performed on every 20th sample. Both mineralized and non-mineralized samples will also be analyzed for a suite of other elements including nickel, cobalt, copper and lead. These results will be released upon receipt of all results.

JNR Resources Inc. (JNN-TSXV): Airborne Survey Results on the Black Lake and Newnham Lake Projects – On September 19 JNR reported the interpretation of airborne geophysical surveys flown over its 100-per-cent-owned Black Lake and Newnham Lake uranium projects located in the Athabasca basin of Northern Saskatchewan. These results have been integrated with prior ground and/or airborne geophysical surveys to further define targets for drill testing.

At Black Lake, a 3,289-line-kilometre gravity gradiometer survey was flown in the fall of 2008. This survey provided additional geological information, both near surface and at depth, and defined new targets for drilling. Seven gravity targets having a range of characteristics common to Athabasca uranium deposits were identified.

During the spring of 2009, a 350-line-kilometre AirMT (ZTEM) test survey was flown over the southern part of the Black Lake property and better delineated the deeper EM conductors. Also completed was the reprocessing of the 2005 Megatem data by Condor Consulting, which defined five zones of interest in the central part of the property coinciding with the gravity anomalies.

At Newnham Lake a 4,243-line-kilometre gradient magnetic survey flown in the spring of 2008 identified a number of interesting magnetic settings and anomalies. This was followed up by a 1,547-line-kilometre high-resolution ZTEM survey. Seven initial zones of interest were selected on the basis of a favourable geophysical/geological correlation. Over the past four years, the company has carried out a number of exploration programs on the Black Lake and Newnham Lake projects, and advanced both to the drill-ready stage. To that end, the company plans to leverage its equity in these projects and is actively seeking partners to finance an extensive 2010 drilling campaign.

The Black Lake project consists of 41,783 hectares and is located along the north rim of the Athabasca basin, approximately 20 kilometres southeast of the town of Stony Rapids and along the all-weather road to that community. The property covers a 40-kilometre strike length of the Snowbird/Black Lake tectonic zone, a major transcrustal structural feature that represents the strike extension of the mineralized Virgin River shear (Centennial zone) located approximately 225 kilometres to the southwest.

The Newnham Lake project consists of 27,723 hectares and is located on the northeastern margin of the Athabasca basin, approximately 50 kilometres east of the historic Nisto uranium deposit. Historic work on the property identified a number of geological, geophysical and geochemical features typical of unconformity-type uranium deposits. Of particular interest are a number of conductive and structural



trends, most notably a broad 15-kilometre-long, east-northeast-trending conductor associated with a metasedimentary assemblage within the central portion of the property. This area is also characterized by a large number of surficial geochemical anomalies in lake sediments, peats and soils (up to 5,000 parts per million uranium).

Purepoint Uranium Group Inc. (PTU-TSXV): Project Status and Exploration Plans – On September 29 Purepoint provided the following overview of its current operations and exploration plans for the coming year.

"As 2008 closed, the exploration industry's five-year bull market came to a hard stop, and Purepoint announced its decision to dramatically reduce fieldwork and conserve cash until signs of improvement in the capital markets were apparent," said Chris Frostad, president and chief executive officer of Purepoint Uranium Group. "Now, as global economies begin to emerge from that severe recession, Purepoint remains well positioned as a unique opportunity in Canada's Athabasca basin uranium region."

Corporate highlights:

- Over a period of five years, during which the capital markets were providing the lowest cost of capital the exploration industry has seen in decades, Purepoint resolved to use its own capital to advance its early stage projects while maintaining a 100-per-cent ownership interest; deferring joint venture potential until higher value could be empirically demonstrated. As a result of that strategic decision, Purepoint is now the only remaining public exploration junior in the basin actively advancing a portfolio of 100-per-cent-owned, highly prospective uranium projects of proven value.
- Purepoint continues to closely monitor exploration developments in the basin and has recently staked a new block of promising properties within the basin's primary mine trend.
- Joint venture discussions with more than a dozen Asian-based companies have recently resumed, companies which were forced to suspend negotiations last year as global economies weakened.
- In anticipation of the pending Canada/India nuclear trade agreement, new discussions with several large Indian companies have recently commenced.
- Purepoint has now fully earned an initial 23 per cent in its Smart Lake joint venture with Cameco Corp. and can earn an additional 27 per cent by spending an additional \$1.9-million by March 31, 2013.
- Purepoint has now fully earned an initial 20 per cent in its Hook Lake joint venture with Cameco and Areva Resources Canada Ltd. and can earn an additional 30 per cent by spending an additional \$4.3-million by March 31, 2013.
- At the close of its last fiscal quarter (June 30, 2009), the company held a working capital balance in excess of \$2.8-million.

Exploration highlights:

- The company will resume drilling activities in the upcoming winter season, focusing its efforts on three high-priority projects, Red Willow, Smart Lake and Turnor Lake.
- Re-logging of drill core at Purepoint's Red Willow project has provided a more detailed interpretation of the mineralized structures within the Osprey zone (assaying as high as 3.03 per cent U3O8);



- At Purepoint's Smart Lake joint venture with Cameco, a radioactive structure, originally intersected by SMT08-01, was successfully traced for 50 metres during the last drill program, returned assays up to 0.19 per cent U₃O₈ over 0.1 metre, and is associated with the graphitic "Shearwater conductor" that has been outlined for over 1.4 kilometres.
- The most recent drill programs at the company's Turnor Lake project continued to show that anomalous uranium mineralization is spatially associated with the unconformity throughout the property. As previously reported, last year's single drill hole into the Serin Lake zone intersected an interpreted uplifted block of basement rocks, an important feature associated with many high-grade uranium deposits in the Athabasca basin.
- Purepoint was fortunate to have recently staked an additional 723 hectares in close proximity to its Henday Lake project. The entire Henday block now covers 1,752 hectares within the Athabasca basin's eastern uranium mine trend and is situated less than 10 kilometres from both Hathor's recently discovered Roughrider zone and Denison's Midwest uranium deposit.

Red Willow project

Last year, a 37-hole diamond drill program totalling 7,160 metres was completed on the Red Willow property, a large property containing more than 22 targets, each identified by multiple indicia of basin-type deposits. This drill program successfully followed up the 2007 Osprey zone discovery, discovered two additional radioactive structures within the Long Lake area and demonstrated the favourable prospectivity of the Radon Lake area (see announcement in Stockwatch dated June 11, 2008).

Drilling of the Osprey zone intersected a structure averaging 0.58 per cent U₃O₈ over one metre (RW-19) that included an interval assaying 3.03 per cent U₃O₈ over 0.1 metre. The RW-19 intercept is located approximately 80 metres north from the Osprey zone discovery hole RW-07, which returned 0.2 per cent eU₃O₈ over 5.8 metres in 2007. Hole RW-13 returned 0.27 per cent U₃O₈ over 1.2 metres that represents a 20-metre step-out south of RW-07. The 2008 Osprey drilling results indicate that significant uranium intercepts are related to a 40-to-50-metre-wide pyritic/graphitic shear zone. The prospective shear zone remains unexplored to depth and along most of its strike length.

First-pass drilling within the Long Lake area intersected a 1.6-metre radioactive structure in LL08-05 (including 269 parts per million U over 0.5 metre) and two narrow mineralized structures in LL08-07 (611 parts per million U and 237 parts per million U over 0.1 metre and 0.2 metre, respectively). Two of three eastern electromagnetic conductors drill tested in 2008 at Long Lake are now known to reflect altered, graphitic rocks. These two target areas represent 8.7 kilometres of prospective EM conductors.

At Radon Lake, the VTEM conductor trending southwest from the lake was explored systematically. Graphitic units were intersected and anomalous uranium results were returned from RAD-08-01, RAD-08-02, RAD-08-05, RAD-08-06 and RAD-08-09. Drill hole RAD08-09 provided the best uranium assay at Radon Lake, returning 283 parts per million U over 1.1 metres between 106.1 and 107.2 metres. Favourable alteration, including strong chlorite and hematization, was intersected in most holes. Spring conditions prevented drill testing the northern extension of the EM conductor.

The most recent drill program at Red Willow highlighted this property's uranium potential by returning anomalous uranium concentrations from all three areas drilled. Each of these areas require further drilling to evaluate their potential while numerous prospective geophysical targets have yet to be tested by diamond drilling.

Smart Lake project

The Smart Lake property is situated in the southwestern portion of the Athabasca basin, approximately 60 kilometres south of the former Cluff Lake mine. Depth to the unconformity is shallow, at zero to 350 metres. Aeromagnetic and electromagnetic patterns at Smart Lake reflect an extension of the unique



patterns underlying the Shea Creek deposits (maximum grade of 58.3 per cent U₃O₈ over 3.5 metres) just 55 kilometres north of the property. Recent exploration by Purepoint and Cameco has firmly established the presence and location of a number of basement electromagnetic conductors never drill tested.

Previously reported drill hole SMT08-01 (see announcement in Stockwatch dated Nov. 4, 2008) intersected a major structure between 222.5 and 276.5 metres (true width estimated at 20 metres) that displayed intense clay alteration, silicification and hematization. The weak radioactive structure was brecciated and healed with an overprinting of alteration styles suggesting multiple episodes of alteration. Three holes were drilled to follow up the favourable SMT08-01 structure and successfully intersected it 50 metres along strike. Drill hole SMT08-05 intersected the radioactive fault between 150.1 and 154.2 metres and returned up to 0.22 per cent eU₃O₈ over 0.2 metre. SMT08-06 returned 0.19 per cent U₃O₈ over 0.1 metre from a tension fracture associated with the SMT08-05 radioactive fault.

The newly discovered radioactive structure at Smart Lake is associated with graphite and the Shearwater conductor which will aid continuing exploration. The Shearwater conductor has been outlined over one kilometre by a ground EM survey and over 1.4 kilometres by an airborne EM survey.

Turnor Lake project

Situated in the eastern side of the Athabasca basin, the 100-per-cent-owned Turnor Lake project includes five claims with a total area of 9,705 hectares. Depth to the unconformity is shallow at approximately 180 metres.

The property covers known graphitic conductors that are associated with uranium showings on adjoining properties, namely Cameco's La Rocque showing (33.9 per cent U₃O₈ over 5.5 metres) to the west and Areva's HLH-50 intercept (5.2 per cent U₃O₈ over 0.38 metre) located to the south. The project lies in close proximity to several uranium deposits including Midwest Lake, McClean Lake, Eagle Point and Collins Bay.

In light of the favourable results returned throughout the life of this project, all conductors on the property continue to warrant further diamond drill testing, specifically those conductors within the Laysan and Serin target zones. Further drilling is required in the area between drill holes TL-30 and TL-31, and in the vicinity of TL-28, which returned results showing extensive clay alteration of the sandstone. Follow-up holes to further test the areas of anomalous halo mineralization are warranted including the vicinity of TL-39. Drilling will also be conducted to determine the source of the radon anomaly detected in the vicinity of drill holes TL-41 and TL-42.

Henday block

Purepoint's 100-per-cent-owned Henday block is situated within 10 kilometres of both Hathor's recently discovered Roughrider zone and the Midwest uranium deposit owned by Denison Mines Corp., Areva Resources Canada Inc. and OURD.

The Henday Lake property falls within the Mudjatik-Wollaston tectonic zone, a northeast-trending structural zone along the eastern margin of the basin. Over 95 per cent of known Canadian uranium deposits, and all operating uranium mines in Canada, are located on this trend. The Mudjatik-Wollaston tectonic zone is the northeast-trending high-strain tectonic zone marking the boundary between the Archean gneisses and granitoids of the Mudjatik domain to the west and Archean gneisses, metasediments and pegmatite intrusions of the Wollaston domain to the east.

The Henday block is 1,752 hectares in size, three times the size of Hathor's nearby Midwest northeast project, which hosts their Roughrider zone. Only one historic drill hole is known to have been drilled on



Purepoint's Henday property. That hole, drilled by Cogema Resources in 1998, encountered a steeply dipping, strongly graphitic fault gouge at the bottom of the hole.

Pitchstone Exploration Ltd. (PXP-TSXV): Drills Additional Mineralization at Gumboot – On September 9 Pitchstone provided an update on the 2009 summer drilling program on its 100-per-cent-owned Gumboot property. The summer program was completed in August with a total of 4,550 metres drilled. Gumboot is located in the eastern Athabasca basin, Saskatchewan, about 20 kilometres northwest of the Cigar Lake uranium deposit.

Drill holes completed this summer have continued to outline a zone of moderate-to-strong alteration and faulting with uranium, nickel and cobalt mineralization in proximity to the Athabasca unconformity. During the summer program individual samples containing up to 0.66 per cent U₃O₈, 11.10 per cent Ni and 0.57 per cent Co (over 0.3 metre in drill hole GB-10) were encountered. Other intersections from the summer include 14.1 metres of persistent base metal mineralization with anomalous uranium in GB-07D2 that averages 1.04 per cent Ni, 0.15 per cent Co and 0.01 per cent U₃O₈. Analytical data received to date are summarized in the attached table and a map illustrating the location of drill holes can be viewed at the company website.

Uranium, nickel and cobalt mineralization intersected in drill holes at Gumboot is located at or near the Athabasca unconformity, in both the sandstone (above the unconformity) and the basement (below the unconformity). The zone, similar to many Athabasca uranium deposits, is coincident with the intersection of the Athabasca unconformity and a graphitic layer in the basement rocks. Recent geophysical surveys and newly obtained drill core data have improved the geological interpretation, particularly the shape and orientation of the zone. The zone remains open along strike in both directions, and will continue to be aggressively explored during the winter drilling season.