

Athabasca Basin EXPLORATION UPDATE

May.1.2010

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Uranium
Group Inc.

	Mar 31, 2010	Apr 30, 2010	Change
Ux Consulting's Spot Price	US\$42.00/lb U ₃ O ₈	US\$41.75/lb U ₃ O ₈	US \$0.25
Ux Consulting's Term Price	US\$58.00/lb U ₃ O ₈	US\$58.00/lb U ₃ O ₈	unchanged

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For more information please contact:

Chris Frostad, President & CEO

Purepoint Uranium Group Inc.



Industry Commentary

By Chris Frostad

Cigar Lake Update

Last month Cameco released its latest technical report providing new figures relating to the progress at their Cigar Lake mine, a mine that holds nearly one third of Canada's uranium reserves.

The report states that operating costs at that mine are expected to average \$23 per pound over the life of the project; a significant jump from the \$14 estimated only 3 years ago. In addition, it seems that production may be ramping up slower than originally hoped.

To add additional fuel to the discussions of uranium supply, Cameco's CEO Jerry Grandey stated in New York last week that Russia would likely cease exports of uranium from decommissioned nuclear weapons when their supply deal runs out in 2013. Russia signed the 20-year highly-enriched uranium (HEU) deal in 1993 to sell the uranium through a consortium of companies, including Cameco. "We're increasingly convinced -- but skeptical -- that in 2013 the HEU deal will come to an end and that will remove 24 million pounds a year from the market," said Grandey.

Speaking of Russia

Russia's Prime Minister Vladimir Putin recently announced his country's plans to compete head to head with France, Japan and South Korea. Russia plans to raise its share of the growing global nuclear market for constructing and operating nuclear power plants to 25%.

"We should actively offer not just construction of nuclear power plants, but a combination of technical services and modernization of the existing plants" said Putin. "We may also undertake nuclear fuel supplies and utilization".

The country wasted no time by immediately announcing a deal to construct two new nuclear power plants in India with hopes of adding an additional 18. To sweeten the deal, the Russians offered India a joint venture position in one of the world's largest uranium projects; the Elkon field in Russia's Sakha Republic. This project is estimated to contain 344,000 tonnes of uranium, or 5.3% of the world's reserves.

One week later Russia signed a contract for the construction of the second stage of the Tianwan nuclear power plant in China. Then late last week, Russia announced its agreement with the International Atomic Energy Agency (IAEA) to create a uranium fuel bank to stockpile 120 tonnes of uranium - enough to load two nuclear reactors.



Russia's serious entry into the nuclear space will have to be watched closely in order to determine exactly how it will affect the speed of new reactors and the supply and demand for nuclear fuel.

Playing Politics - Niger, Mongolia, Russia, China

Last month foreign politics played an important role in the livelihood of a number of uranium companies.

Niger's new military rulers announced that it would be examining all of the countries mining contracts and immediately invalidating any that did not benefit the country; including those held by French nuclear energy group Areva. The new government (calling itself the Supreme Council for the Restoration of Democracy) stated that "If a signed convention in the extractive industry is not advantageous for our country, there is no question of accepting it".

In 2008, Cameco purchased an 11% stake in a Niger uranium company (GoviEx) for \$28 million with options to acquire up to 48% for between \$145 and \$212 million. No news has been released on the project since the initial purchase and it is unclear as to how these events will affect that investment.

Last year Paladin Energy also made an investment (albeit a small one) in a Niger joint venture with Australian company NGM Resources Limited. Neither company has yet commented on the situation in Niger.

The biggest player, of course is Areva who is developing the Imouraren uranium mine in the north of Niger. Due to begin producing in 2012 after initial investment of 1.2 billion euros, Imouraren is expected to be the biggest uranium mine in Africa with eventual production of 5,000 tonnes per year for 35 years.

Areva has operated Niger's two existing uranium mines, Cominak and Somair, since the 1970s.

This past weekend, Areva CEO Anne Lauvergeon reported that they had been assured by Niger's new government that their operating licence was safe and would not be put in question.

Although the review is supposed to affect only producing mines we will be watching a company called Global Atomic Fuels Corporation lead by past Denison Mines executive Stephen Roman. The company holds a significant portfolio of Niger uranium projects just heading into the feasibility, permitting and financing stages. More importantly, it is a privately held company that was scheduled to IPO this month. There is currently no news on how the events in Niger have affected the company's progress.

On a more insidious note are events that took place last week involving Canadian company Khan Resources, Russian State-owned miner Atomredmetzoloto (ARMZ), China National Nuclear Corporation (CNNC) and the government of Mongolia.



As you may know, Khan's primary asset is a 58% interest in the Dornod uranium project in Mongolia. Last year ARMZ launched a hostile bid for the company at a price of \$0.65 which was subsequently trumped by CNNC at \$0.96. Backing away from a bidding war, it appears that the Russian company turned its attention to the Mongolian government with the fruits of that attention becoming clear last week.

Khan received notice from the Mongolian Nuclear Energy Agency (NEA) stating that their mining and exploration licences had been invalidated. The invalidation was based on minor, year old violations which Khan asserts had been properly addressed.

On the heels of the cancelled permits, ARMZ announced that they would be developing the Dornod project in partnership with the Mongolian state-owned company KOO MonAtom.

Khan has stated that it intends to challenge the NEA's actions through all legally available means. In Khan's view, the actions by the NEA are a clear violation of Khan's rights and interests under the laws of Mongolia, and are in breach of Mongolia's obligations under international law. Khan and its legal counsel intend to "vigorously defend its rights and interests, and to pursue all available rights and remedies in the Canadian and Mongolian courts and, if necessary, in international arbitration."

Khan is definitely taking on some over-sized adversaries.

Kazakhstan Takes the Lead

It was reported earlier in April that Kazakhstan took the 2009 honors as the world's largest uranium producer, ousting Canada from its 17 year top spot.

In 2009 Kazakhstan produced nearly 28 percent of the world's nuclear fuel while Canada, now in second place, produced 20 percent. Global production rose 16 percent from 2008 with Kazakhstan accounting for 80 percent of the increase.

What's more, the country has been making good use of its new found nuclear popularity signing deals with Japan and South Korea while considering its options with Russia and India.

In early March a nuclear cooperation agreement was signed making possible a stable uranium supply from Kazakhstan to Japan and ensuring that material and related technologies could be transferred back for the peaceful use of nuclear energy. The Kazakh foreign minister stated that it intends to increase its share of the Japanese uranium market from the current 4 percent to 40 percent.

Two weeks ago, a similar agreement was announced between Kazakhstan and South Korea focused on developing an active partnership for the joint development of uranium mines and new reactor research.



Finally, it was reported in India that the country intends to heighten efforts to sell nuclear reactors to Kazakhstan, in direct competition with Russia. Russia currently sells Kazakhstan large VVER reactors while India is proposing the use of smaller, 220 MW pressurized heavy reactors. Kazakhstan's very close ties with Russia will undoubtedly play heavily on their decision.



Bayswater Uranium Corp.(BYU-TSXV) and CanAlaska Uranium Ltd. (CVV-TSXV): Drill Breccias at New Target at Collins Bay Extension - On April 19, CanAlaska released preliminary drill results from their Collins Bay extension project, a uranium property under option from Bayswater. The winter 2010 drilling at Collins Bay extension was stopped on April 10, but was able to test a uranium mineralized target on Fife Island, and then advance to a second, large, well-defined conductivity and gravity anomaly target located due east of the Collins Bay-Eagle Point mine area. In this last target, the company intersected a new geological feature with uranium mineralization and extensive breccia development.

Additional holes were not able to be completed, due to the conditions of the ice on Lake Wollaston.

Collins Bay Fife Island target

Four holes were drilled on Fife Island, for a total of 539 metres, to test the Vic zone. Three of the drill holes tested a historical drill intersection of 0.152 per cent U(3)O(8) over four metres, at a faulted contact of graphitic metapelite with Archean basement gneiss.

The first three drill holes targeted the approximate location of the historical intersections, as well as 20 metres above and below to test the continuity of this type of mineralization. Several mineralized zones were intersected, demonstrating that the mineralization is not restricted to a single point on this sheared contact (results can be seen in the table).

FIFE ISLAND DRILLING: MINERALIZED URANIUM INTERSECTIONS

Drill hole	Thickness	%eU	From	To	Max CPS
CBX001	0.35	0.03	78.45	78.80	1,700
CBX001	0.55	0.01	90.30	90.85	740
CBX001	0.70	0.01	97.80	98.50	590
CBX001	1.15	0.02	109.55	110.70	1,200
CBX002	0.25	0.02	81.65	81.90	750
CBX002	0.25	0.04	114.30	114.55	1,600
CBX002	0.55	0.07	115.45	116.00	3,740
CBX002	0.35	0.29	117.30	117.65	14,850
CBX002	0.55	0.09	119.60	120.15	5,040
CBX002	0.40	0.07	122.60	123.00	1,850
CBX003	0.35	0.01	67.80	68.15	770
CBX003	1.00	0.01	71.75	72.75	760
CBX003	0.90	0.03	113.65	114.55	1,700
CBX003	0.40	0.02	128.35	128.75	1,100
CBX006	0.35	0.01	238.60	238.95	895
CBX006	1.15	0.02	160.40	161.55	1,590

The fourth drill hole at Fife Island targeted another historical intersection in the vicinity, and along the same Archean-Aphebian geological contact. This drill hole showed strongly fractured



and favourable rock from top to bottom, but was lost at 89 metres depth. Downhole probing was not possible because of drilling problems.

The recovered core shows no anomalous radioactivity, but there was very poor core recovery in several sections, and further evaluation of this target is required.

Blue Island circular feature

The Blue Island target, which is lake covered, was identified from the versatile time domain electromagnetic (VTEM) airborne geophysical survey completed in 2007. In-house conversion of the survey data defined two large zones of very high conductivity in basement rocks, each 700 metres by 500 metres in area. These zones are located below conductive lake sediments, and straddle an east-west magnetic structural trend. Detailed gravity surveys across the target in January, 2010, confirmed a large gravity low associated with each conductive zone.

Drilling commenced on the Blue Island target in mid-March. However, the drilling contractor was unable to complete the first hole on this target, CBX005, and the hole was abandoned. A second drill contractor, Driftwood Diamond Drilling Ltd., was able to commence testing the target in early April, and completed the first of three planned holes, before having to leave the site due to warm weather conditions and failing ice.

The first drill hole into the target is located southwest of Blue Island on the western of the two circular geophysical anomalies (combined conductivity and gravity anomalies, each 500 metres to 700 metres in diameter). Drill hole CBX006 was completed in the western portion of the anomaly to a depth of 417 metres. The hole was located in 60 metres of water and penetrated 100 metres of glacial boulder till, and varved clay above the basement rocks.

There is strong evidence of an extensive disruptive geological event associated with the circular features from the basement rock cored in drill hole CBX006. The hole penetrated a very long section (257 metres) of heterolithic diatreme breccia, containing rafts of various Archean and possibly Archean metamorphic rocks, together with some granite and diorite. Most of the fragments in the breccia zone are rounded with the rocks in the larger rafts being sheared, chloritized and/or argillized. This brecciation continues to the end of the drill hole.

The overburden basement interface is marked by a three-metre zone of black silty clay, more massive than the varved clay, containing a rounded nodule and angular fragments of pyrite, together with some graphite. The exact depth of this black horizon is uncertain because of long sections of no recovery above and below it. The radiometric probing data shows a marked step-up of the radioactive background at the overburden-basement interface, which starts with a 1,590 cps (off-scale radioactivity) peak, which, from calibrated tests, corresponds to 1.15 metres at a grade 0.02 per cent equivalent uranium grades (eU)(1) (160.4 metres to 161.55 metres depth).

A second radioactive peak occurs lower down within the basement breccias. This peak of 895 cps on the calibrated probe corresponds to 0.35 metre at a grade of 0.01 per cent eU(1) (238.6 metres to 238.95 metres depth).



There are additional zones of high-background radioactivity corresponding to fault zones, with core loss, between 205 metres to 210 metres, and between 293 metres to 306 metres depth in the basement breccias. Most of these various radioactive peaks have been observed with the calibrated probe, but not on the core recovered. However, there are extensive zones of poor to no core recovery throughout the drill hole.

President Peter Dasler commented: "The Blue Island target is a large new feature in this area of the Athabasca basin, and we are pleasantly surprised by the amount of breccia intersected in the drill hole. Other areas of the Athabasca basin have circular structures associated with brecciation, alteration and uranium mineralization. This is a discrete target, and it is very encouraging the first drill hole has given us evidence of uranium mineralization associated with the breccias. This will be a priority for us to follow up, and work will continue on the target area over the summer."

Collins Bay extension further programs

An extensive ground geophysical Max-Min survey was completed over the Fife Island target during the winter program. This survey identified the strong conductive sedimentary package, which trends north-northeast in this area. Additionally, the geophysical surveys over the Blue Island target were matched by other gravity surveys in the Pow Bay area. Pow Bay is immediately upice of historical uranium mineralized boulder trains, and is thought to host the source of the mineralized boulders. These geophysical surveys will be used to design follow-up exploration on other targets in the area during the summer exploration season.

Canalaska Uranium Ltd. (CVV-TSXV): Reports Preliminary Cree East Project Drilling Results - On April 13 CanAlaska released preliminary information from the winter drill program at the Cree East project. The project is located in the southwestern region of the Athabasca basin in Saskatchewan. Exploration at the project is being financed by a consortium of Korean companies comprising Hanwha Corp., Korea Electric Power Corp., Korea Resources Corp. and SK Energy Co. Ltd., under a \$19-million option to acquire a 50-per-cent ownership interest in the project. The company recently received \$4.12-million in financing from the Korean consortium to support 2010 exploration. The Korean consortium presently holds a 40.6-per-cent ownership interest in the partnership, having contributed a total of \$12.6-million in investment financing.

In 2009, the Korean consortium planned for an enhanced 2010 exploration program of \$5.8-million, divided into winter and summer programs. Logistical considerations allowed four zones (zones A, D, G and I) to be targeted for 2010 winter drilling. Abnormally warm weather conditions only allowed for 14 drill holes to be completed in February and March, 2010, and priority was given based on accessibility.

Initial information from the winter drill program indicates four areas of basement faulting, hydrothermal alteration and radioactivity, consistent with Athabasca uranium deposit models. At the commencement of the program, 10 separate target zones had been defined by airborne and ground geophysics, along a five-kilometre trend. Locally, these features exhibited strong electromagnetic responses. The first test drilling in 2008 and 2009 yielded detailed hydrothermal



clays, anomalous geochemical response in the sandstone and local uranium mineralization associated with these systems. The latest winter 2010 drilling has strongly enhanced the potential for uranium mineralization at zones A, G and I.

The company is currently awaiting laboratory assay results from drill core zones with high radiometric counts, as well as the results of the trace element geochemistry for these and surrounding drill holes.

Based on the preliminary winter 2010 results, zone A warrants additional drilling in the summer of 2010 to precisely test the east-west structural trends, and the associated large fault uplifts (over 50 metres vertical). These fault zones are normally the location of uranium mineralization in typical Athabasca uranium mineralizing environments. Zones G and H are also planned for drill testing during the summer program. Due to their waterborne locations, zones C, D and the strong target developed at Zone I, will be scheduled for winter drilling in 2011.

Initial summary of drilling results

Of the four target zones which were drilled this winter (A, D, G and I), only zones A and D had been previously drill tested.

Zone G target

Zone G is associated with a broad, strong versatile time domain electromagnetic (VTEM) conductor, on which six historical (1981) drill holes located across the trend to the north demonstrated positive results. The 2010 drilling of zone G consisted of four new drill holes, which were designed to be part of a 1.4-kilometre-long fence running across the anomaly.

The most successful of the four drill holes is drill hole CRE043 at zone G. This hole exhibited several zones of strong fracturation and bleaching in the sandstone over 97.5 metres (from 231 metres to the unconformity at 328.5 metres). At this location, the basement rocks also gave indications of uranium mineralization at 402 metres (maximum of 2,224 counts per second on probe). This equates to a radiometric grade of 2.15 metres at 0.024 equivalent uranium (eU)(1). CRE043 also exhibited hematite alteration to 431 metres depth. This particular zone G location represents a priority target for follow-up summer 2010 drilling.

Zone I target

Zone I is located between two previously drilled areas, zones A and C. Both of these previously defined zones gave very positive results, with large clay alteration halos and anomalous uranium geochemical halos in previous drilling. The target at zone I is located near an important east-west offset, off the strong regional basement magnetic high, detected by the airborne geophysical survey. Drill holes CRE040 and CRE042 tested this target. The holes are 100 metres apart on a northwest-southeast fence. Each hole intercepted extensive broken and clay altered ground in the overlying sandstone. There are altered basement rocks in both holes, with drill hole CRE042 indicating a 10-metre basement offset at the unconformity. CRE040 intersected graphitic basement, which is typically a favourable host for uranium mineralization. The sandstone was strongly fractured and altered down to 120 metres. Uranium mineralization



occurs in drill hole CRE040, just above the unconformity (maximum of 5,068 counts per second (cps) on probe; equating to a radiometric grade of 0.75 metre at 0.093 per cent eU(1)).

Drill hole CRE042 at zone I shows the similar zones of fracturation and alteration (hematization, bleaching and desilicification), with rotated blocks in the overlying sandstone, caused by dissolution. This is similar to drill hole CRE040, but this drill hole did not intersect uranium mineralization. The area between these two drill holes and to the northwest will require additional drilling in winter 2011, to follow up the mineralization intersected in drill hole CRE040.

The drilling at zone D consisted of three new drill holes. It confirmed the location of a west-east 35-metre basement offset. The easternmost drill hole (CRE034) is strongly hematite altered to the end of the hole. This hematite alteration extends 120 metres into the basement, indicating the presence of strong hydrothermal alteration associated with the fault displacement. Downhole geophysics data suggest a conductive target northeast of this drill hole. This location will require winter conditions for further development.

Zone A target

Zone A showed the most promise for new discovery. Drilling in the winter of 2010 confirmed the general structural pattern to the deformation in the basement rocks, and emphasized the relative importance of each structure. A very large basement offset in excess of 50 metres (over 160 feet), along a significant east-west trend has been defined between drill holes CRE008, CRE016 and CRE018, and appears to be a very significant target.

The main geological features of interest within zone A are as follows:

- Two sets of fault directions:
 - northwest-southeast, parallel to a major magnetic lineament;
 - east-west or west-southwest-east-northeast with the larger offsets (60 to 70 metres).
- Two types of structural basement breccia:
 - Related to a quartzite-bearing silicate iron formation with abundant hematization and occasional uranium mineralization (in drill hole CRE035, analysis of the probe counts indicate 0.5 metre at 0.083 per cent eU(1));
 - Related to faulting in a graphitic-hematized, clay-altered calc-silicate-pelite assemblage (as seen in drill holes CRE008, 009, and 012) along the east-west structure.
- Strong brecciation in the overlying sandstone column in drill holes CRE001 and CRE002 suggesting the presence of a second east-west structure;
- Strong geochemical anomaly, and as indicated by results of downhole probing of CRE032, correspond to a radiometric grade of 40 parts per million (ppm) eU(1) in the sandstone. This zone is 40 metres above the unconformity, indicating a strong upflow from the mineralizing event.

After reviewing the preliminary winter 2010 drilling results from the project, president Peter Dasler commented, "The multiple targets, which were identified from the airborne surveys on the Cree East project, have now been narrowed to a series of interpretable geological features. These show all of the characteristics of typical Athabasca uranium deposits. The very large fault



displacements are likely to host the central portion of each of the postulated mineralizing events. The traces of uranium mineralization in the overlying sandstone, as well in basement drill intercepts, indicate uranium mineralization in the hydrothermal systems. It is very exciting that we now have enough detailed information of the targets to confidently drill test these central cores during the planned summer exploration program."

Denison Mines Corp. (DML-TSX): Winter Drill Program Continues to Expand Wheeler

River Phoenix Deposit - On April 26, Denison reported on the company's 2010 winter program at the Phoenix uranium deposit on the 60-per-cent-owned Wheeler River property has extended the strike length of the high-grade zone to over 250 metres and remains open in either direction.

In addition, the last two drill holes of the winter season, at the farthest northeast location tested to date, intersected the strongest sandstone and basement alteration yet observed at Phoenix. This intense alteration is similar to characteristics exhibited by other major deposits in the basin. In addition, these two holes intersected a silicified cap, which is a unique characteristic feature that overlies the mineralization at McArthur River.

Ron Hochstein, president and chief executive officer of Denison, commented: "We have very high expectations for the Phoenix deposit and the Wheeler River project because, as with any major discovery, there are multiple targets developing. Based on internal estimates, as presented in our Jan. 19, 2010, release, and publicly available information from all other deposits, Denison believes the Phoenix deposit is already, at this early stage, the sixth-largest deposit discovered to date in the Athabasca basin."

Winter 2010 results

Sixteen holes were drilled this winter, totalling 8,020 metres focusing primarily on Phoenix zone A. Initial probe equivalent results from the first seven drill holes were released in Stockwatch news on March 16, 2010. Assay results have been received from two of these holes, which validated the probe results and returned significantly higher GTs (grade-thicknesses). WR-299 assayed 12.54 per cent U₃O₈ over 5.5 metres and WR-300 assayed 33.60 per cent U₃O₈ over 3.5 metres as compared with the initial probe results of 8.88 per cent eU₃O₈ over 3.7 metres and 30.19 per cent eU₃O₈ over 2.5 metres, respectively. The assay results are at a cut-off grade of 0.05 per cent U₃O₈, whereas the probe results are at a cut-off grade of 1.0 per cent eU₃O₈.



Additional results from the remaining nine drill holes of the 2010 winter program continued to identify high-grade uranium mineralization (see table).

2010 WINTER PROGRAM RESULTS

Hole	Interval		Probe grade (m)	Grade (% eU3O8)	Grade thickness (m -- % eU3O8)
	From (m)	To (m)			
WR-303	414.3	414.4	0.1	0.01	0.001
WR-304	402.6	402.7	0.1	0.01	0.001
WR-305	403.6	406.6	3.0	29.57	88.71
WR-306	407.5	411.5	4.0	44.00	176.0
WR-307	406.7	406.8	0.1	0.01	0.001
WR-308	404.5	405.4	0.9	2.37	2.13
WR-309A	401.0	401.1	0.1	0.01	0.001
WR-310	406.5	406.6	0.1	0.01	0.001
WR-311	404.0	406.4	2.4	12.31	29.54

The last two holes of the season (WR-309 and WR-309A) were drilled 50 metres northeast of the last drill-tested fence on the Phoenix trend. In both holes, the extent and intensity of the alteration affecting the sandstone column are the strongest encountered to date on the property, including all of the holes directly over the Phoenix deposit. WR-309 was lost in a strongly silicified cap (not previously identified) extending upward over 100 metres in the sandstone above the unconformity. WR-309A, while completed to the unconformity, successfully penetrated the cap and appears to have overshot the optimum target. These results provide initial indications of another potential zone of mineralization. This is an exciting new development and will be one of the priorities of the summer drill program, which is expected to commence in June.

In addition to the drilling, a ground electromagnetic geophysical survey was carried out. Results of this work, together with prior DC resistivity surveys, have identified anomalies, both within and removed from Phoenix, which will be tested as part of future drill programs.

The Phoenix deposit is located on the Wheeler River property which is located between the McArthur River mine and Key Lake mill complex. Denison is the operator and holds a 60-per-cent interest in the Wheeler River Property. Cameco Corp. holds a 30-per-cent interest and JCU (Canada) Exploration Company Ltd. holds the remaining 10-per-cent interest.

ESO Uranium Corp. (ESO-TSXV) and Forum Uranium Corp. (FDC-TSXV): Stake New Uranium Target in the Paterson Lake South Joint Venture Area – On April 12, ESO announced the completion of a detailed airborne geophysical survey on the joint venture claims held 50-50 with Fission in the Patterson Lake South area, southwestern Athabasca basin in October, 2009. Staking of a new uranium target has been completed.

The results indicate a strong, 900-metre-long train of radioactive boulders extending southward off the original 12,500-hectare (30,800-acre) claim block. The boulder train runs south from a



coincident radon soils anomaly (identified in earlier work completed by CanOxy Petroleum Ltd.) that is centred over an extension of the Patterson conductor corridor that appears to have been disrupted by crosscutting structures.

Additional ground has just been staked to cover this area following the gazetting of the opening of Crown reserve land for staking on April 1, 2010. This allowed the new staking, which has added approximately 1,004 hectares (2,480 acres) to the joint venture claim block.

This most recent airborne survey covered targets selected from earlier airborne and ground surveys, which identified a corridor of conductors extending from the south-southwest-trending Patterson corridor on the adjacent Purepoint Uranium Inc.-Cameco joint venture claims. State-of-the-art radiometric and high-resolution aeromagnetic surveys were flown on a 50-metre line spacing, with an average magnetometer sensor altitude of 17 metres, by Special Projects Inc., of Calgary, Alta.

The radiometric anomaly that extends south of the original claim boundary is flanked by three lake sediment samples with anomalous pathfinder minerals that are typical of Athabasca basin uranium deposit associations; significant cobalt, nickel and arsenic values (up to 35, 77 and 12 parts per million, respectively), and modest uranium values (up to 3.5 parts per million), are reported in work completed by Geological Survey of Canada (1976). This suggests a source in bedrock close to the surface. The area of interest is probably outside the cover of the Athabasca sediments and in an area where a shallow (zero to 150 metres) cover of Prairie sedimentary basin rocks on laps the Archaean basement rocks.

Potential targets here are a shallow Roughrider-zone-type (McMahon Lake) deposit, which is a high-grade, basement-hosted uranium source or a rollfront-type deposit in permeable sandstones of the Prairie sedimentary package. Further work will be planned following compilation of the data and full review of the results. The area is accessible by road as the property is intersected by all-weather Highway 955, which runs north to the Cluff Lake mine, a former producer (more than 60 million pounds of U3O8), and passes through the area of the UEX-Areva Shea Creek discoveries, currently being developed to the south of Cluff Lake.

Forum Uranium Corp. (FDC-TSXV): Drills Promising Results at the Key Lake Road Project

- On April 26, Forum released results from the recently completed winter drill program on its 100-per-cent-owned Key Lake Road project. A total of 10 holes were completed for 1,773 metres. TED-01, the first hole, intersected 8.3 m of a fault zone from 102.9 m to 111.2 m, with sheared graphitic-pelitic gneiss, strong fault gouges and breccias. Anomalous uranium mineralization was encountered over a 5.5 m interval with intersections of 40 centimetres of 139 parts per million (ppm) uranium and 20 cm of 553 ppm U.

This graphitic fault zone extends approximately six kilometres east and west, as defined by an EM geophysical survey, but only 400 m of strike length was tested by the 2010 drill program. The section that was drilled exhibited sections of massive graphite with strong sericite, chlorite and local brick-red hydrothermal hematite with minor uranium and associated metals.



The discovery of this graphitic and altered fault zone is very important as most of the uranium deposits in the Athabasca basin are associated with a graphitic fault zone. The company plans on reassessing this area for a future drill program. A total of eight holes were drilled on this section of the property, investigating two gravity lows along the EM conductor.

GEOCHEMISTRY OF SELECTED ELEMENTS FROM TED-01

Hole No.	Depth (m)	Sample thickness (m)	U (ppm)	Cu (ppm)	Ni (ppm)	Pb (ppm)
TED-01	103.7-104.1	0.4	139	90	118	11
TED-01	106.4-106.6	0.2	553	715	102	58
TED-01	109.0-109.2	0.2	80	59	32	25

Two holes were completed in a second drill area (Costco-2) located approximately five km northeast of the Costco-3 grid. A total of six holes were planned for this area, but poor ice conditions limited the drilling to land-based holes, targeting a combination of a large gravity low (1.6 km by 300 km) and EM conductors. Both holes encountered only unaltered pelitic gneisses, but tested very little of the 1.6 km of the gravity low.

Six holes on the Highrock project were also scheduled to be drilled, but warm weather in March caused the lake to start melting and the program had to be abandoned early. The company intends to drill the Highrock project in winter of 2011.

Fission Energy Corp. (FIS-TSXV): Vertical Step Outs Intersect 18m of 1.32% U3O8 and 8.5% of 1.92% U3O8 at J-Zone - On April 28, Fission and its joint venture partner, the KEPCO consortium, released J zone assay results for five previously completed vertical oriented step-out drill holes at WAT10-073, 074, 075, 076A and 077. Four of the five holes encountered mineralization at the unconformity with hole WAT10-073 intersecting 18.0 metres grading 1.32 per cent uranium oxide (197.0 m to 215.0 m), including two intercepts of two metres at 3.35 per cent U3O8 (198.5 m to 200.5 m) and 3.23 per cent U3O8 (208.0 m to 210.0 m) and one intercept grading 2.49 per cent U3O8 over 1.50 m (212.0 m to 213.5 m). In addition, hole WAT10-077 intersected 8.50 m grading 1.92 per cent U3O8 (204.0 m to 212.5 m), including four metres at 3.56 per cent U3O8 (206.5 m to 210.5 m).

All drill intersections are associated with a broad continuous zone of alteration extending from several metres above the unconformity to greater than 25 m below the unconformity, with mineralization occurring within this altered system. Over all, these vertical step-out drill holes have demonstrated continuity of high-grade mineralization and exceptional widths trending to the west of discovery hole WAT10-063A. Most notably, hole WAT10-073 has identified the widest continuous high-grade mineralized intersection from assays received to date. Assays are pending on the remaining 11 drill holes, which further extended the J zone's east-west-trending mineralized strike length to approximately 90 m and 50 m wide, north-south, at the time the winter 2010 drill program was completed. The J zone remains open laterally along strike and width. In addition, assays are pending on nine other regional drill holes, including WAT10-062, 078, 080, 082, 084, 086, 088, 090 and 092.



All intersections are downhole, core interval measurements and true thickness is yet to be determined. Given that the mineralization thus far encountered appears to be almost flat-lying, drill intercepts reported herein are approximately true thickness.

Hathor Exploration Ltd. (HAT-TSXV): Summer Exploration Gearing up at Russell Lake –

On April 19, Hathor announced plans for summer exploration on its Russell Lake project in the Athabasca basin, Saskatchewan.

Property ownership

The Russell Lake project covers the Russell Lake and South Russell properties. Combined, the properties cover approximately 71,670 hectares in one contiguous block of 23 claims.

Hathor controls 100 per cent of the Russell Lake property (45,742 ha), following the successful acquisition of Northern Continental Resources (see Stockwatch news release dated Nov. 23, 2010). The South Russell property is owned 90 per cent by Hathor, with a cumulative 10-per cent interest held by two parties, and carried to completion of a feasibility study.

Location

There is excellent infrastructure and proven world-class uranium endowment in the Russell Lake area. The south end of the property is 15 kilometres northeast of the Key Lake mine/mill complex. The northern end is 12 km southeast of the McArthur River mine. The recent discovery by Denison Mines at Wheeler River (the Phoenix deposit) is on the immediate west-central boundary of the property.

The McArthur River/Key Lake haul road runs along the western margin of the property.

Geologic setting and exploration history

The property is within the Wollaston-Mudjatic magnetic low-transition zone, the fertile eastern corridor of the Athabasca basin where 100 per cent of current uranium production occurs. This corridor, with the exception of the Russell Lake project area, is perhaps the most extensively explored area in the Athabasca basin during the past 20 years. Depth to the unconformity is variable across the large land package and up to a maximum of 400 metres.

Recent exploration on the Russell Lake property itself includes airborne geophysical surveys between 2004 and 2007, including a 3,421-line-kilometre Bell full tensor gradiometry survey (airborne gravity), a 6,946-line-kilometre high-resolution airborne magnetic survey, and 5,407 line kilometres of airborne EM surveys on three different blocks. Ground-based geophysical surveys were done between 2007 and 2009, including EM, resistivity and gravity. Seismic surveys were also completed between 2005 and 2008 to help delineate major structures. There were eight holes drilled in 2007, and 27 holes completed in the 2009 winter season on seven different targets. Alteration and trace element geochemical anomalies were identified but are yet to be followed up.



Exploration targeting for summer 2010

The lack of drilling on the Russell Lake properties, compared to surrounding properties, underscores the mineral potential that is yet to be fully tested. Hathor has formed an exploration team to systematically evaluate the property. The team will focus exclusively on Russell Lake and be independent of the Midwest Northeast project.

Work this spring will include: a full compilation and synthesis of all available exploration data with regional, publically available geological maps and surveys; recent geophysical surveys will be reprocessed and reinterpreted; recent drill core will be relogged. Exploration targets will be identified and prioritized based on this work. Targeted ground geophysics will be considered for this summer or next winter. Drilling is anticipated for the fall, once all targeting work is complete. Permitting, logistics planning and public consultation for this planned work has been initiated.

Hathor Exploration Ltd. (HAT-TSXV): Intersects 22.5% U3O8 Over 12m at Roughrider East

– On April 27, Hathor released more high-grade uranium assays from the first 15 drill holes completed at Roughrider East during the recent 2010 winter drill program on its Midwest Northeast project. Highlights include:

- MWNE-10-602A: 6.29 per cent U3O8 over five metres, starting at 260.5 metres depth;
- MWNE-10-604A: 9.15 per cent U3O8 over eight metres, starting at 289.0 metres depth;
- MWNE-10-608: 5.34 per cent U3O8 over 15.5 metres, starting at 293.5 metres depth;
- MWNE-10-609: 3.65 per cent U3O8 over 25.5 metres, starting at 294.5 metres depth;
- MWNE-10-610: 22.5 per cent U3O8 over 12.0 metres, starting at 286.0 metres depth;
- MWNE-10-612: 11.75 per cent U3O8 over 19.0 metres, starting at 311.0 metres depth;
- MWNE-10-613: 1.25 per cent U3O8 over 16.0 metres, starting at 293.0 metres depth.

The fence with drill holes 10-610 to 10-615 also contained drill hole 10-607 that intersected 81.5 metres of 1.6 per cent U3O8, including 13.5 metres of 6.1 per cent U3O8 (see the company's news release in Stockwatch dated March 3, 2010). This fence, fence 25W, is located 25 metres to the west of the Roughrider East discovery drill hole, 09-170, which intersected 28 metres of 12.8 per cent U3O8 (see the company's news release in Stockwatch dated Nov. 12, 2009).

Geochemical data have yet to be received for one other hole on the fence 25W, drill hole MWNE-10-615, which contained 23 metres of anomalous radioactivity within an 81-metre zone of continuously altered rock (see the company's news release in Stockwatch dated March 3, 2010).

Previously released detailed core photographs of uranium mineralization for drill holes 10-608, 10-609, 10-610 and 10-612 reported above are available on the company's website.

Preliminary scintillometer and geological data from the 15 holes reported herein were released as reported in Stockwatch news on Feb. 25, March 3 and March 5, 2010. The table provides complete geochemical assay composites for all mineralized holes in the drill hole series 10-600C to 10-613. Drill holes MWNE-10-601, MWNE-10-605, MWNE-10-606 and MWNE-10-614 did not contain any anomalous radioactivity.



Assays have yet to be received for 61 of the 77 holes completed during the 2010 winter program. Planning for the upcoming summer drill season will be finalized once all data are received and interpreted.

Terra Ventures owns a 10-per-cent interest, carried until a decision is made to go to production, in the Midwest Northeast property.

JNR Resources Inc. (JNN-TSXV): Announces Results of Airborne Surveys on the Snowbird-South Dufferin Projects – On April 7, JNR as operator, finalized the interpretation of an airborne geophysical survey flown over JNR's 100-per-cent-owned Snowbird project (six claims, 25,192 hectares) and 34-per-cent-owned South Dufferin joint venture (two claims, 8,240 hectares) with Denison Mines. The results of the airborne survey have been integrated with prior ground and airborne geophysical programs further to define targets for drill testing.

At the Snowbird and South Dufferin projects, a 1,323-line-kilometre helicopter borne Z-Axis Tipper electromagnetic-aeromagnetic survey was flown in the late fall over the properties in their entirety. This program was successful in better delineating EM conductors and the structural setting of the property identified by previous geophysical surveys. Four zones of interest were outlined over the Snowbird property, with an additional two zones identified on the South Dufferin claims. These zones of interest lie along extensive corridors of well-defined structurally disrupted basement conductors. The corridors are typically two to 10 kilometres in strike length. The property is now at a drill-ready stage with numerous high-priority targets identified.

The Snowbird and South Dufferin project areas are contiguous and straddle the southern edge of the Athabasca basin directly along the Snowbird tectonic zone, a major transcrustal structural feature that represents the southwest strike extension of the Virgin River shear, which hosts Cameco's Centennial zone. The Snowbird-South Dufferin projects lie 20 to 25 kilometres along strike of the Centennial zone, where mineralized intercepts up to 8.73 per cent U₃O₈ over 33.9 metres have been intersected over a minimum strike length of 650 metres. Neither the Snowbird property nor the South Dufferin property has been drill tested either by JNR, or any other company. JNR is in the process of earning a 49-per-cent interest in the project.

JNR Resources Inc. (JNN-TSXV): Announces Completion of 2010 Drilling Program at Way Lake – On April 20, JNR announced the completion of a winter diamond drilling program on the company's 100-per-cent-owned Way Lake uranium project, located 55 kilometres east of the Key Lake uranium mine in the Athabasca basin of Northern Saskatchewan. Anomalous radioactivity and key geological features associated with basement-hosted uranium mineralization were intersected by a significant proportion of the holes drilled during the winter program.

The drilling program comprised 2,773 metres in 14 holes and focused on following up JNR's previous drilling and exploration of the Fraser Lakes B zones. These mineralized zones are contained within a five-kilometre-long interval of a folded electromagnetic (EM) conductor system with a total length of 65 kilometres and comprised Wollaston group graphitic pelitic



gneisses and uraniferous granitic pegmatites. The mineralized zones were discovered by ground prospecting of airborne geophysical targets during the summer of 2008.

The B zone showings occur within an anti-formal fold nose of the EM conductor. Of the 70 grab samples taken from individual mineralized outcrop sites, 70 per cent returned assays ranging from 0.03 to 0.457 per cent U₃O₈. Multiple intervals of uranium and/or thorium mineralization were intersected in many of the 18 drill holes completed in 2008 and 2009. The mineralization is accompanied by rare earth element enrichment and highly anomalous levels of pathfinder elements.

Anomalous radioactivity was intersected in the majority of holes drilled during the 2010 winter program. The radioactivity was accompanied by significantly disrupted and locally clay-altered Wollaston group graphitic pelitic gneisses (plus or minus sulphides) and granitic pegmatites. The drilling has also provided compelling evidence for the presence of major east-west and north-south structural corridors that intersect the main northeast-trending EM conductors. Similar structural and geological settings are required for the formation of major basement-hosted unconformity-type uranium deposits. In addition, preliminary analysis of the results from PIMA infrared spectroscopy has indicated a preponderance of illite in a major clay-filled fault system that was intersected in holes WYL-10-53 and 55. Illite is an important clay mineral that accompanies many of the significant uranium deposits in the Athabasca basin.

Purepoint Uranium Group Inc. (PTU-TSXV): Completes Drill Program on Osprey Conductor at Red Willow Project – On April 7, Purepoint announced the conclusion of its 20-hole, 3,290-metre drilling program at its wholly owned Red Willow project in Saskatchewan, Canada's Athabasca basin. As follow-up to the company's initial high-grade uranium discoveries, the program was designed to systematically test the entire Osprey zone, a structurally complex six-kilometre conductor, with the objective of isolating potential uranium occurrences and understanding the geology of the area as a whole. Assays are pending.

This program has successfully determined that the entire central portion of the S-shaped conductor (1.2 kilometres in length) has been subjected to a large-scale uranium mineralizing event and possesses the classic indicators of a potential uranium deposit. "This winter's drill program has shown that radioactivity is found throughout the central portion of the Osprey conductor," said Scott Frostad, vice-president exploration at Purepoint. "Our next stage of drilling here will follow up the newly discovered 'Hinge fault' and other locations where crosscutting structures may have trapped the uranium-rich fluids."

Highlights:

- Most of the 14 shallow drill holes along the centre arm of the S-shaped Osprey conductor (1.2 km in length), from RW-19 (3 per cent U₃O₈) to the west, to the nose of the fold toward the east, encountered elevated radioactivity (greater than 1,000 cps) associated with favourable alteration and structure.



- RW-35 and RW-40 tested the centre arm of the Osprey conductor near RW-07 and returned the maximum downhole gamma results of the program with 23,251 cps and 20,240 cps, respectively.
- RW-28, RW-29 and RW-41, drilled at the nose of the fold, encountered the strongest clay alteration seen on the property to date and also intersected a vertical radioactive structure (Hinge fault) that returned up to 2,130 cps.
- RW-30, drilled on the west shore of Linda Lake approximately 350 metres east of the fold nose, encountered a 22-metre-wide zone of elevated radioactivity (up to 645 cps) associated with strong silicification.

A fence of three holes, RW-28, 29 and 41, tested the nose of the fold and were all drilled to the east at minus-65 degrees and were approximately 50 metres apart. All three holes encountered zones of strong clay alteration and silicification. RW-29 and RW-41 intersected a radioactive fault zone, now named the Hinge fault, associated with strong chlorite and hematite alteration, and returned maximum downhole gamma results of 1,892 cps and 2,134 cps, respectively. RW-29 intersected the radioactive fault zone between 72.5 and 77.5 metres while RW-41 intersected the fault between 157.7 and 161.0 metres. The strike of the Hinge fault is currently unknown and untested. Where that fault intersects the central portion of the Osprey conductor represents an important uranium target.

An EM conductor, approximately 700 metres in length, is seen to crosscut the Osprey conductor near RW-07, representing another important target zone. Unfortunately, poor ice conditions this winter did not allow the conductor to be tested where it extends beneath Osprey Lake.

Red Willow

The Red Willow property consists of eight claims on the eastern edge of the Athabasca basin. The thickness of the Athabasca sandstone varies from zero to 80 metres and the basement rocks consist of intensely deformed and metamorphosed sedimentary, volcanic and plutonic rocks trending northeast to southwest. Five major uranium deposits, JEB, Midwest, Cigar Lake, McArthur River and Millennium, are located along a northeast to southwest mine trend that extends through the Red Willow project.

To date only four of the projects 22 delineated target zones have been subject to first pass drilling.

The Red Willow property adjoins Areva Resource Canada Inc.'s claim group that contains the JEB, Sue, McClean and Caribou deposits to the west, and to the south adjoins UEX's Hidden Bay property that surrounds Cameco Corporation's Rabbit Lake, Collins Bay and Eagle Point deposits.



Purepoint Uranium Group Inc. (PTU-TSXV): Commences Airborne Survey at Henday

Block Project - Purepoint announced on April 15 that it had initiated an airborne electromagnetic survey of its 100-per-cent-owned Henday block project in the Athabasca basin in Saskatchewan, Canada. The primary claims are located nine kilometres northwest of Areva's Midwest Lake deposit (41 million pounds of U₃O₈) and are on trend with an interpreted east-west alteration corridor that hosts neighbouring Fission Corp's new J zone as well as Hathor Exploration Limited's Roughrider deposit and its newly discovered Roughrider East zone.

The detailed helicopter-borne VTEM survey to be carried out by Geotech Ltd. will provide updated magnetic and electromagnetic data of the entire Henday block project.

Henday block

The 100-per-cent-owned Henday block property is 1,752 hectares in size. Historic data provide evidence that an electromagnetic conductor stretches east-west across the primary claims and is associated with a favourable magnetic low.

Only one drill hole is known to have been drilled on Purepoint's Henday property. Hole HLH8-71, drilled by Cogema Resources in 1998, encountered graphitic fault gouge at the bottom of the hole. The depth to basement is locally less than 350 metres.