

Athabasca Basin EXPLORATION UPDATE

July.1.2010

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Uranium
Group Inc.

	May 31, 2010	June 30, 2010	Change
Ux Consulting's Spot Price	US\$40.75/lb U ₃ O ₈	US\$41.75/lb U ₃ O ₈	US \$1.00
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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Industry Commentary

By Chris Frostad

The China Factor

The significance of China in the ongoing demand for nuclear power is commonly accepted, however, the extent to which it dwarfs other nuclear users is not always appreciated. Last year China's overall power consumption increased by nearly 6% and in 2010 it is expected to grow by an additional 9%. When you are already the second largest power user in the world (behind the US) these numbers become quite significant.

According to the World Nuclear Association's May numbers, of the 54 reactors currently under construction, 23 (or 42%) are in China.....the only country in the double digits. Over the next decade, China is expected to spend more than US \$146 billion on nuclear energy.

The two primary players in China are state owned companies China National Nuclear Corp. (CNNC) and China Guangdong Nuclear Power Holding Corporation (CGNPC). These two mammoths operate most of the country's atomic power plants and manage broad aspects of the country's participation in the global nuclear industry.

Prompted by China's intention to compete for nuclear power and uranium resources abroad, CNNC announced in March that it may sell shares publically to fund overseas projects as demand for their services and products increase.

Two of the current construction projects in China are third-generation reactors built in partnership with AREVA of France. These reactors are set to be complete in 2013/2014 and are being watched closely as they represent the next level of nuclear technology being deployed in the country. Third-generation reactors are larger, sturdier and more fuel efficient and are a crucial element of China's ambitious nuclear expansion plans.

Early last month, China announced that it was in talks with Russia and France on possible cooperation to build fourth-generation nuclear reactors. It is China's intention to start building such reactors as early as 2013 with plans to master the technology by 2020. This next generation of reactors should prove to be even more fuel efficient thereby producing minimal radioactive waste.

Last year CGNPC purchased a controlling stake in Australia's Energy Metals Ltd. with nine projects in Northern and Western Australia. On top of this, last week CGNPC reported that they intend to purchase 340 million pounds of uranium abroad providing the company with enough fuel to support 40 generator units of a million kilowatt for a period of 26 years.

The Chinese represent a powerful indicator as to the direction of the nuclear industry and if want to keep an eye where the Chinese are heading you need only load "CNNC" and "CGNPC" into your Google alerts.



Canada's Opportunity Lost

Last month, Ms. Denise Carpenter, President and CEO of the Canadian Nuclear Association (CNA) unveiled the association's vision for Canada's nuclear industry - a vision focused on "seizing the opportunities being presented by a global nuclear renaissance". Sadly, the CNA's vision is 10 years too late as Canada has slowly and quietly dismantled its once unquestioned position as a global nuclear technology leader.

In support of this vision, Ms. Carpenter recounts the country's many achievements in CANDU technology, power generation, nuclear medicine, uranium mining and R&D. The achievements she points to, however, are successes of our country's history and in more recent years are merely symbols of our indecision or worse, our failures.

As has been clearly demonstrated by South Korea, China, France, Japan and Russia, if one is to compete in the nuclear industry it requires the full, proactive support and clout of that country's government. This is no longer simply about who can create the best technology, it is about; who can negotiate and clear the political mine field of nuclear trade issues; who can withstand the mammoth liability issues associated with operating nuclear reactors abroad; who can finance the construction and operation of a nuclear reactor; who can oversee the acquisition, transport, processing and enrichment of nuclear fuel?

Last December Canada's federal government invited companies to indicate their interest in purchasing the Atomic Energy of Canada Ltd.'s (AECL) CANDU reactor division and then in February announced plans to restructure AECL - not the signal of a country positioning itself to take advantage of a nuclear renaissance. In more recent months, the government introduced a bill which would allow the sale and made it clear that it was looking to unload its entire stake in the unit.

Critics have cried "fire sale" and "brain drain" and have compared these moves to the demise of the Avro Arrow. The fact is, though, that Canada has coasted for too many years simply on the fact that our involvement in this industry can be traced to the dawn of the nuclear age. Successive governments have never properly embraced the real value of AECL to Canada and Canadians and have allowed it to fade to its current state.

While other countries announce their progressive successes in advancing their nuclear power capabilities, Canadians must watch AECL's:

- ongoing budget problems and lack of new revenues;
- inability to resolve the problems at Chalk Lake which have left the world with a shortage of medical isotopes; and
- reactor refurbishment in New Brunswick that is grossly over budget, 19 months behind schedule and is costing that Province hundreds of millions of dollars in replacement power.

It is no longer a question as to how Canada will be involved in a global nuclear industry and all the new "visions" and "plans" tabled by interested parties cannot change that. AECL is no longer a viable, credible player and the government must finish the job it started, cut its losses and move on. Luckily rocks, unlike technologies, do not have a shelf life and Canada still boasts some of the largest uranium



reserves in the world. Providing the world with nuclear fuel remains a huge opportunity and the government's full support and attention is required if Canadians are to fully see the benefit.

The Next Exploration Cycle

Is there adequate uranium fuel being produced to run the 429 reactors currently operating globally? absolutely! Is there enough fuel to fill the tanks of the 57 reactors currently under construction? possibly, so long as the new Australian tax doesn't scare off planned mine expansions or Cameco's Cigar Lake continues to keep its head above water. But what about the 496 reactors now approved, planned or proposed by 42 different countries around the world? For those, that fuel has yet to be identified.

Three weeks ago state-owned Russian company Atomredmetzoloto (ARMZ) bought a controlling interest in Uranium One in return for two Kazakhstan mines and \$610-million in cash. With this investment ARMZ takes control of Uranium One's 51% interest in its Australian Honeymoon uranium mine. Equally important, however, the move provided Russia with a mining operation through which it can fund and manage extensive global exploration activities.

As France's AREVA figured out decades ago, it is easier to sell a reactor when you take responsibility for fueling it and that lesson is now being played out by the countries currently competing in the business of providing nuclear power capabilities to the world.

It is one thing to set out to buy known uranium reserves and advance them to production. It is another, however, to go looking for new discoveries. Although the major powers of the world are prepared to finance exploration on a large scale, exploration is an expensive and speculative venture that requires carefully specialized and detailed oversight. Russia, South Korea, China and Japan are all looking for the most effective manner through which to deploy these activities.

Russia now has Uranium One. Last year, Korea owned KEPCO purchased a 20% interest in Canadian uranium producer Denison Mines Corp. Although it is only a foot in the door this relationship provided Korea with a solid base of expertise through which to expand its need for future uranium fuel sources.

China's investment in uranium exploration is thought to only have just begun. Through its state-owned companies China's CGNPC and CNNC has made significant moves into Africa, Kazakhstan and Mongolia - moves that are thought only to be the tip of the iceberg.

Companies such as Mitsubishi and Mitsui have interests in uranium projects globally and Japan has always maintained a very close relationship with the likes of Cameco, Denison Mines and Uranium One. To date, however, Japan has yet to establish a clear and direct channel to the ongoing uranium fuel it requires to back its significant nuclear reactor business.



Over the next two years expect to see a significant global investment in uranium exploration:

- Russia will utilize Uranium One;
- Korea will lean on Denison Mines;
- China will continue to pop up everywhere;
- Watch for a significant announcement out of Japan in the near future; and
- Keep an eye on Paladin.

IEA's Nuclear Road Map

Late last month the International Energy Agency (IEA) released of a study which concluded that global electricity generated from nuclear power could more than triple, growing from 370 GW today to 1,200 GW by 2050.

And who would sponsor such a study?; the Group of Eight industrialized nations (Canada, France, Italy, Japan, Russia, the UK and USA) who are now committed to reducing carbon dioxide emissions by 50% over the next 40 years.

Achieving this goal would require completing about 20 large reactors each year, meaning that the rate of construction starts of new nuclear plants will need to roughly double from its present level by 2020.

The IEA's road map found that nuclear power was a mature, low-carbon technology that was ready to expand rapidly over the coming decades. "The latest reactor designs, now under construction around the world, build on over 50 years of technology development."

However, the study emphasized that these designs would need to be fully established as reliable and competitive electricity generators over the next few years if they were to become the mainstays of nuclear expansion after 2020.

No major technological breakthroughs would be needed to achieve the level of nuclear expansion envisaged, the road map found. Reactor vendors, however, must take what steps they can towards standardization of the current generation of designs so that new reactors are be routinely built on time and budget by 2020. Vendors must also build up their supply chains and nuclear fuel companies will have to prepare for a large expansion in production from 2015 or 2020.

This certainly seems to reconcile with Cameco's objective of doubling their worldwide production by 2018 as well as their announcement last week to double their capacity in Kazakhstan once it has built their conversion facilities in that country.

Earlier this year the United States declared the end of its ban on new nuclear reactors and last week Sweden overturned its 30 year prohibition on new reactors. Clearly the tide on nuclear power is shifting quickly.



There is little doubt now that nuclear power is one of the key energy technologies in the de-carbonization of electricity supplies by 2050. However, due to the costs, political hurdles and time horizons of construction and fuel acquisition, the next five to ten years will be crucial in making this a possibility.

Investment opportunities lie in the fact that the industrial capacities and skilled human resources necessary to build, operate and maintain nuclear plants as well as the continued development of reactor and fuel cycle technologies need to be increased over the next few years if nuclear is to expand rapidly, as stated in the road map.

Australia's Taxing Issues

Two weeks ago, with great speed and surprise, Kevin Rudd became Australia's shortest-serving prime minister and the first Labour prime minister to be ejected from office before completing his first term. Unfortunately, this may not spell the demise of his Resource Super Profits Tax announced in May; a 40% tax on mining profits expected to provide approximately AUS \$9bn annually to the government purses.

The announcement of the tax two months ago was met with swift response by the countries larger miners. BHP Billiton warned that billions of dollars in expansion projects, including their Olympic Dam project, would be placed in jeopardy with the approval of the tax. That expansion is intended to raise annual uranium production from 4,000 tonnes to 19,000 tonnes.

Beyond the risks at Olympic Dam, Palidin Energy Ltd. announced its intention to seek mergers and acquisitions overseas as it assessed the impact of the tax on its Australian projects. Xtrata said that it was shelving investment in two mines in Queensland due to the tax and Fortescue Metals threatened to abandon two projects in the Pilara region of western Australia unless plans for the tax were reviewed.

Australia's new prime minister, Julia Gillard, still seems to be cautious as to how she will proceed stating "My priority is to deal with the mining tax. It has caused uncertainty and that in turn has caused anxiety. I want to make sure that Australian's get a fair share of our mineral wealth, but I want to genuinely negotiate".

BHP has stated that the expansion in "not frozen" and remains on track but continues to face a huge threat from this tax. The 15,000 tonnes of annual production at risk represents over 25% of last year's global production. Its loss would have a significant impact on the uranium industry's immediate future.

AECL Takes More Hits

The Atomic Energy of Canada Limited continues lose public confidence as the country's Senate finance committee deliberates a bill that would give the government free reign to do whatever it likes with the publically owned company.

Canadian taxpayers have invested approximately \$20 billion into AECL since its inception and continue to fund operations by about \$100 million per year. Their Chalk River nuclear research centre - which supplied more than one half of the world's medical isotopes, has now been shut down for more than a year and the corporation hasn't sold a CANDU reactor in 10 years.



The provincial government of New Brunswick (Canada) has recently renewed efforts to build their second nuclear reactor and last week met for three days of discussions with Areva. They will not, however, be offering the work to the AECL who need to concentrate their efforts on the refurbishment of the provinces first reactor at Point Lepreau.

AECL shut down that reactor two years for a refurbishment that was supposed to take 18 months. After breaking several deadlines in finishing the work, the ACEL finally announced that it would no longer be estimating when that work would be complete.

In response, the provinces of New Brunswick and Prince Edward Island filed a legal action earlier this month to recoup the millions and millions of dollars they are now forced to spend monthly to purchase temporary and more expensive sources of power.

Whether a re-structuring or a fire-sale, the fate of the ACEL cannot be determined soon enough for those footing the bill for its ongoing problems.



CanAlaska Uranium Ltd. (CVV-TSXV): Reports West McArthur Uranium Project Winter Drilling Results - On June 21, CanAlaska released results from the winter drill program at the West McArthur project and commenced additional summer 2010 exploration.

The West McArthur project is located in the eastern portion of the Athabasca basin, Saskatchewan, immediately to the west of Cameco Corp.'s large uranium mine at McArthur River.

Exploration at the project is being carried out under a 50/50 joint venture with MC Resources Canada, a wholly owned subsidiary of Mitsubishi Corp., and CanAlaska. In February, 2010, after the start of the winter season, MCRC earned a 50-per-cent interest in the project by completing the \$11-million investment specified under the project's option agreement.

Over the next five years, the joint venture is planning to expend between \$3.5-million to \$4.2-million of annual exploration on the project to carry out phase 1 reconnaissance programs across the many areas prospective for uranium mineralization. Phase 2 programs are planned to commence under separate financing to develop targets within the property, if required.

In winter, 2010, CanAlaska carried out a 6,071-metre drilling program, combined with ground geophysics. The six-hole drill program was focused on a large conductive zone in the Grid 1 area on the western portion of the project. Previous drill holes, located over an area two kilometres by 2.5 km, have intersected separate zones of anomalous uranium mineralization, silicification and sandstone alteration. The six holes, WMA 021 to WMA 026, are shown in figure 2, along with previous drill holes. The 2010 winter drilling was successful in intersecting graphitic horizons, which follow the conductive trend. Of particular note are the following:

- Single graphite horizons in WMA021 and WMA025;
- Multiple graphitic horizons in WMA022 and WMA024;
- Basement elevation differences of 33 metres between holes WMA011 and WMA024;
- Basement elevation differences of 26 metres between holes WMA007 and WMA022;
- Silicification in WMA022, WMA023, WMA025 and WMA026;
- Illitization above the unconformity in sandstone in WMA024 and WMA026;
- Hematization and illitization in sandstone from 450 to 490 metres in WMA026;
- Uranium mineralization in two holes:
 - WMA022: 0.5 metre at 0.013 per cent U(3)O(8) in the basement (888.1 to 888.6 m);
 - WMA024: 0.5 m at 0.018 per cent U(3)O(8) in sandstone (729.4 to 729.9 m).

After reviewing the winter 2010 drilling results from the project, president Peter Dasler commented: "We still have very few holes to establish the basement geology in this area, but where we do see evidence of hydrothermal alteration, it is extending well into the sandstone and is matching the typical alteration model of Athabasca unconformity-style uranium deposits. It is also encouraging to see evidence of uranium mineralization in multiple areas, either as enrichment at the unconformity or in basement stringers. However, the most compelling features for further exploration are the uranium values in sandstone higher in the stratigraphy, the hematized and broken rock in the sandstone, and the pattern of basement offsets and geophysical conductivity. There is ample room here for multiple targets."

Following discussion of the winter, 2010, exploration results at a recent joint venture management meeting, the joint venture will now contract further geophysical surveys on a property-wide basis, commencing this summer, and extend the winter geophysical survey for Grid 5 (located 10 km south-southeast of Grid 1), where a well-defined conductor and low resistivity geophysical zone have been



identified. The plan for exploration is progressively to test the seven grids on the property, with phase 1 surveys to outline potential and to provide the basis for phase 2 target definition. Drilling is planned on Grid 5 in winter, 2011, as part of the phase 1 evaluation program.

CanAlaska Uranium Ltd. (CVV-TSXV): Commences Drilling of 20 Holes at Cree East Project - On June 24 CanAlaska reported the commencement of summer operations for further intensive diamond drilling on the Cree East project, which is in joint venture with the Korea consortium, comprising Hanwha Corp., Korea Electric Corp., Korea Resources Corp. and SK Energy Co. The 20 drill holes, comprising approximately 9,000 metres, will be split between the targets at zone A and zone G, located 4.5 kilometres apart.

At zone A, the drilling will focus on a major structural break in the conductive rocks. Previous drill holes CRE008 and CRE018, located only 180 metres apart, straddle the structure. These holes show strong brecciation and extensive hematite alteration, and elevated uranium zones in the basement rocks in CRE018. There is a 60-metre vertical offset of the basement between these two holes (see Stockwatch news dated April 13, 2010).

The target at zone G was tested with one fence of four holes in winter, 2010. The final hole of this fence showed a significant offset of 34 metres between drill holes CRE030 and CRE043. Additionally, drill hole CRE043 showed extensive fracturation and boron enrichment above the unconformity and intercepted a 3.1-metre zone of uranium mineralization assaying 0.013 per cent U(3)O(8) in basement rocks from 408.6 metres to 411.7 metres. Summer drilling will concentrate on the area between these two drill holes.

President Peter Dasler commented: "The drilling at Cree East is now closely focused on well-defined targets at relatively shallow depths. Our crew is confident that the planned summer drilling will intersect the major structures, around which we have been able to measure strong alteration, and increased uranium and base metal content. Positive results are expected from this summer's work program."

The summer, 2010, exploration program is budgeted at \$3.59-million. The Korea consortium will be providing exploration financing under its existing \$19-million commitment toward a 50-per-cent earn-in on the project. Following the completion of financing, the Korea consortium will hold a 43.7-per-cent ownership interest in the joint venture, representing cumulative exploration financing of \$14.32-million.

Denison Mines Corp. (DML-TSX): Discover Uranium Mineralization at Tuning Fork Grid, Hatchet Lake - On June 29 Denison and their 50-per-cent Partner Virginia Energy Resources Inc. released results from an early spring, 2010, drilling program on their Hatchet Lake joint venture, in the Athabasca basin of Northern Saskatchewan. Project operator Denison Mines has provided the company with results for the 11-hole, 2,161.1-metre drill program in the Tuning Fork grid area.

Uranium mineralization has been discovered on the east side of the Tuning Fork grid, in association with strong alteration in a graphitic fault zone, approximately 50 m below the unconformity. Drill hole HL-10-01 (minus 75 degrees) intersected one m grading 0.104 per cent U₃O₈ at 183 m (downhole depth; actual thicknesses are unknown) and one m grading 0.021 per cent U₃O₈ at 186 m. Several other holes intersected broad intervals of faulting, sandstone desilicification, and strong clay, chlorite, silica, hematite and graphite alteration, with scattered narrow zones of weak radioactivity in the basement. Sections with up to 10 per cent pyrite and/or anomalous base metal and boron values are present in several holes, generally in the basement or directly above the unconformity. Three holes were lost due to unconsolidated sand (desilicification) and structural disruption near the unconformity, and had to be redrilled. Additional analyses and clay mineralogical studies are under way. Selected results are highlighted below.



The 39,930-hectare property is subject to a joint venture agreement between Virginia and Denison, each holding a 50-per-cent interest, with Denison as the operator. It is located 20 kilometres north of Points North Landing, and 17 km north of the McClean Lake mill, owned by Areva, Denison and OURD. The target is an unconformity-type uranium deposit and/or a basement-hosted deposit at or near the contact between the Athabasca sandstones and underlying basement rocks. The Hatchet property includes faults and conductors similar to those that host nearby unconformity-related uranium deposits and prospects such as Jeb (Areva-Denison-OURD), Dawn Lake and La Rocque Lake (Cameco-Areva-JCU), Moonlight (Areva-Denison-JCU), Midwest (Areva-Denison-OURD) and Roughrider (Hathor-Terra). For additional background, see Stockwatch news dated Feb. 16, 2010.

Hole HL-10-01, drilled at minus 75 degrees, intersected two zones of uranium mineralization in the basement, approximately 50 m below the unconformity. The best intercepts included 0.104 per cent U3O8 from 183 to 184 m, and 0.021 per cent U3O8 from 186 to 187 m (downhole depths). The upper zone also includes anomalous boron and copper, and the lower zone also contains anomalous arsenic, boron, cobalt, copper, molybdenum, nickel and lead. These mineralized intervals occur within a nine m length of anomalous radioactivity from 180 to 189 m, within a broader 19 m intercept of graphitic faulting, and chlorite and clay alteration. Two other zones of graphitic faulting were intersected in the basement above and below the radioactive zone (158.8 to 171.3 m, and 219.5 to 225.2 m), but these were not radioactive. The basement rocks are also pyritic and commonly contain blebs of chalcopyrite.

Holes HL-10-02 and HL-10-02B were drilled vertically and collared approximately 60 m north of HL-10-01, to cut the radioactive graphitic fault structure updip and closer to the unconformity. Unfortunately, hole HL-10-02 had to be abandoned at 129 m depth due to unconsolidated sand, but was redrilled to a depth of 192 m, as hole HL-10-02B. It encountered pervasive bleaching in the sandstone at a depth of 79 m, with bands of hematite and unconsolidated sand beginning 10 m above the unconformity (115.1 metres). The basement consists of bleached and chlorite-altered sillimanite-garnet pelite, with bands of hematite, followed by graphitic garnet pelite at 142.4 m. A broad fault zone was intersected from 142.4 to 158.9 m, and includes graphitic gouge, along with strong bleaching, clay, chlorite alteration, anomalous radioactivity and up to a 55-per-cent core loss. Other graphitic fault zones were encountered deeper in the hole, including massive graphite for the last three m of the hole.

Hole HL-10-03 (minus 75 degrees) was drilled approximately 600 m west of holes HL-10-01 to 02B, and approximately 200 m east of two historic holes (TUN-85-10 and 11) that contained evidence of graphitic faulting in the basement. Hole HL-10-03 intersected weak to moderate desilicification, and clay alteration of the sandstone above the unconformity at 103 m. The basement consists mainly of garnet and graphitic pelite, and is strongly and pervasively altered (bleaching, chlorite and clay) to the end of the hole at 240 m. Two major fault zones were intersected: a 35.6-metre-wide fault zone with clay alteration beginning at 117.5 m, and an 18-metre-wide fault zone with strong graphite, clay, hematite and limonite, beginning at 213 m. Despite the strong faulting and alteration, only a few short sections of anomalous radioactivity were encountered (200 to 220 counts per second).

Hole HL-10-08 (minus 75 degrees) was drilled 60 m north of hole HL-10-03, in an attempt to intersect the fault zones in HL-10-03 updip and closer to the unconformity. Unfortunately, the basement lacked the strong alteration and faulting present in HL-10-03, although several zones of graphite were encountered. No anomalous radioactivity is present.

In the Richardson-Crooked Lake area to the north, the joint venture completed 20 kilometres of ground HLEM and 25.4 km of VLF-magnetic surveying. Late winter ice conditions were not ideal, and the entire grid could not be completed. The HLEM surveying will be finished in fall to winter during 2010 to 2011. The geophysical work is designed to more precisely locate a historically described, six-kilometre-long conductor system, with uranium and base-metal enrichment associated with sulphide mineralization and alteration in sandstone and basement rocks. Depth to the unconformity in this area varies between zero and 120 metres. A number of historic uranium, cobalt, copper, nickel, zinc, arsenic and gold-enriched drill



intercepts have been reported in this area of the Hatchet property, including SMDC hole 61, which intersected "uraniferous sulphide breccia," which assayed 7.34 per cent Co, 1.66 per cent Ni and 16.07 per cent As over 2.5 m (and five m of 73 parts per million (ppm) uranium), hole 74, which intersected 2,112 ppm U, 256 ppm As and 202 ppm Co over 3.4 m, and hole HT-96, which intersected 2,600 ppm U over one m, plus adjacent sections which assayed 5.95 per cent Cu over two m and 0.612 per cent Co over 2.5 m. Despite these promising results, most of the holes in this area did not extend far below the unconformity, and therefore, did not adequately test for basement-style mineralization.

The joint venture partners are excited with the discovery of uranium mineralization at Tuning Fork, and the degree of faulting and clay, graphite and chlorite alteration in the 2010 drill holes. Over the summer and fall, pending clay mineralogy and geochemical information will be compiled. Follow-up drill programs will be considered for both the Tuning Fork and Crooked Lake-Richardson Lake grid areas in winter, 2011.

Forum Uranium Corp. (FDC-TSXV) and Hathor Exploration Ltd. (HAT-TSXV): Summer Exploration Planned at Henday - On June 21 Hathor and Forum announced the approval of the summer exploration program by the joint venture for the Henday Lake project, northeastern Athabasca basin, Saskatchewan.

Results from the 2010 winter drill program at Henday were positive, as summarized on the company's website. In particular, the zones of alteration, radioactivity and uranium mineralization intersected below the unconformity at Mallen Lake warrant follow-up; detailed drilling is anticipated for next winter when the target under Mallen Lake can be fully tested. Prior to that, a surface till sampling program will be carried out this summer over five different grids. This work will focus on key structural targets as defined by multidisciplinary regional tectonic modelling, and refined by property-scale EM, gravity and resistivity surveys. This work will provide data to further evaluate and prioritize targets for potential first-pass drilling next winter.

Hathor has earned a 40-per-cent interest in the Henday property from Forum, and has the option to earn a 60-per-cent interest by spending a further \$1.5-million in exploration. An additional 10-per-cent interest can be earned by taking the project to a bankable feasibility study.

Fission Energy Corp. (FIS-TSXV): J-Zone High Grade Mineralization Continues - On June 21 Fission and its joint venture partner, the Korea Waterbury Uranium LP consortium, announced the receipt of final assays from the remaining six drill holes completed at the J zone, two holes from the newly discovered J zone East and one hole at Highland East. They have also finalized plans for the summer exploration program to commence in early July.

At J zone, vertical drill hole WAT10-091, which extended mineralization approximately 10 metres to the south of WAT10-071 (six m grading 14.70 per cent U308, including four m of 21.20 per cent U308, intersected 3.50 m (200.0 to 203.5 m) grading 21.58 per cent U308 at the unconformity, including 2.50 m at 30.15 per cent U308. WAT10-087 intersected 6.50 m (193.5 to 200 m) grading 2.77 per cent U308, including one m at 15.61 per cent U308. These latest assays are consistent with previously announced results and further demonstrate that mineralization is trending to the west while remaining open both to the north and south.

All holes reported herein were terminated within unaltered basement rocks. Given that the mineralization thus far encountered in the J zone appears to be almost flat-lying, drill intercepts reported from vertical holes are approximately true thickness.

Updated drill hole location maps of the J zone, J zone East and Highland zone, as well as an updated table summarizing drill core assays can be found on the company's website.



Since discovery hole WAT-063A was announced in January, Fission has successfully defined the J zone over a 90-metre-by-50-metre area by intersecting high-grade uranium mineralization at the unconformity in 21 closely spaced drill holes, most of which were vertically drilled. The recently discovered J zone East and Highland zones, located on strike 70 m east and 130 m west of the J zone respectively (see the Stockwatch news release dated March 29, 2010), support Fission's belief that the potential for multiple mineral occurrences exists along the East-West corridor. Fission believes the East-West corridor continues at least a further two km to the west of the J zone.

With the completion of the Waterbury Lake winter drill program, the KEPCO consortium has satisfied its earn-in requirements by spending \$14-million over the past three years. The joint venture will continue with Fission and KEPCO each holding a 50-per-cent interest in the Waterbury Lake project. A memorandum of understanding outlining the mutually agreed terms to spend \$30-million over the next three years has been signed.

Earlier this month, the joint venture finalized terms for a summer exploration program to build on the success achieved to date. The planned exploration program will include:

- A 4,000-metre drill program comprising 13 holes to expand and extend the J zone west toward the Highland zone;
- Additional drill testing in proximity to WAT-094A near the Fission-Hathor property boundary, which demonstrates a potential for extending high-grade mineralization;
- A marine seismic survey over the East-West corridor between Discovery Bay and Talisker;
- Mapping and prospecting unexplored parts of the Waterbury Lake property that exhibit high mineral potential.

The summer exploration program will commence in early July.

Fission Energy Corp. (FIS-TSXV): Commences Drilling at Davy Lake - On June 24 Fission announced the commencement of a 2,000-metre drill program at its 100-per-cent-owned Davy Lake uranium project, which comprises 19 claims totalling 74,614 hectares in the north-central part of the Athabasca basin, approximately 60 kilometres southwest of Fond-Du-Lac, Sask. This program represents the first drilling to be conducted at Davy Lake. It will test high-priority unconformity-related anomalies identified by ground magnetotellurics (MT) surveys and supported by gravity and magnetic surveys. The uranium model envisioned at Davy Lake is analogous to the unconformity-type mineralization associated with several known high-grade uranium deposits in the eastern part of the Athabasca basin.

Uranium deposits in the Athabasca basin are associated with basement graphitic conductors in areas of structural complexity and usually accompanied by a clay alteration halos. The first drill target at Davy Lake, determined by geophysical analysis, exhibits these characteristics. More specifically, airborne and ground geophysical analysis has defined a prominent northeast-trending Archaean basement fault and the possible presence of a faulted graphitic basement conductor to the southeast with an expanded low resistivity response at the unconformity. Initial drilling will target this location.

A 2,000 m drill contract has been signed with Bryson Drilling Ltd. of Archerwill, Sask. Two to three drill holes are planned. Drill crews and personnel have mobilized to the Davy Lake property and drilling is now under way. Upon completion of the program, each bore hole will be logged with a Mount Sopris 2GHF Triple Gamma probe. All drill core will be geologically logged and systematically sampled for geochemical and clay analysis. Drill core samples will be submitted to SRC Geoanalytical Laboratories (an SCC ISO/IEC 17025: 2005 accredited facility) of Saskatoon for analysis, which includes a 63-element ICP-OES, uranium by fluorimetry (partial digestion) and boron. Results will be provided when available.



Fission Energy Corp. (FIS-TSXV): Accelerates Exploration at Waterbury Lake - On June 30 Fission released additional details regarding the memorandum of understanding with the Korea Waterbury Uranium LP (KEPCO) consortium regarding the Waterbury Lake project in the Athabasca basin of Saskatchewan. The J zone uranium discovery and continued success achieved during the winter, 2010, exploration program has led to a memorandum of understanding allowing for the acceleration of exploration and development expenditures totaling \$30-million over a three-year period under a proposed limited partnership.

In January, 2008, Fission entered an earn-in agreement with a group led by Korea Electric Power Corp. under the newly created Korea Waterbury Uranium for the joint development of Waterbury Lake in the Athabasca basin. The consortium was granted the exclusive right to earn up to a 50-per-cent interest in the project by incurring \$14-million in exploration expenditures over a three-year period and completing a private placement for one million common shares of Fission Energy at a price of \$1 per share. Fission retained a 2-per-cent net smelter return royalty in the project in addition to a back-in provision allowing it to reacquire a 10-per-cent interest for \$6-million.

With the completion of the Waterbury Lake winter exploration program, the KEPCO consortium has satisfied its earn-in requirements. A MOU outlining the mutually agreed terms for continuing the partnership was signed on June 15, 2010.

Highlights of key terms:

- The partnership will be formed with Fission and the KEPCO consortium each holding a 50-per-cent interest in the Waterbury Lake project.
- The work plan and budget shall cover a term of three years and incur expenditures of \$10-million per year for a total of \$30-million. Each program shall be divided into a summer period (May 1 to Oct. 31) and winter period (Nov. 1 to April 30) with expenditures to be shared according to each party's ownership interest in the project.
- Fission shall continue as operator of Waterbury Lake and is entitled to an administrative fee in the amount equal to 10 per cent of all expenditures incurred pursuant to approved exploration and development programs.
- The MOU shall remain in place until the partnership agreement can be executed.

An approximate \$2.07-million budget and work plan for the summer, 2010, exploration program has been approved. It includes a 4,000-metre drill program. Work will commence early in July.

With the completion of this agreement, Fission and the KEPCO consortium look forward to building on the success achieved at Waterbury Lake in 2010 and beyond.

Hathor Exploration Ltd. (HAT-TSXV): Intersects Best Results to Date at Roughrider - Hathor reported on June 8 that it had intersected the highest-grade/thickness intersections to date from the Roughrider uranium deposit at its Midwest Northeast project in the Athabasca basin, Saskatchewan. Please visit the company's website to view updated figures and tables referenced herein. This infill drilling has discovered new mineralization in the west-central part of the deposit.

Highlights of assays include:

1. Infill
 - Intersections of high-grade uranium mineralization both within and below the lower-grade outer shell of the initial resource model;



- Drill hole MWNE-10-204 -- 7.5 metres of 43.64 per cent uranium oxide;
 - Drill hole MWNE-10-205 -- 4.5 m of 16.44 per cent U₃O₈;
 - Drill hole MWNE-10-209 -- 23.0 m of 24.31 per cent U₃O₈, including 9.5 m at 55.91 per cent U₃O₈;
 - Drill hole MWNE-10-212 -- 3.5 m of 10.23 per cent U₃O₈.
2. Extension
- Intersections of high-grade mineralization adjacent to and outside of the initial resource model;
 - For example, drill hole MWNE-10-210 -- 24.5 m of 1.09 per cent U₃O₈;
 - Drill hole MWNE-10-214 -- 15.0 m of 0.44 per cent U₃O₈.

The figures confirm significant high-grade mineralization in areas classified in the initial resource model as weak or non-mineralized. These new intersections emphasize the strength of the mineralizing system at Roughrider and confirm the potential to increase the resource model for the deposit. These results confirm the preliminary scintillometer data released as drilling progressed in area 2 (see Stockwatch news dated April 15, 2010).

High-grade mineralization in hole 209 is characterized by higher-than-normal core loss. However, equivalent uranium (eU₃O₈) data derived from downhole gamma probe data and geochemical assay data correlate well.

This is the third and final set of assays from the 27,000-metre, 77-hole 2010 winter drill program on the Roughrider uranium deposit at the company's Midwest Northeast property in the Athabasca basin in Northern Saskatchewan.

Summary of area 2 drill holes

Line 10E

Line 10E was poorly constrained by drill holes prior to winter 2010 -- the mineralization on the initial resource model was largely inferred from drill holes off-section. Drill hole 10-217C successfully tested the new shallower zone of mineralization first intersected in drill hole 09-126, which returned eight metres of 0.16 per cent U₃O₈. Drill holes 10-209, 10-213, 10-216 and 10-219 were all designed to test the mineralization, both low and high grade, inferred, based on drill hole intersections off-section or down dip from drill hole 08-022. Drill hole 10-216 intersected three separate zones of mineralization, including a lower zone that returned 24.5 metres of 7.13 per cent U₃O₈ including seven metres of 23.38 per cent U₃O₈, which contains visible massive, semi-massive and worm-rock-type uranium mineralization. This massive mineralization is within a modelled low-grade zone. Drill hole 10-209 intersected a number of mineralized zones including a wide package of high-grade mineralization. Although this zone was characterized by increased core loss, up to 60 per cent, the chemical assay results (23.0 metres of 24.31 per cent U₃O₈) compare well with the calculated equivalent uranium grades obtained from the downhole probe results (23.0 metres of 21.60 per cent eU₃O₈). Drill hole 10-213 was drilled to try to replicate drill hole 10-209, however due to excessive drill swing, it ended up intersecting a different mineralized zone. On the 10E cross-section, drill holes 10-209 and 10-213 appear to be in the same location. In three dimensions, these two drill holes a lateral separation of five metres. Despite the drill swing, drill hole 10-213 intersected mineralization of up to 16.0 m of 2.0 per cent U₃O₈.

Line 20E

Line 20E was poorly constrained by drill holes prior to winter 2010 -- the mineralization on the initial resource model was largely inferred from drill holes off-section. Drill hole 10-204 targeted the inferred lower-grade mineralization that separated two high-grade zones as modelled in the initial resource model. This drill hole successfully intersected mineralization that was much stronger than modelled, returning 7.5



m of 43.64 per cent U₃O₈. Drill hole 10-205 was designed to test the mineralization, both low and high grade, inferred, in the initial resource model. The drill hole successfully intersected several zones of mineralization, including four metres of 16.44 per cent U₃O₈. Drill holes 10-210, 10-214, 10-207A were designed to test the new shallower zone of basement-hosted mineralization was first identified in drill hole 09-126 and subsequently intersected in 10-200A (see Stockwatch news dated April 13, 2010). All four drill holes successfully intersected variable amounts of mineralization, including 24.5 m of 1.09 per cent U₃O₈ (MWNE-10-210), 15.0 m of 0.44 per cent U₃O₈ (MWNE-10-210) and five metres of 0.6 per cent U₃O₈ (MWNE-10-207A). In addition to testing the new zone, these drill holes also successfully tested a low-grade mineralization inferred in the initial resource model. Drill hole 10-210 intersected the strongest and widest interval of radioactivity. This entire interval was outside any previously modelled zone and returned 24.5 m of 1.09 per cent U₃O₈.

Summary of area 4 drill holes

Line 90E

Drill hole 10-201 was designed to test for down-dip continuation of high-grade mineralization intersected in 09-088. This drill hole did intersect thin intervals of weak mineralization, the best of which returned one metre of 0.08 per cent U₃O₈. Drill hole 10-206, although collared on line 100E, due to drill swing intersected the target depth on line 90E. This drill hole was designed to test for mineralization outside the current extents of the main zone of mineralization, as well as thin footwall zones. It intersected a thin zone of mineralization up dip from both the main zone and one of the footwall zones, that returned one metre of 0.08 per cent U₃O₈ and three metres of 0.34 per cent U₃O₈, respectively.

Line 100E

Drill hole 10-208 was designed to test for possible extensions of mineralization 20 m to 30 m laterally from the extents of the modelled mineralization on line 100E. This drill hole did not intersect any anomalous activity. It did intersect variably altered package of rocks comprising the lower sandstone and the upper basement.

Line 110E

Drill holes 10-199 and 10-218 were designed to test for lateral extensions of the mineralization on line 110E. Both drill holes only intersected thin intervals that returned values of 1.5 m of 0.08 per cent U₃O₈ and 0.6 m of 0.2 per cent U₃O₈, respectively.

Line 130E

Drill hole 10-202 was designed to test the mineralization identified in 09-096 and 09-104. This drill hole successfully intersected one metre of 1.64 per cent U₃O₈. In addition to this zone of radioactivity, it additionally intersected another shallower zone of radioactivity at and just below the unconformity that returned 4.5 m of 0.19 per cent U₃O₈.

Quality-assurance/quality-control

Samples were 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. The samples were analyzed for a suite of other base metal elements including nickel, cobalt, copper and lead by ICP-ES. Select samples will be analyzed for precious metals including gold, platinum, palladium and rhenium. Dry bulk density determinations were also carried out on the drill core.



Field and laboratory of select samples show good reproducibility, consistent to that documented in the National Instrument 43-101 report containing the initial resource model.

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

Hathor Exploration Ltd. (HAT-TSXV): Metallurgical Leach Test Results at Roughrider - On June 16 Hathor released strong initial results from continuing metallurgical testwork for the Roughrider uranium deposit on its Midwest Northeast property, northeastern Athabasca basin, Northern Saskatchewan.

Composite samples from six mineralized drill holes in the central part of the deposit were used for leach tests, solvent extraction and uranium precipitation. Hole numbers are: MWNE-08-12, 24, 28, 30, 32 and 33. The samples used for the leach tests were grouped into three composites designed to provide a range of head grades. The table, Geochemical analyses and summary leach results, summarizes composite head grades achieved and leach recoveries obtained.

GEOCHEMICAL ANALYSES AND SUMMARY LEACH RESULTS

Analyte	Unit	Composite 1	Composite 2	Composite 3
U3O8	wt %	6.11	2.68	0.62
Ag	g/t	34	3.1	12
As	wt %	0.052	0.15	0.0065
Co	wt %	0.022	0.021	0.0036
Cu	wt %	0.077	0.12	0.042
Mo	wt %	0.24	0.071	0.17
Ni	wt %	0.025	0.066	0.0078
Pb	wt %	1.98	0.085	0.045
Se	wt %	0.0029	<0.0016	0.0001
Zn	wt %	0.046	<0.018	0.004
Sample length		24.1 m	22 m	31.5 m
U3O8 recovery		98.9%	98.1%	97.5%

The composites confirm that Roughrider contains low levels of deleterious elements such as arsenic, selenium and base metals. This is a significant positive attribute for the deposit with respect to milling.

The optimum leach conditions determined for Roughrider are similar to optimized mill parameters typical of Northern Saskatchewan uranium operations. They include:

- Leach temperature of 50 C;
- 12-hour leach retention time;
- Free sulphuric acid concentration of 20 g/L;
- Oxidation potential of approximately 500 mV with sodium chlorate oxidant addition of one to five kilograms per tonne.

Preliminary analysis of the uranium product from the leach test program showed that uranium produced from Roughrider mineralization would meet typical refinery and enrichment product quality specifications for market-grade yellow cake. A small sample of yellow cake from this metallurgical program is displayed on the Hathor website.



In addition to leach tests, four composite samples from one drill hole (drill hole MWNE-09-85) were used to establish a work index for grinding (ball mill work index). The work index tests show that the Roughrider mineralization has a low-energy requirement compared with other Northern Saskatchewan uranium ores. Ball mill bond work index values ranged from 7.2 to 11.1 kilowatt hours per tonne for four different rock types tested.

Metallurgical work is currently continuing. Results reported here are summarized in the 43-101-compliant, independent technical report completed on the Roughrider uranium deposit by Scott Wilson Roscoe Postle Associates Inc. (dated Dec. 18, 2009, and files on SEDAR). Results yet to be reported include: mineralogical examination; confirmation leach tests; uranium upgrading and product precipitation; and characterization of tailings and effluent treatment.

Melis Engineering Ltd., recognized specialists in uranium processing, has concluded that: "Uranium from the Roughrider mineralization can be recovered under relatively mild leach conditions producing a product of acceptable quality using typical Northern Saskatchewan uranium process conditions. Testwork is continuing to further define process and waste treatment parameters."

Hathor Exploration Ltd. (HAT-TSXV): Final Winter Assays and Summer Drill Program - On June 29, Hathor released the final results for the 2010 winter drill program at Roughrider East (RRE). Uranium mineralization has been delineated for 100 metres back toward Roughrider from the discovery hole, MWNE-09-170. Results to date outline significant potential at Roughrider East; it is open in all directions and aggressive drilling this summer will both infill areas already drilled, and test the potential extent of mineralization away from current fences.

Summary of new results

Despite the first-pass nature of drilling, uranium mineralization was intersected in all four drill fences, delineating mineralization along 100 metres of strike. Assays from mineralized samples can be seen in the table.

Highlights:

- MWNE-10-624B: 44.5 m at 0.345 per cent U₃O₈, 40 m west of discovery (09-170);
- MWNE-10-622: 10.5 m at 0.71 per cent U₃O₈, 60 m west of discovery (09-170);
- MWNE-10-626A: 7.5 m at 2.54 per cent U₃O₈, 80 m west of discovery (09-170), including: 1.5 m at 7.48 per cent U₃O₈;
- MWNE-10-629: 9.5 m at 1.2 per cent U₃O₈, 100 m west of discovery (09-170), including: two m at 5.5 per cent U₃O₈.

Mineralization is not fully tested on any of the fences. There is significant potential to intersect high-grade uranium mineralization during more tightly spaced follow-up infill drilling.

Summary of RRE results

Extensive high-grade mineralization was delineated at RRE this winter by the detailed drilling of 15 drill holes on two fences spanning 25 m of strike west from the discovery 170. Significant intersections are summarized below.

Summary of grade-thickness intersections at RRE on line 0W and 25W line 0W:

- MWNE-09-170: 28 m of 12.8 per cent U₃O₈ (discovery hole) line 25W;
- MWNE-10-604A: 9.15 per cent U₃O₈ over eight m, starting at 289 m depth;
- MWNE-10-608: 5.34 per cent U₃O₈ over 15.5 m, starting at 293.5 m depth;



- MWNE-10-609: 3.65 per cent U₃O₈ over 25.5 m, starting at 294.5 m depth;
- MWNE-10-610: 22.5 per cent U₃O₈ over 12 m, starting at 286 m depth;
- MWNE-10-612: 11.75 per cent U₃O₈ over 19 m, starting at 311 m depth;
- MWNE-10-613: 1.25 per cent U₃O₈ over 16 m, starting at 293 m depth;
- MWNE-10-607: 81.5 m of 1.6 per cent U₃O₈, including 13.5 m of 6.1 per cent U₃O₈.

Context

Of the 77 holes drilled for 26,928 metres during the 2010 winter program, 30 holes were completed on RRE for a total of 11,951 m.

Preliminary scintillometer data for drill holes from Roughrider East were released in Stockwatch news dated Feb. 25, March 3, and April 21, 2010. Geochemical assays from drill holes MWNE-10-600C to MWNE-10-614 were reported in Stockwatch news dated March 3, March 5 and April 27, 2010. This release covers assay data for drill holes MWNE-10-615 to MWNE-10-629.

Potential upside

There are two important results from this winters drilling at RRE:

- Delineation of uranium for 100 m westward from the RRE discovery increases the possibility of outlining a 400 m east-west strike length to the overall Roughrider uranium system;
- Delineation of high-grade uranium mineralization across lines 0W to 25W at RRE, which enables the outline of a uranium zone of significant size.

The company has initiated a detailed, hole-by-hole, section-by-section delineation of uranium mineralization, based on all drilling done to date. There is significant upside potential to the overall resource at the Roughrider uranium deposit, based on mineral zones at RRE.

Exploration and mineralization attributes at RRE are similar to, and in many cases more prospective than, those at the original Roughrider deposit, as currently outlined in the initial 43-101-compliant resource model completed by Scott Wilson, Roscoe Postle Associates Inc., in December of last year, based on drilling completed prior to the summer of 2009 (filed on SEDAR and available on the company's website). Compelling attributes at Roughrider East

Mineralization:

- Near-continuous uranium mineralization over a vertical extent of up to 100 m;
- Near-continuous uranium mineralization across a structural width of up to 60 m;
- Visible chalcopyrite mineralization, with up to 7.5 per cent copper in a single half-metre sample, and up to 2.27 per cent Cu over 12 m in composite sections;
- Extensive clay alteration in the basement.

Exploration:

- RRE correlates most closely with the projection of the Midwest uranium trend, based on integrated regional-and-property scale geophysical models.
- RRE occurs at the northwestern edge of a pronounced resistivity low associated with the Midwest trend -- the centre of this anomaly is approximately 100 m south of hole 170.
- Both Roughrider and RRE are associated with depressions in the unconformity. The unconformity is typically 10 to 15 m deeper at RRE compared with RR.

Immediate follow-up drilling

Summer drilling is planned to start imminently at RRE.



There are two main goals:

- One drill rig will test the open area to the east, and complete more detailed drilling (infill) to the west on lines 20W to 100W. Uranium mineralization has been traced westward for 100 m from the discovery hole 170, but only in reconnaissance fashion for the western 80 metres. There is no drilling east of hole 170.
- One drill rig will test the resistivity low, that is, the potential extension of the high-grade mineralization at RRE to the southwest along the Midwest trend. This target is robust over a strike length of approximately 700 metres.

Also, infill and expansion drilling will continue this summer, from the barge, at Roughrider itself.

JNR Resources Inc. (JNN-TSXV): Mineralization at Way Lake - On June 17 JNR reported that it had received all of the analytical results from its 2010 winter diamond drilling program on the company's 100-per-cent-owned Way Lake uranium project. The project lands are located 55 kilometres east of the Key Lake uranium mine in the Athabasca basin of Northern Saskatchewan and comprise 17 contiguous claims totalling 71,795 hectares.

A total of 2,773 metres was drilled in 14 holes, with seven of these further testing and extending the Fraser Lakes B zone, which occurs within a five-kilometre-long interval of a tightly folded electromagnetic conductor system composed of Wollaston Group graphitic pelitic gneisses and uraniumiferous granitic pegmatites. The mineralized zones were discovered by ground prospecting of airborne geophysical targets during the summer of 2008. Drilling to date on the Fraser Lakes B zone has now identified an extensive area approximately 1,000 metres long by 650 metres wide of moderately dipping, multiple-stacked-uranium and thorium-mineralized horizons, which are open to the southwest and east-northeast, and at depth to at least 125 metres. All holes were drilled at a 45-to-50-degree angle across the radioactive horizons on sections consisting of two to four drill holes.

Multiple intervals of uranium and/or thorium mineralization were intersected in six of the eight holes that tested the Fraser Lakes B zone. The better intersections occur in drill holes WYL-10-51, -58, -61, -62 and -64. In addition to the uranium and thorium mineralization, highly anomalous concentrations of base metals accompanied by rare earth element enrichment are also present. At a grade cut-off of 0.025 per cent U₃O₈, the results from WYL-61, -51 and 58 in particular are impressive. Hole WYL-10-61 returned a grade of 0.057 per cent U₃O₈ over five metres, including 0.242 per cent U₃O₈ over 0.5 m. WYL-10-58 returned 10 uranium-mineralized intervals over a 65-metre downhole length, including a 5.5-metre interval of 0.026 per cent U₃O₈, a three-metre interval of 0.041 per cent U₃O₈, a one-metre interval of 0.041 per cent U₃O₈ with 0.046 per cent thorium, and a 0.50-metre interval of 0.209 per cent ThO₂ with 0.20 per cent U₃O₈. Drill hole WYL-10-51 returned five mineralized intervals over a 50-metre downhole length, including a three-metre intercept of 0.064 per cent U₃O₈, that included 0.179 per cent U₃O₈ and 0.059 per cent ThO₂ over 0.5 metre.

The remaining holes tested select targets on the 65-kilometre-long, folded electromagnetic conductor system. Anomalous radioactivity and U mineralization were intersected in two of these (WYL-10-53 and 55). The mineralization was accompanied by significantly disrupted and locally clay-altered Wollaston Group graphitic pelitic gneisses (plus or minus sulphides) and granitic pegmatites. Furthermore, the major clay-filled fault system that was intersected in these holes yielded PIMA results that indicate a preponderance of illite, an important clay mineral that accompanies many of the significant uranium deposits in the Athabasca basin.

The 2010 winter 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. These structural intersection zones are significant, considering their host rock lithological units, their mineralized alteration



patterns and their similarities to basement-hosted mineralization found elsewhere (for example at Eagle Point, Millennium, P-Patch and Roughrider zones).

These new results provide further evidence of the significant uranium and metal endowment in the Fraser Lakes district. The sandstone cover lack in this area and shallow depth to mineralization (from outcrop to 125 metres depth) allow for efficient and timely exploration.

Dr. Irvine Annesley, director of exploration for JNR, states: "The Fraser Lakes conductive trend is proving to be quite metal rich and aerially extensive, as well as showing evidence of major structural reactivation, significant clay alteration and basinal brine fluid circulation. These are all prominent characteristics of nearby basement-hosted uranium deposits and thus will be followed up by more detailed exploration."

Purepoint Uranium Group Inc. (PTU-TSXV): New Targets Defined on Henday Block by VTEM

Airborne Survey - On June 8 Purepoint announced the completion of an airborne electromagnetic survey and initial interpretation 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).

The helicopter-borne VTEM35 survey was carried out by Geotech Ltd. and provided detailed magnetic and electromagnetic data of the entire Henday block project. "The VTEM data shows that the primary historic EM conductor is actually two parallel conductors separated by 200 to 300 metres," said Roger Watson, chief geophysicist of Purepoint Uranium. "These conductors represent highly attractive targets as they overlie a magnetic low anomaly that may be a favourable alteration zone."

Henday block highlights:

- Newly defined EM conductors are on trend with an interpreted east-west alteration corridor that hosts neighbouring Fission Corp.'s new J zone as well as Hathor Exploration Ltd.'s Roughrider deposit and their newly discovered Roughrider East zone;
- 7.5 kilometres of EM conductors outlined by new VTEM survey whereas historic conductors only totalled 2.9 kilometres;
- Two strong, parallel, east-west-trending EM conductors are associated with a favourable magnetic low and remain untested;
- Single historic drill hole on Henday Block is now interpreted to have tested a weak to moderate strength conductor;
- The depth to basement is known to be locally less than 350 metres.

The 100-per-cent-owned Henday block property is 1,752 hectares in size. The only historic drill hole on the Henday block, HLH8-71, was drilled by Cogema Resources in 1998.

Purepoint Uranium Group Inc. (PTU-TSXV): Turnor Lake Update - On June 15 Purepoint reported its upcoming exploration plans for the Turnor Lake project on the northeastern margin of Canada's Athabasca basin. The company intends to prioritize its drill targets at Turnor Lake by conducting fieldwork that uses the Canadian Mining Industry Research Organization (CAMIRO) methodologies for the direct detection of uranium deposits. A series of detailed geophysical surveys have been conducted on the property since November, 2006, and numerous drill targets, including electromagnetic (EM) conductors and structurally complex areas having evidence of intersecting structures, remain untested.

"Turnor Lake has consistently returned results indicating a widespread uranium mineralizing event," said Scott Frostad, vice-president, exploration, Purepoint Uranium Group. "It is a structurally complex property,



and we anticipate that our application of the CAMIRO techniques at Turnor Lake will assist in prioritizing the property's best drill targets."

Turnor Lake highlights:

- The Turnor Lake conductors wrap around the Kelsey dome, the same structural feature associated with neighbouring high-grade uranium showings (including Cameco's La Rocque deposit which encountered grades up to 33.9 per cent U₃O₈ over 5.5 metres).
- The Quetzal zone comprises a complex series of electromagnetic conductors interpreted to represent faulted graphitic rocks of a nature typically associated with uranium deposits in the Athabasca basin.
- Holes completed by Purepoint south of the Quetzal zone have outlined uranium-rich alteration, such as TL-03 with 22 metres of clay alteration and 29 metres of 34 parts per million uranium. By way of comparison, the Athabasca sandstone has a consistent background uranium content of only 0.5 ppm to two ppm.
- IP resistivity survey results suggest extensive zones of sandstone alteration underlie the Quetzal zone, and the detailed magnetic and gravity surveys indicate a high degree of structural complexity in that zone. The association of these promising indicators (hydrothermal alteration and structural complexity) makes this zone highly prospective.
- A seismic survey conducted over the Serin conductor indicates it is cut by a significant step fault. Similar faults elsewhere in the basin have provided structural traps that have localized uranium-bearing hydrothermal fluids and resulted in the formation of orebodies.

Quetzal zone

The Quetzal zone is located north of Purepoint's previous drilling and was the subject of one airborne and four types of ground geophysical surveys during 2007. These surveys (electromagnetics, magnetics, IP resistivity and gravity) defined over seven kilometres of EM conductors within a complex structural setting. Areas interpreted to be underlain by graphitic rocks and crosscutting structures have been targeted, as they are ideally suited to host a typical Athabasca basin unconformity uranium deposit.

Cotinga Lake

EM conductors outlined within the Cotinga Lake area are coincident with sandstone having a low apparent resistivity response that is thought to represent favourable clay alteration. A water sampling program carried out by Asamera Oil Corp. in 1977 found Cotinga Lake to have elevated concentrations of radon.

Serin conductor

The Serin conductor is interpreted to be the northeastern extension of the conductor which hosts Cameco's La Rocque showing. Results from EM surveys suggest the conductor is offset by approximately 150 metres at the same location that a refraction seismic survey, conducted by Saskatchewan Energy and Mines in 1984, reflects a significant down drop in the basement topography. The MacArthur River deposit, one of the world's largest uranium mines, was formed at the site of a similar basement step fault.

The Turnor Lake project is 100 per cent owned by Purepoint. This 9,705-hectare property covers graphitic electromagnetic conductors that are associated with uranium showings on adjoining properties, namely Cameco's La Rocque occurrence (up to 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 m) located to the south. The project lies in close proximity to several uranium deposits, including Midwest Lake, McClean Lake and Eagle Point, and has a shallow depth to the unconformity at approximately 180 metres.



Purepoint Uranium Group Inc. (PTU-TSXV): Commences Airborne Survey at Umfreville North and South Newnham Projects - On June 22 Purepoint reported the commencement of a high-resolution gradient aeromagnetic and XDS VLF-EM survey on two of the company's 100-per-cent-owned properties: Umfreville North and South Newnham.

Approximately 1,100 line kilometres are being flown on these two properties that are located in the northeast margin of the Canadian Athabasca basin in Northern Saskatchewan. The airborne geophysical equipment will include the XDS/VLF-EM system and three high-sensitivity cesium vapour magnetometers. The XDS VLF-EM is a proprietary electromagnetic measurement system developed by Terraquest Ltd. that typically responds to large faults or shear zones, and to graphitic formational conductors.

The Umfreville North property (one claim covering 5,460 hectares) is transected by the major north-to-northwest-trending Fond du Lac fault. Interpretation of results from an airborne gravity survey indicates the presence of fault systems not seen in previous geology maps and also supported fault systems previously interpreted from magnetic features. Two large areas interpreted to contain crosscutting structures have been named the Porcupine and Perching zones. It is anticipated that the high-resolution aeromagnetic and XDS VLF-EM survey data will help define precise structural targets for follow-up investigation by field crews.

The South Newnham property (one claim covering 2,884 hectares) was staked by Purepoint because of the presence of the significant north-to-south Newnham fault coincident with a magnetic low. The Newnham fault was considered a possible conduit for uraniumiferous fluids, while the magnetic low suggested metapelite rocks. During July, 2007, a helicopter-borne high-resolution radiometric (gamma-ray spectrometry) survey was completed over the Newnham South property and outlined five significant anomalies with uranium radiation counts well above background values. Two east-to-west faults have been interpreted to crosscut the Newnham fault and the northern east-to-west fault is thought to be a possible source area for two of the radiometric anomalies (refer to map of South Newnham Lake project on Purepoint's website). This summer's airborne geophysical survey will provide further details of the east-to-west faults and where they intersect the Newnham fault.

Pitchstone Exploration Ltd. (PXP-TSXV): Uranium Exploration Update - On June 15 Pitchstone reported the start of summer exploration activities in the Athabasca basin, Saskatchewan, with drilling having commenced on the Wolverine property. Wolverine was optioned to Japan Oil, Gas and Metals National Corporation (Jogmec) in 2009.

Geophysical surveying, consisting of ground gravity and DC-resistivity surveys, was completed at Wolverine during January to April, 2010, in preparation for a diamond drilling program that has now commenced. This first phase of drilling consists of four drill holes totalling 1,280 metres that tests two target areas. All exploration on the Wolverine property is being financed by Jogmec. Other work planned for the summer in the Athabasca basin includes drilling at three other properties: Gumboot, Johnston Lake and Candle.

Titan Uranium Inc. (TUE-TSXV): Plans Summer Drill Program and Provides Update of Recent Activities on Border Block Project - On June 17 Titan announced that its summer 2010 drilling program is planned to begin on the Border Block project in midsummer. The Border Block project is the subject of a letter of agreement between Titan and Japan Oil, Gas and Metals National Corp. (JOGMEC) wherein JOGMEC can earn a 50-per-cent undivided interest in the project by financing \$6-million in exploration over four years.

The planned program of approximately 1,500 metres of diamond drilling will continue to test prospective targets identified by recently completed (spring 2010) SQUID time domain electromagnetic (TDEM) and



DC resistivity surveys. DC resistivity is the geophysical technique of choice in the Athabasca basin due to its ability to image hydrothermal alteration systems, which form resistivity "chimneys," often associated with fault zones and unconformity-type uranium deposits.

Geochemical results from drill core collected during the recent winter drill program on the Border Block project have been analyzed and interpreted. In total, the company drilled 1,784 metres of core during the six-hole drill program; all the holes were successfully completed. This program was designed to test favourable uranium targets at or near the unconformity between the Athabasca sandstone rocks and the underlying basement rocks. The company observed about 30 metres of weak to moderate hematite-clay-chlorite-sericite alteration in the top portion of the basement rocks from two holes (GL-10-05 and GL-10-06) drilled on the H grid. In addition, anomalous uranium values were encountered in the basement rocks:

An 80-metre interval of alternating felsic gneiss and granitoids with elevated uranium (4.3 to 16.4 parts per million) in drill hole GL-10-05;

A 30-metre interval of felsic gneiss with elevated uranium (7.0 to 12.7 parts per million) in hole GL-10-06.

The regional background uranium value is about 1.1 parts per million and the anomalous threshold is about 3.2 parts per million.

The Border Block project is located in the southwest area of the Athabasca basin, near the Alberta border, and comprises the Maybelle River, Gartner Lake, King and Castle South Extension properties. The project (76,354 hectares (188,675 acres)) covers an area where historic exploration data identified favourable basement rocks capable of hosting uranium mineralization. The basement rocks are thought to be correlative with those found on the adjacent AREVA/UEX Corp.'s Shea Creek project, which hosts significant uranium mineralization in the Anne, Collette and Kianna deposits.

UEX Corp. (UEX-TSX): Expands Shea Creek's 58B Area, Encountering Significant Unconformity and Basement Mineralization - On June 14 it was reported that AREVA Resources Canada Inc. had reported to UEX Corp. results from an additional seven drill holes from its continued exploration in the 58B area of the Shea Creek project. Shea Creek hosts the Kianna, Anne and Colette deposits and is one of 10 49-per-cent-owned Western Athabasca uranium projects joint ventured with AREVA, the operator.

The 58B area represents a new mineralized zone which lies between the Kianna and Colette deposits. The results reported in this release, along with previous results reported in Stockwatch March 17, 2010, and historical holes have outlined continuous unconformity mineralization over a northwesterly strike length of 200 metres and is at least 80 metres in lateral width. These results have expanded the overall footprint of mineralization suggesting the potential for a new deposit.

UEX recently reported combined National Instrument 43-101-compliant resources for the Shea Creek deposits of 63.6 million pounds U(3)O(8) in the indicated category and 24.5 million pounds U(3)O(8) in the inferred category at a cut-off of 0.3 per cent U(3)O(8) (see news in Stockwatch May 26, 2010).

The mineralization in the 58B area has not been included in the NI 43-101-compliant resource estimate and will increase the overall Shea Creek resource.

Drilling results -- 58B area

Current results reported are from new directional cuts from pilot holes SHE-133 and SHE-104 drilled to test both the unconformity (UC) and basement (B) mineralization. Complete results from the winter 2010 program are reported in the table. Uranium grades reported here have been calculated from gamma probe logging. True widths of mineralized intervals have not yet been determined.



Highlights of recent drill results include:

- SHE-133-5: (UC) 3.00 per cent eU(3)O(8) over 2.9 metres and (B) 6.53 per cent eU(3)O(8) over 1.6 metres;
- SHE-133-6: (UC) 1.48 per cent eU(3)O(8) over 0.8 metre and (B) 6.17 per cent eU(3)O(8) over 1.6 metres;
- SHE-133-7: (UC) 2.13 per cent eU(3)O(8) over 10.6 metres;
- SHE-133-8: (UC) 2.57 per cent eU(3)O(8) over 1.5 metres;
- SHE-133-9: (UC) 1.90 per cent eU(3)O(8) over 1.1 metres;
- SHE-104-5: (B) 1.18 per cent eU(3)O(8) over 0.9 metre;
- SHE-104-6: (UC) 2.10 per cent eU(3)O(8) over 1.2 metres.

A significant aspect of the current and previously reported basement intercepts in the 58B area is that many occur in a set of east-northeast-trending, steeply dipping pitchblende veins which drilling has intersected to a depth of at least 100 metres below the Athabasca unconformity. This mineralization style and orientation at 58B are comparable with the Kianna deposit basement mineralization, which forms a large part of the overall Shea Creek resource, and which itself is still open.

Previously reported drilling at 58B during 2009 and 2010 includes the following unconformity and basement-hosted mineralization:

- SHE-133-2: (B) 1.34 per cent eU(3)O(8) over 3.2 metres;
- SHE-133-3: (UC) 1.81 per cent eU(3)O(8) over 7.6 metres, including 2.65 per cent eU(3)O(8) over 4.8 metres, and (B) 4.80 per cent eU(3)O(8) over 0.9 metre;
- SHE-133-4: (UC) 6.55 per cent eU(3)O(8) over 2.4 metres.

The 2010 winter program was designed to follow up results from the initial discovery hole SHE-58B drilled in 1997, which intersected unconformity mineralization grading 0.44 per cent eU(3)O(8) over 8.1 metres and underlying basement mineralization grading 2.21 per cent U(3)O(8) over 2.6 metres.

The Shea Creek deposits are typically stacked, with basement mineralization often occurring directly beneath significant zones of mineralization at the unconformity and locally developed zones of perched mineralization which may occur in the overlying sandstone above the unconformity. In addition to the results reported above, drill hole SHE-133-8 also intersected a low-grade interval of perched mineralization grading 0.20 per cent eU(3)O(8) over 4.5 metres in chloritic breccia 11 to 16 metres above the unconformity, suggesting potential for this mineralization style at 58B, and which at Kianna is host to very-high-grade mineralization.

Exploration potential

The presence of all three styles of mineralization (basement, unconformity and perched) in the 58B area is encouraging, and is typical of the Kianna, Anne and Colette deposits. These three deposits and the 58B area lie along the same structural trend, which is underlain by the over-30-kilometre-long graphitic Saskatoon Lake conductor.

58B occurs within the sparsely drilled 800-metre strike length of this trend situated between the Kianna and Colette deposits which includes a 400-metre interval having only one reconnaissance drill hole.



Consequently, there is room for identification of additional deposits and a high potential for interconnectivity of mineralization such as exists along the greater-than-one-kilometre strike length comprising the Kianna and Anne deposits.