

Athabasca Basin

EXPLORATION UPDATE

April.1.2012

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Uranium
Group Inc.

| | February 29, 2012 | March 31, 2012 | Change |
|-----------------------------------|---|---|-------------------|
| Ux Consulting's Spot Price | US\$ 52.00/lb U ₃ O ₈ | US\$ 51.00/lb U ₃ O ₈ | US \$ 1.00 |

Exploration News:

1. Athabasca Uranium Inc. (TSXV-UAX): Athabasca Uranium Mobilizes Keefe Lake Drill Camp & Completes McCarthy Lake Acquisition
2. Athabasca Uranium Inc. (TSXV-UAX): Keefe Phase 1 Analytics Show Significant Uranium Indicators in Sandstone & Anomalous Uranium in Basement – Keefe Phase 2 Drilling Continues
3. Cameco Corporation (TSX-CCO): Cameco Announces Agreement to Acquire Majority Ownership of the Millennium Project
4. Nuinsco Resources Ltd. (TSX-NWI): Nuinsco Updates Current Status of the Diabase Peninsular Project
5. Uravan Minerals Inc. (TSXV-UVN): Uravan Athabasca Project Update and 2012 Drilling

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Athabasca Uranium Inc. (TSXV-UAX): Athabasca Uranium Mobilizes Keefe Lake Drill Camp & Completes McCarthy Lake Acquisition – On March 15, Athabasca Uranium Inc. announced that it had mobilized its Keefe Lake drill camp and completed the acquisition of a 100-per-cent ownership interest in the McCarthy Lake project.

Keefe Lake drill program

The company is pleased to report the mobilization of crew and equipment to its Keefe Lake drill camp in anticipation of resuming drilling for its 2012 phase 2 drilling program. The company is following up its successful 2011 drill program, in which alteration was encountered in three of its five holes. A total of up to 10 350-metre holes (3,500 metres total) are planned, including drilling a minimum of one to two holes at Volhoffer Lake (Keefe K-2) to test subsurface conductors. Comprehensive interpretation of drill results from phase 1 is continuing and should be available shortly.

On mobilizing the camp, UAX chief executive officer Gil Schneider commented: "With the positive results from the program last winter, the company is extremely excited about exploring the Keefe alteration zone. While all alteration zones and deposits in the basin are unique, they do share commonalities, such as silicification and base metal enrichment. The Keefe alteration zone has both of these features as well as quartz enrichment, which suggests that this zone has been subject to high temperate hydrothermal activity."

The Keefe Lake phase 2 program is a continuation of last year's drilling and has been designed to test the limits of the alteration zone as well as to drift on hole AU4-01, which exhibited the most pronounced mineral enrichment, silicification and gamma radiation readings.

McCarthy Lake acquisition

The company has completed the acquisition of the remaining 50-per-cent interest in its McCarthy Lake project, details of which were announced in the company's news release dated Feb. 28, 2012. Athabasca Uranium is now the 100-per-cent owner (subject to a 2.5-per-cent net-smelter-return royalty) of the 4,082-hectare project, located in the Athabasca basin region near the West Bear uranium deposit. The company is designing an exploration program for McCarthy Lake which will likely include an induced-polarization resistivity survey and drilling to test the RZ10 conductor array, also as announced in February.

Regarding the completion of the McCarthy Lake transaction, UAX chief executive officer Gil Schneider commented: "The recent resurgence of interest in the uranium sector, a hot-button topic in the U.S. political arena, has led to an increased interest in exploration of the Athabasca basin. The McCarthy Lake project represents a solid joint venture opportunity, and the company is extremely active in this regard."



Athabasca Uranium Inc. (TSXV-UAX): Keefe Phase 1 Analytics Show Significant Uranium Indicators in Sandstone & Anomalous Uranium in Basement – Keefe Phase 2 Drilling Continues –

On March 28, Athabasca Uranium Inc. announced that it had received the analytical results of its 2011 diamond drilling program at the Keefe Lake uranium project in the Athabasca basin region of Saskatchewan. Five holes (1,645 metres total) were completed in phase 1 drilling conducted in November and December, 2011, with two holes encountering significantly anomalous alteration and another containing chloritic alteration at various intervals below the unconformity, a common feature found in the host rocks containing uranium mineralization. As previously reported in a release dated Nov. 24, 2011, hole AU4-1 intersected a large zone of alteration that started in the sandstone column, and continued well into the basement. In addition to the visible alteration in the sandstone, elevated levels of uranium indicator metals have been identified, which include: cobalt (up to 12 times background), arsenic (up to three times background), lead (up to five times background) and nickel (up to nine times background).

Samples from basement lithologies within hole AU4-1 revealed elevated levels of uranium (up to 155 parts per million U) within a sheared/fractured granitic pegmatite. The basement of hole AU4-1 consists predominantly of quartzite with minor intervals of arkosic quartzite, semipelitic gneiss and amphibolite.

The goals for the current phase 2 drilling are two-fold. The first priority is to intercept the boundary of the quartzite unit where it meets the unconformity in order to test a possible paleo-topographic high that may have provided a conduit for mineralizing fluids. Quartzite ridges have recently been identified as an important feature for localizing uranium mineralization at the unconformity; including the McArthur River mine and the Phoenix zone.

The second priority will be to test additional high-priority targets from the regional seismic survey and other subsurface conductors on the property.

UAX president Gil Schneider commented: "We are extremely pleased with the results from Keefe phase 1 -- we believe that the identification of a quartzite lithology in addition to the uranium indicator metals in the sandstone marks a significant milestone for the Keefe Lake project. Our phase 2 drilling, moving to its second hole at present, will help to validate our theories for the Keefe area."

Samples were analyzed by SRC Geoanalytical Laboratories (an SCC ISO/IEC 17025: 2005 accredited facility) of Saskatoon for analysis, which included a 16-element ICP-OES partial digestion, a 46-element ICP-OES total digestion. The uranium content above is uranium by fluorimetry (partial digestion, ICP-OES).



Cameco Corporation (TSX-CCO): Cameco Announces Agreement to Acquire Majority Ownership of the Millennium Project – On March 2, Cameco Corporation announced that it had entered into an agreement with AREVA Resources Canada Inc. to purchase AREVA's 27.94-per-cent interest in the Millennium project for \$150-million.

The Millennium project is a proposed uranium mine located in the Athabasca basin of Northern Saskatchewan, Canada. The project area is one of 12 mineral claims held by the Cree Lake Extension joint venture exploration project, which is currently owned by Cameco (41.96 per cent), JCU (Canada) Exploration Co. Ltd. (30.1 per cent) and AREVA Resources Canada Inc. (27.94 per cent). Cameco is the operator.

Under the agreement, the Millennium mineral claim, consisting of 590 hectares of land, will be designated as a separate project area under the Cree Lake Extension joint venture.

The sale to Cameco of the full amount of AREVA's interest of 27.94 per cent is subject to JCU (Canada) Exploration Co.'s rights of refusal on transfers under the terms of the Cree Lake Extension joint venture agreement.

If JCU does not exercise its rights, Cameco will acquire the entire 27.94-per-cent interest from AREVA, increasing its ownership interest in the Millennium project to 69.9 per cent. If JCU elects to exercise its rights, it will acquire an additional 11.67-per-cent interest and Cameco will acquire an additional 16.27-per-cent interest, resulting in Cameco owning 58.23 per cent in the Millennium project.

"This agreement gives Cameco majority ownership of Millennium and further strengthens our base of uranium assets in the Athabasca basin consistent with our growth strategy," said Cameco president and chief executive officer Tim Gitzel.

Exploration on the Millennium project area to date has identified indicated resources of 50.9 million pounds of U₃O₈ (507,800 tonnes with an average grade of 4.55 per cent) and inferred resources of 16.7 million pounds of U₃O₈ (297,800 tonnes with an average grade of 2.54 per cent).

If production from the Millennium deposit exceeds 63 million pounds of packaged uranium concentrate, the agreement provides AREVA with a 4-per-cent royalty on revenue from 27.94 per cent of any production that exceeds 63 million pounds.

The transaction is expected to close no later than June 6, 2012, and may close as early as March 15, 2012, depending on the timing of JCU either exercising or waiving its rights under the Cree Lake Extension joint venture agreement.



Nuinsco Resources Ltd. (TSX-NWI): Nuinsco Updates Current Status of the Diabase Peninsular Project – On March 29, Nuinsco Resources Ltd. provided an update on the status of its project in Athabasca basin. The previously announced drill program designed to follow up on past exploration is progressing well at the Diabase Peninsula project in Saskatchewan's Athabasca basin. Two holes of a planned four-to-five-hole program have been completed and it appears the entire drill program will be completed from the ice, the preferred location for reaching targets.

"Past drilling has encountered up to 707 ppm uranium and, as we've said before, uranium values exceeding 10 ppm are considered significant in the Athabasca basin," said Mr. Jones. "In fact, 26 of the 38 holes reported to date, a remarkable 68 per cent contain significant uranium assays of 10 ppm or greater and 13 holes have returned samples with very substantial uranium content exceeding 50 ppm."

Uravan Minerals Inc. (TSXV-UVN): Uravan Athabasca Project Update and 2012 Drilling – On March 13, it was announced that in 2011, Uravan Minerals Inc. had completed 5,834 metres of drilling in seven diamond drill holes on its Outer Ring-Mathison (OR-MATH) projects, and had conducted four multifaceted surface geochemical sampling programs on the Halliday, MATH, OR extension and Stewardson projects in the Athabasca basin ⁽¹⁾, Northern Saskatchewan.

The 2011 OR-MATH drill programs were reconnaissance in nature, targeting selected surface geochemical signatures identified from a multifaceted sampling program completed over the OR-MATH projects in 2010 and 2011. Based on downhole natural gamma survey results, all drill holes intersected zones of high radioactivity (levels greater than 7.5 times background) averaging 350 to 707 API (counts per second) occurring over significant intervals (10 to 13 metres) in the Athabasca sandstone at the basal unconformity and over broad zones (greater than 20 metres) below the unconformity in the underlying crystalline basement rocks. All zones having high radioactivity were systematically sampled and assayed. Analytical results indicated that drill hole OR11-03 intersected the most significant section of uranium mineralization, as assaying returned 89.9 parts per million triuranium octoxide (U₃O₈) (about 0.01 per cent U₃O₈) over 0.5 metre at the unconformity at a depth of 781 metres. All other intervals of high radioactivity suggest substantial uranium mineralization in the area. Coincident with the zone of elevated uranium mineralization in OR11-03, at the unconformity is an 18-metre sandstone section showing illite (clay) alteration and secondary hematite. This favourable section of clay-hematite alteration is overlain by a broad zone of sandstone bleaching. The occurrence of these alteration features are key indicators that there is potential uranium mineralization and hydrothermal activity in the area.

In 2012, several drill holes are planned on the OR-MATH project to further test the favourable mineralization intersected in OR11-03 and coincident alteration features. This drilling will target selected surface geochemical signatures within a northeast-southwest-trending magnetic low corridor.

The surface geochemical programs completed in 2011 on the Halliday, MATH, OR extension and Stewardson projects capitalized on new surface geochemical technologies developed from a pilot study conducted at the Cigar West uranium deposit ⁽²⁾. These sampling programs resulted in the collection of 3,305 samples from all media (soils, vegetation and tree cores) ⁽³⁾ over approximately 40,140 hectares.

Data analysis and interpretation of the surface geochemical data from the Halliday ⁽⁴⁾ project identified a significant east-west-oriented highly anomalous geochemical signature that is coincident with an electromagnetic geophysical conductor and magnetic low corridor. The east-west geochemical signatures consist of anomalous radiogenic lead isotope ratios occurring in tree cores and in clay minerals extracted from the soils. These radiogenic lead isotopic anomalies also correlate strongly with other anomalous uranium pathfinder elements occurring in the same sampling media.



Based on the extremely positive results from the Halliday surface geochemical program, a five-hole diamond drill program is planned and anticipated to commence in June, 2012. In preparation to finalize drill targets, additional ground geophysics (horizontal loop TDEM survey) and structural mapping (RADARSAT imagery) are anticipated to be completed over the anomalous east-west geochemical trend. More details on these surveys and the subsequent drill program will be announced in future press releases.

Larry Lahusen, chief executive officer of UraVan, stated: "Although it is early times in the development of our new surface geochemical techniques, there is strong evidence, based on our recent drilling at OR-MATH, that the geochemical indicators measured from the surface environment are mapping basement mineralization at depths greater than 800 metres. Going forward, the interpretation and refinement of these new surface geochemical techniques by UraVan's technical group working in collaboration with the team at QFIR ⁽⁵⁾ clearly has the potential to be a 'game changer' with respect to vectoring drilling to the most probable location of uranium deposits at depth in underexplored areas of the Athabasca basin."

The data analysis and interpretation of the surface geochemical results from samples previously collected on the OR extension, Stewardson and Johansson projects are pending, and will be announced as this work is completed. Financing for the planned drill programs on the OR-MATH and Halliday projects is anticipated to be in place in the near future.

Dr. Colin Dunn ⁽⁶⁾, PGeo, technical adviser for UraVan, is the qualified person for the purposes of National Instrument 43-101 with respect to the technical information in this press release.

Notes

⁽¹⁾ The Athabasca basin is an ancient (Paleoproterozoic) sandstone basin located in Northern Saskatchewan, Canada. The Athabasca basin hosts high-grade unconformity-type uranium deposits that account for about 28 per cent of the world's primary uranium production. These unconformity-type uranium deposits occur in sandstones at the basement-sandstone unconformity (sandstone-hosted mineralization) and within the underlying structurally disrupted crystalline basement (basement-hosted mineralization). The ore grades are high, typically grading 5 per cent to 20 per cent U3O8.

⁽²⁾ The Cigar West study was a collaborative applied research program conducted by UraVan and QFIR (Queen's Facility for Isotope Research) in 2009 over a known high-grade uranium deposit in the Athabasca basin. The study was designed to develop new surface geochemical techniques that can better identify bedrock sources of uranium mineralization at depth. This research clearly identified distinctive elements and isotopic compositions that have been mobilized from the deposit (geosphere) to the surface media (plants and soils) from depths greater than 450 metres. The Cigar Lake deposit is on the Waterbury/Cigar uranium property, a joint venture partnership between Cameco Corp., AREVA, Idemitsu Kosan Co. Ltd. and Tokyo Electric Power Co. (TEPCO) located in the Athabasca basin, Saskatchewan. UraVan thanks both AREVA and Cameco for their collaboration and gracious support for the Cigar West study, and for the support provided by the Cigar Lake facility during UraVan's field operations.

⁽³⁾ The sample media collected are B- and C-horizon soils, twigs and foliage from spruce and/or pine, and tree cores from spruce and/or pine. All sample material collected (clay separates from the B- and C-horizon soils and vegetation samples) were analyzed using multielement ICP-MS for 53 elements plus all the rare earth elements and lead isotopes at Acme Labs in Vancouver. Sample preparation on the tree cores and separation of the clay fraction from the B- and C-horizon soils were completed by QFIR at Queen's University. QFIR will also conduct further analytical work on tree cores and clay separates by a multielement analysis and selected isotopes by high-resolution ICP-MS. The analytical data resulting from these geochemical surveys will be the focus of a collaborative research



study between Uravan and QFIR, and the Natural Sciences and Engineering Research Council of Canada (NSERC)(7).

⁽⁴⁾ The Halliday project is located approximately 18 kilometres northwest of the McArthur River uranium deposit in the eastern Athabasca basin. The Halliday property is owned 100 per cent by Uravan, and was acquired from Cameco in December, 2010, as part of a larger property exchange agreement. Exploration work previously conducted on the Halliday project by Cameco consists of six widely spaced diamond drill holes amounting to 5,167 metres, drilled with drill depths averaging 861 metres. This reconnaissance drilling targeted three subparallel EM geophysical conductors within an east-west-oriented magnetic low. Based on drill core data analysis and interpretation, the conductive zones coincide with an east-west-trending graphite structural zone. Drill core analysis identified high boron concentrations within basement samples, strong illite clay alteration in the sandstone and anomalous uranium mineralization occurring at the unconformity, which assayed 0.08 per cent to 0.12 per cent U₃O₈ over narrow intervals (less than one metre).

⁽⁵⁾ QFIR at Queens's University, Ontario, is a state-of-the-art research facility, comprising a group of highly experienced research geochemists. The QFIR lab contains some of the most technologically advanced analytical equipment in Canada. Under the direction of Dr. Kurt Kyser, the QFIR research team is working collaboratively with Uravan's technical group to develop new exploration technologies using applied research.

⁽⁶⁾ Dr. Colin Dunn, an independent specialist in biogeochemistry and other surface geochemical exploration methods, is working closely with Uravan's technical group and QFIR to advance the interpretation of the geochemical results. Dr. Kyser and Dr. Dunn are key technical advisers for Uravan.

⁽⁷⁾ The goals of this applied research study, entitled "Exploration Geochemistry for Deep Uranium Deposits," are: (i) to apply geochemical technologies recently developed by QFIR and Uravan from a pilot study (the Cigar Lake study) for remotely sensing deeply buried deposits on Uravan's OR and other Athabasca basin projects; and (ii) to develop new geochemical technologies using isotope compositions (such as lithium, carbon, nitrogen, lead and uranium) for more reliable and definitive indicators of mineralization at depth in these highly prospective but underexplored sandstone basin areas.

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