

Athabasca Basin EXPLORATION UPDATE

August.1.2012

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Uranium
Group Inc.

	June 30, 2012	July 31, 2012	Change
Ux Consulting's Spot Price	US \$50.75/lb U ₃ O ₈	US \$49.50/lb U ₃ O ₈	US \$1.25

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ESO Uranium Corp. (TSXV-ESO)/ Fission Energy Corp. (TSXV-FIS): Anomalous U3O8 in Last 4 Drill Holes of Winter Program, Patterson Lake South JV, Saskatchewan – On July 24, ESO Uranium Corp. announced that it had received encouraging results from the analytical data submitted by its 50-per-cent joint venture (JV) partner Fission Energy from the winter drilling program at Patterson Lake.

Highlights

- Strongly anomalous uranium (30 to 873 parts per million (ppm) uranium (U)) along 823 metres of graphitic electromagnetic conductor;
- Located approximately 3.5 kilometres up ice from high-grade uranium boulder field;
- Geochemical data showing anomalous pathfinder elements boron, cobalt, nickel, molybdenum, vanadium and lead associated with the higher uranium values;
- Clay, chlorite and hematite alteration associated with anomalous uranium zones.

This combination of the pathfinder elements, those elements typically found associated in and around the high-grade Athabasca uranium deposits, together with the alteration suggests a large mineralized system has been active in the area. The location of a mineralized system up ice from the boulder field also suggests proximity to a source area for the boulders.

RESULTS FROM MINERALIZED DRILL HOLES

Hole Number	From (meters)	To (meters)	Width (meters)	U* (Total) (ppm)	B (Boron) (ppm)
PLS12-013	94.00	118.35	24.35	115	32
PLS12-014	127.60	131.42	3.82	39	96
	144.00	158.50	14.50	30	44
PLS12-015	99.67	119.00	19.33	56	65
PLS12-016	135.37	138.68	3.31	208	53
<i>including</i>	136.07	137.26	1.19	470	64
<i>including</i>	136.07	136.67	0.60	674	79
	151.11	158.70	7.59	224	94
<i>including</i>	151.61	155.43	3.82	339	129
<i>including</i>	152.61	153.11	0.50	499	97
<i>including</i>	154.11	154.61	0.50	873	142
<i>including</i>	157.65	158.05	0.40	493	61

* Conversion for U ppm to U3O8%: divide U ppm by 10000 for U%, then multiply U% by 1.1792 to get U3O8%

Complete geochemical and assay results showing the broad zones of anomalous values reflecting the mineralizing system have been posted to the ESO website. The geochemical results include partial (two-acid sample digestion) analyses and total (three-acid sample digestion) analyses. All of the analytical work has been executed by SRC Geoscientific Laboratories (an ISO 17025:2005-accredited facility) of Saskatoon.

The EM conductor being investigated with the last four drill holes of the winter program (PLS 2012 -- 13, 14, 15, 16), designated PL-3B, had a thin cover of Devonian and/or Cretaceous sedimentary rock overlying the basement rocks with no Athabasca-age sediments lying on the basement. Excavation



through this thin cover by the ice sheet, as it pushed southwestward, could have delivered the high-grade boulders, located in June, 2011, from a basement source related to the anomalous uranium values returned by the latest drilling.

The target area for the source of the uranium boulder discovery is a window through to basement rocks beneath the Cretaceous, Devonian or Athabasca sedimentary cover.

Exploration of the Patterson Lake South joint venture is planned to continue with further ground geophysical surveys in July. Following the ground surveys, core drilling will test conductive and low-resistivity basement targets. High priority will be given to PL-3B and the several flexures of that conductor which indicate intersecting cross-structures. Shallower reverse circulation (RC) drilling is planned for locating the possible train of radioactive till from the high-grade boulder field back to the source area. A gamma spectrometer downhole survey is planned for the probing of the larger-diameter RC holes. This will distinguish between potassium, thorium and uranium sources of gamma radiation in the till. The narrower diameter of the drill rods used for core drilling allows only the use of a total-count scintillometer at this time. Total-count measurements do not identify which of the radioactive elements are the sources of the gamma radiation but are useful flags of possible mineralization that may be confirmed with a hand-held scintillometer and drill core inspection.

Late in 2011, the joint venture acquired a contiguous block of ground to the south and southeast of the original joint venture property by staking. The 8,170-hectare (20,200-acre) area staked covers the southwest extensions of the Derkson conductor corridor which has some similarity to the geology of the southwest extension of the Patterson conductor corridor. Helicopter VTEM coverage of the claims was completed in February, 2012, prior to the start of 2012 drilling.

The main tool for the direct evaluation of the new ground will be a detailed airborne survey which is expected to start in late July or early August. The survey will be using a new version of the combined advanced magnetometry and gamma spectrometer tools that were used in 2011 to identify targets that lead to the discovery of the high-grade uranium boulders. Ground follow-up will be carried out upon completion of the interpretation of the survey data.

Fission Energy Corp. (TSXV-FIS): Fission Reports Final 2012 Winter J Zone Assays – On July 30, Fission Energy Corp. and its limited partner, the Korea Waterbury Uranium LP, released the final results for the 2012 winter drill program at the J zone, Waterbury Lake, where 36 of the 49 step-out and infill holes intersected mineralization returning assay grades greater than 0.05-per-cent U₃O₈ cut-off (as was used in the National Instrument 43-101 "Technical Report on the Waterbury Lake Uranium Project Including Resource Estimate on the J Zone Uranium Deposit, Waterbury Lake Property -- Feb. 29, 2012").

Step-out drilling has successfully widened the lateral north-south mineralized dimension by up to 55 metres, while infill drilling has confirmed continuity of the J zone by intersecting wide downhole widths of mineralization in areas tested by earlier programs (see press release dated June 4, 2012).

Ross McElroy, president, chief operating officer and chief geologist for Fission, commented, "Results continue to demonstrate the significant potential for growing the J zone, which remains open along strike and laterally to the north and south, as well as in the sandstone above the unconformity, and in the basement below."

A 21-hole, 7,350-metre summer drill program is currently under way (see press release dated July 18, 2012).

J zone: winter 2012 assay highlights

Uranium mineralization was intersected all along the J zone's east-west strike length, which now extends for 667 metres from the Rio Tinto property boundary, west to hole WAT 12-281 on Line 540W. Generally, wider intervals of discrete mineralization were intersected in the J zone areas B (lines 225W to 435W) and C (lines 450W to 540W), as compared with previous drilling, including widths up to 23.0 metres (WAT12-226), 18.5 metres (WAT12-293), 12.5 metres and 13.5 metres (WAT12-229) and 14.0 metres (WAT12-237B) (as measured downhole; not necessarily true width). The table summarizes the J zone assay results. Select highlights include:

J zone area B: (lines 225W to 435W):

- Hole WAT12-242 (Line 300W): nine metres of 1.37 per cent U3O8, including 1.50 metres of 3.72 per cent U3O8 and 1.50 metres of 2.64 per cent U3O8 (unconformity);
- Hole WAT12-244 (Line 300W): 5.50 metres of 1.97 per cent U3O8, including one metre of 9.61 per cent U3O8, and four metres of 0.28 per cent U3O8 (unconformity);
- Hole WAT12-247 (Line 300W): eight metres of 1.05 per cent U3O8, including three metres of 2.22 per cent U3O8 (unconformity);
- Hole WAT12-229 (Line 270W): 12.5 metres of 0.36 per cent U3O8 and 13.5 metres of 0.47 per cent U3O8, including one metre of 1.66 per cent U3O8;
- Hole WAT 12-237B (Line 285W): 14.0 metres of 0.27 per cent U3O8, including 2.50 metres of 0.63 per cent U3O8 (sandstone and unconformity);
- Hole WAT12-253B (Line 315W): 5.50 metres of 0.42 per cent U3O8 (unconformity);
- Hole WAT12-300 (Line 375W): 12.0 metres of 0.21 per cent U3O8, including five metres of 0.41 per cent U3O8 (unconformity);
- Hole WAT12-293 (Line 390W): 18.5 metres of 0.10 per cent U3O8 and 0.50 metre of 0.11 per cent U3O8 (unconformity);
- Hole WAT12-295 (Line 390W): 13.5 metres of 0.13 per cent U3O8 and 1.50 metres of 0.19 per cent U3O8 (unconformity);

J zone area C (lines 450W to 540W):

- Hole WAT12-226 (Line 480W): 23.0 metres of 0.20 per cent U3O8, including three metres of 0.64 per cent U3O8 (unconformity), and three metres of 0.27 per cent U3O8 (basement);
- Hole WAT12-228 (Line 480W): 12.5 metres of 0.31 per cent U3O8, including one metre of 1.22 per cent U3O8 (unconformity), and 1.5 metres of 0.66 per cent U3O8 (basement);
- Hole WAT12-284C (Line 525W): three metres of 1 per cent U3O8 (basement);
- Hole WAT12-221 (Line 465W): five metres of 0.44 per cent U3O8, one metre of 0.20 per cent U3O8 (sandstone), 2.50 metres of 0.13 per cent U3O8, 1.50 metres of 0.06 per cent U3O8 and four metres of 0.24 per cent U3O8 (unconformity).

J ZONE WINTER 2012 ASSAY RESULTS
(greater than 0.05-per-cent U3O8 cut-off)

Zone	Hole ID	Grid Line	From (m)	To (m)	Interval (m)	U ₃ O ₈ (wt%)
J Zone	WAT12-218A	330W	No significant mineralization			
	WAT12-219	465W	No significant mineralization			
	WAT12-220	330W	No significant mineralization			
	WAT12-221	465W	227.50	232.50	5.00	0.44



			234.50	235.50	1.00	0.20	
			238.00	240.50	2.50	0.13	
			243.50	245.00	1.50	0.06	
			246.50	250.50	4.00	0.24	
	WAT12-222	330W	217.50	218.00	0.50	0.18	
	WAT12-224B	465W	Hole Abandoned due to technical reasons				
	WAT12-225B	285W	229.00	230.00	1.00	0.07	
	WAT12-226	480W	230.00	253.00	23.00	0.20	
			244.00	247.00	3.00	0.64	
			266.00	269.00	3.00	0.27	
	WAT12-228	480W	233.50	246.00	12.50	0.31	
			244.50	245.50	1.00	1.22	
			265.00	266.50	1.50	0.66	
	WAT12-229	270W	201.50	214.00	12.50	0.36	
			222.50	236.00	13.50	0.47	
			234.50	235.50	1.00	1.66	
	WAT12-230B	480W	Hole Abandoned due to technical reasons				
	WAT12-231	270W	200.00	206.50	6.50	0.09	
			217.00	217.50	0.50	0.26	
Zone	Hole ID	Grid Line	From (m)	To (m)	Interval (m)	U ₃ O ₈ (wt%)	
J Zone			220.00	223.00	3.00	0.08	
		WAT12-232	510W	303.50	304.00	0.50	0.05
		WAT12-234	270W	216.50	217.00	0.50	0.05
				229.50	231.00	1.50	0.05
				236.00	237.00	1.00	0.06
		WAT12-236	510W	291.00	293.50	2.50	0.21
		WAT12-237B	285W	207.00	221.00	14.00	0.27
				211.00	213.50	2.50	0.63
		WAT12-238	495W	223.00	224.50	1.50	0.17
				227.00	241.00	14.00	0.12
				251.50	252.00	0.50	0.07
		WAT12-240A	495W	No Significant Mineralization			
		WAT12-242	300W	205.50	214.50	9.00	1.37
				206.00	207.50	1.50	3.72
				210.50	212.00	1.50	2.64
		WAT12-244	300W	201.00	206.50	5.50	1.97
			205.00	206.00	1.00	9.61	



			208.50	212.50	4.00	0.28
			214.50	215.00	0.50	0.07
	WAT12-247	300W	206.00	206.50	0.50	0.06
			209.00	217.00	8.00	1.05
			211.50	214.50	3.00	2.22
			221.50	222.50	1.00	0.07
	WAT12-249A	315W	208.00	215.50	7.50	0.22
	WAT12-253B	315W	212.50	218.00	5.50	0.42
	WAT12-257A	315W	No Significant Mineralization			
	WAT12-261	345W	206.00	207.50	1.50	0.68
	WAT12-265B	345W	213.50	215.50	2.00	0.24
			225.50	226.00	0.50	0.36
	WAT12-269B	360W	208.00	210.00	2.00	0.12
	WAT12-274	285W	231.00	231.50	0.50	0.07
	WAT12-275	495W	223.00	235.00	12.00	0.22
			260.50	261.00	0.50	0.10
	WAT12-277	255W	No Significant Mineralization			
	WAT12-278	450W	207.00	207.50	0.50	0.19
			211.50	212.00	0.50	0.07
			224.50	225.00	0.50	0.06
	WAT12-280	300W	210.00	220.00	10.00	0.28
	WAT12-281	540W	266.00	267.00	1.00	0.17
			269.50	272.50	3.00	0.20
			276.00	277.50	1.50	0.17
			280.00	281.50	1.50	0.14
	WAT12-283	300W	204.00	204.50	0.50	0.07
			208.00	208.50	0.50	0.07
			214.00	214.50	0.50	0.15
	WAT12-284C	525W	263.50	264.00	0.50	0.05
			272.00	275.00	3.00	1.00
Zone	Hole ID	Grid Line	From (m)	To (m)	Interval (m)	U₃O₈ (wt%)
J Zone			281.00	286.00	5.00	0.09
	WAT12-286	405W	No Significant Mineralization			
	WAT12-288	540W	200.50	202.00	1.50	0.05

		208.00	208.50	0.50	0.10
WAT12-289	390W	No Significant Mineralization			
WAT12-290	390W	No Significant Mineralization			
WAT12-293	390W	212.00	230.50	18.50	0.10
		232.50	233.00	0.50	0.11
WAT12-294	765W	234.00	235.50	1.50	0.10
WAT12-295	390W	201.50	215.00	13.50	0.13
		219.50	221.00	1.50	0.19
WAT12-297	765W	240.00	241.50	1.50	0.23
WAT12-298	390W	215.50	216.00	0.50	0.06
		220.00	229.00	9.00	0.13
WAT12-299	570W	No Significant Mineralization			
WAT12-300	375W	214.50	226.50	12.00	0.21
		216.50	221.50	5.00	0.41
WAT12-301	570W	No Significant Mineralization			
WAT12-302	375W	215.00	222.00	7.00	0.18
		224.50	225.50	1.00	0.09
WAT12-303	600W	No Significant Mineralization			
WAT12-304A	285W	207.50	209.50	2.00	0.13
		213.00	215.50	2.50	0.07

Updated winter 2012 J zone drilling summary maps have been posted to Fission's corporate website.

Each drill hole is surveyed downhole for radioactivity with a Mount Sopris 2PGA-1000 Gamma/SP probe. Samples were submitted to SRC Geoscientific Laboratories (an SCC ISO/IEC 17025:2005-accredited facility) of Saskatoon for assay analysis, which included a 63-element ICP-OES, uranium by fluorimetry (partial digestion). Samples within mineralized intervals and any samples which return greater than 500 parts per million uranium are assayed for percentage U3O8.

Fission Energy and the Waterbury consortium have budgeted \$30-million for exploration at Waterbury Lake over a three-year period from 2010 to 2012.

Nuinsco Resources Ltd. (TSX-NWI): Drill Results at Nuinsco's Diabase Peninsular Uranium Project Provide Further Support for the Potential of a Significant Mineral Occurrence – On July 30, it was announced that Nuinsco Resources Ltd.'s drilling results continued to provide the required indicative elements necessary to identify a deposit at its Diabase peninsula uranium property in Saskatchewan's Athabasca basin. Recent drilling has provided additional anomalous uranium results, with two of the three holes returning assays well in excess of the necessary 10 parts per million uranium, providing further indication of the pervasive and substantial mineralizing event that affected the rocks in the area.

"This year's program was cut short due to warm weather; however, results from the three holes that were completed continue to support that we are in the right area," said Paul Jones, president. "Greater than 10 parts per million uranium in sandstone is evidence of a mineralized system and proximity to



concentrations of high-grade mineralization. Nuinsco has now drilled 42 holes totalling 17,356 metres. Of these, a remarkable 33 per cent have returned samples with uranium content exceeding 50 parts per million and 67 per cent have returned values greater than 10 parts per million uranium -- serving to further reinforce and highlight the outstanding scale of anomalous mineralization at Diabase."

The 2012 winter drill program followed from past exploration programs that have identified all the elements indicative of a uranium mineralizing event. Widespread anomalous uranium mineralization peaking at 707 parts per million uranium has been measured over kilometres of strike length along the regionally significant Cable Bay shear zone that underlies the entire length of the property.

Four holes were collared during the 2012 winter program, although only three were completed (the fourth one, ND1202A, was abandoned in overburden at 30 metres). The total program consisted of 1,598 metres of drilling, with results peaking at 55.94 parts per million uranium over 6.9 metres in hole ND1203 (see details later in this press release), including individual intervals grading 134 parts per million and 181 parts per million uranium (analysis by total digestion method). Unseasonably warm weather forced the demobilization of equipment before drilling could be conducted on one of the most prospective uranium anomalies on the project -- the Mackenzie Bay area in the central part of the property -- which is an area of overlapping geophysical, surface and drill hole geochemical anomalies, and has favourable geology. The drill testing of this target will be deferred to a later program.

Two drill holes were completed on the northern part of the main grid to evaluate a water-covered soil gas hydrocarbon anomaly lying in an area of substantial displacement of the unconformity across a fault structure. Hole ND1202 encountered a fault zone below the unconformity, returning a continuous interval from 439.37 metres to 461 metres (21.73 metres) assaying 27.4 parts per million uranium (total) (individual samples range from 1.43 parts per million to 63.7 parts per million uranium total, typically 1.5 metres in length).

DDH ND1203 was collared at 40 metres grid west and 25 metres grid south from ND1202 and was completed to 456 metres and encountered the diabase dike from 214 metres to 310 metres with the unconformity at 389 metres. Gamma-probe surveying revealed widespread elevated radioactivity through the altered and micaceous central portion of the diabase dike averaging 65.33 counts per second over 53.6 metres from 207.4 metres to 261 metres and 113 counts per second over 19.7 metres from 290.2 metres to 309.9 metres (values in sandstone near the unconformity are typically in the 20- to 50-count-per-second range). Analysis of the only dike interval sampled produced 55.94 parts per million uranium (total) over 6.9 metres from 294.1 metres to 301 metres, with two samples at the core of the interval grading 134 parts per million and 181 parts per million uranium (total) over 0.7 metre and 0.8 metre, respectively, from 296.5 metres to 298 metres. It appears likely that the anomalous radioactivity displayed by the diabase dike is due to contamination from assimilated radioactive material at the time of dike emplacement; a source area for the interpreted significant uranium mineralization is likely to lie a short distance to the east of hole ND1203.

Drill hole ND1201 was collared upon a combined linear geophysical-geochemical anomaly lying beneath Cree Lake within the northern Rowan grid area above the Cable Bay shear zone; a uranium (total) value of 15.8 parts per million over 0.63 metre (512.5 metres to 513.13 metres) was returned from a sample of sandstone at the unconformity. In addition, two adjacent 1.5-metre length samples from 497.5 metres to 499.5 metres, 13 metres to 16 metres above the unconformity returned uranium (total) analyses of 16.3 parts per million and 13.6 parts per million uranium, demonstrating evidence for wider distribution of anomalous uranium mineralization in the sediment column.

Joint venture extension completed

As previously announced (see news release dated June 12, 2012), the company has agreed with Dr. Lloyd Clark to extend the deadline for the company's option to acquire certain claims in the Diabase peninsula.



As stated earlier by Mr. Jones, "The extension is warranted because of the continued excellent results that indicate that the rocks underlying the property have been subjected a uranium mineralizing event capable of causing the formation of uranium-bearing zones."

Under the terms of the agreement, the company has issued 923,864 common shares to Dr. Clark and agreed to cash payments totalling \$37,400, payable in quarterly instalments ending on Sept. 2, 2013. The agreement allows for an option to further extend the agreement.

Analytical methods

All analyses reported in connection with Nuinsco's drilling at the Diabase peninsula property from 2005 to 2012 have been completed at the laboratories of the Saskatchewan Research Council in Saskatoon. Statistical analysis of results from quality assurance/quality control samples included with drill core shipments reveals no irregularities or suspicious values in laboratory reports. Results for internal laboratory control specimens and pulp replicate analyses tested in conjunction with sample submissions also surpass laboratory quality assurance/quality control reporting standards.

Analytical packages employed for sandstone (ICPMS1) and basement lithologies (ICPMS2) determine 51 elements/oxides/isotopes by total digestion and 27 elements by partial digestion; 10 analytes are reported by both methods, with major oxides and trace elements determined only by total digestion methods. Partial digestion may not reveal the true content within a sample of the elements silver, cobalt, copper, molybdenum, nickel, lead, uranium, vanadium and zinc. Analyses involve the following procedures. Samples are jaw crushed to 60 per cent minus two millimetres. A 100- to 200-gram subsample is riffle split then pulverized with a mild steel ring and puck to 90 per cent minus 106 microns to produce a pulp. For partial digestion methods, an aliquot of sample pulp is then dissolved in a mixture of concentrated ultrapure nitric and hydrochloric acids within a test tube placed in a hot water bath, and is then diluted to 15 millilitres with deionized water. The solution is transferred to a Teflon tube and subjected to induction-coupled plasma and mass spectrometry (ICPMS). Total digestion analyses employ similar methods except that a mixture of HF-HNO₃-HClO₄ acids are employed during initial dissolution, with any residue remaining dissolved by diluted nitric acid. The solution is subjected to induction-coupled plasma and optical emission spectrometry (ICP-OES) and ICPMS to determine 47 major, minor and trace elements, and the lead isotopes Pb204, Pb206, Pb207 and Pb208. Boron is determined by pulp aliquot fusion in a mixture of sodium oxide and sodium carbonate, followed by dissolution in deionized water and ICP-OES.

The 21,959-hectare Diabase peninsula project is located approximately five kilometres north of the southern boundary of the Athabasca basin. It encompasses a 35-kilometre strike length above the regional-scale Cable Bay shear zone deformation zone in the basement rock units below the basin sandstone. C.A. Wagg, manager, Canadian exploration, for Nuinsco, who acts as a qualified person for the project under National Instrument 43-101, has reviewed the technical contents of this press release.

Uravan Minerals Inc. (TSXV-UVN)/ Cameco Corporation (TSX-COO): Uravan Signs

Halliday/Stewardson Option Agreement – On July 17, it was announced that Uravan Minerals Inc. and Cameco Corp. had signed the Halliday/Stewardson option agreement, dated effective June 21, 2012. The option agreement includes the same general terms and conditions as the interim term sheet memorandum agreement announced in April, 2012, whereby Uravan granted Cameco the exclusive option to earn an aggregate 70-per-cent interest in Uravan's 100-per-cent-owned Halliday and Stewardson uranium projects, Athabasca basin, Northern Saskatchewan, by Cameco financing a cumulative \$22-million in exploration expenditures.

The option agreement consists of two options: (1) the first option grants Cameco the exclusive right to earn a 51-per-cent interest in the mineral properties by financing \$7-million in exploration expenditures over four years, and Cameco shall incur a minimum expenditure of \$1.25-million on the Halliday project; and (2) a second option grants Cameco the exclusive right to earn an additional 19 per cent in the mineral



properties by financing an additional \$15-million in exploration expenditures. Upon Cameco earning either a 51-per-cent or 70-per-cent interest in the mineral properties, Cameco and Uravan shall enter into a joint venture agreement to form a joint venture in relation to the mineral properties, with the parties financing their pro rata share of future exploration expenditures. Uravan shall be the operator for the first four years of the option, after which Cameco may elect to become the operator.

Uravan is currently in the final planning and mobilization stages of commencing a five-hole diamond drill program on the Halliday project. For technical details on the drill program, please see Uravan's recent press release dated July 3, 2012, or visit Uravan's website.

The Athabasca basin is an ancient (Paleoproterozoic) sandstone basin located in Northern Saskatchewan, Canada.

Uravan Minerals Inc. (TSXV-UVN): Halliday Drilling Commences – On July 18, Uravan Minerals Inc. announced that on July 17 it had commenced drilling operations on its Halliday Lake project, Athabasca basin (1), Northern Saskatchewan. The technical program anticipates completing five diamond drill holes positioned to test the potential occurrence of high-grade uranium mineralization at depth along a prominent five-kilometre-long, east-west-trending, highly favourable corridor. This corridor has been defined by a linear clustering of anomalous surface geochemical signatures that are coincident with a major electromagnetic geophysical conductor and a linear magnetic low.

The Halliday surface anomalies were identified by a multifaceted geochemical sampling program completed by Uravan in the summer of 2011. These anomalies consist of highly favourable radiogenic lead (Pb) isotope values (207Pb/206Pb isotopic ratios) in clay separates taken from B- and C-horizon soils and in tree-core samples. These coincident radiogenic Pb isotopic anomalies strongly correlate with other anomalous element signatures occurring in the same media, indicative of uranium mineralization and alteration at depth. This surface program capitalized on new geochemical technologies developed from a geochemical remote sensing study conducted over the Cigar West Uranium deposit (Cigar Lake Study) (2), which focused on the detection of buried unconformity-related uranium mineralization in under-explored areas in the Athabasca basin.

The favourable surface geochemical patterns conform to a well-defined major EM conductor/structure (Conductor A) and a magnetic low corridor. Conductor A is interpreted to define a steeply south dipping reverse fault that transects obliquely across the central part of an interpreted graphite-bearing metasedimentary unit/magnetic low feature. Conductor A was defined by previous operators through a succession of fixed- and moving-loop TDEM geophysical surveys conducted in 1997/1998, and in 2010 with a moving-loop SQUID (Slingram) TDEM survey. The magnetic low corridor was defined by a regional airborne magnetic survey completed by the Saskatchewan Geological Survey.

The drill program amounts to approximately 4,500 metres of drilling, with an average drill depth of 900 metres per hole. All drill holes planned are inclined at 75 degrees, with an azimuth perpendicular to the east-west-oriented conductive/structural/geochemical trend. The average vertical depth to the unconformity(1) is approximately 765 metres. Each drill hole will take approximately 10 to 12 days to complete.

Larry Lahusen, chief executive officer of Uravan, said: "The alignment of highly anomalous surface geochemical patterns with a coincident EM conductor/structural feature defines a very favourable corridor. These coincident anomalous signatures provide a unique drilling opportunity, whereby surface geochemical anomalies are vectoring drilling to the most probable location of a potential uranium deposit at depth."

The summer 2012 drill program on the Halliday project is a joint exploration effort by Uravan and Cameco Corp. Uravan is currently the operator, with the responsibility to plan and implement the exploration program on behalf of Cameco. Cameco is financing 100 per cent of the 2012 exploration expenditures, to the extent of its earn-in obligations pursuant to the Halliday/Stewardson option agreement.



Dr. Colin Dunn, 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.

1. The Athabasca basin is an ancient (Paleoproterozoic) sandstone basin located in Northern Saskatchewan, Canada. The Athabasca basin sandstone hosts high-grade uranium deposits at and below the unconformity between the sandstone and the older crystalline basement rocks. These unconformity-type uranium deposits occur in sandstones at the sandstone-basement unconformity contact (sandstone-hosted mineralization) and within the underlying structurally disrupted crystalline basement (basement-hosted mineralization). These unconformity-type uranium deposits account for about 28 per cent of the world's primary uranium production. The ore grades are high, typically grading 2 per cent to 20 per cent triuranium octoxide (U₃O₈).
2. The Cigar West study was a collaborative applied research program conducted by Uravan and QFIR (Queen's Facility for Isotope Research)(3) 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, located in the Athabasca basin, Saskatchewan, and is a joint venture partnership between Cameco, AREVA, Idemitsu Kosan Co. Ltd. and Tokyo Electric Power Co. (TEPCO). Uravan thanks both AREVA and Cameco for their collaboration and gracious support for the Cigar West study, and the support provided by the Cigar Lake facility during Uravan's field operations.
3. QFIR at Queen'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.