

# Athabasca Basin EXPLORATION UPDATE

November.1.2012

brought to you by: **Purepoint**Uranium  
Group Inc.

	September 30, 2012	October 31, 2012	Change
Ux Consulting's <b>Spot Price</b>	US \$46.50/lb U <sub>3</sub> O <sub>8</sub>	US \$42.50/lb U <sub>3</sub> O <sub>8</sub>	<b>US \$4.00</b>

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For more information please contact:

Chris Frostad, President & CEO

Purepoint Uranium Group Inc.

cfrostad@purepoint.ca | 416.603.8368 | 10 King Street East | Suite 501 | Toronto | Ontario | Canada | M5C 1C3



**Athabasca Uranium Inc. (TSXV-UAX): Athabasca Uranium Engages Renowned USASK Team to Lead Keefe Lake Phase 3 Exploration** – On October 24, Athabasca Uranium Inc. announced that it had engaged the renowned uranium exploration geophysical team at the University of Saskatchewan (USASK) to conduct phase 3 interpretation and exploration at its flagship Keefe Lake project, effective immediately.

The USASK team, led by Dr. Zoltan Hajnal, PhD (geophysics), will be analyzing shear-wave data in conjunction with other data sets, which is an innovative approach to seismic interpretation in the Athabasca basin. Dr. Hajnal commented: "Several of the seismic profiles at Keefe Lake show anomalous basement structures, comparable to features of known prominent mineral deposits such as MacArthur River and Shea Creek. The objective of the investigation is to detect indicators of mineralization within these anomalous structural settings." The intent of the analysis is to exploit both P and S waves of surface seismic surveys to determine the above anomalous spatial petrophysical properties of rocks within a larger area of interest.

Dr. Hajnal is a leading expert in the application of seismic methods in uranium exploration and is credited, among many accomplishments, with having analyzed seismic data at Rio Tinto's Roughrider project (formerly Hathor Exploration), contributing to its discovery, and with providing better definition of subsurface structures at MacArthur River, the richest uranium mine in the world. Gil Schneider, Athabasca Uranium president, commented: "Having the USASK team's attention is a major coup for us -- they have helped discover or have analyzed most of the world-class deposits in the basin, including MacArthur River, Shea Creek, Key and Moore lakes, and the Roughrider deposit, not to mention their work on the Extech IV survey -- and they're now very excited about our project. Our Keefe Lake data set apparently bears an uncanny resemblance to that of MacArthur River -- and with arguably the foremost experts in uranium discovery now interested in it, we're excited for our future. Dr. Hajnal will hopefully help prove our Keefe theories out and launch Athabasca Uranium to becoming a world-class uranium company."

### ***The USASK geophysics team***

The USASK geophysics team is led by Dr. Hajnal, a PhD in geophysics with a 50-year history of studying and employing geophysics worldwide. His professional career in geophysical interpretation began with Chevron Standard in 1963, and his recent implementation of modern applied seismology in the Athabasca basin has led to recognition of the immense importance of spatial understanding of basement structures and their originating lithospheric processes in selection of exploration area and subsequent drilling targets. He and his USASK laboratory are involved in the adaptation of more effective data-acquisition systems in the rugged environment of the basin and development of data-specific signal-enhancement software systems. Dr. Hajnal has also recently led the geophysical team at Athabasca Uranium to reanalyze the HD seismic and airborne AeroTem data for Keefe Lake.

On the engagement, Mr. Schneider commented: "The work of the USASK seismology team has been superb and is largely responsible for the identification of the Keefe Lake alteration zone and our success in drilling the numerous intersections of uranium mineralization. This new investigation, which will be a synthesis of a host of data sets, should help unlock Keefe Lake and pave the way to discovery."

### ***Keefe Lake phase 3***

UAX has initiated a full-scale interpretation of data from its work to date at Keefe Lake, stimulated by the connection between the anomalous uranium signatures in the KEF 12-08 borehole, the seismic signature of a laterally traceable pegmatite dike and favourable clay mineral alterations within the unconformity zone.



Full-wave sonic (FWS) logs of KEF 12-08 and KEF 12-09, related geology, PIMA (portable-infrared-mineral-analyzer) and whole-rock geochemistry will be correlated with the seismic data to develop a detailed understanding of the Keefe Lake 3-D structural complex, assess major structural and tectonic trends, and generate propitious targets for the company's coming winter drilling program. Optical televiewer images (OTI) from both boreholes will also be utilized to determine variations of dips and their azimuth with depths for all disturbances (such as fractures, faults, schistosity and dikes) and thus help to define the prominent structural framework of the prospect area. In addition, combined analyses of sonic longitudinal and shear wave data allow computation of rock properties such as density, Poisson's ratio, Lambda and Mu. Anomalous variations of these parameters facilitate the recognition of the location of alteration zones and definition of fracture intervals, which are primary indicators of mineralization.

**Denison Mines Corp. (TSX:DML): Denison Announces 2012 Drilling Results from the Wheeler River Property, Saskatchewan** – On October 4, Denison Mines Corp. released the results from the completed 2012 drilling programs on the Wheeler River property in Saskatchewan. Highlights include intersections that have expanded the Phoenix B uranium deposits including WR-474 which intersected 18.37 per cent eU3O8 over 4.4 metres and WR-478 which intersected 21.74 per cent eU3O8 over 1.6 metres. Denison is encouraged by these results and expects to prepare updated mineral resource estimates for the Phoenix deposits later this year.

A total of 27,263 metres was drilled in 58 holes at Wheeler River in 2012. Most of the drill holes (51) targeted mineralization at the Phoenix A and B deposits. The other seven tested regional targets.

The Phoenix deposits are located on the Wheeler River property which lies between the McArthur River mine and Key Lake mill complex in the Athabasca basin in Northern Saskatchewan. Denison is the operator and holds a 60-per-cent interest in the project. Cameco Corporation holds a 30-per-cent interest and JCU (Canada) Exploration Company, Limited holds the remaining 10-per-cent interest.

### ***Phoenix A and B deposit drilling***

At Phoenix A, new mineralization since the previous release (Feb. 28, 2012) was intersected along interpreted cross structures in drill holes WR-446 (1.32 per cent eU3O8 over 1.5 metres) and WR-454 (0.43 per cent U3O8 over 5.5 metres and 0.76 per cent U3O8 over 5.0 metres). These results complement results reported in the February, 2012, news release that include WR-435 (25.80 per cent eU3O8 over 4.9 metres) and WR-437 (27.00 per cent eU3O8 over 3.7 metres), both of which were drilled on a bulge in the deposit that is interpreted as a structural intersection.

Also, additional mineralization along strike to the northeast was observed in drill hole WR-447 which intersected 0.62 per cent U3O8 over 6.8 metres. Other drill holes to the northeast have intersected significant alteration and structural disruption along trend, highlighting the open nature of the mineralized corridor in this direction.

Drilling at Phoenix B was primarily designed to increase the drilling density to that at Phoenix A and to locate extensions of previously known mineralization. Highlights include high-grade unconformity mineralization in several holes, including WR-474 (18.37 per cent eU3O8 over 4.4 metres) and WR-478 (21.74 per cent eU3O8 over 1.6 metres).

The table highlights the drilling at the Phoenix A and B deposits. A complete table of all past and current results titled "Wheeler River -- Phoenix Drill Results," can be found on Denison's website.

### HIGHLIGHTS OF 2012 DRILL PROGRAM

Hole No.	Zone	Depth		Interval thickness (m)	Grade (% U3O8)
		From (m)	To (m)		
WR-435 (1, 2)	A	410.1	415	4.9	25.80
WR-437 (1, 2)	A	409.2	412.9	3.7	27.00
WR-438 (1, 2)	A	407.9	408.9	1.0	4.20
WR-444	A	400.0	400.5	0.5	0.37
WR-446	A	410.2	411.7	1.5	1.32
WR-447	A	394.6	401.4	6.8	0.62
WR-449A	A	407.0	410.0	3.0	0.21
WR-454	A	396.6	402.1	5.5	0.43
WR-454	A	403.4	408.4	5.0	0.76
WR-457	B	384.0	387.5	3.5	0.68
WR-458	A	411.0	414.0	3.0	1.18
WR-467	B	396.0	397.5	1.5	0.74
WR-469 (2)	B	396.5	401.6	5.1	0.47
WR-470 (2)	B	397.8	399.3	1.5	1.09
WR-474 (2)	B	394.8	400.8	4.4	18.37
WR-478 (2)	B	400.0	401.6	1.6	21.74
WR-479 (2)	B	395.5	397.5	2.0	0.36

(1) Previously released

(2) Grades are radiometric equivalent (per cent eU3O8)

The per cent U3O8 grades reported are chemical assays. The per cent eU3O8 grades are based on down-hole total gamma radiometric probing where chemical assay results are not available due to low core recovery. Mineralized intervals may not represent true thickness. However, the drill holes were drilled steeply at minus-80 degrees to minus-90 degrees into mineralization that is generally horizontal, so the true thickness is expected to be within 90 per cent of the intersection length.

#### **Regional targets**

Seven holes totalling 3,555 metres targeted three regional areas in 2012. While no significant mineralization was observed, further drilling is planned at all three areas. Drilling at the Q-zone, 6.5 kilometres southwest of the Phoenix deposits, was particularly successful as significant basement structures, graphite, hydrothermal alteration and visible pathfinder mineralization (copper) were observed in drill core there.

#### **Looking ahead**

Plans for 2013 drilling are currently being finalized. Large winter and summer drilling programs similar in scale to that completed in 2012 are expected.

**Fission Energy Corp. (TSXV-FIS) / ESO Uranium Corp. (TSXV-ESO): Fission to Resume Drilling Near PLS High Grade Uranium Boulder Field** – On October 9, it was announced that Fission Energy Corp. and its 50-per-cent joint venture partner, ESO Uranium Corp. would commence an eight-hole, 1,600-metre core drilling program concurrent with 12 holes, totalling 1,440 metres of dual rotary (DR) drilling, at the PLS property, located in the southwest part of Saskatchewan's Athabasca basin, in early October. The core drilling program will focus on the partially tested PL-3B electromagnetic conductor, in addition to a series of untested parallel east-northeast-trending electromagnetic conductors, which lie approximately three kilometres to the east of the high-grade uranium boulder field, where multiple boulder





assays as high as 39.6 per cent triuranium octoxide (U<sub>3</sub>O<sub>8</sub>) were discovered last year. The planned DR drilling will test for overburden characterization to help further define new key exploration targets in the vicinity of the boulder field. The drill rods used for this DR work are large enough to permit gamma spectrometer surveying of the drill holes through the wall of the rods. This will allow the source of anomalous radioactivity encountered in the drill holes to be identified, and a distinction between thorium, potassium and uranium sources in the till sheet (glacial overburden) will be made.

Previous drilling completed earlier this year, along the PL-3B electromagnetic conductor intersected strong alteration below the unconformity and continuous wide intervals of anomalous low-grade uranium basement mineralization, as well as associated boron, cobalt, nickel, molybdenum and lead over 823 metres of strike (see press release dated July 24, 2012). Analysis of these results has provided further evidence supporting Fission and ESO's belief that a large uranium-rich alteration system may be present in this largely unexplored ground, which hosts favourable targets near the high-grade uranium boulder field. Hardrock Diamond Drilling Ltd. has been contracted to complete the core drill program and J.R. Drilling Ltd. has been contracted to complete the DR drill program, both of which are expected to conclude by the end of November.

Geophysical programs are planned for the contiguous block of ground staked in late 2011 as south and southeast extensions of the original PLS joint venture property. The 8,170-hectare block covers the southwest extensions of the Derkson conductor corridor, which compares favourably with the geology of the nearby Patterson conductor corridor southwest extensions. A 5,787-line-kilometre, airborne, high-resolution magnetic and radiometric survey (the same type of survey that led to the discovery of the high-grade boulder field on the PLS property), in addition to 12 line kilometres of time-domain electromagnetic ground geophysics (TDEM) and 24.6 line kilometres of DC resistivity ground geophysics, are planned for completion.

Each drill hole is surveyed downhole for radioactivity with a Mount Sopris 2PGA-1000 Gamma/SP probe. Samples have been submitted to SRC Geoanalytical Laboratories (an SCC ISO/IEC 17025: 2005-accredited facility) of Saskatoon for analysis, which include a 63-element ICP-OES and uranium by fluorimetry (partial digestion). Results will be provided when available.

The PLS exploration project is a 50/50 joint venture held by Fission Energy and ESO Uranium. Fission is the operator. PLS is accessible by road with primary access from all-weather Highway 955, which runs north to the former Cluff Lake mine (greater than 60 million pounds of U<sub>3</sub>O<sub>8</sub> produced), and passes through the nearby UEX-Areva Shea Creek discoveries located 50 kilometres to the north, currently under active exploration and development. An updated map highlighting the core and dual rotary drilling programs planned for PLS can be found on the Fission website.

**Fission Energy Corp. (TSXV-FIS): Fission Drills 16.5M Grading 1.07% U<sub>3</sub>O<sub>8</sub> Including 1.5M of 8.24% U<sub>3</sub>O<sub>8</sub> at J Zone** – On October 16, Fission Energy Corp. and its limited partner, the Korea Waterbury Uranium LP, released the final results for the 2012 summer drill program at the J zone, Waterbury Lake. Fifteen holes intersected mineralization returning assay grades greater than 0.05 per cent triuranium octoxide (U<sub>3</sub>O<sub>8</sub>), which is the cut-off grade used in its National Instrument 43-101 current resource estimate.

Holes WAT12-312, 316 and 319 completed on three separate lines within area B returned the best assay results:

- Hole WAT12-312 (line 420W) intersected 16.5 metres (203.5 metres to 220 metres) grading 1.07 per cent U<sub>3</sub>O<sub>8</sub>, including 1.5 metres of 8.24 per cent U<sub>3</sub>O<sub>8</sub>.
- Hole WAT12-316 (line 315W) intersected 5.5 metres (201 metres to 206.5 metres) grading 2.88 per cent U<sub>3</sub>O<sub>8</sub>, including one metre of 14.82 per cent U<sub>3</sub>O<sub>8</sub>.

- Hole WAT12-319 (line 360W) intersected five metres (205.5 metres to 210.5 metres) grading 0.99 per cent U3O8, including 1.5 metres grading 2.35 per cent U3O8.

Ross McElroy, president, chief operating officer, and chief geologist for Fission, commented: "The central part of J zone is showing very good potential with thick intersections and high-grade uranium mineralization. In particular, results from area B have consistently demonstrated strength in mineralized widths and grades at the unconformity and in the basement. These results have provided significant new data for updating the NI 43-101 current resource estimate."

**J zone: summer 2012 assay highlights**

Twenty-six drill holes totalling 8,316 metres were completed in the J zone 2012 summer drill program, with 15 holes intersecting uranium mineralization grading greater than 0.05 per cent U3O8. The J zone has been delineated over 667 metres of strike length from the Rio Tinto property boundary (line 120E), west to hole WAT 12-281 on line 540W. Continuity of mineralization with generally, wider intervals exhibiting stronger assay grades were intersected in J zone area B (line 225W-435W). The associated table summarizes the J zone assay results. Select highlights from area B include:

**J zone area B (line 225W-435W)**

- Hole WAT12-312 (line 420W) -- 16.5 metres of 1.07 per cent U3O8, including 1.5 metres of 8.24 per cent U3O8 (unconformity);
- Hole WAT12-316 (line 315W) -- 5.5 metres of 2.88 per cent U3O8, including one metre of 14.82 per cent U3O8; 2.5 metres of 0.30 per cent U3O8 (unconformity);
- Hole WAT12-319 (line 360W) -- five metres of 0.99 per cent U3O8, including 1.5 metres of 2.35 per cent U3O8 (unconformity);
- Hole WAT12-325 (line 285W) -- three metres of 0.79 per cent U3O8, including 1.5 metres of 1.51 per cent U3O8; and four separate 0.50-metre intervals of discrete mineralization up to 0.18 per cent U3O8 (unconformity and basement);
- Hole WAT 12-328 (line 405W) -- 20.5 metres of 0.18 per cent U3O8, including 2.50 metres of 0.74 per cent U3O8 (unconformity and basement).

**J ZONE SUMMER 2012 ASSAY RESULTS**  
(Cut-off greater than 0.05 per cent U3O8)

Hole ID	From (m)	To (m)	Interval (m)	U3O8 (wt %)
WAT12-305	206.50	221.00	14.50	0.26
	214.50	216.50	2.00	0.77
	224.00	224.50	0.50	0.07
	225.50	226.00	0.50	0.09
WAT12-306A	No significant mineralization			
WAT12-307	200.50	210.50	10.00	0.10
	214.50	219.00	4.50	0.06
	222.00	222.50	0.50	0.94
WAT12-308A	No significant mineralization			
WAT12-309	208.50	210.00	1.50	1.43
WAT12-310	208.50	219.50	11.00	0.13
WAT12-311	No significant mineralization			
WAT12-312	203.50	220.00	16.50	1.07
	216.00	217.50	1.50	8.24
WAT12-313B	213.50	215.50	2.00	0.18

	228.50	229.50	1.00	0.13
WAT12-314	215.50	224.00	8.50	0.12
	229.00	233.50	4.50	0.06
WAT12-316	201.00	206.50	5.50	2.88
	203.50	204.50	1.00	14.82
	210.50	213.00	2.50	0.30
WAT12-317		No significant mineralization		
WAT12-318	210.50	212.00	1.50	0.30
	230.50	231.00	0.50	0.06
	244.00	244.50	0.50	0.05
	247.50	248.50	1.00	0.06
WAT12-319	205.50	210.50	5.00	0.99
	207.50	209.00	1.50	2.35
WAT12-320	243.00	245.50	2.50	0.09
	249.50	250.50	1.00	0.09
	256.50	259.50	3.00	0.06
WAT12-321	252.00	252.50	0.50	0.10
WAT12-322		No significant mineralization		
WAT12-323		No significant mineralization		
WAT12-324		No significant mineralization		
WAT12-325	210.50	211.00	0.50	0.12
	214.00	214.50	0.50	0.13
	217.00	217.50	0.50	0.06
	221.00	224.00	3.00	0.79
	221.50	223.00	1.50	1.51
	229.00	229.50	0.50	0.18
WAT12-326		No significant mineralization		
WAT12-327	200.50	210.50	10.00	0.20
	205.50	208.00	2.50	0.54
WAT12-328	200.00	220.5	20.50	0.18
	205.50	208.00	2.50	0.74
WAT12-329		No significant mineralization		
WAT12-330		No significant mineralization		

Updated summer 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 (ppm) uranium (U), are assayed for per cent U<sub>3</sub>O<sub>8</sub>.

Fission Energy and the Waterbury Consortium have budgeted \$30-million for exploration at Waterbury Lake over a three-year period from 2010 to 2012. Planning is currently under way for a large-scale winter 2013 program.

**Fission Energy Corp. (TSXV-FIS) / ESO Uranium Corp. (TSXV-ESO): Fission Expands High Grade Boulder Field by 2.35KM at PLS: Assays Pending** – On October 25, it was announced that Fission Energy Corp. and joint-venture partner ESO Uranium Corp.'s recent fieldwork on the PLS (Patterson Lake South) property, located in the southwest margin of Saskatchewan's Athabasca basin, had significantly expanded the area of the high-grade uranium boulder field discovered in 2011 (see news release dated June 27, 2011). The latest results include several samples with off-scale radioactivity (greater than 9,999 counts per second (cps) measured by a hand-held Exploranium GR-110G total-count gamma-ray scintillometer) that extend the area 2.35 kilometres to the southwest as well as 0.8 km to the west at the



northern extent of the boulder field (a map highlighting the radiometric prospecting update can be found on the company's website).

A total of 40 anomalous surficial glacial transported rocks ranging in size from one centimetre to 45 cm have been identified by recent prospecting around and away from the currently delineated boulder field, with 43 per cent (17) measured as off-scale. Fourteen highly anomalous samples, including four measuring off-scale, have been found in the extension 2.35 km to the southwest of the current southern delineated extent of the boulder field. Assays are pending. The new discoveries are a result of ground follow-up of a recently completed high-resolution radiometric/magnetic airborne survey which covered additional ground of 20,488 hectares (11 mineral claims) acquired after the initial high-grade boulder field discovery in June, 2011 (see news release dated Feb. 15, 2012).

Ross McElroy, president, chief operating officer and chief geologist for Fission, commented: "The discovery of additional strongly radioactive rocks in a new area is an exciting development. It represents a significant expansion of the high-grade boulder field we discovered last year and has occurred at a time when our previous winter drilling program has also been delivering promising results."

A continuing field program is in progress. This includes eight holes for 1,600 metres of core drilling following up geophysics and geologic targets, including the prospective PL-3B conductor, as well as 12 holes for 1,440 m of dual-rotary (DR) drilling evaluating overburden near the boulder field (see news release dated Oct. 9, 2012). The drill programs are following up on results from the previous winter's field program which have provided evidence supporting the team's belief that a large uranium-rich alteration system may be present in this largely unexplored area.

### ***Patterson Lake South property***

The 31,039-hectare PLS project is a 50/50 joint venture held by Fission Energy and ESO Uranium. Fission is the operator. PLS is accessible by road with primary access from all-weather Highway 955, which runs north to the former Cluff Lake mine (greater than 60 million pounds of triuranium octoxide produced) and passes through the nearby UEX-Areva Shea Creek discoveries located 50 km to the north, currently under active exploration and development. An updated map highlighting the core and dual-rotary drilling programs planned for PLS can be found on the company's website.

**Forum Uranium Corp. (TSXV-FDC)/ Mega Uranium Ltd. (TSX-MGA): Forum and Mega Commence Drill Program on the Northwest Athabasca Property, Saskatchewan** – On October 25, Forum Uranium Corp. announced that it had commenced a 1,300-metre drill program on the Northwest Athabasca property. The program is designed to test three high-priority targets:

- Zone 2A -- with a historical drill intercept of 5.68 per cent U<sub>3</sub>O<sub>8</sub> over 8.5 metres, at a vertical depth of 30 metres;
- Barney -- follow-up drilling of a hole that intersected intense alteration and extensive brecciation, as well as anomalous pathfinder elements (boron);
- Maurice Creek South -- an untested, strong, 400 m by 600 m gravity target.

A winter drill program is also being planned for the first quarter 2013 as a follow-up to the current program as well as to drill additional untested targets. These plans include further drilling at the newly discovered Opie zone, which is not accessible in the fall 2012 program.

The Northwest Athabasca property hosts the Maurice Bay deposit (historical resource(i) of 1.5 million pounds uranium at a grade of 0.6 per cent U<sub>3</sub>O<sub>8</sub>). The positive results returned from the drill program completed in March, 2012, including the discovery of the Opie zone (0.142 per cent U<sub>3</sub>O<sub>8</sub> over 7.6





metres), have encouraged Forum and Mega to step up exploration of the property. All targets are similar to Cameco's Millennium deposit and Rio Tinto's Roughrider deposit, and at much shallower depths (less than 100 metres).

### ***Forum and Mega option with Cameco***

The Northwest Athabasca project is 87.5 per cent owned by Cameco and 12.5 per cent owned by Areva. Forum and Mega have formed a 50/50 joint venture, with Forum as operator, to earn a 60-per-cent interest from Cameco on the Northwest Athabasca project by completing \$4-million in exploration over four years and making cash payments of \$400,000 over three years of which \$140,000 has been paid. It is anticipated that Forum and Mega will vest their joint 60-per-cent interest in the property upon completion of the current program.

Ken Wheatley, PGeo (Saskatchewan, Northwest Territories/Nunavut), Forum's vice-president exploration, is the qualified person that has reviewed the contents of this news release.

(i) Historical resource for the Maurice Bay deposit, as reported by Saskatchewan Industry and Resources, Miscellaneous Report 2003-7, has not been calculated or classified under the specifications of National Instrument 43-101 and should not be relied upon.

**Purepoint Uranium Group Inc. (TSXV-PTU): Purepoint Releases Geophysical Survey Results from Turnor Lake** – On October 2, Purepoint Uranium Group Inc. released the results of this summer's geophysical survey at its 100-per-cent-owned Turnor Lake project in Saskatchewan's Athabasca basin. The induced polarization survey has moved the exploration of this property farther north, covering the high-priority Anvil South uranium target area.

The IP survey was conducted over the Anvil South grid with the purpose of outlining possible low-apparent-resistivity chimneys (LARCs) in the sandstone. LARCs are considered to be excellent drill targets when found within a favourable geologic setting, as they represent potential zones of hydrothermal alteration.

"The IP survey data is of high quality, free of noise and aligns well with historic drilling data, unconformity depth and overburden thickness," said Roger Watson, Purepoint's chief geophysicist. "Numerous geophysical LARCs have now been interpreted, many of them correlating with an untested, well-defined electromagnetic conductor."

### ***Highlights***

- LARCs, possible zones of hydrothermal alteration, have been outlined within the Anvil South zone and correspond with untested EM conductors.
- The resistivity survey successfully identified a LARC that corresponds with altered sandstone intersected by historic hole OD-1, which returned 468 parts per million uranium over 3.4 metres.
- The geophysical results collected by Purepoint at Anvil South, including resistivity data, gravity data, and highly detailed airborne electromagnetics and magnetics, have been compiled with all available historical data, identifying five new high-priority drill targets.
- A strong geochemical anomaly of uranium, nickel and cobalt was outlined at the Klaproth South target in 2011 and verified by resampling in 2012.

### ***Anvil South***

The Anvil South grid covers over four kilometres of EM conductors that were outlined by a VTEM airborne survey in 2006. The EM conductors show significant offsets interpreted to be caused by faulting.



Purepoint conducted a gravity survey over the Anvil South grid in 2008, but has not yet drill tested geophysical targets in this area.

During August, 2012, over 30 line kilometres of IP surveying were completed at Anvil South by Peter E. Walcott & Associates Ltd. of Vancouver, B.C. The data were inverted by Purepoint using IP inversion software developed by the University of British Columbia. The IP survey was successful in that well-defined resistivity chimneys (LARCs) were identified in the sandstone. The Anvil South LARCs have now been plotted in relation to resistivity, gravity, EM conductors and magnetics, and five priority drill targets have been identified.

The historic drill hole OD-1, drilled at Anvil South by the Saskatchewan Mining Development Corp. in 1985, intersected 3.4 metres of 468 ppm U within a highly altered graphitic pelite immediately below the unconformity. Anomalous concentrations of arsenic, nickel and cobalt were associated with the alteration encountered in the OD-1 drill hole.

### ***Klaproth South***

A limited geochemical sampling survey that employed the CAMIRO (Canadian Mining Industry Research Organization) Athabasca survey sampling procedure (see Purepoint's press release of June 15, 2011) was completed over portions of the Turnor Lake project last year. A follow-up survey was conducted this summer to provide detailed data within geochemically anomalous areas.

At Klaproth South, the geochemical survey returned anomalous uranium, nickel and cobalt. The anomaly is in the vicinity of Purepoint drill hole TL-01, which intersected intense clay alteration over two metres above the unconformity, and TL-09, which intersected 179 ppm U over 1.5 metres within strongly chloritized basement rock. The geochemical anomaly was resampled during 2012, and the original results were verified. The Klaproth South geochemical anomaly is considered a high-priority drill target.

### ***Turnor Lake***

The Turnor Lake project is 100 per cent owned by Purepoint. This 9,705-hectare property covers graphitic EM conductors that are directly associated with high-grade uranium showings on adjoining properties, namely Cameco's La Rocque occurrence (up to 33.9 per cent triuranium octoxide (U<sub>3</sub>O<sub>8</sub>) over 5.5 metres) to the west and Areva's HLH-50 intercept (5.2 per cent U<sub>3</sub>O<sub>8</sub> over 0.38 metre) to the south. The project lies in close proximity to several uranium deposits, including Roughrider, Midwest Lake, McClean Lake and Eagle Point, and has a shallow depth to the unconformity of less than 200 metres in most areas.

A series of detailed geophysical surveys has been conducted on the property since November, 2006, and numerous drill targets, including EM conductors and structurally complex areas having evidence of intersecting structures, remain untested. Drill targets have now been prioritized with the completion of the 3-D targeting workflow process by Mira Geoscience.

**UEX Corp. (TSX-UEX): Shea Creek Reveals Additional Uranium Treasure: New Kianna Basement Zone Discovered with Intercepts of 16.0 Metres Grading 3.59% eU<sub>3</sub>O<sub>8</sub> in Drill Hole SHE-135-11 and 18.1 Metres Grading 3.70% eU<sub>3</sub>O<sub>8</sub> in Drill Hole SHE-135-13** – On October 15, UEX Corp. announced that it had discovered a new high-grade zone of basement-hosted mineralization, based on results from the continued exploration of the Kianna deposit on the Shea Creek project. This new zone, Kianna East, is located to the east of the existing Kianna deposit and is spatially associated with a second conductive trend. Shea Creek hosts the Kianna, Anne, Colette and 58B deposits and is one of 10 49-per-cent-owned western Athabasca uranium projects joint ventured with Areva Resources Canada Inc., the project

operator. The holes drilled in the Kianna area were part of a larger 2012 exploration program on the Shea Creek project that included drilling on the Colette and 58B deposits (see UEX's news releases dated May 31 and Aug. 8, 2012).

"This new discovery significantly opens the potential of Kianna and the overall exploration potential of the area. This basement mineralization is located well outside the current resource at Kianna and in association with a second, previously untested, graphitic conductor. This continues to establish Shea Creek as one of the largest mineralizing systems in the Athabasca basin," said Graham Thody, president and chief executive officer of UEX.

The results reported include five directional drill holes in the SHE-118 and SHE-135 series drilled east of the main Kianna deposit, which have intersected the new zone, and three holes in the SHE-141 and SHE-114 series drilled to test margins of the northern and southwestern parts of Kianna.

**Drilling results -- Kianna East**

Significant mineralization was intersected at the unconformity and in the underlying basement rocks. Drill holes within this area have intersected both:

- A section of basement mineralization that extends the existing main Kianna deposit by approximately 30 metres to the east;
- A new zone of mineralization that lies more than 80 metres below and to the east of the main Kianna deposit and is outside of the 2009 Shea Creek National Instrument 43-101-compliant mineral resource estimate.

**HIGHLIGHTS OF THE RECENT DRILL RESULTS**

SHE-118-22	0.22% eU308 over 17.7 metres, including 0.49% eU308 over 6.4 metres, and in new zone 0.24% eU308 over 32.3 metres, including 0.52% eU308 over 7.5 metres
SHE-135-11	0.22% eU308 over 1.2 metres, and in new zone 3.59% eU308 over 16.0 metres, including 6.39% eU308 over 8.2 metres and 1.25% eU308 over 4.0 metres
SHE-135-12	0.22% eU308 over 11.2 metres, including 0.33% eU308 over 1.1 metres and 0.35% eU308 over 3.9 metres, and in new zone, a deeper zone of basement mineralization, which is developed over 7.1 metres, could not be probed due to technical difficulties and will be the subject of geochemical analysis
SHE-135-13	0.26% eU308 over 6.2 metres, including 0.60% eU308 over 2.4 metres, and in new zone 3.70% eU308 over 18.1 metres, including 11.28% eU308 over 4.8 metres

Technical difficulties were encountered in hole SHE-135-12 when the rods broke off at 990 metres. An attempt to tap into the rods was unsuccessful, and therefore the hole was only probed to a depth of 939.7 metres. However, geological observations and hand-held scintillometer readings of drill core show uranium mineralization in the new zone was intersected over 7.1 metres from 990.3 to 997.4 metres. Geochemical analyses from the core obtained in this interval will be released upon receipt.

The new zone of mineralization lies approximately 80 to 110 metres below and east of the main Kianna basement resource and about 200 metres below the unconformity. Geologically, these intercepts occur in



a shallow west-southwest-dipping zone of mineralization associated with a narrow, southwest-dipping graphitic unit, which forms an electromagnetic anomaly to the east of, and parallel to, the Saskatoon Lake conductor. This new mineralization appears to be parallel to the metamorphic stratigraphy, and therefore, given the orientation of the drill holes, these intercepts may lie at or close to true thickness. The new zone is open to the northwest, southeast and updip to the northeast. The parallelism of mineralization in the basement adjacent to a conductive unit is a common feature of other deposits in the Athabasca basin, as is encountered at the Millennium deposit. The relationship of the new basement zone to the Kianna deposit has not been established since there is little drilling in between, but the new zone does lie along strike from the main steeply dipping, east-trending body of Kianna basement mineralization.

The significance of the new basement zone is its position in association with a second graphitic unit, which lies well below, and parallel to, the SLC, the latter being spatially associated with all of the other areas of mineralization that have been discovered to date at the Shea Creek project. The graphitic unit projects updip to the east toward the unconformity approximately 900 metres east of the SLC and forms a conductive horizon that had been previously identified but never drill tested. The association of basement mineralization with this feature suggests that potential exists for mineralization along this second trend, parallel to and east of the known zones at Shea Creek, as occurs in other uranium deposits in the Athabasca basin. Continuing and future drilling will test for the potential of the new basement zone to extend upward along the graphitic unit to the unconformity and for new mineralized zones along this eastern conductor.

#### ***Drilling results -- Kianna North and Kianna Southwest***

Two drill holes, SHE-141-2 and SHE-141-3, were drilled in the Kianna North area to follow up on successful drilling results from the SHE-130 and SHE-141 series drill holes obtained during the 2011 program. This program outlined a shallow southeast-dipping zone of mineralization, which exploits a mafic unit within the hosting gneiss sequence. The mafic unit associated with this zone may also control a high-grade ore shoot in the lower part of the Kianna deposit. Mineralization was intersected in hole SHE-141-3 at the unconformity returning an intercept of 0.22 per cent equivalent triuranium octoxide over 1.4 metres.

Drill hole SHE-114-21 was drilled on the southwest side of Kianna to test the continuity to the west of high-grade unconformity mineralization intersected in previous hole SHE-118-19 grading 12.38 per cent U<sub>3</sub>O<sub>8</sub> over 3.7 metres. No significant mineralization was intersected in the hole.

Further information regarding UEX's projects, including maps, is available on UEX's website.

#### ***About Shea Creek***

Effective Dec. 31, 2009, UEX reported a combined mineral resource estimate for the Kianna, Anne and Colette deposits. This mineral resource estimate is based on drilling information up to Dec. 31, 2009. Subsequent results, which include the identification of the 58B deposit and the expansion of the Kianna and Colette deposits, are not incorporated in this mineral resource estimate.

This estimate confirmed Shea Creek as the largest undeveloped uranium resource in the Athabasca basin. Shea Creek also ranks as the third-largest uranium resource in the basin, exceeded in size only by McArthur River and Cigar Lake. Resources at Shea Creek are largely open and have excellent potential for both expansion of known areas of mineralization and discovery of new zones.

At the conclusion of the 2012 exploration program, UEX intends to update its mineral resource estimate for Shea Creek to include the results from the 2010, 2011 and 2012 drilling campaigns.

**UEX'S TWO-MAJOR-PROJECT MINERAL RESOURCE ESTIMATES:  
INDICATED MINERAL RESOURCES (1) (2) (3)**

Project	Tonnes	Grade U3O8 (%)	Total U3O8 (lb)	UEX's share U3O8 (lb)
Shea Creek (4)	1,872,600	1.540	63,572,000	31,150,280
Hidden Bay (5)	10,372,500	0.160	36,623,000	36,623,000
Total indicated	12,245,100	0.371	100,195,000	67,773,280

(1) The mineral resource estimates follow the requirements of National Instrument 43-101 (standards of disclosure for mineral projects), and classifications follow the Canadian Institute of Mining, Metallurgy and Petroleum definition standards.

(2) The Shea Creek mineral resources were estimated at a cut-off of 0.30 per cent triuranium octoxide.

(3) The Hidden Bay mineral resources were estimated at a cut-off of 0.05 per cent U3O8.

(4) The Shea Creek mineral resource estimates are included in the Shea Creek technical report with an effective date of May 26, 2010, which was filed on SEDAR on July 9, 2010.

(5) The Hidden Bay mineral resource estimates are included in the Hidden Bay technical report with an effective date of Feb. 15, 2011, which was filed on SEDAR on Feb. 23, 2011.

**UEX'S TWO-MAJOR-PROJECT MINERAL RESOURCE ESTIMATES:  
INFERRED MINERAL RESOURCES (1) (2) (3)**

Project	Tonnes	Grade U3O8 (%)	Total U3O8 (lb)	UEX's share U3O8 (lb)
Shea Creek (4)	1,068,900	1.041	24,525,000	12,017,250
Hidden Bay (5)	1,109,200	0.111	2,715,000	2,715,000
Total inferred	2,178,100	0.567	27,240,000	14,732,250

(1) The mineral resource estimates follow the requirements of National Instrument 43-101 (standards of disclosure for mineral projects), and classifications follow the Canadian Institute of Mining, Metallurgy and Petroleum definition standards.

(2) The Shea Creek mineral resources were estimated at a cut-off of 0.30 per cent triuranium octoxide.

(3) The Hidden Bay mineral resources were estimated at a cut-off of 0.05 per cent U3O8.

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**About Areva Resources Canada**

Areva, a uranium exploration, mining and milling company, is a subsidiary of Areva group, the global nuclear industry leader with an expanding presence in the renewable energies field, with 48,000 employees worldwide, to help supply safer, cleaner and more economical energy to the greatest number of people. Areva group, through its Canadian subsidiary, has significant interests in several uranium deposits in the Athabasca basin, including the McClean Lake, Midwest and Shea Creek deposits operated by Areva, as well as the McArthur River and Cigar Lake deposits operated by Cameco Corp. Areva also holds a majority interest in the Kiggavik deposits in Nunavut.

**UEX Corp. (TSX-UEX): New Kianna East Basement Zone at Shea Creek Yields Further Results: Geochemical Analyses From Drill Hole SHE-135-12 Return 7.0 Metres Grading 4.72% U3O8, Including 3.5 Metres Grading 8.12% U3O8** – On October 22, UEX Corp. released geochemical results from drill hole SHE-135-12 in the new high-grade zone of basement-hosted mineralization, Kianna East,





on the Shea Creek project. This new zone is located to the east of the existing Kianna deposit and is spatially associated with a second conductive trend.

As previously reported, technical difficulties were encountered in hole SHE-135-12 when the rods broke off at 990 metres. An attempt to tap into the rods was unsuccessful, and therefore the hole was only probed to a depth of 939.7 metres. However, geological observations and hand-held scintillometer readings of drill core showed uranium mineralization in the new zone was intersected over 7.0 metres from 990.5 metres to 997.5 metres. Geochemical analyses from the core obtained in this interval returned 7.0 metres grading 4.72 per cent U<sub>3</sub>O<sub>8</sub> (triuranium octoxide), including 3.5 metres grading 8.12 per cent U<sub>3</sub>O<sub>8</sub>.

Previous results from Kianna East include 16.0 metres grading 3.59 per cent equivalent U<sub>3</sub>O<sub>8</sub> in drill hole SHE-135-11 and 18.1 metres grading 3.70 per cent equivalent U<sub>3</sub>O<sub>8</sub> in drill hole SHE-135-13 (see UEX's news release dated Oct. 15, 2012). The holes drilled in the Kianna East area were part of a larger 2012 exploration program on the Shea Creek project that included drilling on the Colette, 58B and Kianna deposits (see UEX's news releases dated May 31, Aug. 8 and Oct. 15, 2012).

The Kianna East mineralization is a southwest-dipping zone of mineralization that lies approximately 80 metres to 110 metres below and east of the main Kianna basement resource and about 200 metres below the unconformity. This zone occurs parallel to and along the top of a southwest-dipping graphitic unit. Given the orientation of the drill holes, the Kianna East intercepts may lie at or close to true thickness. The new zone is open to the northwest, southeast and up dip to the northeast. Continuing and future drilling will test for the potential of the new basement zone to extend upward along the graphitic unit to the unconformity and for new mineralized zones along this parallel conductive graphitic unit.

Further information regarding UEX's projects, including maps, is available on UEX's website.

### ***About Shea Creek***

Effective Dec. 31, 2009, UEX reported a combined mineral resource estimate for the Kianna, Anne and Colette deposits. This mineral resource estimate is based on drilling information up to Dec. 31, 2009. Subsequent results, which include the identification of the 58B deposit and the expansion of the Kianna and Colette deposits, are not incorporated in this mineral resource estimate.

This estimate confirmed Shea Creek as the largest undeveloped uranium resource in the Athabasca basin. Shea Creek also ranks as the third-largest uranium resource in the basin, exceeded in size only by McArthur River and Cigar Lake. Resources at Shea Creek are largely open and have excellent potential for both expansion of known areas of mineralization and discovery of new zones.

At the conclusion of the 2012 exploration program, UEX intends to update its mineral resource estimate for Shea Creek to include the results from the 2010, 2011 and 2012 drilling campaigns.

**Unity Energy Corp. (TSXV-UTY): Unity Options North Shea Property, Athabasca Basin, Saskatchewan** – On October 25, 2012, the TSX Venture Exchange accepted for filing an option agreement with an arm's-length vendor by which Unity Energy Corp. can earn a 100-per-cent interest in the North Shea project (formerly the West Carswell project), located in the Athabasca basin, Saskatchewan. The project consists of four adjoining mineral dispositions and covers an area of approximately 3,000 hectares, 8.3 kilometres west of the Cluff Lake mine and 12.7 km northwest of Areva/UEX's Shea Creek project. For over 22 years, Areva operated the Cluff Lake mine and produced over 62 million pounds of U<sub>3</sub>O<sub>8</sub> (triuranium octoxide). The mine was decommissioned in 2002. The



primary geological control in this area is the Harrison shear, which transects the property in a northwesterly direction.

The most significant proximal exploration project is Shea Creek (Areva/UEX), which is host to three uranium deposits that have recently estimated National Instrument 43-101-compliant resources. At a cut-off grade of 0.30 per cent U<sub>3</sub>O<sub>8</sub>, indicated mineral resources for the three Shea Creek deposits comprise 1,872,600 tonnes grading 1.54 per cent U<sub>3</sub>O<sub>8</sub> containing 63.57 million pounds of U<sub>3</sub>O<sub>8</sub> and an additional 1,068,900 tonnes grading 1.04 per cent U<sub>3</sub>O<sub>8</sub> in the inferred category containing 24.53 million pounds of U<sub>3</sub>O<sub>8</sub>. This estimate confirms Shea Creek as the largest undeveloped uranium resource in the basin. It also ranks as the third largest uranium resource in the basin, exceeded in size only by McArthur River and Cigar Lake. The majority of the resources are from the Kianna and Anne deposits, where a significant portion of the resources lies in basement rocks beneath the Athabasca unconformity. The Shea Creek project does not form part of Unity's acquisition of the North Shea project.

The company can earn a 100-per-cent interest in the property by paying \$10,000 and issuing two million common shares to the vendor. The company must make additional payments totalling \$600,000 over the next 42 months and complete \$3-million in exploration expenditures on the property within four years. A 1-per-cent net smelter return royalty has also been granted to the vendor, which may be purchased by the company for \$1.5-million. This transaction is subject to regulatory approval.

#### ***Prior work***

In 2008, a transient magnetotelluric (MT) ground survey was conducted by EMPulse Geophysics Ltd. over the project on behalf of Triex Minerals with the intention of identifying potential breaks or offsets along the conductive features. A total of 124 stations at a nominal spacing of 250 metres were collected on seven intersecting lines for a total 3-D coverage of approximately 26.8 line km. In agreement with previously collected MegaTEM data, three roughly parallel conductive channels are seen within the sandstone between 200 and 500 m depth. Trending northwest/southeast, the centrally located channel is the most conductive and pervasive across depth, possibly indicating the location of the Harrison fault. Between 500 and 600 m depth, dramatic changes begin to occur. The centrally located channel begins to form into a ring-like feature, which is clearly visible at 700 m depth, the approximate depth to the unconformity found from drilling in the area. Extending well into the basement, it persists to 900 to 1,000 m depth but is clearly absent by 1,170 m. Interestingly, the approximately three-kilometre-diameter conductive anomaly corresponds with an embayment type feature seen on the regional gravity data. (David Goldak, PGeo).

In a 2008 assessment report, Mike Gunning, PGeo (former president of Hathor), noted that the broad conductors identified by a 2005 MegaTEM survey were confirmed by the 2008 AMT ground survey. Their locations and depth profiles are well defined, and their correlation with the regional surface trace of the Harrison Lake shear zone is clear. The author also noted: "All uranium deposits in the Athabasca basin are associated with deeply seated faults. The Harrison shear zone on the West Carswell (North Shea) property presents a prospective target:

1. "The location of the shear zone is well established on regional geophysical maps.
2. "The detailed location of conductors on the property is known, from surface to depth.
3. "Elevated boron in the 2006 drill hole WC06-001, located close the western margin of the shear zone, is indicative of hydrothermal fluids.

"For follow-up, Gunning recommended an airborne gravity survey to improve drill hole locations and help refine the interpretation of large-scale basement structures associated with the Harrison shear zone, including possible offsetting faults. The deep, ring-like conductivity feature evident in the three-dimensional AMT inversion models is approximately three km in diameter and correlates with an embayment feature evident on the regional bouger (gravity) data. This correlation should be closely evaluated for drill testing. Based on work done to date, the Harrison shear zone continues to present an integrated exploration target that warrants further evaluation, further work."



Regarding the acquisition of the North Shea, Unity Energy president Anita Algje commented, "The board is very pleased to make this key acquisition on the western side of the basin, where Areva, UEX and Fission are all actively exploring the western corridor, which may have the potential to host deposits that rival those in the east."

Dr. Peter Born, PGeo, the company's qualified person and director, is responsible for the geological content in this news release.