

# MONTHLY ATHABASCA BASIN EXPLORATION UPDATE

SEPTEMBER 2018

## Uranium Production in the World by Country

Source: Investing Nerws Network  
2018-08-07

Uranium production has risen fairly steady over the last decade, going from 41,282 tonnes in 2007 to 59,531 tonnes in 2017. Its peak during that 10-year period was 62,638 tonnes in 2016.

But which countries produced the most uranium last year? Kazakhstan was the leader by a long shot, and has been since 2009. It was followed by Canada and Australia in second and third place, respectively, with other countries around the world producing smaller amounts.

### 1. Kazakhstan: Mine production: 23,391 tonnes

As mentioned, Kazakhstan had the highest uranium production in the world in 2017. In fact, the country's total output of 23,391 tonnes accounted for 39% of global uranium supply last year. Kazakhstan has 745,300 tonnes of known recoverable uranium resources, second only to Australia. Most of the uranium in the country is mined via in-situ leaching.

### 2. Canada: Mine production: 13,116 tonnes

Canada had the second-highest uranium production in the world last year, accounting for 22 percent of global output. In 2017, the country produced 13,116 tonnes of uranium, a decrease from the 14,039 tonnes it produced in 2016. Cigar Lake and McArthur River, the world's two top uranium mines, are located in Northern Saskatchewan, and Cameco (TSX:C-CO, NYSE:CCJ) has majority ownership of both of them. By comparison, Kazakhstan is home to seven large uranium mines.

### 3. Australia: Mine production: 5,882 tonnes

Australia's uranium production fell from 6,315 tonnes in 2016 to 5,882 tonnes in 2017. The country holds 29 percent of the world's known recoverable uranium resources. At the moment there are some doubts about uranium mining in Western Australia – the current government announced in 2017 that no new uranium projects will be approved, leaving a number of companies in limbo; existing projects have been allowed to continue on.

### 4. Niger: Mine production: 3,449 tonnes

Niger's uranium production decreased slightly in 2017, falling to 3,449 tonnes from 3,479 tonnes in 2016. The country has two uranium mines in production, and they account for 7 percent of uranium production in the world. The larger of the two mines is an open-pit project operated by Areva (EPA:AREVA) subsidiary SOMAIR. Areva holds a stake in the other mine as well.

### 5. Namibia: Mine production: 4,224 tonnes

Namibia's uranium production rose to 4,224 tonnes in 2017 from 3,654 tonnes in 2016. Last year was the second year in a row that the country's output has risen since 2013; however, production was still a bit lower than 2013's 4,323 tonnes.

For full article, [click here](#).

### UxC Consulting Spot Price (US\$)

August 31, 2018	\$26.46/lb U <sub>3</sub> O <sub>8</sub>
July 31, 2018	\$25.81/lb U <sub>3</sub> O <sub>8</sub>

Change of +\$0.65/lb U<sub>3</sub>O<sub>8</sub>

### UxC Consulting Long-Term Price (US\$)

August 31, 2018	\$31.50/lb U <sub>3</sub> O <sub>8</sub>
July 31, 2018	\$32.00/lb U <sub>3</sub> O <sub>8</sub>

Change of -\$0.50/lb U<sub>3</sub>O<sub>8</sub>

## Key Basin Announcements

**2018-08-08:** ISOEnergy drills 8.5m of 1.26% U<sub>3</sub>O<sub>8</sub> at Larocque East

**2018-08-09:** ALX Uranium announces results from summer drill program at Hook-Carter Project

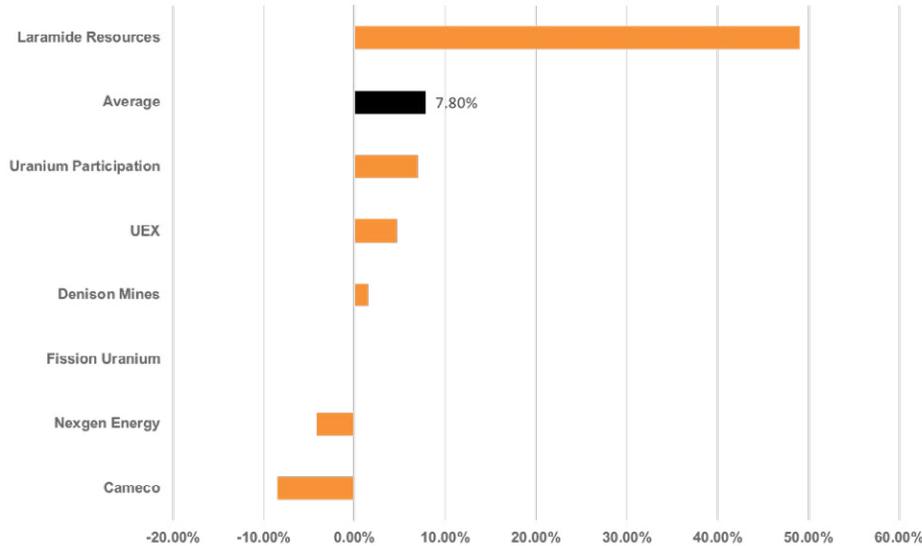
**2018-08-21:** Skyharbour completes 100% earn-in and announces plans for upcoming summer drill program at Moore

**2018-08-22:** Azincourt Energy to drill several targets on East Preston Uranium Project

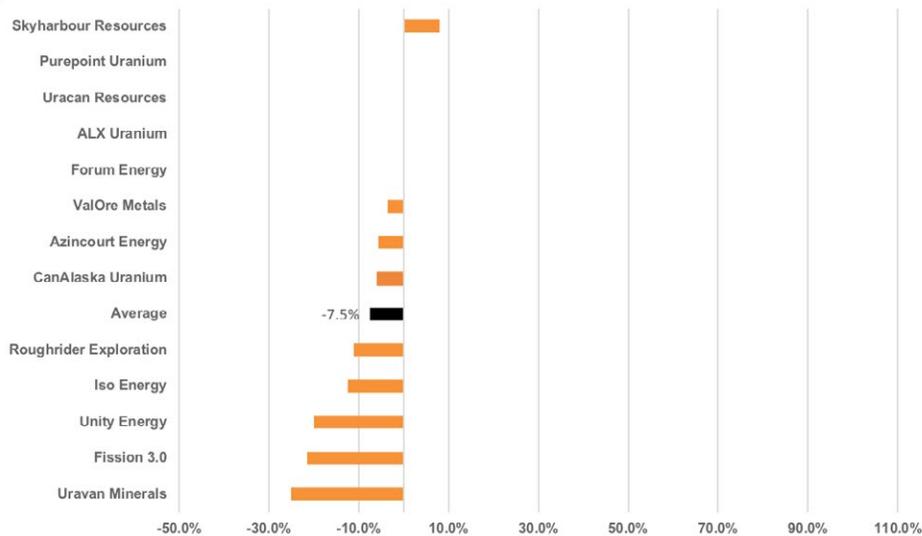
**2018-08-23:** UEX'S Christie Lake Summer drill program underway

## August 2018 Monthly Uranium Stock Performance

### Producing, Development & Advanced Exploration Companies



### Athabasca Basin Exploration Companies



## Monthly Athabasca Basin Exploration Update

Presented by Purepoint Uranium Group Inc. (TSXV: PTU), the Monthly Athabasca Basin Exploration Update is a monthly newsletter that gathers information on what's happening with uranium exploration companies in the Athabasca Basin, including its monthly exploration news, stock performances as well as the spot- and long-term uranium prices.

### Purepoint Uranium Group Inc. TSXV: PTU

Purepoint Uranium Group Inc. is a uranium exploration company focused on precision exploration and with ten projects in the Athabasca Basin.

Its flagship project is the Hook Lake, a joint venture with two of the largest producers in the world, Cameco Corporation and Orano Canada.

A total of \$4M exploration budget for 2018 has been completed.

For more information, please visit: [www.purepoint.ca](http://www.purepoint.ca).

### Be in the Know

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## Purepoint joins Nick Hodges at the International Mining Investment Conference in Vancouver this past May

**TSXV: PTU**

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$14.34M	\$0.07	\$0.10	\$0.055

Chris Frostad, President & CEO of Purepoint joined Nick Hodges (Outsider Club) and Warren Stayner (ALX Uranium) to speak about Uranium markets in the last International Mining Investment Conference in Vancouver in May. To view their in-depth discussion on the Uranium market as well as discussion, please click on the video link here.



[Click here for the video](#)

## PUREPOINT'S ATHABASCA BASIN PROJECTS



### Strategic Project Acquisitions

- Focused on on the precision exploration of its ten projects in the Canadian Athabasca Basin, the world's richest uranium region

### Partnered with two of the World's Largest Uranium Producers



Hook Lake & Smart Lake



Hook Lake

### High Grade Discovery at the Patterson Uranium District

- Spitfire Discovery (53.3% U<sub>3</sub>O<sub>8</sub> over 1.3m within a 10m interval of 10.3% U<sub>3</sub>O<sub>8</sub> at Hook Lake JV
- \$4 Million Exploration program completed in Mid-April (2018) discovered a new mineralized shear zone on trend with Spitfire

## ISOEnergy drills 8.5m of 1.26% U3O8 at Larocque East

**TSXV: ISO**  
2018-08-08

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$19.32M	\$0.35	\$0.73	\$0.255

IsoEnergy Ltd. announced geochemistry results for the interval of uranium mineralization intersected in previously reported drill hole LE18-01A. Drill hole LE18-01A was completed on the 100% owned Larocque East property (the "Property") in the Eastern Athabasca basin, Saskatchewan (Figure 1). A broad, 8.5-metre-long interval of elevated radioactivity (see news release dated July 25, 2018), averages 1.26% U3O8 (above a cutoff of 0.1% U3O8), and includes a higher-grade subinterval of 3.58% U3O8 over 2.5 metres. Within the higher-grade subinterval is a zone of off-scale radioactivity (>15,000 cps on an SRAT SPP2 scintillometer (the "SPP2")) that averages 6.45% U3O8 over 1.0 metre. This new zone of mineralization has been named the Hurricane zone.

The results in drill hole LE18-01A warrant aggressive follow-up drilling. Follow-up potential along-strike is limited only by the property boundary 165 metres to the west. The closest drill hole along-strike to the east is 415 metres away and was likely drilled too far to the north to intersect the prospective stratigraphy cored by LE18-01A. On section, follow-up potential is limited only by historic drill hole KER-12, which intersected the unconformity 57 metres south of LE18-01A. IsoEnergy's follow-up drilling will likely involve multiple drills and start with additional fence holes on section with LE18-01A followed by step-outs along strike to both the east and west. It is expected that drilling will resume after freeze-up in the winter (January, 2019) to allow ground access into the area.

## ALX Uranium announces results from summer drill program at Hook-Carter Project

**TSXV: AL**  
2018-08-09

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$6.49M	\$0.075	\$0.11	\$0.06

ALX Uranium announced results from the Hook-Carter Uranium Project ("Hook-Carter", or the "Project") summer 2018 drilling program which began in late May 2018 (see ALX news release dated May 24, 2018). Exploration at Hook-Carter is operated by Denison Mines Corp. ("Denison") (TSX: DML, NYSE MKT: DNN). The Project is owned 80% by Denison and 20% by ALX.

The summer 2018 program consisted of 3,898 metres of diamond drilling in five completed holes to test high-priority geophysical targets developed by Denison which were identified from the resistivity and moving loop time-domain electromagnetic (MLTEM) surveys carried out in 2017. The summer 2018 drilling program was designed as a continuation of the maiden winter 2018 drilling program which included 3,062 metres in four holes.

Highlights of the summer 2018 drill holes are as follows:

- HC18-005 intersected strong pervasive silicification in the sandstone as well as hydrothermal hematite and dravite in fractures and faults, both in the sandstone and basement lithologies.
- HC18-006, located approximately five kilometres along strike to the south of HC18-005, intersected moderate bleaching and desilicification with druzey quartz and pyrite localized along fractures recorded in the sandstone. Several graphitic shear zones and silicification were intersected in the basement rocks.
- HC18-007 and its daughter hole, HC18-007D1, were both lost in the sandstone in an intensely desilicified zone. HC18-007A was drilled 75 metres grid east of HC18-007 and HC18-007D1, and encountered strong desilicification and unconsolidated intervals, associated with moderate bleaching and disseminated pyrite, grey alteration and druzey quartz in the lower portion of the sandstone column. Strongly graphitic, highly strained faulted rocks were intersected in the basement rocks.
- HC18-008 was collared 900 metres along strike to the north of HC18-005. The hole intersected strong alteration in the sandstone column, including desilicification, druzey quartz, pyrite and dravite along some fractures. A weakly graphitic shear zone was encountered immediately below the unconformity with associated clay alteration and fracture-controlled hydrothermal hematite.
- HC18-009D1, daughter hole of abandoned HC18-009, was drilled approximately one kilometre to the east of HC18-007A. Significant hydrothermal alteration was encountered both in the sandstone and basement lithologies. Alteration in the sandstone included extensive zones of strong bleaching and silicification which is overprinted by moderate to strong desilicification. The presence of grey alteration, druzey quartz (locally corroded) and smoky quartz was noted in the basal 120 metres of the sandstone column. The pale-weathering profile was completely overprinted by hydrothermal alteration, including strong clay alteration and bleaching. Although no graphite was present in the basement rocks, it is possible that the graphite was completely destroyed by hydrothermal processes.

## Skyharbour completes 100% earn-in and announces upcoming summer drill program at Moore

**TSXV: SYH**

2018-08-21

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$19.15M	\$0.47	\$0.55	\$0.31

IsoEnergy Ltd. announced plans for its upcoming summer/fall 2018 diamond drill program to commence shortly and that it has now completed the 100% earn-in of its flagship, high grade Moore Uranium Project well ahead of schedule. In addition, 1,159,175 warrants have been exercised recently raising an additional CAD \$449,884 in net proceeds for the Company.

Upcoming Summer/Fall 2018 Drill Program:

Skyharbour has received all of the required permits for its upcoming summer/fall diamond drilling program. This program is scheduled to commence shortly and will consist of a minimum of 3,000 metres of drilling in 8 to 10 holes. The bulk of this drilling will test the basement rocks within the high grade Maverick corridor well below the unconformity. Skyharbour's technical team has recently reinterpreted historical drill results and has identified high-priority drill targets within the basement rocks of the Maverick corridor below the drill-defined, high grade, unconformity-style uranium mineralization at the Main Maverick Zone.

Skyharbour Completes 100% Earn-In of Flagship Moore Project:

Further to the news release dated July 14th, 2016, the Company elected to pay the remaining CAD \$300,000 cash option payment due to earn a 100% interest in the Moore Uranium Project from Denison Mines Corp. (TSX: DML) (NYSE MKT: DNN) ("Denison"), a large and strategic shareholder of Skyharbour. The Company has completed the 100% earn-in on the project almost three years ahead of the five year option term which included the issuance of shares, staged cash payments totaling \$500,000, and \$3,500,000 in exploration expenditures. Denison has also elected not to exercise its first buyback option, meaning that Skyharbour now owns 100% of the property. The Company now has an additional five year period to incur an additional \$3,000,000 in exploration expenditures on the project ("Additional Expenditures"). At that point, Denison may elect to exercise a second buyback option to repurchase a 51% interest in the property by making a cash payment of \$500,000 and spending \$16,500,000 in exploration expenditures on the property over the following four year period. The parties would then form a joint venture with Denison owning 51% and Skyharbour owning 49%. If Denison fails to complete this second buyback option, Skyharbour would retain its 100% ownership in the property. If the Company does not complete the Additional Expenditures within the allotted five year period, Denison may elect to exercise a buyback option at any time to repurchase a 51% interest in the property by making a cash payment of \$500,000 and spending at least 2.5 times the expenditures incurred by Skyharbour since the beginning of the Option Agreement. The parties would then form a joint venture.

## Azincourt to drill several targets on East Preston Uranium Project

**TSXV: AAZ**

2018-08-22

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$5.85M	\$0.085	\$0.37	\$0.05

Azincourt released an updated regarding upcoming winter program at the East Preston Uranium project. The 2018-19 winter work program is planned to begin after mid-November and will include approximately 2000-2500m of diamond drilling designed to test several previously identified high-priority targets. The Company announced earlier this year that it entered year two of its joint venture with Skyharbour Resources (TSX.V: SYH) and Clean Commodities Corp (TSX.V: CLE), in which Azincourt can earn 70% interest in the 25,000+ hectare project.

The Company completed a winter geophysical exploration program in January-February 2018 that generated a significant amount of new drill targets within the previously untested corridors and refining additional targets near previous drilling along the Swoosh corridor. The work included 51.5 km of grid preparation (line cutting/picketing), 46.1 km of horizontal loop electromagnetic (HLEM), and 40.6 km of ground gravity along the previously known airborne helicopter VTEM conductive trends.

Ground-truthing work confirmed the airborne conductive trends and more accurately located the conductor axes for future drill testing. The gravity survey identified areas along the conductors with a gravity low signature, which is often associated with alteration, fault/structural disruption and potentially, uranium mineralization. The combination/stacking of positive features will assist prioritizing targets for testing first. The Main Grid shows multiple long linear conductors with flexural changes in orientation and offset breaks in the vicinity of interpreted fault lineaments – classic targets for basement-hosted unconformity uranium deposits. These are not just simple basement conductors; they are clearly upgraded/enhanced prospectivity targets because of the structural complexity.

## UEX's Christie Lake Summer drill program underway

**TSX: UEX**

2018-08-23

Market Cap	Price as of 08/31/18	52-Week High	52-Week Low
\$78.34M	\$0.225	\$0.405	\$0.15

UEX announced that summer 2018 exploration program is underway, with the goal of expanding the uranium resources on the Yalowega Uranium Trend (the "Trend"). The program will focus on testing targets located along strike and southwest of the Ōrora Deposit between the Ōrora and Ken Pen Deposits. Drilling has commenced and is expected to take approximately five weeks.

The Ōrora Deposit was discovered during the winter 2017 exploration campaign. Highlights from the 2017 winter discovery program includes hole CB-109, which intersected 22.81% U<sub>3</sub>O<sub>8</sub> over 8.6 m from 475.1 to 483.7 m, and hole CB-116A, which returned 20.00% U<sub>3</sub>O<sub>8</sub> over 8.5 m from 471.0 to 479.5 m. The Ōrora Zone has a minimum strike length of at least 150 m and mineralization remains open along strike both to the southwest and to the northeast.

The summer program will test unconformity targets located northwest and up-dip of basement-hosted uranium mineralization drilled by the previous operator in the 1990s (Figure 1). The target area lies within the 400 m long untested gap between the Ōrora Deposit and the Ken Pen Deposit where the Yalowega Fault intersects the unconformity, the host location of the high-grade uranium at the three known Christie Lake Deposits.

The summer program will be a major step towards UEX earning a 60% interest in the Christie Lake Project.



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