

MONTHLY ATHABASCA BASIN EXPLORATION UPDATE

DECEMBER 2018

Emerging markets, resurgence of IPOs boost interest in uranium

Source: Market Watch
 2018-11-21

"In terms of an investment thesis today, there is perhaps no better commodity than uranium with its bull market finally under way on tightening fundamentals," says Scott Melbye, executive vice president of uranium mining-and-exploration firm Uranium Energy Corp.

Year to date, weekly spot prices for uranium have climbed by nearly 23%, to \$29.15 a pound, on Nov. 19, from \$23.75 on Dec. 25, 2017.

One big driver: Emerging markets such as China and Saudi Arabia are expected to see stronger demand for uranium, a radioactive metal used to fuel nuclear reactors, as economic growth feeds the need to generate more electricity.

The world's largest uranium producer, Kazatomprom, launched an IPO on the London Stock Exchange on Nov. 13. Kazakh sovereign-wealth fund Samruk-Kazyna offered nearly 39 million shares, including global depositary receipts, representing 15% of Kazatomprom's share capital, according to World Nuclear News. That followed an IPO by Uranium Trading Corp. earlier this month. The launch "speaks to the strong and growing investor interest in the uranium space," says Melbye.

Within the past year, uranium investment companies like Yellow Cake, which successfully launched a \$200 million IPO in London in the summer, and Uranium Participation Corp., which trades on the Toronto Exchange, "have purchased a combined 10.5 million pounds [of uranium oxide], and sequestered that material away from the spot market," Melbye says.

Since Cameco announced its indefinite suspension of the McArthur River mine and Key Lake mill, the company has been "active as a spot purchaser" of uranium. Financial players, including traders, banks, and hedge funds, have also been purchasing larger volumes of the material. All of this is creating a strong support for spot prices, which have seen week-over-week increases since the end of September. As long as major producers hold back production and remain active buyers in the spot market to complete customer deliveries, the market will see additional upward price pressure.

This year alone, supply cuts and "sequestering of available uranium supplies by investment funds have removed 60 million pounds of uranium from the market," says Melbye. Global production of uranium is likely to fall below 135 million pounds in 2018 from a peak output level of 162 million pounds in 2016, he says.

China, the largest market for uranium in the world, and India will be "key to stimulating long-term price increases" for uranium, says Rohan Reddy, senior research associate at Global X Funds, a provider of exchange-traded funds such as Global X Uranium.

"The industry has finally clawed its way back from the post-Fukushima downturn," says Melbye, noting that this year, the world is finally generating more nuclear electricity than it was in the months shortly before the Fukushima disaster.●

UxC Consulting Spot Price (US\$)	
October 31, 2018	\$28.13/lb U ₃ O ₈
November 30, 2018	\$28.95/lb U ₃ O ₈
Change of +\$0.82/lb U₃O₈	

UxC Consulting Long-Term Price (US\$)	
October 31, 2018	\$31.50/lb U ₃ O ₈
November 31, 2018	\$31.50/lb U ₃ O ₈
Unchanged	

Key Basin Announcements

2018-11-05: Skyharbour option partner Orano Canada announces 2019 exploration budget of \$2.2 million including 4,850 metres of drilling at Preston

2018-11-06: Purepoint featured at the Northern Miner: Uranium Reversal may be close

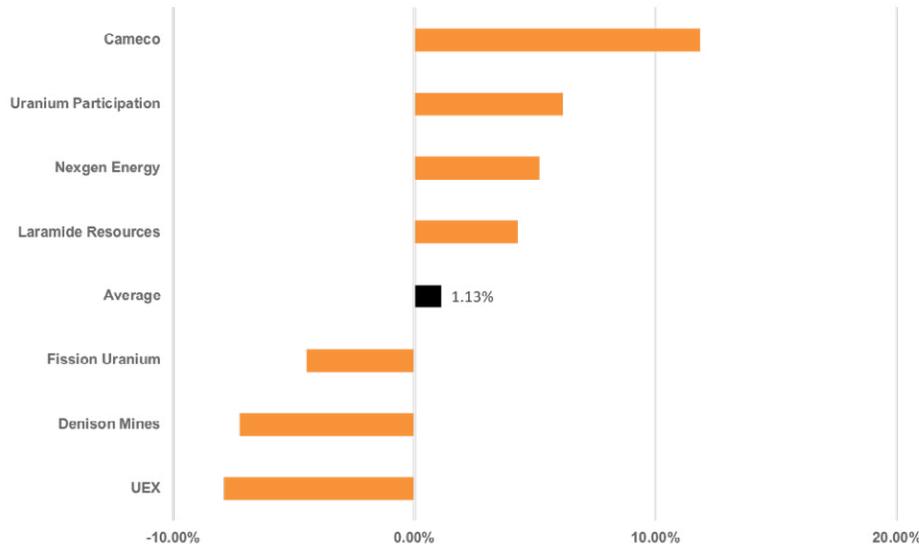
2018-11-12: Purepoint Uranium: A comprehensive look at the Hook Lake JV Project

2018-11-22: NexGen releases summer 2018 drilling results

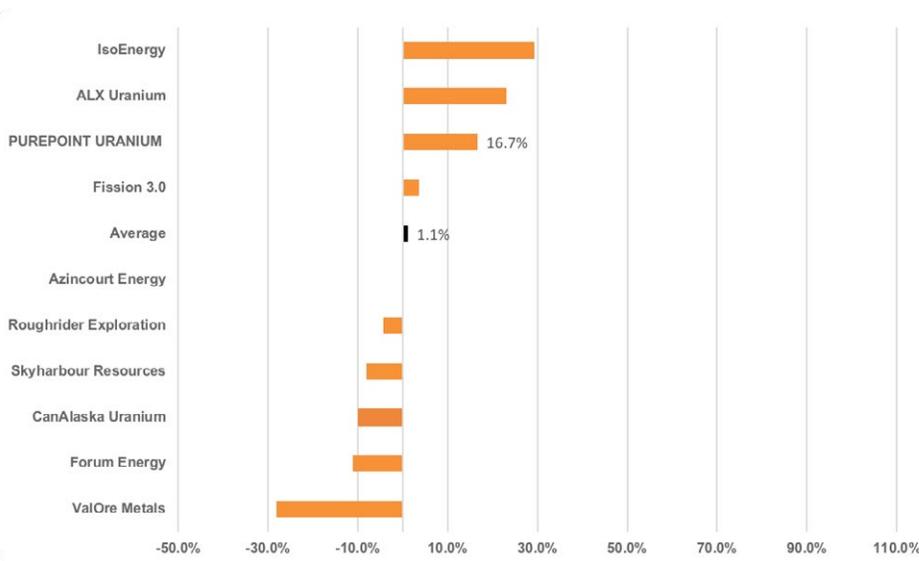
2018-11-29: UEX vests 60% interest in Christie Lake

October 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 \$3MM exploration budget is scheduled for 2019.

For more information, please visit: www.purepoint.ca.

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Uranium industry could be close to tipping point, Purepoint says

2018-11-06

THE NORTHERN MINER

GLOBAL MINING NEWS · SINCE 1915

In one of the few exploration projects it is funding next year, Cameco and its joint-venture partners Orano Canada and Purepoint Uranium are planning a 36 km ground electromagnetic survey and 6,000 metres of diamond drilling at their Hook Lake uranium project in Saskatchewan.

The 2019 winter drill program will continue exploring a new mineralized shear zone that extends along the Patterson Corridor. The shear runs through the project's Dragon zone and is on trend with its Spitfire discovery.

The Patterson uranium district is a structural corridor situated on the southwestern edge of Saskatchewan's Athabasca Basin, which has been interpreted to extend at least 50 km, and hosts Fission Uranium's (TSX: FCU) Triple R deposit, NexGen Energy's (TSX: NXE) Arrow deposit, and Spitfire. The Arrow and Triple R deposits are 7 km and 14 km to the southwest of Spitfire, respectively, and are in the same geological structure that continues another 8 km through Spitfire to the northeast and then into Denison Mines' ALX claims at its Hook-Carter project.

The \$3 million exploration project planned for 2019 "speaks to Cameco's feelings about the project," says Chris Frostad, Purepoint's president and CEO. "Majors don't invest in exploration projects that don't have the potential to be Tier 1 deposits, or more than 100 million pounds of U3O8."

The joint-venture partners are focusing exploration on an area between their high-grade Spitfire discovery of 2015 (53.3% U₃O₈ over 1.3 metres within a 10-metre interval assaying 10.3% U₃O₈ starting from 220 metres below surface), and the Dragon zone, about 6 km to the northeast. Dragon was found at the end of 2016.

Spitfire sits on the southernmost claim line adjacent to NexGen's project. The Dragon area has an identical geological setting as that presented at Spitfire, Frostad says, only significantly larger. "Not only that," he adds, "but we could see that the structure running up from Triple R, through Arrow and into Spitfire appeared to connect directly through to Dragon. That area requires additional geophysical data to refine the targets, which is job one this season."

Uranium doesn't trade on an open market like other commodities, so buyers and sellers negotiate contracts privately. Utilities typically purchase their fuel under four to ten-year contracts in order to lock in the price. The long-term price, which hasn't changed in two years, is about US\$31 per lb., while the spot market price is now a little over US\$28 per lb. Partly as a result, the market is tight and illiquid, a factor that has resulted in major price swings following major events, such as the Fukushima reactor meltdown in 2011 and accidents at Chernobyl (1986), Three Mile Island (1979), and the 1973 oil shock.

"There have been no significant long-term contracts signed in the last two years," he says. "Why would a producer sign a new contract at US\$30-\$35 per lb. when the marginal cost of production is US\$40 per lb. They might if they were in trouble, but they've shut their mines down, laid everybody off, taken their whack, so they're not going to give any deals if they don't have to — they're going to wait until the price comes back before they start turning things on." Cameco is buying about a third of their product on the spot market because it's cheaper than producing it, he says.

Meanwhile, uranium production continues to go down — currently it's about 16% lower than last year. "What we've seen over the last two years is that supply has been forced to do a free fall. All excess inventory has driven uranium down to historic lows and, as in other industries, we've seen mines shut down and, in our case, a lot of contract buying has moved into the spot market. Because the spot price is so low you've got utilities buying on spot rather than signing new contracts." But eventually, he argues, inventories will be soaked up and the price will turn. "At the end of the day, nobody really knows what the inventory is. Half the planet won't report what they've got. It would be around 1 billion pounds, give or take, so nobody really knows at what point the inventory will get to before we start to see long-term contracts signed again."

Like many in the industry, the mining executive is reluctant to guess when the sector will turn, but he believes the tipping point could be approaching fairly fast. "I'm thinking you'll see the spot price meet up with the long-term price probably at the end of the year," he ventures. "Every time uranium moves it's like an explosion, but I would think that by mid-2019 you're going to see some real movement in the long-term price. If I'm a utility buyer now it becomes, 'I can either buy at spot at US\$31.50 per lb. or I'm going to sign a contract,'" he continues. "So they're going to hang on for as long as they dare and they're playing chicken. No one wants to be the first guy signing that new long-term contract."

The market will have started to turn when you see the long-term price move back to profitable levels, he adds, and utilities "will have to pay whatever the price is, and I think you'll see a jump from US\$32 per lb. up to US\$40 per lb. pretty quickly. Then people will start to ramp up again because they'll know things are heading in the right direction." Frostad also argues that interest in uranium is greater than in other commodities "because investors recognize that they're looking at a commodity at the bottom of its cycle. Everybody is waiting for the moment when it looks like it's time to get back in."

Purepoint Uranium Outlines Upcoming Hook Lake Program

TSXV: PTU

2018-10-25

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$14.34MM	\$0.07	\$0.10	\$0.055

Purepoint released a discussion of the Hook Lake Joint Venture ("JV") project providing a look at its history, findings up-to-date and the upcoming winter program.

Located along the Patterson Uranium District, the Hook Lake JV is a project owned jointly by Cameco Corporation (39.5%), Orano Canada Inc. (39.5%) (formerly known as Areva Resources Canada Inc.) and Purepoint (21%). Operated by Purepoint since 2007, the project consists of nine claims totaling 28,598 hectares including the Spitfire high-grade discovery (53.3% U3O8 over 1.3 metres within a 10 metre interval of 10.3% U3O8).

"With over 300 million lbs of uranium defined to date across multiple deposits, it is hard to refer to the Patterson Corridor as an 'emerging' district any longer." said Chris Frostad, President & CEO of Purepoint. "With neighbouring world class offerings such as Fission Uranium's Triple R deposit and NexGen's Arrow deposit, exploration interest on the Hook Lake property is high and centres around early high-grade discoveries and several indicators underlying the strong potential for yet another Tier 1 uranium deposit."

Hook Lake Project Highlights:

1. Two of the world's largest, high-grade uranium deposits along-strike on adjacent properties;
2. High-grade Spitfire/Harpoon deposit outlined at the claim border with NexGen;
3. Widespread hydrothermal alteration in Dragon Zone similar to and along-strike with Spitfire, with a much larger footprint;
4. Anomalously high concentrations of uranium within, and adjacent to graphitic shear zones in the sub-Athabasca basement rocks of the Dragon Zone;
5. over 5 kilometres of untested, high-priority conductor targets along the Patterson Corridor.

Hook Lake Chronology

The Patterson Corridor is a structural corridor lying within the southwest edge of Saskatchewan's Athabasca Basin and is interpreted to extend for at least 50km with approximately 10km of the total corridor occurring on the Hook Lake project, making it the highest priority exploration target on the Hook Lake property. Recent exploration and discovery along the Patterson Corridor have progressed with astounding speed and impressive results.

DATE	EVENT	EXPLORER
2011	Discovery of radioactive boulders	By: Fission/ESO JV
2012	Discovery of Triple R Deposit	By: Fission/ESO JV
2013	Discovery of Arrow Deposit	By: NexGen Energy
2014	Discovery of South Spitfire Zone HK14-09 returns 0.32% U3O8 over 6.2 metres	By: Purepoint / Cameco / Orano JV
2015	PEA released for Triple R based on an Indicated Resource of 81.1Mlbs U3O8 grading 1.8% U3O8	By: Fission
2015	Bow Discovery	By: NexGen Energy
2015	Lower Spitfire Discovery HK15-27 returns 2.23% U3O8 over 2.8 metres	By: Purepoint / Cameco / Orano JV
2016	Harpoon Discovery	By: NexGen Energy
2016	Upper Spitfire Discovery HK16-53 returns 10.3% U3O8 over 10.0 metres	By: Purepoint / Cameco / Orano JV
2017	PEA released for Arrow Deposit based on an Indicated Resource of 164.9Mlbs U3O8 grading 6.88% U3O8	By: NexGen Energy
2017	Upper Spitfire strike length extended by 25%	By: Purepoint / Cameco / Orano JV
2018	New Mineralized shear discovered in Dragon Zone	By: Purepoint / Cameco / Orano JV
2018	PFS released for Arrow Deposit Indicated Resource of 256.6M lbs of U3O8 grading 4.03% U3O8	By: NexGen Energy

Purepoint Uranium Outlines Upcoming Hook Lake Program

TSXV: PTU

2018-10-25

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$14.34MM	\$0.07	\$0.10	\$0.055

A Team Approach

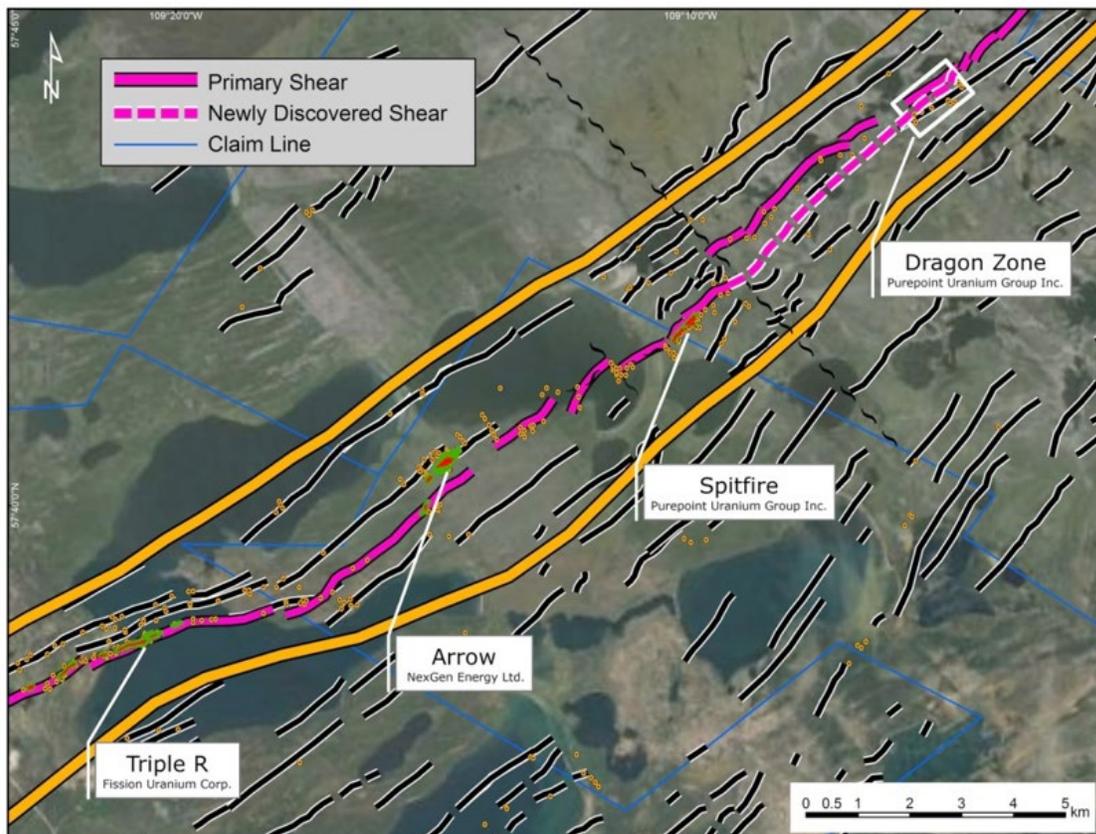
The Hook Lake Project and surrounding area have been the subject of great scrutiny since the 1970s drilling held to the “unconformity model” utilized in the eastern Basin. Since then, the partners have developed a greater understanding of how structurally-hosted uranium deposits are associated with graphitic shear zones within the sub-Athabasca basement rocks along the Patterson Corridor. “We are extremely fortunate to have outstanding, committed joint venture support from unquestionably, the two top tier producers and explorers in the uranium industry,” said Scott Frostad, Purepoint’s Vice President Exploration. “Since the formation of the Hook Lake JV both Cameco and Orano have provided us with knowledgeable insights and constructive input/feedback and together we have become better explorers.”

In addition, both JV partners have provided generous access to, and use of, their technical personnel. For the past two programs, Orano has assigned a renowned structural geology expert to perform drill core interpretations on site and in real time. Cameco, as well, has provided ongoing geophysical and geological support through detailed interpretations of survey and drill results. The sustained collaboration and trust developed between the JV partners has been a key part of this project’s success.

Narrowing In on the Next Discovery

Recognizing that the setting for mineralization in this area differs from that seen on the eastern side of the Athabasca Basin, the Spitfire Discovery has provided the project with key data to guide ongoing exploration.

“The fluids associated with uranium mineralization have resulted in hydrothermal alteration of the surrounding rocks allowing us to vector towards mineralization. Through our experience and success, we have developed a unique approach of integrating geophysics, geochemistry and geological interpretations to better target prospective structural settings or ‘traps’” says Cameron MacKay, Purepoint’s Senior Geologist. “What excites us about Dragon is the presence of the same secondary indicators we witnessed at Spitfire – structure, alteration, geochemistry – only on a much larger scale.”



Skyharbour's Partner Orano announces 2019 exploration budget of \$2.2mm at Preston

TSXV: SYH

2018-11-05

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$30.61MM	\$0.455	\$0.57	\$0.35

Skyharbour Resources Ltd.'s option partner, Orano Canada Inc., has confirmed details for its upcoming 2019 exploration and diamond drilling programs at the Preston uranium project located in the western Athabasca basin near NexGen Energy Ltd.'s high-grade Arrow deposit and Fission Uranium Corp.'s Triple R deposit.

Highlights of Orano Canada's upcoming exploration programs at the Preston uranium project:

- Orano Canada is planning to carry out \$2.2-million in exploration and diamond drilling programs over the next year
- The company has planned a diamond drilling program consisting of 15 to 20 drill holes at the JL and FSA targets for a total of approximately 4,850 metres to commence in early 2019
- The company has planned a ground geophysical program consisting of a moving-loop transient electromagnetic (ML-TEM) survey at the Canoe Lake grid
- Orano Canada may earn up to a 70-per-cent interest in the 49,635-hectare Preston project through \$8-million of total project consideration over six years, including up to \$7.3-million of exploration work programs and \$700,000 of cash payments
- If carried to completion, a tripartite joint venture would be formed being 70 per cent as to Orano Canada and 30 per cent as equally divided between Skyharbour Resources and Clean Commodities

NexGen releases summer 2018 drilling results

TSX: NXE

2018-10-22

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$1,020.59MM	\$2.84	\$3.58	\$2.115

NexGen Energy reported geotechnical and radioactivity results for twenty-nine holes comprising 20,482.31 m on the Company's 100% owned Rook I property, in the Athabasca Basin, Saskatchewan. The primary objective of the program was the geotechnical characterization of areas within Arrow's footwall, lateral development and potential underground infrastructure locations of which results were incorporated into the Pre-Feasibility Study ("PFS") released on November 5th, 2018. The exploration results of this release which encountered strong mineralized intervals in key areas were not incorporated into the updated Mineral Resource Estimate and PFS results, released on November 5, 2018.

- GAR-18-016 intersected 38.5 m of total composite mineralization including 10.7 m of total composite off-scale radioactivity (>10,000 to >61,000 cps) within a 75 m section (552.0 to 627.0 m) and featured 1.5 m of continuous massive-to-semi massive pitchblende with minimum-greater-than-61,000 cps.
- Holes drilled within the footwall of Arrow, in areas of envisioned underground mine infrastructure intersected suitable rock-mass and hydraulic conductivity to facilitate underground development.
- Similarly, holes drilled within the proximity of the UGTMF positively indicated the area contains suitable rock-mass and low hydraulic conductivity to facilitate underground development.
- Importantly, negligible alteration and structure were intersected in proximity of envisioned underground mine infrastructure and UGTMF.
- GAR-18-010 targeted shaft location option 1. The hole was successfully completed to a depth of 650 m, intersecting minimal structure within proximity of targeted area in the footwall. A total of 6.0 m of composite uranium mineralization was intersected (549.0 m to 550.0 m) with a maximum radioactivity of 3,900 cps.
- GAR-18-013 targeted shaft location option 2. The hole was successfully completed to a depth of 650 m. Preliminary results indicate the area contains suitable rock-mass and low hydraulic conductivity to facilitate future shaft design
- GAR-18-015 targeted shaft location option 3. The hole was successfully completed to a depth of 702 m, intersecting minimal structure within designed underground mine infrastructure. Preliminary results indicate the area contains suitable rock-mass and low hydraulic conductivity to facilitate a future shaft design.
- AR-18-220c1 (located 50 m along strike to the northeast of AR-14-30 (10.32% U3O8 over 46.0 m)) intersected 55.5 m of total composite mineralization including 2.25 m of total composite off-scale radioactivity (>10,000 to >61,000 cps) within a 109.5 m section (438.5 to 548.0 m) in the A2 shear. The hole demonstrates the continuity of high-grade mineralization beyond the currently defined A2 high-grade domains in the A2 shear.

UEX vests 60% interest in Christie Lake

TSX: UEX

2018-10-29

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$68.65MM	\$0.175	\$0.405	\$0.155

UEX Corp. has received written confirmation from JCU (Canada) Exploration Company Ltd. acknowledging that the company has increased its interest in the Christie Lake uranium project to 60 per cent.

UEX has made the latest \$1-million property payment to JCU and completed the 2018 exploration work commitments under the Christie Lake option agreement prior to the Jan. 1, 2019, deadline. As a result, UEX's ownership interest in the Christie Lake joint venture has increased from 45 per cent to 60 per cent effective Nov. 13, 2018. UEX has made cumulative property payments of \$6-million and conducted just over \$10.0-million in exploration activities on the project as of Oct. 31, 2018.

About the Christie Lake project

UEX currently holds a 60-per-cent interest in the Christie Lake project located approximately nine kilometres northeast and along strike of Cameco's McArthur River mine, the world's largest uranium producer. The P2 fault, the controlling structure for all of the McArthur River deposits, continues to the northeast beyond the mine. UEX believes that through a series of en-echelon steps the northeast strike extension of the P2 fault not only crosses the project but also controls the three known uranium deposits on Christie Lake, the Orora, Paul Bay and Ken Pen deposits.

Purepoint Uranium Group Inc.
TSXV: PTU

Market Cap	Price as of 11/30/18	52-Week High	52-Week Low
\$14.34MM	\$0.07	\$0.10	\$0.055

Strategically positioned in the Athabasca Basin

- Advanced-stage exploration portfolio of 10 projects in the Athabasca Basin - *all assessment requirements current*
- Dozen of drill targets well defined
- Support and continued spending by two of the world's largest uranium producers
- Most speculative phase of investment completed with low priority properties all exited

Uranium Industry Market Overview

Click on the image to access full report.



Purepoint Uranium Group Inc. (TSXV: PTU) has assembled an end-to-end investment thesis for uranium investors, providing a complete understanding of the current events, facts and statistics that point towards a pending price correction.

Send us your comments/suggestions at info@jeannyso.com.

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



High Grade Discovery at the Patterson Uranium District

- Spitfire Discovery (53.3% U₃O₈ over 1.3m within a 10m interval of 10.3% U₃O₈ at Hook Lake JV
- \$4 Million Exploration program completed in Mid-April (2018) discovered a new mineralized shear zone on trend with Spitfire



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