

# $\text{U}_3\text{O}_8$ This Time for Sure?

The Industry Reacts to yet another Defining Global Event

# FORWARD-LOOKING STATEMENTS

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# CORPORATE UPDATE – Q2 2020



**01** Recent  
Events

**02** A Little Help  
from  
Saskatchewan

**03** Hook Lake 2020



The Uranium market doesn't ebb and flow with the ongoing activities of the world's politics and economies. Instead, it lies in wait, only to make jarring moves based on very specific and unfortunate situations. From the accident at Three Mile Island to the flooding of the McArthur and Cigar uranium mines, a Japanese tsunami and now a global pandemic.



## Anticipating the tipping point...

As COVID 19 halts the world's economies, it also resulted in the shut down of many uranium mines. Mines that were continuing to supply uranium to an overstocked inventory.

# SIGNIFICANT MINE CLOSURES

In response to COVID 19, many of the world's largest mining operations have been put on hold



| Location   | Operation      | Company      | % of Global Annual Mine Production | Suspension Duration |
|------------|----------------|--------------|------------------------------------|---------------------|
| Kazakhstan | Kazakhstan ISR | Kazatomprom  | 41.0%                              | 3 Months            |
| Canada     | Cigar Lake     | Cameco/Orano | 12.5%                              | Undetermined        |
| Namibia    | Husab          | CNNC/CGN     | 6.9%                               | 21 Days             |
| Namibia    | Rossing        | CNNC/CGN     | 2.8%                               | 21 Days             |
| TOTAL      |                |              | 63.2%                              |                     |

#### EFFECT ON EQUITIES

- Equities will lead commodity price increases
- Uranium equities are poised for a significant upward shift in the near term

#### PRICE CORRECTION

- A rapid adjustment of 50% to 100% should be expected
- Only profitable pricing will be accepted (\$40 - \$60/lb U<sub>3</sub>O<sub>8</sub>)

#### INVENTORY

- Inventory levels are reaching a tipping point
- New significant LT contracts will signal the tipping point

#### SUPPLY

- Supply has been forced into free-fall
- 2018 production 16% lower than demand

#### DEMAND

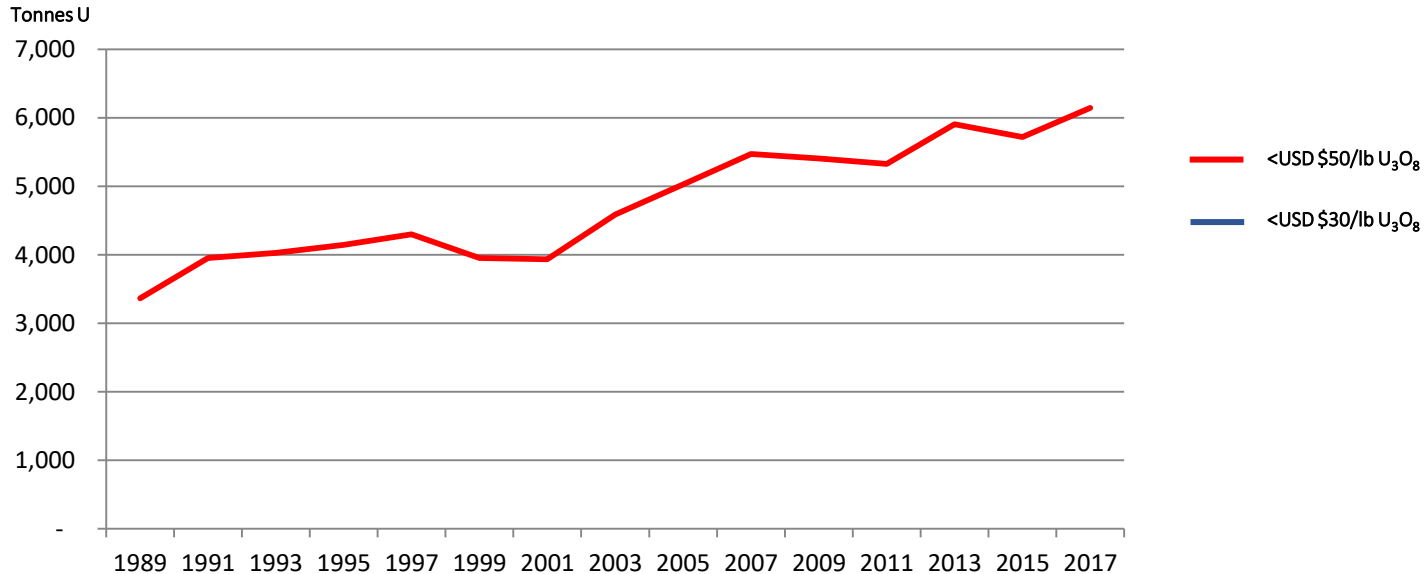
- Demand is steady and price is inelastic
- Utilities will buy no matter what the price

It is questionable as to how long each will ultimately remain closed and the effect it will have on global uranium inventories



# GLOBAL URANIUM RESERVES

Over the last 30 years, global uranium reserves have slowly risen

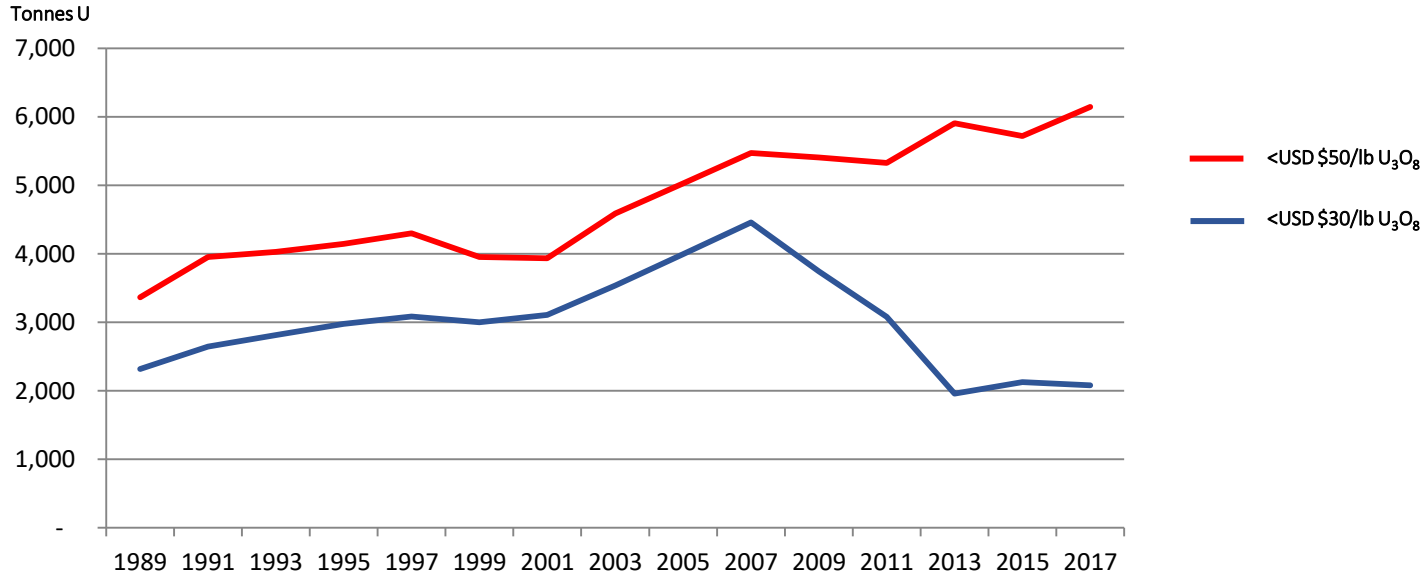


Source: OECD Nuclear Energy  
Agency and the International  
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Low cost uranium, however, has been significantly depleted

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Saskatchewan is consistently ranked by the Fraser Institute as one of the top (if not THE top) mining jurisdictions in the World.



**Pam Schwann, P. Geo., MSc.,  
President**

**Saskatchewan Mining  
Association**

Saskatchewan Mining Association (SMA) is an industry-driven organization representing the mining and mineral exploration industry with over 25 mining operations in the province.



# FOCUSED ON MINIMIZING FINANCIAL DISRUPTIONS

## Protecting Assets Against Time Deadlines

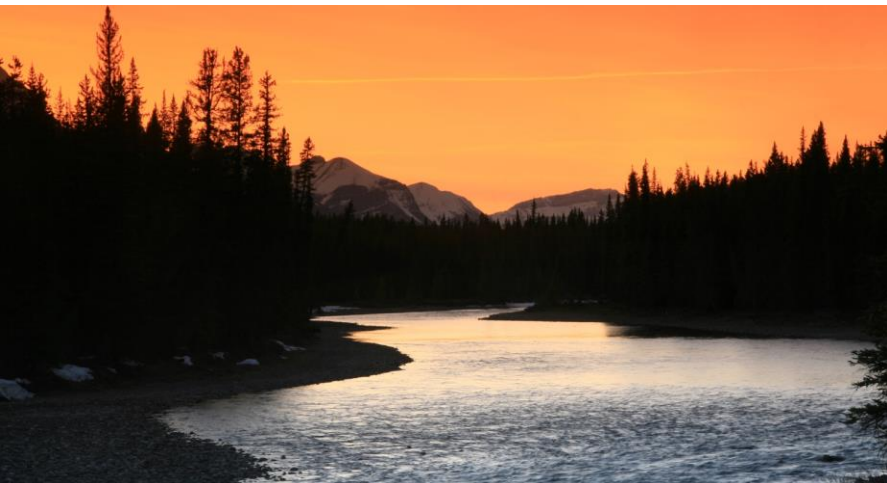
- Canada Revenue Agency treatment of *Flow Through* Receipts:
  - ✓ Extension of time to spend renouncements
  - ✓ Expanded definition of *Canadian Exploration Expenditures* to include “desktop” work
  - ✓ Similar requests made under the Saskatchewan Mineral Exploration Tax Credit
- Ministry of Environment:
  - ✓ Extension of automatic renewals of Permits where expired

## Providing Financial Support Where Reasonable

- Provincial Sales Tax Support:
  - ✓ Reinstatement of Province’s PST relief (6%) on exploration drilling expenditures
- Ministry of Energy & Resources:
  - ✓ *Targeted Mineral Exploration Program* discussions to expand in terms of geography, commodity and \$ amount of grants
  - ✓ Identifying opportunities to provide relief from assessment work requirements

## Getting the Industry Back to Work

- Working with both the Provincial and Federal Governments:
  - ✓ Maximize entities in the mining and exploration supply chain designated as “allowable businesses” during the declared State of Emergency and inclusion on the Federal list of essential services
  - ✓ In support of these designations, have created COVID-19 work camp guidelines



Established in the Basin since 2002, Purepoint holds 9 highly prospective uranium projects in the Athabasca Basin and proudly maintains project joint ventures with two of the largest uranium suppliers in the world, Cameco Corp & Orano Canada.



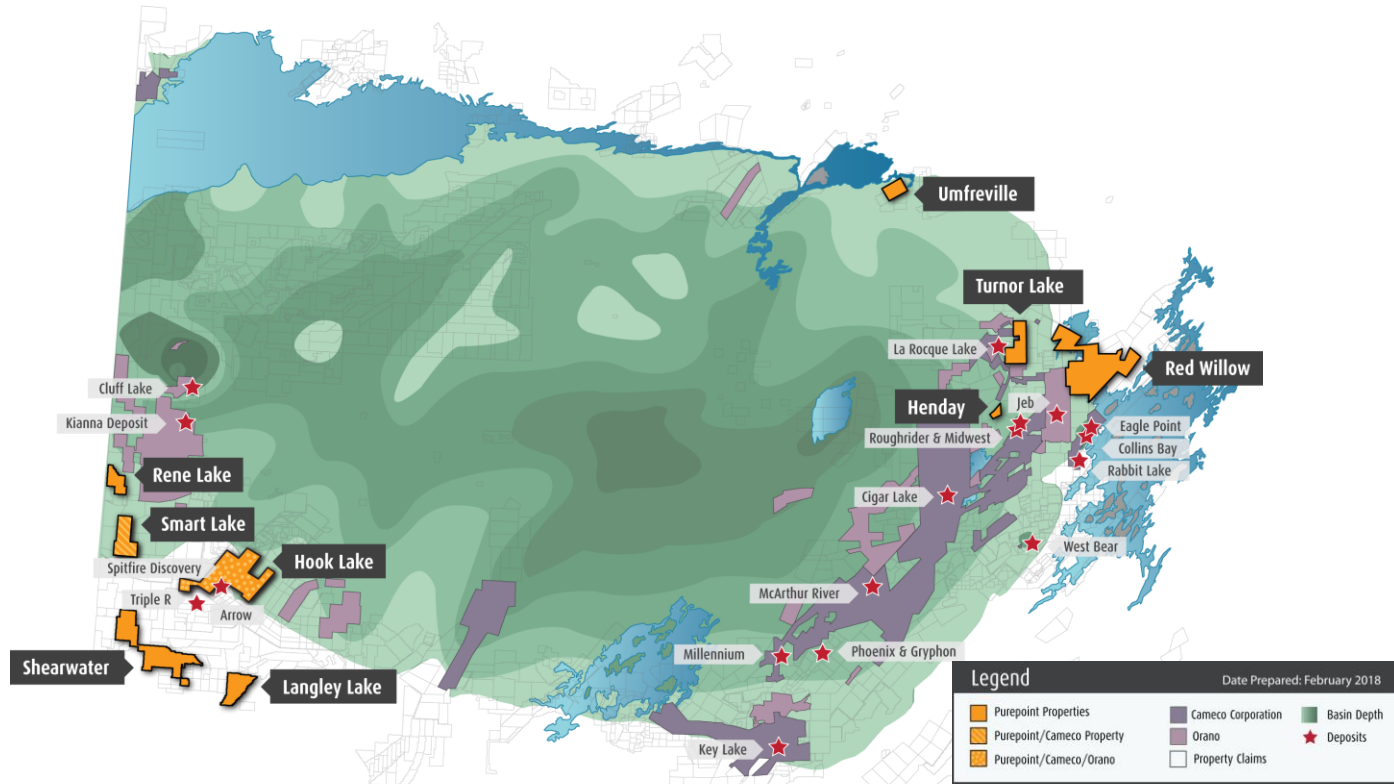
**Purepoint Uranium Group  
Inc.**

High grade discoveries already made on trend with the decade's largest discoveries in the Patterson Uranium District

# PROJECTS

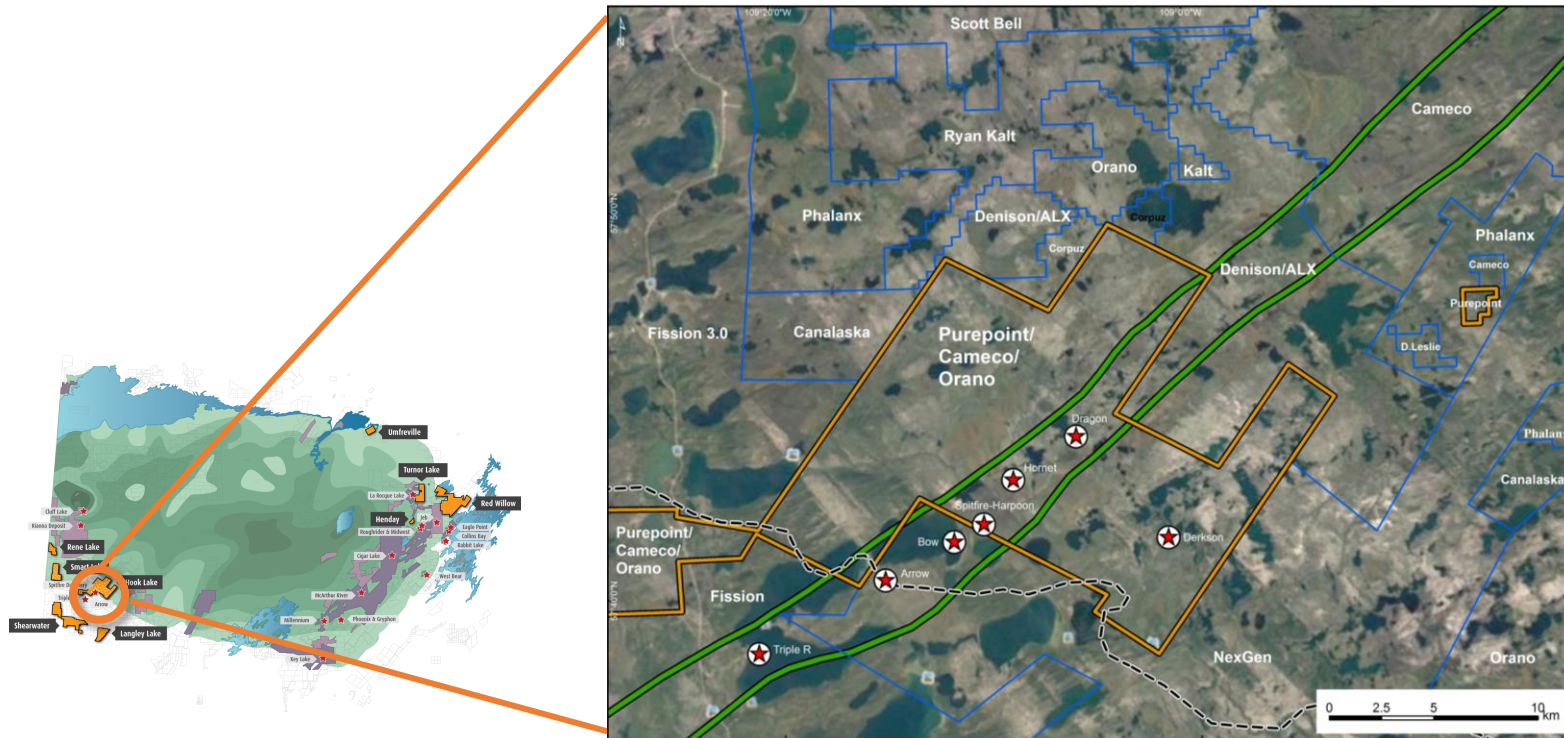
## 9 Projects All Active

- Advanced stage exploration
  - ✓ Dozen of drill targets well defined
  - ✓ Low priority property all exited
  - ✓ Assessment requirements current
- Support and continued spending by two of the largest Uranium Suppliers in the world in our flagship Hook Lake project
- Most speculative phase of investment completed

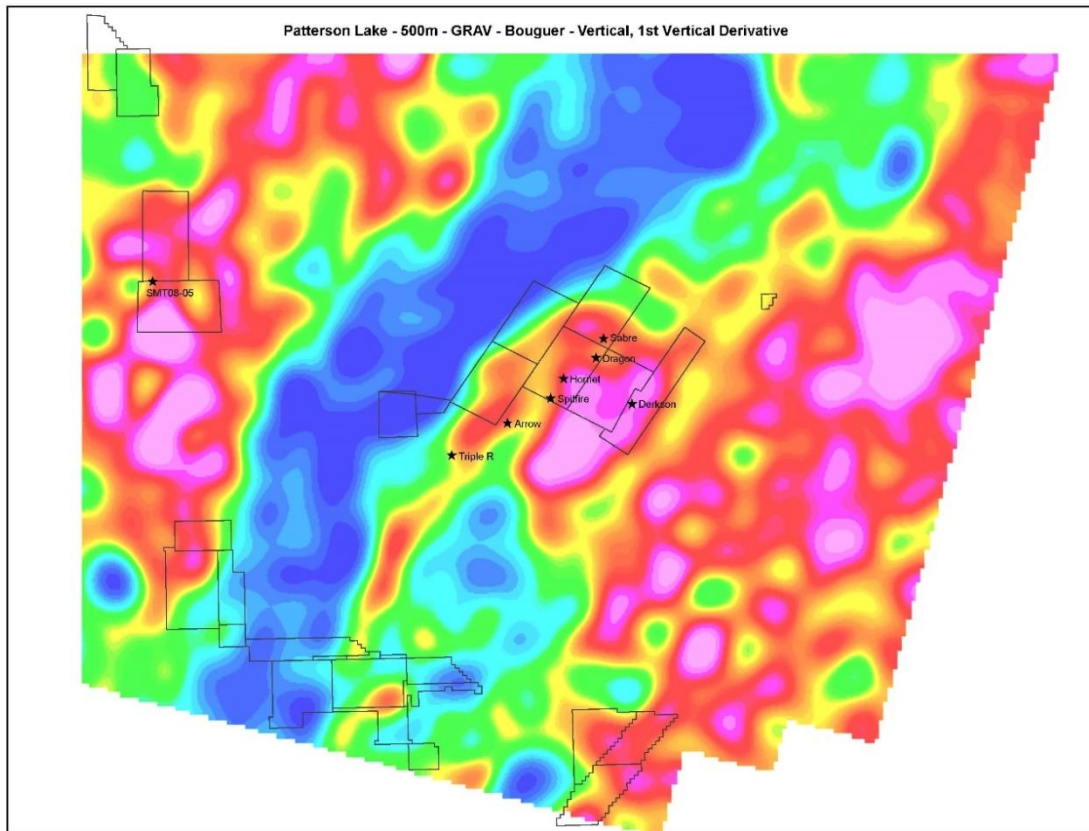


Unlike some of our peers that made decisions to add other commodities to their portfolio to wait out the market rebound, PTU is staying focused on Uranium Exploration

# ONGOING EXPLORATION



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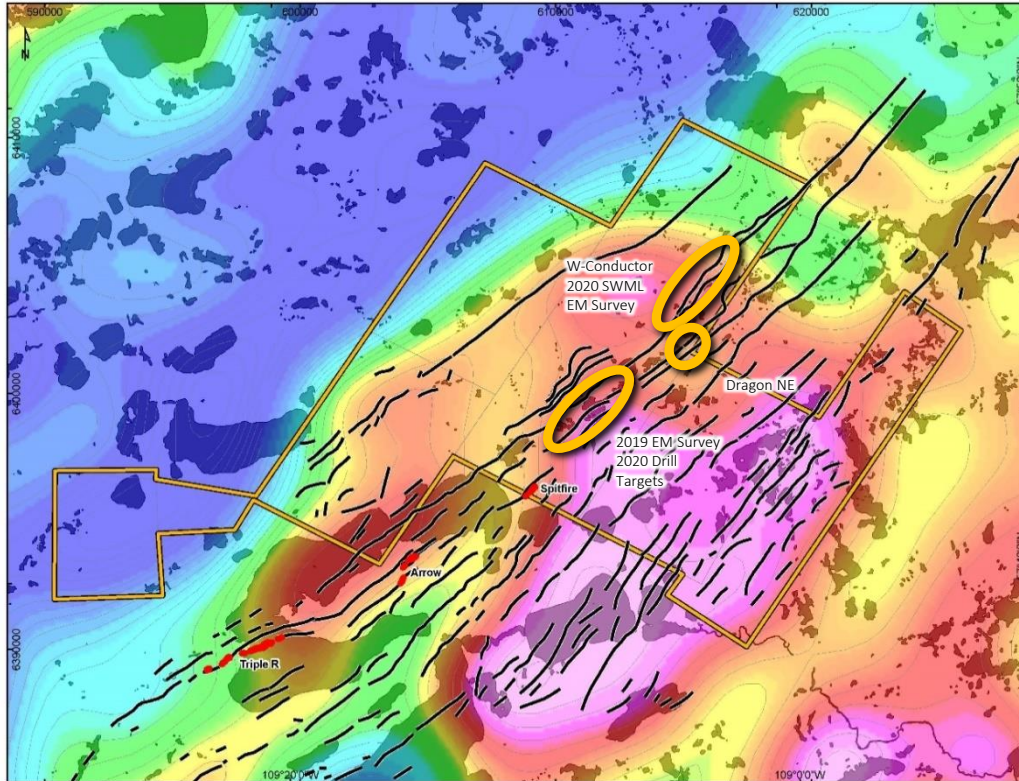


*Canadian Geological Survey* recently provided us with data from their recent Gravity Survey over the Patterson Corridor

This data provides significantly more detail to historic data gathered by the Saskatchewan Geological Survey.



# ONGOING EXPLORATION



## 2020 Priorities

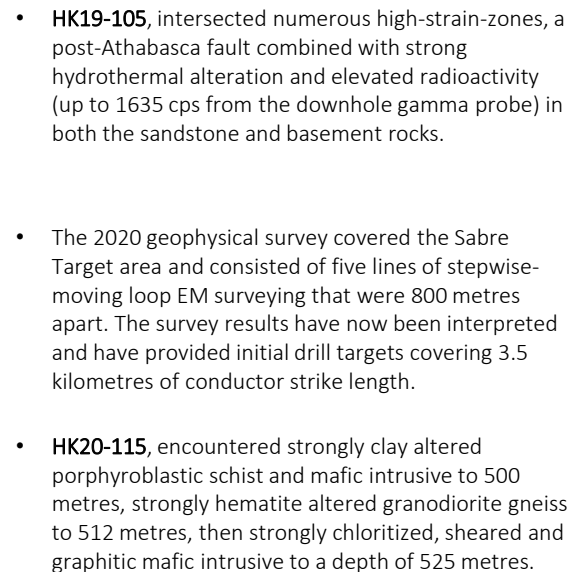
### Drilling

- Targets identified during 2019 EM Survey
- Dragon NE

### EM Survey

- W Conductor





# CAPITAL STRUCTURE



|  |                  |
|--|------------------|
| Market Capitalization                  | \$13,402,214     |
| 52 Week Range                          | \$0.09 - \$0.025 |
| Shares Outstanding                     | 223,370,228      |
| Options (@\$0.08 weighted avg.)        | 15,560,000       |
| Warrants (@\$0.12 weighted avg.)       | 19,245,832       |
| Shares Fully Diluted                   | 258,176,060      |
| Cash on Hand (as at December 31, 2019) | \$1,400,000      |

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