Purepoint Uranium Group Inc. Reports Results for Ten-hole Drill Program at Red Willow

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TORONTO, ONTARIO--(Marketwired - Jul 18, 2014) - Purepoint Uranium Group Inc. (TSX VENTURE:PTU) today provided results from the recently completed ten-hole, 2,734-metre drill program at the Red Willow JV project in Saskatchewan's Athabasca Basin. Red Willow is a large, 256 square kilometer property located 10 kilometers northeast of Rio Tinto's Roughrider deposit and covers the Mudjatik-Wollaston Transition Zone, a structural zone that hosts the high-grade Cigar Lake and McArthur River uranium deposits as well as Roughrider. The Red Willow program was managed and operated by Rio Tinto Exploration Canada Inc. ("Rio Tinto") under the terms of an option agreement.

The Geneva target area returned the most encouraging drill results from the four target areas tested during the 2014 exploration program. Hole 14RDW-008 at Geneva intersected 30 metres of strongly clay/chlorite altered graphitic pelitic gneiss that returned an assay of 0.68% U3O8 and 0.54% Cu over 0.3 metres, and an additional assay of 3.5% Co, 1.0% Ni and 5.7% As over 0.85 metres. Drilling at the Mustang Target confirmed a near surface 50 metre thick zone of weak to very strong clay alteration associated with hematite considered to be hydrothermal. Below the alteration zone, an assay of 948 ppm U over 0.3 metres was returned from a sub-horizontal fracture within pelitic gneiss. The Osprey Northeast and Lasby Lake Target areas were tested by three drill holes that did not encounter significant alteration or radioactivity.

"The Geneva area remains a high priority target now that it has been confirmed as hosting elevated radioactivity, pathfinder metal enrichment and strong hydrothermal basement alteration" said Scott Frostad, Vice President, Exploration, Purepoint Uranium Group Inc. "The best exploration potential at Geneva is considered to be the two parallel EM conductors that lie 300 and 550 metres west of the current drilling and are associated with gravity depressions and low apparent resistivity "chimneys" (LARCs) in the sandstone we hope are responses to hydrothermal alteration."

Highlights:

- Geneva drill hole 14RDW-008 intersected 30 metres of strongly clay/chlorite altered graphitic pelitic gneiss that hosted a 6.4 metre zone anomalous in pathfinder metals (Co, As, Ni, Cu) and a uranium mineralized zone that returned 0.68% U3O8 over 0.3 metres;
- The three-hole drill fence at Mustang confirmed a 50 metre wide zone of clay alteration and intersected a mineralized fracture that assayed 948 ppm U over 0.3 metres;
- The Geneva area continues to be a priority target that is proximal to a large scale radon-in-water anomaly with an unknown source;
- The Mustang target is a 5 km long EM conductor now confirmed to host strong clay alteration and anomalous uranium and is recommended to be covered by soil geochemical, radon and/or ground geophysical surveys prior to additional drilling.

Geneva Area

Drilling at Geneva targeted the strong EM conductor that follows a distinct fold structure as highlighted by aeromagnetic results. In 1984, Eldorado Resources intersected a graphitic fault along this EM conductor with hole RAD-27 that returned 0.22% U3O8 over 1.0 metres. The current drill program completed a three hole fence to follow-up the historical alteration and mineralization. The initial drill hole, 14RDW-008, intersected 30 m of strongly clay/chlorite altered graphitic pelitic gneiss 10 metres below the unconformity. Within this alteration halo, a radioactive zone returned 0.05% U3O8 over 6.4 metres and was anomalous in pathfinder metals (Co, Ni, Cu, As). Best assays included 0.68% U3O8 and 0.54% Cu over 0.3 metres and a separate interval of 3.5% Co, 1.0% Ni and 5.7% As over 0.85 metres. The second hole (14RDW-009) tested the mineralization down-dip and intersected graphitic pelitic gneiss 90 metres below the unconformity that returned 177 ppm U over 4.0 metres and assays of 116 ppm Zn, 72 ppm V, 298 ppm Cu, and 72 ppm Ni over one metre widths. The third hole stepped 40 metres in front of 14RDW-008 to test for mineralization in the sandstone but did not encounter significant mineralization or alteration. The fourth hole at Geneva was a

270 metre step-out south on the strong graphitic EM conductor but it failed to explain the conductor and no significant mineralization or alteration was encountered.

Mustang Area

Drilling at Mustang targeted an area where drilling by Gulf Minerals (1979) intersected what was described as 'plastic, deformable clay'. A three-hole drill fence confirmed the presence of weak to very strong clay alteration within a flat-lying, 30 to 50 meter wide zone in the basement rocks that was associated with hematite assumed to be hydrothermal. Athabasca sandstone was encountered by only one of these three holes occurring less than 3 metres in thickness. Sub-horizontal uranophane fracture fill was intersected by hole 14RDW-005 below the clay/hematite alteration zone and returned 948 ppm U over 0.3 metres. The trace graphite encountered by the Mustang drill holes is considered insufficient to explain the EM conductor at this location.

Osprey Northeast Area

A two-hole drill fence was drilled approximately 250 metres east of the main Osprey conductor where previous drilling intercepted 0.20% eU3O8 over 5.8 metres. The drill target was an interpreted E-W graphitic structure coincident with a multi-point, multi-element soil anomaly. The basement rocks in these holes were primarily quartz-rich gneisses and several minor structures were encountered with one having elevated radioactivity (141 ppm U total over 1.0 metre). Drilling did not explain the EM conductor and no significant mineralization or alteration was encountered.

Lasby Lake Area

A single hole tested the strong EM conductor below Lasby Lake and was collared 50 meters along strike of where historical holes, RAD-85-33 & 34, reported possible hydrothermal alteration. The hole intersected 35 metres of moderate kaolinite-muscovite alteration below the unconformity and 1.0 meter of massive pyrite and graphite that explained the EM conductor. No significant mineralization was encountered by this hole.

Rio Tinto Earn-In Agreement

Purepoint was notified this week that Rio Tinto has decided not to complete the exercise of their first earn-in. As a result, 100% ownership of the Red Willow project has been returned to Purepoint as well as all data, studies, models and interpretations developed by Rio Tinto over the past 4 years. "The Company has benefited greatly from Rio Tinto's involvement to date and our team looks forward to returning to this project on a 100% owned basis" said Chris Frostad, President & CEO of Purepoint. "The project has demonstrated numerous early successes and we will be aggressively advancing the many well developed targets that remain untested on the property".

Red Willow Project

The Red Willow property covers 25,612 hectares on the eastern edge of the Athabasca Basin. The Athabasca sandstone is shallow with depth to the unconformity varying from zero to 80 metres. Six major uranium deposits, Cigar Lake, McArthur River, Millennium, Midwest, Roughrider and JEB, are located along the NE trending Mudjatik/Wollaston Transition Zone that extends through the Red Willow Project.

The property adjoins the AREVA and Denison claim group that contains the JEB, Sue, McClean and Caribou uranium deposits to the west, and to the south adjoins UEX's Hidden Bay property that surrounds Cameco's Rabbit Lake, Collins Bay and Eagle Point uranium deposits. The Red Willow project is host to over 70 kilometers of EM conductors that were historically tested by widely-spaced drill holes completed at shallow depths since they predated an understanding of basement hosted uranium deposits (e.g. Fission's recently discovered PLS deposit, Millennium and Eagle Point).

About Purepoint

Purepoint Uranium Group Inc. is focused on the precision exploration of its twelve projects in the Canadian Athabasca Basin. Purepoint proudly maintains project ventures in the Basin with two of the largest uranium producers in the world, Cameco Corp. and AREVA. Established in the Athabasca Basin well before the initial resurgence in uranium earlier last decade, Purepoint is actively advancing a large portfolio of multiple drill targets in the world's richest uranium region.

Scott Frostad BSc, MASc, PGeo, Purepoint's Vice President, Exploration, is the **Qualified Person** responsible for technical content of this release.

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