TECHNICAL REPORT

on the

McARTHUR EAST URANIUM PROJECT

NORTHERN SASKATCHEWAN, CANADA

National Instrument 43-101

NTS Map Area 74-H-15/16

Prepared for Purepoint Uranium Group Inc by:
Scott Frostad, B.Sc., M.A.Sc., P. Geo.
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1. SUMMARY

The McArthur East uranium property is located within the eastern portion of the Athabasca Basin in northern Saskatchewan, Canada covering approximately 1,985 hectares (ha) with one mineral claim. The property adjoins Cameco’s McArthur River project, which contains the world’s largest high-grade uranium deposit, and is situated due south of the Cigar Lake Mine. The project was staked by Purepoint Uranium Group Inc. in 2011 based on geophysical evidence that linked the underlying basement rocks to that of the McArthur River deposit geology. The mineral claim is 100% owned by Purepoint and is approximately 30 kilometers northeast of the McArthur River deposit.

The McArthur East project lies within the Wollaston Domain that consists of Archean granitoid gneisses overlain by Early Proterozoic sediments, mostly pelitic and semi-pelitic gneisses, which were deformed and metamorphosed together during the Hudsonian Orogony. The Proterozoic Athabasca group of fluvial quartz sandstones and conglomerates unconformably overlies the crystalline basement rocks of the Wollaston Domain, are flat-lying and relatively undeformed. Based on historic drill results from the surrounding area, the unconformity is assumed to lie approximately 250 metres below the surface.

To date, no drilling has occurred on the McArthur East property.

Uranium exploration on the McArthur East project is targeting areas proximal to graphitic basement rocks, possible structures (especially where cross-cutting structures are indicated), extensive alteration envelopes within basement or sandstone rocks, low grades of uranium, complex mineralogy and geochemistry (U, Ni, As, Co, B, Cu, Mo, Pb, Zn and V), areas proximal to the Athabasca basement unconformity, and areas of highly fractured sandstone that may be associated with underlying uraniferous zones.

Between 1972 and 1977, a joint venture (JV) that included Noranda Exploration Ltd. and Saskatchewan Mining and Development Corporation (SMDC) explored the area and identified weak electromagnetic (EM) and very-low frequency VLF-EM responses. During 1987, PNC Exploration conducted a ground EM-37 survey that also identified weak anomalies but could not determine if the conductors were located within the sandstone or basement rocks. In 2004, International Uranium Corporation conducted an airborne GeoTEM time-domain electromagnetic (EM) survey over an area that included the current McArthur East project. A review of the GeoTEM results by Purepoint determined that numerous EM responses were most likely noise since they were not characteristic of typical conductors found in the basement or sedimentary rock.

Exploration conducted by Purepoint on the project has consisted of a helicopter-borne EM and magnetic (VTEM max) survey carried out by Geotech Ltd. of Aurora, Ontario in 2013. A total of 121 line kilometers was flown using a line spacing of 200 metres. The survey provided clean, detailed EM data that was utilized to definitively define conductors within the basement rocks. Resistivity Depth Sections created from the VTEM data showed that a broad conductive area in the northern portion of the property...
was a response from the basement rocks while weak conductors located within the southeastern area of the property are located at surface and are probably a response from swamp or lake bottom sediments.

The broad basement EM conductor is thought to represent a series of discreet, parallel graphitic units that are too closely spaced to be seen as separate anomalies and is considered to be a prospective exploration target. The basement EM conductor is coincident with an area having a favourable magnetic low response that is reflecting pelitic rocks and/or hydrothermal alteration. The interpreted graphitic pelitic rocks occur along the northern flank of a magnetic high that is believed to be granitic rock. The highly competent granitic rock would provide a contrast in competency to the softer graphitic pelitic rocks and be favourable for zones of dilatancy and mineral deposition.

Based on the detailed aeromagnetic results from the VTEM max survey, the property is considered to cover rock types and structures favorable for uranium mineralization and further exploration is warranted. Areas interpreted to be underlain by graphitic rocks, crosscutting structures and alteration will be targeted as they are ideally suited to host a typical Athabasca Basin unconformity uranium deposit. A multi-staged exploration program and budget is recommended.

**Stage 1: Summer 2016:**

A resistivity survey over areas interpreted to be structurally complex is planned to define possible zones of hydrothermal alteration within the Athabasca sandstone and to help locate fault zones. A stepwise moving-loop EM survey would then be used to resolve individual EM conductors within the broad EM conductor identified from the airborne VTEM survey. Linecutting will be required.

Stage 2 is not contingent on positive results from Stage 1.

**Stage 2: Winter 2016 / 2017:**

Four geologic drill fences comprised of two holes each on the highest priority geophysical targets. An eight hole, 4,000 meter drill program is recommended.
2. INTRODUCTION

The McArthur East Property technical report was prepared for Purepoint Uranium Group Inc. in compliance with National Instrument 43-101 following the guidelines specified by National Instrument 43-101F. The purpose of this report is to evaluate the potential of the property to host uranium mineralization.

Scott Frostad, P.Geo., Vice President of Purepoint Uranium Group Inc., is the qualified person responsible for the content of this report. Mr. Frostad has been involved with the McArthur East Project since January, 2013 and visited the site from Points North by helicopter on July 16th, 2013.

The report includes opinions on the geophysical data by Roger K. Watson, P.Eng., Purepoint's Chief Geophysicist.

The available assessment data on the property that has been filed with Saskatchewan Ministry of the Economy has been reviewed and the 2013 Airborne Electromagnetic and Aeromagnetic survey results.

The author has not verified the technical information in the past technical reports, but has formed opinions on the potential for the uranium mineralization in the project area primarily on the basis of the technical information and preliminary results of the initial exploration program.

3. PROPERTY DESCRIPTION AND LOCATION

The McArthur East property is located within the eastern portion of the Athabasca Basin in northern Saskatchewan, Canada (Figure 1) within the National Topographic System (NTS) map area 74-H-15 and 16. The property adjoins Cameco’s McArthur River project, which contains the world’s largest high-grade uranium deposit, and is situated due south of the Cigar Lake Mine (Figure 2). The property covers approximately 1,985 hectares (ha) and consists of one mineral claim, S-112332, that was recorded on Sep. 2nd, 2011 and has $29,775 of work due before Sep 2nd, 2016.

The mineral claim is held in the name of Purepoint Uranium Corporation and is 100% owned by Purepoint Uranium Group Inc., a public Company listed on the TSX Venture Exchange.
Figure 2: Disposition Map of MacArthur Property
In order to conduct work at the property, the operator must be registered with the Saskatchewan government and comply with the Saskatchewan Environment’s Exploration Guidelines and hold the appropriate Temporary Work Camp Permit, Timber Permit and Aquatic Habitat Alteration Permit. As well, the operator must comply with the Federal Department of Fisheries and Oceans that administers its own Guidelines for the Mineral Exploration Industry.

A mineral disposition in good standing gives the owner mineral rights only; Saskatchewan Environment controls surface rights. The single mineral claim is in good standing until 2016 and requires a work commitment of $15.00/ha/annum to 2021 and will then increase to $25/ha/annum.

4. ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

The McArthur East property is accessible by float or ski equipped aircraft. The property is approximately 50 km southwest of Points North Landing. Transwest Air and Pronto Airways provide scheduled aircraft service from Saskatoon to Points North Landing year round. All weather highways 102 and 905 reach Points North Landing from La Ronge.

The climate is typical of the northern Saskatchewan, being cold in the winter (-20 to -40 degrees celsius) and hot in the summer (15 to 35 degrees Celsius). Precipitation is moderate.

Services available in Points North Landing include a freighting company and a motel. The McArthur River mine, 30 km southwest of the property, is connected to the south by a restricted access haulage road owned by Cameco. The Cigar Lake mine, 21 km northwest of the property, is accessed via an all weather, controlled access, gravel road from Provincial Road 905.

The project area has sparse to no outcrop exposure due to a blanket of glacial overburden. Topographically, the property exhibits a shallow relief with an elevation ranging from 455 to 529 metres above mean sea level. There are various rivers and streams running through the area, which connect various lakes and wetlands.

Dominant Quaternary landforms include drumlins, eskers, ground moraine and hummocky moraine. Locally, the area of the property is underlain by marshes; and lacustrine sands that have been reworked into eolian deposits. The forest cover is mainly in jack pine and spruce.
5. HISTORY

The McArthur East project area was once a part of the Umpherville Lake project that was explored by a joint venture (JV) between Noranda Exploration Ltd., Agip Canada Ltd., Saskatchewan Mining and Development Corporation (SMDC). Between the years 1972 and 1977, the Umpherville Lake JV completed an airborne Questor INPUT and magnetic survey followed-up by ground HLEM, VLF-EM and magnetic surveys. In the absence of firm EM targets, diamond drilling was undertaken to determine regional geology and structure beneath the Athabasca Sandstone. In 1978, drill holes were spotted on VLF-EM or weak EM responses without any success. In 1979, a number of holes were drilled to test a regional aeromagnetic structural interpretation and further regional drilling was undertaken in 1980, but no significance could be placed in the basement lithologies intersected and no mineralization was found. A compilation map showing the location of these historic drill holes is provided in Figure 3.

During 1987, PNC Exploration conducted a ground EM-37 survey in the Richmond Lake area. The EM data was interpreted to show weak anomalies that were difficult to determine if they were occurring shallowly, within the sandstone or overburden, or at depth within the basement rocks.

During 1995, Cameco completed ground magnetic, Very Low Frequency (VLF) and EM-37 surveys within the Richmond Lake area. Nine diamond drill holes (PK-1 to 9) were then drilled to test geophysical linear trends just south of the McArthur East project. With the exception of PK-5 that intersected a significant structure in the sandstone (associated with weak clay enrichment between 87 and 102 metres), the drill holes failed to identify or explain the geophysical responses on which they were targeted.

In 2004, International Uranium Corporation contracted Fugro GeoServices to fly their GeoTEM time-domain EM system over an area that includes the current disposition S-112332. Purepoint examined the 2004 GeoTEM data and identified weak EM responses that were possible conductors. Inversions of the GeoTEM data was initially considered to confirm (or reject) the weaker anomalies but after a thorough review, it was concluded that a modern EM survey was required. One of the problems identified with the GeoTEM survey data was that for many anomalies, the profiles from each of the channels showed similar amplitude whereas the amplitudes should decay uniformly as the channels increase. The EM response pattern suggested many anomalies were noise and not characteristic of conductors in the basement or even in the sediments. Purepoint concluded that the best way to test the existence of the weak conductors was to conduct a VTEM survey and then create Resistivity Depth Sections (RDIs) using the new data.
Figure 3: Previous Exploration – McArthur East Property
6. GEOLOGICAL SETTING AND MINERALIZATION

The McArthur East project lies on the eastern portion of the Athabasca Basin, Saskatchewan. The Athabasca Basin is filled by the Athabasca Group of relatively undeformed and flat-lying, mainly fluviatile clastic strata. The Athabasca Group unconformably overlies crystalline basement rocks of the Rae Province in the northwest and the Hearne Province to the east (Figure 4). Diabase dykes that range from a few to a hundred metres in width have intruded into both the Athabasca rocks and the underlying basement. Extensive areas are covered by Quaternary glacial drift and outwash, forming an undulating, lake-covered plain.

6.1.1 Basement Geology

The oldest rocks underlying the McArthur East property are situated in the Archean Hearne Province near the boundary between the northern Mudjatik and Wollaston Domains (Figure 3). The Hearne province is bounded along its southeast margin by the Trans Hudson Orogen and to the northwest by the Snowbird Tectonic Zone (Hoffman, 1988); which subdivides the Churchill Structural Province into the Rae and Hearne provinces. The northern Mudjatic Domain is bounded to the northeast by the Tantato and Dodge domains of the Rae Province and to the southeast by the Wollaston Domain of the Hearne Province (Hoffman, 1990). The Wollaston Domain is bounded to the southeast by the Peter Lake Domain of the Hearne Province and the Wathaman Batholith of the Trans Hudson Orogen (Hoffman, 1990).

The McArthur East property (Figure 5) is considered to be underlain by metasedimentary rocks of the Wollaston Group that rest unconformably on Archean granitoid gneisses (Lewry and Sibbald, 1980; Lewry et al., 1985; Lewry and Collerson, 1990). The Wollaston Group consists of shelf to miogeosynclinal sediments that were deformed and metamorphosed (together with the adjacent gneisses) during the Hudsonian Orogeny. The basal units consist mostly of pelitic and semi-pelitic gneisses with graphitic pelitic gneiss and subordinate quartzite and ironstone. These pass upward into calc-silicate gneisses and psammopelitic and psammmitic gneisses (Eriks and Chiron, 1994).

Following the Trans-Hudson orogeny (ca. 1860-1770 Ma, Saskatchewan Geological Survey, 2003), the Archean basement and Paleoproterozoic metasedimentary rocks were uplifted and subjected to erosion (Ramaekers, 1990, 2003a, b) leaving a weathered profile or regolith with a 1.75 to 1.78 Ga retrograde metamorphic age (Annesley et al., 1997). The regolith consists of a few metres of a hematized red zone, grading into a buff, white to light green weathered basement which grades downwards over a few metres into unweathered basement (Ramaekers, 1990).
Figure 4: Regional Geology – Athabasca Basin
6.1.2 Athabasca Group Geology

The fluviatile sands and gravels of the Athabasca Group were deposited in the intracratonic Athabasca Basin that formed through extensional tectonics (Ramaekers and Hartling, 1979). A maximum age constraint for the Athabasca Group is approximately 1.66 Ga provided by a detrital zircon suite collected from the Wolverine Point Formation (Rainbird et al., 2002). The thickness of the Athabasca Group sediments was originally up to 5 km (Pagel et al., 1980), but presently it is estimated to be a maximum of 2200 m (Sibbald and Quirt, 1987).

The Athabasca Basin was divided by Ramaekers (1990) into three northeast trending sub-basins separated by northeast trending paleo-topographic highs, shown by stratigraphic (Ramaekers, 1979, 1980) and seismic work (Hobson and MacAuley, 1969). The three north easterly trending fault bounded sub-basins coalesced to form the Athabasca Basin with seven deposystems recognized (Ramaekers, 1976, 1978a, 1978b; Ramaekers et al., 2001; Yeo et al., 2002).

The Athabasca Group was divided into two subgroups: the William River Subgroup and the overlying Points Lake Subgroup (Ramaekers, 1980, 1990). The William River Subgroup now comprises the Fair Point, Manitou Falls, Lazenby Lake, Wolverine Point, Locker Lake and Otherside Formations (Ramaekers et al., 2001). The Points Lake Subgroup consists of the Douglas and Carswell formations that are present only in the Carswell structure. Most formations can be further subdivided into members (e.g. Yeo et al., 2002).

The Manitou Falls Formation is the only formation of the Athabasca Group that occurs on the McArthur East Property and is composed of the lower member Manitou Falls b (MFb) and upper member Manitou Falls c (MFc). The MFb is characterized as a poorly sorted, medium- to coarse-grained, pebbly sandstone with conglomerate beds over 2 cm thick (Ramaekers et al., 2001), deposited in an alluvial braid-plain characterized by broad channels in a relatively humid climate (Long et al., 2000; Jefferson et al., 2001). The overlying MFc is characterized as a moderately sorted, medium- to coarse-grained, granule rich, ripple-cross-laminated sandstone with 1% intraclast-rich layers and one-grain-thick pebble or granule layers at the base (Ramaekers et al., 2001). The MFc member was deposited in a distal alluvial braid-plain lacking well-developed channels, also in a humid climate (Yeo et al., 2000; Jefferson et al., 2001).

6.1.3 Mineralization

No drilling has occurred on the property to date.
7. DEPOSIT TYPES

The Athabasca Basin hosts some of the world’s largest and richest known uranium deposits. The Cigar lake deposits grade ~15% uranium while McArthur River grades ~22% uranium and the average grade of 30 deposits for 30 unconformity-associated deposits in the Athabasca Basin is ~2% uranium, approximately four times the average grade of Australian unconformity-associated deposits (Jefferson et al., 2007). The deposits are located at the sub-Athabasca unconformity, and are hosted in both the Athabasca Group sandstones above the unconformity, and in the Paleoproterozoic metamorphed supracrustal rocks and intrusives of the Archean Hearne Craton basement. Most of the known important deposits occur within a few tens to a few hundred metres of the unconformity and within 500 m of the present-surface, thus making them accessible and attractive exploration targets.

The initial discoveries were found through surficial indicators, such as radioactive boulders, strong geochemical anomalies in the surrounding lakes and swamps, and geophysical signatures (Wheatley et al., 1996). After these initial discoveries, an exploration model was developed that targeted electromagnetic conductors based on the associated underlying graphitic schists with strong electromagnetic signatures (Kirchner and Tan, 1977; Matthews et al., 1997).

The uraniferous zones are structurally controlled both with relation to the sub-Athabasca unconformity, and the basement fault and fracture-zones. They are commonly localized above and along or in graphitic pelitic gneiss that generally flank structurally competent Archean granitoid domes (Quirt, 1989). Although electromagnetic conductors are typical exploration targets, the Kiggavik deposit in the Thelon Basin, Nunavut (Fuchs and Hilger, 1989) is an example of a significant uranium deposit forming without graphitic units. Uranium deposits within the Athabasca Basin that are associated with little or no graphite include Rabbit Lake, Eagle Point, Raven, Horseshoe, Cluff Lake, and Centennial (Rhys et al., 2010; Yeo and Potter, 2010).

Uranium deposits in the Athabasca Basin that occur in proximity to the Athabasca unconformity can be characterized as polymetallic (U-Ni-Co-Cu, Pb, Zn and Mo) or monometallic (Ruzicka, 1997, Thomas et al., 2000, Jefferson et al., 2007). Examples of polymetallic deposits include the Key Lake, Cigar Lake, Collins Bay ‘A’, Collins Bay ‘B’, McClean, Midwest, Sue and Cluff Lake ‘D’ deposits. Polymetallic deposits have high-grade ore at or just below the unconformity, and a lower grade envelope that extends into the sandstone or downwards into the basement. The lower grade envelope exhibits a distinct zonation marked by predominance of base metal sulphides (Ruzicka, 1997).

Monometallic deposits are completely or partially basement hosted deposits localized in, or adjacent to, faults in graphitic gneiss and calc-silicate units. Monometallic deposits contain traces of metals besides uranium and include
completely basement-hosted deposits developed for up to 500 m below the unconformity (e.g. Eagle Point deposit, Thomas et al., (2000)), or deposits that may extend from the unconformity downward along faults in, or adjacent to, graphitic gneiss and/or calc-silicate units such as the McArthur River deposit (Thomas et al., 2000; Jefferson et al., 2007).

Based on the general geological model for unconformity-type uranium deposits, the exploration for uranium on the McArthur East property will target:

1. Areas proximal to graphitic basement rocks;
2. Possible structures, especially where cross-cutting structures are indicated;
3. Extensive alteration envelopes within basement or sandstone rocks,
4. Low grades of uranium;
5. Complex mineralogy and geochemistry (U, Ni, As, Co, B, Cu, Mo, Pb, Zn and V);
6. Areas proximal to the Athabasca basement unconformity, either above or below it; and
7. Zones of highly fractured sandstone that may be coincident with and overlying uraniferous zones.

8. EXPLORATION PROGRAMS

During 2013, a helicopter-borne magnetic and electromagnetic (VTEM max) survey was carried out by Geotech Ltd. of Aurora, Ontario over the McArthur East property. A total of 121.0 line kilometers were completed on Purepoint’s ground (Figure 6).

Roger K. Watson, Chief Geophysicist for Purepoint Uranium Group Inc., reviewed all the geophysical data generated during the 2013 exploration program and his discussion of the VTEM results is provided in this report.

8.1 Airborne Electromagnetic (VTEM) and Aeromagnetic Survey

The geophysical surveys consisted of helicopter borne EM using the versatile time-domain electromagnetic (VTEM max) system with Z and X component measurements and aeromagnetics using a caesium magnetometer. A total of 121 line-km of geophysical data were acquired over the project area during the survey.

The crew was based out of Points North, Saskatchewan for the acquisition phase of the survey. The survey started on July 21st, 2013 and was completed on August 3rd, 2013.
Figure 6: Location of VTEM Survey Flight Lines – McArthur East Property
The McArthur East project was flown in a southeast to northwest (N 169° E azimuth) direction with traverse line spacing of 200 metres as depicted in Figure 5. Tie lines were flown southwest to northeast (N 79° E azimuth) direction.

During the survey of the McArthur East property, the helicopter was maintained at a mean height of 87 metres above the ground with a nominal survey speed of 80 km/hour. This allowed for a nominal EM sensor terrain clearance of 40 metres and a magnetic sensor clearance of 77 metres.

The data recording rates of the data acquisition was 0.1 second for electromagnetics and magnetometer and was 0.2 second for altimeter and GPS. This translates to a geophysical reading about every 2 metres along flight track. The navigation system used was a Geotech PC104 based navigation system utilizing a NovAtel WAAS (Wide Area Augmentation System) enabled GPS receiver which reports GPS co-ordinates as latitude/longitude and directs the pilot over a pre-programmed survey grid.

8.1.1 Methodology of Interpreting VTEM Results

The VTEM instrument is a pulse type or time domain transmitter with horizontal concentric receiver/transmitter coil configuration. The anomaly that this instrument provides is different for each type of conductor shape. Purepoint has defined five VTEM anomaly types of which only two were seen within the survey results (Figures 7 and 8).

The map symbols for the two anomaly types are:
- Type 2 – a triangle
- Type 5 – a diamond

The size of the symbol is proportional to the number of channels that the anomaly can be defined on, and is therefore very roughly proportional to the conductivity-thickness product, or conductance.

Type 2 is a ‘wide’ plate and, for a geological model, could represent a number of closely spaced bands of graphitic sediments or alternatively a broad deep area of very conductive overburden.

Type 5 is characterized by a positive single anomaly on the very early channels that switches to negative readings in later channels. The type 5 anomaly response has not yet been adequately modeled. The negative portion of the anomaly is believed to be an induced polarization effect and the current practice is to interpret these anomalies as a body of disseminated conductive particles.
Figure 7: Example of VTEM Type 2 Anomaly

Figure 8: Example of VTEM Type 5 Anomaly
GeoTech was contracted to conduct 3D Resistivity depth imaging (RDI), a technique used to convert EM profile decay data into an equivalent resistivity versus depth cross-section. The RDI algorithm used for the Resistivity-Depth transformation is based on scheme of the apparent resistivity transform of Maxwell Meju (1998) and the TEM response from the conductive half-space. The program was developed by GeoTech and is depth calibrated based on forward plate modeling for VTEM system configuration. VTEM decays associated with AIIP can be investigated using the empirical Cole-Cole complex resistivity model. For a detailed description of the modelling conducted by GeoTech to extract the four Cole-Cole parameters from the VTEM data, refer to the AIIP Chargeability Mapping Report found in Appendix I.

8.1.2 Discussion of Results

The magnetic data resulting from the VTEM max survey (Figures 9 and 10) is comparable to the results obtained during the previously discussed GeoTEM survey flown in 2004. However, the VTEM electromagnetic results for the McArthur East claim (Figures 11 and 12) are considerably better than the GeoTEM data and has resolved numerous questions.

A group of type 2 conductors (shown as blue triangles) are found in the north part of the McArthur East claim (Figures 11 and 12) and appear in the Resistivity Depth Sections to occur in the basement rocks at a depth of approximately 400 metres (Figures 13 and 14). These conductors are very close together and can’t really be separated, and it’s also difficult to determine their strike direction. It is considered that these conductors represent a series of parallel graphite beds spaced close enough that they cannot be seen as separate anomalies. As such, the basement conductive area has been identified on the figures as an outline rather than shown as discreet conductors.

Numerous type 5 conductors (shown as blue diamonds) have been interpreted within the southeast area of the disposition (Figures 11 and 12). These type 5 anomaly picks were interpreted from the EM profile data and it was difficult to determine if these conductors were on surface or occurred at depth. The Resistivity Depth Sections (RDIs) created by Geotech Ltd. has sorted out the question of depth quite definitely. As seen in the RDIs (Figures 13, 15 and 16) the blue diamond anomaly picks coincide clearly with surface conductivity. The remainder of the RDIs show that all the remaining type 5 anomalies picked from EM profiles also occur at surface possibly representing swamp or lake bottom sediments.
Figure 9: Total Magnetic Intensity Results – McArthur East Property
Figure 10: Magnetic Tilt Derivative – McArthur East Property
Figure 11: EM Amplitude – Channel 36 – McArthur East Property
Figure 12: Calculated Time Constant (TAU) – McArthur East Property
Figure 13: Resistivity Depth Section (Looking West) – Line 1120E

Figure 14: Resistivity Depth Section (Looking West) – Line 1130E
Figure 15: Resistivity Depth Section (Looking West) – Line 1020E

Figure 16: Resistivity Depth Section (Looking West) – Line 1030E
9. DATA VERIFICATION

Data quality control and quality assurance, and preliminary data processing were carried out by Geotech Ltd. on a daily basis during the acquisition phase of the project. Final reporting, data presentation and archiving were completed from the Aurora office of Geotech Ltd. in October, 2013. Roger Watson, Purepoint's Chief Geophysicist, reviewed the raw data results on a line-by-line basis looking for noise and other quality issues and confirmed the data was good.

10. ADJACENT PROPERTIES

Mineral dispositions immediately surrounding McArthur East are owned by Cameco Corp., Denison Mines, Abasca Resources and Zadar Ventures (Figure 17). The property adjoins Cameco’s McArthur River project containing the McArthur River Mine the world's largest high-grade uranium deposit that has 13.3 million pounds of U\textsubscript{3}O\textsubscript{8} per year with an average grade of 14.87% (Cameco website) which is 30 km southeast.

The south edge of the property is adjacent to Abasca’s Cigar Southeast property and to the northeast adjoins two claims is owned 100% by Denison Mine.

Zadar Ventures is the 100% owner of the Upper Poulton Lake Project located directly east of McArthur East property. The Upper Poulton Lake covers 2,730 Ha and contains the Bird Lake Reverse Fault.

11. INTERPRETATIONS AND CONCLUSIONS

The 2013 VTEM max survey has provided clean, detailed electromagnetic data that has been utilized to definitively define conductors within the basement rocks. Resistivity Depth Sections created from the VTEM data has shown that a broad conductive area in the northern portion of the property is a response from basement rocks. Weak conductors located within the southeastern area of the property, that have been drilled by past operators, have been shown to be located at surface and are probably a response from swamp or lake bottom sediments.

A group of type 2 conductors (shown as blue triangles) are found in the north part of the McArthur East claim (Figures 11 and 12) and appear in the Resistivity Depth Sections to occur in the basement rocks at a depth of approximately 400 metres (Figures 13 and 14). These conductors are very close together and can’t really be separated, and it’s also difficult to determine their strike direction. It is considered that these conductors represent a series of parallel graphite beds spaced close enough that they cannot be seen as separate anomalies. As such, the basement conductive area has been identified on the figures as an outline rather than shown as discreet conductors.
The broad basement EM conductor is thought to represent a series of discreet, parallel graphitic units that are too closely spaced to be seen as separate anomalies and is considered to be a prospective exploration target. The basement EM conductor is coincident with an area having a favourable magnetic low response that is reflecting pelitic rocks and/or hydrothermal alteration. The interpreted graphitic pelitic rocks occur along the northern flank of a magnetic high that is believed to be granitic rock. The highly competent granitic rock would provide a contrast in competency to the softer graphitic pelitic rocks and be favourable for zones of dilatancy and mineral deposition.

12. RECOMMENDATIONS

The McArthur East properties and its favorable geologic setting warrant further exploration. An exploration program and budget is recommended (Table 1).

Stage 1: Summer 2016:

A resistivity survey over areas interpreted to be structurally complex is planned to define possible zones of hydrothermal alteration within the Athabasca sandstone and to help locate fault zones. A stepwise moving-loop EM survey would then be used to resolve individual EM conductors within the broad EM conductor identified from the airborne VTEM survey. Linecutting will be required.

Stage 2 is not contingent on positive results from Stage 1.

Stage 2: Winter 2016 / 2017:

Four geologic drill fences comprised of two holes each on the highest priority geophysical targets. An eight hole, 4,000 meter drill program is recommended.
Table 1: Proposed McArthur East Project Exploration Budget

**Stage 1**
**Summer 2016**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mob/Demob of Camp/Field Crews</td>
<td>60,000</td>
</tr>
<tr>
<td>Linecutting 45 line/kms @ $1,000/km</td>
<td>45,000</td>
</tr>
<tr>
<td>DC Resistivity 38 line/kms @ $3,300/km</td>
<td>125,500</td>
</tr>
<tr>
<td>Ground Electromagnetic Survey 18 line/kms @ $5800/km</td>
<td>104,500</td>
</tr>
<tr>
<td>Camp Costs 40 days @ $3000/day</td>
<td>120,000</td>
</tr>
<tr>
<td>Report - Geophysics</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>480,000</td>
</tr>
<tr>
<td>Contingency (5%)</td>
<td>24,000</td>
</tr>
<tr>
<td>Management Fees (10%)</td>
<td>48,000</td>
</tr>
<tr>
<td><strong>Total Stage 1</strong></td>
<td>552,000</td>
</tr>
</tbody>
</table>

**Stage 2**
**Fall 2016 and Winter 2016/17**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mob/Demob of Camp/Drill/Field Crews</td>
<td>75,000</td>
</tr>
<tr>
<td>Diamond Drilling 8 holes, 4000 m @ $150/m</td>
<td>600,000</td>
</tr>
<tr>
<td>Helicopter-assisted Drill Moves</td>
<td>48,000</td>
</tr>
<tr>
<td>Technical Staff Geologist &amp; Technician</td>
<td>52,000</td>
</tr>
<tr>
<td>Camp Costs 45 days @ $3000/day</td>
<td>270,000</td>
</tr>
<tr>
<td>Analytical Costs 1200 samples @ $80/sample</td>
<td>96,000</td>
</tr>
<tr>
<td>Report - Drilling</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1,166,000</td>
</tr>
<tr>
<td>Contingency (5%)</td>
<td>68,000</td>
</tr>
<tr>
<td>Management Fees (10%)</td>
<td>117,000</td>
</tr>
<tr>
<td><strong>Total Stage 2</strong></td>
<td>1,351,000</td>
</tr>
</tbody>
</table>

**Estimate for Total Stages 1 And 2** = $1,903,000
13. REFERENCES


14. DATE AND SIGNATURE

This NI 43-101 technical report titled “McArthur East Uranium Project, Northern Saskatchewan, Canada” and dated October 16, 2015, was prepared and signed by the following author:

“Scott Frostad”
(Signed and sealed)

Scott Frostad, BSc, MASc, P.Geo.

Dated at Saskatoon, SK
October 16, 2015
APPENDIX 1

STATEMENT BY QUALIFIED PERSON
CERTIFICATE OF QUALIFIED PERSON

I, Scott R. Frostad, of 362 Thode Avenue, Saskatoon, Saskatchewan, Canada S7W 1B9 do hereby certify that:

1. I am a registered as a Professional Geologist with the Association of Professional Engineers and Geoscientists of Saskatchewan (Member Number 12878) and the Association of Professional Engineers and Geoscientists of British Columbia (Member Number 25020)

2. I am a graduate of the University of Western Ontario with a Bachelor of Science Degree in Geology (1984) and of the University of British Columbia with a Master of Applied Science Degree in Mining and Mineral Process Engineering (1999).

3. I have practiced my profession continuously since 1984 and have experience in the search for uranium, gold, and base metals in Canada.

4. I am currently employed as the Vice President of Exploration for Purepoint Uranium Group Inc. and am also a director and shareholder of the company.

5. That I have read National Instrument 43-101 and Form 43-101F1 and consider myself a “qualified person” for the purpose of the Instrument.


7. That I have been involved with the McArthur East Project since January, 2013 and visited the site from Points North by helicopter on July 16th, 2013.

8. For this report, I have relied on assessment reports currently on file with Saskatchewan Industry and Resources and a recent exploration report by Purepoint Uranium Group Inc.

9. That, as of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

10. That I consent to the public filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes. I also consent to an extraction from, or a summary of, the Technical Report.

Dated at Saskatoon, Saskatchewan, this 16th day of October, 2015.

(Signed and sealed) ”Scott Frostad”

Scott Frostad, BSc, MASc, P.Geo