TECHNICAL REPORT

on the

HOOK LAKE URANIUM PROJECT

NORTHERN SASKATCHEWAN, CANADA

National Instrument 43-101

NTS Map Area 74F/10, 11, 14 and 15

Prepared for Purepoint Uranium Group Inc by:
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TABLE OF CONTENTS

LIST OF FIGURES

LIST OF TABLES

LIST OF APPENDICES

1. SUMMARY

The Hook Lake uranium property is situated in the southwestern portion of the Athabasca Basin in Northern Saskatchewan and includes nine claims having a total area of 28,683 hectares. The property is located approximately 75 kilometres south-southeast of the AREVA Resources Canada Inc.'s Cluff Lake mining operations and approximately 230 km west of the Cameco operated McArthur River mine. The mineral claims are held in the name of Cameco Corporation (100%). Current ownership of the project is Cameco Corp. (39.5%), AREVA Resources Canada Inc. (39.5%) and Purepoint Uranium Group Inc. (21%) with Purepoint being the project operator since 2007.

The Athabasca Basin is host to the world's largest high-grade uranium deposits. The sedimentary basin is filled by relatively undeformed and flat-lying quartz sandstone of the late Proterozoic Athabasca Group. In the Hook Lake project area, the Athabasca sandstone unconformably overlies crystalline basement rocks of the Lloyd Domain, part of the Archean-aged Rae Structural Province, which is comprised of orthogneiss and paragneiss. The Lloyd Domain hosts the Cluff Lake deposits, the Shea Creek uranium deposits, and the Dragon Lake (Maybelle River) uranium mineralization. Overburden on the property ranges from 50 to 100 metres in thickness while the Athabasca sandstone ranges from 100 to 350 metres in thickness.

Drilling to date on the Hook Lake property has only discovered weak uranium mineralization. The best mineralized intercept remains the weighted average of 0.24% U and 1.35% Ni over 2.5 metres from historic hole DER-04. The mineralization occurs within basement rocks approximately five metres below the unconformity in the Derkson Lake area. The main exploration interest in the Hook Lake property continues to be the observed widespread hydrothermal alteration and anomalously low concentrations of uranium of both the sandstone and basement rocks suggesting uranium has been leached and possibly concentrated nearby within a structural trap.

Uranium exploration on the Hook Lake 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.

Three prospective "corridors" have been defined on the property, each corridor being comprised of multiple conductors that have been confirmed to be the results of graphitic metasediments that intersect the Athabasca unconformity. The Derksen corridor, which lies on the east side of the property, hosts the DER-04 intercept and basement alteration (hole DER-02) described by Cameco

geologists as being similar to their Millennium deposit. Historic drill holes within the Derkson corridor were stopped at shallow depths within the basement rocks and did not properly test for deeper Millennium or Eagle Point-type basement-hosted uranium deposits. Drilling on the western Carter corridor also returned favourable basement alteration (hydrothermal bleaching, clay alteration, red hydrothermal hematite) as well as encouraging structure (graphitic brittle fault zones) from hole HK-02. The Patterson corridor is the same conductive trend on which hole PLS12-22 intersected massive pitchblende as fracture fill over 6 metres during Fall 2012 by the Fission Energy Corp. and Alpha Minerals Inc. joint venture. Within the Hook Lake project, the Patterson Corridor displays geophysical evidence of a complex structural history and, where drill tested, the conductors show favourable signs of alteration and structural disruption.

Exploration conducted by Purepoint on the Hook Lake project has included linecutting, Gradient array Induced Polarization (IP), Pole-dipole array IP, ground electromagnetic (EM) surveys, a soil geochemical survey, and 9 diamond drill holes totaling 2,321 metres.

The West and Central grids were refurbished and cut where required then utilized for 88 line-km of gradient array IP/resistivity surveying, 39 line-km of pole-dipole array I.P./resistivity surveying and 106 line-kms of Stepwise Moving Loop EM surveying. The gradient array IP results from both grids appeared to map out basement lithologies much clearer than the airborne magnetic data and suggest the VTEM conductor axes closely follows a geologic contact. The IP resistivity sections outlined Low Apparent Resistivity Chimneys (LARCs) that may represent alteration halos within the sandstone where it overlies conductors. The Stepwise Moving Loop EM survey results were successfully used for drill targeting favourable graphitic-pyritic pelitic gneisses. The EM surveys conducted by Purepoint in combination with those conducted by UEM Inc. in the past have identified numerous EM conductors that are potential drill targets.

The main EM conductor of the Derkson corridor, conductor “C”, was targeted by holes HK-26 and 27. Hole HK-26 intersected a strong shear zone over a width of 51 metres that contained up to 20% graphite and sulphides but returned low uranium values. Hole HK-27 also intersected a favourable structure but in the sandstone with crushed core, unconsolidated sand and missing core being encountered before the hole was lost at 87.8 metres. A single hole, HK-28, targeted the “G2” conductor located just west of the Derkson corridor but only granitic gneiss was encountered.

The “B” conductor within the Carter Corridor was tested by five holes. Two of these holes failed to reach the unconformity with Hole HK-29 encountering highly fissile sandstone and unconsolidated sand before being lost at 213 metres and hole HK-08-03A being stopped in unconsolidated sandstone at a depth of 123 metres. Hole HK-08-01 encountered very fissile sandstone to the unconformity at 206 metres then a sheared garnetiferous pelitic gneiss to the hole completion depth of 330 metres. HK-08-02 did not have core recovery until it was past the unconformity, at a depth of 179 metres, encountered strongly hematite altered pelitic gneiss to 207 metres then granitic gneiss to the hole completion depth of 282 metres. Hole HK-08-03 encountered desilicified sandstone between 192 and 211 metres, the unconformity at 223 metres, moderately hematite altered pelitic gneiss to 282 metres, and then moderately chlorite altered and highly graphitic (up to 20%) pelitic gneiss to the end of hole at 393 metres.

Only one hole was drilled within the Patterson corridor, hole HK-08-04, which tested the southern end of the “W” conductor on the Central grid. The hole intersected chlorite altered graphitic-pyritic pelitic gneiss between 315 and 372 metres. The graphitic unit hosted a fault zone between 334 and 338 metres and strong shearing from 343 to 372 metres. The hole was completed at a depth of 396 metres.

Based on the favorable geologic setting and the widespread alteration of both the Athabasca sandstone and basement rocks observed on the Hook Lake project, further exploration is warranted. A multi-staged exploration program and budget is recommended (Table 4).

Stage 1: Winter 2012 / 2013:

A ground time domain EM survey should be conducted over the VTEM conductor located beneath Patterson Lake in the southeast corner of claim S-106584. The conductor appears to be directly related to conductive trend to the south where the Fission/Alpha JV have intersected anomalous radioactivity hat may be results of the gravity survey.

Drill testing of “B” conductor within the Carter corridor with two drill holes and testing four high priority geophysical targets (primarily based on EM survey results) with four drill holes for a total of 2500 meters is recommended.

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

Stage 2: Fall 2013 and Winter 2013 / 2014:

A ground 3D resistivity survey is recommended for the “C” conductor of the Derkson corridor and a portion of the Patterson corridor. The resistivity survey will potentially define the areas of hydrothermal alteration within the sandstone.

Drill testing of the high priority geophysical targets. An eight hole, 3600 meter drill program is recommended.
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2. INTRODUCTION

The Hook Lake 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 Hook Lake Project since June, 2007. His most recent visit to the site was with Cameco personnel on October 3, 2008 and he also visited between August 4th and 10th, 2008 during the last drill program.

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 have been filed with Saskatchewan Energy and Resources has been reviewed, including examination of the airborne magnetic and electromagnetic (EM) surveys, ground EM surveys, a geochemical survey and drill log results from within, and proximal to, the property. References citing these files are included in Section 15

Data collected by Cameco Corp. has been reviewed and discussed with Cameco during Hook Lake technical meetings.

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 current exploration programs.

3. PROPERTY DESCRIPTION AND LOCATION

The Hook Lake project is situated in the southwestern quadrant of the Athabasca Basin and is located approximately 75 kilometres south-southeast of the AREVA Resources Canada Inc.'s Cluff Lake mining operations and approximately 230 km west of the Cameco operated McArthur River mine (Figure 1). It is located within the NTS map area 74-F-10, 11, 14 and 15, with its centre at about 109° 10' west longitude and 57° 43' north latitude, covers 28,683 hectares (ha) and consists of nine mineral claims (Figure 2).

The mineral claims are held in the name of Cameco Corporation (100%). Ownership of the claims is presently Cameco Corp. (39.5%), AREVA Resources Canada Inc. (39.5%) and Purepoint Uranium Group Inc. (21%). On February 6, 2007, Purepoint Uranium Group Inc., a public company listed on the TSX Venture Exchange, entered into an agreement with UEM Inc. to form a joint

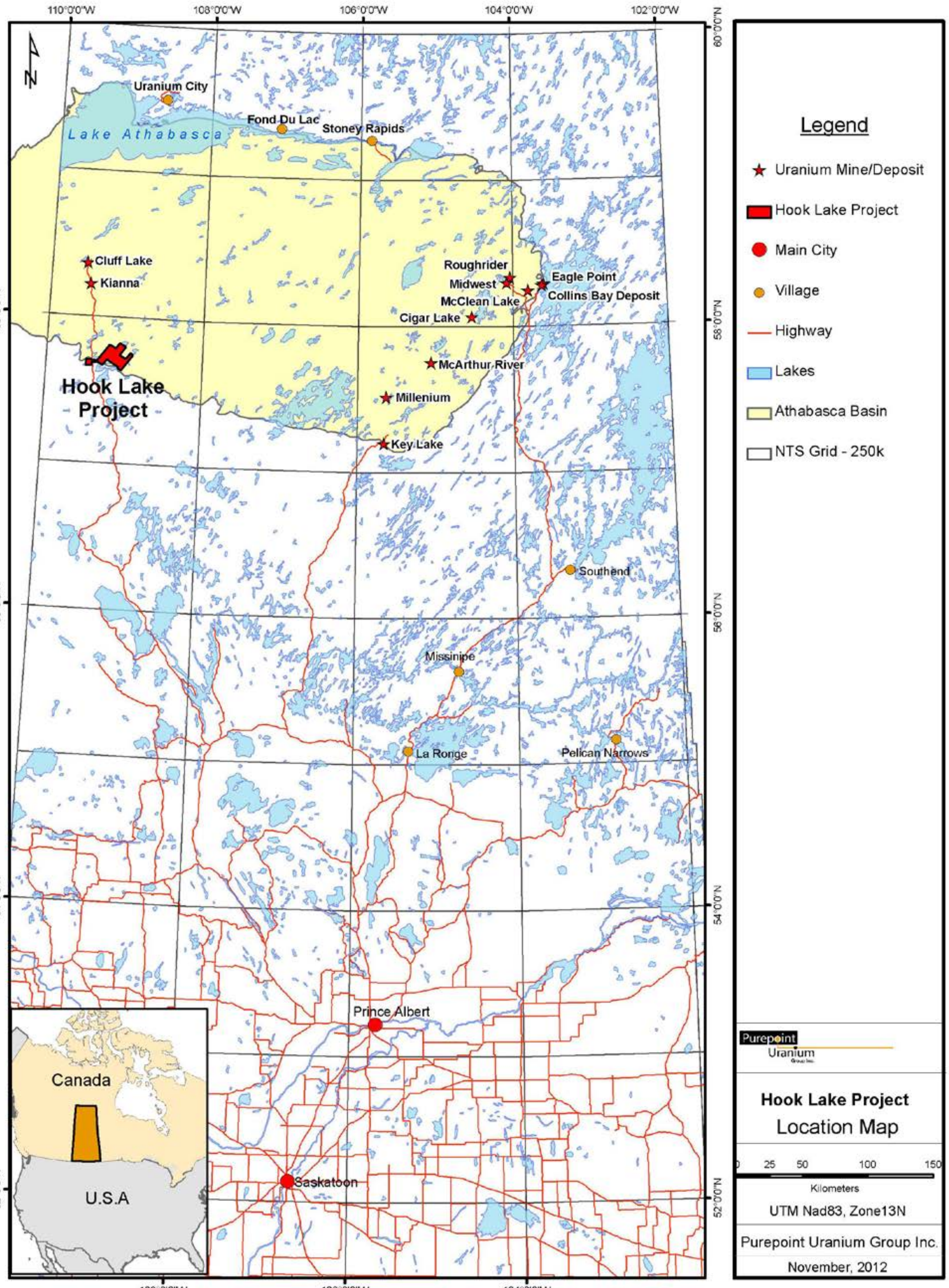


Figure 1: Location Map of the Hook Lake Project

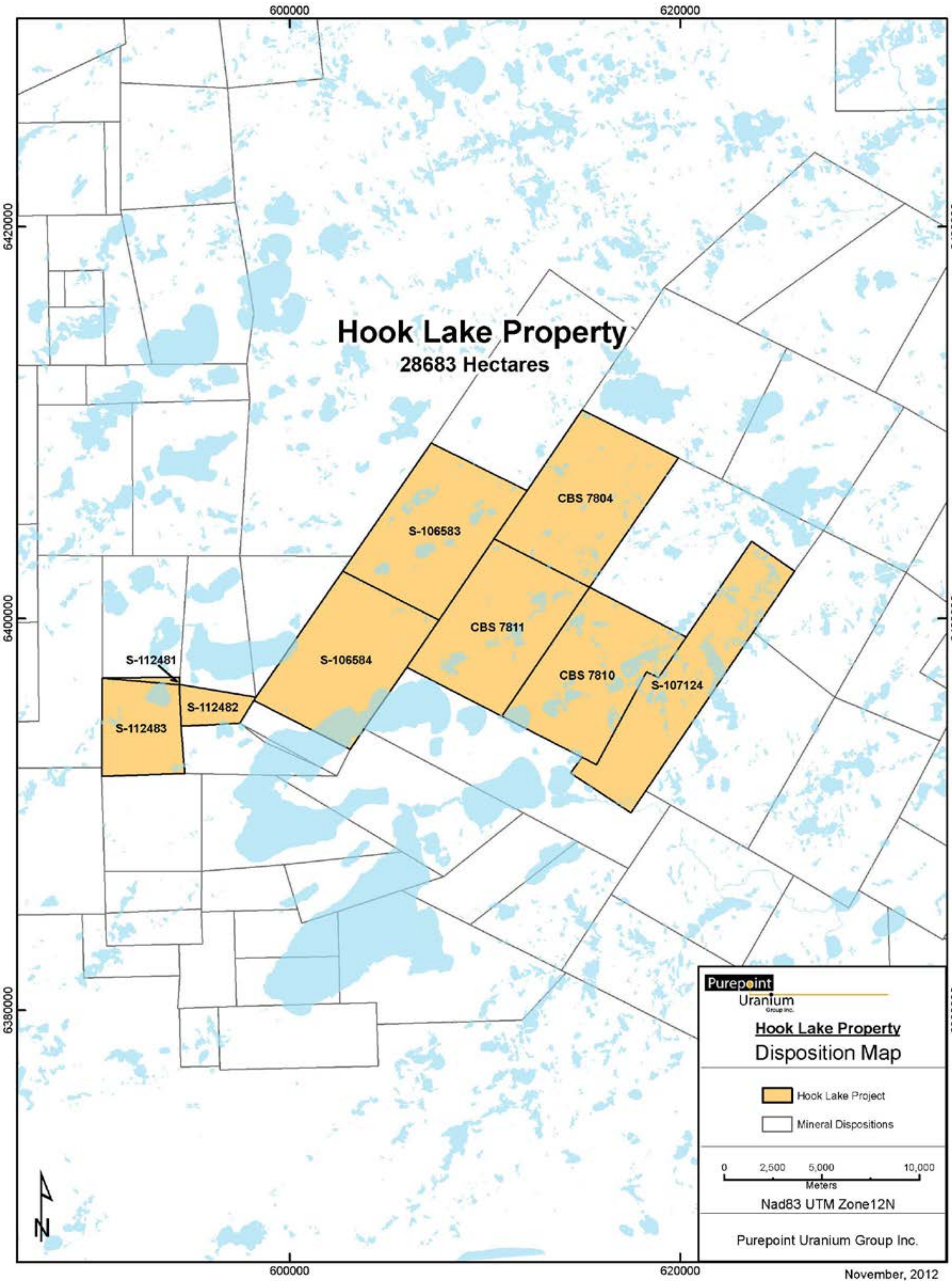


Figure 2: Disposition Map of the Hook Lake Project

Table 1. Hook Lake Project – Land Status Summary

Disposition	Area (ha)	NTS	Recording Date	Annual Assessment at $12/ha	Annual Assessment at $25/ha	Next Work Due
CBS 7804	4370	74-F-11, 14 & 15	2/3/1997	-	$109,250	2-Feb-13
CBS 7810	4198	74-F-11 & 14	2/3/1997	-	$104,950	2-Feb-13
CBS 7811	4370	74-F-10 & 11	2/3/1997	-	$109,250	2-Feb-13
S-106583	4351	74-F-11 & 14	1/23/2002	-	$108,775	22-Jan-20
S-106584	4404	74-F-11 & 14	1/23/2002	-	$110,100	22-Jan-13
S-107124	4358	74-F-10, 11 & 15	12/23/2003	-	$108,950	22-Dec-14
S-112481	74	74-F-11	12/14/2011	$888	-	13-Dec-13
S-112482	605	74-F-11	12/14/2011	$7,260	-	13-Dec-13
S-112483	1953	74-F-11	12/14/2011	$23,436	-	13-Dec-13

venture in the ongoing exploration of the Hook Lake uranium project. UEM Inc., a company owned 50% by each of AREVA Resources Canada Inc. and Cameco Corporation, was reorganized on March 15, 2009 and the interest in the Hook Lake dispositions were equally divided between the two companies. Purepoint acquired their 21% interest in the Hook Lake project by spending $3,350,000 on exploration.

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. Mineral claims require work commitments of $12.00/ha/annum in claim years 2 to 10 then requires work commitments of $25.00/ha/annum. The first 10 years of assessment credit has been applied for and accepted for six claims and the annual work commitment is now $25/ha/annum (Table 1). Three claims, S-112481, S-112482 and S-112483 only require $12/ha/annum until 2021.

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

Primary access to the property is via a 40-km trail that leaves the all-weather Provincial Highway 955, which starts in La Loche, SK, at kilometer 165. Air access is via float or ski-equipped aircraft from Buffalo Narrows, SK (230 km SSE) or Fort McMurray, AB (150 km SW).

The climate is typical of 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. Freeze up begins in late October and break up occurs in late May. During the period of freeze up, from December to April, accessibility in the area is enhanced by frozen muskegs and lakes.

Some services are available in La Loche, SK including a hospital, gas station and freighting companies. Services available in Buffalo Narrows, SK include an airstrip, hotels, groceries and vehicle repairs.

A temporary work camp, constructed in 2007, is located 100 metres north of Patterson Lake and includes a kitchen, six sleeping cabins, office, core logging facilities, core splitting shack, and a work shop.

The property has varied topography due to Quaternary landforms that include drumlins, eskers, ground moraine and hummocky moraine. Outcrop exposure is sparse due to a blanket of glacial till that is locally in excess of 100 metres in thickness. The forest cover is comprised of mainly jack pine and spruce. The elevation of Patterson Lake is 504 metres above sea level (masl) while the elevation of the Patterson Lake camp is 511 masl.

5. HISTORY

Uranium exploration companies have been active along the southern rim of the Athabasca Basin beginning in the late 1960's. A compilation of the historic ground geophysical surveys and diamond drill hole locations is provided in Figures 3 and 4.

Exploration was initiated in the Hook Lake area in 1969, by Canadian Southern Petroleum Ltd. near Newlands Lake. Other companies active during this period included Canadian Occidental Petroleum Ltd., Getty Minerals Ltd., Houston Oil Ltd., Hudson Bay Exploration and Development, Imperial Oil Ltd., Kerr Addison Mines Ltd., Rio Algom Mines Ltd. and Saskatchewan Mining and Development Corporation (SMDC). Activities included soil, lake water and lake sediment sampling, geophysical surveys and diamond drilling.

The exploration work resulted in the intersection of a minor zone of basement mineralization approximately five metres below the unconformity in the Derkson Lake area, DDH DER-04 by SMDC in 1978. This intersection averaged 0.24% U and 1.35% Ni over 2.5 metres (Rawsthorn and Harrigan, 1978). Although no mineralization was encountered in follow-up drill holes, at least one additional drill hole (DDH DER-02) encountered a significant zone of intense clay alteration and bleaching affecting the basement rocks (Leppin et al, 2004).

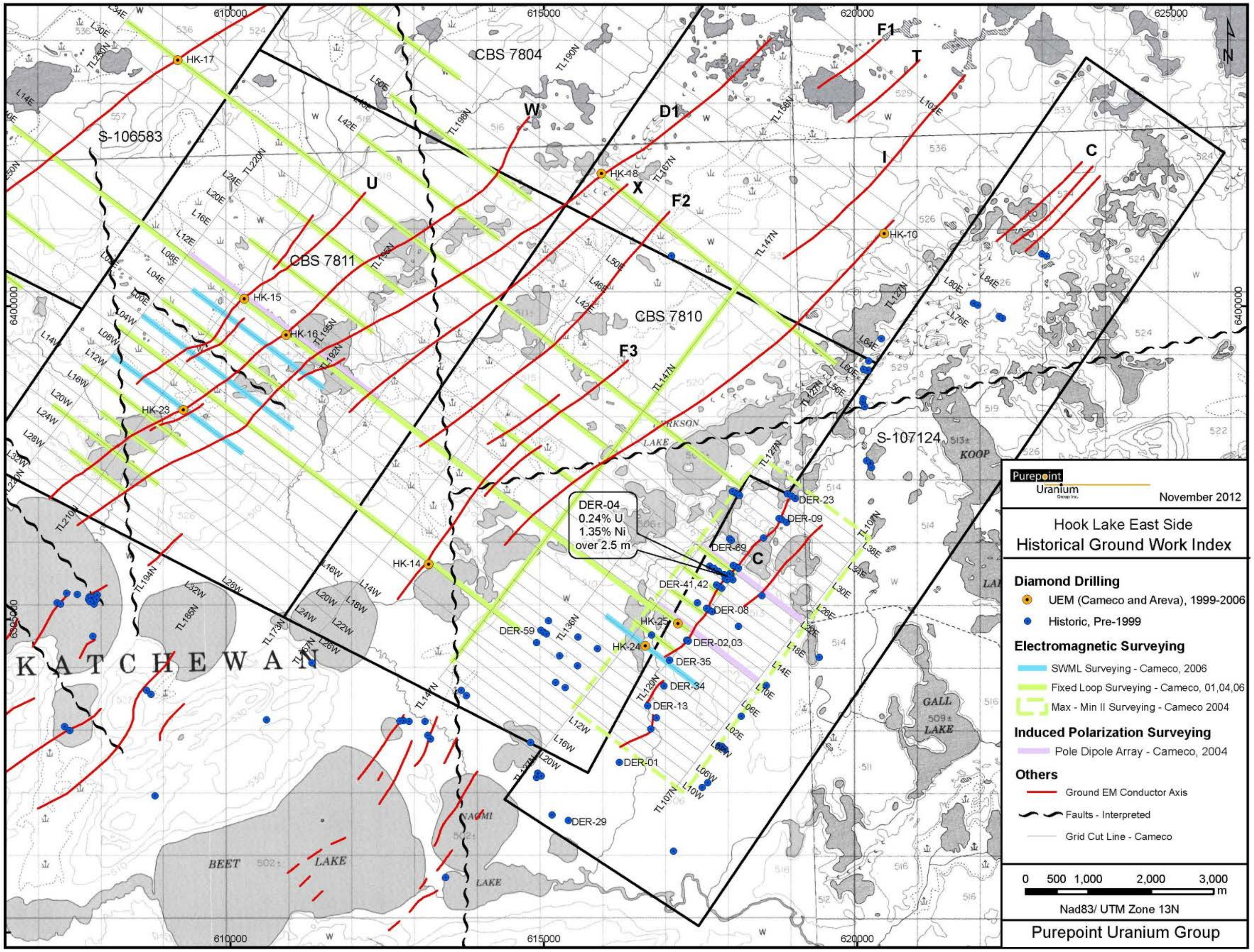


Figure 3: Historical Ground Work on the Hook Lake Project – East Side

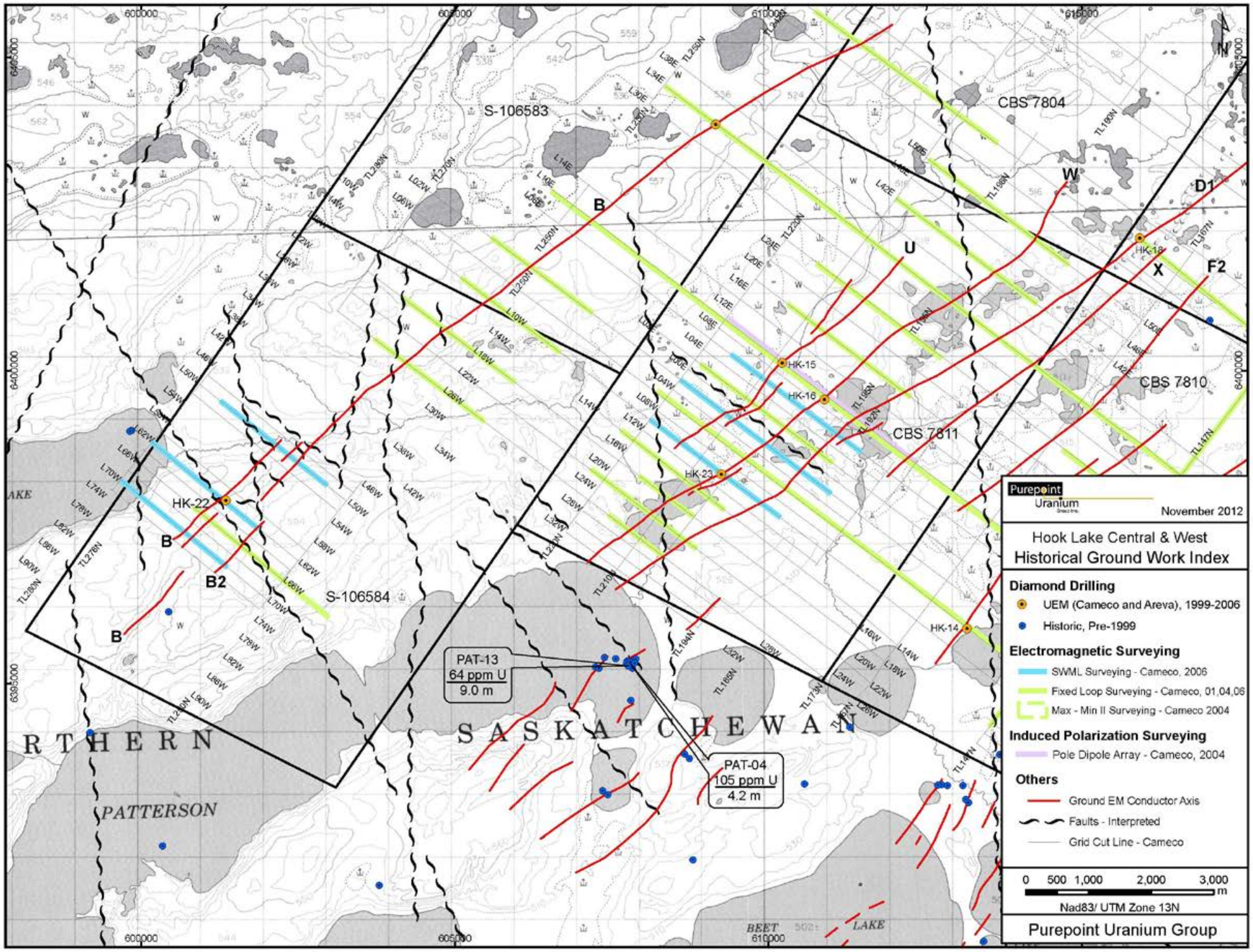


Figure 4: Historical Ground Work on the Hook Lake Project – West Side

In 1980, a drill hole by SMDC just south of the current Hook Lake property, PAT-04, returned 105 ppm U over 4.2 metres hosted within an interpreted basement clay regolith. A follow-up hole in 1982, PAT-13, intersected 64 ppm U over 9.0 metres again within a basement clay regolith.

UEM initiated exploration in 1996 by completing a reconnaissance Athabasca Group boulder sampling program over the Hook Lake "trend"; which is comprised of a large-scale northeast-trending magnetic low. Geochemical analyses indicated that the background geochemical signature in the boulders was dominantly illitic (68% average), although an area north of Derkson Lake contained boulders with elevated boron (dravite), kaolinite and chlorite. These kaolinite and boron/dravite anomalies were traced north-northeast to Carter Lake and along the Williams River and was flanked to the east by a zone of strong illitization (Belyk and Leppin, 1998).

Steven Earle of Grasswood Geoscience Ltd. noted that the intensity of the kaolinite and dravite alteration in these boulders is similar to the P2 North and Key Lake deposits (Earle, 1996b). The illitization is considered to be the product of greater than normal flux of hydrothermal/diagenetic water (Earle, 1996a).

Sixteen claims were staked in early 1997, as a result of the 1996 boulder sampling survey.

The 1997 exploration program consisted of line cutting, a Fixed Loop TEM (Transient Electromagnetic) survey, and composite Athabasca Group boulder sampling. The TEM survey successfully outlined numerous conductive anomalies at estimated depths of between 300 m and 700 m below surface. The 1997 composite Athabasca Group boulder sampling program on the western half of the Hook Lake project and off-property west towards Coflin Lake better defined the area of dravite, kaolinite and chlorite-bearing boulders located in 1996. On a regional-scale, the clay signatures in boulders displayed a pattern kaolinitization, chloritization and dravitization to the west adjacent to an east-flanking zone of strong illitization.

Seven diamond drill holes targeting five different conductors were drilled in 1999, two holes were drilled in 2000 and four holes were drilled in 2001. Although significant uranium mineralization was not encountered during these three drill programs, the results of this work were considered encouraging. Favourable features include post-Athabasca Group faulting and alteration (bleaching, dravitization, pyritization, hematization and clay enrichments), as well as the presence of brittle-ductile graphitic fault zones with brittle overprinting and associated hydrothermal alteration (clay and chlorite). Results from an airborne gradiometer magnetic survey (Foster et al, 2001) suggested that the most significant conductivity anomalies occur within narrow, northeast striking linear zones of significant strike extent within the limb regions of northeast trending folds.

Activities carried out on the Hook Lake project during the 2002/2003 winter season (Jiricka et al, 2003) included diamond drilling, drill core lithogeochemistry, PIMA reflectance spectrometry analyses, magnetic susceptibility measurements, and historic drill core lithogeochemistry. Although significant radioactivity or uranium enrichment was not encountered, results suggested the W and B conductors were still priority exploration targets. Claims along the D, F and I conductors in the areas covered by deep (>300 m) Athabasca Group cover, as well as those along the Dell “corridor” over the E, N, O and P conductors, were allowed to lapse.

Work completed during 2004 focused on the identification of potential drill targets along the C, W, U and B conductors (Leppin et al, 2004). This work included Max-Min II geophysical surveys on the C conductor, TEM geophysical surveys on the B, U and W conductors, as well as DC-Resistivity geophysical surveys over the W and C conductors. Although, these conductors were ground located by these surveys, the TEM survey line spacing’s were considered too coarse to get a meaningful overview of “along strike” variations in conductivity and structural morphology. As a consequence, an airborne EM survey was recommended for 2005.

The 2005 VTEM airborne electromagnetic survey confirmed that the most significant conductors were located in the previously defined structural corridors. (Leppin et al, 2005). The most noteworthy conductors included the B conductor in the Carter corridor, the U, W and D1 conductors in the Patterson corridor and the C conductor in the Derkson corridor (Figures 5 and 6).

A review of drill core in 2005 of nine drill holes noted anomalous Athabasca Group alteration including desilification, silicification, red and brick-red hematite, pyrite and limonite with rare occurrences of drusy quartz and chlorite within holes DER-08, DER-09, DER- 13, DER-23, DER-34 and DER-35. In general, Uranium and pathfinder element (Pb, Cu, Ni, As, Co, V and B) contents in the Athabasca Group samples were very low. The only exceptions to this situation were noted in DDH’s DER-13 (up to 0.59 ppm U and 7.04 ppm Pb) and in DDH DER-23 (up to 1.69 ppm U and 4.83 ppm Pb). Extensive alteration of the basement rocks including bleaching, clay replacement and brick-red or red “hydrothermal” hematite was observed in holes DER-01, DER-03, DER-13, DER-23, DER-29 and to a lesser extent in DER-34. Similarly to the sandstone, uranium and pathfinder element contents in Lloyd Domain “basement” samples were very low. The highest uranium and lead values (16.7 ppm U and 8.91 ppm Pb) were obtained from a sample of altered graphitic psammitic gneiss in DDH DER-09. Modestly elevated B values (105-194 ppm B) were returned from altered basement rocks in holes DER-13 and DER-29.

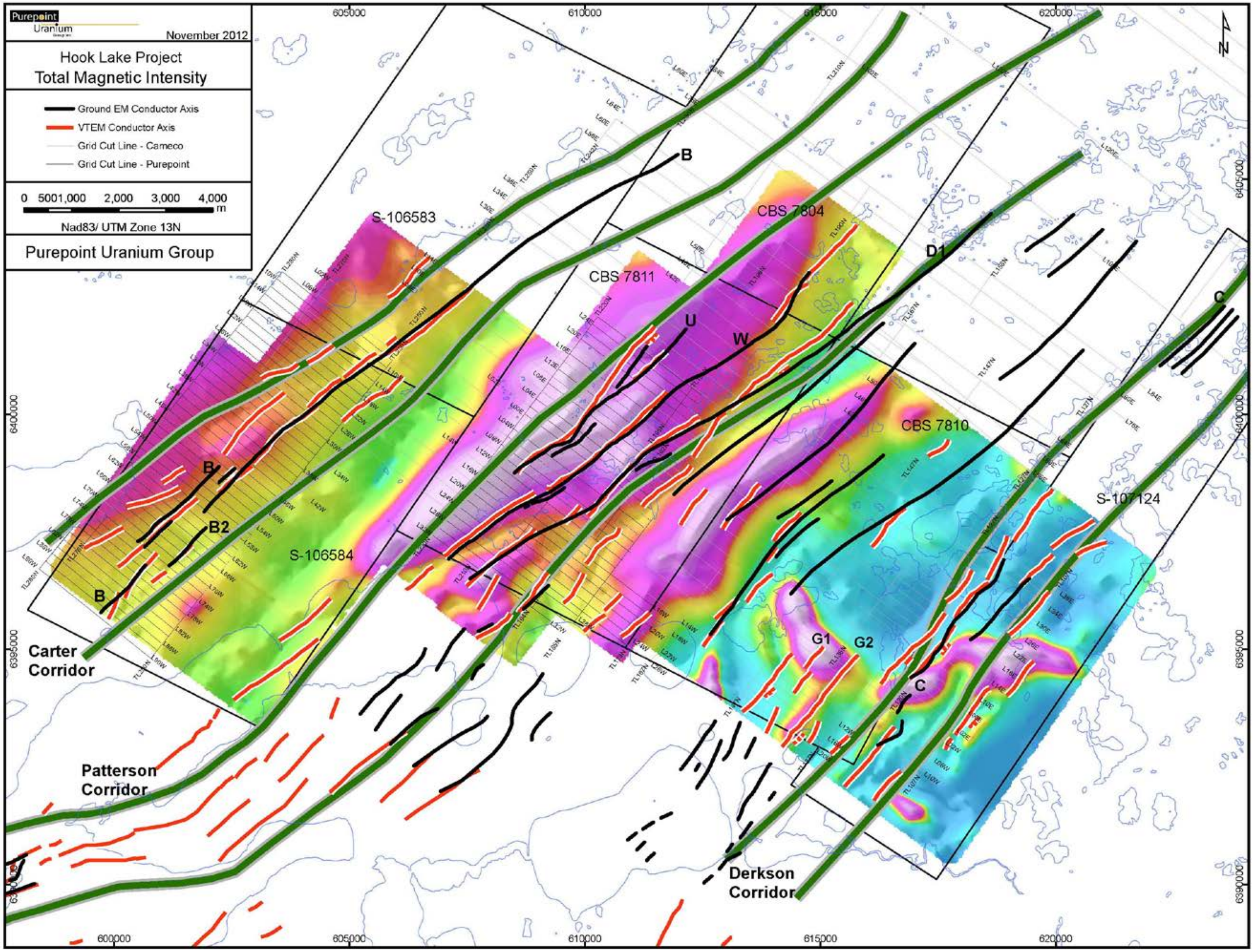


Figure 5: Airborne (VTEM) Total Magnetic Intensity – UEM, 2005

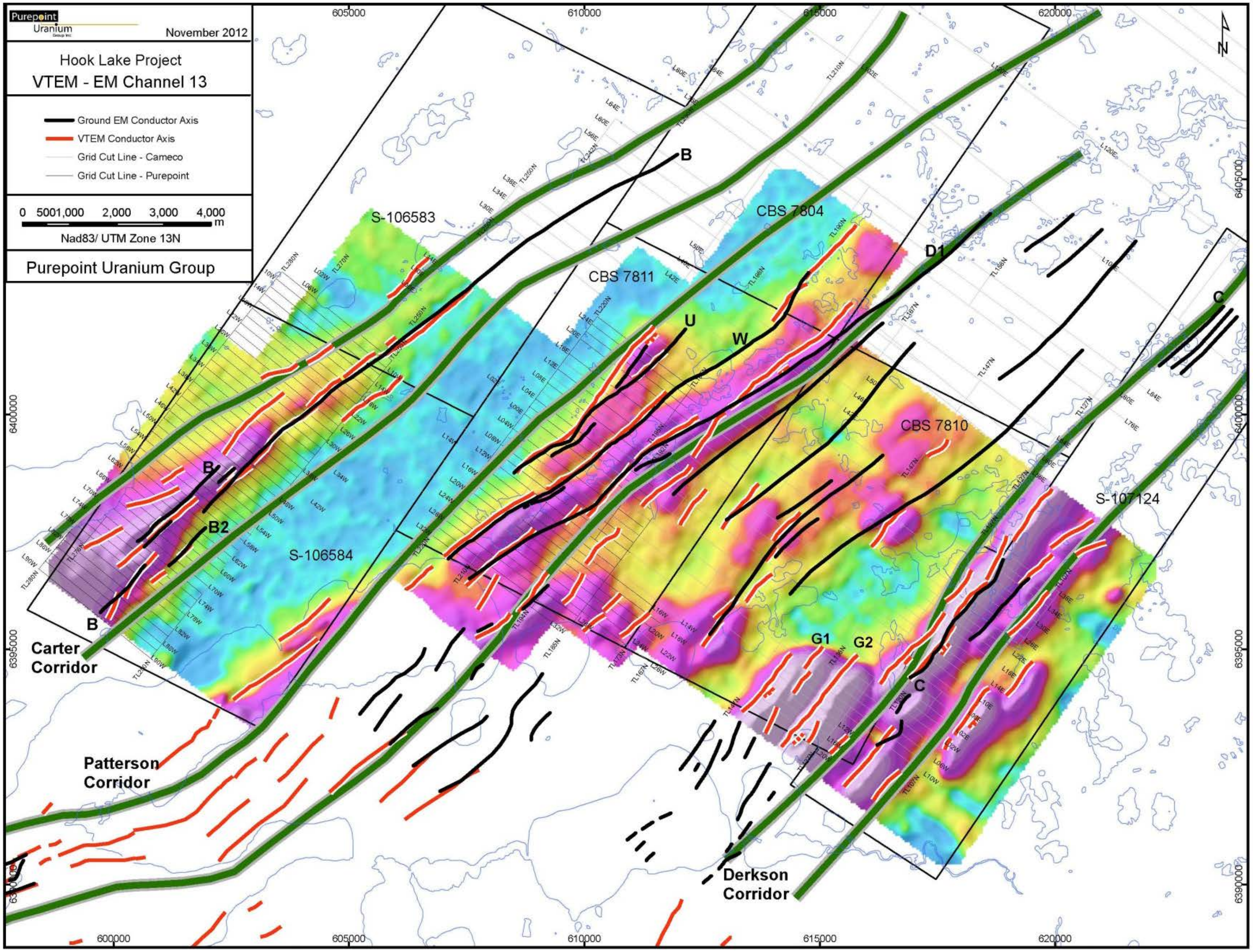


Figure 6: Airborne (VTEM) Electromagnetic Response, Channel 13 – UEM, 2005

The 2006 program consisted of grid establishment and refurbishment, ground Fixed Loop TEM surveying, ground Step-wise Moving Loop TEM and 4 holes of diamond drilling totaling 1,017 m (Jiricka et al, 2006). The drill program tested the "B","C" and "W" conductors systems and although no significant radioactivity was intersected, DDH HK-022 and HK-023 intersected favourable alteration and structure within the Athabasca sandstone. DDH HK-022 also intersected strong boron enrichment in the sandstone as well as graphitic basement rocks associated with fault zones. Another review of historical SMDC Derkson Lake drill core resulted in anomalous Athabasca Group hydrothermal alteration being observed in holes DER-41, DER-42, DER-59, DER-64 and DER-69A.

6. GEOLOGICAL SETTING AND MINERALIZATION

The Hook Lake property lies in the southwestern portion of the Athabasca Basin, Saskatchewan. The Athabasca Basin is filled by the Athabasca Group of relatively undeformed and flat-lying, mainly fluviatile clastic sediments. This Group unconformably overlies crystalline basement rocks of the Rae Province in the northwest and the Hearne Province to the east (Hoffman, 1990). Mackenzie diabase dykes have intruded both the Athabasca rocks and the underlying basement rocks. Extensive areas are covered by Cretaceous sediments and Quaternary glacial drift and outwash.

The Hook Lake property is underlain by basement rocks of the Lloyd Domain (Figure 4) that is part of the Archean-aged Rae Province (Scott, 1985). Card et. al. (2007) have concluded that the majority of the granitoid gneiss in the Lloyd Domain is Proterozoic in age and not Archean. The Lloyd Domain consists of a series of granulite facies metamorphic grade granodioritic, granitic, gabbroic, and layered and blue quartz bearing gneisses with subordinate amounts of anorthosite, quartzite and pelitic gneiss (Scott, 1985; Hubregtse, 1982).

Two high strain zones characterized by late ductile to brittle faulting are prominent within the Lloyd Domain. A dextral, northeast-trending set (i.e., the Beatty River Fault) parallels the Grease River Shear Zone in the north and a second set of north-northwest trending faults is probably time equivalent to the Tabbernor Fault system. The Lloyd Domain hosts the Cluff Lake deposits, the Shea Creek uranium deposits, the Dragon Lake (Maybelle River) uranium mineralization and underlies the entire Hook Lake project area.

Following the Trans-Hudson Orogeny (ca. 1.8 Ga, Jefferson et. al., 2007), the basement rocks 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 meters of a hematized red zone, grading into a buff, white to light green weathered basement which grades downwards over a few meters into unweathered basement (Ramaekers, 1990).

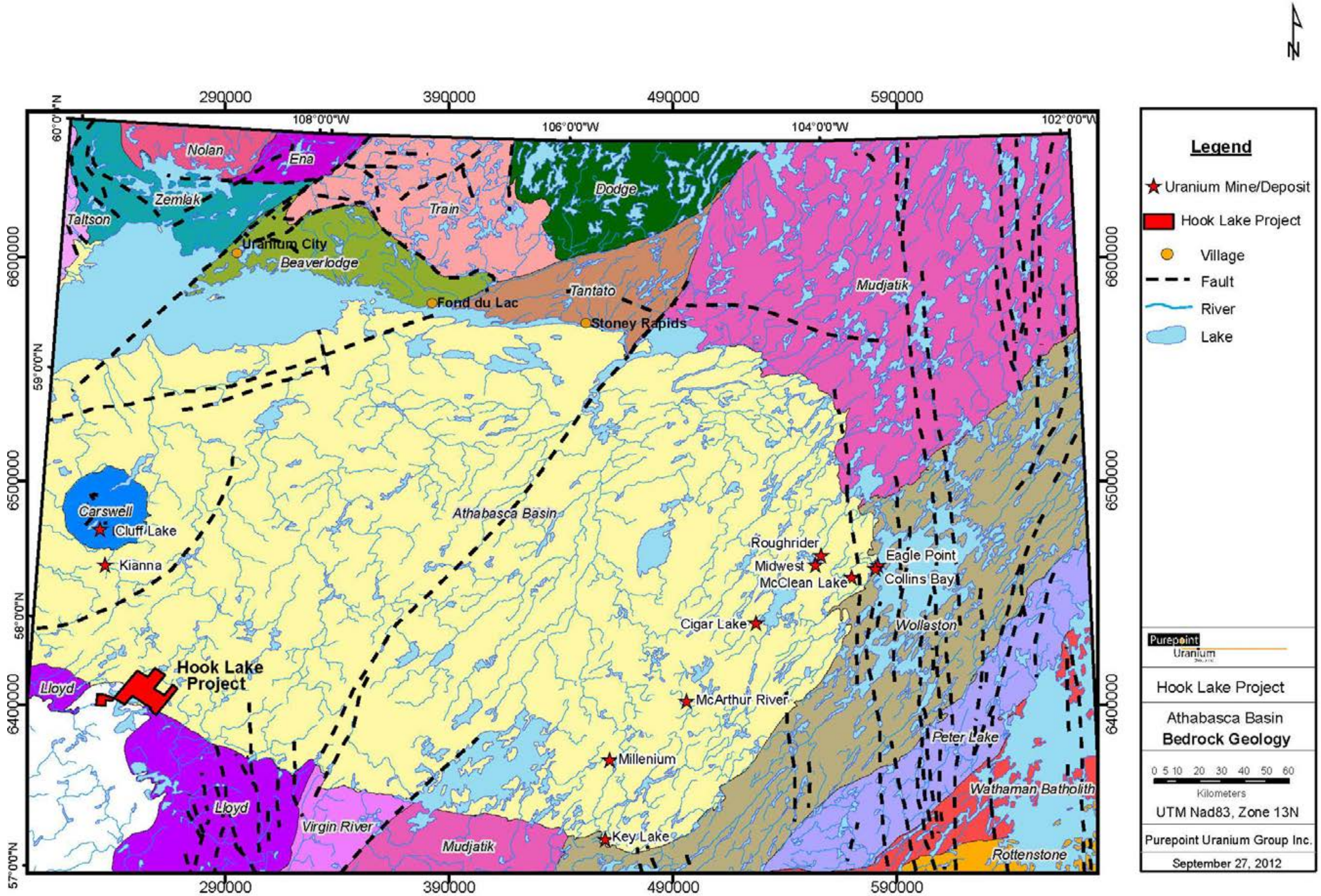


Figure 7: Bedrock Geology of Northern Saskatchewan

The Athabasca Group geology has been recently updated by Ramaekers et al, (2007) but was built on the framework set out by Raemaekers (1990). Four regional sequences of fluviatile sands and gravels filled five sub-basins within the Athabasca Basin from different directions. Sequence 1 is the Fair Point Formation, Sequence 2 begins with the sandy Smart Formation in the west and is overlain by the Manitou Falls Formation, Sequence 3 includes the Lazenby Lake and Wolverine Point Formations while Sequence 4 comprises the Locker Lake, Otherside, Douglas and Carswell Formations.

A maximum age constraint for the Athabasca Group is approximately 1.66 Ga provided by a detrital ziron suite collected from the Wolverine Point Formation (Rainbird et al., 2002). The thicknes s of the Athabasca Group sediments is presently estimated to be a maximum of 2200 m (Sibbald and Quirt, 1987).

The Smart Lake, Manitou Falls and Lazenby Lake formations of the Athabasca Group are thought to cover all the claims with the exception of the three recently staked claims, namely S-112481, S-112482 and S-112483 (Figure 8). The Smart Formation is a uniform, fine to coarse quartzarenite with horizontal bedding, and sparse isolated pebbles increasing in abundance downward. Three subunits of the Warnes Member of the Manitou Falls formation are interpreted to be present on the property; a lower quartz pebbly quartzarenite (MFw-lp) overlain by a middle quartzarenite with > 1% clay intraclasts and no pebbles (MFw-cr) and then an upper quartz pebbly to granule-rich quartzarenite with < 2% conglomerate beds (MFw-up). The Collins and Dunlop Members of the Manitou Falls formation, a quartzarenite with < 1% clay intraclasts and 2% conglomerate beds > 2 cm thick (MFc) and a medium to fine grained quartzarenite with > 1% mudstone (MFd), respectively, overlie the Warnes Member. The Lazenby Lake formation is interpreted to sit conformably above the Manitou Falls formation within the northern portion of claims CBS 7804 and S-106583 and is characterized as moderately sorted, fine-coarse pebbly sandstone with a thin basal conglomerate (Ramaekers et al., 2007).

The Cretaceous Mannville Group is present over most of claim S-106584 and the three new claims, S-112481, S-112482 and S-112483 (Figure 5). The eastern edge of the Lower Mannville occurs in this area of Saskatchewan and is primarily sandstone, gray and brown, fine to medium grained, moderately sorted, poorly cemented, very porous; with interbedded silty shale (Christopher, 1984).

Drilling to date has only discovered weak uranium mineralization on the Hook Lake property. The best mineralization intercept to date remains the weighted average of 0.24% U and 1.35% Ni over 2.5 metres in DER-04. As previously mentioned, this minor zone of basement mineralization occurs approximately five metres below the unconformity in the Derkson Lake area.

The main exploration interest in the property continues to be the observed hydrothermal alteration of the sandstone and basement rocks as well as the .

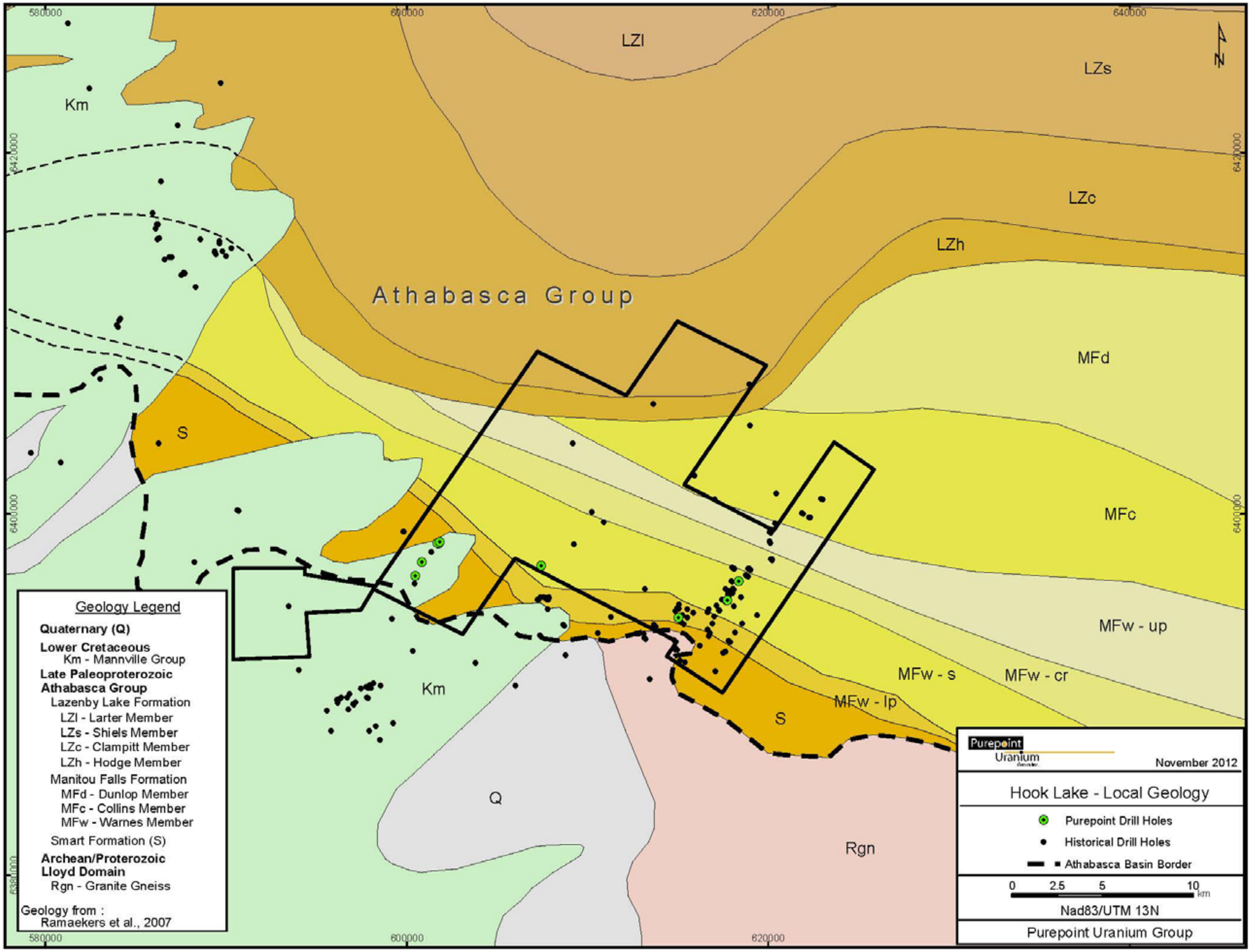


Figure 8: Local Geology of the Hook Lake Project Area

anomalously low concentrations of uranium within these rocks suggesting the uranium has been leached and deposited elsewhere.

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 Hook Lake 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

From 2007 to 2011, exploration at the Hook Lake property by Purepoint Uranium Group Inc. consisted of line cutting, refurbishing historic grid lines, ground geophysical surveying, a soil geochemical survey and diamond drilling.

8.1 Grid Establishment

During 2007, the West and Central grids, totaling 248 line-kilometres, were established on the Hook Lake property by P.J. Contracting Services of La Loche, Saskatchewan (Figure 9). Purepoint financed the startup of this local linecutting company, provided training and paid on a day wage basis during the startup period to support skills development. All lines were chained and picketed every 25 m.

The West grid is located on disposition numbers S-106584 and S-106583 and consists of 107 km of cut lines and 31 km of refurbished lines while the Central grid is located on disposition CBS-7811, and consists of 28 km of cut lines and 82 km of refurbished lines.

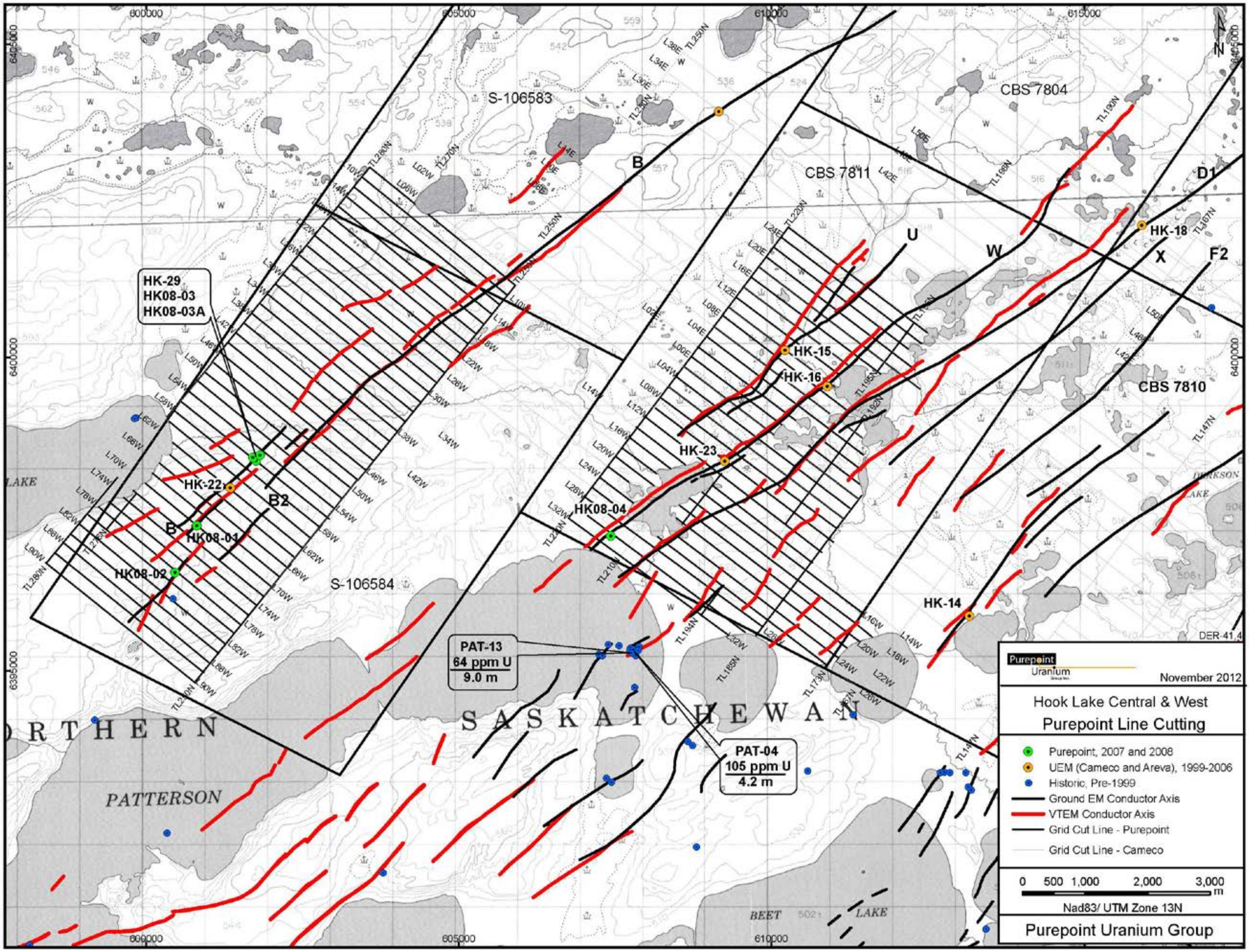


Figure 9: Location Map of Linecutting and Geophysical Surveys – West and Central Grids

8.2 Induced Polarization Geophysical Surveys

Between June and December, 2007, an Induced Polarization/Resistivity Survey was carried out by R.J. Meikle & Associates (RJM), North Bay, Ontario, within claims S-106584, S-106583, and CBS 7811 on the Hook Lake West and Central grids. A crew of 3-4 was provided by RJM, with a varying number of locally hired helpers supplied by Purepoint throughout the program.

A gradient array IP/resistivity survey was proposed for the West and Central grids as a relatively inexpensive geophysical method for selecting target areas within the extensive conductor systems indicated by the 2005 airborne VTEM survey. Resistivity measurements have been shown to be a useful indicator of alteration halos within the sandstone (Koch, 2007). Target areas outlined from the gradient survey would then be followed up with more costly pole-dipole array IP and stepwise moving loop EM surveys. Ultimately 88 km of gradient array IP/resistivity surveying and 39 km of pole-dipole array I.P./resistivity surveying was conducted over the West and Central grids (Figure 9).

8.2.1 Survey Method

The IP/resistivity survey was carried out using and IRIS Instruments ELREC Pro time domain IP-Resistivity receiver, a Walcer TX 9000, 9+ KW IP transmitter, and a Walcer MG-12 motor generator. Stainless steel rods were used for the current and potential electrodes.

The gradient electrode array involves establishing 2 infinite current electrodes approximately a distance equal to the survey line length, parallel to and off both ends of a line in the center of the survey area. The two current electrodes remain fixed for a number of survey lines in both directions until the primary voltage signal becomes too weak to obtain a reliable reading. The two fixed current electrodes are hooked to a transmitter via #14 gauge wires and a “Square Wave”, 2 second on 2 seconds off pulse is applied across the 2 electrodes. This creates a relatively deep current path between the two current electrodes. A pair of potential electrodes, attached to a Time Domain IP Receiver is moved up and down the survey lines, recording the “IP” effect (chargeability) and apparent resistivity values. Both a chargeability reading and apparent resistivity reading were recorded at each 25 meter station along the grid lines using a potential dipole spacing of 50 meters, moving every 25 meters. When the primary voltage signal recorded across the receiver potential dipole became too weak on lines further away from the current dipole, the two current electrodes were moved to the approximate center of the next survey rectangular area.

Pole-Dipole test surveys were carried out on both the Hook West and Central grids. The test surveys were carried out with different “a” or dipole spacings to determine the optimum compromise between signal strengths and investigative depth. Most of the “pole-dipole array” survey was carried out using a 100-meter dipole spacing with six “n’s” or dipoles. Because of the extremely high impedance of the ground contacts, water and salt were applied to the moving current electrode to increase the output current with mixed results. Various electrode arrays and configurations were tested on the Hook West Grid to determine parameters that would provide the best results considering the poor ground contacts and the thick sand/gravel cover.

Between August 15th and September 15th, a transmitter source was interfering with the IP survey being conducted by RJM at Hook Lake. Exploration companies in the area were contacted in an attempt to locate the source. Walcott Geoscience Inc. of Vancouver was conducting a resistivity survey on a nearby property for AREVA Inc. of Saskatoon and also having difficulty due to interference. RJM and Walcer conducted tests to confirm they were not interfering with each other. RJM took a two week break but returned to find the interference still present and it continued to be an issue until mid-September.

During both the gradient array and pole-dipole array surveys, the following parameters were digitally recorded in the ELREC Pro time domain receiver for each potential dipole location:

-chargeability for 20 separate window widths
-cumulative average of the total chargeability
-type of decay curve measured
-primary voltage and its standard deviation
-current intensity
-self potential
-apparent resistivity
-contact resistance for each electrode
-number of cycle stacks
-grid co-ordinates for each reading

The daily field data collected was downloaded from the Elrec Pro receiver to a lap top computer each night, edited and processed using Oasis Montaj (Geosoft) to produce plan contoured chargeability and resistivity maps for the Gradient Survey and Pseudo-sections for the Pole-Dipole survey. The data was emailed to Purepoint personnel in Toronto on a regular basis.

8.2.2 Discussion of Gradient Array Results

Apparent resistivity and chargeability results from the gradient array IP survey on the West and Central Grids are provided in Figures 10 and 11, respectively.

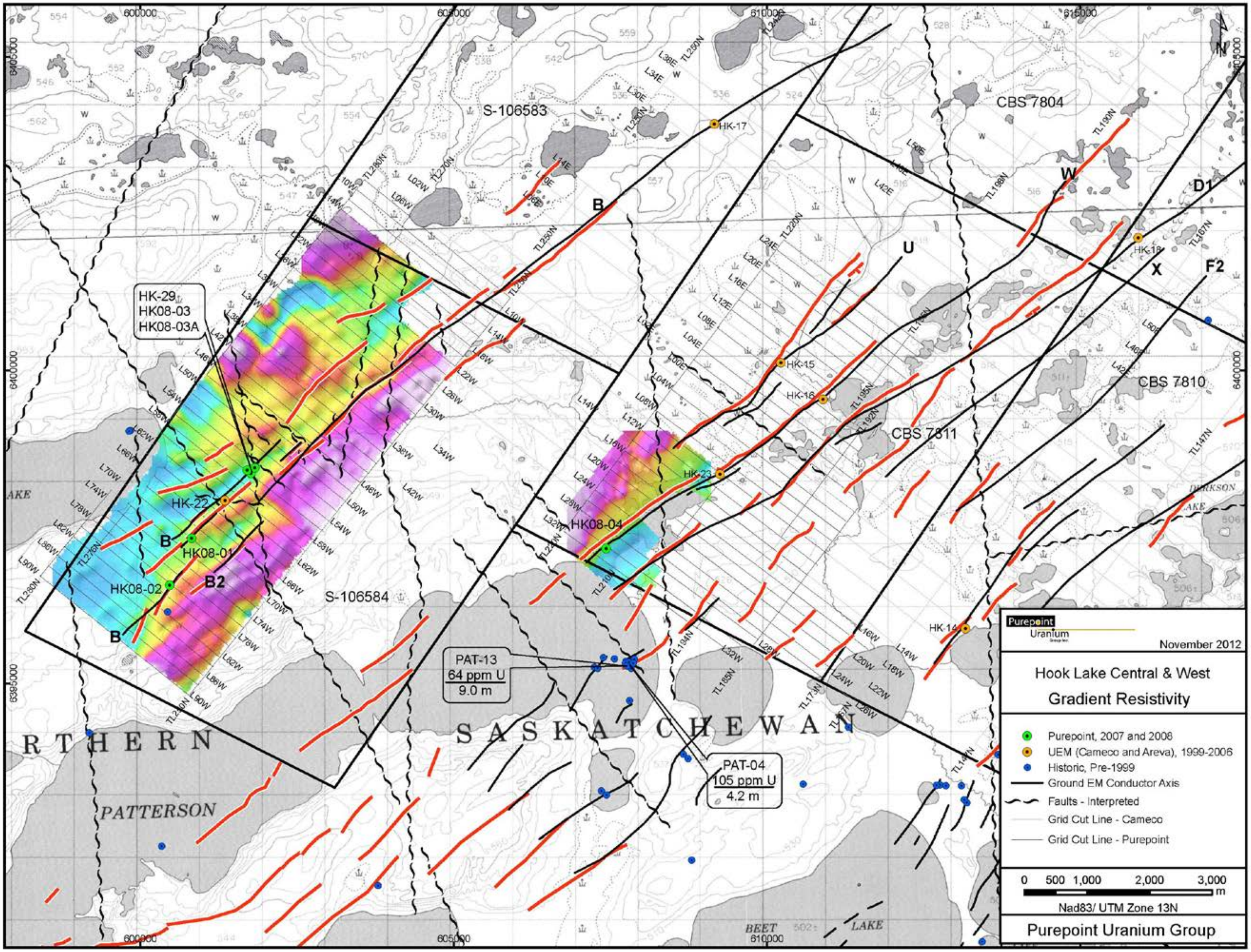


Figure 10: Gradient Induced Polarization Resistivity - West and Central Grids

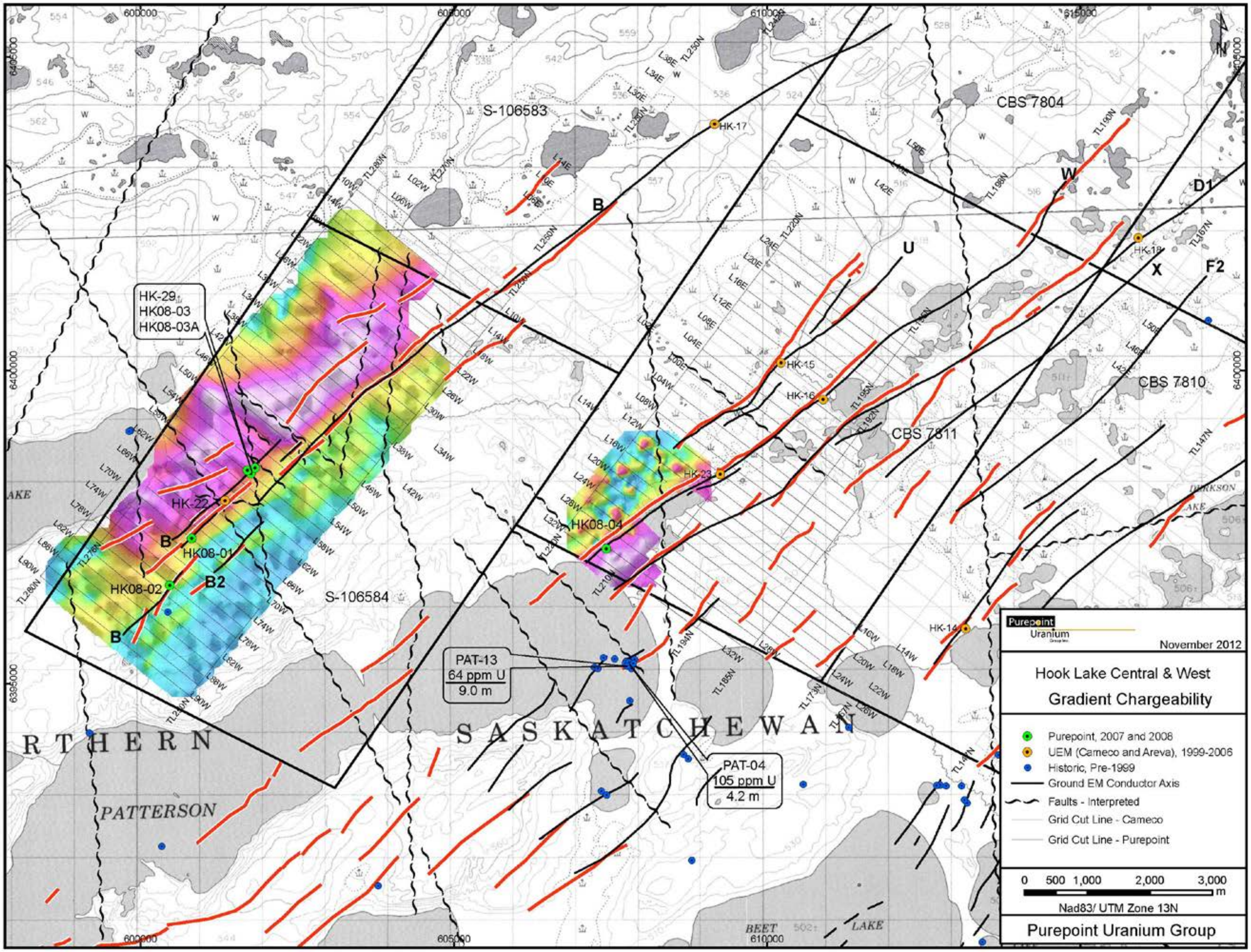


Figure 11: Gradient Induced Polarization Chargeability - West and Central Grids

The West Grid gradient IP resistivity results show a high resistivity area (> 2000 ohm-metres) lying southwest of the VTEM conductor and then falling off to below 1000 ohm-metres to the NW (Figure 10). The magnetic survey data (airborne) also shows an anomaly (magnetic high) northwest of the conductor axis.

In a general sense, the chargeability for the West Grid shows a symmetrical picture opposite to that of the resistivity with a broad (1000 metres) area of anomalously high chargeability (> 15 milliseconds) lying adjacent to and on the northwest side of the VTEM anomalies for most of the length of the grid (Figure 11). The conductor axis detected by the VTEM survey forms the southeast boundary of the chargeable area. Beyond that, to the southeast, lies a low background area of about 6 msecs.

For the West Grid, it would appear that the VTEM conductor axis forms a contact between rock types of opposite electrical and magnetic characteristics. A conductive and chargeable rock unit with high magnetic susceptibility lies to the northwest and a resistive, low chargeability rock unit with lower magnetic susceptibility lies to the southeast. Identification of these rock types should be possible with further drilling information.

The Central Grid gradient array survey results from lines 12W to 32W shows a low resistivity (Figure 10) and high chargeability zone (Figure 11) on the southeast side of the main VTEM anomalies. In this case, the area to the southeast of the main airborne conductor is chargeable and conductive, and to the northwest lies within an area of high resistivity and low chargeability. As with the West Grid, the conductor axis here appears to represent a contact between rock types of quite different electrical properties.

8.2.3 Discussion of Pole-Dipole Array Results

Pole-dipole array IP surveys were carried out along seven lines on the West grid, lines 42W, 44W, 46W, 48W, 56W, 58W, and 62W (Figure 12) and five lines of the Central Grid, namely lines 2W, 4W, 6W, 8W and 10W (Figure 13). The results of the pole-dipole array survey are provided as stacked profiles of inverted resistivity for the West grid (Figures 14 and 15) and the Central grid (Figure 16). Inversion was carried out using the UBC inversion code with the exception of Lines 56W, 58W and 62W that were inverted using the RES2DINV inversion code (Figure 15).

The inversion sections show that the depth penetration achieved with the ‘a’ spacing of 100 metres is about 250 metres which is just about the average combined thickness of overburden and sandstone in this area.

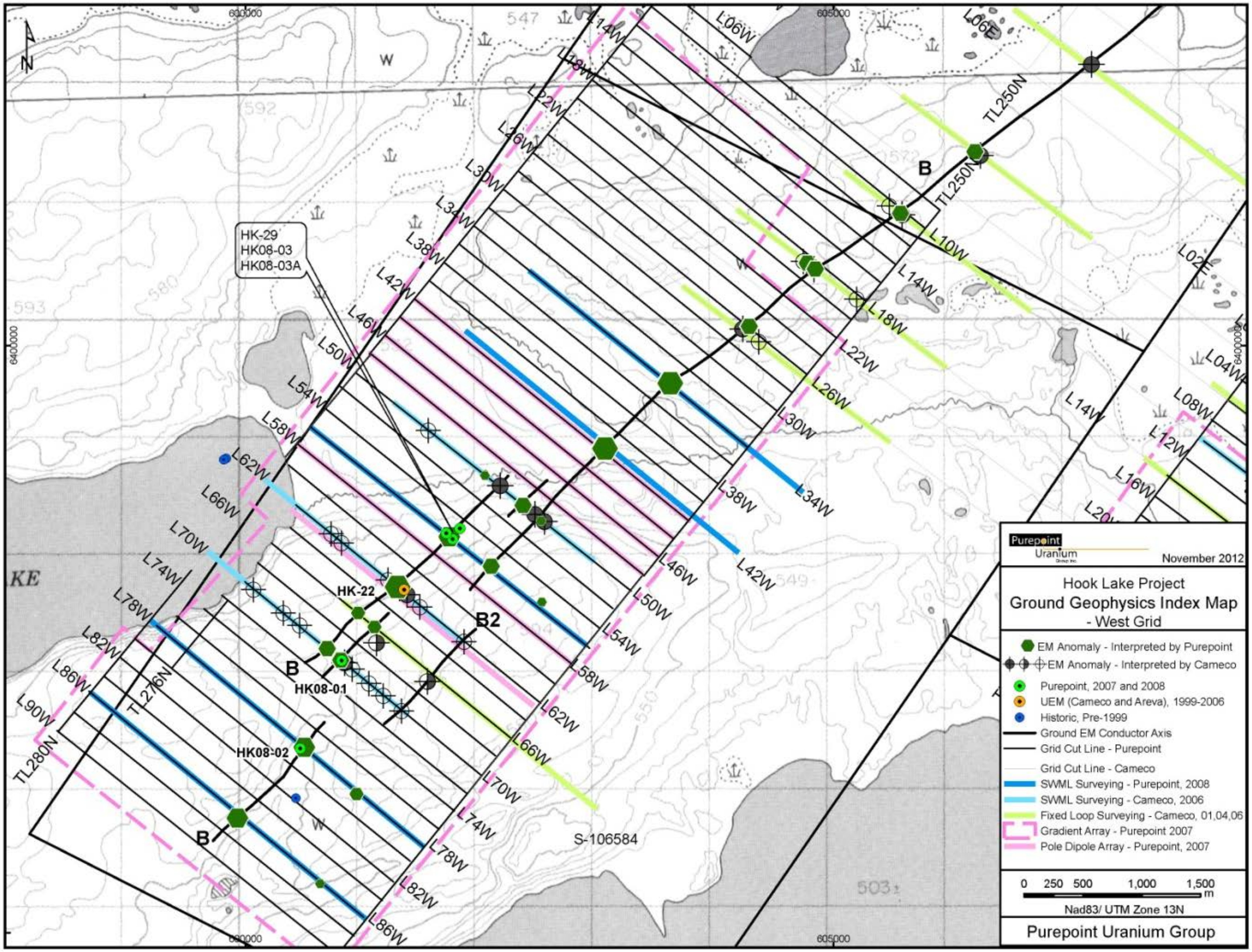


Figure 12: Ground Geophysics Index Map - West Grid

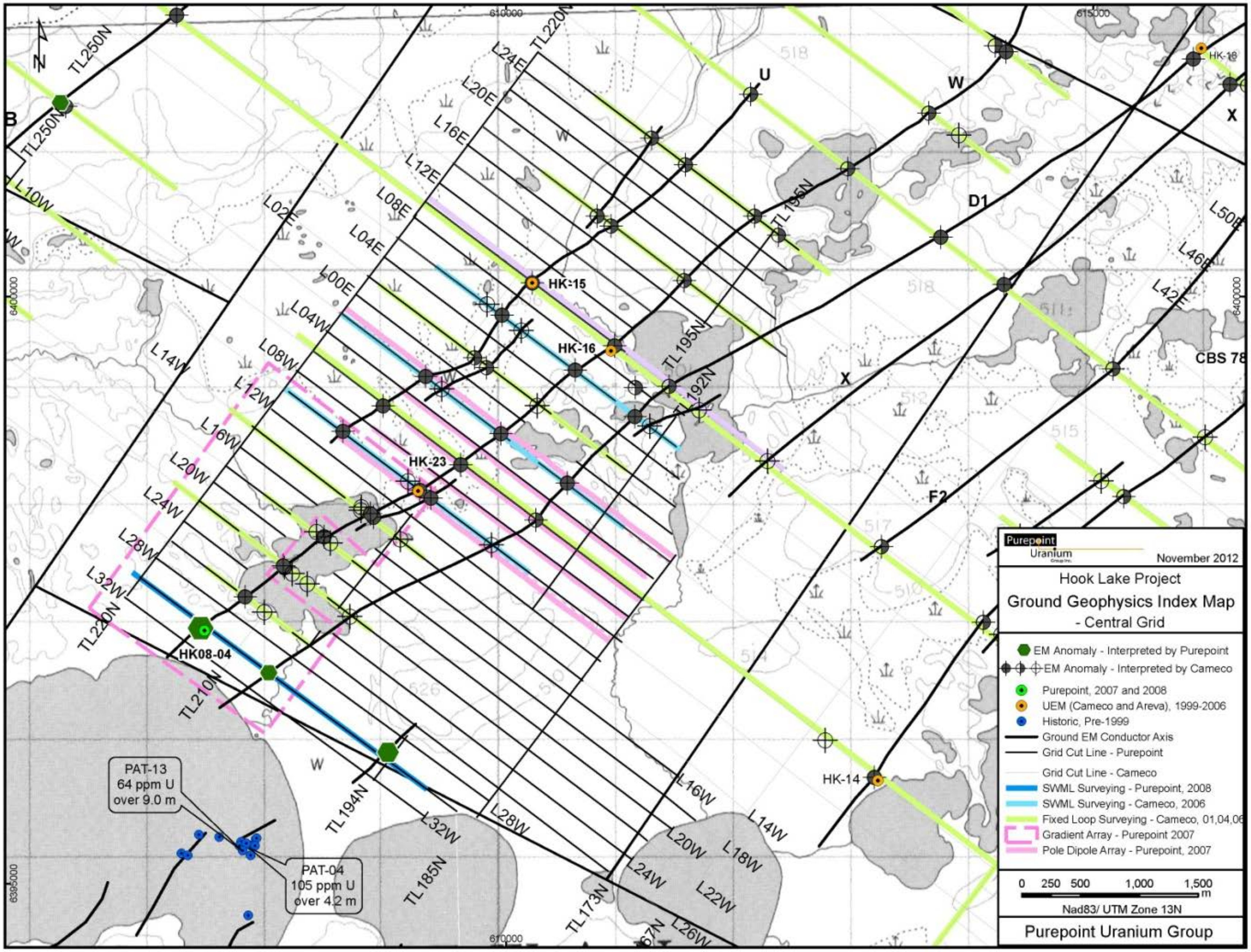


Figure 13: Ground Geophysics Index Map - Central Grid

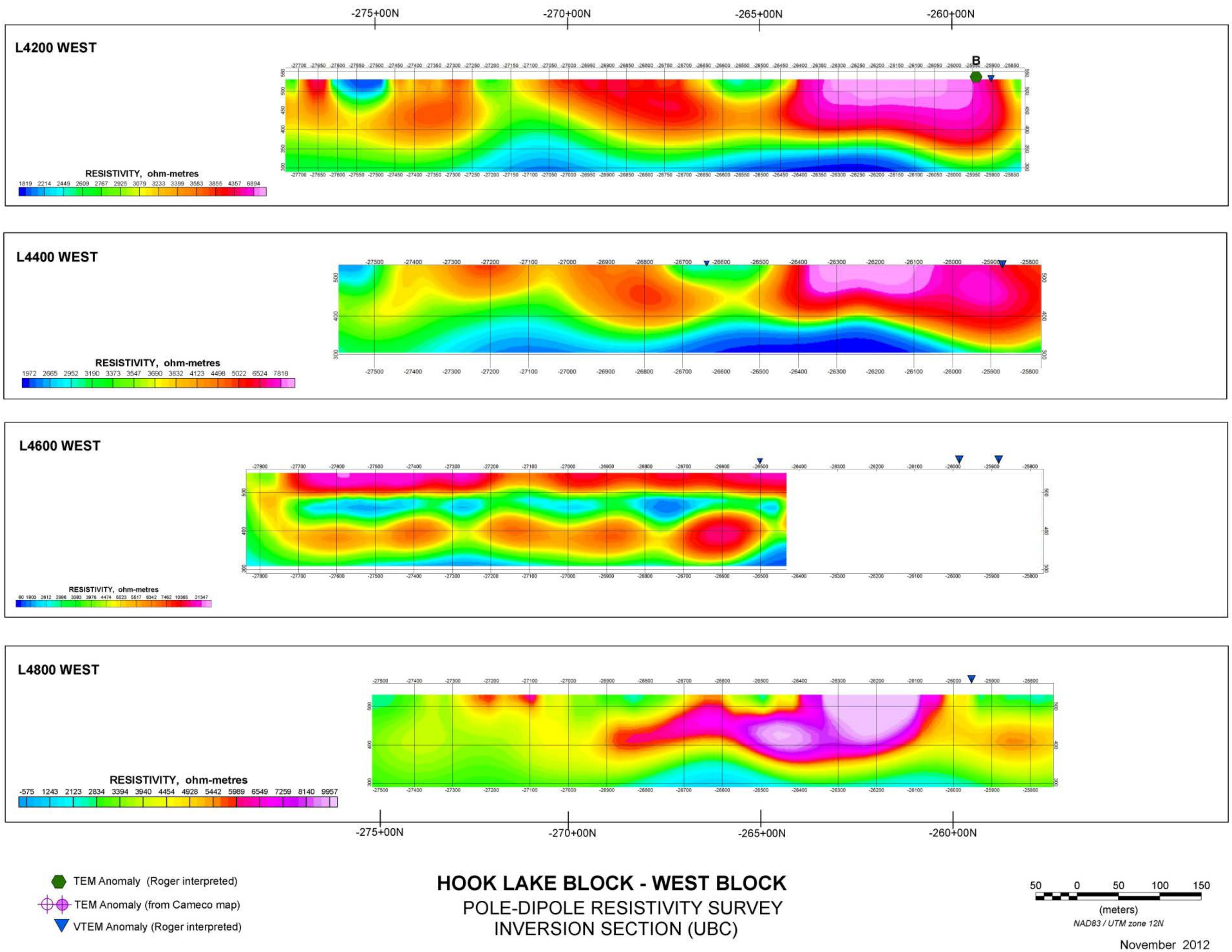


Figure 14: Stacked Pole-dipole IP Sections – L42W to L48W - West Grid

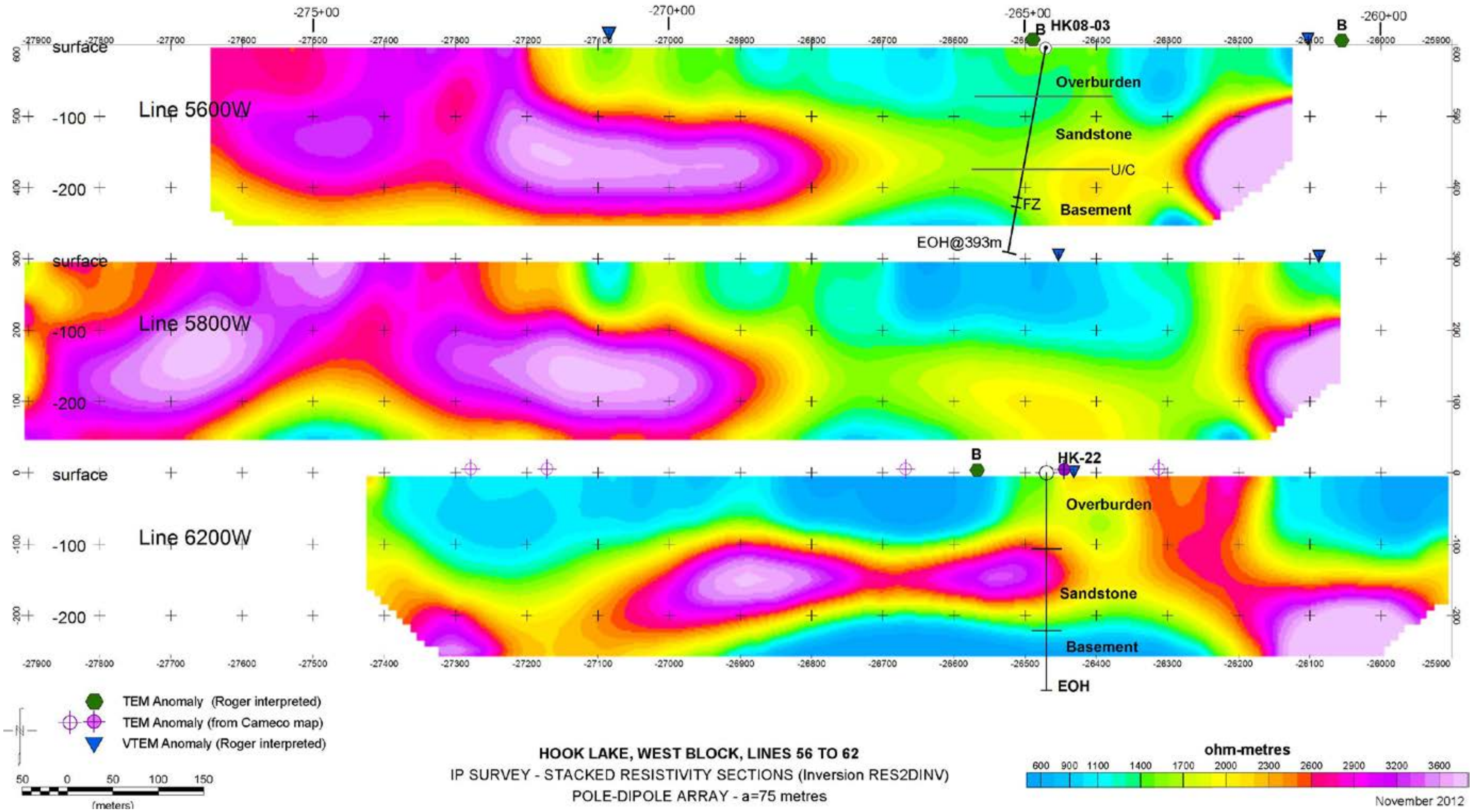


Figure 15: Stacked Pole-dipole IP Sections – L56W to L62W - West Grid

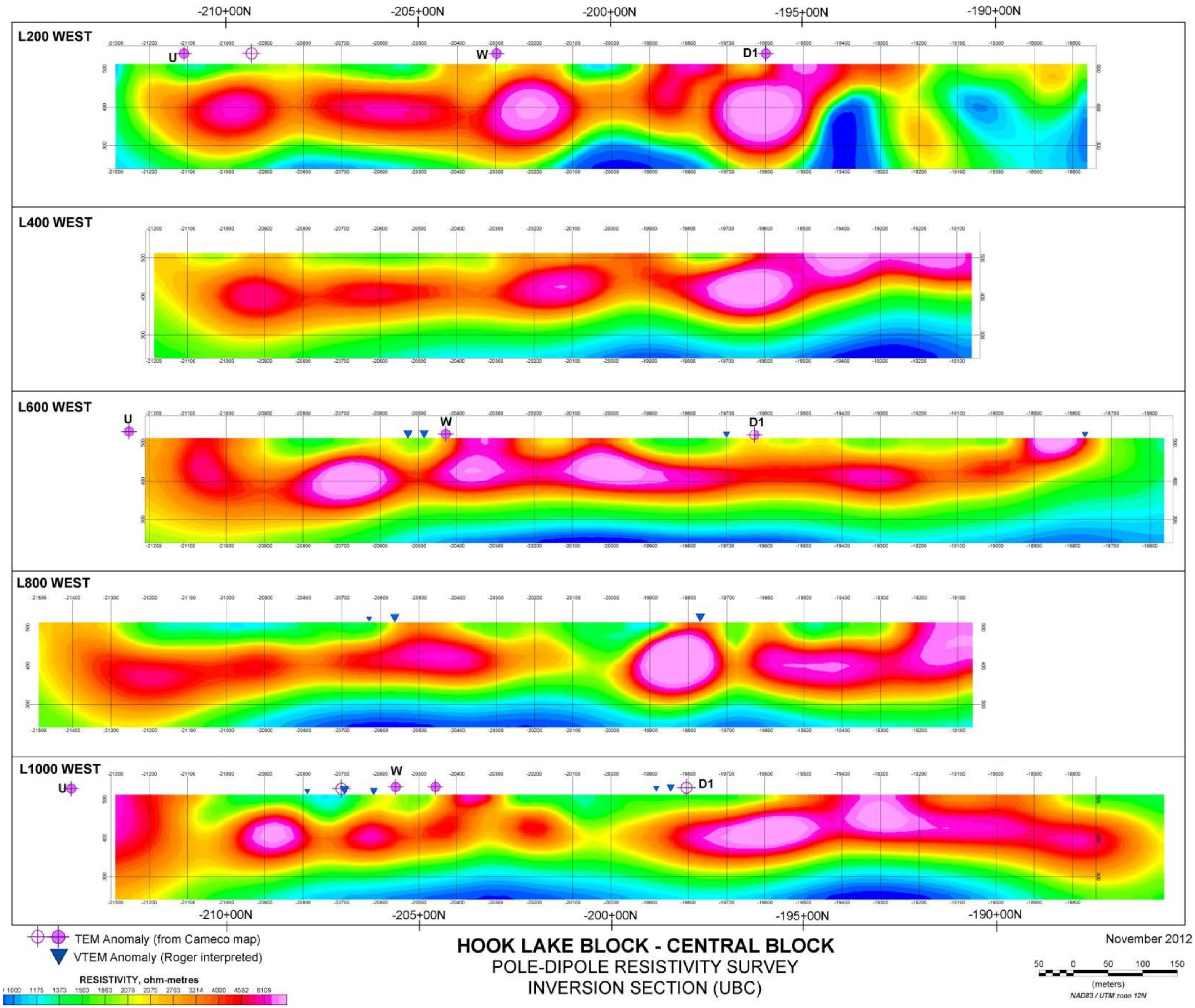


Figure 16: Stacked Pole-dipole Induced Polarization Sections - Central Grid

On the West Grid, a recent drill hole, HK-22, lies in the section on line 62W at approximately 264+75N (Figure 15) and was used to 'calibrate' the resistivity and chargeability values.

HK-22 resistivity results for the overburden in the first 106 metres shows low resistivity values in the order of <1200 ohm-metres. The overburden resistivity values are a bit lower than expected for the dry sandy glacial material that is seen there on the surface, and suggests the presence of organic or soft clay material. At mid section (123 metres) the sandstone returned typical resistivity values for this unit of 1200 to 4000 ohm-metres. The drill log shows graphite appearing at 234 metres as wispy accumulations along foliation. By 264 metres, the graphite content increases to 70%. This would adequately account for the low resistivity values that form the third layer at the bottom of the inversion section.

A primary use of the resistivity sections is to locate Low Apparent Resistivity Chimneys, LARCs, in the vicinity of EM conductor axes, which may be indicative of alteration halos over graphitic sediments (Koch, 2007). A fairly well defined LARC occurs on L62W of the West Grid centered at about 264+00N, 75 metres south of the drill hole HK-22 (Figure 15). It shows a clear break in the high resistivity sandstone layer and apparently continues to the east on lines 56W and 58W where the break in the sandstone resistive layer widens out to 500 – 600 metres.

A second LARC is seen on the West Grid lines 42W and 44W at 265+00N that correlates with a VTEM anomaly. A third is seen on Line 44W at 273+00N but without an associated EM conductor.

On the Central Grid, the IP sections of lines 2W to 10W show a thin surface layer of low resistivity, a middle layer of high resistivity, and a deep layer of very low resistivity (Figure 16). By relating the Central Grid results to the drill hole HK-23 on line 1000W, the overburden has a low resistivity, < 2000 ohm metres, sandstone is 3000 to over 6000 ohm-metres, and the last layer, a zone of no core recovery lying above the unconformity, is below 1500 ohm. This conductivity could be caused by water in the porous, uncemented sand that forms the "no core recovery" material.

8.3 Ground Electromagnetic Survey

A total of 106 line-km of Transient Electromagnetic surveying (TEM), using the Step-wise Moving Loop array were conducted over six traverse lines between February and March 2008 by Quantec Geoscience Ltd. of Porcupine, Ontario.

Purepoint's Chief Geophysicist, Roger K. Watson, B.A.Sc., P.Eng. reviewed and interpreted the results of the TEM surveys. The interpretation of the data collected and the methods used for the interpretation are provided below. The anomalies were evaluated with respect to their quality as electromagnetic conductors and in relation to other geophysical data.

The TEM surveys were carried out on six traverse lines that included L34W, L42W, L56W, L78W and L86W on the West grid and on L30W on the Central grid. (Figures 12 and 13).

8.3.1 Interpretation Methods

The anomalies are 'picked' from profiles displayed on a Geosoft database format.

Modeling shows that conductor axes are located under local maxima and minima on the x channel and at points of inflection on the z channel. The y channel shows a 'cross-over' for conductors crossing the traverse line at an angle, and which disappears when the conductor crosses the traverse line at exactly 90 degrees.

To help find points of inflection and local maxima and minima the profiles are smoothed using a low pass filter where needed, and the first difference is calculated for the last five channels. Some points of inflection are difficult to pick but will show a maximum or minimum on the first difference. An x channel maximum or minimum will show a profile passing through zero on the first difference.

The anomaly picks are assembled on a spreadsheet and plotted as in Figure 17. There is always some variation in the location of the conductor from loop to loop but this can be resolved by grouping them, assigning a letter, and then calculating the average location in local co-ordinates. The average value is the most probable location and should be used to position a vertical drill hole. The standard deviation is the uncertainty that can be expected in the positioning.

8.3.2 Description and Evaluation of Anomalies

The locations of the TEM anomaly picks are shown in Figures 12 and 13.

Line 34W, West Grid

One anomaly was found on this line, seen by five loops. It is located at 258+50N with a standard deviation of only 15 metres. It is a high amplitude anomaly seen on all 20 channels and is clean and free of noise, particularly on the Z coil. A 20 channel response indicates very high conductance and implies that the source is composed of massive conductive material. It coincides almost exactly with a strong VTEM conductor axis and is believed to represent massive graphitic sediments in the basement. This is recommended as an excellent target for follow up by drilling with a vertical drill hole collared at 258+50N.

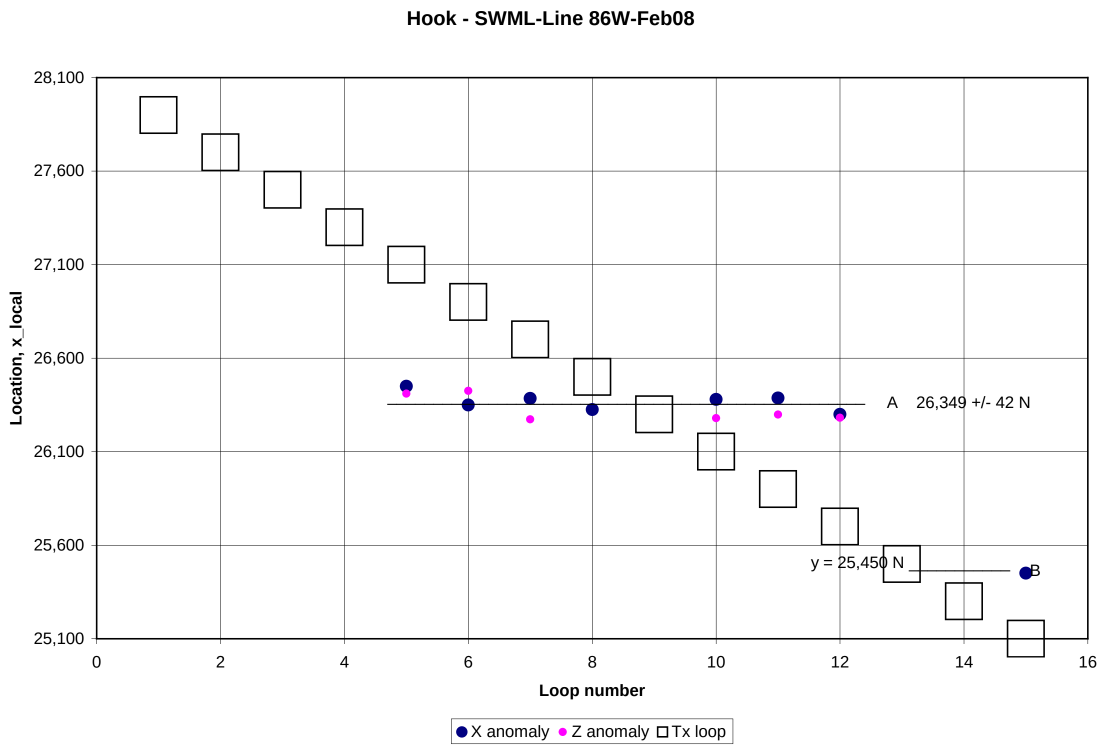


Figure 17: Example of TEM Spreadsheet Diagram

Line 42W, West Grid

Again, one anomaly is found on this line, seen in the results from seven loops. And again the response is strong and is seen in all twenty channels on all loops, indicating high conductance. It is interpreted as a formation of massive graphitic sediments.

The standard deviation for the seven positions is 47 metres. But this anomaly lies at a possible dislocation point or fault as seen in the VTEM results and this is likely the cause of this relatively high value. It also makes it an attractive drilling target and a vertical drill hole is recommended at station 259+25N.

Line 56W, West Grid

The survey on this line produced a large number of anomalies which were resolved into three conductors using the spreadsheet diagram.

A broad indefinite anomaly, located at 260+63N with a spread of 104m, is seen best from loops 7 and 8 which are to the west of the axis. Loops 4 and 5 on its eastern side show no response. This would indicate that the conductor axis is dipping to the southeast because the coupling with the transmitted signal would improve on this side of the transmitter coils. It is seen on eleven channels indicating a moderate conductance. It coincides well with the VTEM anomalies at this location.

A second anomaly at station 264+97+/- 52 metres is seen in the data from seven loops. It is well-defined in loops 6 and 7 on about 15 channels. The definition decreases on the other loops. The anomaly correlates well with the north-eastern end of a VTEM conductor axis and lies near a fault interpreted from both the magnetic pattern and a major dislocation of VTEM conductor axes. It is interpreted as graphitic sediments of moderate conductance lying in the basement rocks.

The third weak anomaly is poorly defined, seen only in five channels, and not confirmed by other E.M. methods. The anomaly is possibly due to a surface feature.

Line 78W, West Grid

A number of scattered anomalies have been resolved into two conductors.

The first anomaly lies at 263+14N +/- 75m and is a 14 channel anomaly seen in the data from four transmitter loops. It is affected by conductive overburden as shown by the way the position of the maximum response migrates as you move from early to later channels. The later channels are least affected by conductive overburden. The anomaly lies off the end of a good VTEM conductor axis and is possibly responding sideways to the actual conductor. It is a good conductor and is believed to represent graphitic sediments n the basement.

The second anomaly, seen on the data from three loops, is at 257+33N with a spread of +/- 81 metres. It is heavily obscured by near surface conductivity but is still visible in the filtered later channels. It has, however, no support from the airborne work or any line to line correlation and so should be set aside for now.

Line 86W, West Grid

The one anomaly is located at station 264+38 N and is seen on 18 of the twenty channels on loop 10, 17 on loop 7 and falls away to 5 channels on loop 5. On all loops it is screened to some extent by a broad anomaly on the first ten channels or so, which is believed to represent a conductive surface layer, probably Paleozoic sediments and overburden. This conductive layer certainly affects the response but the later channels are clearly capable of penetrating it and responding to the deeper conductor.

The anomaly correlates well with a VTEM conductor axis and is interpreted as a steeply dipping plate-like conductor, probably graphitic sediments.

Line 30W, Central Grid

Three anomalies were found on this line. The first anomaly, at station 213+48N with a relatively short spread of 18m, is a good conductor seen on 18 channels. It correlates well to a VTEM conductor axis and provides a suitable drilling target. The second anomaly at station 206+39N is less well defined and has a broad spread of 78 metres. It correlates well with a VTEM conductor axis but is seen on only nine channels indicating moderate conductance. The third anomaly at station 193+84N correlates with a VTEM conductor axis. 15 channels indicate a good conductor and it is considered a suitable drilling target.

8.4 Geochemical Survey

Purepoint Uranium Group Inc. conducted a geochemical survey of 250 samples over known mineralization on the West Grid at the Hook Lake Project during October, 2011 (Figure 18). The survey involved sampling the A1 humus horizon and using aqua regia digestion for ICP-MS analysis, within the western side of the province where overburden thicknesses are typically greater than 75m.

8.4.1 Soil Sampling Method, Preparation and Analysis

A sampling grid was designed and downloaded into GPSs prior to going into the field. The GPSs were then used to guide the sampling teams to each pre-selected and pre-named sample site. After choosing a suitable sample location close to the GPS sample coordinate, the black A1 organic soil layer was collected either by hand or with a spade. The A1 horizon was occasionally just below the litter and could be easily scrapped up and at other times, the A1 horizon was most easily accessed by pulling up the surface vegetation by hand and collecting the black soil at the root base. The A1 horizon varied in thickness from 1cm to about 6cm. The samples were stored in a plastic sample bag and labeled with the pre-determined sample ID. All samples were described in the field by field technicians who noted the percent peat, the percent charcoal and colour of the soil.

Approximately one in 30 samples was doubled in size for later splitting for quality assurance purposes. Splitting was conducted by placing the oversized sample into a pail and then thoroughly breaking apart the soil clumps by hand. Reaching into the pail, a handful of sample material was taken then alternatively put into two open plastic bags until the pail was empty. The duplicate sample was marked with a “D” following the original sample ID.

All samples were sent to SRC in Saskatoon, SK for both an ICP-MS and ICP-OES analysis. Samples were air dried, mortared, sieved to 180 microns then analyzed after both partial (two-acid) and total (three-acid) digestions. Partial digestion was suggested as a means of avoiding interference that arises

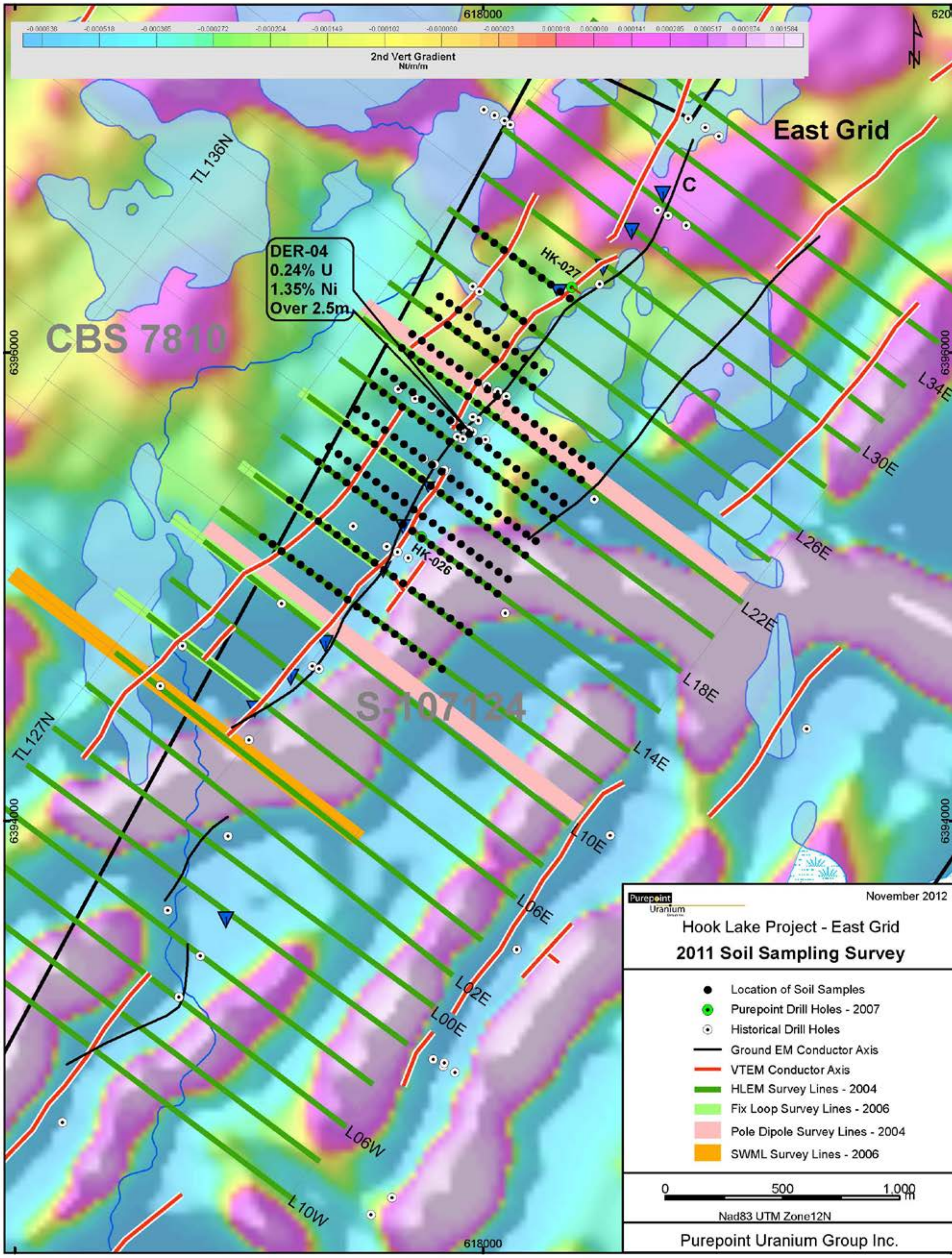


Figure 18: Location Map of Soil Sampling Survey - East Grid

when ICP-MS is conducted on totally digested samples. For partial digestion, a 0.250 g pulp was digested with 2.25 ml of 8:1 ultrapure HNO3:HCl for 1 hour at 95 C. For total digestion, a 0.125 g pulp was gently heated in a mixture of ultrapure HF/HNO3/HClO4 until dry and the residue dissolved in dilute ultrapure HNO3.

8.4.2 Quality Assurance/Quality Control (QA/QC)

Fourteen (14) field quality control samples (recorded as duplicates) were collected randomly within the survey area. Laboratory quality control measures included the inclusion of sixteen (16) laboratory standards (specific to analytical method) and eight (8) sample repeats.

The duplicate samples for the soil geochemistry dataset was visually reviewed using scatterplots of duplicate sample data compared against parent sample data. These plots were mathematically supported by calculating and plotting the relative percent difference between duplicate and parent samples against concentration in the parent sample. Only the duplicate data for elements actually identified as being relevant to exploration were reviewed.

The only standards used were internal SRC laboratory standards, which would have been reviewed prior to delivery to Purepoint. As a result, additional review of the laboratory standards was not completed.

8.4.3 Discussion of Results

Elements typically associated with uranium mineralization, namely U, Ni, Co, V, Mo, Pb, As, Cu, Zn, Ba, Sr, Hg and B, were selected for plotting. Uranium and nickel are slightly influenced by organic content so these elements have been regressed against LOI and the residuals are provided as plots in Figure 19. The plots of raw results versus residuals for these two elements were seen to only have minor differences.

Highly disturbed soil was noted for Line 21 East, the line on which hole DER-04 and eight other holes were drilled. The ICP results show that element concentrations for soils collected from L21E are lower than the neighbouring lines in most instances. Highly disturbed soil was also noted for Line 19 East that had three holes drilled along it but the element concentrations do not appear to be as heavily influenced as L21E.

The residual uranium results appear to show a very weak north-south trend correlating four of the five highest residuals (Figure 19). The weak north-south uranium trend in the vicinity of DER-04 also appears to be evident in the vanadium and lead results and, to a lesser degree, in the barium and zinc results.

For nickel (Figure 19), the highest concentrations are found in the vicinity of drill hole DER-04, mainly around and due north of this hole. The highest concentrations of cobalt and strontium were also returned in the vicinity of DER-04.

Copper and zinc returned most of their greatest concentrations from the western side of the sampling grid (Figure 20).

Uranium and nickel are the main elements of interest since the soil survey covered the area where drill hole DER-04 intersected 0.24% U and 1.35% Ni over 2.5 metres. The DER-04 mineralization appears to be associated with a northeast trending electromagnetic conductor outlined by an airborne VTEM survey (Figure 3). It should be noted that this VTEM conductor is poorly defined between the recent drill holes HK-026 and HK-027. Cameco interpreted a 200 metre break in this conductor south of hole DER-04 while Purepoint's Chief Geophysicist, Roger Watson considered the conductor as poorly defined for approximately 1 kilometer.

A general observation regarding the plotted results is that an obvious geochemical trend is not readily observed for any element. Copper is considered to have returned the best evidence that the northeast trending EM conductors may be producing a geochemical signature. An interpretation of the copper anomalies along with uranium and nickel is provided in Figure 21.

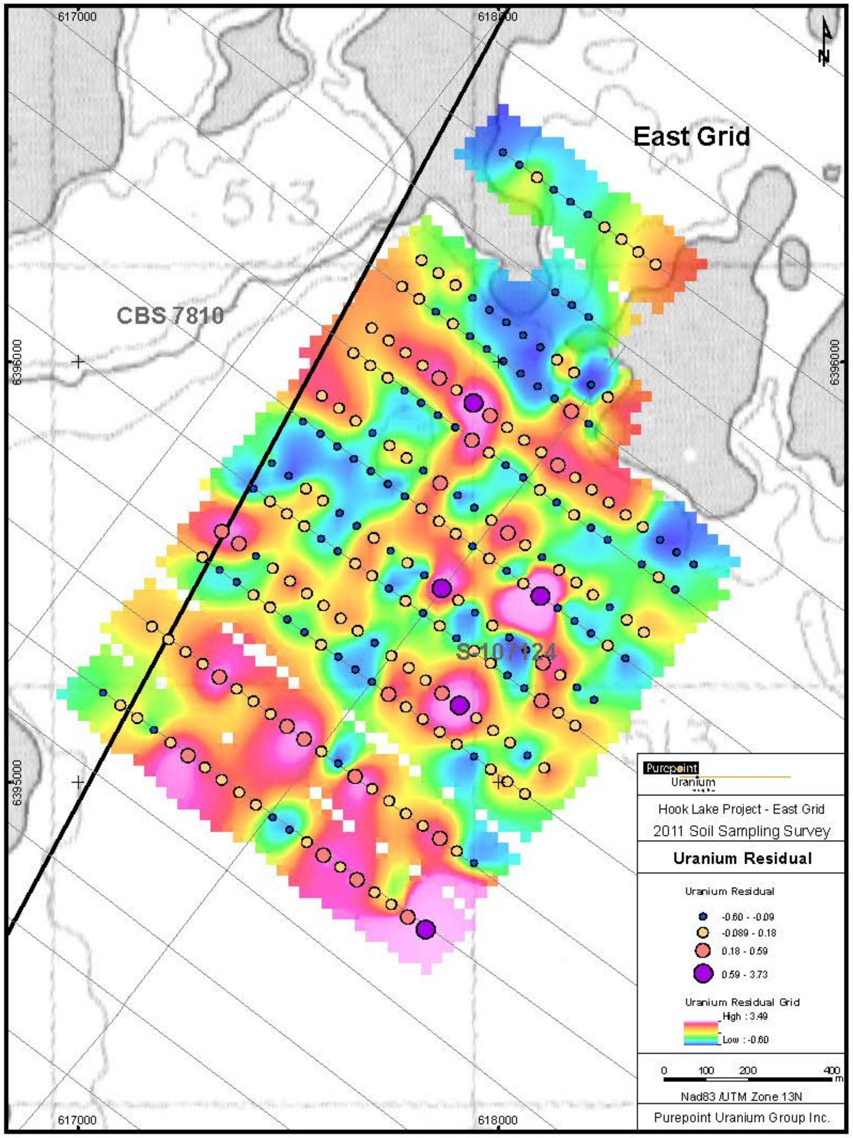
8.4.4 Conclusions

During October 2011, Purepoint Uranium Group Inc. completed a geochemical survey on the East Grid of the Hook Lake Project where drill hole DER-04 returned 0.24% U and 1.35% Ni over 2.5 metres (Figure 3). The purpose of the survey was to test the usefulness of the CAMIRO soil methodology within the western side of the province where overburden thicknesses are typically greater than 75m.

The soil sampling survey for Hook Lake involved the analysis of 250 samples with 231 samples collected from claim S-107124, 5 samples collected from claim CBS 7810, and 14 samples being duplicates (Figure 4).

No clear anomalous trend was observed from the geochemical results. The copper results may be showing a general northeast trend, similar to the underlying EM conductors, but does not appear to correlate well with the uranium and nickel geochemical signatures. Anomalous concentrations of all three of these elements do occur within close proximity of drill hole DER-04.

Uranium returned a very weak north-south trend in the vicinity of DER-04 that also appears to be evident in the vanadium and lead results. Although the evidence for the north-south mineralized trend is weak, this is interestingly the only direction that could explain why follow-up holes to DER-04 failed to intersect similar uranium-nickel mineralization.



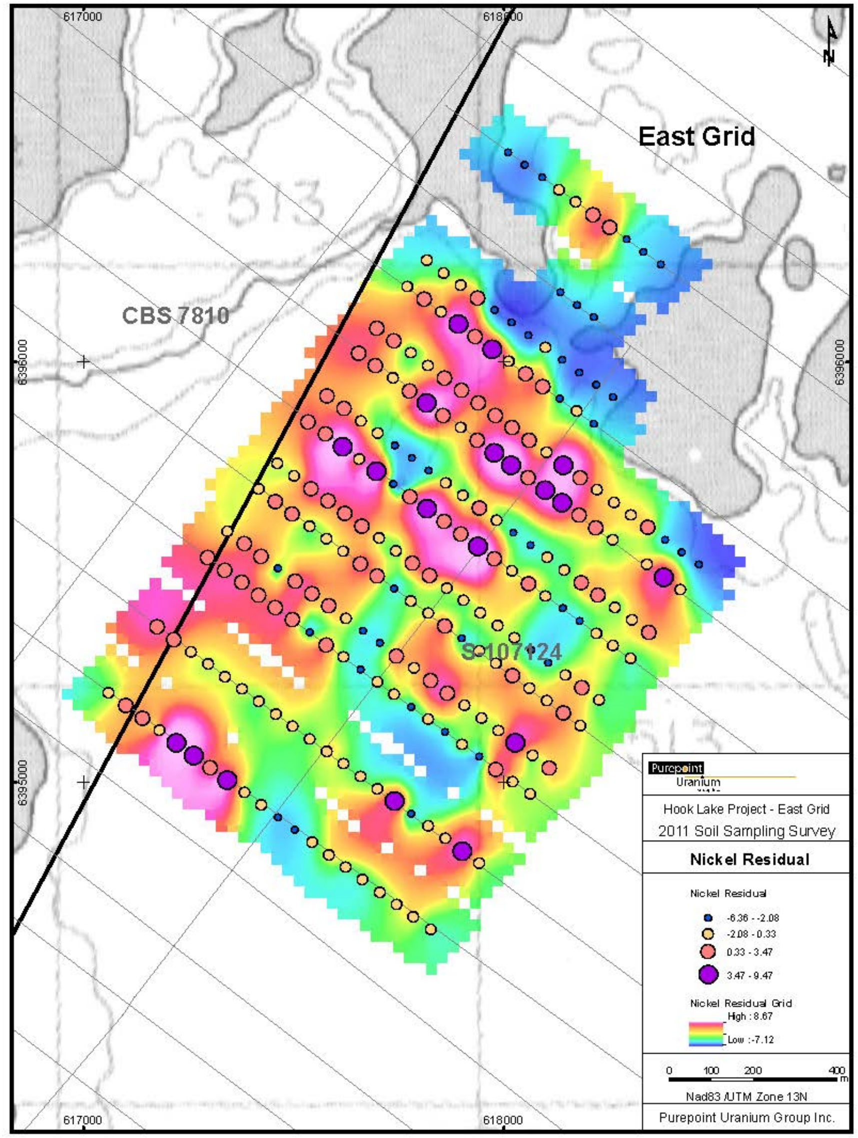


Figure 19: Total Uranium and Nickel Soil Results – Residual

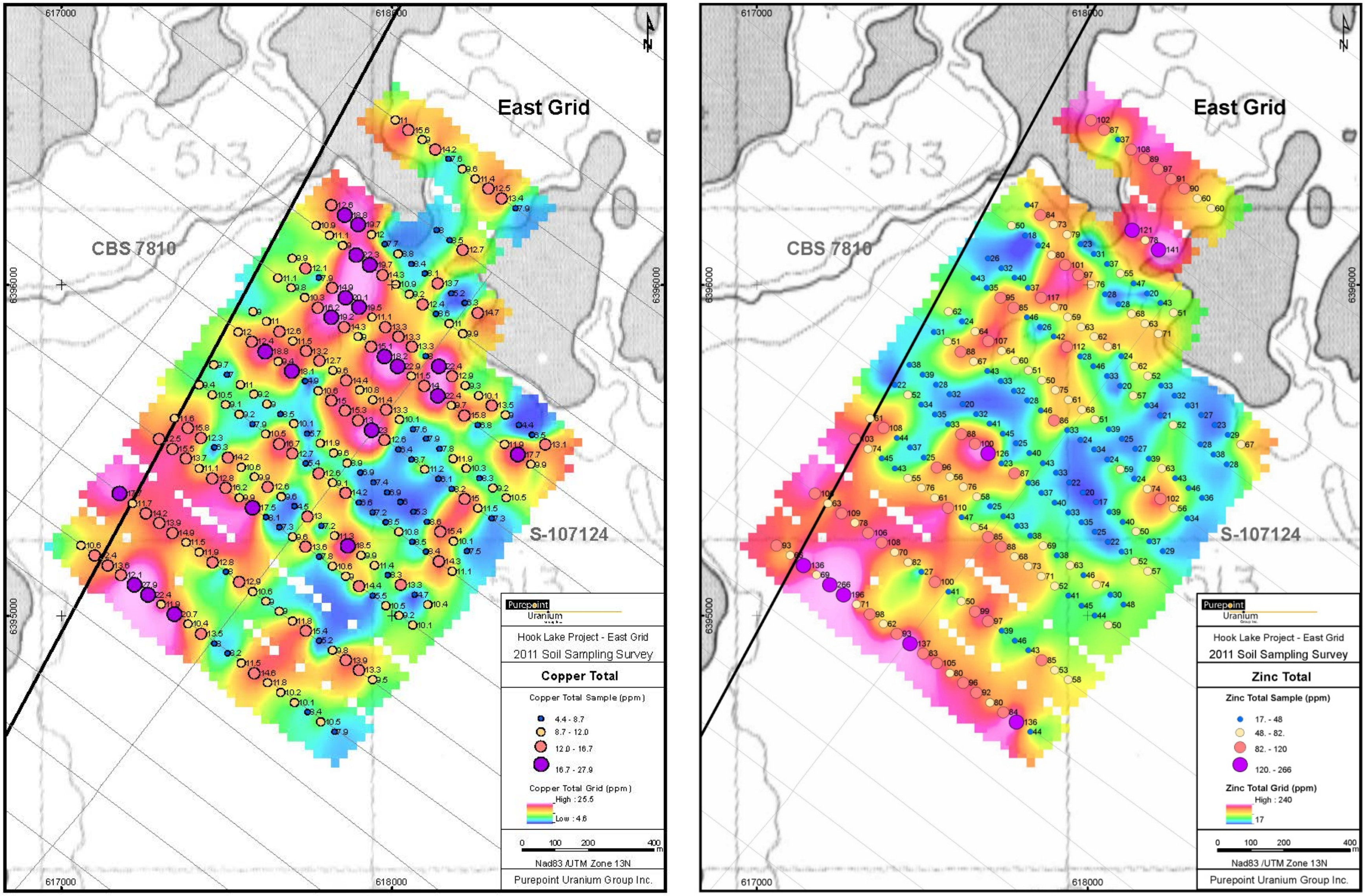


Figure 20: Total Copper and Total Zinc Soil Results

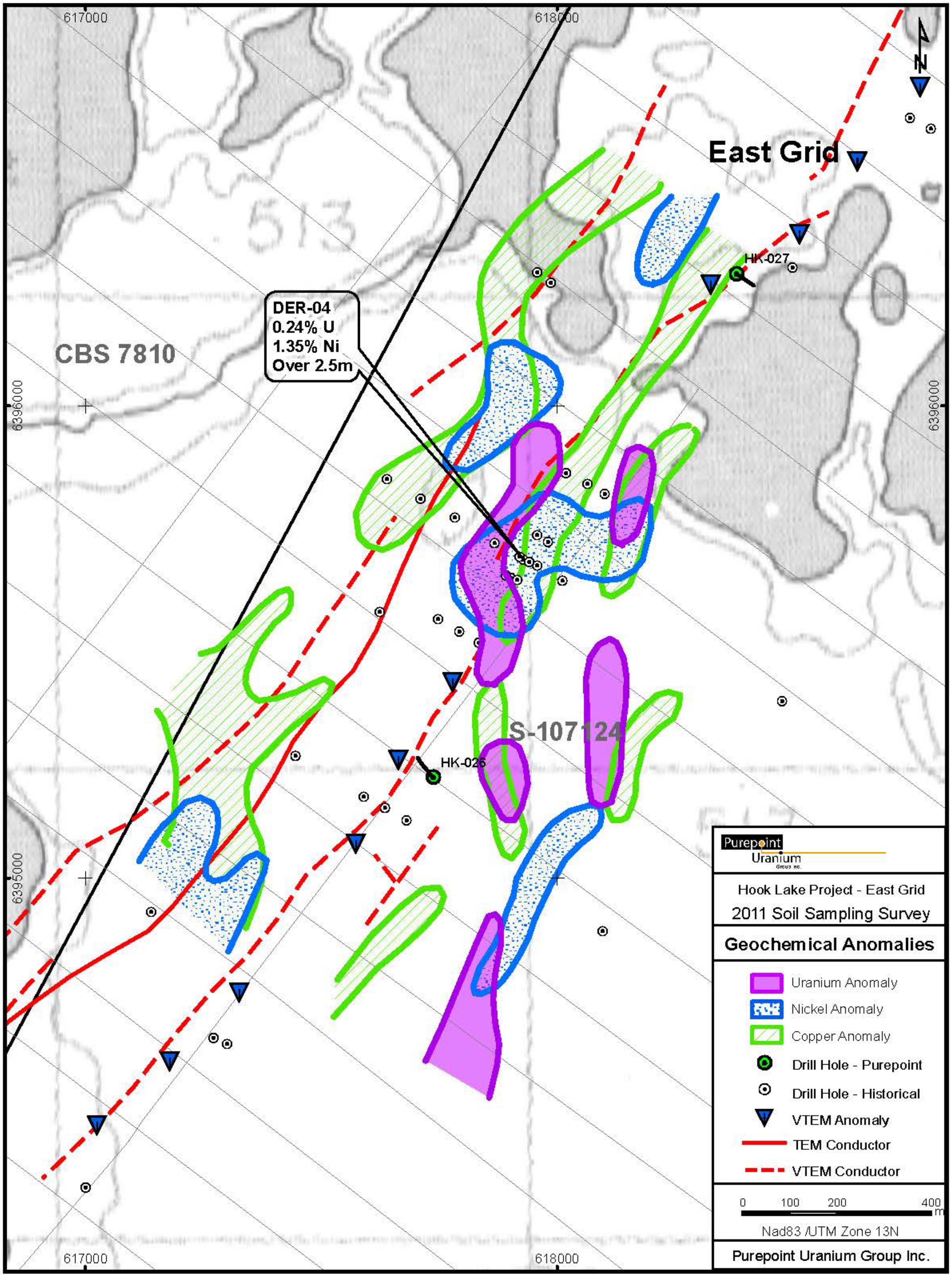


Figure 21: Compilation Map of U, Ni and Cu Soil Anomalies

The southwest corner of the grid returned anomalous concentrations for all elements, with the exception of arsenic and mercury, suggesting anomalous geochemistry continues to the southwest. The northern portion of the grid also returned anomalous concentrations for many elements and geochemical anomalies are considered to remain open towards the north as well the southwest.

9. DIAMOND DRILLING

A total of 2,321 metres have been drilled in nine diamond drill holes by Purepoint on the Hook Lake property during two drill programs (Figures 22 and 23). The drilling contractor for the 2007 drill programs was Aggressive Drilling of Prince Albert, Saskatchewan.

The 2007 spring program was conducted by Larson Drilling of Martinsville, SK between February 24th and April 10th. Work undertaken during this period included of skid road construction in preparation for drill mobilization, and drilling three diamond drill holes. A fall drill program consisted of one incomplete hole and was undertaken by Denare Beach of Flin Flon Manitoba during the months of October and November.

The 2008 diamond drill program on the Hook Lake property saw completion of three NQ holes and one lost hole with a total of 1,527 m being drilled. The drilling program was conducted by Aggressive Drilling of Prince Albert between July and August, 2008.

9.1 Downhole and Core Logging Procedures

Downhole procedures included oriented core readings and radiometric logging. Oriented drill core markings were made on the drill core for each drill run using an ACE orientating tool. The radiometric logging was conducted using a 2PGA-1000 Poly-Gamma Probe and a MGX II Logger. The gamma probe was calibrated against a set of known standards in test pits located at the Saskatchewan Research Council's facilities in Saskatoon.

Data collected from the drill core included geologic descriptions, core recovery, rock quality determination (RQD), fracture count, magnetic susceptibility and radioactivity using a handheld scintillometer. Oriented drill core measurements, recorded using a goniometer, included shearing, foliation, slips, gouge, fractures and veins.

Samples were collected for analysis using a portable short-wave infrared mineral analyzer (PIMA) for the determination of the spatial distribution of clay minerals. The geologist collected PIMA samples where clay alteration was prominent and where clay coatings were seen on fracture surfaces within the basement rock. A 2 to 4 cm long piece of drill core was collected where required and placed in a sample bag marked with the hole number and sample depth. All PIMA samples were forwarded to Ken Wasyliuk, M.Sc., P.Geo. of Northwind Resources, Saskatoon, Saskatchewan for analysis.

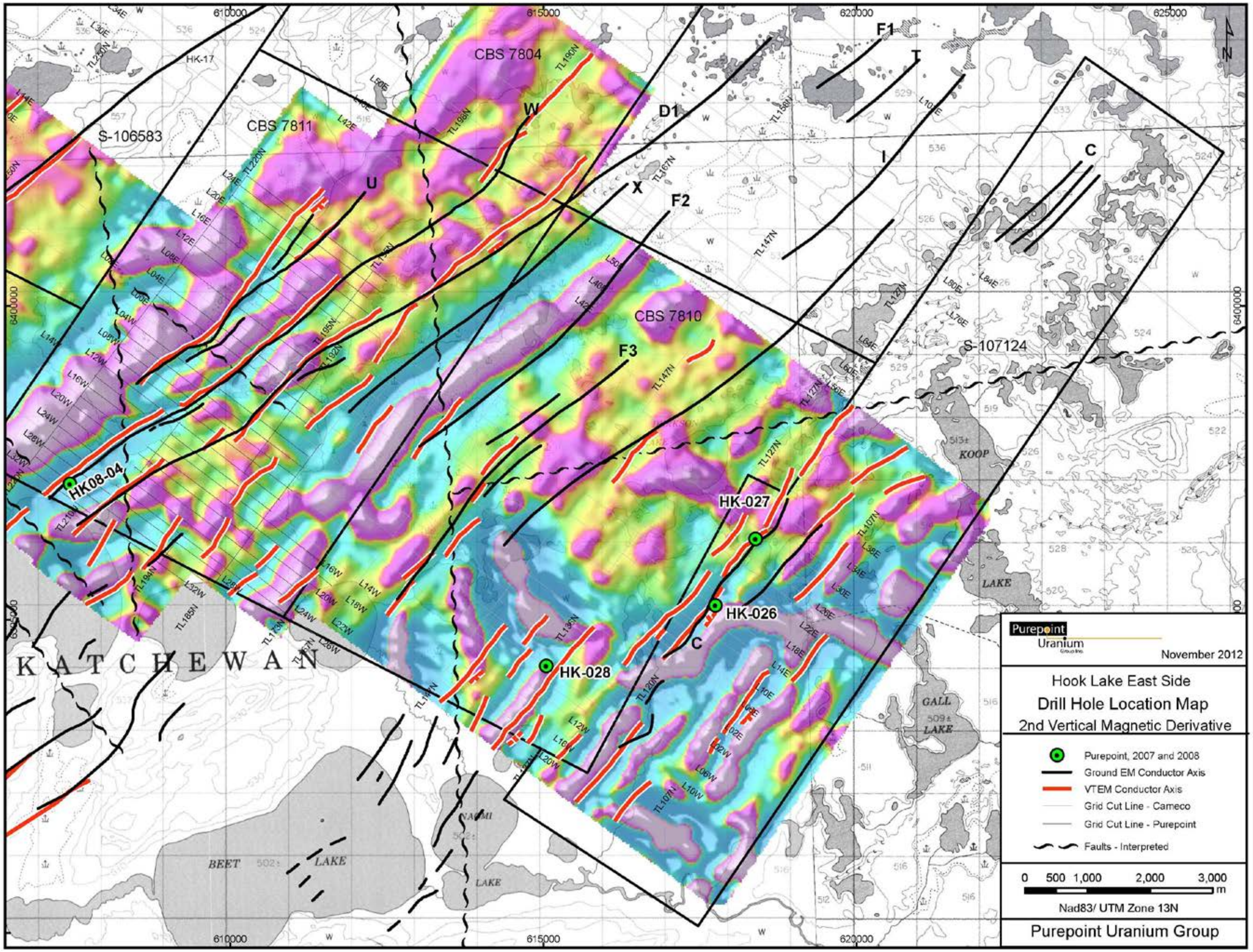


Figure 22: Location Map of 2007 & 2008 Drill Holes - East Side

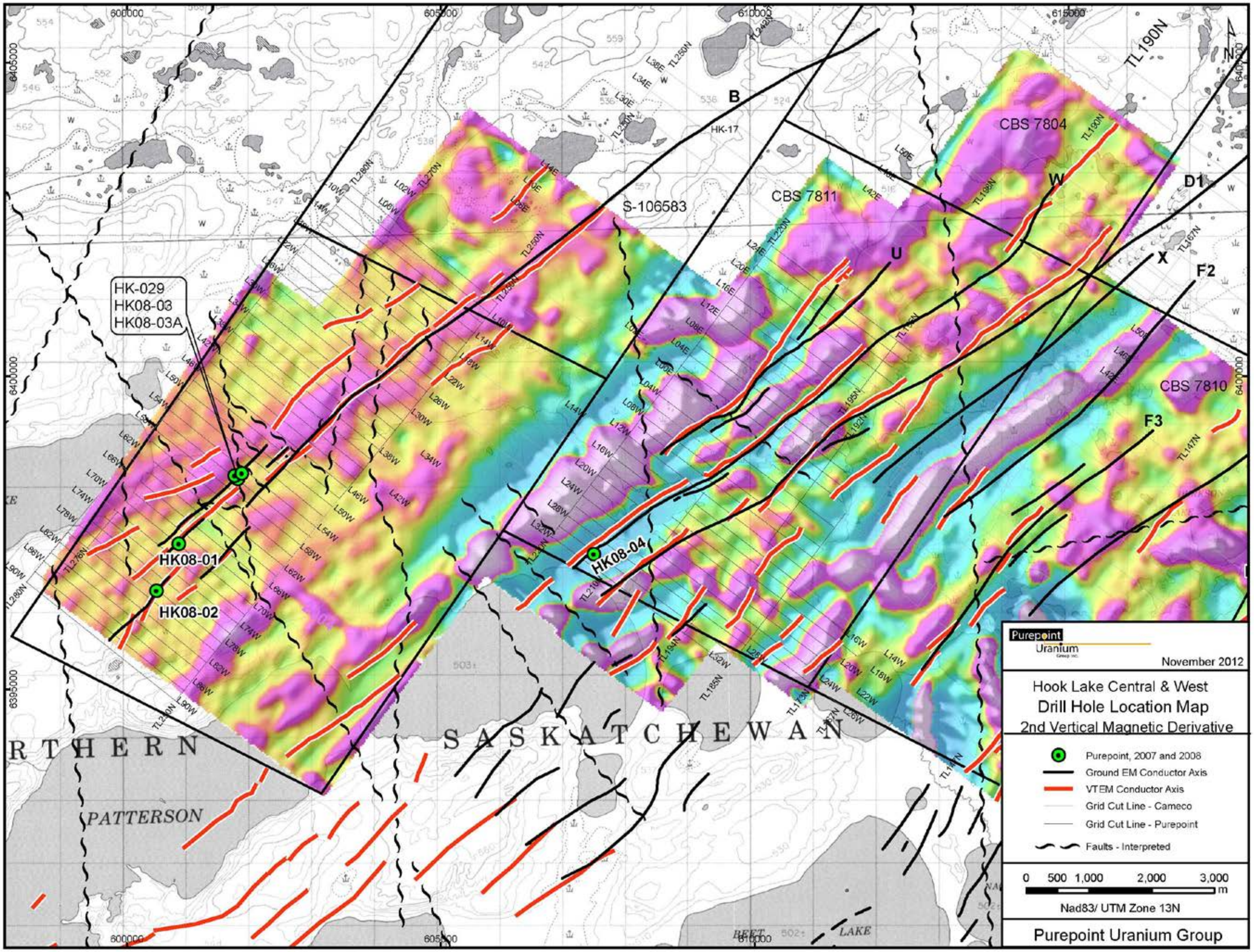


Figure 23: Location Map of 2007 & 2008 Drill Holes - West Side

Sampling procedures for samples submitted for analysis using partial and total digestion inductively coupled plasma methods, for boron by Na2O2 fusion, and for uranium by NHO3/HCl and fluorimetry at the Saskatchewan Research Council Geoanalytical Laboratories in Saskatoon are described in detail in Section 10.

9.2 Diamond Drill Hole Results

Of the nine holes drilled on the Hook lake property by Purepoint, three holes were collared on the East Grid, five holes were collared on the West grid and one hole was collared on the Central grid. Three of the drill holes, HK-27, HK-29 and HK08-03A, were lost before reaching their intended depth.

Drill hole collar locations are provided in Table 2 and are shown on Figures 22 and 23. The best uranium intercepts for each hole of the 2007 and 2008 drill programs are provided in Table 3.

9.2.1 West Grid Drill Results

The West grid was tested by three drill holes that included HK-26, HK-27, and HK-28. Drill holes HK-26 and HK-27 targeted EM conductor "C" in the Derkson corridor while HK-28 targeted the "G2" conductor located just west of the Derkson corridor.

DDH HK-26

HK-26 was cased through 67.5 metres of overburden and cut pale pink coloured (regional hematite alteration?) Athabasca Group sandstone to a depth of 100.2 m,

Table 2: Location of 2007 and 2008 Drill Holes

	Grid Coords			UTM Coords		Elev	Azimuth	Dip
Hole ID	Grid Name	Line	Station	North	East	(m)	(degrees)	(degrees)
HK-26	East	L16+00E	118+20N	6395214	617737	512	305	-80
HK-27	East	L28+00E	120+40N	6396280	618380	510	125	-60
HK-28	East	L8+00E	138+35N	6394250	615040	504	305	-78
HK-29	West	L56+00E	265+00N	6398440	601825	545	125	-86
HK-08-01	West	L70+00W	265+20N	6397316	600818	512	300	-80
HK-08-02	West	L78+00W	263+50N	6397316	600818	556	120	-80
HK-08-03A	West	L56+00W	265+35N	6396569	600466	539	120	-60
HK-08-03	West	L56+00W	264+60N	6398401	601709	540	300	-78
HK-08-04	Central	L30+00W	213+05N	6398351	601762	550	300	-86

Table 3: Summary of 2007 and 2008 Drill Holes

Hole ID	OVB Depth (m)	Unc Depth (m)	EOH (m)	Maximum Radiation / Uranium Max. CPS	U (total) (ppm)	U (partial) (ppm)	Interval (m)	From (m)	To (m)
HK - 26	67.5	100.7	281.0	677	6	2.9	0.03	210.95	210.98
HK - 27	73.8	Not reached	87.8	not probed	0.65	0.17	10.0	75.0	85.0
HK - 28	81.2	No sandstone	215.8	338	5	4.67	1.0	174.5	175.5
HK - 29	90.0	Not reached	213.0	not probed	3.36	0.47	10.0	170.0	180.0
HK-08-01	78.3	205.2	330.0	1640	17	12	0.03	271.77	271.83
HK-08-02	?	?	282.0	503	2	1.99	1.0	199.0	200.0
HK-08-03A	93.8	-	123.0	not probed	0.92	0.21	10.0	100.0	110.0
HK-08-03	90.0	223.3	393.0	301	3.29	0.45	10.0	200.0	210.0
HK-08-04	52.3	190.0	395.7	222	1.26	0.32	10.0	163.0	173.0

brick red hematite alteration overprinting pervasive bleaching to 119.8 m and moderate bleaching and brick red hematite alteration to 130.45 meters. Below this depth, weak red zone alteration consisting of irregularly distributed red hematite and light green chlorite persists to 139.6 m.

The basement below the paleo-weathering profile consists of biotite-feldspar-quartz gneiss that hosts occasional meter-scale zones of brittle faulting that are associated with strongly dark green chlorite altered, pyritic and graphitic ductile deformation zones. These deformation zones are characterized by strong foliation and grain size reduction. The hole was completed at a depth of 281 m.

The average gamma reading of the basement rocks was 113 cps and the maximum reading returned was 677 cps at 231.8 m.

Lithogeochemical analysis from HK-26 returned less than 0.5 ppm U (p) from the Athabasca Group sandstone. Pathfinder element values from this unit are generally low, maximum partial values being 1.69 ppm Pb, 0.54 ppm As and 0.81 ppm Ni. The Lloyd Domain basement rock also returned low U (p) values of between 0.31 and 2.9 ppm, and low Boron (to 174 ppm). Other pathfinder elements are only slightly enriched, with maximum partial values being 201 ppm V, 118 ppm Ni, and 37.7 ppm Pb.

PIMA II sampling showed the sandstone section of HK-26 to be strongly kaolinite bearing (76.5 to 95.2%), while two samples collected from red zone altered basement rock were illite dominated (71.4 and 64.2% respectively).

DDH HK-27

HK-27 was drilled at a -60^{o} dip towards 125^{o}. Due to poor lake ice conditions, this hole could not be drilled at the optimal direction of 305^{o}. The hole was cased through 73.8 meters of overburden before encountering light reddish coloured, fine grained sandstone hosting numerous intervals of desilification. The fissile nature of the sandstone increased in intensity down interval. The drill hole was lost at 87.8 meters.

No down hole gamma readings were taken.

Lithogeochemical results from the single sample collected from HK-27 returned 0.17 ppm U(p) and 53 ppm boron. Other pathfinder elements were also low.

Three PIMA II samples collected from sandstone intersected In TL-27 returned between 89.4 to 100% kaolinite.

DDH HK-28

HK-28 targeted a VTEM conductor within the “B” Zone of the East Grid. HK-28 was cased through 81.2 meters of glacial till and immediately encountered granitic gneiss. The gneiss was medium gray to greyish-pink, monolithic, medium grained with quartz and feldspar grains that frequently displayed an amorphous texture under hand lens.

Red zone alteration of the gneiss extended to 109.1 metres, and meter scale intervals of fresh rock intercalated with light green coloured chlorite alteration comprise green zone alteration which extends to 169.0 meters. The drill hole bottomed in granitic gneiss at a depth of 183.5 m.

A single PIMA II sample collected from red zone altered basement rock intersected in HK-28 returned 79% kaolinite and 21% illite.

The maximum gamma probe value was 338 cps in overburden and 213 cps at 99.6 meters depth.

The Lloyd Domain basement intersected in HK-28 returned low U (p) values ranging from 0.6 to 1.81 ppm. Pathfinder element contents are only slightly enriched with maximum partial values for V being 155 ppm, Ni being 55.8 ppm, and Pb being 16.4 ppm. Boron concentration was low, returning up to 181 ppm.

9.2.2 West Grid Drill Results

DDH HK-29

Drill hole HK-29 targeted conductor C of the West grid and was cased through 90 meters of overburden before encountering Athabasca Group sandstone characterized by numerous intervals of crushed core, unconsolidated sand and missing core. The drill hole was lost at 213 meters. No downhole gamma readings were taken and results from lithogeochemical and PIMA II sampling are pending.

DDH HK-08-01

Drill hole HK-08-01 targeted the SWML EM conductor “B” in the Carter Corridor that appears to be an inflection point in the conductor based on the VTEM data interpretation.

HK-08-01 was cased through 78.3 metres of overburden and cut very fissile, pale pink hematite stained Athabasca Group sandstone to a depth of 205.5 meters.

A sheared garnetiferous pelitic gneiss was then encountered from the unconformity to the hole completion depth of 330m. Alteration of the basement rock was variable displaying moderate sericite, hematite and, at the bottom of the hole, moderate chlorite alteration. Knots of chlorite, up to 10 mm in width, are thought to represent selective alteration of garnets. A zone of minor brecciation with locally strong hematite alteration returned 17 ppm U over 0.03 m from 271.77 to 271.80 and corresponds to a gamma probe result of 1,640 cps. The SWML EM conductor was not explained by the hole.

PIMA II sampling showed the sandstone section of HK-08-01 to be similar to all holes of the 2008 drill program; strongly kaolinite bearing (>80%) with the remainder as illite. The only PIMA sample from the 2008 holes that indicated the presence of dravite was from the very top of HK-08-01. The sample taken at 78 m returned 53.6% dravite and 46.4% kaolinite.

Lithogeochemical analysis from HK-08-01 returned less than 0.5 ppm U(p) from the Athabasca Group sandstone. A composite sample representing 168 m to 178 m returned elevated pathfinder element partial values, 28.4 ppm Pb, 1.49 ppm As and 2.43 ppm Ni but no obvious explanation was seen in the drill core. The average partial concentrations of these elements in HK-08-01 sandstone were 2.8 ppm Pb, 0.32 ppm As and 0.41 ppm Ni.

The Lloyd Domain basement rock returned low U (p) values averaging 3.4 ppm, low boron (to 140 ppm) and low maximum partial values for other pathfinder elements including 66 ppm V, 37 ppm Ni, and 3 ppm Pb.

DDH HK-08-02

Drill hole HK-08-02 targeted a SWML conductor at the southern end of the Carter Corridor that is interpreted to be associated with a north-south structure. No core recovery occurred until a depth of 179 metres. The hole encountered dark reddish brown, strongly hematite altered pelitic gneiss to 207.4 m then granitic gneiss to the hole completion depth of 282.0m. The lower portion of the pelitic gneiss unit, from 197.3 to the granitic contact, was weakly sericite altered and silicified, and returned slightly elevated radioactivity (average of 199 cps as compared to 73 cps for remainder of unit). The granitic gneiss was pinkish in colour due to coarse grained K-feldspar and returned an average radioactivity of 83 cps. A 4.0 m chloritic shear zone between 232.0 and 236.0 m returned an average radioactivity of 188 cps. The geophysical conductor was not explained at this drill location.

PIMA II sampling of the HK-08-02 sandstone section returned an average kaolinite value of 82.5% and average illite of 17.5%.

The Lloyd Domain basement rock also returned very low U (p) values only up to 1.99 ppm and low Boron (to 188 ppm). Concentrations of other pathfinder elements are also very low, which include maximum partial values of 121 ppm V, 43 ppm Ni, and 1 ppm Pb.

DDH HK-08-03A

Drill hole HK-08-03A also targeted the “B” conductor of the Carter Corridor where it was coincident a low apparent resistivity chimney (LARC) that was shown to represent unconsolidated sandstone in holes HK-22 and HK-29. The targeted SWML anomaly correlates well with the north-eastern end of a VTEM conductor axis and lies near a fault interpreted from both the magnetic pattern and a major dislocation of VTEM conductor axes. The 2006 drill hole HK-22 was located 600 m south of HK-08-03A while HK-27 was located approximately 100 metres north.

HK-08-03A was cased through 90.0 meters of overburden before encountering light reddish coloured, fine grained sandstone hosting occasional low angled fractures containing druzy quartz. No core recovery past 115.5 m and the drill hole was lost at 123.0 meters. No down hole gamma readings were taken.

Five PIMA II samples collected from sandstone intersected in HK-08-03A returned between 69 to 90% kaolinite.

Lithogeochemical analysis of the three samples collected from HK-08-03A returned less than 0.5 ppm U(p) from the Athabasca Group sandstone. Other pathfinder elements were low returning maximum partial values of 1.24 ppm Pb, 0.21 ppm As and 0.23 ppm Ni.

DDH HK-08-03

HK-08-03 targeted the same SWML anomaly and IP resistivity low as HK-08-03A but was drilled towards the northwest. The hole was cased through 90.0 then intersected light pink hematite altered sandstone to the unconformity at a depth of 233.3 m. The sandstone had a few low-angle fractures at 180 m and was desilicified with 3 metres of core loss between 192.3 and 210.8 m. It is considered that this non-radioactive zone of desilicification in sandstone accounted for the loss of hole HK-08-03A. The basement rock was moderately hematite altered pelitic gneiss to 282.2 m then encountered moderately chlorite altered, highly graphitic (up to 20%) pelitic gneiss to the end of hole at 393.0 m. No anomalous radioactivity occurred in this hole.

Lithogeochemical analysis of the HK-08-03 sandstone returned less than 0.5 ppm U(p). Other pathfinder elements were similar to HK-08-03A returning maximum partial values of 3.03 ppm Pb, 0.18 ppm As and 0.58 ppm Ni. The HK-08-03 basement rocks returned low U(p) values with a maximum of 3.94 ppm. Pathfinder element contents are also low with maximum partial values for V being 23 ppm, Ni being 109 ppm, and Pb being 36 ppm. Boron concentrations were low averaging 69 ppm and returning up to 159 ppm.

9.2.3 Central Grid Drill Results

DDH HK-08-04

HK-08-04 targeted the southern end of the “W” conductor on the Centre grid, two kilometres south of where this conductor was tested by Cameco with hole HK-23 in 2006. HK-08-04 was cased through 52.3 meters of glacial till and encountered pale pink sandstone to a depth of 190.0 m. Dark red, hematite altered pelitic gneiss was then encountered to a depth of 235.0 m then became greenish grey in colour due to moderate silicification and chlorite alteration to a depth of 314.8 m. A chlorite altered, graphitic pelitic gneiss was then intersected over 56.7 m to 371.5 m. The graphite occurs as disseminations and on fracture planes with local concentrations <1% and is associated with <0.5% pyrite. A 4 m fault zone was intersected between 333.5 and 337.5 m and the graphitic unit was sheared from 342.9 to 371.5m. Moderately chlorite altered pelitic gneiss was then encountered to the hole completion depth of 395.7 m. No anomalous radioactivity was intersected in this hole.

PIMA II sampling of the HK-08-02 sandstone section returned an average kaolinite value of 83.0% and average illite of 17.0%. A bleached section of sandstone between 130.0 and 150.0 m returned higher illite values (average of 55.3%) but was not associated with an increase of pathfinder elements.

Lithogeochemical analysis from HK-08-04 returned less than 0.5 ppm U(p) from the Athabasca Group sandstone. The other pathfinder elements were low returning maximum partial values of 1.46 ppm Pb, 0.18 ppm As and 0.29 ppm Ni. The basement rocks intersected in HK-08-04 returned low U (p) values with a maximum of 1.47 ppm. Other pathfinder element contents are also low with maximum partial values for V being 43 ppm, Ni being 114 ppm, and Pb being 10 ppm. Boron concentrations were greater than the other three holes averaging 154 ppm and returning up to 365 ppm.

9.2.4 Interpretation and Conclusions

No anomalous radioactivity was intersected by the nine diamond drill holes completed by Purepoint during the 2007 and 2008 programs at Hook Lake. The best uranium result was 17 ppm U over 0.03 m from HK-08-01 and corresponds to a zone of minor brecciation with locally strong hematite alteration.

On the primary “C” conductor of the West grid, HK-26 intersected favourable lithology (graphitic gneiss) that was structurally disrupted and altered (strong dark green chlorite) while HK-28 was lost within desilicified sandstone. The results are comparable to historic results and still considered to be encouraging enough to justify further exploration along this trend.

The single hole, HK-28, targeted the “G2” conductor located just west of the Derkson corridor but only encountered granitic gneiss. Historic drilling in this area has encountered graphitic gneiss and strong alteration of the sandstone and basement rocks. Further ground geophysics is required in the area prior to further drilling to ensure the conductive rock units are properly tested.

On the East grid, the zone of low resistivity tested by HK-08-03, and previously tested by HK-22 and HK-29, appears to be related to a major zone of desilicification in the Athabasca Group sandstone but low uranium and pathfinder values were again returned. The alteration of the sandstone is considered encouraging and additional drilling within this area is justified.

Graphite was encountered in two of the four holes. The holes that intersected graphite tested the conductors farther below the unconformity than planned. Hole HK-08-03 intersected a graphitic unit approximately 45 m below the unconformity while HK-08-04 intersected a graphitic unit approximately 120 m below the unconformity.

Although the areas tested by the current drill program failed to return anomalous radioactivity, the Hook Lake property still contains numerous conductors that remain to be drill tested.

10. SAMPLE PREPARATION, ANALYSES AND SECURITY

10.1 Sample Preparation

The sample preparation on site is limited to splitting the core. All other sample preparation is performed by the independent laboratory, SRC. The core splitting is done under the supervision of the site geologist by the company's geological technician.

Diamond drill core was placed in core boxes and transported to the core logging building at the Hook Lake camp by the drilling company. The project geologists log the core for lithologic characteristics and the geological technicians log the core for core recovery, rock quality determination (RQD), fracture count, magnetic susceptibility and radioactivity.

Samples of drill core are typically chosen for analysis based on the radioactivity recorded by the geological technician using a handheld scintillometer. Additional "shoulder" samples are also taken above and below the radioactive zone. Also, non-radioactive structures, alteration and lithologies were sampled to possibly identify processes related to the mineral deposit model and background geological and geochemical processes. Attempts were made by the geologist to avoid having more than one lithology in any given sample.

Samples were collected by both a composite method (only for sandstone) and by splitting. For composite samples of sandstone, the geologist collects a 2 to 4 cm long piece of core every metre and places these in a marked plastic sample bag along with a sample number tag from the sample ticket book. The geologist records the sample intervals within the sample ticket book, and then staples a sample number tag from the sample ticket book to the core box where the interval begins.

For core to be sampled by splitting, the geologist marks the sample intervals on the core, records sample intervals within the sample ticket book, then staples sample number tags from the sample ticket book to the core box where the interval begins.

After the core has been marked for sampling, it is photographed both wet and dry. The core requiring splitting is then is split lengthwise using a mechanical knife-type core splitting tool and every attempt was made to ensure an even split. Intervals of poorly lithified core (i.e. clay altered) were split using stainless steel kitchen utensils. One half of the core is placed in plastic sample bags pre-marked with the sample number along with a sample number tag from the sample ticket book. The other half is returned to the core box and stored at the core storage area located near the Hook Lake camp. The core splitter and sample collection pans are cleaned thoroughly with a brush before the next sample is split. The bags containing split samples are then placed in buckets with lids for transport to Saskatchewan Research Council (SRC) in Saskatoon, Saskatchewan.

The Hook Lake database contains 58 composite samples of the Athabasca sediments, typically 10 metres in length, which were collected and analyzed. The database contains the results of ICP analysis from 32 split samples and the length of these samples, which range from 0.03 to 3.0 metres, is considered appropriate for the current stage of exploration. Recovery is not believed to be a factor that could materially impact the accuracy and reliability of the results since sample intervals are broken where the core has been lost. A total of 158 samples were collected for PIMA analysis.

10.2 Sample Analysis

The SRC facility in Saskatoon crushes each sample to 60% -10 mesh and then riffle split to a 200g sample with the remainder retained as coarse reject. The 200 g sample is then ground to 90% -140 mesh. Replicates are chosen at random and an additional 200 g sample is riffle split and ground to 90% -140 mesh. For total digestion analysis, a 0.125 g pulp is gently heated in a mixture of ultrapure $HF/HNO_3/HClO_4$ until dry and the residue dissolved in dilute ultrapure HNO3. For the partial digestion analysis, a 0.500 g pulp is digested with 2.25 ml of 8:1 ultrapure HNO_3/HCl for 1 hour at 95 C. The solutions are then analyzed by ICP (Inductively Coupled Plasma) analysis. For boron, a 0.1 g pulp is fused at 650 C in a mixture of Na_2O_2/Na_2CO_3.

The SRC facility is licensed by the Canadian Nuclear Safety Commission (CNSC) to receive, process, and archive radioactive samples. The facility is ISO/IEC 17025:2005 accredited by the Standards Council of Canada (scope of accreditation #537) and also participates in regular interlaboratory tests for many of their package elements.

10.3 Sample Security

Core samples are transported to the SRC laboratory by Purepoint employees. Results from the analyses are transmitted by email directly to Purepoint's exploration office in Saskatoon and the signed paper assay certificates are mailed.

11. DATA VERIFICATION

The drilling database is compiled directly from Excel spreadsheets sent from SRC to Purepoint's Saskatoon office, thus eliminating the errors associated with manual data input. The results from individual Excel spreadsheets received for each certificate is then moved into a single Access database. Values below the detection limit are given a value that is one-half of the detection limit. Results provided in the PDF versions of the assay certificates that are received from SRC by email were randomly checked against the values in the Access database by the author at the end of the 2008 drill program and again at the end of the 2012 drill program. All anomalous intercepts used in this report were recalculated using original Excel assay datasheets from SRC and compared to previous weighted average calculations.

12. ADJACENT PROPERTIES

Some occurrences of unconformity-type uranium deposits occur north of the Hook Lake property (Figure 7). The Cluff Lake Mine, owned by AREVA Resources Canada Inc. (100%), is located 65 km north-northwest of the Hook Lake property. Cluff Lake Mine produced 62 million pounds of U_3O_8 and has been mined out (AREVA July 24, 2004 news release).

The Shea Creek deposits, jointly owned by AREVA Resources Canada and UEX Corp., are located approximately 50 km north-northwest of the Hook Lake property. A N.I. 43-101 compliant mineral resource estimate for the Kianna, Anne and Colette deposits is 63.6 million pounds U3O8 in the indicated category and 24.5 million pounds U_3O_8 in the inferred category (UEX, May 26, 2010 news release).

The mineral dispositions to the southwest of the Hook Lake property is known as the Patterson Lake South (PLS) project and is owned by the Fission Energy Corp. and Alpha Minerals Inc. joint venture (Figure 24). A recent discovery of significant uranium mineralization has been made on the property with hole PLS12-22 intersecting massive pitchblende within veins over a 6.0 metre interval (Fission Energy, November 5, 2012 news release). An interpretation by Purepoint of the results from a horizontal loop (MaxMin) EM survey by Canadian Occidental in 1980 and a VTEM survey flown by Titan Uranium Inc. in 2008 connects the Patterson Corridor on the Hook Lake property to the anomalous PLS drill holes.

The mineral dispositions located due south of the Hook Lake project are currently 100% owned by Mega Uranium Inc (Figure 24). The Patterson Corridor has also been traced onto the Mega dispositions using results from the 2005 VTEM airborne electromagnetic survey flown by UEM Inc. Two anomalous drill holes by Saskatchewan Mining and Development Corp. (SMDC) on Patterson Lake are within the Patterson corridor. The SMDC holes, PAT-04 and PAT-13, returned values of 105 ppm U over 4.2 metres and 64 ppm U over 9.0 metres, respectively. During February 2012, Mega Uranium acquired the claims from Titan. In August 2012, Mega Uranium entered into a letter of intent with NexGen Energy Ltd. allowing NexGen to acquire the majority of Mega’s Canadian uranium projects.

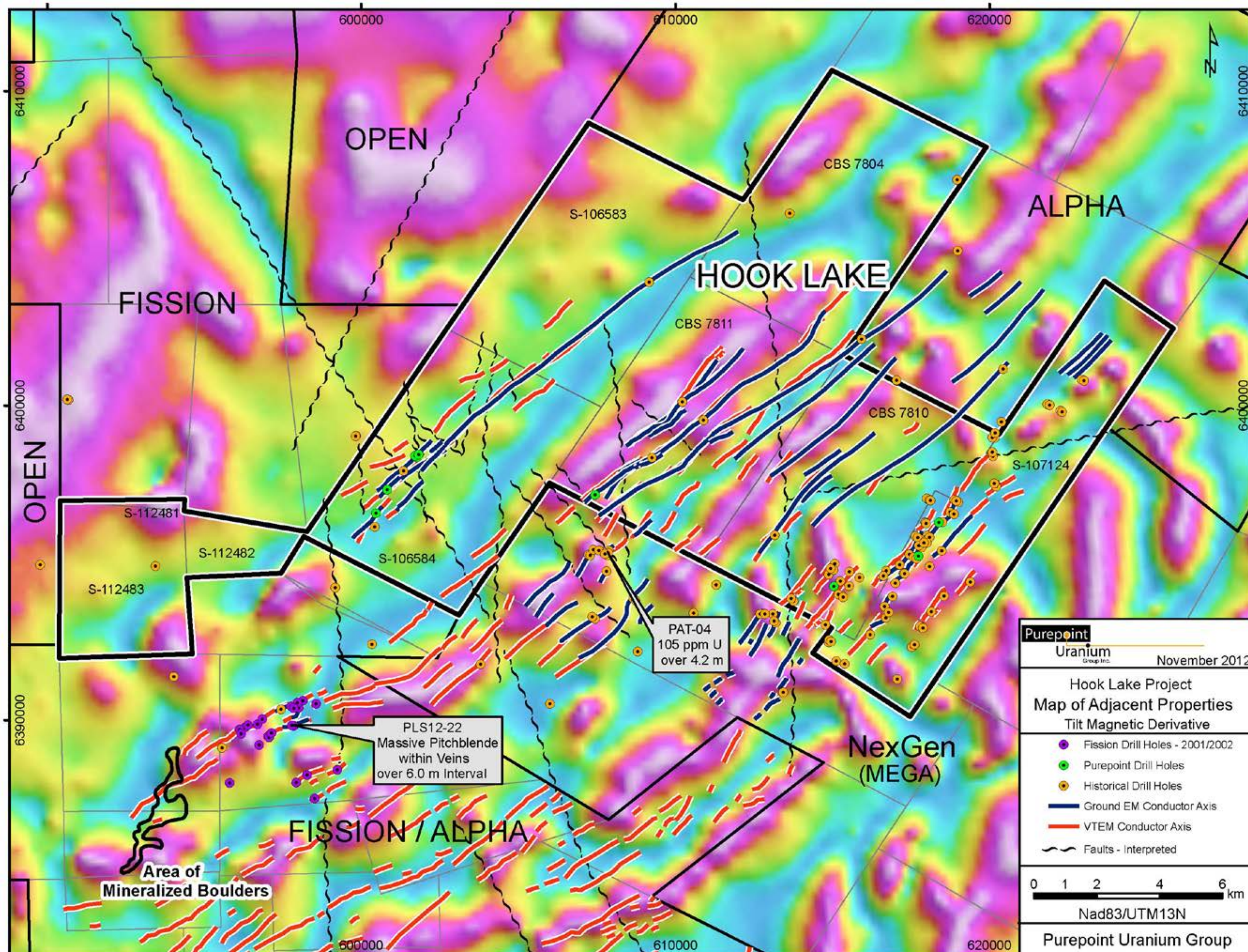


Figure 24: Adjacent Properties with Airborne Magnetics – Tilt Derivative

13. INTERPRETATIONS AND CONCLUSIONS

The “Patterson Corridor” within the central claims is considered to be the priority exploration target on the Hook Lake project. The Patterson Corridor was shown by a 2005 airborne VTEM survey to be comprised of five conductive trends (labeled U, W, D, D2 and X2). Purepoint has interpreted this trend to extend southward to where the recent hole by the Fission/Alpha joint venture, PLS12-022, intersected veins of massive pitchblende over a 6 meter interval.

Numerous priority drill-ready targets have been outlined on the Central grid (Patterson corridor). To date only four drill holes have been completed on the approximately 18 km of conductors outlined within the Central grid’s limits. Three of the holes (HK-15, HK-16 and HK-23) encountered favourable alteration in the sandstone (bleaching, silicification, and desilicification) which led to HK-15 being lost before the unconformity and HK-23 being stopped after drilling only 10 metres of basement rock. The two holes that were drilled to depth in the basement, HK-16 and HK08-04, were both testing conductor “W” and intersected faulted graphitic pyritic gneiss with moderate chlorite alteration.

The “Carter Corridor” is seen to have favourable complexity between lines 56+00W and 50+00W with two to three strong conductors being interpreted from the ground EM surveys. Previous drilling in the area has shown the EM surveys are responding to favourable lithology (graphitic pelite) and has encountered favourable alteration in the sandstone. The favourable indicators of uranium deposition continue to make the Carter corridor worthy of follow-up exploration.

The recent drilling along the “Derkson Corridor” continued to intersect favourable alteration associated with very low concentrations of uranium and pathfinder elements. The corridor has known uranium mineralization with hole DER-04 intersecting 0.24% U and 1.35% Ni over 2.5 metres within basement rocks approximately five metres below the unconformity. The observed widespread hydrothermal alteration and anomalously low concentrations of uranium of both the sandstone and basement rocks suggests that uranium may have been leached and possibly concentrated nearby within a structural trap. It is believed that the historic shallow drilling along the Derkson Corridor did not properly test for deeper Millennium or Eagle Point-type basement-hosted uranium deposits.

14. RECOMMENDATIONS

Based on the favorable geologic setting and the widespread alteration of both the Athabasca sandstone and basement rocks observed on the Hook Lake project, further exploration is warranted. A multi-staged exploration program and budget is recommended (Table 4).

Stage 1: Winter 2012 / 2013:

A ground time domain EM survey should be conducted over the VTEM conductor located beneath Patterson Lake in the southeast corner of claim S-106584. The conductor appears to be directly related to conductive trend to the south where the Fission/Alpha JV have intersected anomalous radioactivity hat may be results of the gravity survey.

Drill testing of “B” conductor within the Carter corridor with two drill holes and testing four high priority geophysical targets (primarily based on EM survey results) with four drill holes for a total of 2500 meters is recommended.

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

Stage 2: Fall 2013 and Winter 2013 / 2014:

A ground 3D resistivity survey is recommended for the “C” conductor of the Derkson corridor and a portion of the Patterson corridor. The resistivity survey will potentially define the areas of hydrothermal alteration within the sandstone.

Drill testing of the high priority geophysical targets. An eight hole, 3600 meter drill program is recommended.

Table 4: Proposed Hook Lake Exploration Budget

Stage 1
Winter 2013/14

Mob / Demob of Field Crews			18,000
Linecutting	16 km @ $1000/km		16,000
Ground Time Domain EM Survey	20 km @ $2500/km		50,000
Mob / Demob of drill and drillers			130,000
Diamond Drilling	5 holes, 2250 m @ $140/m		315,000
Geologist	42 days @ $800/day		33,600
Camp Costs - 10 people	56 days @ $3000/day		168,000
Analytical Costs	500 samples @ $70/sample		35,000
Report - EM & Drilling			15,000
		Subtotal	780,600
		Contingency (5%)	39,030
		Management Fees (10%)	78,060
		Total Stage 1 =	897,690

Stage 2
Fall 2014 and Winter 2014/15

Mob / Demob of Field Crews			18,000
3D Resistivity Survey	19 days @ $5000/day		95,000
Mob / Demob of drill and drillers			140,000
Diamond Drilling	8 holes, 3600 m @ $140/m		504,000
Geologist	60 days @ $800/day		48,000
Camp Costs - 10 people	70 days @ $3000/day		210,000
Analytical Costs	800 samples @ $70/sample		56,000
Report - Gravity & Drilling			15,000
		Subtotal	1,086,000
		Contingency (5%)	54,300
		Management Fees (10%)	108,600
		Total Stage 2 =	1,248,900
		Estimate for Total Stages 1 And 2 =	$2,146,590

15. REFERENCES

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16. DATE AND SIGNATURE

This NI 43-101 technical report titled “Hook Lake Uranium Project, Northern Saskatchewan, Canada” and dated November 26, 2012, was prepared and signed by the following author:

“*Scott Frostad*”
(Signed and sealed)

Scott Frostad, BSc, MASc, P.Geo.

Dated at Saskatoon, SK
November 26, 2012

APPENDIX 1

STATEMENT BY QUALIFIED PERSON

CERTIFICATE OF QUALIFIED PERSON

I, Scott R. Frostad, of 362 Thode Avenue, Saskatoon, Saskatchewan, Canada S7W 3B9 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.

6. That I am responsible for the preparation of the technical report dated November 26, 2012 entitled “Technical Report on the Hook Lake Uranium Project, Northern Saskatchewan, Canada”

7. That I have been involved with the Hook Lake Project since June, 2007 and my most recent visits to the site was on October 3, 2008 and during the last drill program between August 4^{th} and 10^{th}, 2008.

8. For this report, I have relied on assessment reports currently on file with Saskatchewan Industry and Resources and recent exploration reports of 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 26^{th} day of November, 2012.

(Signed and sealed) ”*Scott Frostad*”

Scott Frostad, BSc, MASc, P.Geo