

# Technical Report for the West Bear Cobalt-Nickel Project, Saskatchewan, Canada

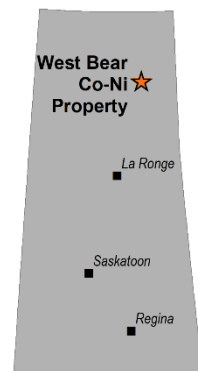
Report Prepared for  
**UEX Corporation and CoEX Metals Corporation**



Report Prepared by



SRK Consulting (Canada) Inc.  
1CU006.001  
August 7, 2018



# Technical Report for the West Bear Cobalt-Nickel Project, Saskatchewan, Canada

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Cover: West Bear project exploration camp

## IMPORTANT NOTICE

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# Executive Summary

## Introduction

The West Bear Cobalt-Nickel Project (the “Project”) is an advanced exploration project located in Saskatchewan, Canada. UEX Corporation (UEX) owns 100 percent of the West Bear Property and operates the Project through their wholly owned subsidiary CoEX Metals Corporation (CoEX).

This technical report documents the Mineral Resource Statement prepared by SRK Consulting (Canada) Inc. (SRK) for the West Bear Cobalt-Nickel Deposit on the West Bear Property, Saskatchewan, Canada. It was prepared following the guidelines of the Canadian Securities Administrators’ National Instrument 43-101 and Form 43-101F1.

## Property Description and Ownership

The West Bear Property is located in the Wollaston Lake area of Northern Saskatchewan, approximately 740 kilometres north of Saskatoon, west of Wollaston Lake. The property measures approximately 7,660 hectares comprising of 23 contiguous areas as of the effective date of the report, to which UEX has title.

UEX holds a 100 percent interest, subject to standard royalties to the Government of Saskatchewan and a 1.5 percent net smelter return (NSR) in favour of a third party.

Access to the property is via Highway 905, a well-maintained gravel road accessible year-round which passes through the east end of the property within 10 kilometres of the Project. At kilometre 209 between the town of South End and the Rabbit Lake mining operation, the highway connects with a 13-kilometre-long winter skidder road which provides access to the project. The topography of the area is relatively flat characterized by undulating glacial moraine, outwash and lacustrine plains.

## History

The West Bear Property was initially explored in the late 1960’s as part of the greater Rabbit Lake Property after the discovery of the Rabbit Lake Uranium Deposit in 1968.

Early exploration for uranium was conducted by Gulf Minerals Canada Limited (Gulf), and Conwest Exploration Company Limited (Conwest). Eldorado Nuclear Limited acquired Conwest in 1979 and Gulf in 1982 and amalgamated with Saskatchewan Mining and Development Corporation to form Cameco Corporation (Cameco) in 1988. Cameco transferred title to the Hidden Bay Property to UEX through an agreement reached with Pioneer Metals Corporation in 2001. The West Bear Property was previously part of the Hidden Bay Property.

Exploration on the West Bear Property prior to 2018 was focused on uranium mineralization and involved reverse circulation, sonic, and diamond drilling.

## Geology and Mineralization

The West Bear Cobalt-Nickel Deposit straddles the eastern unconformable contact of the Athabasca Basin with the Wollaston Supergroup sedimentary rocks of the 1,820 to 1,770 million-year-old (Ma) Trans-Hudson Orogeny. The deposit area is underlain by flat to shallowly-dipping late Proterozoic sandstones of the Athabasca Basin to the west that unconformably overlies metasedimentary and intrusive rocks of the Mudjatik and Wollaston Domains.



The Wollaston Domain is composed of a mixed sequence of metamorphosed arkosic sandstones and pelitic to semi-pelitic gneisses that make up four successive lithostratigraphic units, of which the upper three are present in the deposit area:

- A basal pelitic gneiss composed of coarse, mature quartzitic to arkosic metasediments.
- A meta-pelite, commonly graphitic and interlayered with quartzitic semi-pelites and calc-silicates.
- A thick meta-arkose interlayered with minor calc-silicate and pelite.
- Upper amphibole-quartzite interlayered with calcareous sediments and graphitic pelites, known as the Hidden Bay assemblage.

The property stratigraphic sequence is relatively flat-lying, dipping to the south by 5 to 20 degrees. Cobalt mineralization is hosted in faults, fractures and breccias within the graphitic stratigraphy. The dominant metallic minerals in the mineralized zone include sulphides and sulpharsenide of iron, nickel, cobalt, zinc, and lead in the form of pyrite, galena, niccolite, gersdorffite, cobaltite, rammelsbergite, and chalcopyrite. Anomalous nickel-cobalt-arsenic mineralization also occurs in basement graphitic gneisses to the east-southeast of the deposit.

The highest-grade cobalt and nickel mineralization is coincident with intense clay alteration at the upper and lower boundaries of the West Bear Fault localized in the graphitic pelite. Lower grade mineralization (ranging from 300 to 5,000 parts per million [ppm]) can span the interval between the faulted boundaries and be up to 30 metres wide in the core.

## Exploration and Drilling

In 2018 UEX completed a total of 41 core boreholes (4,457 metres) on the West Bear Cobalt-Nickel Deposit to expand and test the continuation of cobalt and nickel mineralization. Results from the 2018 drilling program reveal the variable styles of cobalt mineralization, including fracture hosted, disseminations, stockwork within brecciated graphitic rocks, and clots within intensely clay altered rock.

## Sample Preparation, Analyses and Security

All samples from 2003, 2005 and 2018 drilling programs were submitted by ground courier to the Saskatchewan Research Council (SRC) in Saskatoon. SRC is accredited to the ISO 17025 standard by the Standards Council of Canada for a number of specific test procedures, including the methods used to assay samples for the West Bear Property.

Chantal Jollette, P.Ge. (APGO#1518) from Analytical Solutions Ltd. collaborated closely with UEX personnel to undertake the analysis of analytical control data for the West Bear Cobalt-Nickel Deposit. In the opinion of the Qualified Person, the sample preparation, security and analytical procedures for all assay data for 2018 are suitable for use in mineral resource estimation.

## Data Verification

Exploration work completed by UEX in 2018 was conducted using documented procedures and protocols involving extensive exploration data verifications and validation. During drilling, experienced UEX geologists implemented industry standard best practices designed to ensure the reliability and trustworthiness of the exploration data.

In accordance with National Instrument 43-101 guidelines, Mr. Bernier visited the Project on March 26 to 28, 2018 during drilling operations, accompanied by Mr. Trevor Perkins, P.Ge. (UEX Exploration Manager) and Mr. Chris Hamel, P.Ge. (UEX Chief Geologist).

The purpose of the site visit was to review the generation of exploration database and validation procedures, review exploration procedures, define geological modelling procedures, examine drill core, interview project personnel, and collect all relevant information for the preparation of a mineral resource model and the

compilation of a technical report. All aspects that could materially impact the integrity of the exploration database (like core logging, sampling, and database management) were reviewed with UEX.

SRK was given full access to all relevant project data. SRK interviewed exploration staff to ascertain exploration procedures and protocols.

## Mineral Resource and Mineral Reserve Estimates

The resource estimation work was completed by Mr. Sébastien Bernier, P.Ge. (APGO #1847) who is an appropriate independent Qualified Person as this term is defined in National Instrument 43-101. The mineral resource model prepared by SRK considers 53 core boreholes (5,774 metres) drilled by UEX during the period of 2003, 2005 and 2018. The mineral resources reported herein were estimated applying a geostatistical block modelling approach informed from core borehole data constrained within cobalt mineralization wireframes.

The stratigraphy at the Project was modelled utilizing stratigraphic sequence modelling (overburden, sandstone, unconformity and basement). The cobalt mineralization lenses fall largely within the basement, with rare extensions in the sandstone above the unconformity. The lenses were modelled independently of the stratigraphic units by creating wireframes interpolated from hanging wall and footwall contacts picked using both the lithology and mineralization logs. These contacts were used to create vein like horizons and lenses that were subsequently limited in their lateral extent by drilling.

A modal composite length of 1.0 metre was applied to all mineralized lenses, honouring the mineralization envelope boundaries. The impact of cobalt and nickel outliers was examined on composite data using log probability plots and cumulative statistics for all mineralized lenses combined. Basic statistics, histograms, and cumulative probability plots for each metal were applied to determine appropriate capping grades.

In collaboration with UEX, SRK selected a block size of 5 by 5 by 2 metres for all mineralized lenses. Subcells, at 0.25 metre resolution, were used to honour the geometry of the modelled lenses. Subcells were assigned the same grade as the parent cell. The block model is rotated on the Z-axis to honour the orientation of the mineralization.

All variogram analysis and modelling was performed using Datamine Studio RM and the Geostatistical Software Library (GSLib). The use of traditional variograms yielded reasonably well-defined continuous long-range structures allowing the fitting of variogram models. The variogram model developed for cobalt was applied to nickel.

Grade estimation used an ordinary kriging estimation algorithm and three passes informed by capped composites. Validation checks confirm that the block estimates are a reasonable representation of the informing data considering the current level of geological and geostatistical understanding of the deposit.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support resource evaluation. Considering the limited exploration drilling there is some uncertainty regarding the continuity of the cobalt mineralization. Additionally, no processing or metallurgical data are currently available for the Project. Accordingly, all block estimates within the mineralized lenses and located inside the conceptual open pit shell have been classified as Inferred mineral resources.

SRK considers that the cobalt-nickel mineralization at West Bear is amenable to open pit extraction. Upon review, SRK considers that it is appropriate to report the West Bear mineral resources at a cut-off grade of 0.023 percent cobalt equivalent, using the equation  $CoEq = Co + (Ni \times 0.2)$ . Mineral resources are not mineral reserves and do not have demonstrated economic viability. In the opinion of SRK, the resource evaluation reported in Table i is a reasonable representation of the cobalt equivalent mineral resources of the West Bear Cobalt-Nickel Deposit at the current level of sampling.

**Table i: Mineral Resource Statement\*, West Bear Cobalt-Nickel Project, Saskatchewan, SRK Consulting (Canada) Inc., July 6, 2018**

Category	Quantity Tonnes	Grade		Contained Metal	
		Cobalt (%)	Nickel (%)	Cobalt ('000 lb)	Nickel ('000 lb)
<b>Inferred</b>	390,000	0.37	0.22	3,172	1,928

\* Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Composites were capped where appropriate. Mineral resources are reported at a cobalt equivalent cut-off value of 0.023 percent, considering metal prices of US\$35.00 per pound of cobalt and US\$7.00 per pound of nickel, and assuming metal recovery of 90 percent for cobalt and 90 percent for nickel.

The mineral resource model is relatively sensitive to the selection of the reporting cobalt equivalent cut-off grade. To illustrate this sensitivity, the quantities and grade estimates are presented in Table ii at various cut-off grades. The reader is cautioned that the figures presented in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates within the conceptual open pit shell to the selection of cobalt equivalent cut-off grade.

**Table ii: Global Block Model Quantities and Grade Estimates\* at Various Cobalt Equivalent Cut-Off Grades**

Cut-Off Grade CoEq (%)	Inferred Blocks				
	Volume / Quantity		Grade		
	Volume (m <sup>3</sup> )	Tonnage (tonnes)	Co (%)	Ni (%)	CoEq (%)
0.010	139,013	393,406	0.37	0.22	0.41
0.020	138,722	392,582	0.37	0.22	0.41
0.023	138,653	392,387	0.37	0.22	0.41
0.025	138,601	392,240	0.37	0.22	0.41
0.030	138,294	391,371	0.37	0.23	0.42
0.035	136,724	386,928	0.37	0.23	0.42
0.040	133,539	377,915	0.38	0.23	0.43
0.050	129,814	367,373	0.39	0.24	0.44
0.060	121,668	344,321	0.42	0.25	0.47
0.070	113,880	322,279	0.44	0.26	0.49
0.080	105,772	299,334	0.47	0.28	0.53
0.090	98,529	278,837	0.50	0.29	0.56
0.100	93,811	265,484	0.52	0.30	0.58

## Adjacent Properties and Other Relevant Data and Information

The West Bear Property is situated in the Eastern Athabasca Province of northern Saskatchewan. Surrounding mineral claims are operated by Denison Mines Corporation, Burkhill Uranium Corporation, Unity Energy Corporation, UEX, Cobalt Power Group, and independent operators James Hutton and Ryan Kalt. Other than the Cobalt Power Group claims, these properties are primarily explored for uranium.

There are no significant cobalt deposits or processing facilities in the Athabasca Basin.

Denison Mines Corp. has 100 percent ownership in three claims bounding the western and southwestern side of the West Bear Property. James Hutton holds title for nine adjacent claims to the West Bear Property. Burkhill Uranium Corporation is a privately held company with a land package to the west of the West Bear Cobalt-Nickel Project, totalling 67 claims (38,661 hectares). Ryan Kalt holds three claims (1,429 hectares) adjacent to the northeastern corner of the West Bear Property. UEX has 100 percent ownership of the Hidden

Bay Project, adjacent to the northern claims of the West Bear Cobalt-Nickel Project. The Hidden Bay Project is comprised of 45 claims totalling 51,881 hectares. Unity Energy Corporation holds one claim totalling 292 hectares along the northern boundary of the West Bear Property, adjacent to the North Shore Uranium Showing.

## Conclusion and Recommendations

Exploration drilling conducted during 2018 on the West Bear Cobalt-Nickel Project focused on the area east of the footprint of the West Bear Uranium Deposit to expand and test the continuation of cobalt and nickel mineralization at the Project. UEX completed a total of 41 core boreholes (4,457 metres) during this program. The program revealed the variable styles of cobalt mineralization, including fracture hosted, disseminations, stockwork within brecciated graphitic rocks, and clots within intensely clay altered rock.

SRK adopted a conventional geostatistical approach to estimate the maiden mineral resource for the West Bear Cobalt-Nickel Project. Mineral resource estimates were constrained within geological defined wireframes based on available information.

Considerable progress has been made in modelling the overall spatial location of the cobalt mineralization, but there is still some uncertainty in the local continuity of this mineralization due to its high-grade nature. In addition, no processing or metallurgical data is currently available for the cobalt-nickel mineralization. Accordingly, considering this uncertainty, SRK considers all block estimates within the mineralized lenses and located inside the conceptual open pit shell to satisfy the classification criteria for Inferred mineral resources.

The geological setting, character of the cobalt and nickel mineralization delineated, and exploration results to date are of sufficient merit to justify additional exploration expenditure to potentially expand the cobalt and nickel mineralization footprint on the West Bear Property.

Despite the availability of information from 577 drill holes (for 47,515 metres) on the West Bear Property prior to 2018, very few of these drill holes were targeted to test for mineralization comparable to that currently modelled at the West Bear Cobalt-Nickel Deposit.

Few of these drill holes on the West Bear Property were analyzed for cobalt and as this exploration was primarily uranium mineralization-focused, drilling rarely tested more than 30 metres below the sub-Athabasca unconformity into the basement resulting in poor assessments of sulphide mineral systems hosted in basement rocks.

The result of this exploration legacy is that the 28.5 kilometres of prospective corridor (Hamel, 2017) on the West Bear Property remains largely underexplored for cobalt mineralization in the Wollaston Domain metasedimentary rocks below the sub-Athabasca unconformity.

There are multiple locations on the property where anomalous nickel showings still need to be followed-up. Such locations adjacent to the West Bear Cobalt-Nickel Deposit, likely represent prospective target areas for further base metal exploration on the property. SRK supports UEX's twofold exploration objectives for the West Bear Property:

1. Expand the modelled cobalt mineralization identified during the winter 2018 exploration program.
2. Identify and test additional areas of cobalt mineralization adjacent or proximal to the West Bear Cobalt-Nickel Deposit

UEX has proposed a two-phase exploration program for the West Bear Cobalt-Nickel Project focused on identifying additional cobalt-nickel mineralization and expanding the current cobalt-nickel mineralization footprint on the property. The program has a combined budget of \$12.0 million.

The proposed exploration program needs to be pro-actively managed, with new information rapidly integrated into the cobalt-nickel mineralization interpretation. Drill programs should be flexible enough to be modified to integrate new information and interpretations which could have a positive impact on the cobalt-nickel mineral resource.

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# 1 Introduction and Terms of Reference

The West Bear Cobalt-Nickel Project (the Project) is an advanced exploration project located in Saskatchewan, Canada. UEX Corporation (UEX) owns 100 percent of the West Bear Property and operates the Project through their wholly owned subsidiary CoEX Metals Corporation (CoEX). The purpose of this report is to support the disclosure of results from exploration activity at the West Bear Cobalt-Nickel Deposit by UEX and CoEX as they evaluate the area adjacent to the West Bear Uranium Deposit (WBU Deposit) for cobalt mineralization.

UEX is a Canadian uranium exploration and development company. UEX is currently advancing its uranium deposits at Christie Lake, Raven – Horseshoe, and Shea Creek. Through CoEX it is evaluating and advancing the West Bear Cobalt-Nickel Deposit on the West Bear Property.

This technical report documents the Mineral Resource Statement prepared by SRK for the West Bear Cobalt-Nickel Project on the West Bear Property, Saskatchewan, Canada. It was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1. The Mineral Resource Statement reported herein was prepared in conformity with generally accepted CIM *Estimation of Mineral Resources and Mineral Reserves Best Practice* and CIM *Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines*.

## 1.1 Scope of Work

The scope of work, as defined in a letter of engagement executed on March 3, 2018 between UEX and SRK includes the construction of a mineral resource model for the cobalt-nickel mineralization delineated by drilling on the Project and the preparation of an independent technical report in compliance with National Instrument 43-101 and Form 43-101F1 guidelines. This work typically involves the assessment of the following aspects of this project:

- Topography, landscape, access
- Regional and local geology
- Exploration history
- Audit of exploration work carried out on the project
- Geological modelling
- Mineral resource estimation and validation
- Preparation of a Mineral Resource Statement
- Recommendations for additional work

## 1.2 Work Program

The mineral resource statement reported herein is a collaborative effort between UEX and SRK personnel. The exploration database was compiled and maintained by UEX and was audited by SRK. The geological model and outlines for the cobalt-nickel mineralization was constructed by SRK from a two-dimensional geological interpretation provided by UEX. In the opinion of SRK, the geological model is a reasonable representation of the distribution of the targeted mineralization at the current level of sampling. The geostatistical analysis, variography and grade models were completed by SRK during the months of May and June 2018. The Mineral Resource Statement reported herein was presented to UEX in a memorandum report on July 6, 2018 and disclosed publicly in a news release dated July 10, 2018.

The Mineral Resource Statement reported herein was prepared in conformity with the generally accepted *CIM Exploration Best Practices Guidelines* and *CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines*. This technical report was prepared following the guidelines of the Canadian Securities Administrators' National Instrument 43-101 and Form 43-101F1.

The technical report was assembled in the SRK Toronto and Sudbury offices during the period of May to July 2018.

### 1.3 Basis of Technical Report

This report is based on information collected by SRK during a site visit performed between March 26 to 28, 2018 and on additional information provided by UEX throughout the course of SRK's investigations. SRK has no reason to doubt the reliability of the information provided by UEX. Other information was obtained from the public domain. This technical report is based on the following sources of information:

- Discussions with UEX personnel
- Inspection of the Project area, including outcrop and drill core
- Review of exploration data collected by UEX
- Additional information from public domain sources
- Report contributions provided by UEX

### 1.4 Qualifications of SRK and SRK Team

The SRK Group comprises more than 1,400 professionals, offering expertise in a wide range of resource engineering disciplines. The independence of the SRK Group is ensured by the fact that it holds no equity in any project it investigates and that its ownership rests solely with its staff. These facts permit SRK to provide its clients with conflict-free and objective recommendations. SRK has a proven track record in undertaking independent assessments of mineral resources and mineral reserves, project evaluations and audits, technical reports and independent feasibility evaluations to bankable standards on behalf of exploration and mining companies, and financial institutions worldwide. Through its work with a large number of major international mining companies, the SRK Group has established a reputation for providing valuable consultancy services to the global mining industry.

The resource evaluation work of this technical report was completed by Sébastien Bernier, P.Geo. (APGO#1847) from SRK, with support from Dominic Chartier, P.Geo. (APGO#2775). The responsibility for the analytical control data analysis was assumed by Chantal Jollette, P.Geo. (APGO#1518) from Analytical Solutions Ltd (Analytical Solutions). By virtue of their education, membership to a recognized professional association and relevant work experience, Mr. Bernier and Ms. Jollette are independent Qualified Persons as this term is defined by National Instrument 43-101. Contributions towards the technical report compilation was provided by Joycelyn Smith, P.Geo. (APGO#2963).

Mr. Glen Cole, P.Geo. (APGO#1416), a Principal Consultant and Practice Leader with SRK, reviewed drafts of this technical report prior to their delivery to UEX as per SRK internal quality management procedures. Mr. Cole did not visit the project.

## 1.5 Site Visit

In accordance with National Instrument 43-101 guidelines, Mr. Bernier visited the Project on March 26 to 28, 2018 during drilling operations, accompanied by Mr. Trevor Perkins P.Geo. (UEX Exploration Manager) and Mr. Chris Hamel P.Geo. (UEX Chief Geologist).

The purpose of the site visit was to review the digitalization of the exploration database and validation procedures, review exploration procedures, define geological modelling procedures, examine drill core, interview project personnel, and collect all relevant information for the preparation of a mineral resource model and the compilation of a technical report.

The site visit aimed at investigating the geological and structural controls on the distribution of the cobalt-nickel mineralization in order to aid the construction of three dimensional domains populated with cobalt, nickel, arsenic, and uranium values.

SRK was given full access to relevant data and conducted interviews with UEX personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

## 1.6 Key Definitions

For clarity, certain key entities that are referred to throughout this document are defined herewith.

**UEX Corporation (UEX):** The parent corporation for CoEX Metals Corporation and title owner of the West Bear Property, on which the West Bear Cobalt-Nickel Deposit and West Bear Uranium Deposits are situated.

**CoEX Metals Corporation (CoEX):** A subsidiary of UEX Corporation that is focused on the exploration and development of cobalt resources.

**SRK Consulting Canada Inc. (SRK):** SRK is part of the international SRK Group, which provides focused advice and solutions to mainly mining clients.

**West Bear Cobalt-Nickel Project (the Project):** is an advanced exploration project located in Saskatchewan, Canada. UEX owns 100 percent of the West Bear Property and operates the Project through their wholly owned CoEX subsidiary.

**West Bear Cobalt-Nickel Deposit:** the area of cobalt and nickel accumulation that is adjacent to the West Bear Uranium Deposit and is the subject of this report.

**West Bear Uranium Deposit (WBU Deposit):** A uranium deposit discovered in 1977 on what is now the West Bear Property and subject of the 2010 Prefeasibility Study titled “Preliminary Feasibility Study of the West Bear Deposit, Hidden Bay Project, Saskatchewan”.

**West Bear Property (the Property):** The 100 percent UEX-owned 23 contiguous areas, to which UEX has title, that measure approximately 7,657.3 hectares as of the effective date of the report.

## 1.7 Acknowledgement

SRK would like to acknowledge the support and collaboration provided by UEX personnel for this assignment. Their collaboration was greatly appreciated and instrumental to the success of this project.

## 1.8 Declaration

SRK's opinion contained herein and effective **July 6, 2018** is based on information collected by SRK throughout the course of SRK's investigations. The information in turn reflects various technical and economic conditions at the time of writing this report. Given the nature of the mining business, these conditions can change significantly over relatively short periods of time. Consequently, actual results may be significantly more or less favourable.

This report may include technical information that requires subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, SRK does not consider them to be material.

SRK is not an insider, associate or an affiliate of UEX and neither SRK nor any affiliate has acted as advisor to UEX, its subsidiaries or its affiliates in connection with this project. The results of the technical review by SRK are not dependent on any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings.

## 2 Reliance on Other Experts

SRK did not perform an independent verification of land title and tenure information as summarized in Section 3 of this report. SRK did not verify the legality of any underlying agreement(s) that may exist concerning the permits or other agreement(s) between third parties, but relied on the law firm MLT Aikens, of Saskatoon, Saskatchewan who was contracted by UEX to conduct a title search on the mineral dispositions within the West Bear Property.

The determination of MLT Aikens, dated February 14, 2017, and updated by UEX on December 14, 2017, is that the dispositions are held 100 percent by UEX, and there are no encumbrances, charges, or instruments in effect with relation to these dispositions (MLT Aikens, 2017). The results of the title search are summarized in Appendix A.

SRK was informed by UEX that there are no known litigations potentially affecting the West Bear Property.



### 3 Property Description and Location

The West Bear Property is located in the Wollaston Lake area of Northern Saskatchewan, approximately 740 kilometres north of Saskatoon, southwest of Wollaston Lake. The Project is located within the eastern Athabasca, approximately 40 kilometres south of the uranium mill at Rabbit Lake, and 340 kilometres north of the town of La Ronge. The centre of the Property is located at approximately 103.97 degrees longitude west and 57.92 degrees latitude north (Figure 1).

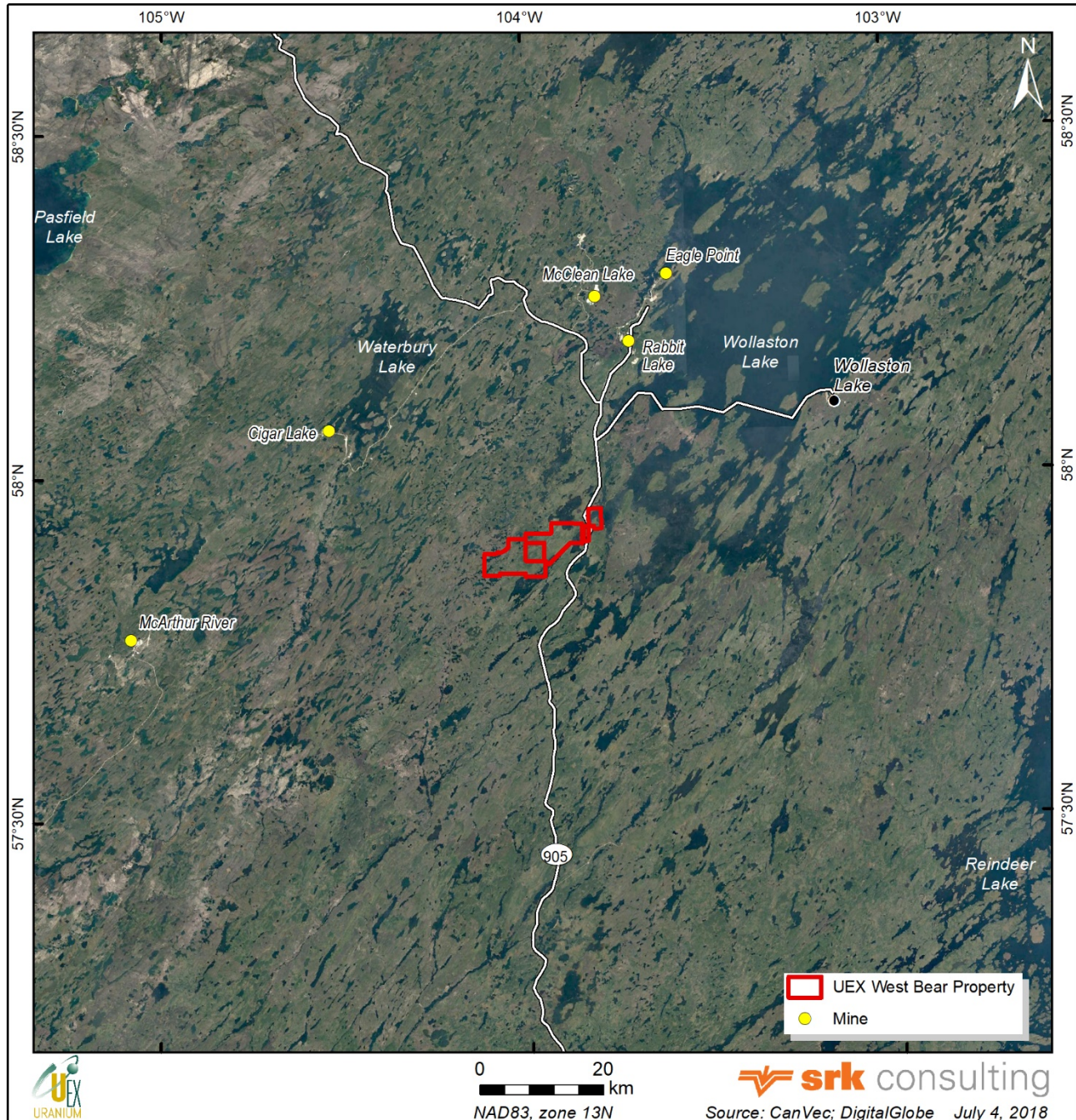


Figure 1: Location of the West Bear Property in Saskatchewan, Canada

### 3.1 Mineral Tenure

The West Bear Property is 100 percent owned by UEX and measures approximately 7,660 hectares comprising of 23 contiguous areas as of the effective date of the report, to which UEX has title (Table 1). There are two elements comprising the titles; one mining lease option agreement and 22 mineral claim options. The mineral rights exclude surface rights, which belong to the Government of Saskatchewan.

Under Saskatchewan law, claims or cells are map staked through an online registry. The map-designated coordinates of the cells are the legal limits of said claims, the physical limits can be verified by consulting the Government’s Mineral Administration Registry Saskatchewan (MARS) website.

Annual assessment work and claim age is tabulated in Table 1. The West Bear Cobalt-Nickel Deposit is located within mineral claim S-106424 (Figure 2). There is a 1.5 percent net smelter return (NSR) on claim S-107806 due to a third party. Mineral Lease 5424 is a joint venture between UEX (77.575 percent), Empresa Nacional Del Uranio S.A. (7.680 percent), Nordostschweizerische Kraftwerke A.G. (7.68 percent) and Encana (7.066 percent). The only other encumbrances on the West Bear Property are the standard royalties to the Government of Saskatchewan.

**Table 1: Mineral Tenure Information for the West Bear Property**

<b>Disposition Number</b>	<b>Record Date</b>	<b>Area (Ha)</b>	<b>Annual Assessment (\$/Ha)</b>	<b>Total Annual Assessment (\$)</b>	<b>Work Due / Lapse Date</b>
S-106972	2/5/2002	360	25	\$9,012	5/5/2037
S-106974	2/5/2002	446	25	\$11,162	5/5/2037
S-106975	2/5/2002	770	25	\$19,260	5/5/2037
S-106976	2/5/2002	659	25	\$16,484	5/5/2037
S-106977	2/5/2002	797	25	\$19,932	5/5/2037
S-106978	2/5/2002	807	25	\$20,186	5/5/2037
S-106979	2/5/2002	492	25	\$12,289	5/5/2037
S- 96676	5/9/1977	11	25	\$284	8/6/2038
S- 96677	5/9/1977	18	25	\$448	8/6/2038
S- 96679	5/9/1977	15	25	\$368	8/6/2038
S- 96680	5/9/1977	6	25	\$159	8/6/2038
S- 96681	5/9/1977	5	25	\$117	8/6/2038
S- 96682	5/9/1977	12	25	\$290	8/6/2038
S- 96683	5/9/1977	12	25	\$302	8/6/2038
S- 96684	5/9/1977	15	25	\$383	8/6/2038
S- 96685	5/9/1977	21	25	\$518	8/6/2038
S- 96686	5/9/1977	18	25	\$461	8/6/2038
S-107702	12/30/2004	853	25	\$21,330	3/29/2037
S-106424*	12/1/1977	302	25	\$7,546	2/28/2037
ML 5424	3/21/1985	315	25	\$7,872	6/18/2031
MC00003465	4/23/2015	195	12	\$2,339	7/22/2018
MC00003466	4/23/2015	633	12	\$7,600	7/22/2018
S-107806	12/13/2007	893	25	\$22,322	3/12/2019
<b>Total</b>		<b>7,657</b>		<b>\$180,664</b>	

\* Location of the West Bear Cobalt-Nickel Deposit



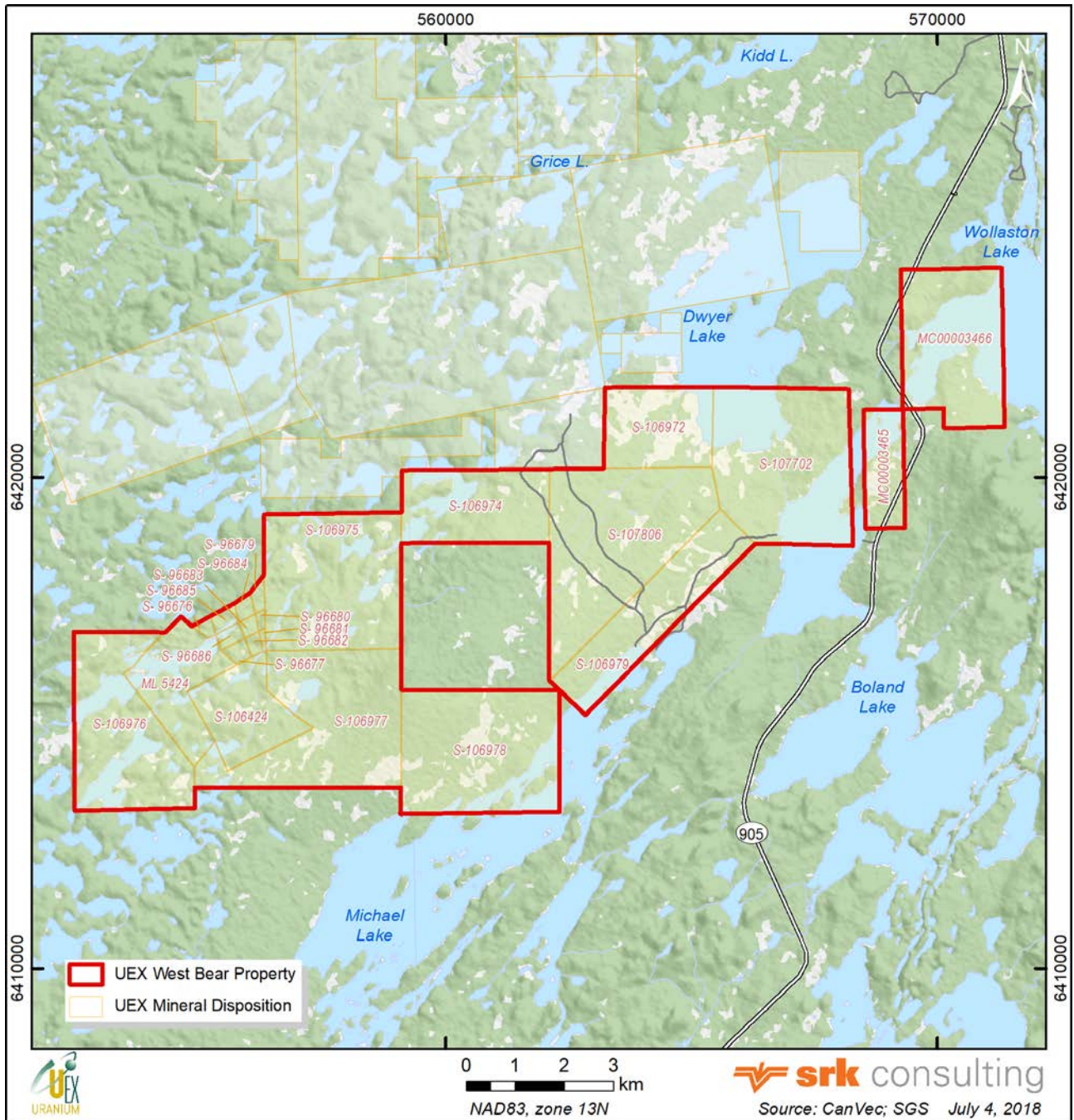


Figure 2: Land Tenure Map of the West Bear Property

## 3.2 Mining Rights in Saskatchewan

In Saskatchewan, mineral resources are owned by the crown and managed by the Saskatchewan Ministry of the Economy through the Crown Minerals Act and the Mineral Tenure Registry Regulations, 2012. Staking for mineral dispositions in Saskatchewan is conducted through the online staking system, Mineral Administration Registry Saskatchewan (“MARS”). Mineral dispositions for the West Bear Property were staked between 1977 and 2017. Accordingly, ground staking methods were employed prior to the initiation of staking by the MARS system. These dispositions give the stakeholders the right to explore the lands within the disposition area for economic mineral deposits.

## 3.3 Underlying Agreements

On behalf of UEX, the mineral claims that comprise the West Bear Property were investigated as part of a title opinion on February 14, 2017 by MLT Aikens, a Saskatoon, Saskatchewan-based law firm. MLT Aikens concluded that the claims are in good standing and are owned by UEX, and that as of February 14, 2017 there were no encumbrances, charges, security interests, or instruments recorded against the claims with the exception of Mineral Lease 5424, which is a joint venture between UEX (77.575 percent), Empresa Nacional Del Uranio S.A. (7.680 percent), Nordostschweizerische Kraftwerke A.G. (7.68 percent) and Encana (7.066 percent), and mineral claim S-107806 which is subject to a 1.5 percent NSR royalty in favour of a third party. The royalty mentioned above was formulated in 2018.

## 3.4 Permits and Authorization

Mineral exploration on land administered by the Ministry of Environment requires that surface disturbance permits be obtained before any work is performed. The Saskatchewan Mineral Exploration and Government Advisory Committee (SMEGAC) have developed the Mineral Exploration Guidelines for Saskatchewan to mitigate environmental impacts from industry activity and facilitate governmental approval for such activities. Applications to conduct exploration work need only to address the relevant topics of those listed in the guidelines. The types of activities are listed under the guide’s best management practices (BMP) and given below in Table 2.

## 3.5 Environmental Considerations

The West Bear Property, with the West Bear Cobalt-Nickel Deposit, is an undeveloped mineral resource definition-stage exploration project. The exploration work completed thus far has been limited primarily to drilling and geophysical surveys.

As far as SRK can determine, the environmental liabilities related to the West Bear Property, if any, are negligible.

**Table 2: Best Management Practices and Required Permits**

<b>Best Management Practice</b>	<b>Permits Required and Obtained</b>	<b>Effective Date</b>	<b>Expiry Date</b>
Staking	-	-	-
Grassroots Exploration	-	-	-
Forest Clearing	Forest Production Permit 17PA331	2/12/2018	3/31/2019
Temporary Work Camps	Temporary Work Camp 17PA331	2/12/2018	3/31/2019
Hazardous Wastes and Goods	-	-	-
Fire Prevention and Control	-	-	-
Access	Forest Production Permit 17PA331	2/12/2018	3/31/2019
Water Crossings	Aquatic Habitat Protection Permit 17PA331	2/12/2018	3/31/2019
Exploration Trenching	-	-	-
Drilling on Land	Forest Production Permit 17PA331	2/12/2018	3/31/2019
Drilling on Ice	-	-	-
Core Storage	Ministry of Economy legislation states that core is to be left on-site. Since this requirement is indicated in provincial legislation, mineral companies can leave core boxes with core on-site indefinitely without any additional permit/approval.	-	-
Restoration	-	-	-
First Nations and Metis Community Engagement	Letters to stakeholders submitted	-	-
Water Usage	Temporary Water Rights Licence to use Surface Water NW-E8-104066	2/1/2018	3/31/2018
Water Usage	Temporary Water Rights Licence to use Surface Water NW-E8-104067	4/1/2018	3/31/2019

## **4 Accessibility, Climate, Local Resources, Infrastructure, and Physiography**

### **4.1 Accessibility**

The West Bear Property site is accessible by Highway 905, a well-maintained gravel road accessible year-round which passes through the eastern portion of the Property within 10 kilometres of the West Bear Cobalt-Nickel Deposit. At kilometre 209 between the town of South End and the Rabbit Lake mining operation, the highway connects with a 13-kilometre-long winter skidder road which provides access to the Project. Summer access along the skidder road is possible via all-terrain vehicle. Alternative transportation includes utilizing a float-equipped aircraft from either Points North landing or La Ronge to Young Lake, a small body of water located 1 kilometre southwest of the Project, also possible by helicopter.

### **4.2 Local Resources and Infrastructure**

The closest infrastructures to the Project include a number of hydroelectric transmission lines that run along highway 905 and service the Rabbit Lake and McLean Lake mills. The powerlines are located approximately 10 kilometres east of the Project. All infrastructure currently on the Property is non-permanent. The Government of Saskatchewan requires a surface lease be issued for all permanent structures. There is access to fresh water close to the Project.

La Ronge is approximately 340 kilometres south of the Project accessible by road and is the main source for groceries, fuel, materials and medical services. Additional resources not available in La Ronge may be sourced from the cities of Prince Albert and Saskatoon. An airfield owned by the Points North Group of Companies is located 44 kilometres northeast of the West Bear camp and offers freighting services for exploration and mining activities in the eastern part of the Athabasca basin. They also offer shipment of products and services to Prince Albert and Saskatoon.

### **4.3 Climate**

The West Bear Property is located within the Athabasca sedimentary basin region, coincident with the Athabasca Plain ecoregion and Boreal Shield Ecozone. The climate is characterized by short and cool summers with a maximum temperature of 30 degrees Celsius, and cold and long winters with a temperature low of negative 40 degrees Celsius. During the summer solstice the period of daylight lasts nearly 18.5 hours. Winter season can start in late October and continue until May.

Precipitation varies during the year reaching an average of 40 centimetres annually and is characterized by snowfall in the winter months and moderate rainfall in the summer months. Maximum precipitation occurs during the summer months of July to September.

Exploration activities can be carried out year-round, however access is limited to the Project during the months of May to October due to typically wet seasonal transitions and muskeg.



## 4.4 Physiography

The Athabasca sedimentary basin region is characterized by variable uplands and low-lying terrain with many lakes and wetlands where peatlands and bogs are common. Vegetation is typical of the Boreal forest, including areas dominated by black spruce forests and feather mosses. Within the forests, Jack pines commonly occur on thin-soiled uplands and tamaracks on poorly drained lowlands.

The Athabasca Plain ecoregion has developed on sedimentary rocks of the Athabasca Group. Bedrock rarely outcrops and is generally overlain by hummocky deposits of glacial till, glaciolacustrine, and glaciofluvial sediments. The topography of the area is relatively flat characterized by undulating glacial moraine, outwash and lacustrine plains. The elevation range of the Athabasca Plain ranged from 485 to 640 metres. Drumlins, eskers, and meltwater channels have a typical local relief of 30 to 60 metres and contribute to the rolling expression of the terrain dominated by sandy glacial sediment.

Over forty species of mammals are found in the ecozone and dominantly include the caribou, moose, black bear, grey wolf, arctic fox, lynx, beaver, otter, snowshoe hare, marten, mink and shrew. The bird species common to the ecozone include the raven, grey jay, spruce grouse, chickadee, woodpecker, bald eagle, osprey, and ptarmigan. Fish species common to the area include the lake trout, whitefish, northern pike, walleye, longnose sucker, white sucker, burbot, and arctic grayling.



**Figure 3: Typical Landscape in the West Bear Property Area**

## 5 History

### 5.1 Property Ownership

The West Bear Property was initially explored in the late 1960's as part of the greater Rabbit Lake property after the discovery of the Rabbit Lake Uranium Deposit in 1968. Early exploration for uranium was conducted by Gulf Minerals Canada Limited (Gulf), and Conwest Exploration Company Limited (Conwest).

In 1976, Gulf entered into an agreement with Noranda Exploration Limited (Noranda) and Saskatchewan Mining and Development Corporation (SMDC) outlining a one-third interest for the participating companies in the Hope Bay Project claims. Noranda relinquished ownership in the claim that contained the Project and Gulf Minerals became the operator.

Eldorado Nuclear Limited (Eldorado) acquired Conwest in 1979 and Gulf in 1982 and the Property was referred to as the Eldorado Project 564. In 1988, Eldorado amalgamated with SMDC to form Cameco Corporation (Cameco) to which all assets, including full ownership of the West Bear claims, were transferred. Cameco divided the Rabbit Lake Mining Property covering all the leases and active mining operations from the Hidden Bay Property consisting of all remaining claims and the West Bear Property. Cameco transferred title to the Hidden Bay Property to UEX through an agreement reached with Pioneer Metals Corporation in 2001.

UEX explored the West Bear Property as part of the South Block of Hidden Bay under an agreement with Cameco, who provided project management services on the Property until the end of 2005, when UEX became the operator.

The West Bear Property was separated from the Hidden Bay Property in 2018.

### 5.2 Exploration and Development History

Exploration on the West Bear Property prior to 2018 was focused on uranium mineralization and involved 61,908.5 metres of drilling in 1,126 boreholes. These boreholes included 333 reverse circulation, 216 sonic and 577 diamond drill boreholes.

Historical information relating to the West Bear Uranium Deposit (WBU Deposit) area has been detailed in the following published technical reports:

- Rhys, D. A., Horn, L., Baldwin, D., and Eriks, S. 2008. Technical Report on the Geology of, and Drilling Results from, the Horseshoe and Raven Uranium Deposits, Hidden Bay Property, Northern Saskatchewan
- Palmer, K., and Fielder, B., 2009. Technical Report on the Hidden Bay Property, Saskatchewan, Canada, Including Updated Mineral Resource Estimates for Horseshoe and Raven Deposits. Report by Golder Associates Ltd to UEX Corporation.
- Clayton, C., Palmer, K., and Sprott, D., 2010. Preliminary Feasibility Study of the West Bear Deposit, Hidden Bay Project, Saskatchewan. Report by Golder Associates Ltd. to UEX Corporation.
- Doerksen, G., Melis, L., Liskowich, M., Murphy, B., Palmer, K., and Pilotto, D., 2011. Preliminary Assessment Technical Report on the Horseshoe and Raven Deposits Hidden

Bay Project Saskatchewan, Canada. Report by SRK Consulting (Canada) Inc. to UEX Corporation.

There has been no material change in the information concerning the uranium resources of the WBU Deposit since that outlined in the Doerksen et al (2011) technical report.

### **5.3 Historical Mineral Resource Estimates**

There have been no reported historical cobalt-nickel resources on the West Bear Property.

### **5.4 Historical Production**

There has not been any historical uranium, cobalt, or nickel production from the West Bear Property.

## 6 Geological Setting and Mineralization

### 6.1 Regional Geology

This section on the regional geology of the West Bear Property has been modified from Palmer and Fielder, (2009).

The West Bear Property straddles the eastern unconformable contact of the Athabasca Basin with the Wollaston Supergroup sedimentary rocks of the 1,820 to 1,770 million-year-old (Ma) Trans-Hudson Orogeny (THO) (Figure 4). The Project area is underlain by flat to shallowly-dipping late Proterozoic sandstones of the Athabasca Basin to the west that unconformably overlies metasedimentary and intrusive rocks of the Mudjatik and Wollaston Domains of the THO. The Wollaston Domain includes metamorphosed clastic and chemical sedimentary, as well as some intrusive rocks, and are exposed to the east of the deposit. The Wollaston Domain is exposed along an irregular contact with the Athabasca Basin, oriented north-northeast.

The gradational contact of the Wollaston Domain with the Mudjatik Domain is overlain by the Athabasca Group cover; however, it is exposed to the north and south of the Project area. Both domains are a part of the Churchill Province of the THO.

The Mudjatik Domain is composed of granitic gneiss domes intruding psammitic to pelitic gneisses.

The Wollaston Domain is composed of a mixed sequence of metamorphosed arkosic sandstones and pelitic to semi-pelitic gneisses that make up four successive lithostratigraphic units (Lewry and Sibbald, 1980):

- A basal pelitic gneiss composed of coarse, mature quartzitic to arkosic metasediments.
- A meta-pelite, commonly graphitic and interlayered with quartzitic semi-pelites and calc-silicates.
- A thick meta-arkose interlayered with minor calc-silicate and pelite.
- Upper amphibole-quartzite interlayered with calcareous sediments and graphitic pelites, known as the Hidden Bay assemblage.

Two major deformation events are documented in the region (Table 3). These compressional events are accompanied by overlapping periods of upper amphibolite-grade metamorphism and can be attributed to the main surges of the Hudsonian orogeny. These events produced two northeast-trending sets of folds with predominantly southeast-dipping axial planes and associated axial planar cleavages. There are two major orientations for faulting in the region. The north-trending reverse faults are most developed within the graphitic horizons and generally follow the orientation of the regional fabric where vertical displacement can be more than 100 metres (Rhys, 2001). The north-trending faults are steeply-dipping and thought to be related to the regional Tabernor fault system (Studer, 1984).



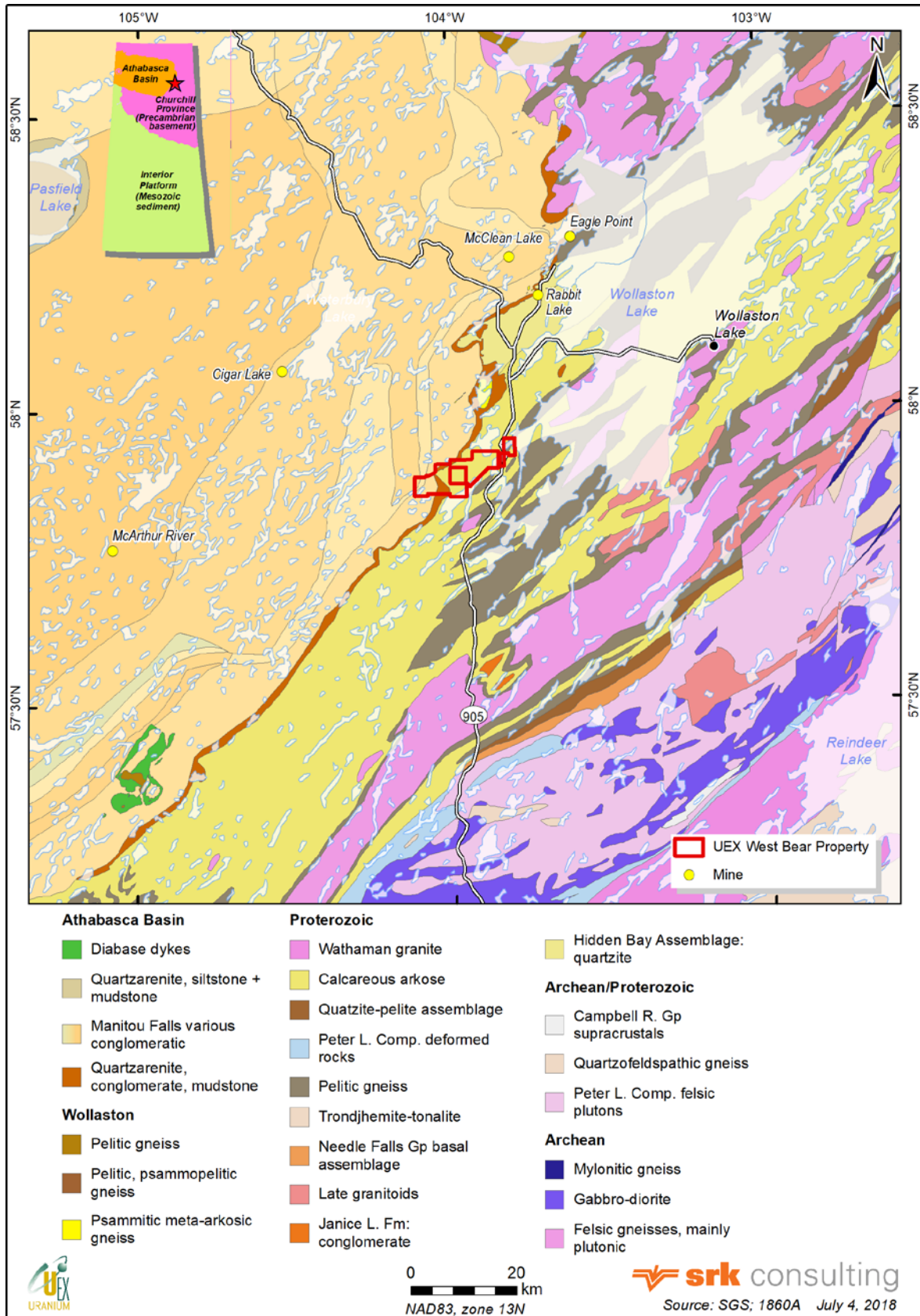


Figure 4: Regional Geology Setting

**Table 3: Summary of Deformation Events Affecting the West Bear Cobalt-Nickel Project**

<b>Event</b>	<b>Description</b>	<b>Timing</b>
D <sub>2</sub>	Compressional event characterized by northeast-trending asymmetric F <sub>2</sub> folds. Includes the Dwyer Lake Dome; a non-cylindrical antiformal fold potentially superimposed on an earlier F <sub>1</sub> fold.	c. 1815 Ma
D <sub>1</sub>	Compressional event with a penetrative northeast-trending foliation/gneissosity parallel to layering.	

## 6.2 Property Geology

The West Bear Cobalt-Nickel Deposit is located in the southwestern part of the Property, centered in disposition S-106424. The local geological setting of the property is shown in Figure 5.

### 6.2.1 Wollaston Group

The Wollaston Group metasedimentary rocks in the West Bear area comprised of three successive principle gneissic units. The stratigraphic sequence is relatively flat-lying, dipping to the south by 5 to 20 degrees. The basal coarse-grained pelitic gneiss described regionally is not documented in the Project area.

The lowermost unit in the deposit area is the arkosic to semi-pelitic gneiss with occasional quartzite lenses. This unit has been penetrated to a depth of 150 metres through exploration drilling in the Project area and forms the unit coring the center of the Dwyer Dome structure to the north.

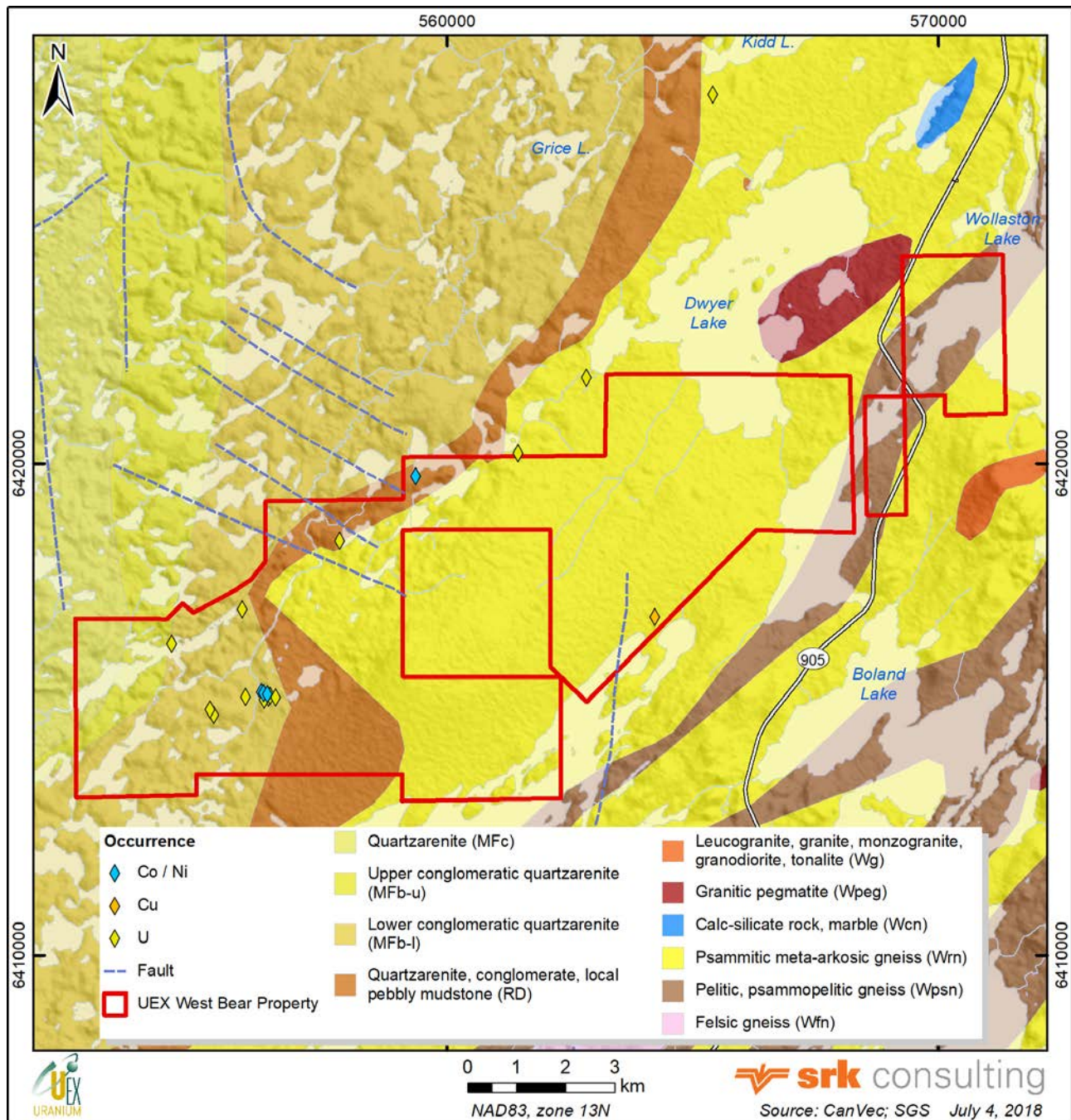
The graphitic pelitic gneiss overlies the arkosic to semi-pelitic gneiss and is comprised of a biotite-quartz-feldspar-bearing unit containing approximately 20 percent graphite in the Project area. Thickness varies from 100 metres on the eastern side of the Project where it is cut by a large pegmatite dyke and thins out completely to the northwest of the Pebble Hill Prospect. This unit represents the local continuation of the Dwyer Lake conductive horizon.

The pelitic and semi-pelitic gneiss overlies the graphitic gneiss and has been documented to extend to the southern limits of historical drilling in the Project area. The unit occasionally contains intervals of graphitic gneiss south of the Project.

Pegmatitic granitic intrusions occur throughout the Wollaston Group as lenses and sills in the West Bear area. Although generally very thin and discontinuous, intrusions occur up to 50 metres thick near the eastern limit of the Project.

Paleo-weathering of Wollaston Group was developed prior to, and is preserved by, the deposition of the overlying Athabasca Group. The intense paleo-weathering profile is characterized by kaolinite-rich upper levels and illite/chlorite-rich lower levels. Red hematite staining is generally pervasive in the upper portion. Overprinting chlorite alteration is often an indication of hematite removal by subsequent reduction.

Where sandstone cover of the Athabasca Group is present, paleo-weathering is found to extend 20 to 50 metres into the basement rock below the unconformity.



**Figure 5: Local Geology Setting of the West Bear Property**

### 6.2.2 Athabasca Group

The Athabasca Group sedimentary rocks are mostly comprised of quartz sandstones and conglomerates that overlie the Wollaston Group meta-sediments and the Project. Thickness in the Project area varies from approximately 10 to 40 metres and has been eroded completely from the eastern part of the Dwyer Dome, two to three kilometres east of the Project. The sandstone is

strongly argillized with intense illite, hematite +/- chlorite alteration directly above the mineralized zone.

### 6.2.3 Dwyer Dome

The Project occurs on the southwestern margin of the Dwyer Dome, a doubly-plunging antiform traceable by the elliptical map pattern of the conductive graphitic gneiss horizon that blankets the dome. Fold interference patterns suggest that this antiformal fold may be superimposed on an earlier D<sub>1</sub> fold. Airborne geophysical data implies that the western portion of the dome is defined by a steep southwest plunging fold hinge (Cristall, 2005). Lithostratigraphic units dip shallowly to the southeast on the southeast margins of the dome near the Project.

The center of the Dwyer Dome is composed of arkose and semi-pelite gneissic units of the Wollaston Group and is surrounded by the conductive and faulted graphitic semi-pelitic to pelitic gneiss of the Wollaston Group, comprising the Dwyer Lake horizon.

### 6.2.4 Structure

The West Bear Cobalt-Nickel Deposit occurs with the faulted graphitic meta-pelite. The cobalt-nickel mineralization is sulpharsenide minerals that are dominantly associated with faulted and clay-altered graphitic pelite.

Faulting at the Project occurs mainly along and parallel to the gneissic layering. The most significant structure is the West Bear Fault, which has a trend of approximately 075 degrees and dips 30 degrees to the south-southeast with an internal secondary fabric that dips steeply to the south-southeast. The West Bear Fault controls the distribution of alteration and cobalt-nickel mineralization and is several tens of metres wide characterized by semi-brittle to clay-rich fault gouge localized parallel to the main graphitic gneiss. As with other similar structures in the region, the West Bear Fault may represent the remobilization of an older, pre-Athabasca fault zone.

The West Bear Fault intersects the unconformity immediately beneath the uranium mineralization. The structure is the focus for cobalt-nickel mineralization which plunges along the fault for a distance up to 100 metres, hosted in strongly clay-altered basement gneisses.

## 6.3 Mineralization

The West Bear Uranium Deposit (WBU Deposit) was previously identified as a polymetallic uranium deposit with significant concentrations of nickel-cobalt-arsenic mineralization. Previous work focused exclusively on the unconformity subcrop of the West Bear Fault for uranium mineralization. However significant cobalt-nickel mineralization occurs in the basement rocks of this fault, both under the uranium deposit and along strike to the east of the uranium deposit.

Basement-hosted high-grade cobalt-nickel mineralization is focused within the intensely clay altered margins of the shallow dipping and faulted graphitic pelite that is up to 30 metres thick. Cobalt mineralization can grade up to 12 percent cobalt locally as sulpharsenide minerals with base-metal associations of lead, copper, zinc, and silver. Lower grade cobalt mineralization of less than 0.1 to 0.025 percent cobalt can occur at widths of up to 40 metres wide between the faulted boundaries of the graphitic pelite. Sulpharsenide minerals occur in clay altered cataclasites within faulted rocks conformable to foliation.



Cobalt mineralization is hosted in faults, fractures and breccias within the graphitic stratigraphy located immediately below and along strike to the east of the WBU Deposit. The dominant metallic minerals in the mineralized zone includes sulphides and sulpharsenides of iron, nickel, cobalt, zinc, and lead in the form of pyrite, galena, niccolite, gersdorffite, cobaltite, rammelsbergite, and chalcopyrite (Fischer, 1981). Studies on the WBU Deposit indicate the sulphides are para-genetically early, followed by sulpharsenides, arsenides and pitchblende.

## 6.4 Alteration

The clay alteration associated with the West Bear Cobalt-Nickel Deposit can be strong enough to obliterate primary and secondary fabrics within both the sandstone and basement rocks. The clay alteration is strongest within approximately 100 metres of the West Bear Fault. Intense alteration causes the host rock to be friable and the protolith can be difficult to determine. Relict gneissic foliation is used to distinguish between pelite gneiss, pegmatite and sandstone when strongly clay altered. Graphite is usually well-preserved except in zones of intense clay alteration.

Alteration continues east of the delineated mineralization, becoming progressively more basement hosted. Broad areas of illite alteration affect basement pegmatites with associated anomalous nickel-cobalt-arsenic concentrations as far east as the limit of 2018 drilling on L22+75E.

## 7 Deposit Types

The uranium mineralization deposit type at the West Bear Property have been detailed in Palmer and Fielder (2009).

Cobalt and nickel mineralization typically occurs in the basement to the uranium mineralization. The cobalt-nickel mineralization is associated with other metals such as zinc, lead, copper, and silver. It occurs as sulphide and sulpharsenide minerals in rocks so intensely clay-altered that the protolith is discernible only by texture, if at all. The highest-grade cobalt and nickel mineralization is coincident with intense clay alteration at the upper and lower boundaries of the West Bear Fault localized in the graphitic pelite. Lower grade mineralization (ranging from 300 to 5,000 parts per million [ppm]) can span the interval between the faulted boundaries and be up to 30 metres wide in the core.

## 8 Exploration

A comprehensive summary of uranium exploration activity at the West Bear Property is detailed in the following published technical reports:

- Lemaitre, R., 2006. 2005 Resource Estimate of the West Bear Deposit, Cameco Corporation, report prepared for UEX Corporation.
- Rhys, D. A., Horn, L., Baldwin, D., and Eriks, S. 2008. Technical Report on the Geology of, and Drilling Results from, the Horseshoe and Raven Uranium Deposits, Hidden Bay Property, Northern Saskatchewan.
- Palmer, K., and Fielder, B., 2009. Technical Report on the Hidden Bay Property, Saskatchewan, Canada, Including Updated Mineral Resource Estimates for Horseshoe and Raven Deposits. Report by Golder Associates Ltd to UEX Corporation.
- Clayton, C., Palmer, K., and Sprott, D., 2010. Preliminary Feasibility Study of the West Bear Deposit, Hidden Bay Project, Saskatchewan. Report by Golder Associates Ltd. to UEX Corporation.

The cobalt-nickel mineralization that is being documented in this technical report was discovered and documented as a by-product of the initial uranium mineralization exploration.

### 8.1 Historical Exploration (1977 – 2002)

Historical exploration activity on the West Bear Property was mainly focused on uranium mineralization. The WBU Deposit was first identified in 1977 and delineated by diamond drilling and reverse circulation drilling in 1979. A total of 460 diamond drill boreholes (34,089 metres) and 333 reverse circulation boreholes (8,116 metres) were completed within the West Bear Property during this period. Early results throughout this period of exploration suggested that the uranium deposit was too small to be economic (Ogrizlo, 1985).

### 8.2 2002 – 2005 Exploration

From 2002 through to 2005, Cameco completed a multi-staged exploration program for UEX on the West Bear Property under the exploration management service agreement. Work included airborne geophysical surveys, diamond drilling and sonic drilling to outline the WBU Deposit. A total of 81 diamond drilling boreholes (9,463 metres) and 103 sonic boreholes (2,890 metres) were drilled.

Between 2004 and 2006 UEX conducted a VTEM airborne electromagnetic survey by Geotech Ltd. of Aurora, Ontario (Irvine, 2004; Cristall, 2005; Whitherly, 2007; Cameron and Eriks, 2008b). In 2005 UEX performed a RESOLVE airborne electromagnetic and magnetic survey by Fugro Airborne Surveys Corporation of Mississauga, Ontario (Cameron and Eriks, 2008a).

The potential for basement-hosted cobalt mineralization was identified during the drilling program conducted in 2002 to assess the WBU Deposit for down-dip extensions of the unconformity mineralization. Although all drill holes from this program failed to intersect uranium mineralization, four drill holes (WBE-019, -027, -028, and -029) drilled along strike to the east of the uranium deposit intersected a very intense hydrothermal alteration zone accompanied by highly enriched nickel-cobalt-arsenic concentrations (Lemaitre 2002).

In 2004, seven drill holes tested several prospective targets on the margins of the WBU Deposit. These holes proved that the eastern portion of the Project is quite variable with respect to geology, alteration, and structure (Lemaitre 2004).

Core sampling from the 2005 drill program (281 samples initially) were submitted for geochemical analysis to analyze altered and faulted basement rocks. Results returned high cobalt and nickel values. A subsequent infill sampling program allowed for a review of the drill holes which showed development of erythrite, the hydrated arsenide of cobalt, and revealed prominent zones of cobalt mineralization in the drill core. Supplemental core sampling (a further 215 samples) in 2005 yielded enough data for preliminary mineral resource estimate of the cobalt and nickel mineralization which was documented by Lemaitre (2006), but not considered to be National Instrument 43-101 compliant mineral resource at that time.

### **8.3 2006 – 2017 Exploration**

Since becoming the operator of the property, UEX conducted several exploration programs including 36 diamond drill holes (3,963 metres) in addition to geophysical surveys of the WBU Deposit and surrounding areas. The geophysical surveys included airborne radiometric and magnetic surveys by Geo Data Solutions Incorporated of Laval, Quebec during 2008.

UEX initiated a sonic drilling program over the area of the WBU Deposit during the winter of 2007. This program was designed to further define the uranium mineralized and comprised a total of 113 sonic boreholes (3,387 metres). Throughout this sonic drilling program UEX identified anomalous cobalt-nickel-arsenic mineralization hosted in altered pegmatite and graphitic gneiss to the east-southeast of the WBU Deposit.

### **8.4 2018 Exploration**

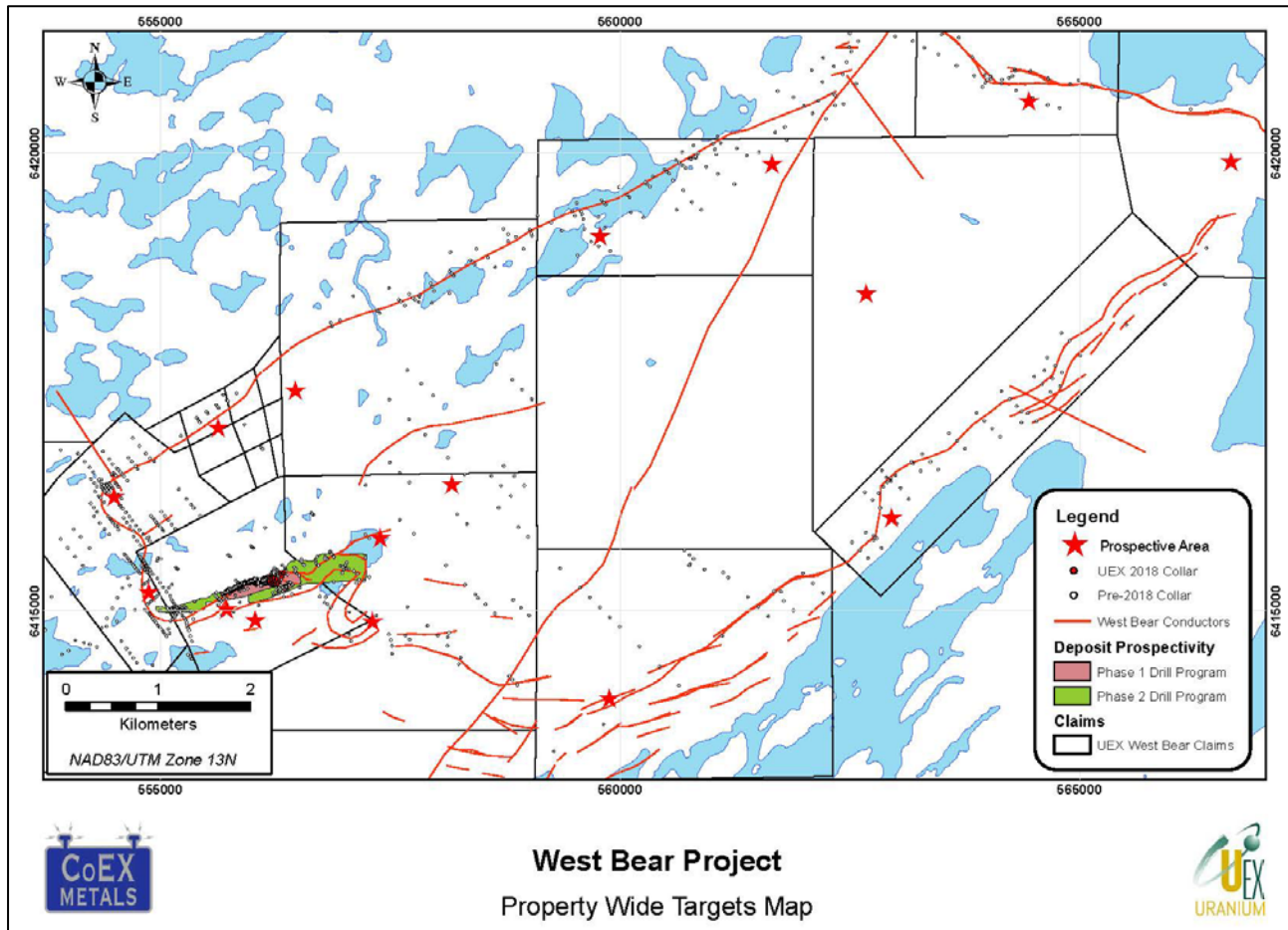
In early 2018, UEX initiated an exploration program to assess the continuity of cobalt mineralization in basement rocks along strike to the east of the unconformity-hosted uranium mineralization. The 2018 program incorporated 41 diamond drill holes for 4,457 metres as a follow-up to the 2002 to 2005 programs that identified the potential for cobalt mineralization. The use of handheld x-ray fluorescence (XRF) technology was implemented in 2018 to aid in the identification of mineralized intervals in drill core. Prior to the 2018 program, sample selection for cobalt and nickel mineralization in core was limited to intervals that contained visibly identifiable erythrite or significant alteration surrounding faulted graphitic rocks.

### **8.5 Exploration Targets**

In addition to exploration activities at the West Bear Cobalt-Nickel Deposit, UEX has identified other potential targets located elsewhere on the West Bear Property (Figure 6).

The faulted graphitic rocks between the West Bear Cobalt-Nickel Deposit and the Pebble Hill Prospect represent the best opportunity for discovery of additional resources. This prospective area is between L21+50E and L16+25E beneath the WBU Deposit. An additional 500-metre strike length to the east is untested from the western extent of the WBU Deposit to the Pebble Hill Prospect starting at L11+00E.





**Figure 6: Plan Map of Additional Exploration Targets Within the West Bear Property**

Source: UEX

The conductive trend located ~150 metres south of the West Bear Cobalt-Nickel Deposit presents another target; where an anticline brings the prospective stratigraphy close to the unconformity. The 2006 drill program highlighted 5.2 metres of clay alteration at 27.8 metres and up to 72 percent core loss over the interval 21.0 to 24.0 metres, all associated with numerous clay gouges scattered through the graphitic rocks in WBE-108. Geochemistry results from drill hole WBE-108 included an intersection of 0.136 percent cobalt over 1.8 metres through the graphitic horizon.

There are several uranium showings and one nickel showing along the unconformity subcrop of the Mitchel Lake to Knight Lake trend on the northern limb of the West Bear antiform. Additional drilling is needed to evaluate these showings for significant basement cobalt and nickel mineralization. Since the early activity focused on uranium and nickel mineralization, many of the early boreholes do not penetrate far enough into the basement rocks to evaluate for an analogue to the West Bear Cobalt-Nickel Deposit.

## 9 Drilling

Drilling on the West Bear Property dates to the 1970's and was undertaken in a number of drilling campaigns until 2007 (Figure 7). Most of the historical drill holes targeted uranium mineralization and prospects. Between 1973 and 2018, a total of 622 diamond drilling boreholes (51,973 metres), 333 reverse circulation boreholes (8,115 metres), and 216 sonic boreholes (6,277 metres) were drilled throughout the West Bear Property by Gulf, Eldorado, Cameco, and UEX, summarized in Table 4.

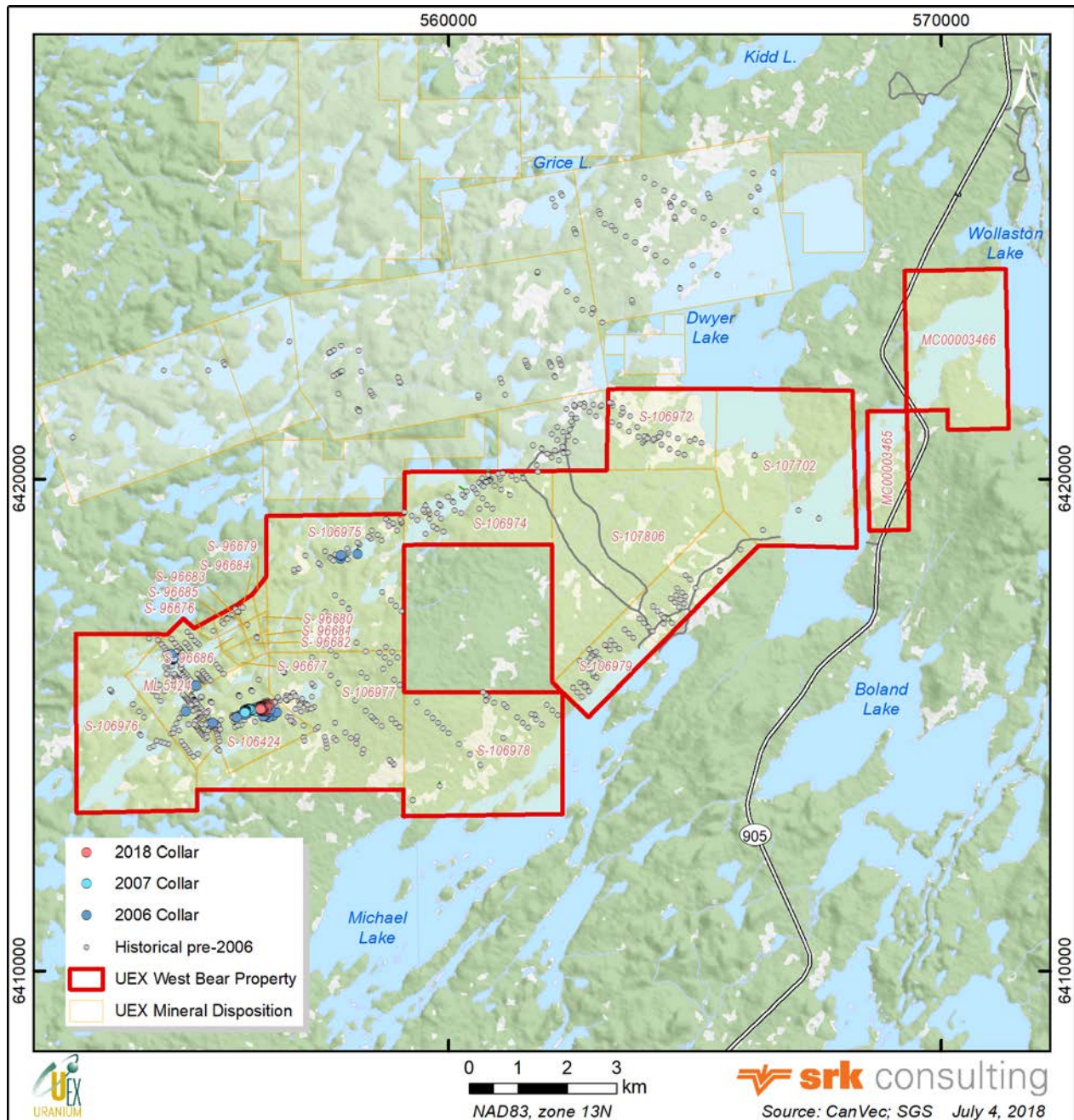


Figure 7: Distribution of All Drilling Boreholes Near the West Bear Property

**Table 4: Summary of Drilling on the West Bear Property**

Year	Total	Type			Total	Meters*			Company
		DDH	RC	Sonic		DDH	RC	Sonic	
1973	5	5			677	677			Gulf
1976	6	6			616	616			Gulf
1977	197	135	62		8796	7663	1,133		Gulf
1978	240	97	143		11,791	6,957	4,834		Gulf
1979	221	93	128		8,330	6,182	2,148		Gulf
1980	44	44			3,577	3,577			Gulf
1981	4	4			488	488			Gulf
1982	18	18			1,846	1,846			Eldorado
1983	12	12			767	767			Eldorado
1984	4	4			368	368			Eldorado
1985	16	16			1,550	1,550			Eldorado
1986	2	2			285	285			Eldorado
1987	6	6			845	845			Eldorado
1988	5	5			610	610			Cameco
1989	17	17			1,659	1,659			Cameco
2002	12	12			1,308	1,308			UEX**
2003	10	10			1,500	1,500			UEX**
2004	17	15		2	1,581	1,543		38	UEX**
2005	145	44		101	7,964	5,112		2,852	UEX**
2006	36	36			3,963	3,963			UEX
2007	113			113	3,387			3,387	UEX
2018	41	41			4,457	4,457			UEX
<b>Total</b>	<b>1,171</b>	<b>622</b>	<b>333</b>	<b>216</b>	<b>66,366</b>	<b>51,973</b>	<b>8,115</b>	<b>6,277</b>	

\* Rounded to the nearest metre

\*\* Cameco managed work for UEX

## 9.1 Historical Drilling (1977 – 2007)

Historical drilling completed in the area of the West Bear Property is summarized in Table 4 and discussed in Section 8. Previous drilling focused mainly on uranium mineralization and can be found in “Preliminary Feasibility Study of the West Bear Deposit, Hidden Bay Project, Saskatchewan” by Golder Associates 2009. This report also references the Rhys 2002 report titled “Geological Report on the Hidden Bay Property, Wollaston Lake Area, Northern Saskatchewan”.

## 9.2 Drilling by UEX (2018)

In February 2018, UEX implemented a drilling program focused on the area east of the footprint of uranium mineralization to expand and test the continuation of cobalt and nickel mineralization at West Bear. UEX completed a total of 41 core boreholes (4,457 metres) during this program (Figure 8). Boreholes were located on sections spaced 25 metres apart and were spaced 12.5 or 25 metres apart on the section. Most boreholes were drilled with a plunge of 60 degrees, at an azimuth of 343 degrees (Table 5). Boreholes are generally perpendicular to the mineralized lenses.



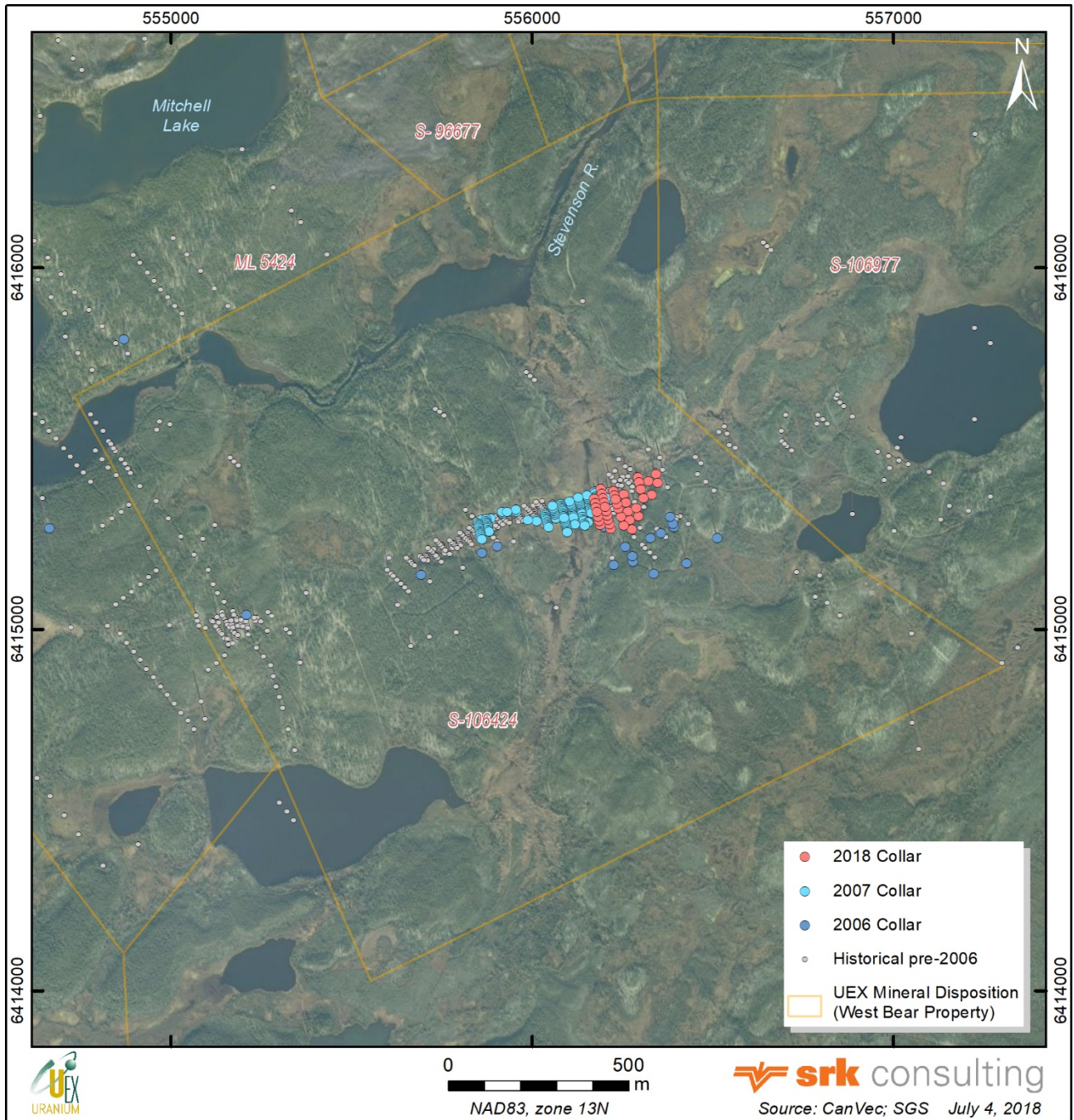


Figure 8: Plan Map of Drilling on the West Bear Cobalt-Nickel Project

**Table 5: Summary of Drilling by UEX on the West Bear Cobalt-Nickel Project (2018)**

Borehole ID	Azimuth	Dip	Length (metre)	Easting* (metre)	Northing* (metre)	Elevation (metre)	Section ID
WBC-001	343	-60	126	6415323	556179	418.7	L20+87E
WBC-002	343	-60	120	6415310	556181.8	418.6	L20+87E
WBC-003	343	-60	120	6415299	556184.7	418.8	L20+87E
WBC-004	343	-60	132	6415288	556187.1	418.8	L20+87E
WBC-005	343	-60	120	6415335	556176.3	418.6	L20+87E
WBC-006	343	-60	108	6415348	556173.8	418.7	L20+87E
WBC-007	343	-60	75	6415360	556170.5	418.5	L20+87E
WBC-008	343	-60	120	6415337	556201.4	418.6	L21+12E
WBC-009	343	-60	120	6415326	556205	418.7	L21+12E
WBC-010	343	-60	120	6415313	556207.4	418.7	L21+12E
WBC-011	343	-60	120	6415301	556209.8	418.9	L21+12E
WBC-012	343	-60	120	6415289	556212.9	418.9	L21+12E
WBC-013	343	-64	132	6415277	556215.9	419	L21+12E
WBC-014	343	-60	108	6415349	556198.2	418.8	L21+12E
WBC-015	343	-60	102	6415362	556195.3	418.9	L21+12E
WBC-016	343	-60	93	6415374	556192.2	418.8	L21+12E
WBC-017	343	-60	69	6415387	556189.1	418.6	L21+12E
WBC-018	343	-60	120	6415358	556230.8	418.8	L21+12E
WBC-019	343	-62	117	6415345	556235.1	419	L21+50E
WBC-020	343	-62	120	6415333	556238.2	418.9	L21+50E
WBC-021	343	-62	120	6415310	556245.4	419.1	L21+50E
WBC-022	343	-62	129	6415286	556252.3	419.7	L21+50E
WBC-023	343	-70	119	6415335	556288.2	419.2	L22+00E
WBC-024	343	-60	102	6415369	556227.3	418.8	L21+50E
WBC-025	343	-70	118	6415311	556294.4	419.6	L22+00E
WBC-026	343	-60	84	6415382	556223.4	418.8	L21+50E
WBC-027	343	-50	84	6415382	556223.4	418.8	L21+50E
WBC-028	343	-84	119	6415311	556294.4	419.6	L22+00E
WBC-029	343	-60	111	6415350	556259	419	L21+75E
WBC-030	343	-60	119	6415362	556307	419.3	L22+25E
WBC-031	343	-60	105	6415325	556265.2	419.2	L21+75E
WBC-032	343	-60	102	6415300	556270.1	419.8	L21+75E
WBC-033	343	-60	101	6415385	556300.2	419.1	L22+25E
WBC-034	345	-60	108	6415276	556275.6	421.4	L21+75E
WBC-035	343	-60	95	6415405	556295.7	419	L22+25E
WBC-036	343	-60	80	6415420	556292.2	418.9	L22+25E
WBC-037	343	-67	96	6415372	556252.9	418.8	L21+75E
WBC-038	343	-63	113	6415371	556330.3	419.6	L22+50E
WBC-039	343	-60	102	6415404	556346.9	419.9	L22+75E
WBC-040	343	-63	86	6415409	556321.5	419.3	L22+50E
WBC-041	343	-60	102	6415429	556341.9	419.7	L22+75E
<b>Total</b>			<b>4,457</b>				

\* The North American Datum of 1983, zone 13N.

Representative cobalt and nickel assay results from the 2018 drilling program are summarized in Table 6. The program revealed the variable styles of cobalt mineralization, including fracture hosted, disseminations, stockwork within brecciated graphitic rocks, and clots within intensely clay altered rock. Cobalt mineralization occurs within breccias of the faulted upper and lower contacts of the graphitic unit, and higher grades are lenticular in cross section for a strike length of approximately 225 metres. Thickness varies from a few metres to tens of metres in the graphitic basement rocks. In

the eastern part of the 2018 drilling, cobalt mineralization occurs along the West Bear Fault and continues into the pegmatite hanging wall on drilling grid line L22+00E and L22+50E in one instance the cobalt as sulphide mineralization continues above the unconformity into the Athabasca sandstone.

**Table 6: Salient Core Intersections on the West Bear Cobalt-Nickel Project**

Borehole ID	From*	To*	Length*	Cobalt**	Nickel**	Higher Grade Intervals Within Lower Grades Intersections				
						From*	To*	Length*	Cobalt**	Nickel**
WBC-001	27.1	58	30.9	0.78	0.53	46	56.5	10.5	2	1.26
WBC-002	36	41	5	0.18	0.15	-	-	-	-	-
	55	61	6	0.59	0.51	57.5	60	2.5	1.37	1.02
WBC-003	35	42	7	0.02	0.12	-	-	-	-	-
	63	64.5	1.5	0.02	0.04	-	-	-	-	-
	83.5	88.5	5.0	0.12	0.21	-	-	-	-	-
WBC-004	37	40	3	0.02	0.08	-	-	-	-	-
	55	84	29	0.02	0.07	-	-	-	-	-
WBC-005	31.5	52	20.5	0.73	0.36	39	41.5	2.5	1.14	0.47
						44	50	6	1.79	0.72
WBC-006	30	42	12	0.11	0.15	40.5	41	0.5	1.91	1.08
WBC-007	27	35.5	8.5	0.17	0.13	29	30	1	0.69	0.32
WBC-008	27	57	30	0.07	0.08	47	48	1	0.74	0.43
WBC-009	36	46.1	10.1	0.04	0.08	-	-	-	-	-
	57.5	67	9.5	1.26	0.59	62	65	3	3.78	1.47
WBC-010	40.5	52	11.5	0.56	0.28	40.5	44	3.5	1.64	0.58
	56.5	58	1.5	0.03	0.07	-	-	-	-	-
	64.5	70.5	6	0.3	0.57	67.5	69	1.5	0.87	1.26
WBC-011	49	54.5	5.5	0.04	0.15	-	-	-	-	-
	59.5	61	1.5	0.01	0.03	-	-	-	-	-
	70	74.5	4.5	0.16	0.14	73.5	74	0.5	0.6	0.38
	76	79.5	3.5	0.01	0.06	-	-	-	-	-
WBC-012	49	56	7	0.02	0.12	-	-	-	-	-
	73.5	96	22.5	1.78	1.06	77	85	8	4.9	2.08
WBC-013	43	46	3	0.01	0.02	-	-	-	-	-
	67	69	2	0.02	0.06	-	-	-	-	-
WBC-014	24	51.5	27.5	0.12	0.11	42.8	43.5	0.7	2.37	1.59
						49.5	50	0.5	0.53	0.31
WBC-015	30	36	6	0.02	0.09	-	-	-	-	-
	40	44	4	0.03	0.06	-	-	-	-	-
WBC-016	31.5	35.5	4	0.02	0.07	-	-	-	-	-
WBC-018	28	33	5	0.04	0.13	-	-	-	-	-
	40	42.5	2.5	0.09	0.08	-	-	-	-	-
	44.5	48	3.5	0.03	0.05	-	-	-	-	-
	55	57	2	0.02	0.05	-	-	-	-	-
WBC-019	22.4	60.5	38.1	0.02	0.05	-	-	-	-	-
WBC-020	25.5	66.5	41	0.02	0.04	-	-	-	-	-
WBC-021	46.1	51	4.9	0.04	0.03	-	-	-	-	-
	59	60	1	0.01	0.04	-	-	-	-	-
	62.5	71.5	9	0.01	0.04	-	-	-	-	-
WBC-022	57.2	59	1.8	0.08	0.04	-	-	-	-	-
	72	77.5	5.5	0.02	0.03	-	-	-	-	-
	80	83.1	3.1	0.01	0.03	-	-	-	-	-

\* Metres

\*\* Percentage

**Table 6: Salient Core Intersections on the West Bear Cobalt-Nickel (2/2)**

Borehole ID	From*	To*	Length*	Cobalt**	Nickel**	Higher Grade Intervals Within Lower Grades Intersections				
						From*	To*	Length*	Cobalt**	Nickel**
WBC-023	45	67	22	0.14	0.17	52	53.5	1.5	1.08	1.18
WBC-024	28.5	32	3.5	0.13	0.14	30	30.7	0.7	0.53	0.42
WBC-025	38.5	76.5	38	0.17	0.12	39	44	5	1.05	2.02
						39	40	1	4.54	1.38
WBC-026	28.5	37.5	9	0.2	0.19	30	31	1	1.21	0.78
WBC-027	32	49.5	17.5	0.03	0.11	-	-	-	-	-
WBC-028	38.5	58.5	20	0.04	0.11	-	-	-	-	-
WBC-029	19.4	72	52.6	0.07	0.09	19.4	21	1.6	1.2	0.91
WBC-030	51.1	89	37.9	0.07	0.22	61	61.5	0.5	1.15	1.07
						71	71.5	0.5	0.52	2.59
WBC-031	27.5	80	52.5	0.03	0.04	29	29.5	0.5	0.75	0.71
WBC-032	43	71	28	0.16	0.13	43.5	46.5	3	0.93	0.5
WBC-033	50	69	19	0.05	0.13	56	56.5	0.5	0.56	0.65
	61.5	63	1.5	0.04	0.08	-	-	-	-	-
WBC-034	66	70	4	0.01	0.03	-	-	-	-	-
	93	94.5	1.5	0.01	0.03	-	-	-	-	-
WBC-035	38.7	49	10.3	0.04	0.07	-	-	-	-	-
WBC-036	32.2	38	5.8	0.1	0.15	33	33.5	0.5	0.76	1.14
WBC-037	21	52.5	31.5	0.08	0.11	-	-	-	-	-
WBC-038	70	75.5	5.5	0.02	0.23	-	-	-	-	-
WBC-039	58	59	1	0.02	0.03	-	-	-	-	-
WBC-040	50.5	59	8.5	0.06	0.04	-	-	-	-	-
WBE-019***	32.7	88.5	55.8	0.29	0.27	32	35	1.8	3.42	1.00
						45.0	45.5	0.5	0.69	0.65
						50.5	51.9	1.4	3.11	3.03
WBE-027***	43.75	44.87	1.1	0.21	0.26	-	-	-	-	-
WBE-028***	38.3	39.7	1.4	0.32	0.28	-	-	-	-	-
WBE-029***	56.6	57.9	1.3	0.85	1.38	-	-	-	-	-
WBE-070***	37.5	39.5	2	0.73	0.7	-	-	-	-	-
WBE-070***	42.3	42.8	0.5	2.09	2.71	-	-	-	-	-
WBE-071***	45.1	53.5	8.4	2.15	0.91	-	-	-	-	-
WBE-072***	52.5	56.3	3.8	1.05	1.15	-	-	-	-	-
WBE-075***	36.1	40.3	4.2	0.62	0.47	-	-	-	-	-
WBE-077***	32.4	41.2	8.8	0.57	0.19	-	-	-	-	-
WBE-078***	22.2	25.9	2.7	0.25	0.18	-	-	-	-	-
WBE-078***	36.6	50.9	14.3	0.79	0.6	-	-	-	-	-
WBE-079***	50.3	72.5	22.2	1.12	0.8	-	-	-	-	-
WBE-080***	67.5	75.3	8.1	0.24	0.3	-	-	-	-	-

\* Metres

\*\* Percentage

\*\*\* Holes drilled prior to 2018 drill program

### 9.3 Surveying

Proposed boreholes were spotted relative to known reference points in the field, most on north-northwest to south-southeast oriented gridlines spaced 25 metres apart. Collars of completed holes were surveyed by differential GPS system using the NAD 83 UTM zone 13N reference datum.

Downhole surveys have been completed routinely on every borehole since 2002 using a Reflex instrument. The Reflex tool was used on the single-shot mode with a test taken at 6 metres below the casing and at regular 30-metre spaced intervals and usually at the bottom of the hole.

## 9.4 Core Recovery

The faulted graphitic rocks from the 2018 program in the Project area have an average core recovery of approximately 87 percent by diamond drilling. Core recovery for all basement rocks is 91 percent. The Athabasca sandstone is strongly altered and poorly consolidated which results in approximately 58 percent recovery by diamond drilling.

## 9.5 Drilling Procedures

Drilling was carried out by Graham Brothers Drilling Limited of Fosston, Saskatchewan utilizing a single A5 hydraulic rig with ancillary equipment until April 2, 2018 when a second L38 mechanical rig was mobilized. Drilling activities commenced on March 4, 2018 and were completed April 12, 2018.

The surface drilling used NQ-sized (48-millimetre diameter) equipment including NQ rods and a 4.2-metre core barrel. The drilling process involved securing NW casing into bedrock with an NW casing shoe. Initially, 3-metre runs were drilled prior to core collection; however, due to poor ground conditions the length was changed to 1.5 metres to increase accuracy and core recovery. Upon completion, the drill holes were cemented from the bottom of each borehole into the overburden, and the casing was removed, as per government regulations.

Recovered core was placed directly into standard 1.5 metre-long, three-row NQ wooden core boxes. Wooden blocks were used to identify individual drill runs onto which the depth (in metres) is recorded. Drill hole naming nomenclature was based on the deposit name, abbreviated WBC for West Bear Cobalt, followed by the borehole number in sequence. Core was delivered by Graham Brothers personnel at the end of every shift and brought to an enclosed core handling facility at UEX's West Bear camp.

Drill core was logged by UEX personnel for geotechnical and geological information. The logging personnel were also responsible for photographing the core, measuring structures, surveying with a scintillometer, collecting x-ray fluorescence (XRF) data and marking the core for sampling. Information was input directly into Datamine's DHLogger logging software and stored in the Datamine Fusion drill hole database software system. Sample selection was based on observed geological features involving favourable structure, lithology, alteration, and XRF data.

XRF measurements were recorded during the logging process at regular 50-centimetre intervals. Additional measurements were taken of fractures above and below the faulted and mineralized graphitic horizon. Intervals that analyze for over 300 ppm cobalt or nickel were documented and flagged for sampling.

Hand-held scintillometer readings for uranium exploration drilling were taken along core at regular 10-centimetre intervals. Zones of uranium mineralization were considered when readings were at least 4 times above the background reading (approximately 200 counts per second (cps) with an SPP2 scintillometer). The scintillometer profile was plotted on strip logs to compare and adjust the depth of the downhole gamma logs. Core trays were marked with grease pencils.

All uranium exploration boreholes were logged with a radiometric probe to measure the natural gamma radiation. This work was performed with a Mount Sopris 2PGA regular gamma tool which measures natural gamma radiation using one sodium iodide crystal. An estimate of uranium content



(radiometric equivalent grades) can be made from these results and used for preliminary interpretations.

The conversion coefficients for the conversion of probe counts per second to % eU<sub>3</sub>O<sub>8</sub> equivalent uranium grades were based on calibrations conducted at the Saskatchewan Research Council (SRC) Uranium calibration pits. Dead-time corrections and k-factors were calculated using mathematical relationships comparing counts per seconds to known uranium grades.

SRC downhole probe calibration facilities are located in Saskatoon, Saskatchewan. The calibration facility test pits consist of four variably mineralized boreholes, each approximately four metres thick. The gamma probes are calibrated a minimum of two times per year, usually before and after both the winter and summer field seasons.

## 9.6 SRK Comments

In the opinion of SRK, the drilling, core logging and sampling procedures used by UEX are consistent with generally accepted industry best practices and are, therefore, adequate for an advanced exploration project. SRK concludes that the samples are representative of the source materials and there is no evidence that a sampling bias was introduced by the applied sampling process.

## 10 Sample Preparation, Analyses, and Security

Chantal Jollette, P.Geo. (APGO#1518) from Analytical Solutions is responsible for this section. Ms. Jollette collaborated closely with UEX personnel to undertake the analysis of analytical control data for the West Bear Cobalt-Nickel Deposit.

### 10.1 Drill Core Sampling Method and Approach (2003-2018)

UEX operates a core handling facility at the West Bear Property. The drill core was transported from the drill site to the enclosed West Bear field logging facility. The drill core was logged at the West Bear facility into the Datamine DHLogger core-logging system and stored in the Datamine Fusion drillhole database.

The drill core was photographed, logged, marked for sampling, split, bagged and sealed for shipment by UEX personnel.

Core logging consisted of capturing lithology, alteration, measuring structures, surveying with a scintillometer and handheld XRF spectrometer, and marking intervals for sampling. The sampling for assay was guided by the observed geology and the results from the handheld XRF spectrometer.

XRF readings were taken along the recovered core at 50-centimetre intervals and were recorded in an Excel spreadsheet. Any sample that returned 300 ppm cobalt or nickel was flagged for sampling. Drill holes were sampled using variable intervals (0.5 to 1.0 metre) with most samples being 0.5 metre lengths. Sample length was determined by grade distribution of cobalt and changes in geology. Barren samples were taken to flank both ends of mineralized intersections, with flank sample lengths ranging from 0.5 to 1.0 metre.

Samples were obtained by splitting the typically NQ core in half using a hand splitter. The material was often clay rich and could be soft. After splitting, one half of the core remained in the core box for future reference and the other half was bagged, tagged, and sealed in a plastic sample bag for shipment to the laboratory. Bags of mineralized samples were sealed for shipping in plastic pails. In the rare instance of radioactive samples being taken, Transport of Dangerous Goods (TDG) compliant metal pails were used for shipping. All samples were sent to the Saskatchewan Research Council Geoanalytical Laboratories (“SRC”) in Saskatoon Saskatchewan. All samples were shipped to SRC by ground courier. A sample transmittal form was prepared that identified each batch of samples.

No other sample preparation was carried out by UEX personnel. The sampling procedures meet standard industry best practice and are appropriate for the deposit type.

### 10.2 Sample Preparation and Analysis (2003, 2005 and 2018)

All samples from 2003, 2005 and 2018 drilling were submitted by ground courier to SRC in Saskatoon. SRC is accredited to the ISO 17025 standard by the Standards Council of Canada for a number of specific test procedures, including the procedures used to assay samples for the West Bear Property.

Drill core samples were prepared using the following protocol:

- Drying
- Crushing entire sample to more than 60 percent passing 2 millimetres,
- Riffle splitting to achieve approximately 200-gram subsample
- Dry grinding the 200-gram subsample to better than 90 percent passing 106 microns.

Wet sieving was performed for a selection of samples to confirm that the material exceeded 90 percent passing 106 microns.

The prepared pulp was analyzed for 46 elements using a three-acid leach method (Total Digestion), for 16 elements using a two-acid leach method (Partial Digestion) or for seven elements using an Aqua Regia leach method (Base Metal Assay) followed by Inductively Coupled Plasma (ICP) determination. The Base Metal Assay was used for all 2018 samples within the mineralized zone. A one-gram sample was used for the digestion. The analytical methods are summarized in Table 7. The lower detection limits for the ICP1 digest method are tabulated in Table 8.

**Table 7: Summary of Preparation and Assay Methodologies**

Element	Method Code	Detection limit	Digest	Instrumentation
46 elements	ICP1 (Total Digestion)	Varies, see Table 8	HF + HNO <sub>3</sub> + HClO <sub>4</sub> hot digest plus HNO <sub>3</sub> leach	ICP-OES
16 elements	ICP1 (Partial Digestion)	Varies, see Table 8	HNO <sub>3</sub> + HCl in hot water bath	ICP-OES
As, Co, Cu, Ni, Pb, A, Zn	Base Metal Assay	0.001%	Aqua Regia (3:1 HCl: HNO <sub>3</sub> )	ICP-OES

**Table 8: Lower Detection Limits for ICP1 Analytical Method**

Total Digestion – Lower Limits									
Element	Sandstones	Basement	Element	Sandstones	Basement	Element	Sandstones	Basement	
Al <sub>2</sub> O <sub>3</sub>	0.01 %	0.01 %	Fe <sub>2</sub> O <sub>3</sub>	0.01 %	0.01 %	Na <sub>2</sub> O	0.01 %	0.01 %	
Ba	1 ppm	1 ppm	La	1 ppm	1 ppm	Sr	1 ppm	1 ppm	
Be	0.2 ppm	0.2 ppm	Pb	1 ppm	1 ppm	Ta	1 ppm	1 ppm	
Cd	0.2 ppm	1 ppm	Li	1 ppm	1 ppm	Tb	0.3 ppm	1 ppm	
CaO	0.01 %	0.01 %	MgO	0.002 %	0.01 %	Th	1 ppm	1 ppm	
Ce	1 ppm	1 ppm	MnO	0.001 %	0.01 %	Sn	1 ppm	1 ppm	
Cr	1 ppm	1 ppm	Mo	1 ppm	1 ppm	TiO <sub>2</sub>	0.002 %	0.01 %	
Co	1 ppm	1 ppm	Nd	1 ppm	1 ppm	W	1 ppm	1 ppm	
Cu	1 ppm	1 ppm	Ni	1 ppm	1 ppm	U	2 ppm	2 ppm	
Dy	0.2 ppm	0.2 ppm	Nb	1 ppm	1 ppm	V	1 ppm	1 ppm	
Er	0.2 ppm	0.2 ppm	P <sub>2</sub> O <sub>5</sub>	0.002 %	0.01 %	Yb	0.1 ppm	0.1 ppm	
Eu	0.2 ppm	0.2 ppm	K <sub>2</sub> O	0.002 %	0.01 %	Y	1 ppm	1 ppm	
Gd	0.5 ppm	1 ppm	Pr	1 ppm	1 ppm	Zn	1 ppm	1 ppm	
Ga	1 ppm	1 ppm	Sm	0.5 ppm	1 ppm	Zr	1 ppm	1 ppm	
Hf	0.5 ppm	1 ppm	Sc	1 ppm	1 ppm				
Ho	0.4 ppm	1 ppm	Ag	0.2 ppm	0.2 ppm				

Partial Digestion – Lower Limits								
Element	Sandstones	Basement	Element	Sandstones	Basement	Element	Sandstones	Basement
As	0.2 ppm	1 ppm	Hg	0.2 ppm	1 ppm	Te	0.2 ppm	1 ppm
Sb	0.2 ppm	1 ppm	Mo	0.1 ppm	1 ppm	U	0.5 ppm	1 ppm
Bi	0.2 ppm	1 ppm	Ni	0.1 ppm	1 ppm	V	0.1 ppm	1 ppm
Co	0.1 ppm	1 ppm	Pb	0.02 ppm	1 ppm	Zn	0.1 ppm	1 ppm
Cu	0.1 ppm	1 ppm	Se	0.2 ppm	1 ppm			
Ge	0.2 ppm	1 ppm	Ag	0.1 ppm	0.2 ppm			

### 10.3 Drill Core Density Data

All samples submitted to SRC for geochemical analysis were also analyzed for density using the pycnometer method (SRC Method – Density 1). The methodology is summarized from the SRC Density 1 method reference document as follows.

*“Cleaned, dried and pre-weighed flasks were topped up to volume with deionized water and placed under vacuum then weighed. An aliquot of prepared sample is weighed and transferred to one of the pre-weighed volumetric flasks and then the flask was topped up with water and placed under vacuum until all the air was evacuated. The flasks were made up to volume and reweighed. All weights were entered into one database and the rock density calculated. The temperature of the water was recorded at the time of all measurements and included in the calculations. One in 40 samples is analyzed in duplicate and must fall within specified limits.”*

### 10.4 Quality Assurance and Quality Control Programs

Quality assurance and quality control programs are typically set in place to ensure the reliability and trustworthiness of the exploration data. They include written field procedures and independent verifications of aspects such as drilling, surveying, sampling and assaying, data management, and database integrity. Appropriate documentation of quality control measures and regular analysis of quality control data are important as a safeguard for the project data and form the basis for the quality assurance program implemented during exploration.

Analytical control measures typically involve internal and external laboratory control measures implemented to monitor the precision and accuracy of the sampling, preparation, and assaying. They are also important to prevent sample mix-up and monitor the voluntary or inadvertent contamination of samples. Assaying protocols typically involve regular duplicate and replicate assays and insertion of quality control samples. Check assaying is typically performed as an additional reliability test of assaying results. This typically involves re-assaying a set number of rejects and pulps at a second umpire laboratory.

#### 10.4.1 Quality Assurance and Quality Control Programs (2003, 2005)

In 2003 to 2005, exploration on the West Bear Property was carried out by Cameco Corporation on behalf of UEX. The primary focus of the exploration was for uranium. No reference materials or blanks materials were inserted into the sample batches for cobalt and nickel. Quality was monitored for other elements based on Cameco’s quality control program and laboratory internal reference materials, blanks and duplicates.

#### 10.4.2 Quality Assurance and Quality Control Programs (2018)

This review focuses on the quality control measures applied to samples that were obtained and analyzed in 2018 from the West Bear Cobalt-Nickel Deposit of the UEX West Bear Property.

A total of approximately 2,170 samples (including quality control samples) from the West Bear Cobalt-Nickel Project were collected and assayed during the 2018 drilling program from drill holes WBC-001 to 041.

The UEX quality control program included the use of one certified reference material, one blank material and one field duplicate inserted with every 20 samples.

**Blanks**

Barren fine to medium grained quartzite (“blank”) sourced from the Wollaston Group quartzites was submitted with samples to determine the occurrence of contamination or sample cross-contamination. Elevated values for blanks typically suggest sources of contamination during sample preparation or in the analytical procedure (contaminated reagents or crucibles and sample solution carry-over during instrumental finish).

The tolerance for the upper limits used for blank material was based on 10 times the detection limit of the analytical methods and are tabulated in Table 9.

During the 2018 drilling program, a total of 95 blank samples were inserted into the sample stream. All blank samples returned grades less than 10 times the detection limit of the analytical method. It was noted by the qualified person that one out of 95 insertions show evidence of a sample switch (sample SRC148780), which was subsequently corrected.

There were no quality control failures for blanks indicating that risk of sample cross-contamination in preparation and analysis is well controlled and not a material risk for the Project.

**Table 9: Upper Tolerance Limits for Blank Material**

Element	Upper Tolerance
Cobalt	0.01%
Nickel	0.01%

**Reference Materials**

UEX exploration staff inserted four certified reference materials into the sample stream as part of the quality control program. The certified reference materials were sourced from a third-party supplier, Ore Research & Exploration Pty Ltd (ORE). The certified reference materials were analyzed at more than 15 laboratories to determine expected values and tolerances. Expected values for the certified reference materials were derived from either a 4-acid digest inductively coupled plasma analyses or an aqua regia digest inductively coupled plasma analyses.

The expected values for the base metal certified reference materials are tabulated in Table 10.

**Table 10: List of Certified Reference Materials and Expected Values**

RM	Digestion	Cobalt %		Nickel %		Copper %	
		Average	Std. Dev.	Average	Std. Dev.	Average	Std. Dev.
OREAS 902	Aqua Regia	0.0908	0.007	0.0159	0.001	0.308	0.012
OREAS 78	4-Acid	23.740	0.338	25.790	0.265	2.050	0.068
OREAS 166	4-Acid	0.197	0.011	*		8.820	0.270
OREAS 165	4-Acid	0.2445	0.016	*		3.20	0.07

\* Value Not certified

There were 95 insertions of certified reference materials with drill core samples. A low proportion of quality control failures were identified for cobalt and nickel; these are cases where the results were outside the tolerance of three standard deviations or there were consecutive certified reference

materials outside +2 or -2 standard deviations. UEX identified quality control failures when results were received and requested repeat assays, as required.

All acceptable data were plotted on control charts with their performance summarized in Table 11, Table 12 and Table 13. For the purposes of these calculations, samples were labelled as “outliers” by having a ‘Z’ score greater than 5, where  $Z = (\text{Measured less Expected}) / \text{Tolerance}$ . The observed “outliers” were noted to be mislabelled reference materials and are not relevant to a discussion of laboratory performance.

The observed average values for cobalt and nickel in certified reference materials fall within  $\pm 5$  percent of expected values. There is no consistent bias for the reference materials with respect to cobalt and nickel.

The reference materials results for copper are included to increase our confidence in the cobalt and nickel results. The copper results are good. The cobalt and nickel reference material results are close to the lower detection limit.

Laboratory performance, based on blanks and reference materials, was excellent and cobalt, and nickel analytical data are considered acceptable for use in resource estimation.

**Table 11: Performance of Cobalt in Certified Reference Materials**

RM	No of Samples	Outliers Excluded	Failures Excluded	Accepted Cobalt wt%		Observed Cobalt wt%		Percent of Accepted
				Average	Std. Dev.	Average	Std. Dev.	
OREAS 902	16	-	-	0.0908	0.007	0.0934	0.001	103%
OREAS 78	1	-	-	23.74	0.338	23.3		98%
OREAS 166	12	-	-	0.197	0.011	0.204	0.002	103%
OREAS 165	65	1	-	0.2445	0.016	0.2475	0.006	101%
<b>Total</b>	<b>94</b>	<b>1</b>				<b>Weighted Average</b>		<b>102%</b>

**Table 12: Performance of Nickel in Certified Reference Materials**

RM	No of Samples	Outliers Excluded	Failures Excluded	Accepted Nickel wt%		Observed Nickel wt%		Percent of Accepted
				Average	Std. Dev.	Average	Std. Dev.	
OREAS 902	16	-	-	0.0159	0.001	0.0166	0.001	105%
OREAS 78	1	-	-	25.790	0.265	26.000		101%
OREAS 166*	6	6	-	0.006	0.000	0.006	0.000	100%
OREAS 165*	41	5	20	0.012	0.000	0.012	0.000	97%
<b>Total</b>	<b>64</b>	<b>11</b>	<b>20</b>			<b>Weighted Average</b>		<b>99%</b>

\* Not certified for nickel

**Table 13: Performance of Copper in Certified Reference Materials**

RM	No of Samples	Outliers Excluded	Failures Excluded	Accepted Copper wt%		Observed Copper wt%		Percent of Accepted
				Average	Std. Dev.	Average	Std. Dev.	
OREAS 902	16	-	-	0.308	0.012	0.304	0.003	99%
OREAS 78	1	-	-	2.050	0.068	2.080		102%
OREAS 166	12	-	-	8.820	0.270	8.867	0.082	101%
OREAS 165	56	1	-	3.200	0.070	3.253	0.025	102%
<b>Total</b>	<b>85</b>	<b>1</b>	<b>20</b>			<b>Weighted Average</b>		<b>101%</b>

## Reproducibility of Laboratory Pulp Duplicates

Commercial laboratories routinely assay a second aliquot of the sample pulp, usually for one in ten samples. The data are used by the laboratory for their internal quality control monitoring. The data are provided at no additional cost. SRC provided the quality control data as part of the digital datafiles.

Results for pulp duplicates that were reviewed fall within an expected range for base metal assays. Only the duplicate pairs above ten times the lower detection limit are considered significant and are included in calculations.

A total of 82 pulp duplicate results were provided. Forty-seven cobalt results and 76 nickel results were above 10 times the detection limit.

Duplicate pairs for cobalt report within  $\pm 10$  percent for 96 percent of the cases considered, and 99 percent of cases for nickel.

## Reproducibility of Coarse Reject Duplicates

Coarse reject duplicates are created by splitting a second cut of the crushed sample in the same way and for the same weight as the original sample. The objective is to determine whether:

- Splitting procedures are applied consistently.
- Changes to sample preparation procedures, specifically the specification for the crush size, are required.

UEX selected 1 in 29 as coarse reject duplicates starting in March 2018. There is a total of 49 coarse reject duplicates. Twenty-nine cobalt results and 41 nickel results were above 10 times the detection limit.

It is expected that the coarse reject duplicates pairs are less similar than pulp duplicate pairs due to the nature of the duplicate being taken from a coarser sample fraction.

Coarse reject duplicate pairs above 10 times the detection limit for cobalt and nickel report within  $\pm 10$  percent for 100 percent of the cases.

## Quarter Core Duplicates

The second half of a drill core sample is assayed to determine:

- The reproducibility of assays for different halves of the core.
- If there is any sampling bias.

To produce core duplicate samples, UEX staff split the core in half; one half of the core was put back in the box and the other half was split again. One quarter core sample was submitted as the primary sample and the second quarter was submitted as the duplicate. At the suggestion of Qualified Person Mr. Bernier, following his site visit in March 2018, quarter core duplicates were discontinued in favour of coarse reject duplicates.

A total of 45 quarter core duplicates were collected and submitted for analyses. The summary of the performance of the quarter core duplicates can be found in Table 14.

Between 52 to 75 percent of the core duplicates agree within  $\pm 10$  percent for cobalt and nickel.

The variation for quarter core duplicates is within the expected range for the deposit style. Given that most of the pulp duplicates agree within  $\pm 10$  percent, this means that splitting and sample preparation procedures are suitable for the project.

**Table 14: Summary of Quarter-Core Duplicate Results**

Analyte	No. of Pairs >10x DL	Percentage of Sample Pairs Reporting Within			
		$\pm 2.5\%$	$\pm 5\%$	$\pm 10\%$	$\pm 25\%$
Cobalt	58	21%	34%	52%	76%
Nickel	85	32%	48%	75%	89%

### Check Assays

Check assays are recommended. The same pulp that was assayed originally is submitted to a different laboratory for the same analytical procedures primarily to augment the assessment of accuracy based on the reference materials submitted to the original laboratory.

A total of 98 pulps were selected from the samples drilled and analyzed in 2018 and submitted to TSL Laboratories in Saskatoon, Saskatchewan.

Reference materials were also inserted with samples submitted to the secondary laboratory to measure whether the secondary laboratory is potentially biased. The results returned no failures in the reference materials inserted.

The samples submitted to TSL Laboratories were analyzed for cobalt and nickel using a similar analytical method to the SRC methodology.

Over 90 percent of the check assay results for cobalt, and nickel are within  $\pm 25$  percent of the two sets of laboratory results; this is considered acceptable. The average Relative Percent Difference (RPD), a rough estimate of bias, is tabulated for both elements in Table 15.

For the cobalt results there is a small bias between SRC and TSL. In 59 out of 89 cases (66 percent) the cobalt results at SRC are higher than the TSL results. A similar trend exists in the nickel results with 62 out of 98 cases where the SRC results are higher than the TSL results. The difference averages about 1 percent when two outlier results, that are suspected sample switches, are excluded. The observed bias seems most prevalent in the 0.1 to 0.5 percent cobalt range.

**Table 15: Summary of Check Assay Results**

Analyte	No. of Pairs >10x DL	Average RPD	Percentage of Sample Pairs Reporting Within			
			$\pm 2.5\%$	$\pm 5\%$	$\pm 10\%$	$\pm 25\%$
Cobalt	89	-1.5%	16%	35%	62%	92%
Nickel	98	3%	15%	32%	54%	90%



## 10.5 Security

The drilling, sampling and logging are done under the supervision of experienced technical personnel. Logged and sampled drill core from the 2018 drill program is stored in a core yard at the West Bear camp in accordance with Saskatchewan government requirements. Historical drill core is stored in three locations; West Bear camp, Raven camp and the Collins Bay core storage site operated by Cameco Corporation.

## 10.6 Summary

No aspect of the sample preparation process was conducted by an employee, officer, director, or associate of UEX. All samples were prepared and analyzed at SRC, an ISO 17025 accredited laboratory.

In the opinion of the Qualified Persons, the sample preparation, security and analytical procedures for all assay data for 2018 are adequate for use in mineral resource estimation.

## 11 Data Verification

### 11.1 Verifications by UEX

Exploration work completed by UEX in 2018 was conducted using documented procedures and protocols involving extensive exploration data verifications and validation. During drilling, experienced UEX geologists implemented industry standard best practices designed to ensure the reliability and trustworthiness of the exploration data.

UEX monitored the analytical quality control data on a regular basis. Failures of quality control samples were investigated, and appropriate actions taken, including re-assaying of samples within batches containing a failure. Results from re-assayed batches replace the original assay of the failed batch.

### 11.2 Verifications by SRK

#### 11.2.1 Site Visit

In accordance with National Instrument 43-101 guidelines, Mr. Bernier visited the Project on March 26 to 28, 2018 during drilling operations, accompanied by Mr. Trevor Perkins P.Geol. (UEX Exploration Manager) and Mr. Chris Hamel P.Geol. (UEX Chief Geologist).

The purpose of the site visit was to review the generation of the exploration database and validation procedures, review exploration procedures, define geological modelling procedures, examine drill core, interview project personnel, and collect all relevant information for the preparation of a mineral resource model and the compilation of a technical report.

The site visit aimed at investigating the geological and structural controls on the distribution of the cobalt-nickel mineralization to aid the construction of three dimensional domains populated with cobalt, nickel, arsenic, and uranium values.

SRK was given full access to relevant data and conducted interviews with UEX personnel to obtain information on the past exploration work, to understand procedures used to collect, record, store and analyze historical and current exploration data.

All aspects that could materially impact the integrity of the exploration database (like core logging, sampling, and database management) were reviewed with UEX staff. SRK was given full access to all relevant project data. SRK was able to interview exploration staff to ascertain exploration procedures and protocols.

SRK examined core from several boreholes and found that the logging information accurately reflects actual core. The lithology contacts checked by SRK match the information reported in the core logs.

## 11.2.2 Verifications of Analytical Quality Control Data

Ms. Jollette analyzed the analytical quality control data produced by the UEX 2018 drilling program.

UEX provided the external analytical control data containing the assay results for the quality control samples for the West Bear Cobalt-Nickel Project. All data were provided in Microsoft Excel spreadsheets. Ms. Jollette aggregated the assay results of the external analytical control samples for further analysis.

Control samples were charted as follows to highlight their performance:

- Control charts for blank material
- Control charts for reference materials
- Scatter plot and Relative Percent Difference chart for pulp duplicates
- Scatter plot and Relative Percent Difference chart for coarse reject duplicates
- Scatter plot and Relative Percent Difference chart for quarter core duplicates
- Scatter plot and Relative Percent Difference chart for check assays

The charts that were plotted to assess the performance of the primary laboratory SRC are provided in Appendix B. The performance of the analytical control data is discussed in Section 10.4.2.

In the opinion of the Qualified Persons, the sample preparation, security and analytical procedures for all assay data for 2018 are adequate to support mineral resource estimation.

## **12 Mineral Processing and Metallurgical Testing**

No mineral processing or metallurgical testing analyses have been carried out to date on the West Bear Cobalt-Nickel Project.

## 13 Mineral Resource Estimates

### 13.1 Introduction

The Mineral Resource Statement presented herein represents the first mineral resource evaluation prepared for the West Bear Cobalt-Nickel Deposit in accordance with the Canadian Securities Administrator's National Instrument 43-101.

The mineral resource model prepared by SRK considers 53 core boreholes (5,774 metres) drilled by UEX during the period of 2003, 2005 and 2018. The resource estimation work was completed by Mr. Sébastien Bernier, P.Geo. (APGO #1847) who is an appropriate independent Qualified Person as this term is defined in National Instrument 43-101. Mr. Dominic Chartier, P.Geo. (APGO#2775) provided technical support to the Qualified Person in the geological and domain modelling of the West Bear Cobalt-Nickel Deposit. The effective date of the Mineral Resource Statement is July 6, 2018.

This section describes the resource estimation methodology and summarizes the key assumptions considered by SRK. In the opinion of SRK, the resource evaluation reported herein is a reasonable representation of the global cobalt-nickel mineral resources found in the West Bear Cobalt-Nickel Deposit at the current level of sampling. The mineral resources were estimated in conformity with generally accepted *CIM Estimation of Mineral Resource and Mineral Reserves Best Practices Guidelines* and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101. Mineral resources are not mineral reserves and have not demonstrated economic viability. There is no certainty that all or any part of the mineral resource will be converted into mineral reserve.

The database used to estimate the West Bear Cobalt-Nickel Deposit mineral resources was validated by SRK. SRK is of the opinion that the current drilling information is sufficiently reliable to interpret with confidence the boundaries for cobalt mineralization and that the assay data are sufficiently reliable to support mineral resource estimation.

Leapfrog Geo software was used to construct the geological solids, and Datamine Studio RM was used to prepare assay data for geostatistical analysis, construct the block model, estimate metal grades, and tabulate mineral resources. The Geostatistical Software Library (GSLib) family of software was used for geostatistical analysis and variography.

### 13.2 Mineral Resource Estimation Methodology

The mineral resources reported herein were estimated using a geostatistical block modelling approach informed from core borehole data constrained within cobalt mineralization wireframes. The geological model of the mineralization represents a series of distinct mineralized lenses, mappable continuously from borehole to borehole. The lenses were defined using a traditional wireframe interpretation constructed from explicit modelling and sectional interpretation of the drilling data using a 0.025 percent cobalt threshold.

The evaluation of the mineral resources involved the following procedures:

- Database compilation and verification.

- Construction of three-dimensional wireframe models for the boundaries of the cobalt mineralization using a 0.025 percent cobalt threshold.
- Definition of mineral resource domains.
- Data extraction and processing (compositing and capping), statistical analysis, and variography.
- Selection of estimation strategy and estimation parameters.
- Block modelling and grade estimation.
- Validation, depletion, classification, and tabulation.
- Assessment of “reasonable prospects for eventual economic extraction,” and selection of the reporting assumptions.
- Preparation of the Mineral Resource Statement.

### 13.3 Resource Database

Exploration data available to evaluate the mineral resources for the West Bear Cobalt-Nickel Deposit includes 53 core boreholes drilled (5,774 metres) by UEX in 2003, 2005 and 2018.

The collar position of each borehole was assessed using a hand-held GPS unit with accuracies generally within a few metres for the surface drilling. Total station DGPS was used to survey the 2018 holes.

SRK received the borehole sampling data as CSV files, including mineralized intervals to be used for the geological estimation. The data was imported into Leapfrog Geo and Datamine Studio RM. SRK performed the following validation steps:

- Checked minimum and maximum values for each quality value field and confirmed/edited those outside of expected ranges.
- Checked for gaps, overlaps and out of sequence intervals in assays tables.

No errors were found and SRK is satisfied with the database received from UEX.

### 13.4 Geological Modelling

The stratigraphy at the West Bear Cobalt-Nickel Deposit was modelled with Leapfrog Geo software utilizing stratigraphic sequence modelling (overburden, sandstone, unconformity and basement). Stratigraphic contacts were defined using lithology log data. The cobalt mineralization lenses fall largely within the basement, with rare extension in the sandstone above the unconformity.

The lenses were modelled independently of the stratigraphic units by creating wireframes interpolated from hanging wall and footwall contacts picked using both the lithology and mineralization logs. These contacts were used to create vein like horizons and lenses that were subsequently limited in their lateral extent by drilling (Figure 9, Figure 10, and Figure 11).

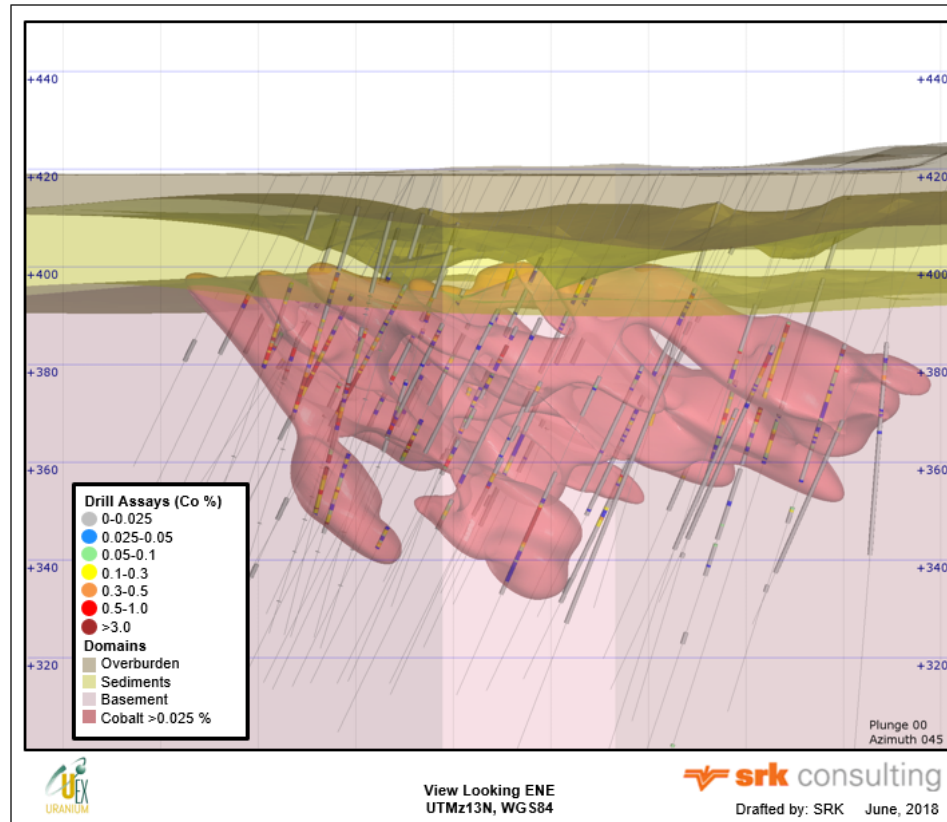


Figure 9: View Northeast of the Modelled Mineralized Lenses

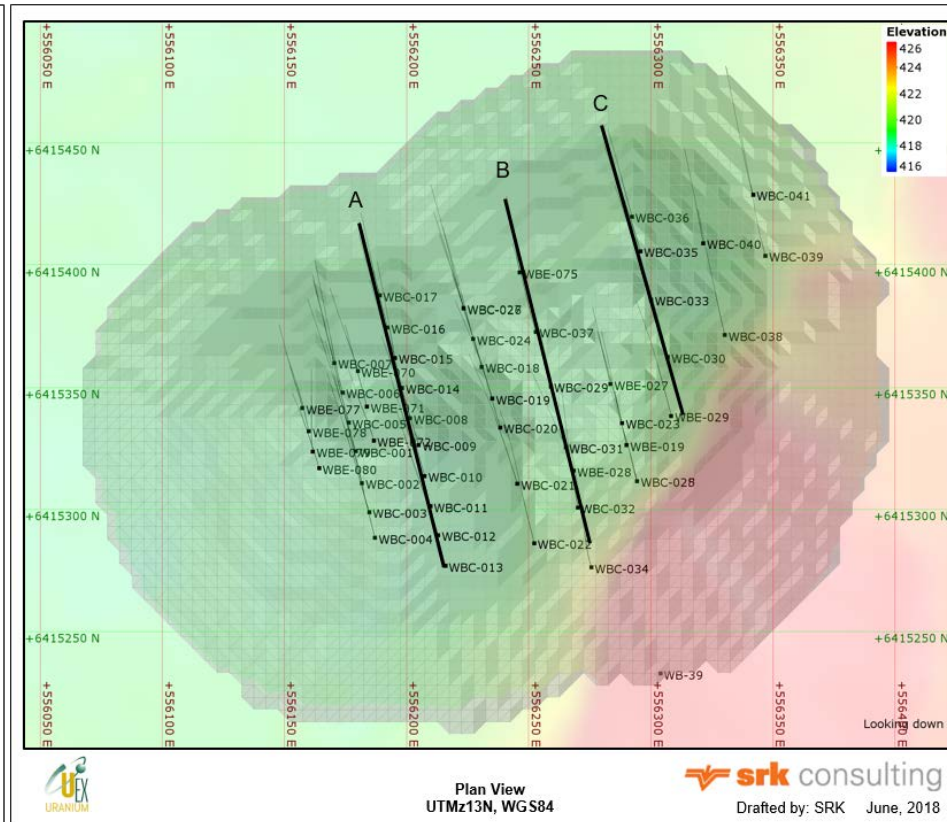


Figure 10: Plan View of the Drilling Relative to the Conceptual Open Pit Shell

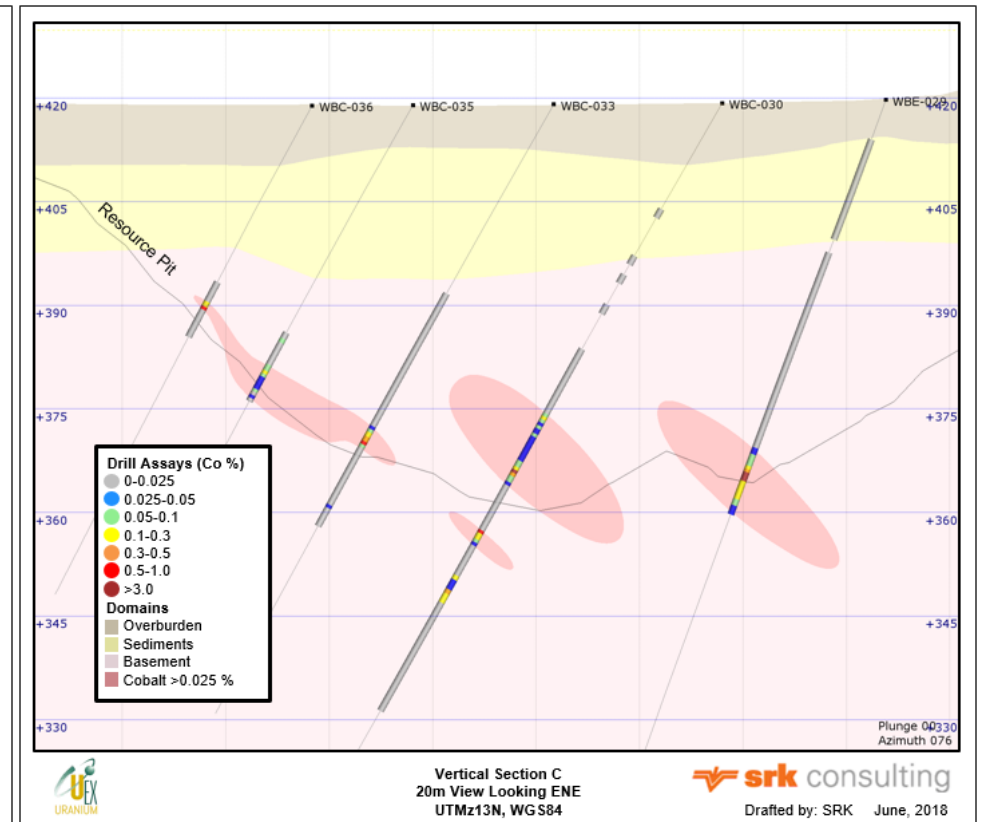
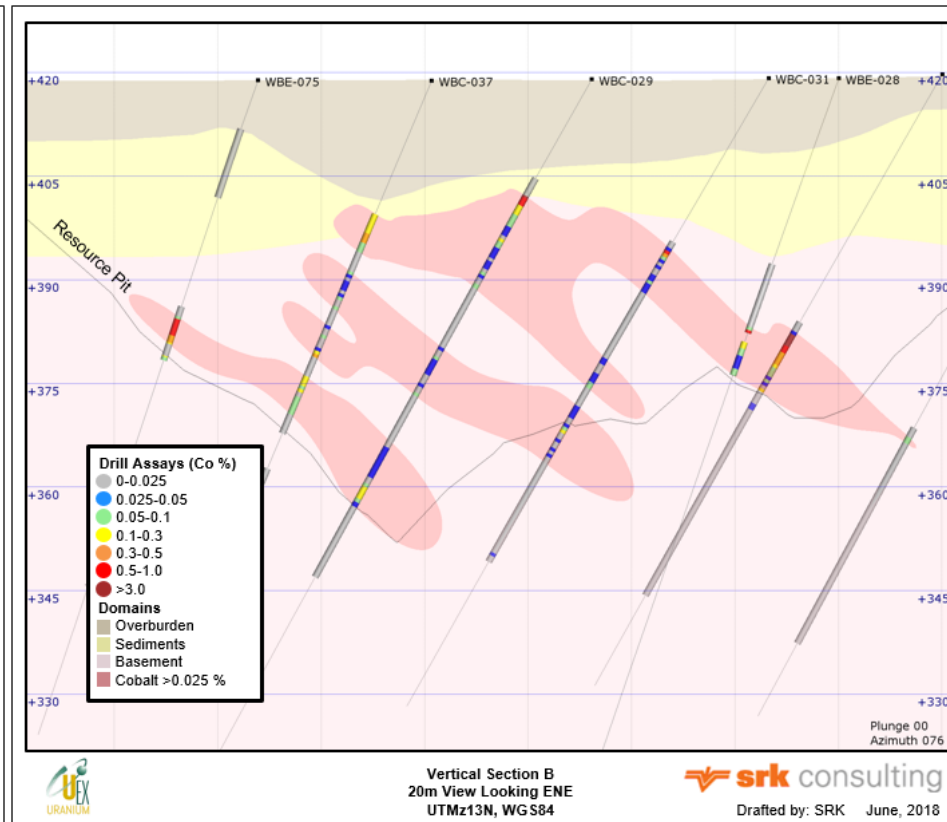
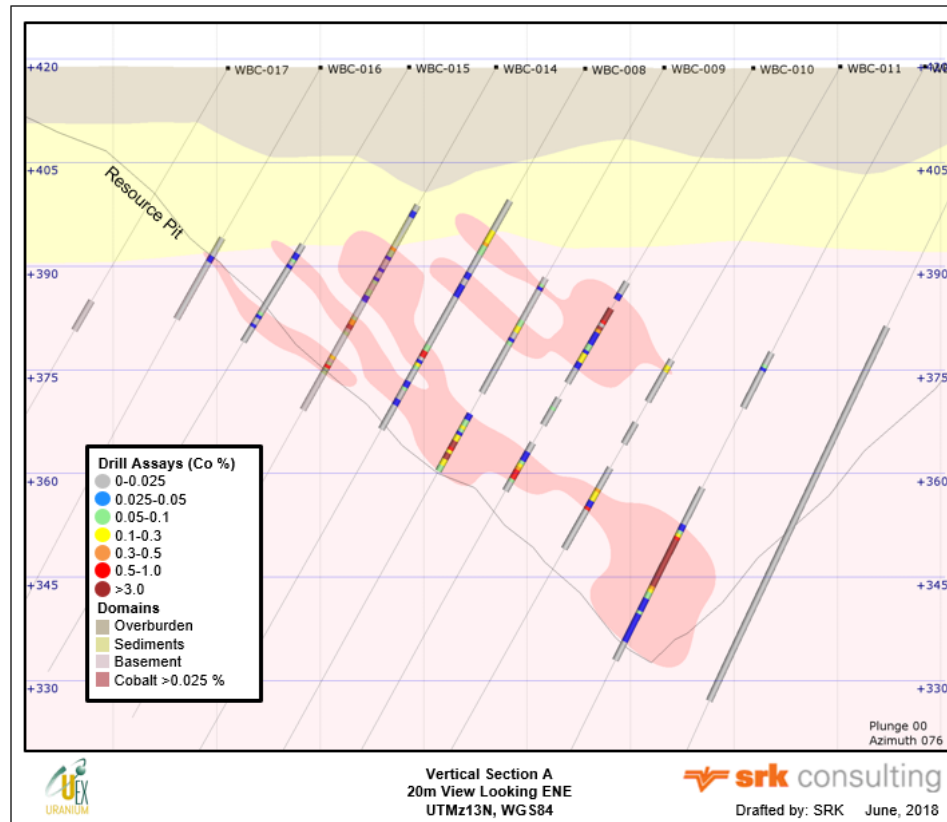


Figure 11: Geological Sections (Figure 9) Looking East Northeast

### 13.5 Specific Gravity

Specific gravity measurements were obtained by picnometry at the assay laboratory as part of the routine assaying protocol. A total of 1,773 specific gravity measurements were taken within the various stratigraphic unit but also in the cobalt mineralization wireframes (Figure 12). Due to the spatial location of the specific gravity measurements and the lack of correlation between the measurements and the metal content, a uniform specific gravity was applied to each stratigraphic unit and to the cobalt mineralization wireframes. A specific gravity of 2.00 was applied to the overburden material, comprised mostly of coarse unconsolidated sand.

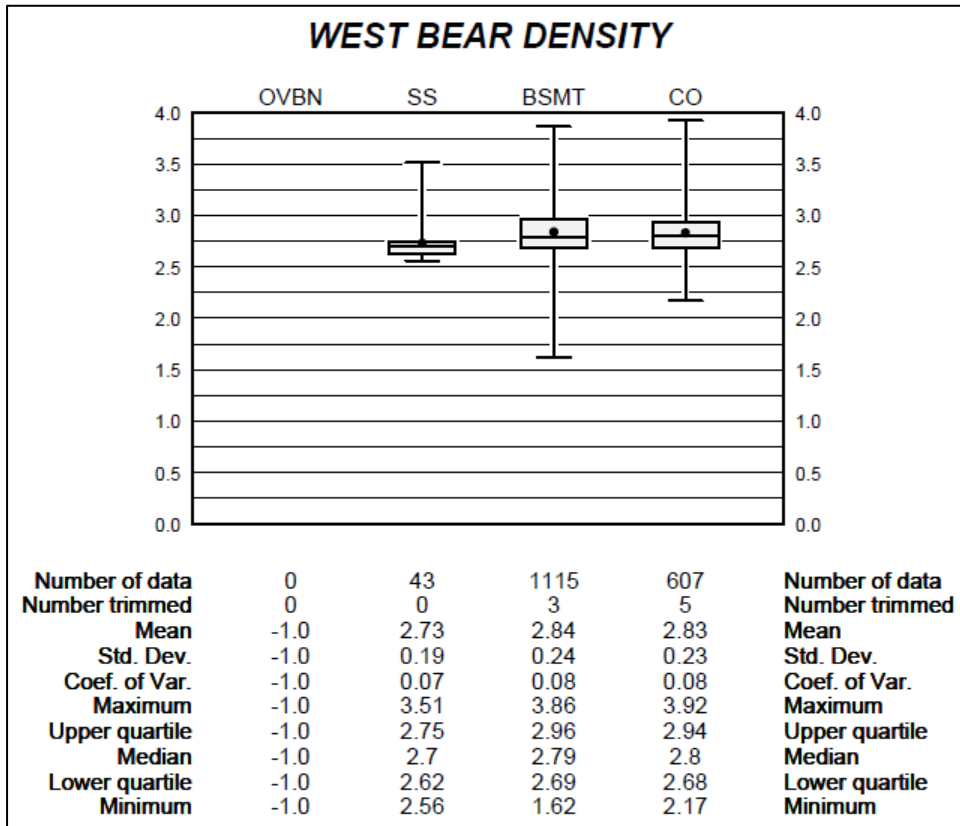
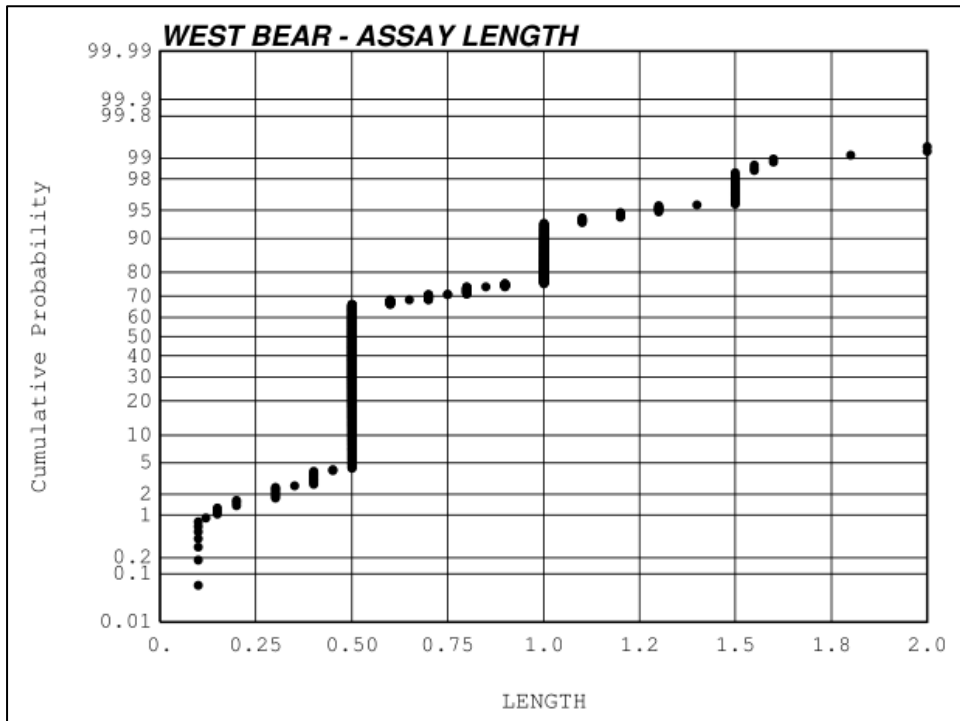


Figure 12: Summary of the Specific Gravity Database

### 13.6 Compositing and Capping

Borehole assay data were extracted from all the mineralized lenses combined (Figure 13) and examined for determining an appropriate composite length. Block model cell dimensions and future open pit mining method were also considered in the selection of the composite length. After evaluation, a modal composite length of 1.0 metre was applied to all mineralized lenses, honouring the mineralization envelope boundaries.





**Figure 13: Assay Length within the Mineralized Lenses**

The impact of cobalt and nickel outliers was examined on composite data using log probability plots and cumulative statistics for all mineralized lenses combined. Basic statistics for each metal assays, composites, and capped composites are summarized in Table 16.

Basic statistics, histograms, and cumulative probability plots for each metal were applied to determine appropriate capping grades (4.80 percent for cobalt and 2.00 percent for nickel). These are illustrated in Figure 14 and Figure 15.

**Table 16: Basic Statistics for All Mineralized Lenses at West Bear**

Element	Sample Count	Minimum	Maximum	Mean	Standard Deviation	Coefficient of Variation	Capped Count
<b>Assays</b>							
Cobalt (%)	826	0.00	12.1	0.43	1.10	2.58	
Nickel (%)	826	0.00	5.51	0.22	0.47	2.13	
<b>Composites</b>							
Cobalt (%)	564	0.00	8.88	0.42	0.98	2.32	
Nickel (%)	564	0.00	3.90	0.22	0.43	1.94	
<b>Capped Composites</b>							
Cobalt (%)	564	0.00	4.80	0.40	0.84	2.10	5
Nickel (%)	564	0.00	2.00	0.21	0.67	1.75	6

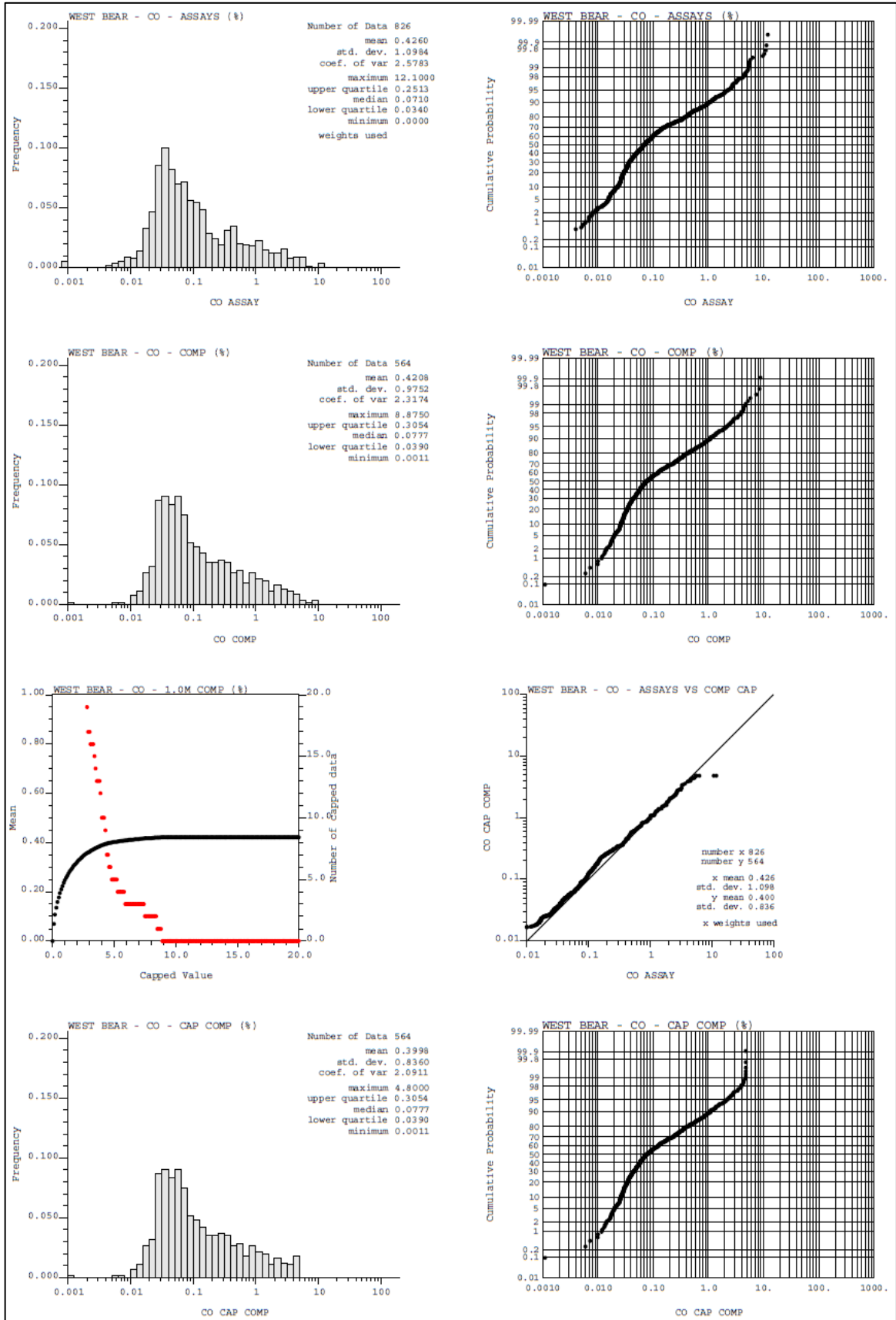


Figure 14: Basic Statistics of the Cobalt Data for the Mineralized Lenses

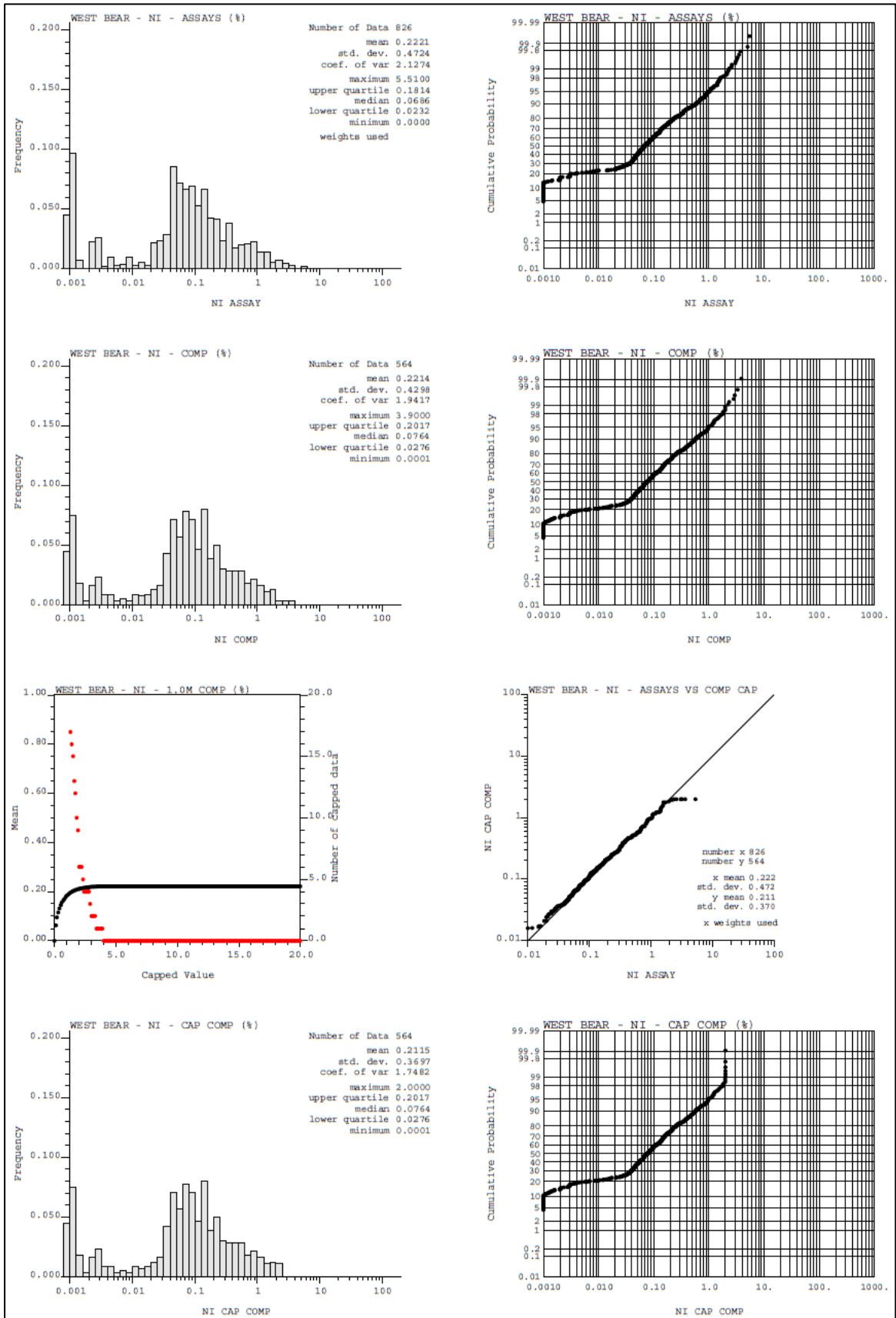


Figure 15: Basic Statistics of the Nickel Data for the Mineralized Lenses

### 13.7 Block Model Definition

Criteria used in the selection of block size included the borehole spacing, composite assay length, the geometry of the modelled lenses, and the future open pit mining technique. In collaboration with UEX, SRK chose a block size of 5 by 5 by 2 metres for all mineralized lenses. Sub-cells, at 0.25-metre resolution, were used to honour the geometry of the modelled lenses. Sub-cells were assigned the same grade as the parent cell. The block model was rotated on the Z-axis to honour the orientation of the mineralization. The characteristics of the final block model are summarized in Table 17.

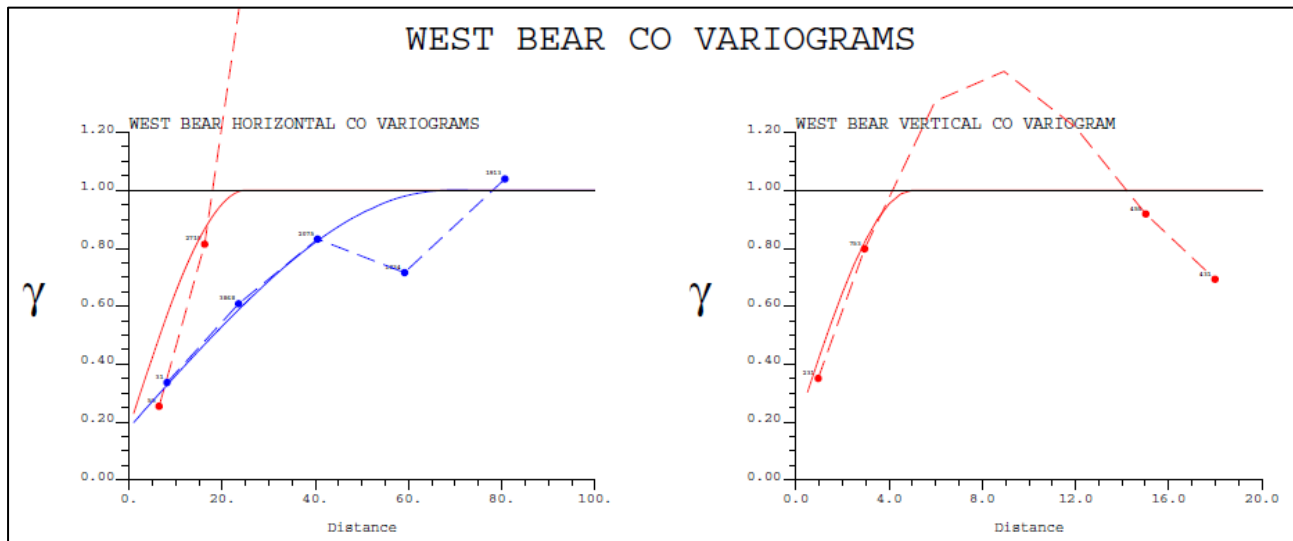
**Table 17: West Bear Cobalt-Nickel Project Block Model Specifications**

Lenses	Axis	Block Size (m)		Origin*	Number of Cells	Rotation Angles	Rotation Priority
		Parent	Subcell				
All	X	5	0.25	556,121	67	-	-
	Y	5	0.25	6,415,136	68	-	-
	Z	2	0.25	259	85	345	1

\* UTM grid (NAD 83 datum)

### 13.8 Variography and Search Ellipsoid

Continuity directions were assessed based on general orientation of the mineralized lenses. SRK evaluated the spatial distribution of the cobalt mineralization using variogram and correlogram modelling of the original capped composite data within all the mineralized lenses combined to ensure sufficient information is available to develop reliable variogram models. Furthermore, variogram calculations considered sensitivities on orientation angles prior to finalizing the correlation orientation. All variogram analysis and modelling was performed using Datamine RM and the Geostatistical Software Library. The use of traditional variograms yielded reasonably clear continuity of long range structures allowing fitting variogram models (Figure 16 and Table 18). The variogram model developed for cobalt was applied to nickel.



**Figure 16: Cobalt Variogram for West Bear Cobalt-Nickel Project**

Note: The solid lines correspond to the fitted model, while the dashed lines correspond to the experimental variogram in those same directions.

**Table 18: Cobalt Variogram Parameters for West Bear Cobalt-Nickel Project**

Lenses	Structure	Contribution	Model	R1x	R1y	R1z	Angle <sup>1</sup>	Angle <sup>1</sup>	Angle <sup>1</sup>	Axis	Axis	Axis
				(m)	(m)	(m)	1	2	3	1	2	3
All	C <sub>0</sub>	0.18	Nugget	-	-	-	345	-38	-10	3	1	3
	C <sub>1</sub>	0.82	Sph	68	25	5	345	-38	-10	3	1	3

1 The rotation angles are shown in Datamine RM convention.

## 13.9 Estimation Strategy

Table 19 summarizes the general estimation parameters used for the cobalt and nickel estimation. All mineralized lenses were estimated simultaneously. In all cases, grade estimation used an ordinary kriging estimation algorithm and three passes informed by capped composites. The first pass was the most restrictive in terms of search radii and number of boreholes required. Successive passes usually populate areas with less dense drilling, using relaxed parameters and less data requirements (Table 20).

SRK assessed the sensitivity of the cobalt block estimates to changes in minimum and maximum number of data, use of octant search, and the number of informing boreholes. Results from these studies show that globally the model is relatively insensitive to the selection of the estimation parameters and data restrictions mainly due to the relative small dataset available. For the first estimation pass, composites from at least two boreholes informing at least five of the search ellipsoid octants were necessary to estimate a block. The same estimation parameters were applied to both cobalt and nickel.

**Table 19: Summary of Estimation Search Parameters for Cobalt and Nickel**

Parameter	1st Pass	2nd Pass	3rd Pass
Interpolation method	OK	OK	OK
Search range X (relative to variogram range)	1X	1X	1X
Search range Y (relative to variogram range)	1X	1X	1X
Search range Z (relative to variogram range)	1X	1X	1X
Minimum number of composites	5	5	3
Maximum number of composites	10	10	10
Octant search	Yes	Yes	No
Minimum number of octant	5	3	-
Minimum number of composites per octant	1	1	-
Maximum number of composites per octant	12	12	-
Maximum number of composites per boreholes	3	3	-

**Table 20: Volume Estimated per Pass**

Lenses	Estimation Pass	Volume Estimation	Percent Estimated
All	1	100,165	62%
	2	48,654	30%
	3	11,905	8%

## 13.10 Block Model Validation

The block model estimates were validated through:

- Comparison of the basic statistics of inverse distance estimates with nearest neighbour estimates and with the original capped composite source data (Figure 17 and Figure 18).
- Comparison of inverse distance estimates global average against nearest neighbour estimated.
- Visual comparison of block estimates to original borehole data on plans and sections.

Validation checks confirm that the block estimates are a reasonable representation of the informing data considering the current level of geological and geostatistical understanding of the Project.

## 13.11 Mineral Resource Classification

Block model quantities and grade estimates were classified according to the *CIM Definition Standards for Mineral Resources and Mineral Reserves* (May 2014) by Mr. Sébastien Bernier, P.Geol. (APGO#1847).

Mineral resource classification is typically a subjective concept, and industry best practices suggest that mineral resource classification should consider the confidence in the geological continuity of the mineralized lenses, the quality and quantity of exploration data supporting the estimates, the geostatistical confidence in the tonnage and grade estimates, and the continuity at the reporting cut-off grade. Appropriate classification criteria should aim at integrating these concepts to delineate regular areas at a similar classification.

SRK is satisfied that the geological modelling honours the current geological information and knowledge. The location of the samples and the assay data are sufficiently reliable to support mineral resource evaluation. The sampling information was acquired by core drilling with pierce points between 15 and 50 metres apart, but generally at 25 metres on average. Considerable progress has been made in modelling the overall spatial location of the cobalt mineralization, but there is still some uncertainty in the local continuity of this mineralization due to its high-grade nature. In addition, no processing or metallurgical data is currently available for the cobalt-nickel mineralization. Accordingly, considering this uncertainty, SRK considers all block estimates within the mineralized lenses and located inside the conceptual open pit shell to satisfy the classification criteria for Inferred mineral resources.

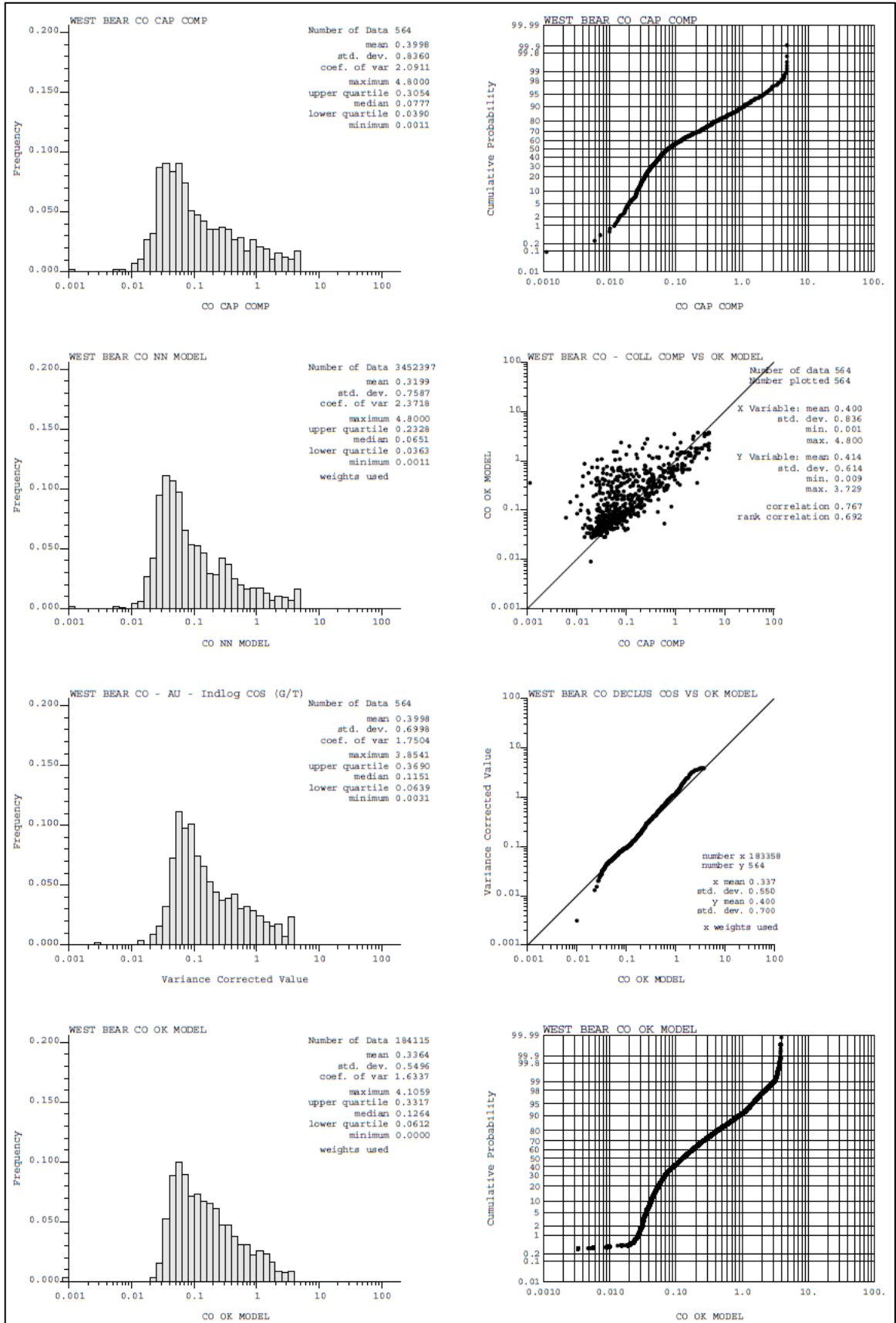


Figure 17: Validation of the Cobalt Block Estimates



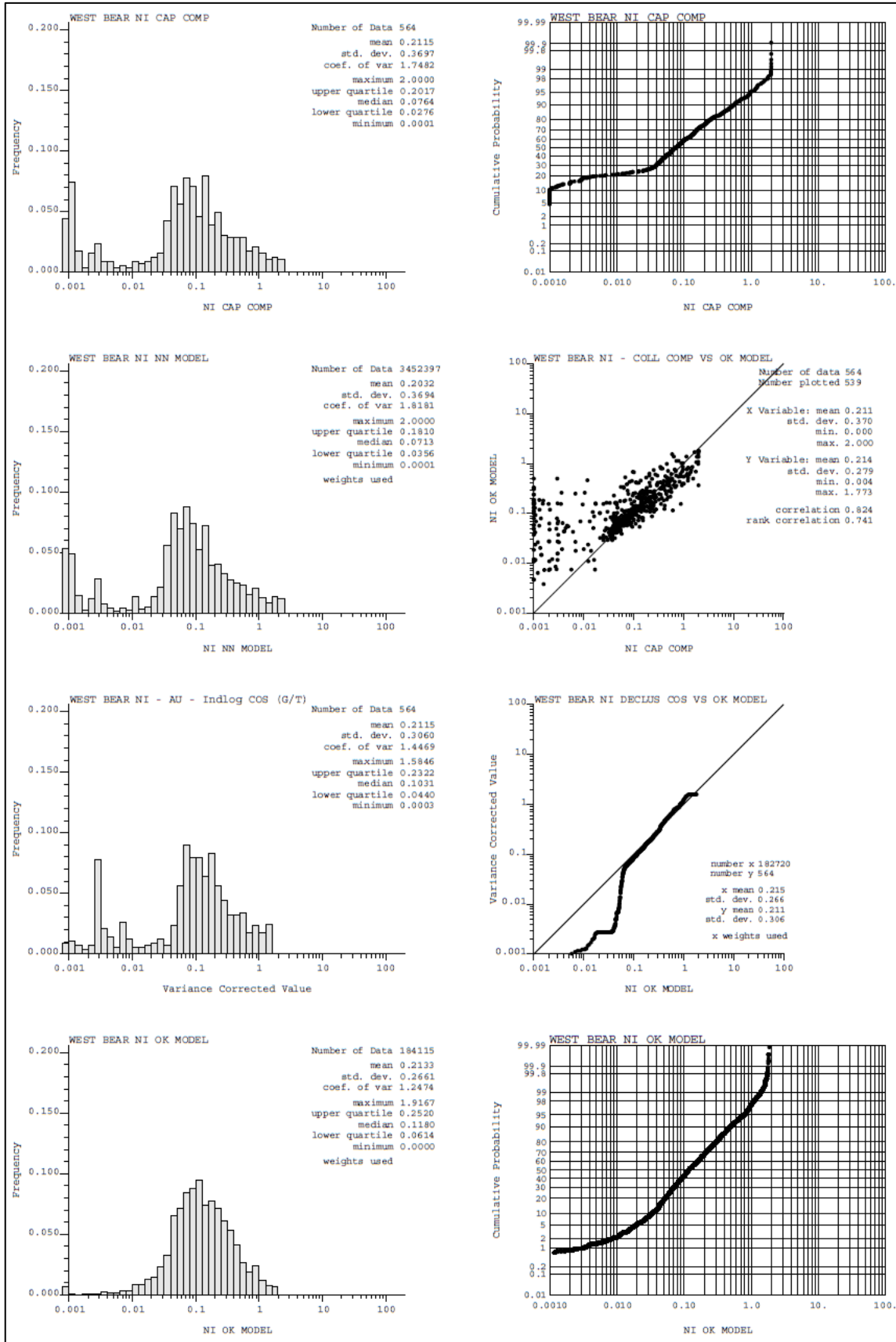


Figure 18: Validation of the Nickel Block Estimates

## 13.12 Preparation of Mineral Resource Statement

CIM Definition Standards for Mineral Resources and Mineral Reserves defines a mineral resource as:

*“[A] concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth’s crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.”*

The “reasonable prospects for economic extraction” requirements, generally implies that the quantity and grade estimates meet certain economic thresholds and that the mineral resources are reported at an appropriate cut-off grade that considers extraction scenarios and processing recoveries.

SRK considers that the cobalt-nickel mineralization at the Project is amenable to open pit extraction. In collaboration with UEX, SRK considered the assumptions listed in Table 21 to select appropriate conceptual pit shell assumptions. Upon review, SRK considers that it is appropriate to report the West Bear Cobalt-Nickel Deposit mineral resource, constrained within a conceptual pit shell, at a cut-off grade of 0.023 percent cobalt equivalent, applying the following equivalency equation:

$$\text{CoEq percent} = \text{Co percent} + (\text{Ni percent} \times 0.2)$$

**Table 21: Assumptions Considered for Conceptual Open Pit Shell**

Parameters	Value	Unit
Cobalt Price	35.00	US\$/Pound
Nickel Price	7.00	US\$/Pound
Cobalt Recovery	90	Percent
Nickel Recovery	90	Percent
Mining Costs	6.00	US\$/tonne mined
Selling Cost (Transportation, TCRC, Penalties, Payable)	35	Percent
General and Administrative	10	US\$/tonne of feed
Slope Angle (Sand/Sandstone)	20/45	Degrees
Mining Dilution	5	Percent
Mining Loss	5	Percent
In-Situ Cut-Off Grade	0.023	Percent Cobalt Equivalent

Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources will be converted into mineral reserve. SRK is unaware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, and political or other relevant issues that may materially affect the mineral resources.

The Mineral Resource Statement for the West Bear Cobalt-Nickel Deposit is presented in Table 22.

**Table 22: Mineral Resource Statement\*, West Bear Cobalt-Nickel Project, Saskatchewan, SRK Consulting (Canada) Inc., July 6, 2018**

Category	Quantity Tonnes	Grade		Contained Metal	
		Cobalt (%)	Nickel (%)	Cobalt ('000 lb)	Nickel ('000 lb)
Inferred	390,000	0.37	0.22	3,172	1,928

\* Mineral resources are not mineral reserves and have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimates. Composites were capped where appropriate. Mineral resources are constrained within a conceptual pit shell and reported at a cobalt equivalent cut-off value of 0.023 percent, considering metal prices of US\$35.00 per pound of cobalt and US\$7.00 per pound of nickel, and assuming metal recovery of 90 percent for cobalt and 90 percent for nickel.

### 13.13 Grade Sensitivity Analysis

The mineral resource model is relatively sensitive to the selection of the reporting cobalt equivalent cut-off grade. To illustrate this sensitivity, the quantities and grade estimates are presented in Table 23 at various cut-off grades. The reader is cautioned that the figures presented in this table should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates within the conceptual open pit shell to the selection of cobalt equivalent cut-off grade.

**Table 23: Global Block Model Quantities and Grade Estimates\* at Various Cobalt Equivalent Cut-Off Grades**

Cut-Off Grade CoEq (%)	Inferred Blocks				
	Volume / Quantity		Grade		
	Volume (m <sup>3</sup> )	Tonnage (tonnes)	Co (%)	Ni (%)	CoEq (%)
0.010	139,013	393,406	0.37	0.22	0.41
0.020	138,722	392,582	0.37	0.22	0.41
0.023	138,653	392,387	0.37	0.22	0.41
0.025	138,601	392,240	0.37	0.22	0.41
0.030	138,294	391,371	0.37	0.23	0.42
0.035	136,724	386,928	0.37	0.23	0.42
0.040	133,539	377,915	0.38	0.23	0.43
0.050	129,814	367,373	0.39	0.24	0.44
0.060	121,668	344,321	0.42	0.25	0.47
0.070	113,880	322,279	0.44	0.26	0.49
0.080	105,772	299,334	0.47	0.28	0.53
0.090	98,529	278,837	0.50	0.29	0.56
0.100	93,811	265,484	0.52	0.30	0.58

## 14 Adjacent Properties

There are no significant cobalt deposits or processing facilities in the Athabasca Basin and little to no cobalt focused exploration has taken place within the Athabasca Basin prior to 2018. Exploration of cobalt in Saskatchewan has occurred in relation to other base metals including copper, zinc, lead, and nickel in areas south of the basin.

The West Bear Property is surrounded by mineral claims that are operated by Denison Mines Corporation, Burkhill Uranium Corporation, Unity Energy Corporation, UEX Corporation and two independent operators, James Hutton and Ryan Kalt. Cobalt Power Group announced on April 30, 2018 the acquisition of privately held Western Cobalt Corporation and its claims adjacent to the West Bear Property. Other than the Cobalt Power Group claims, these properties are primarily explored for uranium.

The information regarding equity ownership and work activity was collected from the Government of Saskatchewan MARS system for land management, the Saskatchewan Mineral Assessment Database, and various company press releases.

A concise summary of the exploration status (incorporating both uranium and cobalt-focussed work) on the mineral claims surrounding the West Bear Property is provided herewith.

### 14.1 UEX Corporation

UEX has 100 percent ownership of the Hidden Bay Property, adjacent to the northern claims of the West Bear Property. The Hidden Bay Property is comprised of 45 claims totalling 51,881 hectares.

The Hidden Bay Property is within the Paleoproterozoic Wollaston Domain. Helikian sandstone of the Athabasca Group overlays only the western part of the Property, with up to 120 metres of sandstone. The most recent activity on the property was in 2015 and involved 47 DDH boreholes (10,179 metres) and a geophysical survey performed on the Dwyer and Wolf Lake trends.

### 14.2 Cobalt Power Group (James Hutton)

James Hutton holds title for nine adjacent claims to the West Bear Property, of which four were staked on November 24, 2017, and the remainder were staked on February 6, 2018. Information on work completed by James Hutton on these claims was not readily available. A news release dated April 30, 2018 from Cobalt Power Group Inc. details the acquisition of Western Cobalt Corporation (James Hutton) and its claims that are adjacent to the West Bear Property.

### 14.3 Denison Mines Corp. (Denison)

Denison Mines has 100 percent ownership in three claims bounding the western and southwestern side of the West Bear Property, adjacent to claims S-106976 and S-106977. These are part of the Marten Lake and Stevenson Lake exploration projects. A fourth claim is surrounded by the West Bear Property and is part of the Stevenson River Project. The four claims together total 9,455 hectares.

The Marten Lake and Stevenson claims lie within the Paleoproterozoic Wollaston Domain metamorphic basement rocks unconformably overlain by the Manitou Falls Formation sandstone. The Stevenson River Project claim contains the unconformable contact with sandstone unit.

The most recent exploration efforts on the Stevenson Lake Property was completed in 2015 and 2016. Work involved a total of three boreholes (777 metres) in 2015 and four boreholes (1,021 metres) on Marten Lake in 2016. No further activity has been reported on the project.

## **14.4 Burkhill Uranium Corporation**

Burkhill Uranium Corporation is a privately held company with a land package to the west of the West Bear Property, totalling 67 claims (38,661 hectares). The claims were staked on November 14 and 15, 2017. There has been no documented field activity since the claims were staked. The claims cover the northeast extension of the Michael Lake trend off the West Bear Property.

## **14.5 Ryan Kalt**

Ryan Kalt holds three claims (1,429 hectares) adjacent to the northeastern corner of the West Bear Property. The claims were staked in November 2017. Conductivity interpreted on these claims crosses the northwestern corner of the northern most claim in surveys completed by previous operators in 1986, 1988, and 2008. No further work has been documented by Ryan Kalt.

## **14.6 Unity Energy Corporation**

Unity Energy Corporation holds one claim totalling 292 hectares along the northern boundary of the West Bear Property, adjacent to the North Shore Uranium Showing. The most recent work performed on the claim was a VTEM survey in 2011. Unity Energy recently terminated an option agreement with 92 Resources Corp. The assessment credits from the 2011 VTEM survey will keep the claim in good standing until 2029.

## 15 Other Relevant Data and Information

Cobalt and nickel mineralization at the West Bear Property is proximal to the WBU Deposit. The West Bear Cobalt-Nickel Deposit manifests within the faulted basement rocks that plunge south southeast from the WBU Deposit that is localized to the sub-Athabasca unconformity.

Advanced mining studies were completed to assess the economic potential of the adjacent uranium mineralization on the West Bear Property (Clayton et al. 2010 and Doerksen et al 2011) prior to the discovery of significant cobalt-nickel mineralization on the property.

## 16 Interpretation and Conclusions

Exploration drilling conducted during 2018 on the West Bear Cobalt-Nickel Project focused on the area east of the footprint of the WBU Deposit to expand and test the continuation of cobalt and nickel mineralization at the Project. UEX completed a total of 41 core boreholes (4,457 metres) during this program. The program revealed the variable styles of cobalt mineralization, including fracture hosted, disseminations, stockwork within brecciated graphitic rocks, and clots within intensely clay altered rock.

Lenses of cobalt mineralization are located primarily within the basement rocks, with rare extensions into the sandstone above the unconformity. The lenses were modelled independently of the stratigraphic units by creating wireframes interpolated from hanging wall and footwall contacts selected considering both the lithology and mineralization logs. Due the spatial location of the specific gravity measurements and the lack of correlation between the measurements and the metal content, a uniform specific gravity was applied to each stratigraphic unit and to the cobalt mineralization wireframes. A modal composite length of 1.0 metre was applied to all mineralized lenses, honouring the mineralization envelope boundaries.

Criteria used in the selection of block size included the borehole spacing, composite assay length, the geometry of the modelled lenses, and the future open pit mining technique. In collaboration with UEX, SRK chose a block size of 5 by 5 by 2 metres for all mineralized lenses. Sub-cells, at 0.25-metre resolution, were used to honour the geometry of the modelled lenses. Sub-cells were assigned the same grade as the parent cell. The block model is rotated on the Z-axis to honour the orientation of the mineralization.

Continuity directions were assessed based on general orientation of the mineralized lenses. SRK evaluated the spatial distribution of the cobalt mineralization using variogram and correlogram modelling of the original capped composite data within all the mineralized lenses combined to ensure sufficient information is available to develop reliable variogram models. The use of traditional variograms yielded reasonably well-defined long-range structures allowing variogram model fitting. The variogram model developed for cobalt was also applied to nickel.

All mineralized lenses were estimated simultaneously. In all cases, grade estimation used an ordinary kriging estimation algorithm and three passes informed by capped composites. Globally, the model is relatively insensitive to the selection of the estimation parameters and data restrictions mainly due to the relative small dataset available. Validation checks confirm that the block estimates are a reasonable representation of the informing data considering the current level of geological and geostatistical understanding of the Project.

Considerable progress has been made in modelling the overall spatial location of the cobalt mineralization, but there is still some uncertainty in the local continuity of this mineralization due to its high-grade nature. In addition, no processing or metallurgical data is currently available for the cobalt-nickel mineralization. Accordingly, considering this uncertainty, SRK considers all block estimates within the mineralized lenses and located inside the conceptual open pit shell to satisfy the classification criteria for Inferred mineral resources.

## 17 Recommendations

The geological setting, character of the cobalt and nickel mineralization delineated, and exploration results to date are of sufficient merit to justify additional exploration expenditure to potentially expand the cobalt and nickel mineralization footprint on the West Bear Property.

Despite the availability of information from 577 drill holes (for 47,515 metres) on the West Bear Property prior to 2018, very few of these drill holes were targeted to test for mineralization comparable to that currently modelled at the West Bear Cobalt-Nickel Deposit.

Few of these drill holes on the West Bear Property were analyzed for cobalt, and as this exploration was primarily uranium mineralization-focussed, drilling rarely tested more than 30 metres below the sub-Athabasca unconformity into the basement resulting in poor assessments of sulphide mineral systems hosted in basement rocks.

The result of this exploration legacy is that the 28.5 kilometres of prospective corridor (Hamel, 2017) on the West Bear Property remains largely underexplored for cobalt mineralization in the Wollaston Domain metasedimentary rocks below the sub-Athabasca unconformity.

There are multiple locations on the property where anomalous nickel showings still need to be followed-up. Such locations adjacent to the West Bear Cobalt-Nickel Deposit, likely represent prospective target areas for further base metal exploration on the property.

SRK supports UEX's twofold exploration objectives for the West Bear Property:

1. Expand the modeled cobalt mineralization identified during the winter 2018 exploration program.
2. Identify and test additional areas of cobalt mineralization adjacent or proximal to the West Bear Cobalt-Nickel Deposit.

UEX propose a two-phase exploration program for the West Bear Cobalt-Nickel Project focussed on identifying additional cobalt-nickel mineralization and expanding the current cobalt-nickel mineralization footprint on the property. The program has a combined budget of \$12.0 million. The details of this two-phase program are defined below.

### 17.1 Phase 1

The Phase 1 program is an aggressive three-drill rig program scheduled for the winter of 2019 with an estimated exploration budget of C\$6.0 million aimed at expanding the current cobalt-nickel mineral resource cobalt resources. Components of this drill program include:

- Explore the West Bear Fault trend west of the 2018 drilling program starting on L20+75E and working to the west under the anomalous cobalt area that was previously identified at the unconformity by sonic drill programs.
- Follow the east-west trend of the high-grade cobalt mineralization below the existing drill holes from 2018 that targeted the shallow basement and work generally towards hole WBE-108 along the southern trend.
- Infill areas of the 2018 drill program where drill holes were widely spaced to enhance continuity of high-grade cobalt mineralization



A tabulated Phase 1 exploration budget is provided in Table 24.

**Table 24: Phase 1 Exploration Program Budget**

<b>Description</b>	<b>Total (C\$ 000's)</b>
<b>Direct Costs</b>	
Personnel	500
Field Equipment Costs	120
Analysis	1,000
Travel and Transport	150
Miscellaneous	30
<b>Subtotal</b>	<b>1,800</b>
<b>Contractor Costs</b>	
Diamond Drilling	3,500
Camp Costs	650
Other Contractors	50
<b>Subtotal</b>	<b>4,200</b>
<b>Total</b>	<b>6,000</b>

## 17.2 Phase 2

The Phase 2 program is designed to identify new areas of cobalt mineralization adjacent to or within proximity of the West Bear Cobalt-Nickel Deposit. This is also a three-drill rig program with an estimated budget of C\$6.0 million, which is contingent upon success in Phase 1. Assuming the success of this program, additional work will be required to integrate this information model into the mineral resource modelling process. Components of this drill program include:

- Test the basement rocks between the WBU Deposit and the Pebble Hill Uranium Showing for cobalt mineralization at or below the subcrop of the faulted graphitic rocks.
- Explore the potential of the WBE-108 area, between the Dead Bear Lake fold closure and the Tabernor Fault.
- Evaluate the prospectivity of the shallow basement and unconformity subcrop of the West Bear Fault to the east towards the fold closure at Dead Bear Lake.

A tabulated Phase 2 exploration budget is provided in Table 25.

**Table 25: Phase 2 Exploration Program Budget**

<b>Description</b>	<b>Total (C\$ 000's)</b>
<b>Direct Costs</b>	
Personnel	550
Field Equipment Costs	120
Analysis	500
Travel and Transport	150
Miscellaneous	30
<b>Subtotal</b>	<b>1,350</b>
<b>Contractor Costs</b>	
Diamond Drilling	4,000
Camp Costs	600
Other Contractors	50
<b>Subtotal</b>	<b>4,650</b>
<b>Total</b>	<b>6,000</b>

### **17.3 Future Exploration**

In addition to the two-phase program outlined above, future exploration should assess the trend of ~2 kilometres between the Pebble Hill Uranium Showing and the North Shore Uranium Showing. The ~8 kilometres of trend northeast of the North Shore Uranium Showing along the subcrop of the Mitchel-Dwyer Trend is proven to have faulted graphitic rocks comparable to that modelled in this study and will need to be evaluated for cobalt mineralization.

### **17.4 Comment**

The proposed exploration program should be pro-actively managed, with new information rapidly integrated into the cobalt- nickel mineralization interpretation. Drill programs should be flexible enough to be modified to integrate new information and interpretations which could have a positive impact on the cobalt-nickel mineral resource.

## 18 References

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## **APPENDIX A**

### **Mineral Tenure Information and Legal Title Opinion**



MLT Aikins LLP  
1500 - 410 22nd Street East  
Saskatoon, Saskatchewan S7K 5T6  
T: (306) 975-7140  
F: (306) 975-7145

February 14, 2017

UEX Corporation  
Suite 1700 – 750 West Pender Street  
Vancouver BC V6C 2T8  
Attention: Roger Lemaitre

Koffman Kalef LLP  
19th Floor  
885 West Georgia Street  
Vancouver BC V6C 3H4  
Attention: Bernie Poznanski

Sprott Private Wealth LP  
c/o Sprott Capital Partners  
200 Bay Street, Suite 2600  
Toronto ON M5J 2J2  
Attention: Chris Naprawa

Baker & McKenzie LLP  
181 Bay Street, Suite 2100  
Toronto, ON M5J 2T3

Dear Sirs/Mesdames:

**Re: UEX Corporation - Review of Certain Mineral Dispositions**

We have acted as local counsel on behalf of UEX Corporation ("UEX") in connection with a review of certain mineral dispositions (collectively, the "Mineral Dispositions") granted by Her Majesty the Queen in Right of the Province of Saskatchewan ("Her Majesty") pursuant to The Mineral Tenure Registry Regulations (Saskatchewan) (the "Regulations") under The Crown Minerals Act (Saskatchewan) (the "Act" and, together with the Regulations, the "Legislation") and filed at the Saskatchewan Ministry of the Economy (the "Ministry"). The Mineral Dispositions are described in Schedule A attached hereto.

The Crown lands that are subject to the Mineral Dispositions are hereinafter referred to as the "Mineral Lands" and the areas that the Mineral Dispositions relate to are hereinafter referred to as the "Mineral Disposition Areas".

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**I. Scope of Examinations and Reliance**

Except as expressly noted herein, in providing the opinions expressed herein we have considered such questions of law and have made such investigations and examined originals or copies, certified or otherwise identified to our satisfaction, of such certificates of public officials and of such other certificates, documents and records as we have considered necessary or relevant for the purposes of giving the opinions expressed herein, including, without limitation:

- (a) disposition search abstracts (the "Disposition Search Abstracts") issued by the Mineral Administration Registry Saskatchewan and dated February 14, 2017 in respect of the Mineral Dispositions; and
- (b) a letter from Vivian Bohn, Mineral Tenure, Ministry of the Economy dated February 2, 2017 (the "Ministry Letter").

The Disposition Search Abstracts are attached as Schedule B hereto and the Ministry Letter is attached as Schedule C hereto.

Other than as specifically identified herein, we have not conducted any other searches or investigations in respect of the Mineral Lands, the Mineral Dispositions or any mines and minerals within, upon or under the Mineral Disposition Areas that we are relying on for purposes of this opinion letter.

**II. Assumptions**

For the purposes of giving the opinions expressed herein, we have assumed, without independent investigation or inquiry:

- 1. the accuracy, currency and completeness of: (i) the public indices and filing systems maintained by the public offices and registries where we have searched or inquired; (ii) the search results and certificates furnished to us by public officials; and (iii) the results of any printed or computer search provided to or obtained by us, including results obtained by electronic transmission from public offices;
- 2. to the extent that any certificate or other document relied upon for the purposes of the opinions expressed herein has been dated prior to the date of this letter, that the information contained in the said certificate or other document continues to be valid, true and accurate as of the date of this letter;
- 3. the genuineness of all signatures on all documents reviewed by us, the authenticity of all documents reviewed by us as originals and the conformity to authentic original documents of all documents reviewed by us as certified, authenticated, conformed, photostatic or facsimile copies; and



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4. that all persons who executed documents reviewed by us on behalf of themselves or on behalf of another party were duly authorized to do so and that such documents were validly executed and delivered and constitute legal, valid, binding and enforceable obligations of such parties in accordance with the terms of such documents.

As used in this opinion letter, our knowledge or awareness means the actual and present knowledge of the particular lawyers of this firm who have given substantive attention to the matters contemplated hereby. Other than as specifically indicated herein, we have not made any independent investigation or inquiry into such matters.

### **III. Laws Covered**

The opinions expressed below relate solely to the laws of the Province of Saskatchewan and the laws of Canada applicable therein and we do not express any opinion with respect to the laws of any other jurisdiction.

### **IV. Opinions**

Based upon the foregoing and subject to the comments and qualifications herein contained, we are of the opinion that:

1. UEX is recorded at the Ministry as the holder of a 100% interest in the Mineral Dispositions listed in Part I of Schedule A hereto, AREVA Resources Canada Inc. is recorded at the Ministry as the holder of a 100% interest in the Mineral Dispositions listed in Part II of Schedule A hereto and JCU (Canada) Exploration Co., Ltd. is recorded at the Ministry as the holder of a 100% interest in the Mineral Dispositions listed in Part III of Schedule A hereto
2. Each of the Mineral Dispositions is in good standing to the "Good Standing To" date indicated for each Mineral Disposition in Schedule A attached hereto.
3. There are no claims outstanding in respect of, or encumbrances, charges, security interests or instruments recorded against, the Mineral Dispositions.

### **V. Qualifications**

The opinions expressed above are subject to the following qualifications:

1. Our opinion set forth in Section IV(2) of this opinion letter is provided based solely on our review of the Disposition Search Abstracts.
2. The Mineral Dispositions do not constitute the type of property in which there is an assured certificate evidencing title or as to which there is a comprehensive public registry for registration of encumbrances, charges or instruments. We have not conducted any

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searches or attended to a review of any documents other than as specifically referred to herein. The Mineral Dispositions may be affected by matters not recorded on the Disposition Search Abstracts or referenced in the Ministry Letter including, without limitation, assignments, transfers, encumbrances, charges or instruments. We are not aware of any such matters, but we are not able to conduct searches or make inquiries which will provide the basis for a definitive opinion in relation thereto, and we express no opinion as to the existence or effect of any assignments, transfers, encumbrances, charges, instruments or other matters in respect of any of the Mineral Dispositions not recorded on the Disposition Search Abstracts or referenced in the Ministry Letter.

3. Except as otherwise stated herein, neither the Disposition Search Abstracts nor the Ministry Letter disclose any non-compliance with the terms of the Mineral Dispositions or the Legislation. We express no opinion as to whether there has been any non-compliance that has not been recorded on the Disposition Search Abstracts or in the Ministry Letter.
4. We express no opinion as to the ownership of Her Majesty in the Mineral Lands, or any encumbrances, charges, or instruments which may affect Her Majesty's rights and interests in and to the Mineral Lands.
5. We express no opinion as to the existence of any mines or minerals within, upon or under the Mineral Disposition Areas.
6. The Mineral Dispositions may be subject to a claim by native or aboriginal peoples pursuant to treaty rights or otherwise. We express no opinion with respect to the validity or potential success of any such claims or the manner in which they may affect the Mineral Dispositions.
7. The opinions expressed herein are given as of the date hereof and are based upon and to laws in effect as of the date hereof. We specifically disclaim any obligation and make no undertaking to supplement our opinions herein as changes in the law occur or facts come to our attention that could affect such opinions, or otherwise advise any person of any change in law or fact which may come to our attention after the date hereof.

### **VI. Comments and Advisories**

1. The Regulations define "mineral disposition" to include the rights granted by Her Majesty under a permit, claim or lease with respect to Crown minerals to which the Regulations apply.
2. The Mineral Disposition listed in paragraph 8 of Schedule A is a lease. All of the other Mineral Dispositions are claims.

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3. Subject to certain conditions, a recorded claim grants to the holder the exclusive right to explore for minerals within the claim lands. A claim does not grant the holder the right to mine, produce or remove minerals from the claim lands, other than the right to remove minerals for the purpose of assaying and testing and for metallurgical, mineralogical or other scientific studies.
4. Subject to certain conditions, a lease grants to the holder the exclusive right to explore for, mine, work, recover, procure, remove, carry away and dispose of any minerals within the lease lands.
5. A mineral disposition granted pursuant to the Regulations (including a claim or lease) does not grant a right to enter upon or use surface lands. Therefore, a party granted rights under a mineral disposition would be required to obtain further rights from the owner of the surface to access the surface lands, as may be required.
6. Her Majesty may cancel a mineral disposition if the holder of the mineral disposition fails to comply with the provisions thereof or a provision of the Legislation.
7. Unless exceptions apply, a claim is subject to lapse without notice to the holder if: (i) the expenditure requirements for a claim set forth in the Regulations are not satisfied by a holder within the time specified by the Regulations, or (ii) a payment or cash deposit in lieu of work expenditures on a claim is not paid to the minister within the time specified by the Regulations and subject to the conditions contained in the Regulations.
8. We note that a disposition holder has 90 days after the end of a disposition year to, in accordance with the Regulations: (i) submit a statement setting forth expenditures on work performed and a report of evidence of work with respect to a disposition or, (ii) if permitted pursuant to the Regulations, make a payment or cash deposit in lieu of work expenditures. The Ministry typically does not apply assessment work or record renewals for dispositions until this 90-day period has passed.

### **VII. Reliance Limitation**

This opinion letter is given solely for the benefit of the addressees and in connection with the matters noted above, and may not be relied upon by any other person or for any other purpose without our prior written consent.

Yours truly,

*MLT Aikins LLP*



Suite 1700 – 750 West Pender St., Vancouver, BC Canada V6C 2T8  
PH: (604) 669-2349 FAX: (604) 669-1240  
Email: [uex@uex-corporation.com](mailto:uex@uex-corporation.com)  
Website: [www.uex-corporation.com](http://www.uex-corporation.com)

December 14, 2017

**Koffman Kalef LLP**  
19th Floor  
885 West Georgia Street  
Vancouver BC V6C 3H4  
Attention: Bernie Poznanski

**Sprott Private Wealth LP**  
c/o Sprott Capital Partners  
200 Bay Street, Suite 2600  
Toronto ON M5J 2J2  
Attention: Chris Naprawa

**Baker & McKenzie LLP**  
181 Bay Street, Suite 2100  
Toronto, ON M5J 2I3

Dear Sirs/ Madames:

**RE: UPDATE ON TITLE OPINION BY MLT AITKENS OF FEBRUARY 14, 2017**

As requested by the Sprott Private Wealth (“Sprott”) and Baker & McKenzie LLP (“Baker”), this letter is a Management update to the title opinion of UEX Corporation’s (“UEX”) material mineral properties completed by MLT Aikens LLP (“MLT”) dated February 14, 2017. This update was requested as part of the due diligence process completed in association with the UEX \$2.0 million private placement term sheet signed on November 26, under which Sprott is acting as Agent.

UEX certifies that there are no material changes to the title and standing of the mineral dispositions outlined in the MLT title opinion of February 14, 2017 with the exception of the following non-material changes outlined below:

- In the second quarter of 2017, UEX split the Hidden Bay Property into two projects. Mineral claim S-106962 was removed from the Hidden Bay Project and was used to form the Horseshoe-Raven Project. The remainder of the claims were left as part of the Hidden Bay Project. This division was in respect of the differences in the stages of development between the Hidden Bay Project (which is a grassroots to midstage exploration project) and the Horseshoe-Raven Project (which is an advanced exploration project). The Horseshoe-Raven Project was formed to hold claims which contain the Horseshoe and Raven Uranium Deposits.



UEX retains 100% interest in mineral claim S-106962 that forms the Horseshoe-Raven Project that was shown in the MLT title opinion as being part of the Hidden Bay Project.

- On July 21, 2017 and July 22, 2017, three mineral claims from the Hidden Bay Project (MC00003409, MC00003465 and MC-0003466) lapsed. All three mineral claims were staked in 2015. UEX had not completed any exploration work on any of lapsed claims. **The three small claims were staked to expand UEX's holdings** in the southern portion of the Hidden Bay Project and are not considered to be significant or material to the property.

Nevertheless, UEX is disputing the lapsing of these claims with the Saskatchewan Ministry of the Economy. UEX is of the opinion that the Ministry failed to live up to its commitment to allow assessment credits to be spread to the lapsed claims from exploration work completed on nearby claims. This dispute has not been resolved as of the time of the writing of this letter. However, should UEX not be successful in having these three claims re-instated, UEX would not consider the loss of these claims to be significant or material to the Hidden Bay Project, as no exploration work was planned for any of these claims in the foreseeable future.

- On July 17, 2017, UEX and AREVA Resources Canada ("**AREVA**") signed an agreement with Eagle Plains Resources to purchase two mineral claims that were added to the Shea Creek Project (MC00004006 and MC00004007) in exchange for a 2% NSR royalty. These two claims are small claims that expand mineral holdings at the southern end of the Shea Creek Project and are not considered material to the Shea Creek Project. The claims are held in trust and are registered in the name of AREVA, as are all the other claims held by the Shea Creek JV.

Sincerely,

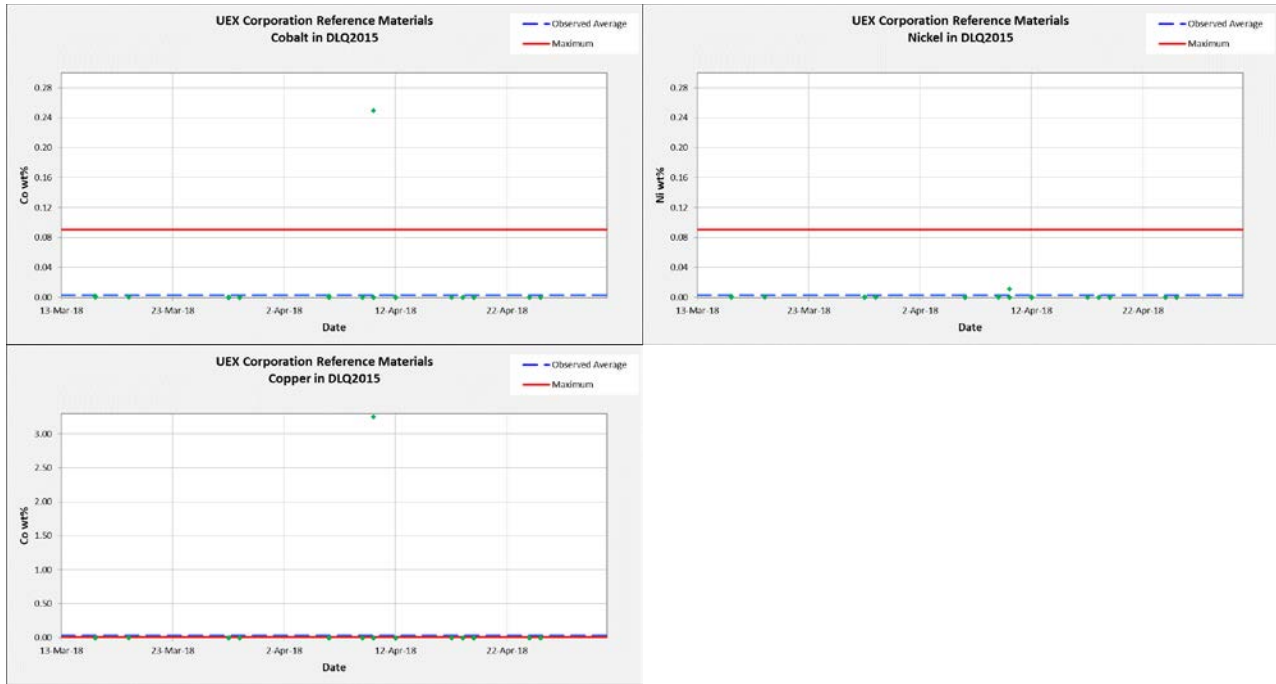


Roger Lemaitre, P.Eng., P.Geo.  
President & CEO  
UEX Corporation

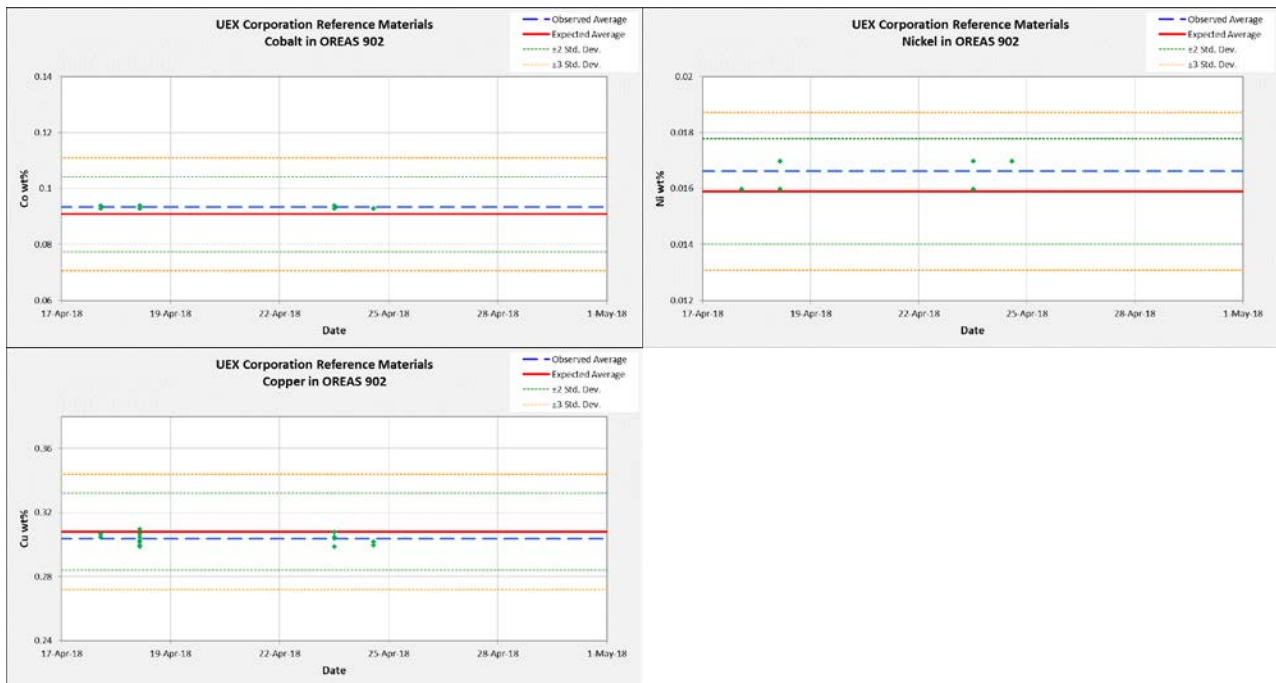
## **APPENDIX B**

**Control Charts for Blank Materials**  
**Control Charts for Reference Materials**  
**XY Chart and RPD Chart for Pulp Duplicates**  
**XY Chart and RPD Chart Core Duplicates**  
**XY Chart and RPD Chart and Check Assays**

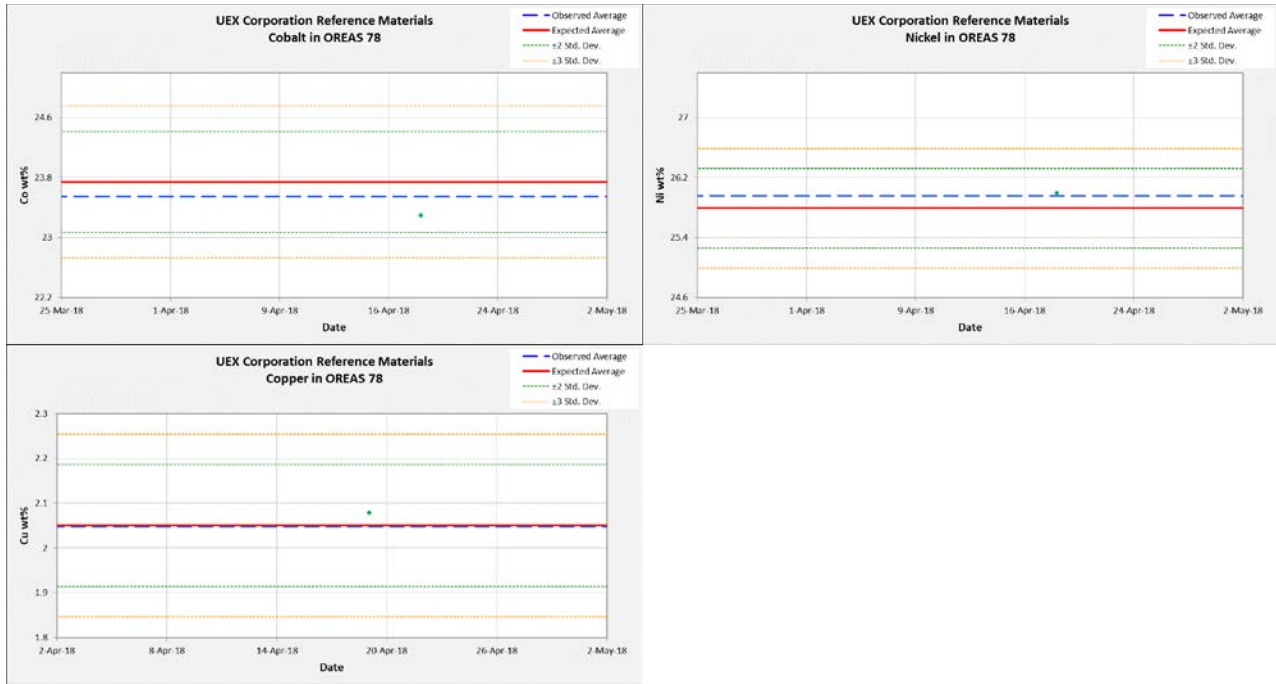
Control charts for **blank** materials analyzed for cobalt, nickel and copper by method Base Metal Assay at SRC.



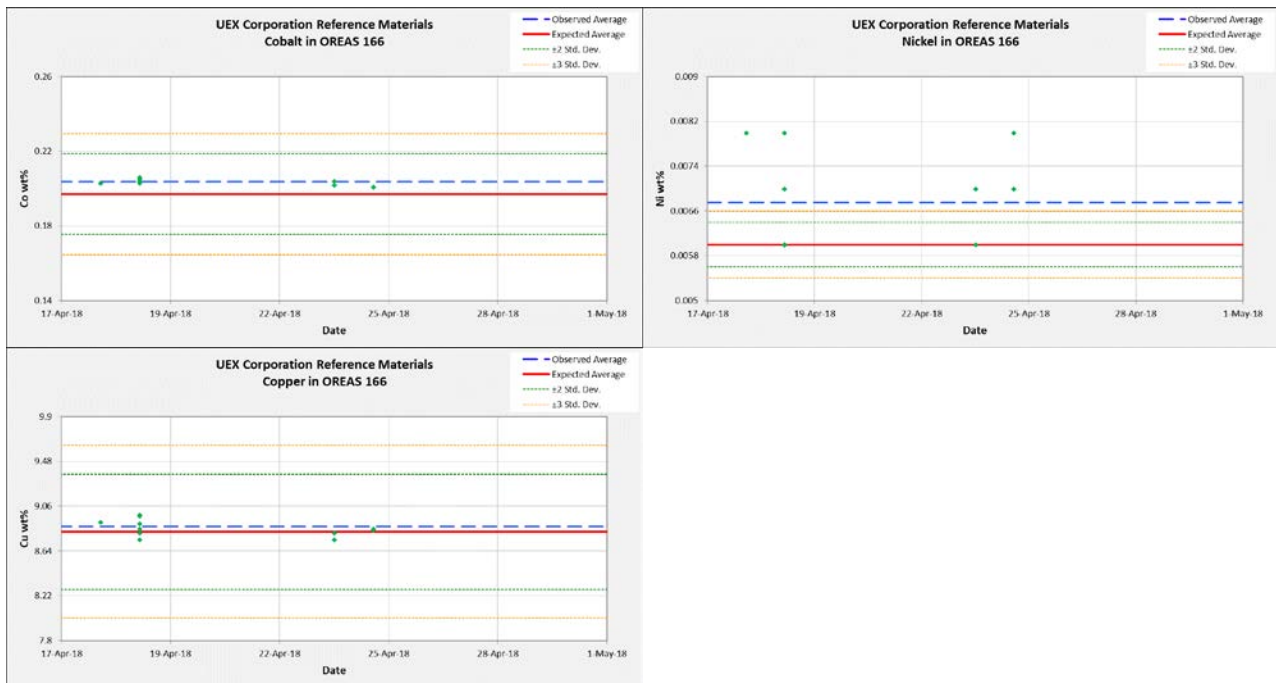
Control Charts for reference material **OREAS 902** analyzed for cobalt, nickel, and copper at SRC.



Control Charts for reference material **OREAS 78** analyzed for cobalt, nickel, and copper at SRC.

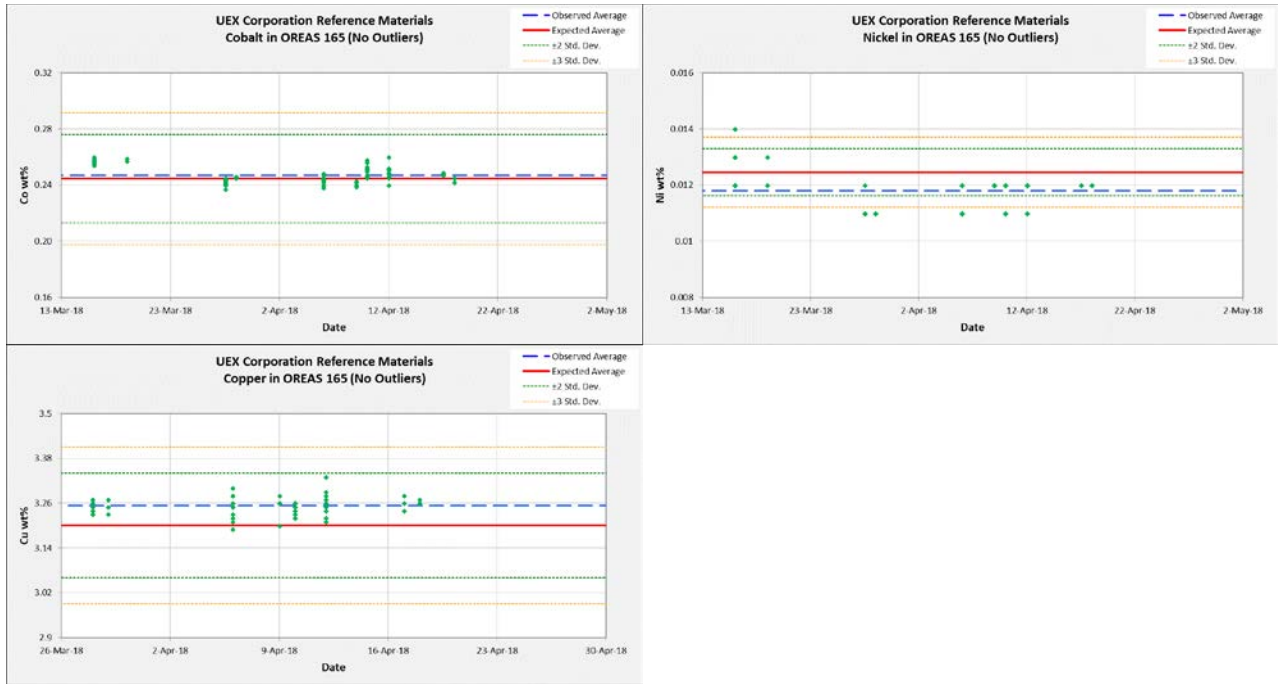


Control Charts for reference material **OREAS 166** analyzed for cobalt, nickel, and copper at SRC.

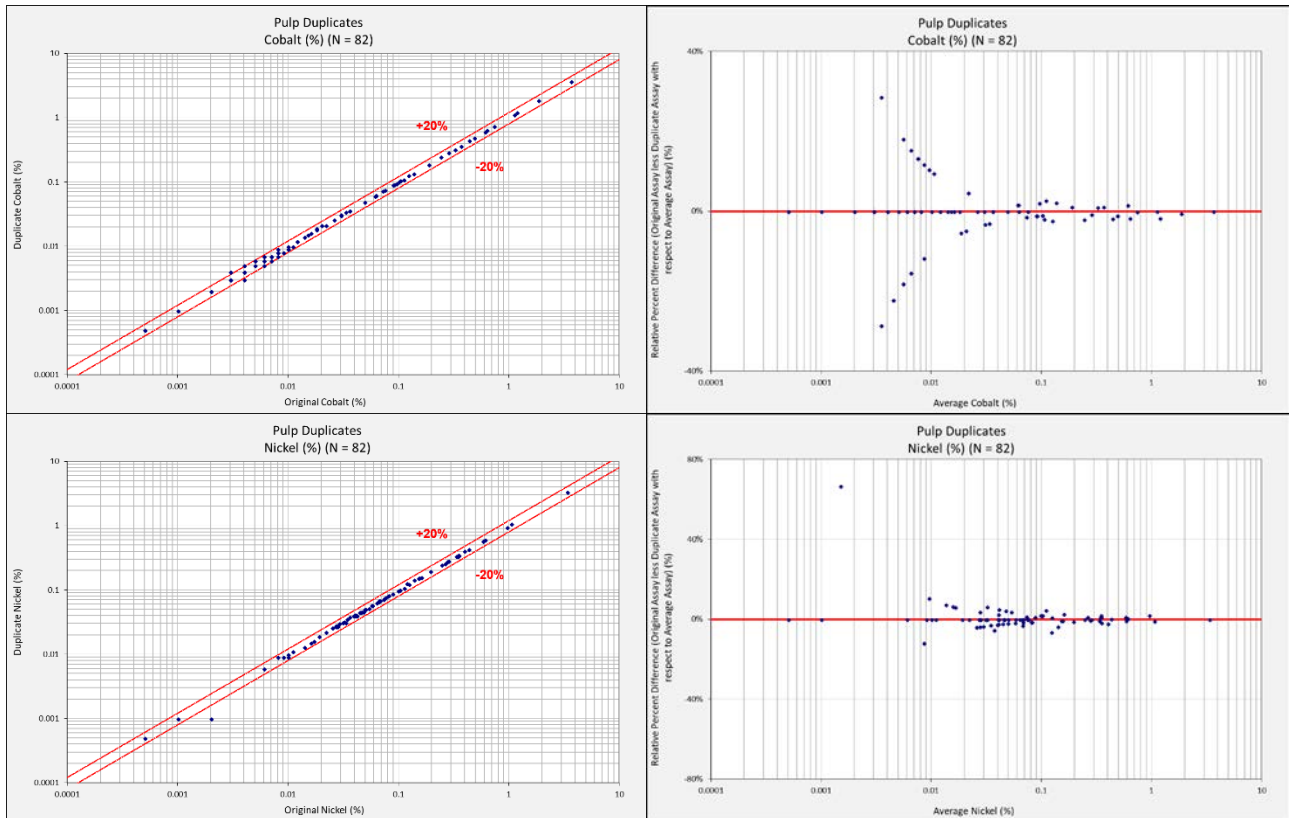




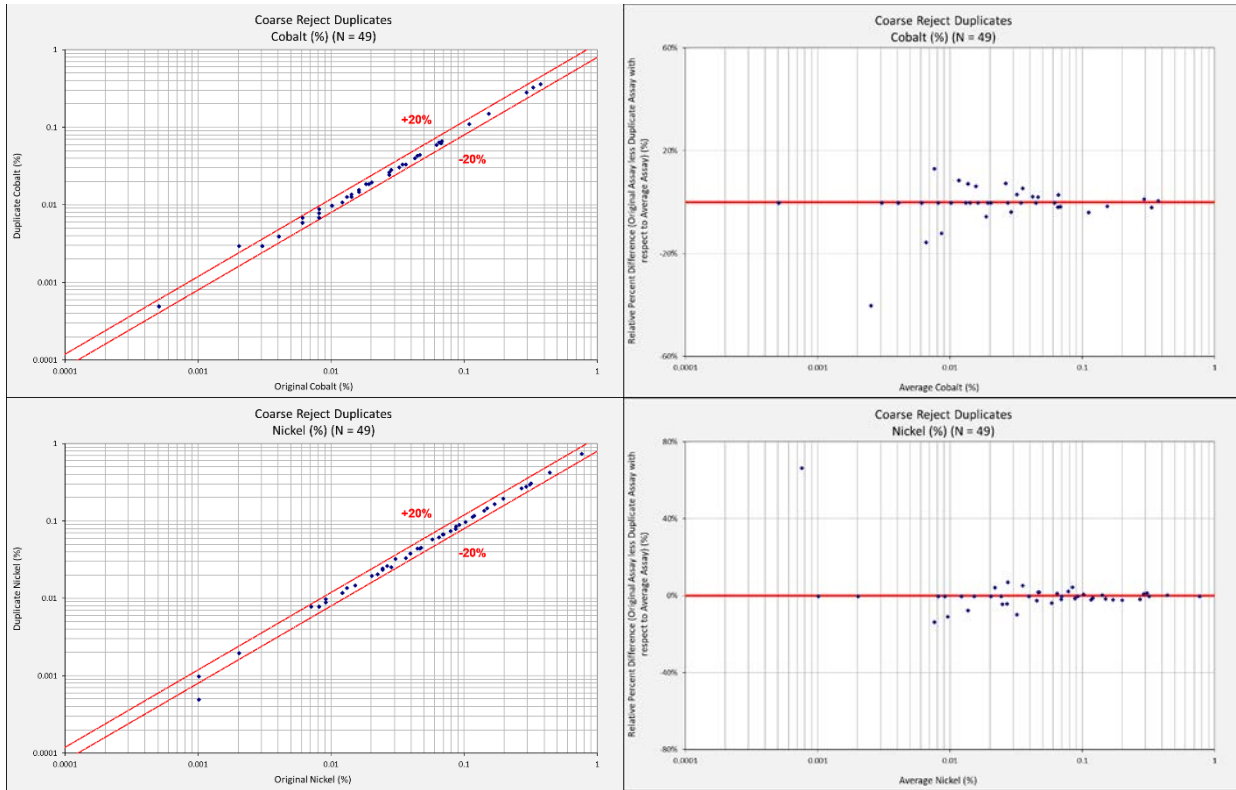
Control Charts for reference material **OREAS 165** analyzed for cobalt, nickel, and copper at SRC.



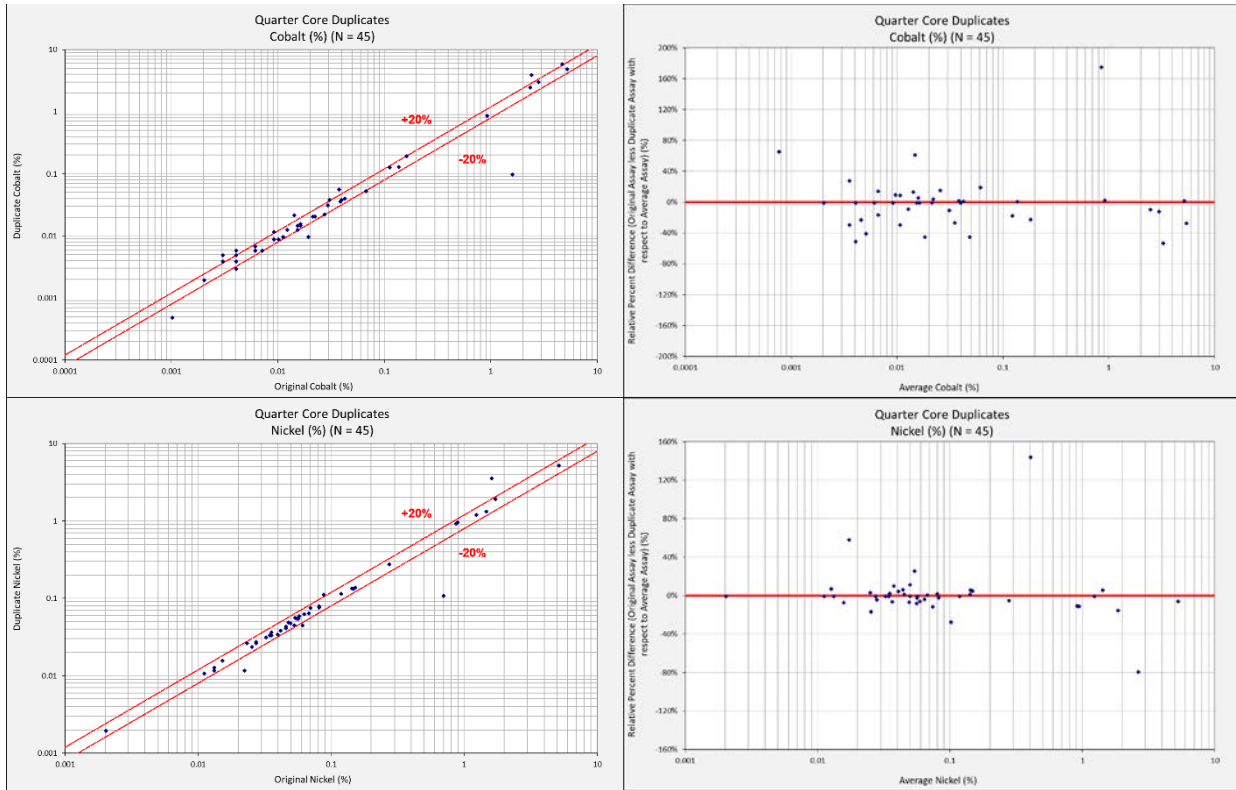
XY Chart and RPD Chart for **pulp duplicates** analyzed for cobalt and nickel at SRC.



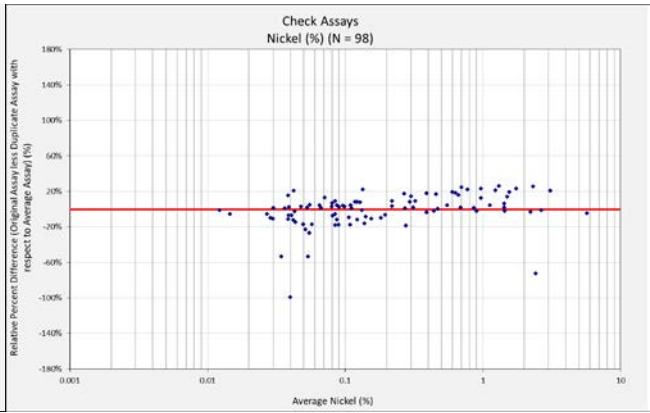
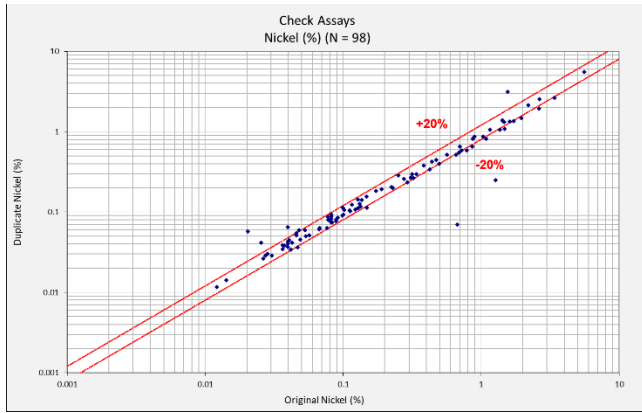
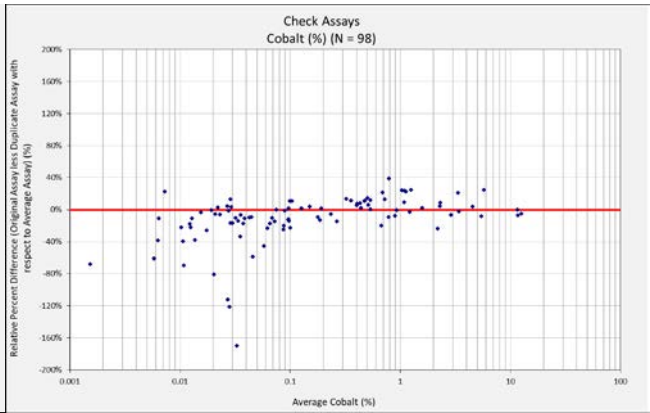
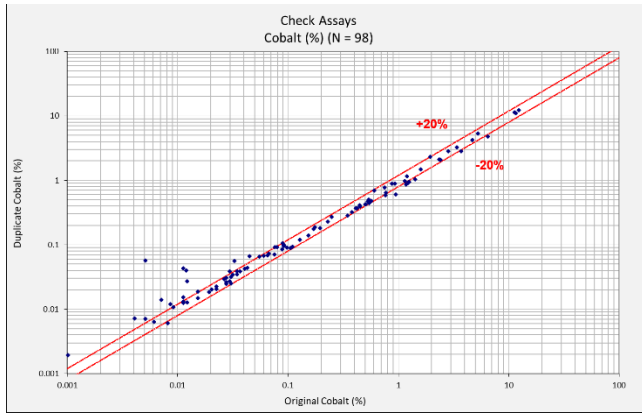
XY Chart and RPD Chart for **coarse reject duplicates** analyzed for cobalt and nickel at SRC.



XY Chart and RPD Chart for **quarter core duplicates** analyzed for cobalt and nickel at SRC.



XY Chart and RPD Chart for **check assays** analyzed for cobalt and nickel at TSL Laboratories in Saskatoon, Saskatchewan.



## CERTIFICATE OF QUALIFIED PERSON

To Accompany the report entitled: **Technical Report for the West Bear Cobalt-Nickel Project, Saskatchewan, Canada, August 7, 2018.**

I, Sébastien B. Bernier, P.Geol. do hereby certify that:

- 1) I am a Principal Consultant (Resource Geology) with the firm of SRK Consulting (Canada) Inc. (SRK) with an office at Suite 101, 1984 Regent Street, Sudbury, Ontario, Canada;
- 2) I am a graduate of the University of Ottawa in 2001, I obtained a BSc (Honours) Geology and I obtained a MSc degree in Geology from Laurentian University in 2003. I have practiced my profession continuously since 2002. I worked in exploration and commercial production of base and precious metals mainly in Canada. I have been focusing my career on geostatistical studies, geological modelling and resource modelling of base and precious metals since 2004;
- 3) I am a professional geoscientist registered with the Association of Professional Geoscientists of Ontario (APGO# 1847);
- 4) I have personally inspected the subject project March 26 to 28, 2018.
- 5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
- 6) I, as a Qualified Person, I am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
- 7) I am the co- author of this report and responsible for all the sections of technical report except for sections 10.1 to 10.4 and 10.6 and accept professional responsibility for these sections of this technical report;
- 8) I have had no prior involvement with the subject property;
- 9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
- 10) SRK Consulting (Canada) Inc. was retained by UEX Corporation. to prepare mineral resource model and technical report of the West Bear Cobalt-Nickel Project. The technical report is based on a site visit, a review of project files and discussions with UEX Corporation. personnel;
- 11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the West Bear Cobalt-Nickel Project or securities of UEX Corporation; and
- 12) That, as of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Sudbury, Canada  
August 7, 2018

*["original signed and sealed"]*  
Sébastien B. Bernier, P.Geol. (APGO# 1847)  
Principal Consultant (Resource Geology)  
SRK Consulting (Canada) Inc.

## CERTIFICATE OF QUALIFIED PERSON

To Accompany the report entitled: **Technical Report for the West Bear Cobalt-Nickel Project, Saskatchewan, Canada, August 7, 2018.**

I, Chantal Jolette, do hereby certify that:

- 1) I am a Senior Geologist with the firm of Analytical Solutions Ltd. (ASL) with an office at 54 Bayside Crescent, Sudbury, Ontario, Canada;
- 2) I graduated from the University of Ottawa in 2001 with a BSc (Honours) in Geology. I have practised my profession continuously since May 2001. I worked in exploration, technical services, and commercial production of base and precious metals, mainly in Canada. I have been focusing my career on geological database management, geological modelling and analytical quality control since 2003;
- 3) I am a professional geoscientist registered with the Association of Professional Geoscientists of Ontario (APGO# 1518);
- 4) I have not personally visited the project area;
- 5) I have read the definition of Qualified Person set out in National Instrument 43-101 and certify that by virtue of my education, affiliation to a professional association, and past relevant work experience, I fulfill the requirements to be a Qualified Person for the purposes of National Instrument 43-101 and this technical report has been prepared in compliance with National Instrument 43-101 and Form 43-101F1;
- 6) I, as a Qualified Person, am independent of the issuer as defined in Section 1.5 of National Instrument 43-101;
- 7) I am the co-author of this report and responsible for sections 10.1 to 10.4, 10.6 and 11.2.2 and accept professional responsibility for those parts of this technical report;
- 8) I have had no prior involvement with the subject property;
- 9) I have read National Instrument 43-101 and confirm that this technical report has been prepared in compliance therewith;
- 10) Analytical Solutions Ltd. was retained by UEX Corporation to review and report on the Assay Quality Control Data of the West Bear Cobalt-Nickel Project. The contents of Section 10 in the preceding report is based on a review of project files and discussions with UEX Corporation personnel;
- 11) I have not received, nor do I expect to receive, any interest, directly or indirectly, in the West Bear Cobalt-Nickel Project or securities of UEX Corporation; and
- 12) As of the date of this certificate, to the best of my knowledge, information and belief, this technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

Sudbury, Canada  
August 7, 2018

*["original signed and sealed"]*  
Chantal Jolette, P.Geo. (APGO# 1518)  
Senior Geologist  
Analytical Solutions Ltd.