Management's Discussion and Analysis
For the six months ended June 30, 2016

The following discussion and analysis is management's assessment of the results and financial condition of Purepoint Uranium Group Inc. ("Purepoint" or the "Company") and should be read in conjunction with the consolidated audited financial statements for the year ended December 31, 2015, together with the related notes contained therein. The Company's most recent filings are available on the SEDAR website. The date of this management's discussion and analysis is August 23, 2016.

The interim financial statements for the six-month periods ended June 30, 2016 and 2015 are prepared in accordance with International Accounting Standard ("IAS") 34 under IFRS.

Forward looking statements

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Business of Purepoint

Purepoint maintains a focused objective of locating uranium deposits in the Athabasca Basin in Northern Saskatchewan. Purepoint currently maintains seven properties located in the Athabasca Basin. The Company entered into joint venture agreements and operates one of these projects with Cameco Corporation and AREVA Resources Canada Inc., one of these projects with Cameco Corporation, while the other five projects remain 100% owned. Saskatchewan's Athabasca Basin now provides approximately 25% of the world's uranium production credited primarily to that region's unusually high ore grade deposits.

The 2016 operating plan is discussed under Exploration Activities.

Selected quarterly information

The following selected information is derived from the audited annual and unaudited quarterly consolidated financial statements.

	Quarter ended June 30, 2016	Quarter ended March 31, 2016	Quarter ended December 31, 2015	Quarter ended September 30, 2015	Quarter ended June 30, 2015	Quarter ended March 31, 2015	Quarter ended December 31, 2014	Quarter ended September 30, 2014	Quarter ended June 30, 2014
Total revenues - interest income	$ 701	$ -	$ -	$ -	$ -	$ -	$ 27	$ 187	$ 42
Net loss	(227,864)	(447,251)	(201,540)	(181,447)	(492,432)	(437,356)	(290,405)	(347,241)	(188,847)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	2,396,337	676,877	538,114	452,970	728,320	1,353,873	1,370,349	542,383	898,900

Results of operations

The Company's operations during the three- and six-month period ended June 30, 2016 produced a net loss of $227,864 and $675,115 respectively (2015 - $492,432 and $929,788). The primary operational activity continues to be the exploration of the Company's major projects. The expenditures and levels of activity relating to the Company's projects are described in greater detail below following a brief discussion of significant changes in expense line items.

Exploration and evaluation expenditures decreased by $32,220 and $18,562 for the three- and six-month periods ended June 30, 2016 compared to the same periods in 2015, due to decrease in joint project operational activities, especially drilling at Hook Lake Property – see Exploration and evaluation expenditures.

Exploration salaries and benefits increased (decreased) by $17,869 and ($18,698) for the three- and six-month periods ended June 30, 2016 compared to the same periods in 2015. They are mainly due to fluctuations in joint operations.

Salaries, compensations and benefits increased by $7,483 and $8,252 in the three- and six-month periods ended June 30, 2016 compared to the same periods in 2015.

Share based payments in the amount of $300,935 have been recognized during the six-month period ended June 30, 2015. There were no new grants in the six-month period ended June 30, 2016. Fair value assigned to new grants was expensed in the same period when granted.

Professional fees decreased by $24,908 and $17,583 compared to the three- and six-month periods ended June 30, 2015, due to director's fees not paid yet in 2016 but paid in May 2015.

Office and administration expenses were comparable to the expenses from the same periods in 2015.

The increase in investor relations expenses of $9,529 and $10,227 for the three- and six-month periods ended June 30, 2016, compared to the same periods in 2015, is attributable to a completed private financing in April and May.

The increase in transfer agent and regulatory fees of $10,065 and $10,157 for the three- and six-month periods ended June 30, 2016, compared to the same periods in 2015, is attributable to a completed private financing in April and May.

Operator fees covers administrative fees and exploration staff expenses related mainly to operations of joint projects. For the three- and six-month periods ended June 30, 2016 it amounted to $73,167 and $443,434 (2015 – $119,542 and $512,658). Decrease is mainly due to decrease in joint operations where the company acted as a manager of a project.

Exploration and evaluation expenditures

The Company incurred $76,858 and $655,106 (2015 - $109,078 and $673,668) in exploration and evaluation expenditures on its properties during the three- and six-month periods ended June 30, 2016, as follows:

	Three-month Period ended June 30, 2016	Six-month Period ended June 30, 2016
Red Willow Property	$ -	$ -
Hook Lake Property	70,407	648,655
Smart Lake Property	6,451	6,451
Umfreville Lake Property	-	-
Henday Lake Property	-	-
Turnor Lake Property	-	-
McArthur East Property	-	-

During the six-month period ended June 30, 2016, the Company carried out the following significant activities:

HOOK LAKE PROJECT - JOINT VENTURE WITH CAMECO AND AREVA

The Company entered into a definitive joint venture agreement with Cameco Corporation and AREVA Resources Canada Inc. for the ongoing exploration of the Hook Lake uranium project in the Athabasca Basin pursuant to its option agreement with Cameco announced February 7, 2007.

Key features:

- Under the original option agreement, Purepoint acquired a 21% interest in the Hook Lake project;
- The remaining 79% of the project is owned by Cameco Corporation (39.5%) and AREVA Resources Canada Inc. (39.5%);
- Purepoint is operating the project on behalf of the Joint Venture and its partners Cameco Corporation and AREVA Resources Canada Inc.

The Hook Lake Project consists of nine claims totaling 28,598 hectares and is situated in the southwestern Athabasca Basin approximately 80 kilometers southeast of the former Cluff Lake mine. The depth to the Athabasca unconformity is very shallow, ranging from zero to 350 metres. Three prospective "corridors" have been identified on the property, each corridor being comprised of multiple EM conductors that have been confirmed by drilling to be the results of graphitic metasediments that intersect the Athabasca unconformity.

Current exploration is targeting the Patterson Lake Corridor, an emerging, world class uranium district that is attracting significant exploration investment. The Patterson Lake corridor is the same conductive trend along which the Fission Uranium Corp and NexGen Energy Ltd have been expanding their high-grade uranium discoveries. Within the Hook Lake project, the Patterson Corridor has also returned high-grade uranium intercepts (Spitfire Discovery) and, where drill tested, the conductors have shown favourable signs of alteration and structural disruption.

2016 Winter Drilling Program at Hook Lake

Exploration success continued at the Spitfire Zone during 2016 with additional significant drill intercepts being returned that contained high-grade uranium mineralization. A highlight of the drill program was hole HK16-53 that intersected 10.0 metres of 10.3% U_3O_8, including 1.3 metres of 53.5% U_3O_8. Based on the promising drill results, the Hook Lake JV partners have reallocated funds towards conducting additional diamond drilling this fall. The proposed drill program will be based on the 2016 drill results that include recently received geochemical assays and a structural interpretation based on the downhole acoustic televiewer results.

The 2016 Hook Lake JV winter exploration program completed 21 drill holes for a total of 8,508 metres being drilled (including 119 metres in a lost hole). Within the Spitfire area 12 holes were completed totaling 5,045 metres while 9 holes tested other conductors within the Patterson Structural Corridor totaling 3,343 metres. The Upper Spitfire zone remains open north of Hole HK16-47 (0.88% U_3O_8 over 20.1 metres), south of Hole HK16-43 (4.07% U_3O_8 over 3.1 metres, 1.19% U_3O_8 over 4.7 metres and 0.50% U_3O_8 over 10.6 metres) and up-dip of Hole HK16-53 (10.3% U_3O_8 over 10.0 metres). Drilling of other conductors within the southern portion of the Patterson Corridor has provided evidence that the Hornet Zone, an area that encompasses the graphitic structure and weak uranium mineralization intersected by Holes HK13-06 and HK13-07, is related to the Spitfire graphitic structure.

Highlights:

- Funding for a drill program at the Spitfire Zone has been approved by the Hook Lake JV Partners (AREVA Resources Canada Inc. and Cameco Corp.) to commence Fall, 2016;
- The Upper Spitfire zone (230 metres below surface) remains open around the high-grade uranium intercepts including north of Hole HK16-47 (0.88% U_3O_8 over 20.1 metres), south of Hole HK16-43 (4.07% U_3O_8 over 3.1 metres, 1.19% U_3O_8 over 4.7 metres and 0.50% U_3O_8 over 10.6 metres) and up-dip of Hole HK16-53 (10.3% U_3O_8 over 10.0 metres);
- High priority exploration targets includes step-outs from the Spitfire South mineralization (HK14-09 with 0.32% U_3O_8 over 6.2m) and the Lower Spitfire mineralization (HK15-27 with 12.9% U_3O_8 over 0.4 metres within 2.23% U_3O_8 over 2.8 metres);
- Spitfire high-grade mineralized trend remains relatively untested for an additional eight kilometers to the northeast; and
- The Hornet Zone is now considered to be related to the mineralized Spitfire graphitic structure based on drill results produced while testing other conductors within the southern portion of the Patterson Corridor.

Spitfire Zone

Drilling of the Spitfire zone has currently defined three distinct mineralized targets, the Upper Spitfire, Lower Spitfire and Spitfire South.

The Upper Spitfire mineralization was discovered early in 2016 only 255 metres below surface with Hole HK16-37 returning 0.69% U_3O_8 over 9.9 metres including 9.9% U_3O_8 over 0.6 metres. Three styles of mineralization have been identified within the Upper Spitfire Zone. Most common is semi-massive uranium, locally high grade, occurring along foliation and ductile shear planes within and immediately above the primary graphitic shear zone. Fracture related mineralization, associated with hematite alteration intersected above the graphitic shear zone occurs as veins and/or breccia fault zones. The third style of mineralization occurs within a hydraulic/hydrothermal breccia as disseminations within the grey clay-rich breccia cement. The dominant orientation of the mineralization is striking 15 degrees and dipping 70 degrees SE.

The Lower Spitfire mineralization was discovered in 2015, approximately 390 metres below surface, with hole HK15-27 that returned 2.8 metres of 2.23% U_3O_8 including 12.90% U_3O_8 over 0.4 metres. The high-grade uranium mineralization is controlled by a semi-brittle structure that is coincident with the upper contact of a thick, strongly sheared Graphitic-pyritic Pelitic Gneiss unit. Follow-up drilling has continued to intersect mineralized intervals at the upper contact of the Graphitic shear zone, typically as scattered pitchblende grains along pitted foliation planes, with HK15-33 intersecting 6.8 metres of 0.18% U_3O_8 and HK16-54 returning 1.0 metre of 1.16% U_3O_8.

Spitfire South was the initial discovery of uranium mineralization with Hole HK14-09 returning 6.2 metres of 0.32% U_3O_8 from the upper contact of a graphitic shear at a depth of 200 metres below surface. The follow-up hole, HK14-11, targeted the graphitic shear up-dip of HK14-09 and returned 0.57% U_3O_8 over 0.9 metres and an additional interval of 0.11% U_3O_8 over 2.0 metres. Further drilling is required in the Spitfire South area to determine the extent of the mineralization and to follow the host structure towards the Upper and Lower Spitfire mineralization located approximately 200 metres and 300 metres to the northeast, respectively.

Hornet Zone

The Hornet Zone is now considered to be related to the mineralized Spitfire graphitic structure based on drill results produced while testing other conductors within the southern portion of the Patterson Corridor. The Hornet mineralization was discovered in 2013 by hole HK13-06 that intersected strong shearing, numerous fault zones and 138 ppm U over 2.3 metres from upper contact of a graphitic shear zone. HK13-07 was collared 400 metres south of HK13-06 and intersected shearing throughout most of its length and encountered strong hydrothermal hematite alteration at depth. Follow-up hole HK16-36 was collared 200 metres northeast of HK13-06 and intersected patchy hydrothermal hematite and weak clay alteration and three graphitic intervals, 2, 5 and 10 metres wide, with the latter graphitic zone showing brittle deformation and weak radioactivity at the upper contact. Assays are pending.

<u>SMART LAKE PROJECT - JOINT VENTURE WITH CAMECO</u>

On January 1, 2010, the Company entered into a definitive joint venture agreement with Cameco Corporation for the ongoing exploration of the Smart Lake uranium project in the Athabasca Basin. The Smart Lake Project consists of two claims totaling 9,860 hectares. The Company holds a 23% interest in the Smart Lake Project.

Liquidity and capital resources

At June 30, 2016, the Company had a working capital surplus of $2,221,038, compared to a surplus of $367,771 as at December 31, 2015. The increase is attributed to a successfully completed private financing in April and May.

The Company's sources of capital at present consist of cash on hand, short-term investments, exercise of options, a sale of assets, joint venture financings and public equity raise. Assuming that ongoing capital raise, operations and exploration activity are consistent with recent activity levels management believes that cash on hand, together with proceeds from financings completed subsequent to the period end, is adequate to fund ongoing operations through the next year. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date there can be no assurance that adequate funding will be available in the future.

Contractual commitments

Operating leases:

Minimum payments due under operating leases in respect of office space are set out below:

2016 -	$ 6,107
Thereafter -	Nil

Critical accounting estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial consolidated statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Off-balance sheet arrangements

The Company had no off balance sheet arrangements as at June 30, 2016 or December 31, 2015.

Financial instruments and other instruments

The Company had no financial instruments other than short-term GIC's, accounts receivable, receivable from projects and accounts payable and accrued liabilities as at June 30, 2016 and December 31, 2015.

Outstanding share data

Common Shares:

The Company has authorized an unlimited number of common shares, with no par value, of which 183,647,657 shares are issued and outstanding as of the date hereof.

Share Purchase Warrants:
As of the date hereof, 36,252,331 share purchase warrants (including finder's compensation warrants) were outstanding.

Employee Stock Options:

As of date hereof, 11,960,000 options were outstanding under the Company's stock option plan for employees, directors, officers and consultants of the Company.

On April 27, 2015 the Company granted 5,910,000 stock options at an exercise price of $0.06 per option, vesting immediately.

Private placement

On May 5, 2016, the Company closed its non-brokered private placement for gross proceeds of $1,995,750. The financing was transacted in three tranches with the first two tranches closing April 15, 2016 and April 28, 2016 respectively.

The Company issued 21,124,000 common share units at a price of $0.075 per unit and 4,840,000 flow-through units at a price of $0.085 per unit. Each common share unit consists of one common share in the capital of the Company and one common share purchase warrant. Each flow-through unit consists of one common share in the capital of the Company issued on a "flow-through" basis pursuant to the *Income Tax Act* (Canada) and one common share purchase warrant. Each warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of $0.10 per share for a period of 36 months from the date of issuance.

In connection with the closing of the final tranche of the private placement, the Company paid finders' fees consisting of $45,605 in cash and 591,080 non-transferable compensation warrants. Each compensation warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of $0.10 per share for a period of 36 months after the closing date.

All securities issued in connection with the private placement are subject to a four-month hold period pursuant to the applicable securities laws with an expiry date of September 6, 2016.

Related party transactions

The remuneration of key management of the Company for the three- and six-month periods ended June 30, 2016 and 2015 was as follows:

	2016		2015	
	Three months	Six months	Three months	Six months
Aggregate compensation	$ 75,942	$ 146,500	$ 388,730	$ 441,326
Share-based payments	$ Nil	$ Nil	$ 292,787	$ 292,787

The Company did not enter into any other significant related party transactions during the six-month period ended June 30, 2016.

Proposed transactions

Management periodically enters into informal discussions with prospective business partners in the normal course of business. However, management does not believe that any of these discussions constitute proposed transactions for the purpose of this report.

Other matters

Risk Factors

Each of Purepoint's uranium properties is at a grassroots stage of exploration and development. Further development of Purepoint's current properties is contingent upon obtaining satisfactory exploration results. Mineral exploration and development involves substantial expenses and a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to adequately mitigate.

Signed: *"Chris Frostad"*

Chris Frostad
President & Chief Executive Officer

Signed: *"Ram Ramachandran"*

Ram Ramachandran
Chief Financial Officer