PUREPOINT URANIUM GROUP INC.

Consolidated Financial Statements

December 31, 2014 and 2013

Purepoint Uranium Group Inc.
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December 31, 2014 and 2013

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Management's Responsibility

To the Shareholders of Purepoint Uranium Group Inc.

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the annual report is consistent with the financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Company's external auditor.

MNP LLP, an independent firm of Chartered Professional Accountants, was appointed by the shareholders to audit the annual consolidated financial statements and report directly to them.

April 16, 2015

"Chris Frostad"	*"Ram Ramachandran"*
President & CEO	Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Purepoint Uranium Group Inc.

We have audited the accompanying consolidated financial statements of Purepoint Uranium Group Inc., which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Purepoint Uranium Group Inc. and its subsidiaries as at December 31, 2014 and 2013, their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 16, 2015

MNP LLP

Purepoint Uranium Group Inc.

Consolidated Statements of Financial Position

As at December 31, 2014 and 2013

(Expressed in Canadian Dollars)

	2014	2013
	$	$
Assets		
Current assets		
Cash	1,002,074	1,653,467
Short-term investments	-	21,929
Accounts receivable	53,780	31,918
Income taxes receivable	-	300
Receivable from project *(note 5)*	219,039	-
Prepaid expenses	15,794	9,497
Deposits	45,440	37,902
	1,336,127	1,755,013
Property and equipment *(note 3)*	34,222	351,687
	1,370,349	2,106,700
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	144,199	132,362
Advances on project *(note 5)*	-	686,504
	144,199	818,866
Shareholders' equity		
Share capital *(note 6(a))*	31,308,331	30,431,253
Contributed surplus	5,295,429	4,916,318
Deficit	(35,377,610)	(34,059,737)
	1,226,150	1,287,834
	1,370,349	2,106,700

The accompanying notes are an integral part of these consolidated financial statements.

Commitments *(note 10)*

Approved by the Board

"Chris Frostad" *"Allan Beach"*

Purepoint Uranium Group Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

	2014	2013
	$	$
Expenses (recoveries)		
Mining exploration and evaluation expenditures *(note 4)*	824,994	449,749
Salaries and benefits including share-based payments of $165,583 (2013 - $89,240) *(notes 7 and 13)*	170,216	110,395
Professional fees	213,174	206,640
General and administration	79,099	86,487
Investor relations	29,896	34,534
Transfer agent and filing fees	23,456	21,104
Travel	9,241	5,713
Other taxes	2,952	4,772
Depreciation	396	1,902
Net loss on sale of drill equipment *(note 3)*	242,300	-
Equipment rental and other recoveries *(note 5)*	(277,551)	(102,386)
Interest income	(300)	(237)
Net loss and comprehensive loss	(1,317,873)	(818,673)
Basic and diluted loss per common share *(note 9)*	(0.01)	(0.01)

The accompanying notes are an integral part of these consolidated financial statements.

Purepoint Uranium Group Inc.

Consolidated Statements of Changes in Equity

As at December 31, 2014 and 2013

(Expressed in Canadian Dollars)

	Capital stock				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Equity total**
		$	**$**	**$**	**$**
Balance at January 1, 2014	120,761,702	30,431,253	4,916,318	(34,059,737)	1,287,834
Issuance of common shares from Rights Offering	2,630,386	131,519	-	-	131,519
Issuance of common shares from private placement	18,179,200	999,856	-	-	999,856
Fair value of issued warrants from Rights Offering	-	(8,118)	8,118	-	-
Fair value of issued warrants from private placement	-	(204,745)	204,745	-	-
Fair value of finder's fee compensation warrants	-	(14,348)	14,348	-	-
Exercise of warrants	853,883	85,388	-	-	85,388
Fair value attributable to exercised warrants	-	13,683	(13,683)	-	-
Expenses of the Rights Offering	-	(77,977)	-	-	(77,977)
Expenses of the private placement	-	(48,180)	-	-	(48,180)
Share-based payments	-	-	165,583	-	165,583
Net loss	-	-	-	(1,317,873)	(1,317,873)
Balance at December 31, 2014	142,425,171	31,308,331	5,295,429	(35,377,610)	1,226,150
Balance at January 1, 2013	97,047,730	29,524,396	4,495,644	(33,241,064)	778,976
Issuance of common shares from Rights Offering	9,704,773	679,334	-	-	679,334
Issuance of common shares from private placement	14,008,799	770,484	-	-	770,484
Fair value of issued warrants from Rights Offering	-	(155,510)	155,510	-	-
Fair value of issued warrants from private placement	-	(158,142)	158,142	-	-
Fair value of finder's fee compensation warrants	-	(17,782)	17,782	-	-
Exercise of warrants	400	40	-	-	40
Expenses of the Rights Offering	-	(132,445)	-	-	(132,445)
Expenses of the private placement	-	(79,122)	-	-	(79,122)
Share-based payments	-	-	89,240	-	89,240
Net loss	-	-	-	(818,673)	(818,673)
Balance at December 31, 2013	120,761,702	30,431,253	4,916,318	(34,059,737)	1,287,834

The accompanying notes are an integral part of these consolidated financial statements.

Purepoint Uranium Group Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013

(Expressed in Canadian Dollars)

	2014	2013
	$	$
Cash flow from operating activities		
Net loss for the year	(1,317,873)	(818,673)
Items not affecting cash:		
Depreciation	10,165	15,735
Share-based payments	165,583	89,240
Net loss on sale of drill equipment	242,300	-
	(899,825)	(713,698)
Changes in non-cash items relating to operating activities:		
Accounts receivable	(21,862)	6,261
Income taxes receivable	300	2,220
Prepaid expenses	(6,297)	77,622
Deposits	(7,538)	54,500
Accounts payable and accrued liabilities	11,837	(24,048)
Disbursements on behalf of joint venturers, net	(905,543)	329,047
	(1,828,928)	(268,096)
Cash flow from investing activities		
Short-term investments	21,929	(233)
Proceeds on sale of drill equipment	65,000	-
	86,929	(233)
Cash flow from financing activities		
Proceeds from exercise of warrants, net of costs	85,388	40
Proceeds from issuance of shares, net of costs	1,005,218	1,238,251
	1,090,606	1,238,291
Net (decrease) increase in cash	(651,393)	969,962
Cash - beginning of the year	1,653,467	683,505
Cash - end of the year	1,002,074	1,653,467

The accompanying notes are an integral part of these consolidated financial statements.

(Expressed in Canadian Dollars)

1. GENERAL INFORMATION

Purepoint Uranium Group Inc. ("the Company") is a Canadian resource company engaged in the acquisition, exploration and development of properties for the purpose of producing uranium. The Company's principal assets are mineral properties located in Saskatchewan. The ability of the Company to realize the costs it has incurred to date on these and other properties is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mining claims, the ability to continue to raise adequate financing and to commence profitable operations in the future, or alternatively, upon the disposal of properties, or the Company's interests therein, on an advantageous basis.

The Company's head office is located at 10 King Street East, Suite 501, Toronto, Ontario, Canada, M5C 1C3.

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, William River Exploration Corp. All intercompany accounts and transactions have been eliminated. Subsidiaries are entities over which the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS ") as issued by the International Accounting Standards Board ("IASB").

The policies applied in these consolidated financial statements are presented in this note and are based on IFRS issued and outstanding as of April 16, 2015, the date the Board of Directors approved the consolidated financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

(b) Basis of preparation

The consolidated financial statements are presented in Canadian dollars. The consolidated financial statements are prepared on the historical cost basis.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(c) Share-based payments

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company. The fair value of the stock options granted is measured at grant date and each tranche is recognized on a graded basis over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At the end of each reporting period, the amount recognized as an expense for unvested options is adjusted to reflect the actual number of share options that are expected to vest.

(d) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net loss and comprehensive loss or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At the end of each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Flow-through shares

The Company will, from time to time, issue flow-through common shares to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into:

i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability, and
ii) share capital.

Upon expenditures being incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision. Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resources property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

(f) Property and equipment

Property and equipment are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss. Where an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment. Expenditures incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhaul expenditures are capitalized.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(f) Property and equipment - continued

The Company provides for depreciation of its property and equipment at the following methods and annual rates:

Exploration field property and equipment	20% declining balance
Exploration drill equipment	Unit-of-production over 5,000 utilization days; salvage value 20%
Exploration drill accessories	25% declining balance
Exploration furniture and equipment	20% declining balance
Office computer equipment	Straight-line over 3 years
Office furniture and fixtures	Straight-line over 5 years
Leasehold interests	Straight-line over the term of the lease (up to 6 years)

(g) Mining properties and exploration and evaluation costs

Exploration and evaluation expenditures include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are expensed as incurred except for expenditures associated with the acquisition of the exploration and evaluation assets through a business combination or asset acquisition which are recognized as assets. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss.

(h) Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(i) Financial assets and liabilities

Financial instruments are measured on initial recognition at fair value, plus, in the case of financial instruments other than those classified as "fair value through profit and loss", directly attributable transaction costs. Measurement of financial assets in subsequent periods depends on whether the financial instrument has been classified as "fair value through profit and loss", "available-for-sale", "held-to-maturity", or "loans and receivables" as defined by IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). Measurement of financial liabilities subsequent to initial recognition depends on whether they are classified as "fair value through profit and loss" or "other financial liabilities ".

Financial assets and financial liabilities at fair value through profit and loss include financial assets and financial liabilities that are held-for-trading or designated upon initial recognition as at fair value through profit and loss. These financial instruments are measured at fair value with changes in fair values recognized in profit or loss. Financial assets classified as available-for-sale are measured at fair value, with changes in fair values recognized in other comprehensive income ("OCI"), except when there is objective evidence that the asset is impaired, at which point the cumulative loss that had been previously recognized in OCI is recognized within profit or loss. Financial assets classified as held-to-maturity and loans and receivables are measured subsequent to initial recognition at amortized cost using the effective interest method. Financial liabilities, other than financial liabilities classified as fair value through profit and loss, are measured in subsequent periods at amortized cost using the effective interest method.

The Company has classified its financial instruments as follows:

Short-term investments	-	Fair value through profit and loss
Accounts receivable	-	Loans and receivables
Receivable from project	-	Loans and receivables
Accounts payable and accrued liabilities	-	Other liabilities
Advances on project	-	Other liabilities

Financial instruments recorded at fair value on the consolidated statements of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At December 31, 2014, short-term investments have been measured using level 1 inputs.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(i) Financial assets and liabilities - continued

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For all financial assets other objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as amounts receivable, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of an allowance account. When an amount receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. In a subsequent period, if the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

(j) Cash

Cash consists of cash deposits in banks. The Company does not hold any asset backed commercial paper.

(k) Short-term investments

Short-term investments are comprised of liquid investments with an initial maturity greater than three months and maturing within one year of the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(l) Asset retirement obligations

A provision is recognized in the consolidated statements of financial position when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The Company's asset retirement obligations arise from its obligations to undertake site reclamation and remediation in connection with its resource properties. The estimated costs of reclamation are based on current regulatory requirements and the estimated reclamation costs at the date of purchase. Future changes to those regulations and standards, as well as changes resulting from operations may result in actual reclamation costs differing from the estimate.

The Company has determined that there are no asset retirement obligations or any other environmental obligations with respect to its mineral properties, and therefore no liability has been recognized in these consolidated financial statements.

(m) Jointly controlled asset

The Company has an interest in a jointly controlled asset in an unincorporated joint arrangement. The Company recognizes its share of mining exploration and evaluation expenditure related to the asset in profit or loss.

(n) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

(o) Loss per share

Basic loss per common share is calculated by dividing the loss attributed to shareholders for the year by the weighted average number of common shares outstanding in the year. Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(p) Comprehensive income (loss)

Comprehensive income or loss includes unrealized gains and losses on available-for-sale investments, none of which are included in the calculation of net loss until realized.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(q) Segment reporting

A segment is a component of the Company that is distinguishable by economic activity (business segment), or by its geographical location (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Company operates in one business segment, mineral exploration and one geographical segment, Canada.

(r) Significant accounting judgments and estimates

The preparation of these 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 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 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 also in future periods when the revision affects both current and future periods.

(s) Accounting standards issued but not yet effective

IFRS 9 Financial Instruments ("IFRS 9") was initially issued by the IASB in November 2009 and issued in its completed version in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company intends to adopt the standard on its effective date and has not yet assessed its impact on the consolidated financial statements.

(Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

Cost	January 1, 2013	Additions in 2013	December 31, 2013	Additions and Reductions in 2014	December 31, 2014
Exploration property and equipment					
Field property and equipment	$ 144,196	$ -	$ 144,196	$ -	$ 144,196
Drill equipment	300,000	-	300,000	(300,000)	-
Drill accessories	64,821	-	64,821	(64,821)	-
Furniture and equipment	28,373	-	28,373	-	28,373
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	1,977	-	1,977	-	1,977
Leasehold improvements	19,536	-	19,536	-	19,536
	$ 572,202	$ -	$ 572,202	$ (364,821)	$ 207,381

Accumulated depreciation	January 1, 2013	Depreciation in 2013	December 31, 2013	Depreciation in 2014	December 31, 2014
Exploration property and equipment					
Field property and equipment	$ 97,691	$ 9,301	$ 106,992	$ 7,441	$ 114,433
Drill equipment	-	-	-	-	-
Drill accessories	53,747	2,768	56,515	(56,515)	-
Furniture and equipment	21,322	1,763	23,085	1,322	24,407
Office property and equipment		-			
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	692	396	1,088	396	1,484
Leasehold improvements	18,029	1,507	19,536	-	19,536
	$ 204,780	$ 15,735	$ 220,515	$ (47,356)	$ 173,159

(Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT - continued

Net book value	December 31, 2014	December 31, 2013
Exploration property and equipment		
Field property and equipment	$ 29,763	$ 37,204
Drill equipment	-	300,000
Drill accessories	-	8,306
Furniture and equipment	3,966	5,288
Office property and equipment		
Computer equipment	-	-
Furniture and fixtures	493	889
Leasehold improvements	-	-
	$ 34,222	$ 351,687

During 2014, $9,769 (2013 - $13,832) of depreciation expense was included in mining exploration and evaluation expenditures on the consolidated statements of loss and comprehensive loss. Drill equipment and accessories were sold for proceeds of $65,000, resulting in net loss of $242,300.

4. MINING EXPLORATION AND EVALUATION EXPENDITURES

The Company's properties are all located at the Athabasca Basin, Northern Saskatchewan. The Company owns a total of 8 properties located on Smart Lake, Hook Lake, Red Willow, Turnor Lake, Umfreville Lake, Forsythe Lake, McArthur East and Henday Lake.

Mining exploration expenditures on the Company's properties during last two years are as follows:

	2014	2013
Hook Lake Property	$ 691,586	$ 348,918
Umfreville Lake Property	99,204	44,939
Red Willow Property	34,119	-
Smart Lake Property	85	-
McArthur East Property	-	55,172
Forsythe Lake Property	-	720
	$ 824,994	$ 449,749

5. JOINT ARRANGEMENT WITH CAMECO AND AREVA

On October 31, 2012, the Company entered into a definitive joint venture agreement with Cameco Corporation ("Cameco") and Areva Resources Canada Inc. ("Areva") for the ongoing exploration of Hook Lake uranium project in the Athabasca Basin (the "Project") and pursuant to the option agreement with Cameco from 2007. The Company holds a 21% interest in the Project. The remaining 79% is owned equally by Cameco and Areva. The Company acts as the Project operator for the Joint Venture and charges an administration fee of 10% of the invoiced Project costs incurred. In 2014, Cameco and Areva advanced to the Company $734,182 (2013 - $596,609) each for a total amount of $1,468,364 (2013 - $1,193,218). The Company has a receivable balance of $219,039 (2013 - $686,504 remained unspent) from Joint Venture partners at December 31, 2014. The receivables and advances are unsecured and non-interest bearing.

The administration fees are included in equipment rental and other recoveries in the consolidated statements of loss and comprehensive loss.

6. SHAREHOLDERS' EQUITY

(a) Share capital

Authorized, issued and outstanding common shares

Authorized - unlimited number of common shares without par value.

Issued – 142,425,171 common shares at December 31, 2014 (2013 – 120,761,702).

On November 25, 2014, the Company completed a rights offering for aggregate gross proceeds of $131,519. The rights offering was fully subscribed with a total of 13,865,224 rights being exercised for 1,733,153 units pursuant to the basic subscription privilege and 897,233 units issued pursuant to the additional subscription privilege. Each unit was issued at a price of $0.05 and was comprised of one common share of the Company and one half of a common share purchase warrant. Each whole warrant entitles the holder to acquire one common share of the Company at a price of $0.08 expiring in six months from the date of issuance or at a price of $0.10 expiring 24 months from the date of issuance. In total, 2,630,386 common shares and 1,315,193 warrants were issued pursuant to this rights offering.

The proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, with $8,118 being allocated to Warrants. The Black-Scholes option pricing model was used to determine the fair value of the Warrants using the following assumptions: expected dividend yield - nil; expected volatility - 133%; risk free interest rate - 1.13%; and an expected life of 2 years.

6. SHAREHOLDERS' EQUITY - continued

(a) Share capital – continued

On December 16, 2014 the Company completed a private placement where the Company issued 18,179,200 flow-through units at a price of $0.055 per unit for gross proceeds of $999,856. 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 half (1/2) of a 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 $0.08 per share for a period of 24 months from the date of issuance. In connection with the closing of the private placement, the Company paid finder's fees consisting of $31,988 (plus applicable taxes) in cash and issued 581,600 non-transferable compensation warrants to certain finder. Each compensation warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of $0.08 per share for a period of 24 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 April 17, 2015.

The Company incurred cash costs of $48,180 and non-cash Compensation Warrants valued at $14,348. The proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, with $204,745 being allocated to Warrants. The Black-Scholes option pricing model was used to determine the fair value of the Warrants and the Compensation Warrants using the following assumptions: expected dividend yield – nil; expected volatility – 132%; risk free interest rate – 1.13%; and an expected life of 2 years.

No premium on flow-through shares was recognized in connection with this private placement.

On December 6, December 24, and December 31, 2013 the Company completed three tranches of the private placement where the Company issued a total of 14,008,799 flow-through Units at a price of $0.055 per Unit for aggregate gross proceeds of $770,484. Each Unit consists of one flow-through common share of the Company and one Warrant. Each Warrant entitles its holder to acquire one non-flow-through common share of the Company for a period of 24 months from the date of issuance, at a price of $0.10 per share. In connection with the private placement, the Company paid finders' commission in an aggregate amount of $59,959 and issued 1,090,157 non-transferable Compensation Warrants to certain finders. Each Compensation Warrant entitles its holder to purchase one non-flow-through common share in the capital of the Company at an exercise price of $0.10 per share for a period of 24 months after the closing date.

The proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, with $158,142 being allocated to Warrants. The Company incurred cash costs of $79,122 and non-cash Compensation Warrants valued at $17,782. The Black-Scholes option pricing model was used to determine the fair value of the Warrants and the Compensation Warrants using the following assumptions: expected dividend yield – nil; expected volatility –84%; risk free interest rate – 1.19%; and an expected life of 2 years.

No premium on flow-through shares was recognized in connection with this private placement.

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY - continued

(a) Share capital – continued

On March 4, 2013, the Company completed a rights offering for aggregate gross proceeds of $679,334. The rights offering was fully subscribed with a total of 42,830,380 rights being exercised for 3,975,718 units pursuant to the basic subscription privilege and 5,729,055 units issued pursuant to the additional subscription privilege. Each unit was issued at a price of $0.07 and was comprised of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.10. The warrants will expire 24 months from the date of issuance. In total, 9,704,773 common shares and 9,704,773 warrants were issued pursuant to this rights offering. Raised capital was used for general corporate and administrative expenses.

The proceeds have been prorated to Common Shares and Warrants based on the relative fair value of each component, with $155,510 being allocated to Warrants. The Black-Scholes option pricing model was used to determine the fair value of the Warrants using the following assumptions: expected dividend yield - nil; expected volatility - 87%; risk free interest rate - 1.5%; and an expected life of 2 years.

(b) Share purchase warrants

The following common share purchase warrants were outstanding at December 31, 2014:

	Number of warrants		Exercise price	Expiry date
Common share purchase warrants	8,850,490	$	0.10	March 5, 2015
Common share purchase warrants	14,008,799	$	0.10	December 31, 2015
Common share purchase warrants	1,315,193	$	0.10	November 25, 2016
Common share purchase warrants	9,089,600	$	0.08	December 16, 2016
	33,264,082			

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY - continued

(b) Share purchase warrants

A summary of warrants outstanding as at December 31, 2014 and 2013 and changes during these years are presented below:

	2014			2013		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	30,021,172	$ 0.10	$ 403,569	17,194,469	$ 0.16	$ 462,680
Granted	10,404,793	0.08	212,863	23,713,572	0.10	313,652
Exercised	(853,883)	0.10	(13,683)	(400)	0.10	(6)
Expired	(6,308,000)	0.10	(89,923)	(10,886,469)	0.20	(372,757)
Balance, end of the year	33,264,082	$ 0.09	$ 512,826	30,021,172	$ 0.10	$ 403,569

(c) Finder's Compensation Warrants

A summary of Compensation Warrants outstanding as at December 31, 2014 and 2013 and changes during these years are presented below:

	2014			2013		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	1,468,637	$ 0.10	$ 24,196	949,620	$ 0.11	$ 34,319
Granted	581,600	0.08	14,348	1,090,157	0.10	17,782
Expired	(378,480)	0.10	(6,414)	(571,140)	0.11	(27,905)
Balance, end of the year	1,671,757	$ 0.09	$ 32,130	1,468,637	$ 0.10	$ 24,196

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY - continued

(d) Shareholder's Rights Plan

The shareholder's rights plan is intended to ensure, to the extent possible, that all shareholders of the Company are treated equally and fairly in connection with any take-over bid for the Company, and was designed to discourage discriminatory or unfair bids and to provide management, if appropriate, with sufficient time to pursue alternatives to maximize shareholder value.

7. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN

The Company has a stock option plan (the "Plan"). Under the Plan, the Company can grant options to directors, officers, employees and consultants for up to 10% of the total number of issued and outstanding shares. The exercise price of the options cannot be less than the closing price of the Company's shares on the trading day preceding the date of grant and the maximum term of any option cannot exceed five years. No option shall be exercisable for a period exceeding ten years from the date the option is granted and vesting limitations shall be determined by the Board at the time that such option is granted.

On January 30, 2014, the Company granted 2,510,000 stock options at an exercise price of $0.075 vesting immediately. These options expire in 5 years.

On April 24, 2013, the Company granted 1,940,000 stock options at an exercise price of $0.10 per option vesting immediately. These options expire in 5 years.

Using the Black-Scholes pricing model, the weighted average fair value of options granted during the year ended December 31, 2014 was estimated to be $160,325 (2013 - $89,240). This amount, net of estimated forfeitures, has been recognized as an expense in 2014, as the options vested immediately. In addition to that amount, $5,258 was taken into contributed surplus as share option payments being recognized for repricing of the options granted on April 24, 2013 (see (i) below). In 2014, $160,325 (2013 - $89,240) was taken into contributed surplus as share option payments being recognized on the vesting of options granted.

The following principal assumptions were used in applying the Black-Scholes option-pricing model for options granted in 2014 and 2013:

	2014	2013
Risk-free interest rate	1.63%	1.3%
Dividend rate	0%	0%
Expected volatility	127%	103%
Expected life	5 years	5 years

(Expressed in Canadian Dollars)

7. SHARE-BASED PAYMENTS – EMPLOYEE SHARE OPTION PLAN - continued

A summary of the status of the Plan as at December 31, 2014 and 2013, and changes during the years ended on those dates is presented below:

	2014			2013		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Balance, beginning of the year	9,516,667	$	0.10	8,712,501	$	0.12
Granted	2,510,000		0.075	1,940,000		0.07
Expired and cancelled	(1,136,667)		0.14	(1,135,834)		0.20
Balance, end of the year	10,890,000	$	0.09	9,516,667	$	0.10

(i) Repricing of the incentive stock options granted on April 25, 2013:

On April 25, 2013, the Company issued, in aggregate, 1,940,000 incentive stock options to certain directors, officers and consultants of the Company with an exercise price of $0.10 per common share and a term of 5 years. Pursuant to the transitional provisions of a bulletin issued by the TSX Venture Exchange on August 14, 2013, the minimum acceptable exercise price for options granted between January 1, 2013 and August 14, 2013 may be retroactively reduced from $0.10 to $0.05 subject to certain conditions. Accordingly, the Company applied and received approval from the Exchange pursuant to the transitional provisions for reducing the exercise price of all of its incentive stock options granted on April 25, 2013 from $0.10 to $0.07.

As at December 31, 2014, the Company had stock options issued to directors, officers, employees and contractors of the Company outstanding and exercisable as follows:

Date of grant	Number of options	Number exercisable		Exercise price	Expiry date
May 26, 2010	3,000,000	3,000,000	$	0.10	May 26, 2015
April 27, 2012	3,440,000	3,440,000	$	0.11	April 27, 2017
April 24, 2013	1,940,000	1,940,000	$	0.07	April 24, 2018
January 30, 2014	2,510,000	2,510,000	$	0.075	January 30, 2019
	10,890,000	10,890,000			

(Expressed in Canadian Dollars)

8. INCOME TAXES

a) Income tax provision

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rate of 27% (2013 - 27%) to the amounts recognized in the consolidated statements of loss and comprehensive loss:

		2014		2013
Loss before recovery of income taxes	$	1,317,873	$	818,673
Expected income tax recovery	$	(355,660)	$	(220,590)
Tax rate changes and other adjustments		970		13,530
Non-deductible expenses		45,380		24,160
Effect of flow-through renunciation		-		108,780
Change in tax benefits not recognized		309,310		74,120
Income tax (recovery) expense	$	-	$	-

b) Deferred income tax balances

The following table summarizes components of deferred tax:

		2014		2013
Deferred Tax Assets				
Mineral properties	$	-	$	19,290
Deferred Tax Liabilities				
Property, plant and equipment	$	-	$	(19,290)
Net deferred tax liabilities	$	-	$	-

c) Unrecognized deferred tax assets

Deferred income taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amounts of assets and liabilities. Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

		2014		2013
Property, plant and equipment	$	180,890	$	-
Mineral properties		5,958,620		5,071,820
Share issuance costs		298,580		274,250
Non-capital losses carried forward		7,443,890		7,268,860
Investment tax credits		67,850		67,850

(Expressed in Canadian Dollars)

8. INCOME TAXES - continued

c) Unrecognized deferred tax assets - continued

The Canadian non-capital loss carry forwards expire as noted in the table below. Share issue and financing costs will be fully amortized by 2018. Investment tax credits expire from 2029 to 2032. The remaining deductible temporary difference may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2015	$	341,990
2026		673,440
2027		1,071,110
2028		1,152,920
2029		1,297,210
2030		1,178,990
2031		667,130
2032		496,450
2033		366,450
2034		198,200
	$	7,443,890

9. LOSS PER SHARE

(a) Basic

Basic loss per share is calculated by dividing the net loss by the weighted average number of common shares issued during the year.

		2014		2013
Loss attributable to common shareholders	$	(1,317,873)	$	(818,673)
Weighted average common shares outstanding		122,536,036		105,621,482
Basic loss per common share	$	(0.01)	$	(0.01)

(b) Diluted

Diluted loss per common share has not been presented as this is anti-dilutive.

(Expressed in Canadian Dollars)

10. COMMITMENTS

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

2015	$	61,086
2016		33,378
Thereafter		-
	$	94,464

(b) Pursuant to the issuance of flow-through shares described in note 6(a), the Company is required to spend approximately $999,856 on Canadian Exploration Expenditures before the end of 2015.

11. FINANCIAL RISK MANAGEMENT

(a) Credit risk management

The Company's credit risk is primarily attributable to short-term investments and accounts receivable. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of GIC’s, which have been invested with a reputable Canadian financial institution, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote, being amounts receivable on sales taxes from the Canadian taxation authority.

(b) Liquidity risk

The Company has in place a planning and budgeting process to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis and its capital, development and exploration expenditures. The Company ensures that there are sufficient funds to meet its short-term requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

As of December 31, 2014, the Company had a cash balance of $1,002,074 (2013 - $1,653,467) to settle current accounts payable and accrued liabilities of $144,199 (2013 - $818,866).

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no interest bearing debt.

(Expressed in Canadian Dollars)

11. FINANCIAL RISK MANAGEMENT – continued

(d) Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of uranium. The Company closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

(e) Fair value of financial assets and liabilities

The carrying value of the receivable from project approximates its fair value due to the short-term nature of this instrument.

For accounts receivable and accounts payable and accrued liabilities with a remaining life of less than one year, the carrying value amounts are equivalent to their fair values.

12. CAPITAL RISK MANAGEMENT

The Company considers its capital structure to consist of total equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support its exploration, development and operations activities.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at December 31, 2014, the Company had no bank debt.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during 2014. The Company is not subject to externally imposed capital requirements.

13. RELATED PARTY TRANSACTIONS

The remuneration of key management of the Company for years 2014 and 2013 was as follows:

	2014	2013
Aggregate compensation	$ 205,000	$ 339,479
Share-based payments	$ 155,228	$ 86,940