Condensed Consolidated Interim Financial Statements

September 30, 2015 and 2014

Notice of no auditor review of Interim financial statements

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indication that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by, and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements.

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Financial Position

As at September 30, 2015

(Expressed in Canadian Dollars)

(Unaudited)

	September 30, 2015	December 31, 2014
	$	$
Assets		
Current assets		
Cash	215,056	1,002,074
Accounts receivable	17,171	53,780
Receivable from project *(note 7)*	157,984	219,039
Prepaid expenses	21,777	15,794
Deposits	12,000	45,440
	423,988	1,336,127
Property and equipment *(note 5)*	28,982	34,222
	452,970	1,370,349
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	33,510	144,199
Shareholders' equity		
Share capital *(note 9)*	31,311,941	31,308,331
Contributed surplus	5,596,364	5,295,429
Deficit	(36,488,845)	(35,377,610)
	419,460	1,226,150
	452,970	1,370,349

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three- and nine-month period ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)
(Unaudited)

	For the three-month period ended September 30,		For the nine-month period ended September 30,	
	2015	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**
Expenses (recoveries)				
Mining exploration and evaluation expenditures	58,610	51,567	732,278	598,729
Salaries and benefits including share-based payments *(note 10)*	2,103	615	306,708	169,451
Professional fees	101,018	42,140	212,326	138,846
General and administration	16,087	20,740	59,864	66,556
Investor relations	2,507	3,543	20,522	23,633
Transfer agent and filing fees	3,291	1,999	20,216	21,489
Travel	3,306	2,558	9,417	6,525
Other taxes	-	2,100	6,279	2,952
Depreciation	99	99	297	297
Net loss on sale of drill equipment *(note 5)*	-	242,300	-	242,300
Equipment rental and other recoveries	(5,574)	(20,233)	(256,672)	(243,037)
Interest income	-	(187)	-	(274)
Net loss and comprehensive loss for the period	(181,447)	(347,241)	(1,111,235)	(1,027,467)
Deficit, beginning of the period	(36,307,398)	(34,739,963)	(35,377,610)	(34,059,737)
Deficit, end of the period	(36,488,845)	(35,087,204)	(36,488,845)	(35,087,204)
Basic and diluted loss per common share *(note 12)*	(0.00)	(0.00)	(0.01)	(0.01)

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Changes in Equity

As at September 30, 2015 and 2014

(Expressed in Canadian Dollars)

(Unaudited)

	Capital stock				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Equity total**
		$	**$**	**$**	**$**
Balance at January 1, 2015	142,425,171	31,308,331	5,295,429	(35,377,610)	1,226,150
Exercise of warrants	100	10	-	-	10
Refund of expenses from Rights offering	-	3,600	-	-	3,600
Share-based payment	-	-	300,935	-	300,935
Net loss	-	-	-	(1,111,235)	(1,111,235)
Balance at September 30, 2015	142,425,271	31,311,941	5,596,364	(36,488,845)	419,460
Balance at January 1, 2014	120,761,702	30,431,253	4,916,318	(34,059,737)	1,287,834
Exercise of warrants	853,883	85,388	-	-	85,388
Fair value attributable to exercised warrants	-	11,478	(11,478)	-	-
Share-based payment	-	-	165,583	-	165,583
Net loss	-	-	-	(1,027,467)	(1,027,467)
Balance at September 30, 2014	121,615,585	30,528,119	5,070,423	(35,087,204)	511,338

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Cash Flows

For the nine month period ended September 30, 2015 and 2014

(Expressed in Canadian Dollars)
(Unaudited)

	For the nine-month period ended September 30,	
	2015	**2014**
	$	**$**
Cash flow from operating activities		
Net loss for the period	(1,111,235)	(1,027,467)
Items not affecting cash:		
Depreciation	5,240	7,539
Share based payments	300,935	165,583
Net loss on sale of drill equipment	-	242,300
	(805,060)	(612,045)
Changes in non-cash items relating to operating activities:		
Accounts receivable	36,609	(63,531)
Income taxes receivable	-	300
Prepaid expenses	(5,983)	(32,793)
Deposits	33,440	(2,538)
Accounts payable and accrued liabilities	(110,689)	(101,317)
Advances from (disbursements on behalf of) joint venturer, net	61,055	(733,221)
	(790,628)	(1,545,145)
Cash flow from investing activities		
Short-term investments	-	(130)
Proceeds on sale of drill equipment	-	65,000
	-	64,870
Cash flow from financing activities		
Proceeds from exercise of warrants	10	85,388
Proceeds from rights offering from November - refund of expenses	3,600	-
	3,610	85,388
Net decrease in cash	(787,018)	(1,394,887)
Cash - Beginning of the period	1,002,074	1,653,467
Cash - End of the period	215,056	258,580

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

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 M5C 1C3, Canada.

2. Basis of Presentation and Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The ability of the Company to continue as a going concern is dependent on the successful completion of the actions taken or planned. 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, or available under terms favourable to the Company. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles to a going concern.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments would be necessary in the carrying value of assets and liabilities, the reported expenses, and the condensed consolidated interim statement of financial position classifications used.

3. Significant Accounting Policies

(a) Statement of compliance

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are the same as those applied by the Company in its audited consolidated annual financial statements as at and for the year ended December 31, 2014. These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2014.

3. Significant Accounting Policies - continued

(a) Statement of compliance - continued

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of November 27, 2015, the date the Board of Directors approved the condensed consolidated interim financial statements.

(b) IFRS 11, *Joint Arrangements*:

In May 2011, the IASB issued IFRS 11, which provides guidance on accounting for joint arrangements. If an arrangement has joint control, IFRS 11 classifies joint arrangements as either joint operations or joint ventures, depending on the rights and obligations of the parties involved.

A joint operation is an arrangement where the jointly controlling parties have rights to the assets and obligations in respect of the liabilities relating to the arrangement. An entity accounts for a joint operation by recognizing its portion of the assets, liabilities, revenues and expenses. A joint venture is an arrangement where the jointly controlling parties have rights to the net assets of the arrangement. This standard is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted. Adoption of IFRS 11 has had no impact on the Company.

(c) Basis of preparation

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

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary William River Exploration Corp. Subsidiaries are entities over which the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. 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.

All intercompany accounts and transactions have been eliminated.

3. Significant Accounting Policies - continued

(d) 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.

4. Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim 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 condensed consolidated interim 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 the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the condensed consolidated interim financial statements relate to, but are not limited to, the following:

(i) *Share-based payments*

The Company grants options to certain individuals. Fair value is measured at the date of grant using the Black-Scholes option pricing mechanism. Management is required to make certain estimates when determining the fair value of stock option awards. These estimates affect the amount recognized as share-based payment expense in the consolidated statements of loss.

(Expressed in Canadian Dollars)

5. Property and Equipment

Cost	January 1, 2014	Additions and Reductions in 2014	December 31, 2014	Additions in 2015	September 30, 2015
Exploration property and equipment					
Field property and equipment	$ 144,196	$ -	$ 144,196	$ -	$ 144,196
Drill equipment	300,000	(300,000)	-	-	-
Drill accessories	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	$ (364,821)	$ 207,381	$ -	$ 207,381

Accumulated amortization	January 1, 2014	Amortization in 2014	December 31, 2014	Amortization in 2015	September 30, 2015
Exploration property and equipment					
Field property and equipment	$ 106,992	$ 7,441	$ 114,433	$ 4,245	$ 118,678
Drill equipment	-	-	-	-	-
Drill accessories	56,515	(56,515)	-	-	-
Furniture and equipment	23,085	1,322	24,407	698	25,105
Office property and equipment		-		-	
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	1,088	396	1,484	297	1,781
Leasehold improvements	19,536	-	19,536	-	19,536
	$ 220,515	$ (47,356)	$ 173,159	$ 5,240	$ 178,399

(Expressed in Canadian Dollars)

5. Property and Equipment - continued

Net book value	**September 30, 2015**	**December 31, 2014**	**January 1, 2014**
Exploration property and equipment			
Field property and equipment	$ 25,518	$ 29,763	$ 37,204
Drill equipment	-	-	300,000
Drill accessories	-	-	8,306
Furniture and equipment	3,268	3,966	5,288
Office property and equipment			
Computer equipment	-	-	-
Furniture and fixtures	196	493	889
Leasehold improvements	-	-	-
	$ 28,982	$ 34,222	$ 351,687

In the three- and nine-month periods ended September 30, 2015, $1,343 and $4,943 (2014 - $1,969 and $7,242) of depreciation expense was included in mining exploration and evaluation expenditures on the condensed consolidated interim statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

6. Mining Exploration and Evaluation Expenditures

The Company's properties are all located at the Athabasca Basin, Northern Saskatchewan. The Company currently maintains seven properties. 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. The properties are located on Smart Lake, Hook Lake, Red Willow, Turnor Lake, Umfreville Lake, McArthur East and Henday Lake. Mining exploration expenditures on the Company's properties during the three- and nine-month periods ended September 30, 2015 and 2014 are as follows:

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2015	**2014**	**2015**	**2014**
Red Willow Property	$ -	$ 255	$ -	$ 1,269
Hook Lake Property	58,610	20,139	732,278	566,287
Smart Lake Property	-	85	-	85
Turnor Lake Property	-	-	-	-
Umfreville Lake Property	-	31,088	-	31,088
Henday Lake Property	-	-	-	-
Red Willow North and East Property	-	-	-	-
McArthur East Property	-	-	-	-
	$ 58,610	$ 51,567	$ 732,278	$ 598,729

7. Receivable from Project

Joint Venture 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 the nine-month period ended September 30, 2015 Cameco and Areva advanced $1,145,125 (2014 - $574,387 Cameco and $605,807 Areva) each for a total amount of $2,290,250 (2014 - $1,180,194). At September 30, 2015 there was a receivable balance of $157,984 (December 31, 2014 - $219,039). The 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.

8. Deferred Premium on Flow-Through Shares

The premium paid for flow-through shares in excess of the market value of the shares without the flow-through features is initially recognized as a liability. The liability is reduced and the reduction of premium liability is recorded in other income on a pro-rata basis based on the corresponding eligible expenditures that have been incurred. It is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities. In connection with the flow-through financing completed on December 16, 2014 and December 31, 2013, the value assigned to flow-through shares was less than market value of the Company's shares at the same date, therefore there was no premium on flow-through shares.

9. Shareholders' Equity

(a) Share Capital

Authorized, issued and outstanding common shares

Authorized – unlimited number of common shares without par value.

Issued – 142,425,271 common shares at September 30, 2015 and 142,425,171 common shares at December 31, 2014.

(i) On November 25, 2014, the Company completed a rights offering for aggregate gross proceeds of $135,119. 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 $0.08 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.

Raised capital will be used for general corporate and administrative expenses.

(ii) On December 16, 2014 the Company completed the 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.

9. Shareholders' Equity - continued

(a) Share Capital - continued

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.

The proceeds of the private placement will be used for the exploration program of the Company to be conducted to advance the Company’s eight uranium projects located in the Province of Saskatchewan. Canadian exploration expenses incurred using the proceeds of the private placements were renounced to the purchasers of the flow-through common shares in accordance with applicable law.

(Expressed in Canadian Dollars)

9. Shareholders' Equity - continued

(b) Share purchase warrants

The following common share purchase warrants were outstanding at September 30, 2015:

	Number of warrants	Exercise price	Expiry date
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
	24,413,592		

A summary of warrants outstanding as at September 30, 2015 and December 31, 2014 and changes during periods ending on these dates are presented below:

	For the nine month period ended September 30, 2015			For the year ended December 31, 2014		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	33,264,082	$ 0.10	$ 512,826	30,021,172	$ 0.10	$ 403,569
Granted	-	-	-	10,404,793	0.08	212,863
Exercised	(100)	0.10	(1)	(853,883)	0.10	(13,683)
Expired	(8,850,390)	0.10	(118,974)	(6,308,000)	0.10	(89,923)
Balance, end of the period	24,413,592	$ 0.10	$ 393,851	33,264,082	$ 0.10	$ 512,826

(Expressed in Canadian Dollars)

9. Shareholders' Equity - continued

(c) Finder's Compensation Warrants

A summary of Compensation Warrants outstanding as at September 30, 2015 and December 31, 2014 and changes during periods ending on these dates are presented below:

	For the nine month period ended September 30, 2015			For the year ended December 31, 2014		
	Number of warrants	**Weighted average exercise price**	**Fair value**	**Number of warrants**	**Weighted average exercise price**	**Fair value**
Balance, beginning of the year	1,671,757	$ 0.10	$ 32,130	1,468,637	$ 0.11	$ 24,196
Granted	-	-	-	581,600	0.08	14,348
Expired	-	-	-	(378,480)	0.10	(6,414)
Balance, end of the period	1,671,757	$ 0.10	$ 32,130	1,671,757	$ 0.10	$ 32,130

(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.

(Expressed in Canadian Dollars)

10. 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 April 27, 2015 the Company granted 5,910,000 stock options at an exercise price of $0.06 per option, vesting immediately. In the nine-month period ended September 30, 2014, 2,510,000 stock options have been granted.

Using the Black-Scholes pricing model, the weighted average fair value of options granted during the nine-month period ended September 30, 2015 was estimated at $300,935 (2014 - $160,325). This amount, net of estimated forfeitures, has been recognized as an expense in the nine-month period ended September 30, 2015 as the options vested immediately. The unvested, unamortized fair value balance of stock options granted at September 30, 2015 amounted to $Nil (December 31, 2014 - $Nil).

The following principal assumptions were used in applying the Black-Scholes option pricing model for options granted in the nine-month periods ended September 30, 2015 and 2014:

	2015	2014
Risk-free interest rate	1.37%	1.63%
Dividend rate	0%	0%
Expected volatility	127%	127%
Expected life	5 years	5years

A summary of the status of the Plan as at September 30, 2015 and December 31, 2014, and changes during periods ending on these dates are presented below:

	For the nine month period ended September 30, 2015		For the year ended December 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of the year	10,890,000	$ 0.09	9,516,667	$ 0.10
Granted	5,910,000	0.06	2,510,000	0.08
Expired and cancelled	(4,840,000)	0.10	(1,136,667)	0.14
Balance, end of the period	11,960,000	$ 0.07	10,890,000	$ 0.09

(Expressed in Canadian Dollars)

10. Share-based Payments – Employee Share Option Plan - continued

As at September 30, 2015, 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
April 27, 2012	2,690,000	2,690,000	$ 0.11	April 27, 2017
April 24, 2013	1,400,000	1,400,000	$ 0.07	April 24, 2018
January 30, 2014	1,960,000	1,960,000	$ 0.075	January 30, 2019
April 27, 2015	5,910,000	5,910,000	$ 0.06	April 27, 2020
	11,960,000	11,960,000		

i) On April 24, 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 five years. Pursuant to the transitional provisions of a bulletin issued by the 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 has 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 24, 2013 from $0.10 to $0.07.

(Expressed in Canadian Dollars)

11. Income Taxes

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.

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

12. 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 period.

	For the three month period ended September 30,		For the nine month period ended September 30,	
	2015	2014	2015	2014
Loss attributable to common shareholders	$ (181,447)	$ (188,846)	$ (1,111,235)	$ (680,226)
Weighted average common shares outstanding	142,425,271	121,615,585	142,425,248	121,328,624
Basic loss per common share	$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)

(b) Diluted

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

(Expressed in Canadian Dollars)

13. Commitments

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

2015	$	30,543
2016		33,378
Thereafter		-
	$	63,921

(b) Pursuant to the issuance of flow-through shares described in note 9(a), the Company is required to spend approximately $999,856 on Canadian exploration expenditures before the end of 2015. During the nine-month period ended September 30, 2015 the Company spent $732,278.

14. Financial Instruments

The Company's financial instruments include cash, accounts receivable, receivable from project and accounts payable and accrued liabilities and advances on project. The fair value of these financial instruments approximates carrying value.

Fair Value Hierarchy

The fair value hierarchy establishes three levels to classify inputs to the valuation techniques used to measure fair value. Level 1 inputs are quoted market prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices). Level 3 inputs are unobservable (supported by little or no market activity), such as non-corroborative indicative prices for a particular instrument provided by a third party.

15. Financial Risk Management

(a) Credit risk management

The Company's credit risk is primarily attributable to accounts receivable. The Company has no significant concentration of credit risk arising from operations. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote being 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 September 30, 2015, the Company had a cash balance of $215,056, (December 31, 2014 - $1,191,928) to settle current accounts payable and accrued liabilities of $33,510 (December 31, 2014 - $144,199).

(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.

(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 advances on project approximate its respective 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.

(Expressed in Canadian Dollars)

16. Capital Risk Management

The Company considers its capital structure to consist of shareholders' 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 September 30, 2015, 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 the period. The Company is not subject to externally imposed capital requirements.

17. Related Party Transactions and Balances

Related parties include the Board of Directors, officers, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

The remuneration of key management of the Company for the nine-month periods ended September 30, 2015 and 2014 was as follows:

	2015	2014
Aggregate compensation	$ 517,269	$ 310,324
Share-based payments	$ 292,788	$ 155,228