Condensed Consolidated Interim Financial Statements

June 30, 2020 and 2019

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 June 30, 2020

(Expressed in Canadian Dollars)

(Unaudited)

	June 30, 2020	December 31, 2019
	$	$
Assets		
Current assets		
Cash	100,852	1,244,550
Short-term investments	104,571	203,825
Accounts receivable	27,833	25,359
Receivable from projects *(note 7)*	154,389	-
Prepaid expenses	47,073	54,258
Deposits *(note 8)*	19,442	59,602
	454,160	1,587,594
Property, equipment and Right of use asset *(notes 3(d) and 5)*	89,736	107,619
	543,896	1,695,213
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	20,595	311,585
Advances on projects *(note 7)*	-	282,493
Current portion of lease liability *(notes 3(d) and 9)*	33,617	31,336
	54,212	625,414
Long term portion of lease liability *(notes 3(d) and 9)*	60,017	77,423
	114,229	702,837
Shareholders' equity		
Share capital *(note 10(a))*	35,643,027	35,643,027
Contributed surplus	8,600,438	8,191,727
Deficit	(43,813,798)	(42,842,378)
	429,667	992,376
	543,896	1,695,213

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 six-month periods ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)
(Unaudited)

	For the three month period ended June 30,		For the six month period ended June 30,	
	2020	**2019**	**2020**	**2019**
	$	**$**	**$**	**$**
		(Restated - see Note 3(d))		*(Restated - see Note 3(d))*
Expenses				
Mining exploration and evaluation expenditures *(note 6)*	33,275	80,522	434,705	624,849
Mining exploration and evaluation salaries and benefits	53,267	77,132	195,645	243,078
Share-based payments *(note 10)*	408,711	233,059	408,711	233,059
Salaries, compensations and benefits	34,671	54,500	90,171	92,494
Investor relations	32,366	43,555	57,997	90,067
General and administration	24,238	27,496	46,355	50,253
Professional fees	11,645	11,408	20,270	20,533
Insurance	9,215	1,310	13,759	10,561
Transfer agent and filing fees	4,607	2,429	12,360	10,686
Travel	-	1,935	2,728	2,711
Depreciation *(note 5)*	228	228	456	456
	612,223	533,574	1,283,157	1,378,747
Other				
Operator fees and other recoveries	(19,512)	(80,862)	(310,733)	(455,377)
Interest income	(367)	(2,417)	(1,004)	(5,621)
	(19,879)	(83,279)	(311,737)	(460,998)
Net loss and comprehensive loss	(592,344)	(450,295)	(971,420)	(917,749)
Basic and diluted loss per common share *(note 13)*	(0.00)	(0.00)	(0.00)	(0.00)

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 June 30, 2020 and 2019

(Expressed in Canadian Dollars)

(Unaudited)

	Capital stock				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Equity total**
		$	**$**	**$**	**$**
Balance at January 1, 2020	223,370,228	35,643,027	8,191,727	(42,842,378)	992,376
Share-based payment	-	-	408,711	-	408,711
Net loss	-	-	-	(971,420)	(971,420)
Balance at June 30, 2020	223,370,228	35,643,027	8,600,438	(43,813,798)	429,667
Balance at January 1, 2019	214,557,850	35,275,074	7,787,346	(41,491,898)	1,570,522
Exercise of options	320,000	19,550	-	-	19,550
Fair value of exercised options	-	17,049	(17,049)	-	-
Share-based payment	-	-	233,059	-	233,059
Net loss *(Restated - see Note 3(d))*	-	-	-	(917,749)	(917,749)
Balance at June 30, 2019	214,877,850	35,311,673	8,003,356	(42,409,647)	905,382

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 six month period ended June 30, 2020 and 2019

(Expressed in Canadian Dollars)
(Unaudited)

	For the six month period ended June 30, 2020	2019
	$	$
		(Restated - see Note 3(d))
Cash flow from operating activities		
Net loss for the year	(971,420)	(917,749)
Items not affecting cash:		
Depreciation	17,883	17,933
Interest on lease liability	7,163	7,518
Share based payment	408,711	233,059
	(537,663)	(659,239)
Changes in non-cash items relating to operating activities:		
Accounts receivable	(2,475)	(12,768)
Prepaid expenses	7,185	7,967
Deposits	40,160	-
Accounts payable and accrued liabilities	(290,990)	(112,968)
Disbursements on behalf of joint venturer, net	(436,882)	(346,689)
	(1,220,665)	(1,123,697)
Cash flow from investing activities		
Short-term investments	99,254	301,087
Cash flow from financing activities		
Proceeds from exercise of options	-	19,550
Amount paid on lease liability	(22,287)	(22,287)
	(22,287)	(2,737)
Net decrease in cash	(1,143,698)	(825,347)
Cash - Beginning of the period	1,244,550	1,150,972
Cash - End of the period	100,852	325,625

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 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1, 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, 2019. 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, 2019.

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 August 21, 2020, 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.

(Expressed in Canadian Dollars)

3. Significant Accounting Policies - continued

(d) Leases – Accounting standards adopted from January 1, 2019

IFRS 16, Leases eliminates the classification of leases as either operating or finance leases for lessees and introduces a single lessee model which requires the lessee to recognize assets and liabilities for all leases with a term of longer than 12 months, with the exception of low-value assets. The Company adopted IFRS 16 effective January 1, 2019, using the modified retrospective approach. As a result, comparative information has not been restated and is accounted for under IAS 17, Leases. Upon transition to IFRS 16, on January 1, 2019, the Company recognized a right-of-use asset and an initial lease liability totalling $137,637. The lease liability has a remaining term of 4 years and is discounted at a rate of 13.95%. The accretion of the lease liability and the depreciation of the right-of-use assets are recorded in mining exploration expenditures. The following table outlines the difference between operating lease commitments immediately preceding the date of initial adoption and lease liabilities recognized on the consolidated statement of financial position at adoption:

Future minimum lease payments under operating leases at December 31, 2018	$	44,574
Aggregate lease payments through the expected renewal periods		133,722
Undiscounted lease payments at January 1, 2019		178,296
Less: Effect of discounting at January 1, 2019		(40,659)
Lease liability and right of use asset arising on initial application of IFRS 16	$	137,637

Refer to notes 5 and 9.

The Company applied the following practical expedients in the adoption of IFRS 16:

• Applied the exception not to recognize right-of-use assets for leases with a term of 12 months or less remaining at January 1, 2019;

• Excluded initial direct costs from measuring right-of-use assets at the date of initial application.

The 2019 comparative numbers have been restated to reflect the adoption of IFRS 16 as described above. These changes relate to presentation only and have no impact on cash flows.

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.

(Expressed in Canadian Dollars)

4. Significant Accounting Judgments and Estimates - continued

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:

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 condensed consolidated interim statements of loss.

5. Property and Equipment

Cost	**January 1, 2019**	**Additions in 2019**	**December 31, 2019**	**Additions in 2020**	**June 30, 2020**
Exploration property and equipment					
Field property and equipment	$ 5,350	$ -	$ 5,350	$ -	$ 5,350
Furniture and equipment	28,373	-	28,373	-	28,373
Right of use assets *	-	137,637	137,637	-	137,637
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	6,544	-	6,544	-	6,544
	$ 53,566	$ 137,637	$ 191,203	$ -	$ 191,203

Accumulated depreciation	**January 1, 2019**	**Depreciation in 2019**	**December 31, 2019**	**Depreciation in 2020**	**June 30, 2020**
Exploration property and equipment					
Field property and equipment	$ 3,893	$ 291	$ 4,184	$ 116	$ 4,300
Furniture and equipment	27,118	314	27,432	106	27,538
Right of use assets *	-	34,409	34,409	17,204	51,613
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	3,347	913	4,260	457	4,717
	$ 47,657	$ 35,927	$ 83,584	$ 17,883	$ 101,467

(Expressed in Canadian Dollars)

5. Property and Equipment - continued

Net book value	**June 30, 2020**	**December 31, 2019**	**January 1, 2019**
Exploration property and equipment			
Field property and equipment	$ 1,050	$ 1,166	$ 1,457
Furniture and equipment	835	941	1,255
Right of use assets *	86,024	103,228	-
Office property and equipment			
Computer equipment	-	-	-
Furniture and fixtures	1,827	2,284	3,197
	$ 89,736	$ 107,619	$ 5,909

In the three- and six-month period ended June 30, 2020, $8,719 and $17,426 (2019 - $8,738 and $17,477) of depreciation expense was included in mining exploration and evaluation expenditures on the condensed consolidated interim statements of loss and comprehensive loss.

* See note 3(d).

(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 eight properties. The Company entered into joint venture agreements and operates one of these projects with Cameco Corporation and Orano Canada Inc. (formerly AREVA Resources Canada Inc.), one of these projects with Cameco Corporation, while the other eight projects remain 100% owned. Mining exploration expenditures on the Company's properties during the three- and six-month period ended June 30, 2020 and 2019 are as follows:

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2020	**2019**	**2020**	**2019**
		(Restated - see Note 3(d))		*(Restated - see Note 3(d))*
Red Willow Property	$ 585	$ -	$ 585	$ -
Hook Lake Property	(9,810)	56,947	389,255	601,274
Smart Lake Property	585	14,876	585	14,876
Turnor Lake Property	585	-	585	-
Umfreville Lake Property	20,720	1,243	23,085	1,243
Henday Lake Property	585	-	585	-
McArthur East Property	20,025	-	20,025	-
New Properties	-	7,456	-	7,456
	$ 33,275	$ 80,522	$ 434,705	$ 624,849

7. Advances and Receivables on Projects

Joint Venture with Cameco and Orano

On October 31, 2012, the Company entered into a definitive joint venture agreement with Cameco Corporation ("Cameco") and Orano Canada Inc. ("Orano", formerly Areva Resources Canada Inc.) 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 Orano. 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 2019, Cameco and Orano each funded their respective portions of the project by contributing $959,163 (2018 - $1,665,120) to the Company for a total amount of $1,918,326 (2018 - $3,330,240). In the six-month period ended June 30, 2020 Cameco and Orano advanced further $493,180 (2019 - $616,793) each for a total amount of $986,360 (2019 - $1,233,587). At June 30, 2020 the Company has receivable balance of $154,389 (2019 – 72,653) from Joint Venture partners representing funds paid by the Company for Project expenditures, in excess of advances by Cameco and Orano. The advances and receivables are unsecured and non-interest bearing.

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

Joint Venture with Cameco

On January 1, 2010, the Company entered into a definitive joint venture agreement with Cameco Corporation ("Cameco") for the ongoing exploration of the Smart Lake uranium project in the Athabasca Basin (the "Smart Lake Project"). The Company holds a 27% interest in the Smart Lake Project. The remaining 73% is owned by Cameco. The Company acts as the Project operator for the Joint Venture. At June 30, 2020, a receivable balance from Cameco was Nil (2019 – $26,781).

8. Deposits

Deposits consist of security deposit for rent for Toronto office, last month rent for Saskatoon office and a deficiency deposit held by the Province of Saskatchewan in lieu of exploration work performed. The deficiency deposit will be refunded once the exploration work was completed and required filings submitted and processed.

(Expressed in Canadian Dollars)

9. Lease Liability

The Company adopted IFRS 16 effective January 1, 2019 with respect to its office in Saskatoon, using the modified retrospective approach. As a result, comparative information has not been restated and is accounted for under IAS 17, Leases. Upon transition to IFRS 16 on January 1, 2019, the Company recognized right-of-use asset and initial lease liability totalling $137,637. The lease liability has a remaining term of 4 years and is discounted at a rate of 13.95%.

	For the six-month period ended June 30, 2020	2019 *(Restated - see Note 3(d))*
Lease liability at the beginning of the period	$ 108,759	$ 137,637
Less: Lease accretion	(15,124)	(14,769)
Lease liability at the end of period	93,635	122,868
Less: Current portion	(33,617)	(29,233)
Lease liability - long term	$ 60,018	$ 93,635

10. Shareholders' Equity

(a) Share Capital

Authorized, issued and outstanding common shares

Authorized – unlimited number of common shares without par value.

Issued – 223,370,228 common shares at June 30, 2020 and at December 31, 2019.

On December 31, 2019, the Company closed its non-brokered private placement for gross proceeds of $552,005. The financing was transacted in two tranches with the first tranche closing December 18, 2019.

The Company issued 8,492,378 flow-through units at a price of $0.065 per unit. Each flow-through unit consisted 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 $0.08 per share for a period of 24 months from the date of issuance. In connection with the private placement, the Company paid finders’ fees consisting of $30,120 in cash and 463,389 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 $0.08 per share for a period of 24 months after the closing date.

(Expressed in Canadian Dollars)

10. Shareholders' Equity - continued

(a) Share Capital - continued

Authorized, issued and outstanding common shares – continued

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 19 and May 1, 2020.

The Company incurred cash costs of $41,015 and non-cash compensation warrants valued at $15,343.

The net proceeds have been prorated to common shares and warrants in the unit based on their relative fair values with $164,294 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 – 110%; risk free interest rate – 1.50%; and an expected life of 2 years.

(b) Share purchase warrants

The following common share purchase warrants were outstanding at June 30, 2020:

	Number of warrants		Exercise price	Expiry date
Common share purchase warrants	10,290,065	$	0.13	December 14, 2020
Common share purchase warrants	8,186,535		0.08	December 18, 2021
Common share purchase warrants	769,232		0.08	December 30, 2021
	19,245,832			

A summary of warrants outstanding as at June 30, 2020 and December 31, 2019 and changes during periods ending on these dates are presented below:

(Expressed in Canadian Dollars)

10. Shareholders' Equity - continued

(b) Share purchase warrants - continued

	For the six-month period ended June 30, 2020			For the year ended December 31, 2019		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	18,247,156	$ 0.11	$ 414,017	47,719,370	$ 0.12	$ 1,495,494
Granted	-	-	-	8,492,378	0.08	164,294
Expired	-	-	-	(37,964,592)	0.12	(1,245,771)
Balance, end of the period	18,247,156	$ 0.11	$ 414,017	18,247,156	$ 0.11	$ 414,017

(c) Finder's Compensation Warrants

A summary of Compensation Warrants outstanding as at June 30, 2020 and December 31, 2019 and changes during periods ending on these dates are presented below:

	For the six-month period ended June 30, 2020			For the year ended December 31, 2019		
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	998,676	$ 0.11	$ 31,761	1,460,615	$ 0.12	$ 72,893
Granted	-	-	-	463,389	0.08	15,343
Expired	-	-	-	(925,328)	0.12	(56,475)
Balance, end of the period	998,676	$ 0.11	$ 31,761	998,676	$ 0.11	$ 31,761

(Expressed in Canadian Dollars)

10. 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.

11. 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, 2020 the Company granted 6,650,000 stock options at an exercise price of $0.07 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 six-month period ended June 30, 2020 was estimated at $408,711. This amount, net of estimated forfeitures, has been recognized as an expense in the six-month period ended June 30, 2020, as the options vested immediately. At June 30, 2020, the unvested, unamortized fair value balance of stock options granted amounted to $Nil.

On April 26, 2019 the Company granted 3,280,000 stock options at an exercise price of $0.085 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, 2019 was estimated at $241,794. This amount, net of estimated forfeitures, has been recognized as an expense in 2019, as the options vested immediately. At December 31, 2019, the unvested, unamortized fair value balance of stock options granted amounted to $Nil.

The following principal assumptions were used in applying the Black-Scholes option-pricing model for options granted in 2020 and 2019:

	2020	**2019**
Risk-free interest rate	1.20%	2.00%
Dividend rate	0%	0%
Expected volatility	137%	122%
Expected life	5 years	5 years

(Expressed in Canadian Dollars)

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

A summary of the status of the Plan as at June 30, 2020 and December 31, 2019, and changes during periods ending on these dates is presented below:

	For the six-month period ended June 30, 2020			For the year ended December 31, 2019		
	Number of options		Weighted average exercise price	Number of options		Weighted average exercise price
Balance, beginning of the year	21,260,000	$	0.08	20,080,000	$	0.07
Granted	6,650,000		0.07	3,280,000		0.085
Exercised	-		-	(320,000)		0.60
Expired and cancelled	(5,700,000)		0.06	(1,780,000)		0.075
Balance, end of the period	22,210,000	$	0.08	21,260,000	$	0.08

As at June 30, 2020, 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
September 27, 2016	6,170,000	6,170,000	$	0.10	September 27, 2021
July 13, 2017	3,180,000	3,180,000	$	0.065	July 13, 2022
May 16, 2018	2,930,000	2,930,000	$	0.06	May 16, 2023
April 26, 2019	3,280,000	3,280,000	$	0.085	April 26, 2024
April 27, 2020	6,650,000	6,650,000	$	0.07	April 27, 2025
	22,210,000	22,210,000			

(Expressed in Canadian Dollars)

12. Income Taxes

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences because the Company cannot reliably estimate if future taxable profit will be available, against which these benefits can be utilized:

	2019	**2018**
Non capital losses	$ 6,836,710	$ 6,844,181
Exploration expenditures	9,123,940	8,815,720
Share issuance costs	110,340	122,800
Property and equipment	75,170	100,460
Investment tax credits	67,850	67,850
Capital lease obligation	5,530	-

The non-capital losses carried forward will expire between 2026 and 2034. The exploration expenditures, and property and equipment may be carried forward indefinitely. The share issue and financing costs will be deducted for tax purposes over the next three years. Investment tax credits will expire between 2029 and 2033.

13. 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 June 30,		**For the six-month period ended June 30,**	
	2020	**2019**	**2020**	**2019**
		(Restated - see Note 3(d))		*(Restated - see Note 3(d))*
Loss attributable to common shareholders	$ (592,344)	$ (450,295)	$ (971,420)	$ (917,749)
Weighted average common shares outstanding	223,370,228	214,773,125	223,370,228	214,682,436
Basic loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

(b) Diluted

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

14. Commitments

(a) The Hook Lake property has an annual expenditure commitment of $690,755 to maintain title. The Company's cumulative expenditures to date are approximately $586,000 and with expected expenditures in a winter 2020/2021 drilling season will be sufficient to satisfy the minimum requirement for the foreseeable future. There are no other commitments on the other properties.

(b) Pursuant to the issuance of flow-through shares described in note 10(a), the Company is required to spend approximately $552,005 on Canadian Exploration Expenditures before the end of 2020. To date, the Company exceeded that amount.

15. Financial Instruments

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

16. Financial Risk Management

(a) Credit risk management

The Company's credit risk is primarily attributable to short-term investments, accounts receivable (excluding HST), and receivable from projects. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of GIC's, which have been invested with 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 and receivable from projects is remote.

16. Financial Risk Management - continued

(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 June 30, 2020, the Company had a cash and short-term investments balance totaling $205,423, (December 31, 2019 - $1,448,375), accounts receivable and receivable from government of $182,222. All these funds are sufficient to settle current accounts payable and accrued liabilities of $20,595 (December 31, 2019 - $311,585).

(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 receivable on project approximates its respective fair value due to the short-term nature of this instrument.

For accounts receivable, excluding HST, 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)

17. Capital Risk Management

The Company considers its capital structure to consist of capital stock and contributed surplus. 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 June 30, 2020, 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.

18. 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 six-month periods ended June 30, 2020 and 2019 was as follows:

	2020	2019
Remuneration	$ 166,500	$ 166,500
Share-based payments	$ 402,565	$ 206,058

19. Subsequent Event

COVID-19

Subsequent to 2019 year-end and currently, there is a global outbreak of COVID-19 (coronavirus), which has a significant impact on businesses through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolations/quarantine orders. At this time it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

While the extent of the impact is unknown, we anticipate that this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages and increased government regulations, all of which may negatively impact the Company's business and financial condition.