PUREPOINT URANIUM GROUP INC.

Consolidated Financial Statements

December 31, 2019 and 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Purepoint Uranium Group Inc.:

Opinion

We have audited the consolidated financial statements of Purepoint Uranium Group Inc. and its subsidiary (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Kevin Spidle.

MNP LLP

Mississauga, Ontario — Chartered Professional Accountants

April 27, 2020 — Licensed Public Accountants

Purepoint Uranium Group Inc.

Consolidated Statements of Financial Position

As at December 31, 2019 and 2018

(Expressed in Canadian Dollars)

	2019	2018
	$	$
Assets		
Current assets		
Cash	1,244,550	1,150,972
Short-term investments	203,825	705,101
Accounts receivable	25,359	18,490
Prepaid expenses	54,258	56,989
Deposits *(note 7)*	59,602	53,982
	1,587,594	1,985,534
Property, equipment and Right of use asset *(notes 2(t) and 3)*	107,619	5,909
	1,695,213	1,991,443
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	311,585	173,666
Advances on projects *(note 5)*	282,493	247,255
Current portion of lease liability *(notes 2(t) and 6)*	31,336	-
	625,414	420,921
Long term portion of lease liability *(notes 2(t) and 6)*	77,423	-
	702,837	420,921
Shareholders' equity		
Share capital *(note 8(a))*	35,643,027	35,275,074
Contributed surplus	8,191,727	7,787,346
Deficit	(42,842,378)	(41,491,898)
	992,376	1,570,522
	1,695,213	1,991,443

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

Approved by the Board:

Signed "Borys Chabursky"

Signed "Allan Beach"

Purepoint Uranium Group Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended December 31, 2019 and 2018

(Expressed in Canadian Dollars)

	2019	2018
	$	$
Expenses		
Mining exploration and evaluation expenditures *(notes 3 and 4)*	769,436	1,067,504
Mining exploration and evaluation salaries and benefits *(note 14)*	417,623	415,485
Share-based payments *(notes 9 and 14)*	241,794	161,847
Salaries, compensations and benefits *(note 14)*	161,494	159,857
Investor relations	125,914	115,945
General and administration	92,101	98,815
Professional fees	64,997	64,565
Insurance	27,677	24,780
Transfer agent and filing fees	18,246	28,082
Travel	5,254	8,239
Depreciation *(note 3)*	913	913
	1,925,449	2,146,032
Other		
Operator fees and other recoveries *(note 5)*	(566,353)	(730,388)
Interest income	(8,616)	(9,124)
	(574,969)	(739,512)
Net loss and comprehensive loss	(1,350,480)	(1,406,520)
Basic and diluted loss per common share *(note 11)*	(0.01)	(0.01)
Weighted average number of shares *(note 11)*	215,087,576	205,257,404

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, 2019 and 2018

(Expressed in Canadian Dollars)

	Capital stock				
	Number of shares	**Amount**	**Contributed surplus**	**Deficit**	**Equity total**
		$	**$**	**$**	**$**
Balance at January 1, 2019	214,557,850	35,275,074	7,787,346	(41,491,898)	1,570,522
Issuance of common shares from private placement	8,492,378	552,005	-	-	552,005
Fair value of issued warrants from private placement	-	(164,294)	164,294	-	-
Fair value of finders fee compensation warrants	-	(15,343)	15,343	-	-
Expenses of the private placement	-	(41,015)	-	-	(41,015)
Exercise of options *(note 8(a))*	320,000	19,550	-	-	19,550
Fair value of exercised options	-	17,050	(17,050)	-	-
Share-based payment *(notes 9 and 14)*	-	-	241,794	-	241,794
Net loss	-	-	-	(1,350,480)	(1,350,480)
Balance at December 31, 2019 *(note 8(a))*	223,370,228	35,643,027	8,191,727	(42,842,378)	992,376
Balance at January 1, 2018	204,803,072	34,721,305	7,359,253	(40,085,378)	1,995,180
Issuance of common shares from private placement	9,754,778	877,930	-	-	877,930
Fair value of issued warrants from private placement	-	(249,828)	249,828	-	-
Fair value of finders fee compensation warrants	-	(16,418)	16,418	-	-
Expenses of the private placement	-	(57,915)	-	-	(57,915)
Share-based payment *(notes 9 and 14)*	-	-	161,847	-	161,847
Net loss	-	-	-	(1,406,520)	(1,406,520)
Balance at December 31, 2018 *(note 8(a))*	214,557,850	35,275,074	7,787,346	(41,491,898)	1,570,522

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, 2019 and 2018

(Expressed in Canadian Dollars)

	2019	2018
	$	$
Cash flow from operating activities		
Net loss for the year	(1,350,480)	(1,406,520)
Items not affecting cash:		
Depreciation	35,927	1,696
Interest on lease liability	15,696	-
Share-based payments	241,794	161,847
	(1,057,063)	(1,242,977)
Changes in non-cash items relating to operating activities:		
Accounts receivable	(6,869)	61,571
Prepaid expenses	32,731	238,892
Deposits	(5,620)	75,780
Accounts payable and accrued liabilities	137,919	(264,725)
Advances (disbursements) on behalf of joint venturer, net	35,238	(570,305)
	(863,664)	(1,701,764)
Cash flow from investing activities		
Short-term investments	501,276	505,605
	501,276	505,605
Cash flow from financing activities		
Proceeds from exercise of options, net of costs	19,550	-
Proceeds from issuance of shares, net of costs	480,990	820,015
Amount paid on lease liability	(44,574)	-
	455,966	820,015
Net increase (decrease) in cash	93,578	(376,144)
Cash - Beginning of the year	1,150,972	1,527,116
Cash - End of the year	1,244,550	1,150,972

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

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, William River Exploration Corp. All significant intercompany accounts and transactions have been eliminated. 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. 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 27, 2020, 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(d) Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred taxes 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 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(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 the consolidated statements of loss and comprehensive 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.

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 furniture and equipment	20% declining balance
Office computer equipment	Straight line over 3 years
Office furniture and fixtures	Straight line over 5 years
Right of use assets	Straight line over the shorter of the estimated useful life of the asset and the lease term

(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 non-financial 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.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

(h) Impairment of non-financial assets - continued

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.

(i) Financial assets and liabilities

IFRS 9 – Financial Instruments ("IFRS 9") includes finalized guidance on the classification, measurement and impairment of financial assets and hedge accounting. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVOCI") based on the business model in which they are held and the characteristics of their contractual cash flows.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

Financial assets and Liabilities

Financial assets

All financial assets are recognized initially at fair value plus, in the case of investments not at FVTPL, directly attributable transaction costs on the trade date at which the Company becomes a party to the contractual provisions of the instruments.

Where fair values of financial assets recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgement is required to establish fair values.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial assets and Liabilities - continued

Financial assets are classified as either financial assets at FVTPL, amortized cost, or FVTOCI. The Company determines the classification of its financial assets at initial recognition.

i. Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss.

The Company's short-term investments are classified as financial assets measured at FVTPL.

ii. Amortized cost

Financial assets classified as amortized cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortized cost less any provision for impairment. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

The Company's cash and accounts receivable, excluding HST, are classified as financial assets measured at amortized cost.

iii. Financial assets recorded at FVTOCI

Financial assets are recorded at FVTOCI when the change in fair value is attributable to changes in the Company's credit risk

Derecognition

A financial asset is derecognized when the contractual rights to the cash flows from the asset expired, or the Company transfers substantially all the risks and rewards of ownership of the asset.

Impairment of financial assets

The impairment model under IFRS 9 is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. the Company's only financial assets subject to impairment are amounts received which are measured at amortized costs. The Company has elected to apply the simplified approach on impairment as permitted by IFRS 9, which requires the expected lifetime loss to be recognized at the time of initial recognition of the receivable. An impairment loss is reversed in subsequent periods if the amount of the expected loss decreases and the decrease can be objectively related to an event occurring after the initial impairment was recognized. The Company has measured the lifetime expected credit losses taking into consideration historical credit loss experience and financial factors specific to debtors and other relevant factors.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial assets and Liabilities - continued

Financial liabilities

Non-derivative financial liabilities are measured at amortized costs, unless they are required to be measured at FVTPL as it is in the case for held for trading or derivative instruments, or the Company has opted to measure the financial liability at FVTPL.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

i. Amortized cost

Financial liabilities are measured at amortized cost, include borrowings, are initially measured at fair value, net of transaction cost. They are subsequently measured at amortized cost using the effective interest method, with interest recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or to the next carrying amount or initial recognition.

The Company's financial liabilities include accounts payable and accrued liabilities and lease liability which are each measured at amortized cost.

ii. Financial liabilities recorded at FVTPL

Financial liabilities are classified as FVTPL if they fall into amortized cost detailed above.

Financial liabilities at amortized costs

After initial recognition, financial liabilities measured at amortized cost are subsequently measured at the end of each reporting period at amortized costs using the Effective Interest Rate ("EIR") method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any fees or costs that are integral part of the EIR. The EIR amortization is included in finance cost in the consolidated statements of loss and comprehensive loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires with any associated gains or losses reported in other income or expenses in the consolidated statements of loss and comprehensive loss.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(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.

(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 venture. The Company recognizes its share of mining exploration and evaluation expenditure related to the asset in the 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) Leases

Accounting policy applicable from January 1, 2019

At the inception of a contract, to determine if it contains a lease, the Company assesses whether it conveys the right to control and obtain substantially all of the economic benefits of an identified asset, for a period of time, in exchange for consideration. Where a contract contains a lease, the Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured at cost less any accumulated depreciation and impairment losses and may be adjusted for any remeasurement of the lease liability. Cost is the amount of the initial lease liability plus any initial direct costs incurred and any lease payments made at or before the commencement date less any incentives received. The right-of-use assets are included in the cost of property and equipment on the consolidated statement of financial position. They are depreciated, in accordance with the Company's existing accounting policy, over the shorter of the term of the lease or the life of the asset. The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the contract. If the implicit rate cannot be determined, the incremental borrowing rate over a similar term and with similar security for the funds necessary to obtain an asset of similar value in a similar economic environment is used.

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(o) Leases - continued

The lease payments include fixed payments less any incentives receivable, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Where the lease contains an extension or purchase option, the costs associated with the option are included if it is reasonably expected to be exercised by the Company. Thereafter, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is remeasured to reflect any modifications to the contract terms. Lease liabilities are presented as a component of debt on the Consolidated Balance Sheet. The Company has elected not to recognize right-of-use assets and lease liabilities for contracts that have a lease term of 12 months or less or are for the use of low value assets. These contracts are recognized as an expense in the Consolidated Statement of Operations in the period the cost is incurred. In addition, for certain asset classes, the Company has elected to treat both lease and non-lease components as a single lease component for the purposes of applying IFRS 16.

(p) 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 using the treasury stock method by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares.

(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 consolidated 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 consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods when the revision affects both current and future periods.

(s) Accounting standards and amendments effective in the current year

The IASB issued new standards and amendments effective for, and adopted in, the current year. Other than the adoption of IFRS 16 Leases (see notes 2(o) and (t)) the adoption of these accounting policies had no impact on the Company's consolidated financial statements.

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES – continued

(t) Accounting standards adopted

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 3 and 6.

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.

(Expressed in Canadian Dollars)

3. PROPERTY AND EQUIPMENT

Cost	**January 1, 2018**	**Additions in 2018**	**December 31, 2018**	**Additions in 2019**	**December 31, 2019**
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
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	6,544	-	6,544	-	6,544
	$ 53,566	$ -	$ 53,566	$ 137,637	$ 191,203

Accumulated depreciation	**January 1, 2018**	**Depreciation in 2018**	**December 31, 2018**	**Depreciation in 2019**	**December 31, 2019**
Exploration property and equipment					
Field property and equipment	$ 3,529	$ 364	$ 3,893	$ 291	$ 4,184
Furniture and equipment	26,699	419	27,118	314	27,432
Right of use assets *	-	-	-	34,409	34,409
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	2,434	913	3,347	913	4,260
	$ 45,961	$ 1,696	$ 47,657	$ 35,927	$ 83,584

Net book value	**December 31, 2019**	**December 31, 2018**	**January 1, 2018**
Exploration property and equipment			
Field property and equipment	$ 1,166	$ 1,457	$ 1,821
Furniture and equipment	941	1,255	1,674
Right of use assets *	103,228	-	-
Office property and equipment			
Computer equipment	-	-	-
Furniture and fixtures	2,284	3,197	4,110
	$ 107,619	$ 5,909	$ 7,605

During 2019, $35,014 (2018 - $783) of depreciation expense was included in mining exploration and evaluation expenditures on the consolidated statements of loss and comprehensive loss.

* See note 2(t).

(Expressed in Canadian Dollars)

4. MINING EXPLORATION AND EVALUATION EXPENDITURES

The Company's properties are all located at the Athabasca Basin, Northern Saskatchewan.

The Hook Lake property has an annual expenditure commitment of $690,755 to maintain title. The Company's cumulative expenditures to date are substantially in excess of that amount and are sufficient to satisfy the minimum requirement for the foreseeable future. There are no other commitments on the other properties.

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

	2019	2018
Red Willow Property	$ 3,798	$ -
Hook Lake Property	725,556	1,031,879
Smart Lake Property	19,991	-
Turnor Lake Property	5,063	-
Umfreville Lake Property	5,040	5,905
Henday Lake Property	1,266	-
McArthur East Property	1,266	-
New Properties	7,456	29,720
	$ 769,436	$ 1,067,504

5. 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). The Company had an unspent balance of $282,493 at December 31, 2019 (2018 - $247,255) from the Joint Venture partners, all of that is to cover January 2020 of Project costs in winter season 2019 - 2020. The advances are unsecured and non-interest bearing.

The administration fees are included in operator fees and other recoveries in the 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 or 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 December 31, 2019, a receivable balance from Cameco was $Nil (2018 – Nil).

(Expressed in Canadian Dollars)

6. 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%.

Lease liability arising on initial application of IFRS 16 at January 1, 2019	$	137,637
Less: Lease accretion in 2019		(28,878)
Lease liability at December 31, 2019		108,759
Less: Current portion		(31,336)
Lease liability - long term	$	77,423

See note 2(t).

7. DEPOSITS

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

8. 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 December 31, 2019 (2018 – 214,557,850).

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.

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.

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY – continued

(a) Share capital - continued

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.

On December 14, 2018, the Company closed its non-brokered private placement for gross proceeds of $877,930.

The Company issued 9,754,778 flow-through units at a price of $0.09 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 $0.13 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 $48,176 in cash and 535,287 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 $0.13 per share for a period of 24 months after the closing date.

All securities issued in connection with the private placement were subject to a four-month hold period pursuant to the applicable securities laws with an expiry date of April 14, 2019.

The Company incurred cash costs of $57,915 and non-cash compensation warrants valued at $16,418.

The net proceeds have been prorated to common shares and warrants in the unit based on their relative fair values with $249,828 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 – 111%; risk free interest rate – 2.20%; and an expected life of 2 years.

As at December 31, 2019, the Company has met its flow-through expenditure commitment related to its December 2018 financing and will meet its flow-through expenditure commitment related to its December 2019 financing in fiscal 2020.

(b) Share purchase warrants

The following common share purchase warrants were outstanding at December 31, 2019:

	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			

(Expressed in Canadian Dollars)

8. SHAREHOLDERS' EQUITY - continued

(b) Share purchase warrants - continued

A summary of warrants outstanding as at December 31, 2019 and 2018 and changes during these years are presented below:

			2019			2018
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	47,719,370	$ 0.12	$1,495,494	37,964,592	$ 0.12	$1,245,666
Granted	8,492,378	0.08	164,294	9,754,778	0.13	249,828
Expired	(37,964,592)	0.12	(1,245,771)	-	-	-
Balance, end of the year	18,247,156	$ 0.11	$ 414,017	47,719,370	$ 0.12	$1,495,494

(c) Finder's Compensation Warrants

A summary of compensation warrants outstanding as at December 31, 2019 and 2018 and changes during these years are presented below:

			2019			2018
	Number of warrants	Weighted average exercise price	Fair value	Number of warrants	Weighted average exercise price	Fair value
Balance, beginning of the year	1,460,615	$ 0.12	$ 72,893	925,328	$ 0.12	$ 56,475
Granted	463,389	0.08	15,343	535,287	0.13	16,418
Expired	(925,328)	0.12	(56,475)	-	-	-
Balance, end of the year	998,676	$ 0.11	$ 31,761	1,460,615	$ 0.12	$ 72,893

(Expressed in Canadian Dollars)

9. 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 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.

On May 16, 2018 the Company granted 3,150,000 stock options at an exercise price of $0.06 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 (2018 - $161,847). This amount, net of estimated forfeitures, has been recognized as an expense in 2019 and 2018 respectively, as the options vested immediately. The unvested, unamortized fair value balance of stock options granted at December 31, 2019 amounted to $Nil (2018 - $Nil).

The following principal assumptions were used in applying the Black-Scholes option-pricing model for options granted in 2019 and 2018:

	2019	2018
Risk-free interest rate	2.00%	2.34%
Dividend rate	0%	0%
Expected volatility	157%	128%
Expected life	5 years	5 years

A summary of the status of the Plan as at December 31, 2019 and 2018, and changes during the years ended on those dates is presented below:

	2019 Number of options	2019 Weighted average exercise price	2018 Number of options	2018 Weighted average exercise price
Balance, beginning of the year	20,080,000	$ 0.07	18,180,000	$ 0.08
Granted	3,280,000	0.085	3,150,000	0.060
Exercised	(320,000)	0.60	-	-
Expired and cancelled	(1,780,000)	0.075	(1,250,000)	0.07
Balance, end of the year	21,260,000	$ 0.08	20,080,000	$ 0.07

(Expressed in Canadian Dollars)

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

As at December 31, 2019, 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, 2015	5,700,000	5,700,000	$	0.06	April 27, 2020
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
	21,260,000	21,260,000			

10. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% to the effective tax rate of nil is as follows:

	2019	2018
Loss before income taxes	$ (1,350,480)	$ (1,406,520)
Statutory tax rate	26.50 %	26.50 %
Expected income tax recovery at statutory rates	$ (357,877)	$ (372,727)
Effect of flow-through renunciation	232,651	318,000
Share based compensation and non-deductible expenses	64,936	30,614
Share issuance costs booked directly through equity	(10,869)	(15,348)
Change in unrecognized deferred income tax assets	71,159	39,461
Income tax recovery	$ -	$ -

(Expressed in Canadian Dollars)

10. INCOME TAXES - continued

The following table summarizes the components of the deferred tax:

Deferred Tax Assets	
Capital lease obligation	27,360
Subtotal of Assets	**27,360**
Deferred Tax Liabilities	
Right of Use Assets	(27,360)
Subtotal of Liabilities	**(27,360)**
Net deferred tax liability	-

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

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 carried forward	$ 6,836,710	$ 6,844,181
Resource pools – Mineral properties	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	-

(Expressed in Canadian Dollars)

10. INCOME TAXES - continued

The non-capital losses carried forward will expire as noted in the table below.
The share issue and financing costs will be fully amortized in 2023.
The exploration expenditures, and property and equipment may be carried forward indefinitely.
Investment tax credits will expire between 2029 and 2033.

Year	Non-capital Losses
2026	$ 408,100
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	198,330
	$ 6,836,710

11. 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.

	2019	2018
Loss attributable to common shareholders	$ (1,350,480)	$ (1,406,520)
Weighted average common shares outstanding	215,087,576	205,257,404
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.

12. FINANCIAL RISK MANAGEMENT

(a) Credit risk management

The Company's credit risk is primarily attributable to short-term investments and accounts receivable (excluding HST). 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 (excluding HST) is remote.

(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, 2019, the Company had a cash and short-term investments totaling $1,448,375 (2018 - $1,856,073) to settle current accounts payable and accrued liabilities of $311,585 (2018 - $173,666).

(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.

(Expressed in Canadian Dollars)

12. FINANCIAL RISK MANAGEMENT - continued

(e) Fair value of financial assets and liabilities

The carrying value of the short-term investments approximates their fair values due to the short-term nature of these instruments.

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

13. 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 December 31, 2019, 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 2019. The Company is not subject to externally imposed capital requirements.

14. RELATED PARTY TRANSACTIONS

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 aggregate compensation of key management and directors of the Company for years 2019 and 2018 was as follows:

	2019	2018
Remuneration	$ 313,000	$ 313,000
Share-based payments	$ 213,781	$ 146,433

15. SUBSEQUENT EVENTS

(a) COVID-19

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which had 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.

15. SUBSEQUENT EVENTS - continued

(a) COVID-19 - continued

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.

(b) Issuance of options

On April 27, 2020 the Company's Board of Directors approved the issuance of a total of 6,650,000 options to its Board of Directors, management and certain staff members pursuant to the Company's stock option plan. The options vest immediately, are exercisable at a price of $0.07 per common share and expire on a date that is five years from the date of grant.

(c) Expiration of options

On April 27, 2020, 5,700,000 options having an exercise price of $0.06 expired.