

Management’s Discussion and Analysis for the year-end December 31, 2022



Dated: February 28, 2023

The following discussion and analysis is management's assessment of the results and financial condition of Purepoint Uranium Group Inc. ("Purepoint" or the "Company") and should be read in conjunction with the audited financial statements for the year ended December 31, 2022, together with the related notes contained therein. The Company's most recent filings are available on the SEDAR website. The date of this management's discussion and analysis is February 28, 2023.

The annual financial statements for the years ended December 31, 2022 and 2021 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Forward looking statements

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

Business of Purepoint

Purepoint maintains a focused objective of locating uranium deposits in the Athabasca Basin in Northern Saskatchewan. Purepoint currently maintains 13 properties located in the Athabasca Basin. 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 eleven projects remain 100% owned. Saskatchewan's Athabasca Basin now provides approximately 25% of the world's uranium production credited primarily to that region's unusually high ore grade deposits.

The 2022 operating plan is discussed under Exploration Activities.

Selected quarterly information

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

	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended June 30, 2022	Quarter ended March 31, 2022	Quarter ended December 31, 2021	Quarter ended September 30, 2021	Quarter ended June 30, 2021	Quarter ended March 31, 2021
Net loss	(2,048,103)	(1,780,200)	(910,701)	(1,614,139)	(2,603,900)	(597,940)	(2,538,776)	(381,161)
Net loss per share	(0.01)	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)
Total assets	4,484,040	3,580,537	5,107,311	2,881,222	4,596,639	4,793,045	5,426,110	2,123,774

Selected annual financial information

The following selected information is derived from the audited financial statements.

	Year Ended December 31		
	2022	2021	2020
	(dollars)		
Net loss	(6,353,143)	(6,121,594)	(1,456,095)
Net loss per share - basic and diluted	(0.02)	(0.02)	(0.01)
Total assets	4,484,040	4,596,639	2,518,243

Results of operations

The Company's operations during the year ended December 31, 2022 produced a net loss of \$6,353,143 (2021 - \$6,121,594). The primary operational activity continues to be the exploration of the Company's projects. The expenditures and levels of activity relating to the Company's projects are described in greater detail below following a brief discussion of significant changes in expense line items.

Exploration and evaluation expenditures amounted to \$4,676,147 (2021 - \$3,692,173) and are result of drilling activities on the Company's own properties Red Willow, Turnor Lake and geophysical surveys on new properties including Tabernor Block. Increase is a result of increased operational activities on the Company's properties.

Exploration salaries and benefits amounted to \$575,137 (2021 - \$521,102).

Share based payments in the amount of \$376,912 (2021 - \$1,342,069) have been recognized during the year ended December 31, 2022. On May 13, 2022 the Company granted 6,350,000 stock options at an exercise price of \$0.07 per option, vesting immediately. On May 13, 2021 the Company granted 8,400,000 stock options at an exercise price of \$0.13 per option, vesting immediately. On December 29, 2021 the Company granted 5,800,000 stock options at an exercise price of \$0.095 per option, vesting immediately. Fair value assigned to new grants was expensed in the same period when granted.

Investor relations increased by 62,347 compared to 2021. The increase is attributable to the retaining of a new investor relations firm and generally higher marketing activities after securing a US OTCQB Listing.

Professional fees increased by \$134,122 compared to 2021 and increase is attributable to increased legal fees related to Base Shelf Prospectus filings and Omnibus Plan drafting as well as increased audit fees related to quarterly financial statements review requirement.

Transfer agent and filing fees increased by \$27,078 compared to 2021 and is attributable to submission fees related to Omnibus Plan and OTC markets.

Other expenses were comparable to 2021.

Operator fees and other expense recoveries with respect to joint projects amounted to \$202,676 (2021 - \$340,038). The decrease of \$137,362 compared to 2021 is primarily due to a reduction in joint project operational activities overall, specifically drilling at Hook Lake Property.

Cash flows

Cash flows used in operating activities

Cash used in operating activities was \$6,710,724 compared to \$4,931,939 in 2021. This was predominantly the result of the increased drilling activities on the Company's own Red Willow and Turnor Lake properties and geophysical surveys on new properties including Tabbernor Block.

Cash flows provided by financing activities

Cash flows provided by financing activities was \$6,360,813 in 2022 compared to \$6,866,272 in 2021 and it comes mainly from the private placement financings in April and December 2022 and in April and December 2021.

Cash flows used in investing activities

The Company did not have any cash flows from investing activities in 2022 and 2021 as the money raised in private placements was regularly spent for operating activities during these periods.

Exploration Review

Exploration and evaluation expenditures

The Company incurred \$4,676,147 (2021 - \$3,692,173) in exploration and evaluation expenditures on its properties in 2022, as follows:

	<u>2022</u>	<u>2021</u>
Red Willow Property	\$ 2,293,985	\$ 1,110,287
Hook Lake Property	53,059	289,951
Smart Lake Property	4,269	-
Turnor Lake Property	1,069,425	520
Umfreville Property	5,299	744,318
Henday Lake Property	14,169	1,488,453
Tabbernor Block	807,703	-
Other Properties	428,238	58,644

Recent Highlights

Exploration activities during 2022 included:

1. A winter drill program carried out at the Red Willow project:
 - The 2022 Red Willow drill program was designed to expand the Company's Osprey discovery where initial drilling identified basement-hosted uranium mineralization highlighted by RW-19 that intersected 0.19% U3O8 over 4.0 metres and included 3.03% U3O8 over 0.1 metre.

- 12 holes were completed this winter totaling 2,088 metres at the Osprey Zone
 - Nine of the twelve holes encountered anomalous radioactivity at a shallow depth from surface across a distance of 1.2 kilometres (0.75 miles).
 - The highest levels of radioactivity were seen in holes OSP22-04, OSP22-06, OSP22-12 and OSP22-13. Assays for these holes are provided below.
 - The electromagnetic conductor that represents the graphitic unit hosting mineralization continues for an additional kilometre north of the completed drilling and nearly one kilometre to the south.
2. Over the course of the Summer, the Company carried out several airborne geophysical surveys designed to identify and further refine potential drill target areas:
- In June, the Company announced the commencement of an airborne gravity survey over the Carson Lake and Russell South projects. These surveys have proven valuable in identifying alteration zones that can refine drill targets when viewed in tandem with existing historic work. Results were announced in September outlining five new drill targets.
 - In July, Purepoint commenced a deep sensing ZTEM airborne geophysical survey over the Hook Lake, Carter Corridor to further refine drill targets in anticipation of a follow-up drill program. The ZTEM results are from an area north of the 2023 Hook Lake drill program outlined below.
 - In August, an airborne electromagnetic (EM) survey was conducted over the MillKey, JebRaven, MidBear and CollinEagle projects (collectively referred to the Tabbernor Projects). The survey was designed to help identify structural splays off of the North/South trending Tabbernor structures as well as associated graphitic conductor targets in the area. Results and interpretations are pending.
3. The Company commenced its Fall drill program in September:
- Drilling at Red Willow began in late September following up on the last program's final hole OSP22-15 that encountered numerous structures associated with hematite alteration and silicification representing a highly prospective setting for uranium deposition. The program identified the northern boundary of the Osprey Conductor's 2 km long target section of uranium mineralization highlighted by RW22-06 that intersected 0.47% U3O8 over 0.9 metres.
 - In November, the Company also began first pass drilling at the Serin Zone at the Turnor Lake project, a target that lies on trend with IsoEnergy's Hurricane resource. The initial hole, SL22-02, encountered favourable graphitic pelitic rock and clay alteration associated with radioactive spikes. The results of the two Turnor Lake holes completed during the program will be used to re-interpret our airborne and ground geophysical data before designing a follow-up program for the summer of 2023.
4. In November, Purepoint announced the approval of the 2023 drill program at the Hook Lake Joint Venture:
- A drill program has been approved by the Joint Venture Partners on the Carter Corridor; a band of graphitic conductors lying west of and parallel to the Patterson Lake Corridor.
 - The program intends to complete 3,200 metres of diamond drilling in eight holes.
 - On May 4, 2022, the Company filed an updated National Instrument 43-101 compliant technical report on its flagship Hook Lake Joint Venture project (<https://purepoint.ca/projects/hook-lake/> - "Technical Report on the Hook Lake Project, Northern Saskatchewan, Canada, April 19, 2022").

5. In January 2023, Purepoint announced the commencement of its two winter drill programs, the first at the Hook Lake JV as outlined above and the second at the Red Willow Project:
 - At Red Willow, approximately 2,800 metres of diamond drilling are planned across 15 holes at the Osprey Zone as well as the nearby Radon Lake Zone.

Exploration Activities

2021 Winter Exploration Program at Hook Lake

On January 28, 2021 Purepoint announced the commencement of its 2021 diamond drill program on the Saber Zone at Hook Lake. The completion of the program was announced on March 30, 2021 and on May 11th, 2021 Purepoint released the results of that program.

Highlights:

- Three diamond holes were completed and one hole was lost for a total of 2,556 metres of drilling.
- Drill holes HK21-117A and 118, drilled in the vicinity of previous hole HK20-115, encountered wide intervals of strong to intense silicification beginning at the unconformity and the targeted electromagnetic (EM) conductors for both holes were explained by graphitic shear zones.
- HK21-118 intersected 134 ppm U over 0.7 metres at the contact between strongly silicified granodiorite and a graphitic shear; a favourable setting for basement-hosted uranium mineralization.
- Hole HK21-116, the follow-up hole to HK19-105, intersected a 1-metre-wide band of unaltered graphitic diorite gneiss that explained the EM conductor. No anomalous alteration or radioactivity was encountered.
- The Sabre Target Area remains prospective near hole HK19-105, and north of HK21-118 towards historic hole HK-02 that encountered extensive graphitic shearing associated with anomalous radioactivity. These Sabre area drill targets will be prioritized with targets previously identified along the Carter Corridor and the "U" Conductor.

2021 Spring Drill Program at Red Willow

On May 20, 2021 Purepoint announced the commencement of a drill program focusing on two target areas at its Red Willow project; the Osprey Zone and the Geneva Zone.

The Red Willow program began with follow-up drilling within the Osprey Zone with three holes collared approximately one kilometre WSW of Purepoint's hole RW-13 that intersected 0.12% U₃O₈ over 4.2 metres. The RW-13 intercept, and the more easterly RW-07 intercept of 0.20 eU₃O₈ over 5.8 metres, are associated with strong hydrothermal alteration at a depth of 60 to 70 metres below surface. The weakly radioactive "Hinge fault", intersected in 2010, was also shown to be associated with strong hydrothermal alteration and therefore a possible conduit for fluids carrying uranium. Hydrothermal fluids are responsible for the presence of clay, hematite and silicification.

Drilling targeted the Hinge fault towards the north with three holes averaging 200 metres in length. An initial short step-out allowed the strike of the structure to be determined prior to attempting larger step-outs. Two drill holes completed on the same section, OSP21-01 and 02, both successfully intersected the fault at 70 and 140 metres below surface, respectively. The structure was determined to have a strike of 5 degrees NE and was still associated with strong alteration; however, the radioactivity was weaker.

Hole OSP21-03 targeted the projection of the Hinge Fault where it meets the east-west trending electromagnetic (EM) conductor that hosts the known Osprey uranium mineralization. The fault was intersected from 60 to 75 metres downhole with the host rock comprised of weakly chlorite and hematite altered pyritic graphitic pelitic gneiss. The fault at this location included intervals

of strong silicification and again returned weak radioactivity. The new projection of the Hinge fault appears to be just west of the uranium-in-soil anomaly located to the north and it may be responsible for the elongate shape of the nearby lake.

On June 22, 2021, the Company announced the completion of follow-up drilling within the Geneva Zone with three holes collared SW of Eldorado Resources' 1984 hole RAD-27 that intersected 0.22% U3O8 over 1.0 metres. The RAD-27 intercept was associated with strong hydrothermal alteration and graphitic shearing at a depth of 100 metres below surface. Highly anomalous radon-in-water results, discovered by Gulf Minerals Canada in 1971, are located 1.0 kilometre east-northeast of the 2021 drilling and the source remains unknown.

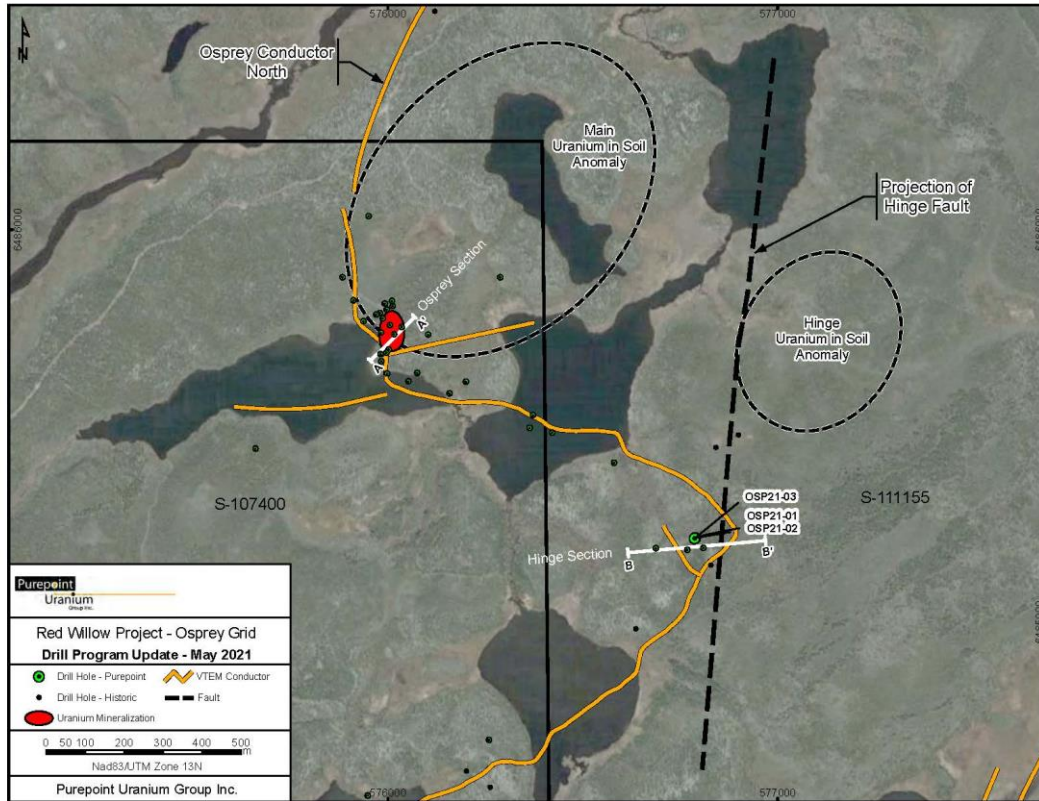
The three 2021 holes that targeted the Geneva Shear averaged 245 metres in length with a total of 729 metres being completed from the same drill pad. The holes targeted the shear zone at various depths and all successfully intersected the mineralized structure. The Athabasca Sandstone in this area is typically found to be 80 metres thick and the paleoweathering of the basement rocks extends a further 50 metres below the unconformity.

The initial hole, GEN21-03, intersected the Geneva Shear within the zone of paleoweathering, and returned an average of 520 counts per second (cps) over 6.1 metres from the downhole gamma probe starting at a downhole depth of 131.8 metres. The downhole survey returned a maximum of 1,160 cps. Graphite is considered to have been originally present but since destroyed by paleoweathering. The follow-up hole, GEN21-04, intersected the shear much deeper at 278 metres and returned an average of 515 cps over 1.6 metres from the downhole survey. Since the handheld scintillometer indicates that a percentage of the radioactivity is attributed to thorium, an eU3O8 result has not been attempted.

The third hole, GEN21-05, intersected the Geneva shear just below the basement paleoweathering zone starting at a depth of 155 metres. Radioactivity was associated with Pelitic Gneiss that displayed strong hydrothermal alteration, including hematite and local silicification, and was situated near the upper contact of a graphitic/pyritic shear zone. The downhole gamma survey returned an average of 1,420 cps over 7.3 metres with a maximum count of 5,175 cps.

Assay Results

Hole ID	From (m)	To (m)	Interval (m)	U (ppm)	U ₃ O ₈ (%)
GEN21-03	135.5	138.9	3.4	31	0.004
	148.0	154.3	6.3	15	0.002
GEN21-04	273.5	282.1	4.6	29	0.003
GEN21-05	157.0	162.5	5.5	98	0.012
Including	160.7	162.5	1.8	127	0.015
	177.4	177.8	0.4	527	0.062
OSP21-01	114.0	114.3	0.3	42	0.005
OSP21-02	73.5	88.8	15.3	10	0.001
	121.9	126.0	3.4	14	0.002
OSP21-03	66.0	67.7	1.7	23	0.003



2021 Spring Drill Program at Umfreville

On August 31, 2021, Purepoint announced the results of drilling at its 100% owned Umfreville project. Being the first drill program on this project, the plan consisted of an initial exploratory diamond drill hole designed to gain a better understanding of the underlying geology and to further evaluate and prioritize the project's potential for discovery.

The initial hole by Purepoint at the Umfreville project, UMF21-01, tested an east-west-trending gravity low response that is coincident with both a magnetic low response and a uranium-in-soil anomaly. The unconformity was intersected 223 metres downhole and the basement rocks consisted of granitic gneiss and pelitic gneiss. Elevated radioactivity was intersected near the base of the paleoweathering returning 36 parts per million uranium over 17.4 metres between 239.1 and 256.5 metres. A second radioactive intercept, starting at 273 metres downhole, returned 107 ppm U over 3.1 metres and included 304 ppm U over 0.8 metre.

Based on the results, additional property was staked to the south and east enlarging the project to 26,139 hectares. A follow-up hole was then completed in October, east of UMF21-01, where interpreted north-south-trending structures appear to be crosscutting the company's strong elongate gravity/magnetic low response. The follow-up hole failed to intersect significant radioactivity, alteration or structure.

Assay Results

Hole ID	From (m)	To (m)	Interval (m)	U (ppm)	U3O8 (%)
UMF21-01	239.1	256.5	17.4	36	0.004
	273.4	276.5	3.1	107	0.013
Including	273.8	274.6	0.8	304	0.036
	299.0	300.9	1.9	20	0.002

2021 Fall Drill Program at Henday Lake

On September 29, 2021, Purepoint announced the commencement of a Fall drill program at its Henday Lake project. This represented Purepoint's first drilling on the project following up on airborne electromagnetic and ground gravity surveys designed to optimize the target identification.

With a fortunate availability of drilling resources, the program was extended in November allowing for a proper completion of this first-pass program as targets proved to be considerably deeper than anticipated. 2,209 metres of drilling were completed over five holes.

The electromagnetic conductors tested during the program were shown to be associated with rock types bearing disseminated graphite and pyrite rather than graphitic shear zones. The first hole, HEN21-01, intersected radioactivity at the unconformity suggesting that further drill testing of this area for an unconformity uranium deposit is warranted.

2022 Winter Drill Program at Red Willow

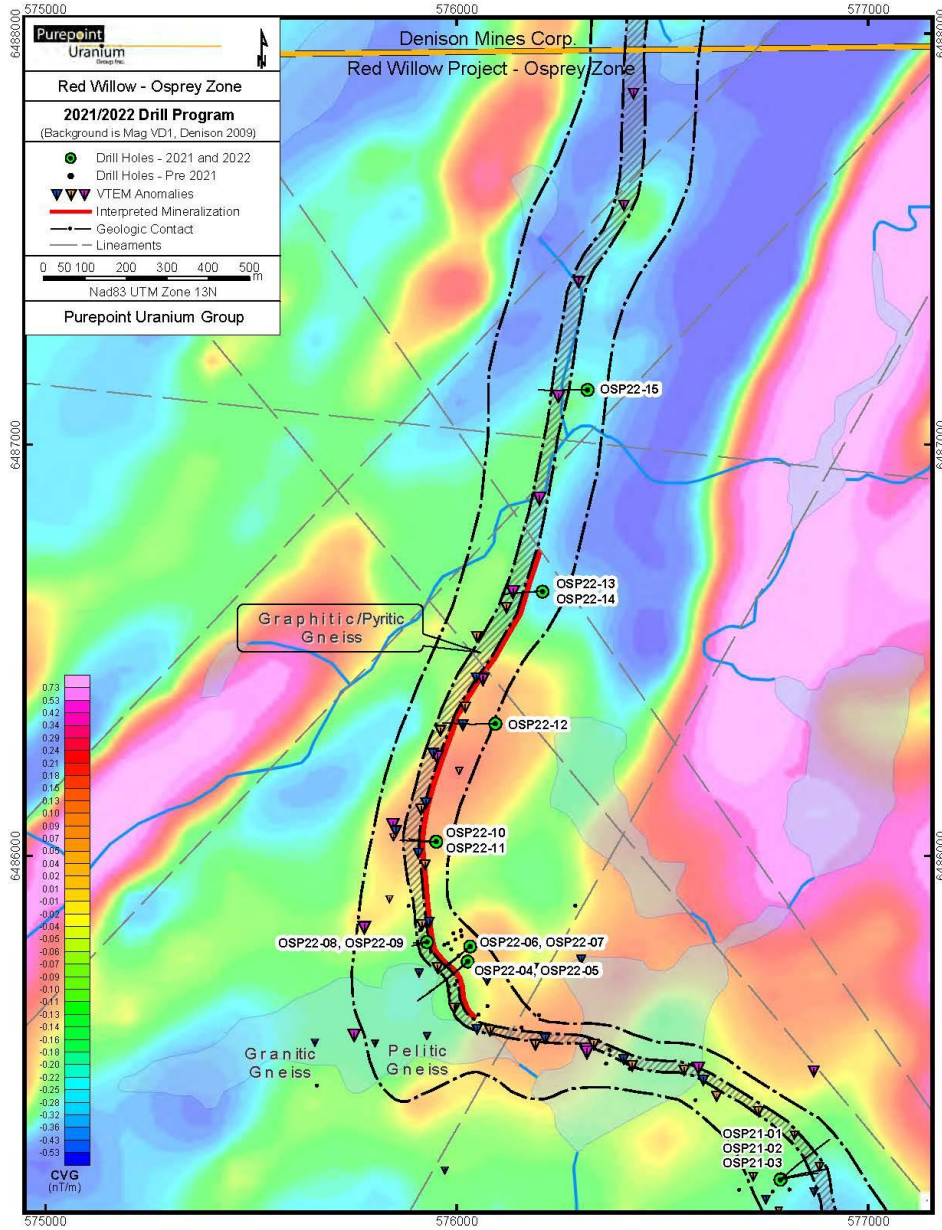
On January 12, 2022 Purepoint announced the commencement of a drill program focusing on the Osprey Zone where initial drilling identified basement-hosted uranium mineralization highlighted by RW-19 that intersected 0.19% U3O8 over 4.0 metres and included 3.03% U3O8 over 0.1 metre.

Completion of the 12 hole, 2,088 metres program was announced in mid-April where the Company reported the definition of a 1.2 kilometre corridor of elevated radioactivity associated with the Osprey Zone electromagnetic (EM) conductor. (see table and figure below)

Results from 2022 Winter Drill Program at Red Willow's Osprey Zone

Hole Number	From (m)	To (m)	Width (m)	Peak CPS	U (ppm)	U3O8 (wt%)
OSP22-04	70.4	71.2	0.8	8,830	95	0.01
	78.5	79.4	0.9		53	0.01
	152.3	152.7	0.4		77	0.01
OSP22-05	54.2	54.9	0.7	N/A	85	0.01
OSP22-06	75.7	79.6	3.6	33,070	55	0.01
	86.8	93.0	6.2		684	0.08
Including	89.9	90.8	0.9		3,990	0.47
OSP22-07	121.0	121.3	0.3	2,070	73	0.01
	122.5	123.5	1.0		75	0.01
OSP22-08	141.9	142.2	0.3	950	79	0.01
OSP22-09				290	<50	
OSP22-10	72.8	74.3	1.5	1,160	75	0.01
	78.9	81.0	2.1		86	0.01
	105.0	105.3	0.3		76	0.01
OSP22-11	140.9	141.5	0.6	670	92	0.01
OSP22-12	148.6	155.0	6.4	6,367	159	0.02
OSP22-13	80.0	80.5	0.5	8,002	2,260	0.27
OSP22-14				1,140	<50	
OSP22-15				303	<50	

Red Willow's Osprey Zone 2021/2022 Drill Program Location

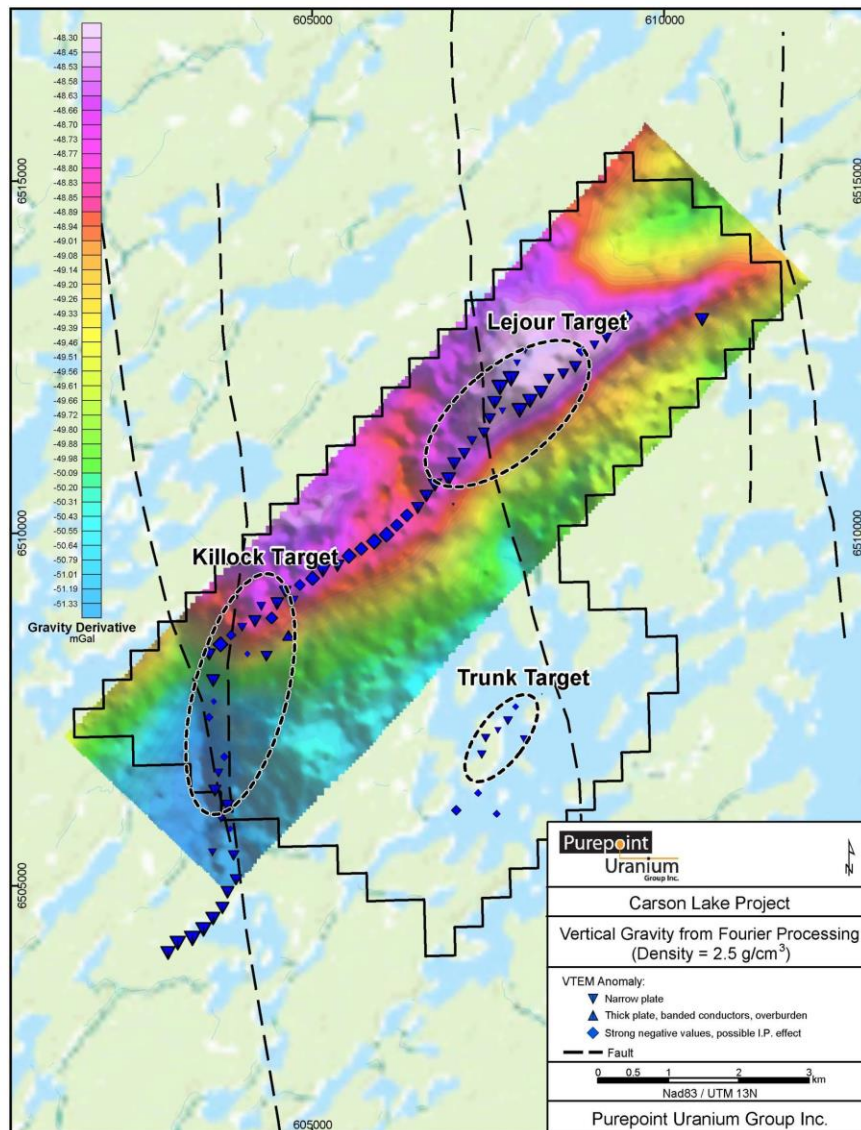


2022 Geophysical Program at Carson Lake

This Summer's airborne gravity gradiometer, gravity and magnetic surveys at Carson Lake refined two primary target areas.

To the southwest, the Killock target is presumed to be graphitic pelite that has been incorporated into the north-south-trending Killock fault. Brittle structures such as the Killock fault intersecting ductile rock types, such as graphitic pelite, can create favourable dilation zones and allow uranium-rich fluids to become trapped.

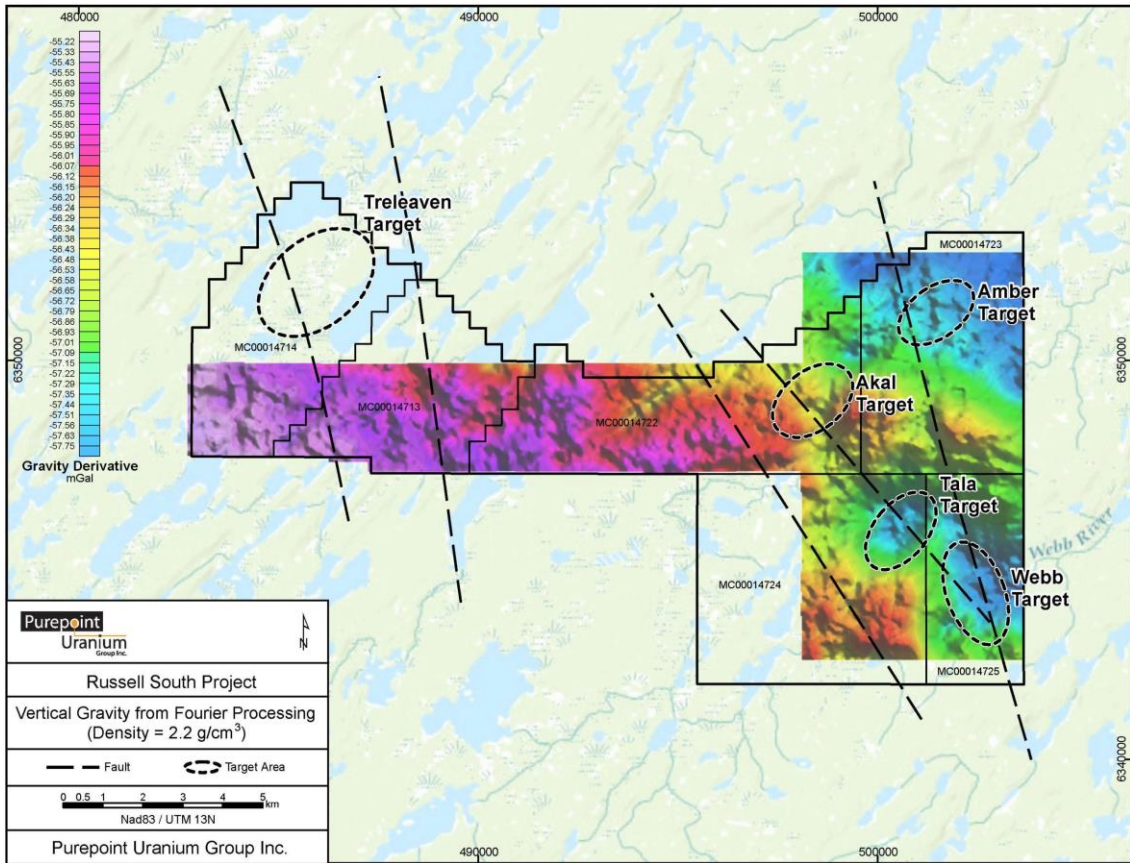
The Lejour target is located where the north-south-trending Lejour fault crosscuts the main conductive trend. Gravity results suggest that the conductive trend is associated with a lithologic contact. Interpretation of the EM results suggests the single conductor west of the Lejour fault is present as two parallel conductors east of the fault. The lower-priority Trunk target is a one-kilometre-long, sigmoidal-shaped EM conductor located within the southeast portion of the project.



2022 Geophysical Program at Russell South

This Summer's airborne gravity gradiometer, gravity and magnetic surveys at Russell South refined five target areas.

The four eastern targets are based on the recent results from the airborne geophysical survey. The target zones are coincident airborne gravity low and magnetic low responses, interpreted as favourable rock types and/or alteration zones, that are proximal to north-northwest trending structures. The western Treleaven target area hosts historic coincident geochemical anomalies possibly related to a dilational zone lying between the interpreted north-south faults.



2022 Geophysical Program at the Tabbernor Block

In August, an airborne electromagnetic (EM) survey was conducted over the MillKey, JebRaven, MidBear and CollinEagle projects (collectively referred to the Tabbernor Block).

The survey was designed to help identify structural splays off of the North/South trending Tabbernor structures as well as associated graphitic conductor targets in the area. Results and interpretations are pending.

2022 Fall Drill Program at Red Willow

In September 2022, Purepoint commenced drilling at its 100% owned Red Willow project to follow up on the winter program where drilling intersected uranium mineralization along 1.2 kilometres of strike length associated with the northern area of the Osprey Zone electromagnetic (EM) conductor. Four additional drill holes defined the extension of that mineralization for another .8 kilometers before the northern boundary was identified just short of the claim line.

More extensive drilling was planned for January during the more cost-effective winter months.

2022 Fall Drill Program at Turnor Lake

Immediately after the short program at Red Willow, drilling was moved to Turnor Lake to provide two inaugural holes at the Serin Conductor. The Serin conductor lies within the LaRocque corridor that hosts Orano Canada Inc.'s Alligator prospect (3.8% U3O8 over 10.5m in hole WF-08), Cameco Corp's LaRocque showing (29.9% U3O8 over 7.0m) and, most recently, IsoEnergy Ltd.'s Hurricane deposit (Indicated Mineral Resource of 48.61 million lbs of U3O8 based on 63,800 tonnes grading 34.5% U3O8; IsoEnergy PR; Jul 18, 2022).

The initial hole, SL22-02, encountered favourable graphitic pelitic rock and clay alteration associated with radioactive spikes on trend with IsoEnergy Ltd.'s Hurricane deposit. The results of the two Turnor Lake holes completed last year will be used to re-interpret airborne and ground geophysical data before designing a follow-up program for the summer of 2023.

Project portfolio

Hook Lake Project - Joint Venture with Cameco Corp and Orano Canada Inc.

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

Under the original option agreement, Purepoint acquired a 21% interest in the Hook Lake project. The remaining 79% of the project is owned by Cameco Corporation (39.5%) and Orano Canada Inc. (39.5%).

Located along the Patterson Uranium District, the Hook Lake JV has been operated by Purepoint since 2007. The project resides along-strike and adjacent to two of the world's largest, high-grade uranium deposits. It consists of nine claims totaling 28,683 hectares including the Spitfire high-grade discovery (53.3% U3O8 over 1.3 metres within a 10-metre interval of 10.3% U3O8).

Smart Lake Project - Joint Venture with Cameco Corp

The Company entered into a definitive joint venture agreement with Cameco Corp. for the ongoing exploration of the Smart Lake uranium project in the Athabasca Basin pursuant to its option agreement with Cameco announced February 7, 2007.

The Smart Lake property includes two claims with a total area of 9,800 hectares situated in the southwestern portion of the Athabasca Basin, approximately 60 km south of the former Cluff Lake mine.

Depth to the unconformity, where it occurs, is relatively shallow at less than 350 metres.

Aeromagnetic and electromagnetic patterns at Smart Lake reflect an extension of the patterns underlying the Shea Creek deposits (max. grade of 58.3% U3O8 over 3.5 m) 55 km north of the property. Exploration by Purepoint and Cameco has firmly established the presence of uranium mineralization, hydrothermal alteration and the location of a number of basement electromagnetic conductors never drill tested.

During 2008, Purepoint's initial drill hole SMT08-01 intersected a weakly radioactive structure that displayed the strongest radioactivity returned from a tension fracture in SMT08-06 assaying 1,600 ppm U over 0.1 metre.

Known uranium mineralization at the Smart Lake project is associated with a steeply dipping, north-northwest striking, and hydrothermally altered, graphitic-shear zone. The strongest radioactivity returned from the conductor is 127 ppm U over 13.3 metres in hole SMT08-01. A geochemical signature is associated with the uranium mineralization and includes the enrichment of nickel, arsenic, and cobalt. A flat-lying, radioactive tensional fracture zone extends westward from the graphitic shear and returned 1,600 ppm U over 0.1 metre.

Red Willow Project - 100% Owned

The 100 % owned Red Willow property is situated on the eastern edge of the Athabasca Basin in Northern Saskatchewan, Canada and consists of 17 mineral claims having a total area of 40,116 hectares. The property is located close to several uranium deposits including Orano Resources Canada Inc.'s mined-out JEB deposit, approximately 10 kilometres to the southwest, and Cameco's Eagle Point deposit that is approximately 10 kilometers due south.

Geophysical surveys conducted by Purepoint at Red Willow have included airborne magnetic and electromagnetic (VTEM) surveys, an airborne radiometric survey, ground gradient array IP, pole-dipole array IP, fixed-loop and moving-loop transient electromagnetics, and gravity. The detailed airborne VTEM survey provided magnetic results that are an excellent base on which to interpret structures while the EM results outlined over 70 kilometers of conductors that in most instances represent favourable graphitic lithology. A total of twenty-one conductive zones have been identified as priority exploration targets of which only seven have been subject to first pass drilling.

Turnor Lake Project - 100% Owned

The Turnor Lake project is 100% owned by Purepoint and includes five claims with a total area of 9,705 hectares situated in the eastern plane of the Athabasca Basin. Depth to the unconformity is shallow at approximately 180 metres.

The property covers known graphitic conductors that are associated with uranium showings on adjoining properties, namely Orano Canada Inc.'s Alligator prospect (3.8 per cent U3O8 over 10.5 m in hole WF-08), Cameco Corp.'s La Rocque showing (29.9 per cent U3O8 over 7.0 m) and, most recently, IsoEnergy Ltd.'s Hurricane zone, which has reported results of 38.8 per cent U3O8 over 7.5 m (press release dated Dec. 1, 2020).

The project lies in close proximity to several uranium deposits including Roughrider, Midwest Lake, and McClean Lake.

Henday Project - 100% Owned

The 100% owned Henday Lake property is 1,029 hectares in size and consists of 2 claims. This property is located nine kilometres northwest of Orano's Midwest Lake deposit (41 million lbs. U3O8) and ten kilometers west of Rio Tinto's Roughrider Deposit (57 million lbs. U3O8).

Only one drill hole is known to have been drilled on Purepoint's Henday property. Hole HLH8-71 was drilled by Cogema Resources (now Orano Canada Inc.) in 1998 and encountered a steeply dipping, strongly graphitic fault gouge at the bottom of the hole. The claims rest within a magnetic low believed to represent pelitic basement rocks, a typical host rock for economic uranium mineralization. The depth to basement is locally less than 350 metres.

The Henday Lake property falls within the Mudjatik-Wollaston Tectonic Zone, a northeast trending structural zone along the eastern margin of the Basin. The Mudjatik-Wollaston Tectonic Zone is the NE trending high strain tectonic zone marking the boundary between the Archean gneisses and granitoids of the Mudjatik Domain to the west and Archean gneisses, metasediments, and pegmatite intrusions of the Wollaston domain to the east. All of the operating uranium mines in Canada are located along this trend.

Umfreville Project - 100% Owned

Originally covering over 60,000 hectares, the Umfreville Project has been refined to the most prospective target areas using results from airborne gravity, magnetic and electromagnetic surveys. The project sits on the North-East rim of the Athabasca Basin and lies over a series of cross-cutting faults which are typical mineralization settings. Geophysical signatures interpreted as being representative of hydrothermal alteration coincident with anomalous uranium-in-soil geochemistry have been isolated. The Umfreville Property covers approximately 26,139 hectares and consists of ten mineral claims.

Prior to the initial drill hole at Umfreville being completed by Purepoint during June, 2021, the property had undergone a broad array of geophysical and geochemical surveys to delineate high

value exploration targets. Initial work in 2005 consisted of a MEGATEM electromagnetic and magnetic survey flown by Fugro Airborne Surveys and the data then processed using a layered-earth inversion program by Condor Consulting. In 2007, Bell Geospace conducted an airborne full tensor gravity gradiometry survey over the property which supported fault systems previously interpreted from magnetic features. During 2010, Terraquest Ltd. flew a High Resolution Aeromagnetic Gradient and XDS VLF-EM Survey over the property providing higher detailed fault and lithologic contact interpretations. Utilizing CAMIRO techniques (a three-year research study utilizing field samples collected from the areas overlying the McClean Lake, Cigar Lake West and Dawn Lake uranium deposits in Saskatchewan's Athabasca Basin), a systematic geochemical survey was conducted across the property during 2011 with the best geochemical response being returned from the Perching Zone. Infill geochemical sampling was conducted over the Perching Zone during 2012 and 2014.

Carson Lake Project - 100% Owned

The 100% owned, 4,972 hectare, Carson Lake Project adjoins ValOre Metals Hatchet Lake Project on the north-eastern edge of the Athabasca Basin. The project covers a historic airborne geophysical electromagnetic (EM) survey that outlined a strong northeast trending EM conductor approximately 10 kilometres in length. The survey covered two of the primary target areas.

To the north, the Killock target is presumed to be graphitic pelite that has been incorporated into the north-south trending Killock Fault. Brittle structures such as the Killock fault intersecting ductile rock types, such as graphitic pelite, can create favourable dilation zones and allow uranium-rich fluids to become trapped.

The Lejour target is located where the north-south trending Lejour Fault crosscuts the main conductive trend. Gravity results suggest that the conductive trend is associated with a lithologic contact. Interpretation of the EM results suggests the single conductor west of the Lejour Fault is present as two parallel conductors east of the fault. The lower priority Trunk target is a 1-kilometre long, sigmoidal shaped EM conductor located within the southeast portion of the project.

Russell South Project - 100% Owned

The 100% owned Russell Lake Project is located near the south-central edge of the Athabasca Basin covering an area of 13,320 hectares.

Five target areas have now been identified at the project. The four eastern targets are based on the recent results from the airborne geophysical survey. The target zones are coincident airborne gravity low and magnetic low responses, interpreted as favourable rock types and/or alteration zones, that are proximal to north-northwest trending structures. The western Treleven target area hosts historic coincident geochemical anomalies possibly related to a dilational zone lying between the interpreted north-south faults.

The project adjoins Cameco's Key Lake project on which the Key Lake Mine produced over 200 million pounds of uranium at a grade averaging 2.3% U3O8 between 1983 and 1997. In addition, the project adjoins the Moore Lake Project owned by Skyharbour Resources Ltd. with their high-grade Maverick Zone and Rio Tinto's Russell Lake Project to the west and south.

Tabbemor Block - 100% Owned

The Company also holds additional projects acquired in 2021 through staking. These early-stage uranium projects reside in northern Saskatchewan and were the subject of preliminary review and surveying this past year. They are four projects outside the South West area of the

Athabasca Basin; the MillKey, JebRaven, MidBear and CollinEagle projects (collectively referred to the Tabbernor Projects).

Liquidity and capital resources

At December 31, 2022, the Company had a working capital surplus of \$4,392,762, compared to a surplus of \$3,928,455 as at December 31, 2021. The increase is attributed to the Company's financing from December 2022.

The Company's sources of capital at present consist of cash on hand, exercise of options and warrants, sale of assets, joint venture financings and public equity raise. Assuming that ongoing capital raise, operations and exploration activity are consistent with recent activity levels management believes that cash on hand is adequate to fund ongoing operations through the next year.

Lease commitments

With respect to its office in Saskatoon, the Company recognized right-of-use asset and initial lease liability totalling \$137,637 on January 1, 2019. The lease liability was discounted at a rate of 13.95%.

	2022	2021
Lease liability at the beginning of the year	\$ 41,388	\$ 77,423
Add: Lease accretion	3,185	8,539
Less: Total lease payments	(44,573)	(44,574)
Lease liability at the end of the period	-	41,388
Less: Current portion	-	(41,388)
Lease liability - long term	\$ -	\$ -

The Company extended the lease of its office in Saskatoon for a further period of 3 years, from January 1, 2023 to December 31, 2025. The Company will recognize right-of-use asset and initial lease liability totalling \$105,679 as of January 1, 2023. The new lease liability has a term of 3 years and is discounted at a rate of 11.67%.

Flow-through share commitments

With respect to 2022 financings through issuance of the Flow-Through Common Shares, the gross proceeds will be used for Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) which qualify as a "flow-through mining expenditure" for purposes of the *Income Tax Act* (Canada) related to the exploration program of the Company to be conducted on the Company's properties located in the Province of Saskatchewan. The Company renounced such Canadian Exploration Expenses with an effective date of December 31, 2022. Out of \$6,905,140 gross proceeds, \$3,500,140 was already spent on exploration expenses in 2022 leaving the Company's commitment of \$3,405,000 to be spent until December 31, 2023.

Critical accounting estimates

The preparation of the 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 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.

Off-balance sheet arrangements

The Company had no off balance sheet arrangements as at December 31, 2022 or December 31, 2021.

Financial instruments and other instruments

The Company had no financial instruments other than accounts receivable, receivable from projects, accounts payable and accrued liabilities, advances from projects and lease liability as at December 31, 2022 and December 31, 2021.

Outstanding share data

Common Shares:

The Company has authorized an unlimited number of common shares, with no par value, of which 417,532,288 shares are issued and outstanding as of the date hereof.

Share Purchase Warrants:

As of the date hereof, 139,963,893 share purchase warrants (including finder's compensation warrants) were outstanding.

On October 31, 2022 the Company announced that the Company has received approval from the TSX Venture Exchange of its previously announced extension of the expiry date of a total of 35,838,000 outstanding common share purchase warrants by six months to June 17, 2023. The warrants were issued by the Company in connection with a private placement which was completed on December 17, 2020 and have exercise price of \$0.08. All other terms of the warrants, including the exercise price, remained the same.

Employee Stock Options:

As of date hereof, 32,550,000 options were outstanding under the Company's stock option plan for employees, directors, officers and consultants of the Company.

On May 13, 2022, the Company approved the issuance of a total of 6,350,000 options to its directors, officers and certain staff members pursuant to the Company's stock option plan. Each

of the options is exercisable to acquire one common share of the Company at a price of \$0.07 per share, vesting immediately and expires on the date that is five years from the date of grant.

On July 13, 2022, 2,800,000 options expired.

On May 13, 2021 the Company granted 8,400,000 stock options at an exercise price of \$0.13 per option, vesting immediately. On December 29, 2021 the Company granted 5,800,000 stock options at an exercise price of \$0.095 per option, vesting immediately.

Private placements

On December 8, 2022, the Company closed its non-brokered private placement of up to 48,642,857 flow-through units at a price of \$0.07 per unit for aggregate gross proceeds of up to \$3,405,000. Each flow-through unit consist of one common share in the capital of the Company issued on a "flow through" basis pursuant to the Income Tax Act (Canada) and one-half (1/2) of a common share purchase warrant. Each warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.105 per share for a period of 24 months from the date of issuance.

In connection with the closing, the Company paid to certain finders facilitating the closing including Red Cloud Securities Inc., a cash commission of \$167,929 and issued 2,398,984 non-transferrable compensation warrants. Each compensation warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.07 per share for a period of 24 months from the date of issuance.

The net proceeds of the sale of the Flow-Through Common Shares will be used for the exploration and advancement of the Company's projects in the Athabasca Basin, Saskatchewan. The gross proceeds of the Flow-Through Common Shares sold will be used for Canadian Exploration Expenses (within the meaning of the *Income Tax Act* (Canada)) which qualify as a "flow-through mining expenditure" for purposes of the *Income Tax Act* (Canada) related to the exploration program of the Company to be conducted on the Company's properties located in the Province of Saskatchewan. The Company will renounce such Canadian Exploration Expenses with an effective date of no later than December 31, 2022.

The completion of the sale of the Flow-Through Common Shares is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and corporate approvals, including the approval of the listing of the Flow-Through Shares, the Warrant Shares and the Compensation Warrant Shares on the TSX Venture Exchange. Resale of the securities of the Company distributed under the of the Flow-Through Common Shares will be subject to a statutory hold period in Canada of four months and one day following the closing date.

On April 14, 2022 the Company closed its brokered private placement with Red Cloud Securities Inc.

In connection with the closing, the Company issued 25,001,000 flow-through units ("FT Units") at a price of \$0.14 per FT Unit for aggregate gross proceeds of \$3,500,140. Each FT Unit consists of one common share in the capital of the Company (each, a "Flow-Through Share") issued on a "flow through" basis pursuant to the Income Tax Act (Canada) and one common share purchase warrant (each, a "Warrant"). Each Warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.20 per share for a period of 24 months from the date of issuance.

In connection with the closing of the Private Placement, the Company has paid Red Cloud cash commissions in the aggregate amount of \$210,008 and issued to Red Cloud 1,500,060 non-transferrable compensation warrants ("Broker Warrants"), with each Broker Warrant exercisable

to purchase one common share of the Company at a price of \$0.14 per share for a term of 24 months following the closing date.

The gross proceeds from the sale of Flow-Through Shares will be used for the exploration and advancement of the Company's projects in the Athabasca Basin in Saskatchewan and will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2022, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of Flow-Through Shares. All securities issued in connection with the closing of the Private Placement were subject to a four-month hold period pursuant to the applicable securities laws that expired on August 15, 2022.

On April 7, 2021 the Company closed its brokered private placement with Red Cloud Securities Inc.

In connection with the closing, the Company issued 20,404,095 flow-through units ("FT Units") at a price of \$0.105 per unit and 31,750,778 hard-dollar units ("Units" together with the FT Units are hereinafter referred to as the "Offered Securities") at a price of \$0.09 per unit for aggregate gross proceeds of \$5,000,000. Each Unit consists of one common share in the capital of the Company and one common share purchase warrant (each, a "Warrant"). Each FT Unit consists of one common share in the capital of the Company (each, a "Flow-Through Share") issued on a "flow through" basis pursuant to the Income Tax Act (Canada) and one half of one 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. The closing is subject to final acceptance by the TSX Venture Exchange of the Private Placement. In connection with the closing of the Private Placement, the Company has paid Red Cloud and a member of the selling group cash commissions in the aggregate amount of \$342,650 and issued to Red Cloud 3,569,174 non-transferrable compensation warrants ("Broker Warrants") with each Broker Warrant exercisable to purchase one common share of the Company at a price of C\$0.105 per share for a term of 24 months following the Closing Date.

On December 31, 2021 the Company closed the final tranche of its previously announced non-brokered private placement.

Together with the first tranche of the private placement from December 15, 2021, the Company issued a total of 10,107,643 flow-through units for aggregate gross proceeds of \$1,415,070. Each flow-through unit consists of one common share in the capital of the Company issued on a "flow through" basis pursuant to the Income Tax Act (Canada) and one half of 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 \$0.20 per share for a period of 24 months from the date of issuance. Together with the first tranche of the private placement, the Company paid finders' fees consisting of a total of \$81,004 in cash and issued a total of 578,601 non-transferrable compensation warrants. Each compensation warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.20 per share for a period of 24 months after the date of issuance.

The net proceeds raised from the sale of Units will be used for the exploration and advancement of the Company's projects in the Athabasca Basin in Saskatchewan and for general working capital purposes. The gross proceeds from the sale of Flow-Through Shares will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the Income Tax Act and "flow through mining expenditures" as defined in subsection 127(9) of the Income Tax Act. Such proceeds will be renounced to the subscribers with an effective date not later than December 31, 2021, in the aggregate amount of not less than the total amount of gross proceeds raised from the issue of Flow-Through Shares.

All securities issued in connection with the first tranche closing of the Private Placement are subject to a four-month hold period pursuant to the applicable securities laws with an expiry date of April 15, 2022 and all securities issued in connection with the final tranche closing of the Private Placement were subject to a four-month hold period pursuant to the applicable securities laws that expired on April 30, 2022.

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 2022 and 2021 was as follows:

	2022	2021
Remuneration	\$ 433,200	\$ 396,915
Share-based payments	\$ 376,912	\$ 1,293,582

The Company did not enter into any other significant related party transactions during the year.

Conflicts of interest

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers, and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with, and are subject to such other procedures and remedies as apply under, the Ontario Business Corporations Act, and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

Material legal proceedings

The Company is not a party to any legal proceedings.

Qualified person

Scott Frostad BSc, MASc, PGeo, Purepoint's Vice President, Exploration, is the Qualified Person responsible for technical content of the Company.

Technical information

Any updates to the scientific or technical information derived from the various technical reports and any other scientific or technical information contained in this MD&A was approved by Scott Frostad, a "Qualified Person" for the purposes of National Instrument 43-101 and an officer of the Company.

Proposed transactions

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

Other matters

Risk Factors

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

Chris Frostad
President & Chief Executive Officer

Ram Ramachandran
Chief Financial Officer