Condensed Consolidated Interim Financial Statements

June 30, 2019 and 2018

Notice of no auditor review of Interim financial statements

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

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Financial Position

As at June 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

	June 30, 2019	December 31, 2018
	$	$
Assets		
Current assets		
Cash	325,625	1,150,972
Short-term investments	404,014	705,101
Accounts receivable	31,258	18,490
Receivable from projects *(note 7)*	99,434	-
Prepaid expenses	49,022	56,989
Deposits *(note 8)*	53,982	53,982
	963,335	1,985,534
Property and equipment *(note 5)*	5,181	5,909
	968,516	1,991,443
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	60,698	173,666
Advances on projects *(note 7)*	-	247,255
	60,698	420,921
Shareholders' equity		
Share capital *(note 9(a))*	35,311,673	35,275,074
Contributed surplus	8,003,356	7,787,346
Deficit	(42,407,211)	(41,491,898)
	907,818	1,570,522
	968,516	1,991,443

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Loss and Comprehensive Loss

For the three- and six-month periods ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)
(Unaudited)

	For the three month period ended June 30,		For the six month period ended June 30,	
	2019	**2018**	**2019**	**2018**
	$	**$**	**$**	**$**
Expenses				
Mining exploration and evaluation expenditures *(note 6)*	78,592	238,648	622,413	948,072
Mining exploration and evaluation salaries and benefits	77,132	95,779	243,078	241,597
Share-based payments *(note 10)*	233,059	161,847	233,059	161,847
Salaries, compensations and benefits	54,500	54,500	92,494	90,857
Investor relations	43,555	43,379	90,067	84,023
General and administration	27,496	26,578	50,253	50,604
Professional fees	11,408	10,536	20,533	18,786
Transfer agent and filing fees	2,429	12,688	10,686	21,225
Insurance	1,310	1,809	10,561	7,256
Travel	1,935	3,343	2,711	6,564
Depreciation	228	152	456	304
	531,644	649,259	1,376,311	1,631,135
Other				
Operator fees and other recoveries	(80,862)	(178,625)	(455,377)	(597,559)
Interest income	(2,417)	(1,459)	(5,621)	(3,694)
	(83,279)	(180,084)	(460,998)	(601,253)
Net loss and comprehensive loss	(448,365)	(469,175)	(915,313)	(1,029,882)
Basic and diluted loss per common share *(note 12)*	(0.00)	(0.00)	(0.00)	(0.01)

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Changes in Equity

As at June 30, 2019 and 2018

(Expressed in Canadian Dollars)

(Unaudited)

	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
Exercise of options	320,000	19,550	-	-	19,550
Fair value of exercised options	-	17,049	(17,049)	-	-
Share-based payment	-	-	233,059	-	233,059
Net loss	-	-	-	(915,313)	(915,313)
Balance at June 30, 2019	214,877,850	35,311,673	8,003,356	(42,407,211)	907,818
Balance at January 1, 2018	204,803,072	34,721,305	7,359,253	(40,085,378)	1,995,180
Share-based payment	-	-	161,847	-	161,847
Net loss	-	-	-	(1,029,882)	(1,029,882)
Balance at June 30, 2018	204,803,072	34,721,305	7,521,100	(41,115,260)	1,127,145

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

Purepoint Uranium Group Inc.

Condensed Consolidated Statements of Cash Flows

For the six month period ended June 30, 2019 and 2018

(Expressed in Canadian Dollars)
(Unaudited)

	For the six month period ended June 30,	
	2019	**2018**
	$	**$**
Cash flow from operating activities		
Net loss for the year	(915,313)	(1,029,882)
Items not affecting cash:		
Depreciation	728	844
Share based payment	233,059	161,847
	(681,526)	(867,191)
Changes in non-cash items relating to operating activities:		
Accounts receivable	(12,768)	(200,349)
Prepaid expenses	7,967	264,536
Deposits	-	116,520
Accounts payable and accrued liabilities	(112,968)	(382,991)
Disbursements on behalf of joint venturer, net	(346,689)	(1,009,838)
	(1,145,984)	(2,079,313)
Cash flow from investing activities		
Short-term investments	301,087	608,277
Cash flow from financing activities		
Proceeds from exercise of options	19,550	-
Net decrease in cash	(825,347)	(1,471,036)
Cash - Beginning of the period	1,150,972	1,527,116
Cash - End of the period	325,625	56,080

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

1. General Information

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

The Company's head office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, M5H 1T1, Canada.

2. Basis of Presentation and Going Concern

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

The ability of the Company to continue as a going concern is dependent on the successful completion of the actions taken or planned. In order to meet future expenditures and cover administrative costs, the Company will need to raise additional financing. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. These circumstances may cast significant doubt as to the Company's ability to continue as a going concern and ultimately the appropriateness of the use of accounting principles to a going concern.

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

3. Significant Accounting Policies

(a) Statement of compliance

The accounting policies applied by the Company in these unaudited condensed consolidated interim financial statements are the same as those applied by the Company in its audited consolidated annual financial statements as at and for the year ended December 31, 2018. These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements of the Company as at and for the year ended December 31, 2018.

3. Significant Accounting Policies - continued

(a) Statement of compliance - continued

The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as of August 28, 2019, the date the Board of Directors approved the condensed consolidated interim financial statements.

(b) IFRS 11, *Joint Arrangements*:

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

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

(c) Basis of preparation

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

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary William River Exploration Corp. Subsidiaries are entities over which the Company has the power, directly or indirectly, to govern the financial and operating policies of the entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible, are taken into account in the assessment of whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

All intercompany accounts and transactions have been eliminated.

3. Significant Accounting Policies - continued

(d) Accounting standards issued but not yet effective

IFRS 16 Leases ("IFRS 16") was issued by the IASB in January 2016. It will replace IAS 17 Leases. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Consistent with IAS 17, the new lease standard continues to require lessors to classify leases as operating or finance. IFRS 16 is to be applied retrospectively for annual periods beginning on or after January 1, 2019. Earlier application is permitted if IFRS 15 Revenue from contract with customers has also been applied. The Company intends to adopt the standard on its effective date as it relates to its office lease disclosed in Note 13.

4. Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

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

Share-based payments

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

(Expressed in Canadian Dollars)

5. Property and Equipment

Cost	January 1, 2018	Additions in 2018	December 31, 2018	Additions in 2019	June 30, 2019
Exploration property and equipment					
Field property and equipment	$ 5,350	$ -	$ 5,350	$ -	$ 5,350
Furniture and equipment	28,373	-	28,373	-	28,373
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	$ -	$ 53,566

Accumulated depreciation	January 1, 2018	Depreciation in 2018	December 31, 2018	Depreciation in 2019	June 30, 2019
Exploration property and equipment					
Field property and equipment	$ 3,529	$ 364	$ 3,893	$ 146	$ 4,039
Furniture and equipment	26,699	419	27,118	126	27,244
Office property and equipment					
Computer equipment	13,299	-	13,299	-	13,299
Furniture and fixtures	2,434	913	3,347	456	3,803
	$ 45,961	$ 1,696	$ 47,657	$ 728	$ 48,385

(Expressed in Canadian Dollars)

5. Property and Equipment - continued

Net book value	**June 30, 2019**	**December 31, 2018**	**January 1, 2018**
Exploration property and equipment			
Field property and equipment	$ 1,311	$ 1,457	$ 1,821
Furniture and equipment	1,129	1,255	1,674
Office property and equipment			
Computer equipment	-	-	-
Furniture and fixtures	2,741	3,197	4,110
	$ 5,181	$ 5,909	$ 7,605

In the three- and six-month periods ended June 30, 2019, $272 and $540 (2018 - $262 and $540) of depreciation expense was included in mining exploration and evaluation expenditures on the condensed consolidated interim statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

6. Mining Exploration and Evaluation Expenditures

The Company's properties are all located at the Athabasca Basin, Northern Saskatchewan. The Company currently maintains ten properties. The Company entered into joint venture agreements and operates one of these projects with Cameco Corporation and Orano Canada Inc. (formerly AREVA Resources Canada Inc.), one of these projects with Cameco Corporation, while the other eight projects remain 100% owned. Mining exploration expenditures on the Company's properties during the three- and six-month periods ended June 30, 2019 and 2018 are as follows:

	For the three months period ended June 30,		For the six months period ended June 30,	
	2019	**2018**	**2019**	**2018**
Red Willow Property	$ -	$ -	$ -	$ -
Hook Lake Property	55,017	212,314	598,838	915,833
Smart Lake Property	14,876	-	14,876	-
Turnor Lake Property	-	-	-	-
Umfreville Lake Property	1,243	-	1,243	5,905
Henday Lake Property	-	-	-	-
McArthur East Property	-	-	-	-
New Properties	7,456	26,334	7,456	26,334
	$ 78,592	$ 238,648	$ 622,413	$ 948,072

7. Advances and Receivables on Projects

Joint Venture with Cameco and Orano

On October 31, 2012, the Company entered into a definitive joint venture agreement with Cameco Corporation ("Cameco") and Orano Canada Inc. (“Orano”, formerly Areva Resources Canada Inc.) for the ongoing exploration of Hook Lake uranium project in the Athabasca Basin (the "Project") and pursuant to the option agreement with Cameco from 2007. The Company holds a 21% interest in the Project. The remaining 79% is owned equally by Cameco and Orano. The Company acts as the Project operator for the Joint Venture and charges an administration fee of 10% of the invoiced Project costs incurred. In 2018, Cameco and Orano each funded their respective portions of the project by contributing $1,665,120 (2017 - $1,888,046) to the Company for a total amount of $3,330,240 (2017 - $3,776,092). In the six-month period ended June 30, 2019 Cameco and Orano advanced further $616,793 (2018 - $1,050,401) each for a total amount of $1,233,587 (2018 - $2,100,802). At June 30, 2019 the Company has receivable balance of $72,653 (2018 – $192,068) from Joint Venture partners representing funds paid by the Company for Project expenditures, in excess of advances by Cameco and Orano. The advances and receivables are unsecured and non-interest bearing.

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

Joint Venture with Cameco

On January 1, 2010, the Company entered into a definitive joint venture agreement with Cameco Corporation ("Cameco") for the ongoing exploration of the Smart Lake uranium project in the Athabasca Basin (the "Smart Lake Project"). The Company holds a 27% interest in the Smart Lake Project. The remaining 73% is owned by Cameco. The Company acts as the Project operator for the Joint Venture. At June 30, 2019 there was a receivable balance of $26,781 (December 31, 2018 - Nil)

8. Deposits

Deposits consist of security deposit for rent for Toronto office, last month rent for Saskatoon office and a deficiency deposits 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.

9. Shareholders' Equity

(a) Share Capital

Authorized, issued and outstanding common shares

Authorized – unlimited number of common shares without par value.

Issued – 214,877,850 common shares at June 30, 2019 and 214,557,850 common shares at December 31, 2018.

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 proceeds have been prorated to common shares and warrants based on the relative fair value of each component, 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.

(Expressed in Canadian Dollars)

9. Shareholders' Equity - continued

(b) Share purchase warrants

The following common share purchase warrants were outstanding at June 30, 2019:

	Number of warrants		Exercise price	Expiry date
Common share purchase warrants	5,000,000	$	0.15	November 29, 2019
Common share purchase warrants	212,000	$	0.15	November 30, 2019
Common share purchase warrants	7,133,000	$	0.15	December 6, 2019
Common share purchase warrants	10,290,065	$	0.13	December 14, 2020
	22,635,065			

A summary of warrants outstanding as at June 30, 2019 and December 31, 2018 and changes during periods ending on these dates are presented below:

	For the three months period ended June 30, 2019			For the year ended December 31, 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	$ 1,475,437	37,964,592	$ 0.12	$ 1,225,609
Granted	-	-	-	9,754,778	0.13	249,828
Expired	(25,964,592)	0.10	(838,214)	-	-	-
Balance, end of the period	21,754,778	$ 0.14	$ 637,223	47,719,370	$ 0.12	$ 1,475,437

(Expressed in Canadian Dollars)

9. Shareholders' Equity - continued

(c) Finder's Compensation Warrants

A summary of Compensation Warrants outstanding as at June 30, 2019 and December 31, 2018 and changes during periods ending on these dates are presented below:

	For the three months period ended March 31, 2019			For the year ended December 31 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	-	-	-	535,287	0.13	16,418
Expired	(580,328)	0.10	(35,419)	-	-	-
Balance, end of the period	880,287	$ 0.14	$ 37,474	1,460,615	$ 0.12	$ 72,893

(d) Shareholder's Rights Plan

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

10. Share-based Payments – Employee Share Option Plan

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

On April 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.

(Expressed in Canadian Dollars)

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

Using the Black-Scholes pricing model, the weighted average fair value of options granted during the six - month period ending June 30, 2019 was estimated at $233,059. This amount, net of estimated forfeitures, has been recognized as an expense in the six - month period ending June 30, 2019, as the options vested immediately. The unvested, unamortized fair value balance of stock options granted at June 30, 2019 amounted to $Nil.

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, 2018 was estimated at $161,847. This amount, net of estimated forfeitures, has been recognized as an expense in 2018, as the options vested immediately. The unvested, unamortized fair value balance of stock options granted at December 31, 2018 amounted to $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	122%	128%
Expected life	5 years	5 years

A summary of the status of the Plan as at June 30, 2019 and December 31, 2018, and changes during periods ending on these dates is presented below:

	For the six months period ended June 30, 2019			For the year ended December 31, 2018		
	Number of options		Weighted average exercise price	Number of options		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 period	21,260,000	$	0.08	20,080,000	$	0.07

(Expressed in Canadian Dollars)

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

As at June 30, 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			

11. Income Taxes

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

		2018		2017
Non capital losses	$	6,844,181	$	6,935,958
Exploration expenditures		8,815,720		8,532,824
Share issuance costs		122,800		138,261
Property and equipment		100,460		134,815
Investment tax credits		67,850		67,850

The non-capital losses carried forward will expire between 2026 and 2034.

The exploration expenditures, and property and equipment may be carried forward indefinitely.

The share issue and financing costs will be deducted for tax purposes over the next three years.

Investment tax credits will expire between 2029 and 2034.

(Expressed in Canadian Dollars)

12. Loss per Share

(a) Basic

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

	For the three months period ended June 30, 2019	For the three months period ended June 30, 2018	For the six months period ended June 30, 2019	For the six months period ended June 30, 2018
Loss attributable to common shareholders	$ (448,365)	$ (469,175)	$ (915,313)	$ (1,029,882)
Weighted average common shares outstanding	214,773,125	204,803,072	214,682,436	204,803,072
Basic loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)

(b) Diluted

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

13. Commitments

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

2019	$ 46,803
Thereafter	-
	$ 46,803

(b) 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.

(c) Pursuant to the issuance of flow-through shares described in note 9(a), the Company is required to spend approximately $877,930 on Canadian Exploration Expenditures before the end of 2019. As of June 30, 2019, the Company had fulfilled this obligation.

14. Financial Instruments

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

Fair Value Hierarchy

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

15. Financial Risk Management

(a) Credit risk management

The Company's credit risk is primarily attributable to short-term investments, accounts receivable (excluding HST), and receivable from projects. The Company has no significant concentration of credit risk arising from operations. Short-term investments consist of GIC's, which have been invested with reputable Canadian financial institution, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable and receivable from projects is remote.

(b) Liquidity risk

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

As of June 30, 2019, the Company had a cash and short-term investments balance totaling $729,639, (December 31, 2018 - $1,856,073), accounts receivable and receivable from government of $130,692. All these funds are sufficient to settle current accounts payable and accrued liabilities of $60,698 (December 31, 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.

15. Financial Risk Management - continued

(d) Commodity price risk

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

(e) Fair value of financial assets and liabilities

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

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

16. Capital Risk Management

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

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the exploration of its mineral properties and maximize shareholder returns. The Company satisfies its capital requirements through careful management of its cash resources and by utilizing bank indebtedness or equity issues, as necessary, based on the prevalent economic conditions of both the industry and the capital markets and the underlying risk characteristics of the related assets. As at June 30, 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 the period. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian Dollars)

17. Related Party Transactions and Balances

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

The remuneration of key management of the Company for the six-month periods ended June 30, 2019 and 2018 was as follows:

	2019	2018
Remuneration	$ 166,500	$ 166,500
Share-based payments	$ 206,058	$ 146,433