Purepoint Uranium Corporation

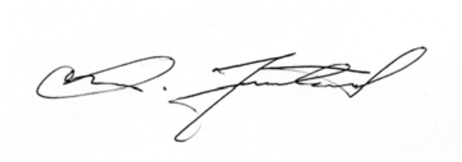
Unaudited Consolidated Financial Statements
March 31, 2006

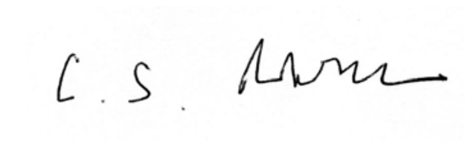
Prepared by Management

Notice to Reader

The management of Purepoint Uranium Corporation is responsible for the preparation of the accompanying interim consolidated financial statements. The interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are considered by management to present fairly the financial position, operation results and cash flows of the Company.

These interim financial statements have not been audited, reviewed or otherwise verified for accuracy and completeness of information by the auditor of the Company.





Chief Executive Officer

Chief Financial Officer

Consolidated Balance Sheets

		March 31, 2006 *(unaudited)*		December 31, 2005 *(audited)*
Assets				
Current Assets				
Cash	$	261,142	$	176,444
Accounts Receivable		169,043		126,660
Short-term investments		3,359,921		4,924,671
Prepaid expenses		15,114		21,178
Deposits		322,036		423,566
		4,127,256		5,672,519
Equipment		3,395		3,772
Mining properties *(note 3)*		3,165,452		1,355,399
	$	7,296,103	$	7,031,690
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$	452,365	$	179,428
Future income tax liability		1,657,805		1,657,805
		2,110,170		1,837,233
Shareholders' equity				
Share capital *(note 4)*		3,863,852		3,804,477
Contributed surplus		1,203,360		1,147,896
Retained earnings (deficit)		118,721		242,084
		5,185,933		5,194,457
	$	7,296,103	$	7,031,690

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

Approved by the Board

Signed: ***"James Doak"***

James Doak

Signed: ***"Allan Beach"***

Allan Beach

Consolidated Statements of Operations and Deficit

	For the three month period ending March 31, 2006 *(unaudited)*	For the three month period ending March 31, 2005 *(audited)*
Revenue		
Interest income	$ 36,718	$ 173
Expenses		
Salaries and benefits	47,386	-
Stock-based compensation *(note 5)*	55,464	-
Investor relations	22,137	5,491
Professional fees	7,749	10,081
General and administration	11,385	5,076
Travel	2,752	4,684
Transfer agent and filing fees	12,831	1,500
Amortization	377	-
	160,081	26,832
Net loss	(123,363)	(26,659)
Retained earnings (deficit), beginning of period	242,084	(23,140)
Retained earnings (deficit), end of period	$ 118,721	$ (49,799)
Basic and diluted loss per common share *(Note 7)*	$ 0	$ 0

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

Consolidated Statements of Cash Flows

	For the three month period ending March 31, 2006 *(unaudited)*	For the three month period ending March 31, 2005 *(unaudited)*
Cash flow from operating activities		
Net loss for the period	$ (123,363)	$ (26,659)
Items not affecting cash		
Amortization	377	-
Stock-based compensation	55,464	-
Increases (decreases) in cash attributable to changes in operating assets and liabilities:.		
Accounts receivable	(42,383)	(8,179)
Deposits and prepaid expenses	107,594	(50,000)
Accounts payable	272,937	2,958
	270,626	(81,880)
Cash flow from investing activities		
Mining properties	(1,810,053)	(183,136)
Short-term investments	1,564,750	-
	(245,303)	(183,136)
Cash flow from financing activities		
Issuance of shares	59,375	599,996
Increase (decrease) in cash	84,698	334,980
Cash, beginning of period	176,444	138,183
Cash, end of period	$ 261,142	$ 473,163

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

Notes to Consolidated Financial Statements
March 31, 2006

1. Business of the Company

Purepoint Uranium Corporation ("the Company") is a Canadian resource company. The Company's principal assets are mineral properties located in Saskatchewan. The Company is engaged in the acquisition, exploration and development of properties for the purpose of producing uranium. 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 obtain necessary financing and attain profitable operations, or alternatively, upon the disposal of properties, or the Company's interests therein, on an advantageous basis

In order to meet future expenditures and cover administrative costs, the Company may 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 consolidated financial statements have been prepared on a going concern basis that assumes the Company will be able to continue to realize its assets and discharge it liabilities in the normal course of business. In the event the Company is not able to obtain adequate funding, there is uncertainty as to whether the Company will be able to maintain or complete the acquisition of its property interests. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write downs of the carrying values of certain assets.

2. Significant Accounting Policies

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, accordingly, certain disclosures normally included in annual statements prepared in accordance with generally accepted accounting principles are not provided. These unaudited interim consolidated financial statements have been prepared following accounting principles consistent with those used in the audited annual consolidated financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2005. The results of operations for the interim period are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

3. Mining Properties

	March 31, 2006 *(unaudited)*	December 31, 2005 *(audited)*
McEwen Lake Property	$ 100,057	$ 92,952
Red Willow Property	512,804	184,045
S. Newnham Lake Property	60,517	56,486
Turnor Lake Property	1,146,995	340,476
Umfreville Lake Property	754,632	534,716
William River Property	515,735	86,597
Fire Eye Lake Property	74,712	60,127
	$ 3,165,452	$ 1,355,399

Notes to Consolidated Financial Statements
March 31, 2006

3. Mining Properties - continued

These properties are all located at the Athabasca Basin, Northern Saskatchewan. The Company owns 100% interest in a total of 45 claims covering 206,225 hectares. In addition, the Company paid a $15,000 deposit on a Mineral Prospecting Permit that grants the Company the exclusive right to explore and prospect for all minerals on 27,276 hectares of land in the same region. This deposit will be refunded when the Company makes the required exploration expenditures as follows:

a) $1.25 per hectare for a total of $34,095 in first permit year; and
b) $4.00 per hectare for a total of $109,104 in subsequent permit year.

4. Share Capital

	Number of shares	Amount
Authorized		
Common shares	unlimited	-
Issued		
Common shares		
Balance, March 24, 2004 (Date of incorporation)	543,800	$ 2
Share issued in private placement	764,644	320,000
Balance December 31, 2004	1,308,444	320,002
Shares in private placement	285,834	1,657,996
Shares issued in RTO	50,000	75,000
Balance May 30, 2005, (Date of RTO)	1,644,278	2,052,998
RTO share exchange	33,241,278	36,236
Shares issued in private placement	14,750,000	4,061,617
Option exercised	120,000	24,000
Tax benefits renounced on flow-through shares	-	(2,370,374)
December 31, 2005 *(audited)*	49,755,556	$ 3,804,477
Warrants exercised	118,750	59,375
March 31, 2006 *(unaudited)*	49,874,306	$ 3,863,852

5. Stock-Based Compensation

The Company has a stock option plan (the “Plan”). Under the Plan, the Company can grant options up to 10% of the total number of issued and outstanding shares. The Company accounts for the options using the fair value based method of accounting.

On July 21, 2005 the Company granted 2,050,000 stock options. As at March 31, 2006, none of the outstanding options had vested and carry a weighted average remaining contractual life of 2.25 years. These options will begin vesting in July 2006

A summary of the status of the Company’s plan is as follows:

	Number of options	Exercise price
Outstanding, January 1, 2006	2,050,000	$ 0.30
Outstanding, March 31, 2006	2,050,000	$ 0.30
Exercisable, March 31, 2006	nil	

6. Commitment

In connection with the issuance of flow-through shares, the Company renounced a total of $6,562,496 of qualifying expenditures to the shareholders in 2005 of which $1,045,000 had been spent as of December 31, 2005. Pursuant to this flow-through issue, the Company is required to spend $5,517,496 on Canadian Exploration Expenditures in 2006.

7. Loss per share

The computations for basic loss per common share are as follows:

	Three months ended March 31, 2006	Three months ended March 31, 2005
Net Loss	-123,363	-26,659
Average Number of Shares	49,874,306	1,408,444
Loss per Common Share	0	0

Diluted earnings per share are not presented as the exercise of the potentially dilutive options would have an anti-dilutive effect on earnings per share and/or the options’ exercise price was greater than the average market price of the common shares for the reporting period.