

Purepoint Uranium Group Inc.
Management's Discussion and Analysis
For the nine months ended September 30, 2019

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 consolidated audited financial statements for the year ended December 31, 2018, 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 November 27, 2019.

The interim financial statements for the nine month periods ended September 30, 2019 and 2018 are prepared in accordance with International Accounting Standard ("IAS") 34 under 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 ten 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 eight 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 2019 operating plan is discussed under Exploration Activities.

Selected quarterly information

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

	Quarter ended September 30, 2019	Quarter ended June 30, 2019	Quarter ended March 31, 2019	Quarter ended December 31, 2018	Quarter ended September 30, 2018	Quarter ended June 30, 2018	Quarter ended March 31, 2018	Quarter ended December 31, 2017
Net loss	(214,116)	(448,365)	(466,948)	(198,126)	(178,512)	(469,175)	(560,707)	(321,022)
Net loss per share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)
Total assets	732,030	968,516	1,365,887	1,991,443	979,427	1,182,545	2,195,493	3,251,131

Results of operations

The Company's operations during the three- and nine-month periods ended September 30, 2019 produced a net loss of \$214,116 and \$1,129,429 respectively (2018 - \$178,512 and \$1,208,394). The primary operational activity continues to be the exploration of the Company's major 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 for the three- and nine-month periods ended September 30, 2019 amounted to \$29,170 and \$651,583 (2018 - \$39,467 and \$987,539). Decrease of \$10,297 and \$335,956, respectively, is mainly result of a decrease in joint project operational activities, especially drilling at Hook Lake Property - see Exploration and evaluation expenditures.

Exploration salaries and benefits for the three- and nine-month periods ended September 30, 2019 amounted to \$92,527 and \$335,606 (2018 - \$67,070 and \$308,667).

Salaries, compensations and benefits were comparable to the same period in 2018.

Share based payments in the amount of \$Nil and \$233,059 (2018 - \$Nil and \$161,847) have been recognized during the three- and nine-month periods ended September 30, 2019. On April 26, 2019 the Company granted 3,280,000 stock options at an exercise price of \$0.085 per option, vesting immediately.

On May 16, 2018 the Company granted 3,150,000 stock options at an exercise price of \$0.06 per option, vesting immediately. Fair value assigned to new grants was expensed in the same period when granted.

Investor relations increased by \$4,524 compared to the nine-month period ended September 30, 2018 and is attributable to increase in marketing activities.

Transfer agent and filing fees decreased by \$2,320 and \$12,859 compared to the three- and nine-month periods ended September 30, 2018 and is attributable to decrease in fees due to change in an agent.

Operator fees and other expense recoveries with respect to joint projects for the three- and nine-month period ended September 30, 2019 amounted to \$2,548 and \$457,925 (2018 - \$27,372 and \$624,931). Decrease is mainly due to decrease in joint project operational activities overall, especially drilling at Hook Lake Property.

Other expenses during the three- and nine-month periods ended September 30, 2019 were comparable to the same periods in 2018.

Exploration and evaluation expenditures

The Company incurred \$29,170 and \$651,583 (2018 - \$39,467 and \$987,539) in exploration and evaluation expenditures on its properties during the three- and nine-month period ended September 30, 2019 and 2018, as follows:

	2019		2018	
	Three months	Nine months	Three months	Nine months
Red Willow Property	\$ 3,798	\$ 3,798	\$ -	\$ -
Hook Lake Property	8,865	607,703	36,081	951,914
Smart Lake Property	5,115	19,991	-	-
Turnor Lake Property	5,063	5,063	-	-
Umfreville Lake Property	3,797	5,040	-	5,905
Henday Lake Property	1,266	1,266	-	-
McArthur East Property	1,266	1,266	-	-
New Properties	-	7,456	3,386	29,720

During 2018 and early 2019, the Company carried out the following significant activities:

HOOK LAKE PROJECT - JOINT VENTURE WITH CAMECO AND AREVA

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 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).

Hook Lake Project Highlights:

- (i) Two of the world's largest, high-grade uranium deposits reside along-strike on adjacent properties;
- (ii) High-grade Spitfire/Harpoon deposit outlined at the claim border with NexGen;
- (iii) Widespread hydrothermal alteration in Dragon Zone similar to and along-strike with Spitfire, with a much larger footprint;
- (iv) Anomalously high concentrations of uranium within, and adjacent to graphitic shear zones in the sub-Athabasca basement rocks of the Dragon Zone;
- (v) Over 5 kilometres of untested, high-priority conductor targets along the Patterson Corridor.

Hook Lake Chronology

The Patterson Corridor is a structural corridor lying within the southwest edge of Saskatchewan's Athabasca Basin and is interpreted to extend for at least 50km with approximately 10km of the

total corridor occurring on the Hook Lake project, making it the highest priority exploration target on the Hook Lake property. Recent exploration and discovery along the Patterson Corridor have progressed with astounding speed and impressive results.

Date	Event	Explorer
2011	Discovery of radioactive boulders	By: Fission/ESO JV
2012	Discovery of Triple R Deposit	By: Fission/ESO JV
2013	Discovery of Arrow Deposit	By: NexGen Energy
2014	Discovery of South Spitfire Zone	
2015	HK14-09 returns 0.32% U3O8 over 6.2 metres PEA released for Triple R based on an Indicated Resource of 81.1Mlbs U3O8 grading 1.8% U3O8	By: Purepoint / Cameco / Orano By: Fission
2015	Bow Discovery	By: NexGen Energy
2015	Lower Spitfire Discovery	
2015	HK15-27 returns 2.23% U3O8 over 2.8 metres	By: Purepoint / Cameco / Orano
2016	Harpoon Discovery	By: NexGen Energy
2016	Upper Spitfire Discovery	
2016	HK16-53 returns 10.3% U3O8 over 10.0 metres	By: Purepoint / Cameco / Orano
2017	PEA released for Arrow Deposit based on an Indicated Resource of 164.9Mlbs U3O8 grading 6.88% U3O8	By: NexGen Energy
2017	Upper Spitfire strike length extended by 25%	By: Purepoint / Cameco / Orano
2018	New Mineralized shear discovered in Dragon Zone	By: Purepoint / Cameco / Orano
2018	PFS released for Arrow Deposit Indicated Resource of 256.6M lbs of U3O8 grading 4.03% U3O8	By: NexGen Energy

2018/2019 Winter Exploration Program at Hook Lake

Highlights:

- Drill hole HK19-101 targeted the Spitfire shear zone below HK15-27 (2.2% U3O8 over 2.8 metres that included 12.9% U3O8 over 0.4 metres) in order to test for uranium mineralization at depth. Significant uranium mineralization was not encountered, however, the hole did not intersect the ideal target based on the Spitfire 3D model;
- Six widely spaced holes totaling 4,240 metres were completed north of the previous Dragon zone drilling. HK19-105 was the highlight of these drill holes displaying strong alteration, numerous structures and intervals of anomalous radioactivity. All the Dragon area holes confirmed the continuation of significant structures and alteration along the Patterson corridor;
- A ground electromagnetic (EM) survey was completed and successfully defined new drill targets between the Dragon and Spitfire areas.;
- Six diamond drill holes totaling 1,750 metres were completed along the Derkson Corridor. Although testing did identify the source of the EM conductors, no prospective structures, alteration or radioactivity were encountered;

North Dragon Area

Six drill holes tested two separate EM conductors within the North Dragon area during the 2019 exploration program. The EM conductor tested during the previous drill seasons has been named the “Dragon shear zone” and it is approximately 200 metres wide, is composed of three to four separate graphitic shears dipping southeast and has now been tested over a strike length of 2 kilometres. The second EM conductor has been historically named the “W” conductor and it runs

approximately 800 metres west of and parallel to the Dragon shear zone. Three drill holes continued to test the Dragon shear zone to the northeast (HK19-102, 103 and 106) and 3 drill holes completed initial testing of the “W” conductor (HK19-104, 105 and 107).

Dragon Shear Zone Results

Hole HK19-102 was a 300-metre step out northeast along strike of last year’s Dragon hole HK18-93 and returned relatively similar results. Both these holes intersected weak radioactivity proximal to the footwall contact of an intensely silicified, clay altered granodiorite gneiss unit near the unconformity.

Drill Hole HK19-103 was a 600-metre step-out along strike NE of HK19-102. Intensely silicified dioritic gneiss was then encountered to 478 metres before intersecting a 3-metre wide graphitic structure displaying brittle faulting and illite alteration with local fault gouge intervals and weak radioactivity (230 cps over 4.0 metres from the downhole gamma probe).

Drill hole HK19-106 was drilled 80 metres in front of hole HK19-103. A strong overprinting of honey-yellow Illite, typically only seen in the Spitfire deposit, was observed just below 400 metres followed by an interval of weak radioactivity (296 cps over 3.2 metres from the downhole gamma probe). Stacked graphitic shears, typically found in the Dragon Zone, were encountered between 449 and 490 metres. The three distinct shear zones are hosted in a chloritized mafic rock.

“W” Conductor Results

The initial “W” conductor hole HK19-104 encountered strong hydrothermal alteration and weak mineralization (300 cps over 3.3 metres from the downhole gamma probe) associated with a graphitic shear. Hole HK19-104 marked the first time strong alteration had been seen associated with the “W” conductor basement rocks and opened up new high priority targets for drill testing to the northeast.

The second “W” conductor hole, HK19-105, was collared 800 metres northeast of HK19-104 and intersected numerous high-strain-zones, a post-Athabasca fault combined with strong hydrothermal alteration and elevated radioactivity (up to 1635 cps from the downhole gamma probe) in both the sandstone and basement rocks. The results of HK19-105 are considered to make the area surrounding HK19-105 highly prospective for both unconformity-type and basement-hosted uranium mineralization.

Hole HK19-107 was collared 300 metres southwest of HK19-105 and intersected multiple radioactive spikes with the greatest radioactivity (732 cps over 0.7 metres from the downhole gamma probe) being returned from a strong shear zone associated with a redox front. Intense silicification (quartz dome) was encountered at the upper contact of the graphitic shears, however, the core lacked illite and intense clay alteration at depth.

Hole HK19-108 was collared 100 metres northeast of the favourable HK19-105 but was lost shortly after the unconformity was reached at a depth of 438.0 metres within strongly clay and hematite altered diorite gneiss.

Spitfire/Dragon Geophysical Survey

Discovery International Geophysics of Saskatoon, SK completed 74 kilometres of stepwise moving loop transient EM surveying between the Spitfire and Dragon areas this winter. The 2019 EM survey results identified a previously unidentified, strongly conductive shear on trend between the Spitfire Zone and the Dragon area that is a highly prospective drill target. The EM results also provided new drill targets proximal to the Hornet Zone and along the southern portion of the “W” conductor.

Derkson Corridor

The 2019 Derkson area drilling showed that the strong clay alteration evidenced in historic holes was related to paleoweathering. Once the 2019 drill holes passed through the alteration zone related to paleoweathering, the basement rocks typically showed no further alteration. The electromagnetic conductors outlined by a 2004 ground survey and 2005 VTEM airborne survey were explained by rock units that hosted wide intervals of disseminated graphite and pyrite rather than prospective graphitic structures. The elongate magnetic highs seen within the airborne results were explained as magnetic syenites, an intrusive igneous rock that hosted finely disseminated pyrrhotite. The six Derkson corridor drill holes did not encounter notable alteration or structures within the basement rocks however unconformity-related mineralization, as evidenced with historic hole DER-04 (0.24% U3O8 over 2.5 metres at the unconformity), remains a potential target as does the 2018 gravity low located 1 kilometre west of DER-04.

2019/2020 Winter Exploration Program and Budget at Hook Lake

Highlights:

- An exploration budget of \$2,000,000 has been approved by the Hook Lake JV partners;
- The approved 2020 exploration program includes 3,500 metres of diamond drilling, approximately 7 holes, and a geophysical survey;
- The 2020 diamond drilling will continue to test high-priority targets along the Patterson Corridor including a conductive shear on trend between the Spitfire Zone and the Dragon area, follow-up testing of the Hornet Zone conductor, and new geophysical targets along the "W" conductor;
- A ground electromagnetic survey is scheduled to be conducted over the Patterson Corridor, along the "W" conductor, northeast of the encouraging drill hole HK19-105;
- Additional targets for future consideration were provided to the Hook Lake JV partners and included continued ground geophysics and first-pass drilling along the Patterson Corridor ("W" Conductor) to the northern property boundary and completion of first-pass drilling along the "U" Conductor and Carter Corridor.

UMFREVILLE PROJECT - 100% PUREPOINT

On July 20th, 2017 Purepoint reported on the results of a ground gravity survey conducted at its 100% owned Umfreville project in the northeast area of Canada's Athabasca Basin in Northern Saskatchewan.

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 4,383 hectares and consists of two mineral claims.

Not yet drill tested, the property has 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.

The 2017 ground gravity survey outlined a pronounced gravity low area within the center of the Perching Zone grid and a linear north-south trending gravity low is present in the northeastern part of the grid. The main part of the gravity low anomaly is considered to be a response from hydrothermal alteration of the bedrock. Inversion of airborne electromagnetic survey results suggests the depth to the unconformity is approximately 150 metres. An electromagnetic conductor (Condor Consulting, 2006) lies along the north edge of the gravity anomaly and is interpreted as a graphitic horizon with strong alteration on its southern edge. The linear north-south gravity low is assumed to be an expression of the Fond du Lac fault that has been previously identified from magnetic survey results.

MCARTHUR EAST PROJECT - 100% PUREPOINT

On August 1st, 2017 Purepoint reported on the results of a ground gravity survey conducted at its 100% owned Henday Lake project in the eastern area of Canada's Athabasca Basin in Northern Saskatchewan.

The 100% owned McArthur East property adjoins Cameco's McArthur River project, which contains the world's largest high-grade uranium deposit, and is situated due south of the Cigar Lake Mine. The property is 1,985 hectares in size and consists of 1 claim. It is underlain by a magnetic low believed to represent pelitic basement rocks, a typical host rock for economic uranium mineralization. Based on historic drill results from the surrounding area, the unconformity is assumed to lie approximately 250 metres below the surface.

Exploration conducted by Purepoint on the project has consisted of a helicopter-borne EM and magnetic (VTEM max) survey carried out in 2013 and the recent ground gravity survey. The airborne EM survey results showed that a broad conductive area in the northern portion of the

property was a response from the basement rocks while weak conductors located within the southeastern area of the property are probably a response from swamp or lake bottom sediments. The broad basement EM conductor is thought to represent a series of closely spaced graphitic units and is considered to be a prospective exploration target.

The 2017 McArthur East ground gravity survey results show that a low gravity response correlates with the property's primary exploration target. The prospective area was previously defined by a magnetic low and an airborne electromagnetic (EM) conductive zone. It is now thought that the gravity low, as well as the magnetic high and broad conductive area, is reflecting pelitic basement rocks and/or hydrothermal alteration.

Preliminary exploration of McArthur East has provided evidence of graphitic pelitic rocks occurring along the northern flank of a magnetic high that is believed to be granitic rock. The highly competent granitic rock would provide a contrast in competency to the softer graphitic pelitic rocks and be favourable for zones of dilatancy and mineral deposition. Next steps include resolving the conductive zone into discreet conductors for drill testing, most likely with a stepwise moving loop EM survey. No drilling has occurred on the project to date.

HENDAY PROJECT - 100% PUREPOINT

On August 10th, 2017 Purepoint reported on the results of a ground gravity survey conducted at its 100% owned Henday Lake project in the eastern area of Canada's Athabasca Basin in Northern Saskatchewan.

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 Areva'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.

The 2017 Henday Lake ground gravity survey results show that a gravity transition response correlates with the property's primary exploration target area. The primary target area was previously defined by a magnetic low coincident with an electromagnetic conductive zone. It is now thought that the gravity transition, may represent a crustal structure favourable for focusing uranium bearing fluids. The gravity transition lies within a broad magnetic low and conductive area which is thought to reflect graphite-bearing pelitic basement rocks and/or hydrothermal alteration.

NEW PROPERTIES - 100% PUREPOINT

Since October, 2017 the Company has acquired through staking an additional 52,479 hectares of mineral claims in the Athabasca Basin, Saskatchewan Canada, representing a substantial increase in the Company's 100% owned projects. The Company added three new projects, enlarged two existing projects and nearly doubled the company's 100% owned land position.

Most of the newly acquired claims lies on the SW edge of the Athabasca Basin, proximal to Purepoint's Smart Lake Project. Purepoint's initial drilling at Smart Lake identified a radioactive shear that was associated with intense alteration. The Company has now re-interpreted the Smart Lake drill results in light of the knowledge gained from the neighbouring Patterson Uranium District. Based on the similarity in structural and lithologic settings, the Company is of an opinion the SW Athabasca Basin region to be highly prospective and look forward to exploring Purepoint's new ground.

Highlights:

- Through staking, Purepoint has increased its 100% owned portfolio of Athabasca uranium projects from five projects and 57,222 hectares to eight projects totaling 109,701 hectares;
- The Company's drill-ready Umfreville and McArthur East projects have been enlarged from 6,369 hectares to a total of 14,203 hectares allowing room to properly follow up on initial drill discoveries;
- Purepoint's new Rene Lake (5,437 hectares) and Shearwater (26,244 hectares) projects lie due north and due south respectively of the Company's Smart Lake project along the Clearwater Domain;

OTHER PROJECTS

The Smart Lake, Red Willow and Turnor Lake projects remain in good standing and represent significant and valuable assets within the Company's exploration portfolio.

Smart Lake:

Purepoint (as operator) holds a 27% ownership of the Smart Lake project in a joint venture with Cameco Corporation.

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.

Similar to the Kianna fault at Shea Creek, known uranium mineralization at the Smart Lake project is associated with the intersection of the east-west Arthur Fault and north-south-striking fluid/chemical traps including the Shearwater conductor and chloritized mafic orthogneiss. The occurrence of low-grade uranium mineralization along the Arthur Fault away from Shearwater conductor underscore the need to target east-west structures both at the intersection with conductive anomalies and at magnetically interpreted lithological contacts.

Additional east-west striking faults (Groomes Lake and Cristobal) have been interpreted from examination of airborne magnetic and electromagnetic surveys. These faults are spatially related with strong EM conductors identified in both airborne and ground-based surveys.

The most prospective target may be the Groomes Lake conductor which, unlike other conductors, strikes north-east. When accommodating north-south compression that produced the east-west faults, this orientation may have been favourable for enhanced dilation, fluid flow and uranium deposition.

Red Willow:

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:

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 Cameco's La Rocque showing (33.9% U₃O₈ over 5.5 m) to the west and Areva's HLH-50 intercept (5.2% U₃O₈ over 0.38 m) located to the south. The project lies in close proximity to several uranium deposits including Roughrider, Midwest Lake, and McClean Lake.

Liquidity and capital resources

At September 30, 2019, the Company had a working capital surplus of \$688,886, compared to a surplus of \$1,564,613 as at December 31, 2018. The decrease is mainly attributed to joint project operational activities.

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.

Contractual commitments

Operating leases:

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

2019	\$ 46,803
Thereafter	Nil

Critical accounting estimates

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

Off-balance sheet arrangements

The Company had no off balance sheet arrangements as at September 30, 2019 or December 31, 2018.

Financial instruments and other instruments

The Company had no financial instruments other than short-term GIC's, accounts receivable, receivable from project, accounts payable and accrued liabilities and advances to project as at September 30, 2019 and December 31, 2018.

Outstanding share data

Common Shares:

The Company has authorized an unlimited number of common shares, with no par value, of which 214,877,850 shares are issued and outstanding as of the date hereof.

Share Purchase Warrants:

As of the date hereof, 22,635,065 share purchase warrants (including finder's compensation warrants) were outstanding.

Employee Stock Options:

As of date hereof, 21,260,000 options were outstanding under the Company's stock option plan for employees, directors, officers and consultants of the Company.

On April 26, 2019 the Company granted 3,280,000 stock options at an exercise price of \$0.085 per option, vesting immediately. On May 16, 2018 the Company granted 3,150,000 stock options at an exercise price of \$0.06 per option, vesting immediately.

Private placements

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.

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 the three- and nine-month period ended September 30, 2019 and 2018 was as follows:

	2019		2018	
	Three months	Nine months	Three months	Nine months
Remuneration	\$ 70,558	\$ 237,058	\$ 75,942	\$ 242,442
Share-based payments	\$ Nil	\$ 206,058	\$ Nil	\$ 146,433

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

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.

Signed: Chris Frostad

Chris Frostad
President & Chief Executive Officer

Signed: Ram Ramachandran

Ram Ramachandran
Chief Financial Officer