



PUREPOINT URANIUM GROUP INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2021

April 28, 2022

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INTRODUCTION

General

In this annual information form (this “AIF”), unless the context otherwise requires, “**Purepoint**” or the “**Company**” refers to Purepoint Uranium Group Inc. Unless otherwise indicated, the information contained herein is given as at December 31, 2021.

Unless otherwise indicated, all references to “\$” or “C\$” or “dollars” in this AIF are references to Canadian dollars.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF contains “forward-looking information” or “forward-looking statements” within the meaning of applicable securities legislation (collectively, “**forward-looking statements**”). Forward-looking statements are included to provide information about management's current expectations and plans that allows investors and others to get a better understanding of the Company's operating environment, business operations and financial performance and condition.

Forward-looking statements include, but are not limited to, statements regarding planned exploration and development programs and expenditures; technical studies; the timeline for receipt of any required agreements, approvals or permits; proposed exploration plans and expected results of exploration from each of the Hook Lake Property (as defined herein) and the Company's other exploration projects; the Company's ability to obtain required mine permits, required agreements with third parties, and regulatory approvals required in connection with exploration plans and future mining and mineral processing operations, including, but not limited to, necessary permitting required to implement expected future exploration plans; community relations; availability of sufficient water for proposed operations; competition for, among other things, capital, acquisitions of undeveloped lands and skilled personnel; changes in commodity prices and exchange rates; currency and interest rate fluctuations; and the ability to secure the required capital to conduct planned exploration programs, studies and the Company's objectives and strategies. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved (or the negative of any of these terms and similar expressions)) are not statements of fact and may be forward-looking statements.

Forward-looking statements are based on a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based on a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of uranium, anticipated costs and the Company's ability to fund its programs, the Company's ability to carry on exploration and development activities, the Company's ability to secure and to meet obligations under property agreements, the timing and results of drilling programs, the discovery of mineral resources and mineral reserves on the Company's mineral properties, that political and legal developments will be consistent with current expectations, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects, the costs of operating and exploration expenditures, the Company's ability to operate in

a safe, efficient, and effective manner, the Company's ability to obtain financing as and when required and on reasonable terms, that the Company's activities will be in accordance with the Company's public statements and stated goals and that there will be no material adverse change or disruptions affecting the Company or its properties.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties, and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: early-stage status and nature of exploration; capital intensive industry and uncertainty of funding; reliance on material property; global financial conditions; reliance on key personnel; COVID-19; exploration, development and operating risks; risks associated with properties; dependence on obtaining licenses, and other regulatory and policy risks; environmental, health and safety risks; volatility and sensitivity to uranium prices; market price of common shares; global demand and international trade restrictions; public acceptance of nuclear energy and competition from other energy sources; property title risk; natural resource properties are largely contractual in nature; no operating revenues and history of losses; no recent history of mineral production; insurance and uninsured risks; health, safety and community relations; government regulation; audit of tax filings; influence of third-party stakeholders; dividend policy; acquisition and integration; dilution; management of growth; climate change and climate change regulations; relationship with First Nations and Métis; risk of litigation; and information systems security threat. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See the section entitled “*Risk Factors*” below for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned to not put undue reliance on forward-looking statements. The forward-looking statements contained herein are made as of the date of this AIF and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online under the Company's profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com.

UNITS OF MEASUREMENT AND EXCHANGE RATE INFORMATION

All units of measurement in this AIF are metric unless otherwise stated. Some historical records and figures that are disclosed in this AIF are stated in imperial measurements.

Abbreviations and symbols used:

>	greater than
<	less than
a.s.l.	above sea level
c.c.	correlation coefficient
C	centigrade
G	gram
Kg	kilograms
km	kilometre
T	metric ton
m	metre
NSR	Net Smelter (return) Royalty
oz.	ounces
ppb	parts per billion
ppm	parts per million
QA/QC	quality assurance/quality control

TECHNICAL INFORMATION

The scientific and technical information contained in this AIF relating to the Company's Hook Lake Property located in the southwestern portion of the Athabasca Basin in northern Saskatchewan is supported by the technical report entitled “Technical Report on the Hook Lake Uranium Project Northern Saskatchewan, Canada”, dated April 19, 2022 (the “**Hook Lake Technical Report**”). The Hook Lake Technical Report was prepared by Scott Frostad, P.Geol, Vice President of the Company, who is considered a “qualified person” as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators (“**NI 43-101**”). See “*Material Properties – Hook Lake Property*” below.

The Hook Lake Technical Report is subject to certain assumptions, qualifications, and procedures described therein. Reference should be made to the full text of the Hook Lake Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com. The Hook Lake Technical Report is not and shall not be deemed to be incorporated by reference in this AIF, but the disclosure herein has been prepared with the consent of the author the Hook Lake Technical Report and is qualified in its entirety by the Hook Lake Technical Report.

Where appropriate, certain information contained in this AIF may update information derived from the Hook Lake Technical Report. Any updates to the scientific or technical information derived from the Hook Lake Technical Report and any other scientific or technical information contained in this AIF has been reviewed and approved by Scott Frostad, P.Geol, who is considered a “qualified person”, as such term is defined in NI 43-101.

CORPORATE STRUCTURE

Name, Address, and Incorporation

The Corporation is a Canadian resource company existing under the *Canada Business Corporations Act*.

Purepoint Uranium Corporation, a predecessor company of the Corporation, completed a Qualifying Transaction with Casablanca Capital Corp., a TSXV listed Capital Pool Company (“**Casablanca**”) on May 30, 2005, resulting in the reverse takeover of Casablanca by the shareholders of Purepoint Uranium Corporation (the “**RTO**”). Upon closing of the RTO, the resulting issuer became a Tier 2 Mining Issuer listed on the TSX Venture Exchange (“**TSXV**”) and changed its name to Purepoint Uranium Group Inc. Accordingly, Purepoint Uranium Corporation became the wholly owned subsidiary of the Company. On December 21, 2005, the Company and Purepoint Uranium Corporation, completed a vertical amalgamation with the amalgamated entity continuing to operate its mineral exploration business under the name of Purepoint Uranium Group Inc.

The authorized share capital of the Company consists of an unlimited number of Common Shares. Purepoint is a reporting issuer in the provinces of Ontario, Alberta and British Columbia. The Common Shares are listed on the TSXV under the symbol “PTU” and on the OTCQB Venture Market under the symbol “PTUUF”.

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

GENERAL DEVELOPMENT OF THE BUSINESS

The Company is a mineral resource company engaged in the acquisition, exploration, development, and operation of mineral properties. The Company's uranium exploration properties are located in the Athabasca Basin in northern Saskatchewan, Canada. See “*Description of the Business*” below.

The following is a summary of the general development of the Company's business for the past three years.

Three Year History – Exploration & Development

Hook Lake Property

The Hook Lake Property is a joint venture between Purepoint (21%), Cameco Corporation (39.5%) and Orano Canada Inc. (39.5%). Located along the Patterson Uranium District, the Hook Lake Property 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).

Highlights:

- Two of the world's largest, high-grade uranium deposits reside along-strike on adjacent properties;
- High-grade Spitfire/Harpoon deposit outlined at the claim border with the Rook 1 property of NexGen Energy Ltd.;
- Widespread hydrothermal alteration in Dragon Zone similar to and along-strike with Spitfire, with a much larger footprint;
- Anomalously high concentrations of uranium within, and adjacent to graphitic shear zones in the sub-Athabasca basement rocks of the Dragon Zone; and

- Over 5 kilometres of untested, high-priority conductor targets along the Patterson Corridor.

Highlights of 2019 Winter Exploration Program at Hook Lake

- 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. Based on the Spitfire 3D model, the targeted down dip extension of a high-grade mineralization lens warrants additional follow-up as HK-19-01 was off ideal target.
- 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 with the objective of defining 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.

Highlights of 2020 Winter Exploration Program at Hook Lake

- Seven diamond holes for 3,659 metres of drilling and five lines of stepwise-moving loop EM completed.
- Hole HK20-115 encountered strong hydrothermal clay and hematite alteration associated with graphitic shearing along the “W” conductor, approximately 3.5 kilometers along strike of previous drilling.
- An electromagnetic (EM) geophysical survey was completed and consisted of five lines of stepwise-moving loop EM surveying, 800 metres apart. The survey provided initial targets covering 4 kilometres of conductor strike length northeast of last year’s hole HK19-105 that intersected numerous shear zones, strong hydrothermal alteration and elevated radioactivity (up to 125 ppm U over 0.3 metres).
- The 2020 EM survey covered the edge of a gravity high identified by the 2019 airborne gravity survey, funded by the Targeted Geoscience Initiative (TGI). The gravity high edge is considered to reflect a lithologic contact, possibly providing a zone of weakness and structural traps for focusing uranium-rich fluids.
- Interpretation of the Tilt Derivative of the airborne magnetic results suggests destruction of the magnetic response in the area of the 2020 EM survey, possibly due to hydrothermal alteration.

Highlights of 2021 Winter Exploration Program at Hook Lake

- 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 HK19-115, 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.

Other Properties

In 2021, Purepoint initiated preliminary exploration on a number of its other Saskatchewan based properties in order to further evaluate and prioritize their potential. Purepoint completed 4,567 metres of diamond drilling across three of the Company's other properties including:

- The completion of a 1,660, 6-hole diamond drill program at the Red Willow Property.
- The completion of a 698 metre, 2-hole diamond drill program at the Umfreville Property.
- The completion of a 2,209 metre, 5-hole diamond drill program at the Henday Lake Property (assays pending).

Red Willow 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

Umfreville Assay Results

Hole ID	From (m)	To (m)	Interval (m)	U (ppm)	U ₃ O ₈ (%)
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

Based on the results, additional property was staked to the south and east enlarging the Umfreville project to 26,139 hectares.

Three-Year History – Financing & Corporate Development

On December 31, 2019, the Company completed a non-brokered private placement of 8,492,378 flow-through units at a price of \$0.065 per unit for aggregate gross proceeds of \$552,004.57. Each flow-through unit consists

of one flow-through Common Share and one warrant. Each warrant entitles its holder to purchase one Common Share at an exercise price of \$0.08 per share for a period of 24 months from the date of issue. The net proceeds of this private placement were used to advance the Company's exploration program in its Hook Lake Property.

On October 22, 2020, the Company completed a non-brokered private placement of 5,500,000 Common Share units at a price of \$0.05 per unit for aggregate gross proceeds of \$275,000. Each common share unit consists of one Common Share and one warrant. Each warrant entitles its holder to purchase one Common Share at an exercise price of \$0.08 per share for a period of 24 months from the date of issue. The net proceeds of the private placement were used for working capital purposes.

On December 17, 2020, the Company completed a non-brokered private placement of 30,170,000 flow-through units and 8,338,000 common share units both at a price of \$0.05 per unit for aggregate gross proceeds of \$1,925,400. Each flow-through unit consists of one flow-through Common Share and one warrant. Each common share unit consists of one Common Share and one warrant. Each warrant entitles its holder to purchase one common share in the capital of the Company at an exercise price of \$0.08 per share for a period of 24 months from the date of issuance. The net proceeds of this private placement were used to advance the Company's exploration program in its Hook Lake Property and for working capital purposes.

On March 22, 2021, the Company engaged Red Cloud Financial Services Inc. to provide investor relations services and Red Cloud Securities Inc. to provide capital market advisory services.

On April 7, 2021, the Company completed a brokered private placement of 20,404,095 flow-through units at a price of \$0.105 per unit and 31,750,778 common share units at a price of \$0.09 per unit for aggregate gross proceeds of \$5,000,000 (the "**2021 Brokered Financing**"). Each flow-through unit consists of one flow-through Common Share and one warrant. Each common share unit consists of one Common Share and 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 2021 Brokered Financing was led by Red Cloud Securities Inc. (the "**Agent**") as the lead agent and the sole bookrunner pursuant to the terms and conditions of an agency agreement dated April 7, 2021 between the Agent and the Company (the "**Agency Agreement**"). The warrants issued pursuant to the 2021 Brokered Financing are governed by a warrant indenture dated April 7, 2022 between the Company and TSX Trust Company (formerly known as AST Trust Canada (Canada) (the "**Warrant Indenture**"). The net proceeds of the 2021 Brokered Financing were used to advance the Company's exploration programs of its properties in the Athabasca Basin in Saskatchewan and for working capital purposes.

At the annual general and special meeting of shareholders of the Company held on June 24, 2021 (the "**Meeting**"), shareholders of the Company approved, among other things, the amendment and continuation of the Company's Shareholder Rights Plan, the repeal of By-Law No. 1 and the adoption of the new By-Law No. 2 (including the advance notice bylaw) as the general by-law of the Company, and the authorization of the Board of the Company, in its sole discretion if deemed in the best interest of the Company, within two (2) years from the date of the Meeting, to implement a consolidation of all of the issued and outstanding Common Shares of the Company on the basis of a consolidation ratio to be selected by the Board within a range between two (2) pre-consolidation Common Shares for one (1) post-consolidation Common Share and ten (10) pre-consolidation Common Shares for one (1) post-consolidation Common Share.

On September 1, 2021, the Company announced that it received trading approval from OTC Markets and its Common Shares started trading on the OTCQB Venture Market under the ticker symbol "PTUUF".

On December 31, 2021, the Company completed a non-brokered private placement of 10,107,643 flow-through units at a price of \$0.14 per unit for aggregate gross proceeds of \$1,415,070. Each flow-through unit consists of one flow-through Common Share and one-half of one warrant. Each whole 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. The net proceeds of this private placement will be used to advance the Company's exploration programs of its properties in the Athabasca Basin in Saskatchewan.

DESCRIPTION OF THE BUSINESS

General Overview

The Company is a mineral resource company engaged in the acquisition, exploration, development, and operation of mineral properties. The Company's uranium exploration properties are located in the Athabasca Basin in northern Saskatchewan, Canada which is host to some of the world's largest and richest known uranium deposits. The Company owns interests in a total of 12 properties covering approximately 192,000 hectares located at Hook Lake, Red Willow, Smart Lake, Turnor Lake, Umfreville Lake, McArthur East, Henday Lake, Russell South and the Tabernor Block (Millkey, Midbear, Jebraven, Collineagle) (collectively, the "**Properties**").

Of the 12 properties, the Company owns 100% interest in the following 10 properties: Red Willow, Turnor Lake, Umfreville Lake, McArthur East, Henday Lake, Russell South and the 4 Tabernor Block properties. The Company owns 21% of the Hook Lake Property, a joint venture with Cameco Corporation ("**Cameco**") and Orano Canada Inc. ("**Orano**"), and 27% of the Smart Lake Property, a joint venture with Cameco.

The Hook Lake Property is the principal property of the Company situated in the southwestern portion of the Athabasca Basin in northern Saskatchewan, Canada and includes nine claims having a total area of 28,683 hectares. The property is located approximately 75 kilometres south-southeast of Orano's Cluff Lake mining operations and approximately 230 kilometres west of Cameco's McArthur River mine. The mineral claims are held in the name of Cameco (39.5%), AREVA (39.5%) and Purepoint (21%) with Purepoint being the project operator since 2007.

Further information regarding Purepoint's Properties can be found under the heading "*Material Property*" and "*Other Properties*" below.

The Uranium Industry

Ten years after the March 2011 Fukushima Daichii nuclear incident occurred, the uranium market, amongst others, became the focus of unexpected supply disruptions resulting from the COVID-19 pandemic. In the case of the uranium market, demand remained relatively steady as the world responded to the pandemic and nuclear power plants continued to operate largely without disruption, while the supply side of the market experienced significant disruptions from the world's largest and most influential uranium producers. This marked the beginning of a meaningful price recovery through the first part of 2020. The unexpected supply reaction catalyzed by the pandemic was layered on top of a uranium supply/demand picture that had already begun to change over the past couple of years, with demand outstripping supply from primary production and the shortfall being made up by inventories and other secondary supplies. As this dynamic has played out, sentiment regarding a recovery in the uranium price has improved, particularly with the high-profile shutdown and curtailment of many supply sources across the industry, including the world's largest and highest-grade uranium mine, Cameco's McArthur River Mine in northern Saskatchewan, Canada, which was placed into care and maintenance indefinitely in July 2018.

COVID-19's short term effect on uranium supply has been dramatic, with additional production cuts announced by several of the world's largest uranium producers. In March 2020, Cameco and Orano announced the closure of the lone remaining uranium production centre in Canada – the Cigar Lake Mine and the McClean Lake Mill. In April 2020, the world's largest producer of uranium, National Atomic Company Kazatomprom ("**Kazatomprom**"), announced that it would reduce operational activities across all of its uranium mines for an expected period of three months. Kazatomprom indicated that production was expected to decrease by up

to 4,000 tU (10.4 million pounds U₃O₈) over this period. Together, these supply shocks resulted in the uranium price quickly rising almost 40%, from a low of US\$24.10 in mid-March 2020, to a high of US\$34.00 in May 2020.

In July 2020, Cameco announced that it would reopen its Cigar Lake mine in September. This news surprised many market participants and the uranium price slowly fell from above US\$32.20 at the time of the announcement, to US\$30.65 by the end of August. The spot price remained relatively stable for the remainder of the year, with the market registering the highest ever spot market volumes for a single year. By the end of December, the spot volume transacted reached 92.3 million pounds U₃O₈, breaking the previous annual spot volume record from 2018 of 88.7 million pounds U₃O₈.

In August 2020, Kazatomprom announced that it had decided to maintain its 20% reduction in production below the planned levels in its subsoil use contracts through 2022. Kazatomprom also confirmed that it had purchased uranium in the spot market and could continue to do so through the rest of the year. These announcements seemed to help stabilize general market sentiment following the unexpected restart of Cigar Lake.

Based on these events, and other significant COVID-19 related production disruptions, it is clear that large volumes of inventories and other secondary supplies were depleted faster than expected in 2020 – essentially accelerating the supply-demand rebalancing that was put into motion with the shutdown of the McArthur River mine in 2018. This, coupled with the fact that nuclear power plants around the globe have remained online and using uranium, largely without disruption, through this difficult period, is expected to help move the market towards a long-term sustainable price increase sooner than it otherwise would have, absent COVID-19.

The uranium price demonstrated stability through the end of 2020, holding between US\$29.00 and US\$30.00. In December 2020, Cameco announced another temporary suspension of production at Cigar Lake as a result of rising COVID-19 cases in Saskatchewan's far north. While the uranium price increased following this decision, the lack of buying activity as the market slowed for the holiday season seemingly flattened the impact of the announcement. Production at Cigar Lake recommenced in July of 2021 marking the end of the third time in 16 months the mine had been temporarily shut.

Several trade issues in the United States have impacted the nuclear fuel market over the past few years, and the resolution of those matters in 2020 has brought growing market stability. In 2018, a petition was filed with the US Department of Commerce (“DOC”) to investigate the import of uranium into the US under Section 232 of the 1962 Trade Expansion Act. In July 2019, the US President ultimately concluded that uranium imports do not threaten national security and no trade actions were implemented. In conjunction with this, a further review was ordered of the nuclear supply chain in the US, and the Nuclear Fuels Working Group (“NFWG”) was established. The NFWG reported its findings in April 2020, which, among other recommendations, included a plan to budget US\$150 million per year, in each of the next 10 years, for uranium and conversion purchases from US producers to stock the nation's strategic reserve. In December 2020, review and discussion around this matter ended when the US Congress passed a Bill that included initial funding of US\$75 million to begin building a US uranium reserve. The Bill passed the US House and Senate with bipartisan support, and was signed into law in late December, 2020.

The review of the Agreement Suspending the Antidumping Investigation on Uranium from the Russian Federation (also known as the Russian Suspension Agreement, or “RSA”) also created uncertainty in the uranium market during 2020, as the RSA was due to expire at the end of the year. A draft amendment, however, was announced in September 2020 and finalized in October 2020. The new arrangement extends the agreement until 2040 and aims to reduce US reliance on Russian uranium products over the next 20 years. The deal negotiated between the US DOC and Russian government reduces Russian exports of the enrichment component from the current level of approximately 20% of US enrichment demand to an average of 17% over the 20-year period, and limits Russian uranium concentrates and conversion components contained in the

enriched uranium product to an average equivalent of approximately 7% of US enrichment demand. The agreement's conclusion brought significant clarity and stability to many nuclear fuel market participants.

In April 2021 Uranium Participation Corp. entered into an arrangement agreement with Sprott Asset Management LP, a wholly owned subsidiary of Sprott Inc., pursuant to which shareholders would become unitholders of the Sprott Physical Uranium Trust ("SPUT"), a newly formed entity to be managed by Sprott Asset Management. The Trust's objective is to invest and hold substantially all of its assets in uranium in the form of U₃O₈. In doing so, it would provide a secure, convenient and exchange-traded investment alternative for investors interested in holding uranium.

Shortly after the completion of the transaction in July of 2021, SPUT began a consistent and ongoing program of purchasing physical uranium on the open market. The effect on uranium prices was immediate. By the end of September 2021 the price of uranium had jumped to over US\$40.00. Since then, uranium has remained in the low \$40.00 range.

Overall, uranium demand has grown in recent years as new reactors have been started around the world and demand now exceeds the annual levels that existed prior to Japan shutting down all its nuclear units following the 2011 Fukushima Daichii nuclear incident. According to UxC LLC ("UxC"), as of December 2020, there were 437 nuclear reactors operating in 31 countries and generating nearly 389 GWe – together supplying over 10% of the world's electrical requirements. In addition, there are 58 nuclear reactors being constructed in 18 countries, with a number of countries acting as principal drivers of this expansion, including China, India, South Korea, Russia, and the United Arab Emirates ("UAE"). By 2035, UxC forecasts in its Q1 2021 Uranium Market Outlook ("**Q1 2021 Outlook**"), under its base case, that operating reactors will increase to 468, generating around 456 GWe. Through this period, annual uranium demand is expected to grow from a projected 175 million pounds U₃O₈ in 2021 to around 213 million pounds U₃O₈ by 2035. Importantly, uncovered utility uranium requirements in this period, not including typical inventory building, are over 1.35 billion pounds U₃O₈.

Competitive Conditions

The uranium industry is small compared to other commodity or energy industries. Uranium demand is international in scope, but supply is characterized by a relatively small number of companies operating in only a few countries. Primary uranium production is concentrated amongst a limited number of producers and is also geographically concentrated with more than 75% of the world's production in 2022 projected to be coming from only four countries: Kazakhstan, Canada, Australia and Namibia.

Competition is somewhat different amongst exploration & development companies focused on the discovery or development of a uranium deposit. Exploration for uranium is being carried out on various continents, but in recent years development activities by public companies have been generally concentrated in Canada, Africa and Australia. In Canada, exploration has focused on the Athabasca Basin region in northern Saskatchewan. Explorers have been drawn to this area by the high-grade uranium deposits that have produced some of the most successful uranium mining operations in recent history. Within the Athabasca Basin region, exploration is generally divided between activity that is occurring in the eastern portion of the Basin and the western portion of the Basin. The eastern portion of the Basin is a district that is defined by rich infrastructure associated with existing uranium mines and uranium processing facilities. Infrastructure includes access to the provincial power grid and a network of provincial all-weather highways. By comparison, in the western portion of the Basin, there are no uranium mines or processing facilities and access to the provincial power grid is not currently available. Several uranium discoveries have been made in the Athabasca Basin region in recent years, and competition for capital can be intense. The Company competes with many companies possessing greater financial and technical facilities than itself in the search for and acquisition of attractive mineral properties and the development of such properties.

Specialized Skill and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, engineering, operations, environmental, drilling, logistical planning and implementation of exploration and development programs, treasury accounting, and legal. The Company has been able to locate and retain appropriate employees and consultants and believes it will continue to be able to do so although competition in the resource mining industry has made it more difficult to locate competent employees.

Employees

As at December 31, 2021, the Company had 5 full-time employees and 4 consultants. Further information regarding risks associated with reliance on key employees can be found under the heading “*Risk Factors*” below.

Environmental Protection

The Company is subject to federal, provincial, and local environmental legislation at its Properties. The Company recognizes that it must conduct its business in such a manner as to protect and conserve the environment. Management is not aware of any pending environmental legislation which would be likely to have a material impact on any of its operations. The Company believes that it is compliant in all material respects with all applicable environmental laws.

The Company is active only in Saskatchewan, which has established environmental standards and regulations that it will strive to exceed. The Company recognizes environmental management as a corporate priority and places a strong emphasis on conserving the environment for future generations, while also providing for safe, responsible and profitable operations by developing natural resources for the benefit of its employees, shareholders and communities. Further information regarding risks associated with environmental protection can be found under the heading “*Risk Factors*” below.

RISK FACTORS

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this AIF, which are in addition to the usual risks associated with an investment in a mineral exploration and development company. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which the directors are currently unaware or which they consider to not be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline, and investors may lose all or part of their investment. An investment in the Company may not be suitable for all investors.

Early-Stage Status and Nature of Exploration

The Company is a junior resource company focused primarily on the acquisition, exploration, and development of uranium properties located in Saskatchewan. The term “reserve(s)” cannot be used to describe any of the Properties due to the early stage of exploration at this time. Any reference to potential quantities and/or grade is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Quantities and/or grade

described in this AIF should not be interpreted as assurances of a potential resource or reserve, or of potential future mine life or of the profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore, and in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining.

The exploration and development of mineral deposits involves a high degree of financial risk over a significant period that even a combination of management's careful evaluation, experience and knowledge may not eliminate. While discovery of ore-bearing zones may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors. Substantial expenditures are required to establish mineral reserves that are sufficient to support commercial mining operations and to construct, complete and install mining and processing facilities on those properties that are actually developed.

No assurance can be given that any level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a mineral resource, or that any such mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited.

Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Estimates of mineral resources and any potential determination as to whether a mineral deposit will be commercially viable can also be affected by such factors as: the particular attributes of the deposit, such as its size and grade; unusual or unexpected geological formations and metallurgy; proximity to infrastructure; financing costs; uranium prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of uranium, exchange controls and environmental protection. The effects of these factors cannot be accurately predicted, but the combination of any or all of these factors may result in the Company not receiving an adequate return on its invested capital or suffering adverse material effects to its business and financial condition. Exploration and development projects also face significant operational risks including but not limited to an inability to obtain access rights to properties, accidents, equipment breakdowns, labour disputes (including work stoppages and strikes), and other unanticipated interruptions.

Capital Intensive Industry and Uncertainty of Funding

The exploration and development of the Company's uranium properties require a substantial amount of capital and the ability of the Company to proceed with any of its plans with respect thereto depends on its ability to obtain financing through joint ventures, equity financing, debt financing or other means. The Company intends to use the proceeds from its financings as described for each such financing. However, the Company's ability to achieve its plans and objectives could change as a result of a number of internal and external factors, such as continued or new impacts of COVID-19 on society and the Company's operations, unfavourable changes in the spot market for physical uranium, and/or the impact that results from continued exploration and evaluation activities may have on the Company's future evaluation and development plans and anticipated costs and timelines. Because of the number and variability of factors that will determine the use of such proceeds, the Company's ultimate use might vary substantially from its planned use. There is no assurance that

the proceeds from such prior offerings will be sufficient to meet the stated objectives or are not redirected to other business objectives at the discretion of the Company's management and the Board.

To fund additional activities, including future exploration, evaluation, development and construction activities, the Company will require additional financing. General market conditions, volatile uranium markets, a claim against the Company, a significant disruption to the Company's business or operations or other factors may make it difficult to secure financing necessary to fund the substantial capital that is typically required in order to continue to advance a mineral project. Similarly, there is no certainty that the Company's will be able to fund additional exploration or development of the Company's projects or acquisition of new projects at any particular time.

There is no assurance that the Company will be successful in obtaining required financing as and when needed on acceptable terms, and failure to obtain such additional financing could result in the delay or indefinite postponement of any or all of the Company's exploration, development or other growth initiatives or otherwise have a material adverse impact on the Company's financial condition and/or ability to continue as a going concern.

Reliance on Material Property

At the time of this AIF, the only material property of the Company is the Hook Lake Property located in Saskatchewan. As a result, unless the Company acquires or develops additional material property interests, any adverse developments affecting the Hook Lake Property could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, financial performance and results of operations of the Company. While the Company may seek to acquire or develop additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Global Financial Conditions

Global financial conditions are subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as general financial market turbulence, including the significant market reaction to the onset of the COVID-19 pandemic in 2020 and 2021, resulting in continuing market uncertainty and volatility. Access to public financing and credit can be negatively impacted by the effect of these events on Canadian and global credit markets. The health of the global financing and credit markets may impact the ability of the Company to obtain equity or debt financing in the future and the terms at which financing or credit is available to the Company. These instances of volatility and market turmoil could adversely impact the Company's operations and the trading price of the Common Shares.

Reliance on Key Personnel

The Company's development depends on the efforts of a few key management and other personnel who have been with the Company since its formation. Loss of any of these people, particularly to competitors, could have an adverse material effect on the Company's business. Further, with respect to future development of the Company's projects, it may become necessary to attract both more personnel for such development. The marketplace for key skilled personnel is becoming more competitive, which means the cost of hiring, training, and retaining such personnel may increase. Factors outside the Company's control, including competition for human capital and the high level of technical expertise and experience required to execute this development, will affect the Company's ability to employ the specific personnel required. Due to the relatively small size of the Company, the failure to retain or attract a sufficient number of key skilled personnel could have a material

adverse effect on the Company's business, results of future operations and financial condition. The Company does not intend to take out "key person" insurance in respect of any directors, officers, or other employees.

COVID-19

The Company's business, operations and financial condition could be adversely and materially affected by the outbreak of pandemics or other health crises, such as the outbreak of COVID-19, which was designated as a pandemic by the World Health Organization on March 11, 2020. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility, and a general reduction in consumer activity. Such public health crises can result in operating, supply chain, and project development delays and disruptions, global stock market and financial market volatility, declining trade and market sentiment, reduced movement of people and labour shortages, and travel and shipping disruption and shutdowns, including as a result of government regulation and prevention measures, or a fear of any of the foregoing, all of which could affect commodity prices, interest rates, credit risk and inflation. In addition, the current COVID-19 pandemic, and any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions which may adversely impact the Company's operations, and the operations of suppliers, contractors, and service providers.

The Company may experience business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events outside of its control, which could have a material adverse impact on its business, operations and operating results, financial condition, and liquidity.

As at the date hereof, the duration of the business disruptions internationally and related financial impact of COVID-19 cannot be reasonably estimated. It is unknown whether and how the Company may be affected if the pandemic persists for an extended period. The Company's exposure to such public health crises also includes risks to employee health and safety. Should an employee, contractor, community member or visitor become infected with a serious illness that has the potential to spread rapidly, this could place the Company's workforce at risk.

Exploration, Development and Operating Risks

Exploration and development operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of uranium properties, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. The financing, exploration, development, and mining of any of the Company's properties is furthermore subject to a number of macroeconomic, legal and social factors, including commodity prices, laws and regulations, political conditions, currency fluctuations, the ability to hire and retain qualified people, the inability to obtain suitable adequate machinery, equipment or labour and obtaining necessary services in jurisdictions in which the Company operates. Unfavourable changes to these and other factors have the potential to negatively affect the Company's operations and business.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral-bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines.

Risks Associated with the Properties

The Properties are a high risk, speculative venture. There is no certainty that the expenditures to be made by the Company towards the search for and evaluation of mineral resources with regard to the Properties or otherwise will result in discoveries of commercial quantities of uranium.

Dependence on Obtaining Licenses, and other Regulatory and Policy Risks

Uranium exploration, development and production activities, as well as the transportation and handling of the products produced, are subject to extensive regulation by federal and provincial governments, including the Saskatchewan Government and the Canadian Nuclear Safety Commission. Such regulations relate to production, development, exploration, exports, imports, taxes and royalties, labour standards, occupational health, waste disposal, protection and remediation of the environment, mine decommissioning and reclamation, mine safety, toxic substances, transportation safety and emergency response, and other matters. Compliance with such laws and regulations is currently, and has historically, increased the costs of exploration and development. It is possible that the costs, delays and other effects associated with such laws and regulations may impact the Company's decision with respect to exploration and development properties, including whether to proceed with exploration or development.

The ability of the Company to obtain and maintain permits and approvals and to successfully explore and evaluate properties may be adversely affected by real or perceived impacts associated with its activities that affect the environment and human health and safety at its projects and in the surrounding communities. The real or perceived impacts of the activities of other mining companies, locally or globally, may also adversely affect our ability to obtain and maintain permits and approvals. The Company is uncertain as to whether all necessary permits will be obtained or renewed on acceptable terms or in a timely manner. Any significant delays in obtaining or renewing such permits or licences in the future could have a material adverse effect on the Company.

Failure to comply with applicable laws, regulations and permitting requirements, even inadvertently, may result in enforcement actions. These actions may result in orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions, which may have a material adverse effect on the Company. Companies engaged in uranium exploration, evaluation, mining or milling activities may be required to compensate others who suffer loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Environmental, Health and Safety Risks

The Company has expended significant financial and managerial resources to comply with environmental protection laws, regulations and permitting requirements in each jurisdiction where it operates, and anticipates that it will be required to continue to do so in the future as the historical trend toward stricter environmental regulation may continue. The uranium industry is subject to the worker health, safety and environmental risks associated with all mineral exploration and development businesses, including potential liabilities to third parties for environmental damage, and to additional risks uniquely associated with uranium, exploration, development, mining and processing. The possibility of more stringent regulations exists in the areas of worker health and safety, the disposition of wastes and other environmental matters each of which could have a material adverse effect on the costs or the viability of a particular project.

The Company operates under various operating and environmental permits, licences and approvals that contain conditions that must be met, and Company's right to pursue its exploration and development plans is dependent upon receipt of, and compliance with, additional permits, licences and approvals. Failure to obtain such

permits, licenses and approvals and/or meet any conditions set forth therein could have a material adverse effect on Purepoint's financial condition or results of operations.

Although the Company believes its operations are in compliance, in all material respects, with all relevant permits, licences and regulations involving worker health and safety as well as the environment, there can be no assurance regarding continued compliance or ability of the Company to meet stricter environmental regulation, which may also require the expenditure of significant additional financial and managerial resources.

Volatility and Sensitivity to Uranium Prices

The Company's operations and ability to source additional financings required for its uranium exploration and development projects are heavily influenced by long and short term market prices of U_3O_8 . Historically, these prices have seen significant fluctuations, and have been and will continue to be affected by numerous factors beyond the Company's control. Such factors include, among others: demand for nuclear power, political, economic and social conditions in uranium producing and consuming countries, public and political response to nuclear incidents, reprocessing of used reactor fuel and the re-enrichment of depleted uranium tails, sales of excess civilian and military inventories (including from the dismantling of nuclear weapons) by governments and industry participants, uranium supplies from other secondary sources, and production levels and costs of production from primary uranium suppliers.

Market Price of Common Shares

Securities of micro-cap and small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The market price of the Company's Common Shares may experience wide fluctuations which may not necessarily be related to the financial condition, operating performance, underlying asset values or prospects of the Company. These factors include macroeconomic developments in North America and globally, market perceptions of the attractiveness of particular industries – including mining and nuclear energy – and volatile trading due to unpredictable general market or trading sentiments. The market price of the Company's securities may be affected by many other variables which are not directly related to the Company's success and are, therefore, not within the Company's control, including other developments that affect the market for all resource sector securities, the breadth of the public market for the shares and the attractiveness of alternative investments.

The market price of the Company's Common Shares are also likely to increase or decrease in response to a number of events and factors, including: our operating performance and the performance of competitors and other similar companies; volatility in uranium prices; the arrival or departure of key personnel; the number of shares to be publicly traded after an offering pursuant to any prospectus supplement; the public's reaction to the Company's press releases, material change reports, other public announcements and our filings with the various securities regulatory authorities; public sentiment regarding nuclear energy or uranium mining; changes in general economic and/or political conditions; acquisitions, strategic alliances or joint ventures involving us or our competitors; and the other risk factors listed herein.

Global Demand and International Trade Restrictions

The international nuclear fuel industry, including the supply of uranium concentrates, is relatively small compared to other minerals, and is generally highly competitive and heavily regulated. Worldwide demand for uranium is directly tied to the demand for electricity produced by the nuclear power industry, which is also subject to extensive government regulation and policies. In addition, the international marketing of uranium is subject to governmental policies and certain trade restrictions. For example, the supply and marketing of uranium from Russia is limited by international trade agreements.

The uncertainty surrounding these trade matters are believed to have impacted the uranium purchasing activities of nuclear utilities, especially in the U.S., and consequently negatively impacted the market price of uranium and the uranium industry as a whole. In general, trade agreements, governmental policies and/or trade restrictions are beyond the control of the Company and may affect the supply of uranium available for use in markets like the United States and Europe, which are currently the largest markets for uranium in the world.

Similarly, trade restrictions or foreign policy have the potential to impact the ability to supply uranium to developing markets, such as China and India. If substantial changes are made to regulations affecting the global marketing and supply of uranium, the Company's business, financial condition and results of operations may be materially adversely affected.

Public Acceptance of Nuclear Energy and Competition from Other Energy Sources

Growth of the uranium and nuclear power industry will depend upon continued and increased acceptance of nuclear technology as a clean means of generating electricity. Because of unique political, technological and environmental factors that affect the nuclear industry, including the risk of a nuclear incident, the industry is subject to public opinion risks that could have an adverse impact on the demand for nuclear power and increase the regulation of the nuclear power industry. Nuclear energy competes with other sources of energy, including oil, natural gas, coal and hydro-electricity. These other energy sources are, to some extent, interchangeable with nuclear energy, particularly over the longer term. Technical advancements in, and government subsidies for, renewable and other alternate forms of energy, such as wind and solar power, could make these forms of energy more commercially viable and put additional pressure on the demand for uranium concentrates. Sustained lower prices of alternate forms of energy may result in lower demand for uranium concentrates.

Property Title Risk

The Company has investigated its rights to explore and exploit all of its material properties and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that such rights will not be revoked, or significantly altered, to its detriment. There can also be no assurance that the Company's rights will not be challenged or impugned by third parties, including the Canadian federal, provincial and local governments, as well as by First Nations and Métis.

There is also a risk that the Company's title to, or interest in, its properties may be subject to defects or challenges. If such defects or challenges cover a material portion of the Company's property, in particular, with respect to the Company's material property, they could have a material adverse effect on the Company's results of operations, financial condition, and/or long-term business prospects.

The ownership and validity or title of unpatented mining claims and concessions are often uncertain and may be contested. The Company also may not have, or may not be able to obtain, all necessary surface rights to develop a property. The Company has taken reasonable measures, in accordance with industry standards for properties at the same stage of exploration as that of the Company, to ensure proper title to the Properties. However, there is no guarantee that title to any of its properties will not be challenged or impugned. The Properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate the properties as permitted or to enforce its rights with respect to its properties. The failure to comply with all applicable laws and regulations may invalidate title to portions of the Properties. The Company may incur significant costs related to defending the title to its properties. A successful claim contesting title to a property may cause the Company to compensate other persons or perhaps reduce its interest in the affected property or lose its rights to explore and, if warranted, develop that property. This could result in the Company not being compensated for its prior expenditures relating to the property. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and, if warranted, development programs.

Natural Resource Properties are Largely Contractual in Nature

Parties to contracts may not always honour contractual terms and contracts themselves may be subject to interpretation or technical defects. Accordingly, there may be instances where the Company would be forced to take legal action to enforce and protect its contractual rights. Such litigation may be time consuming and costly and there is no guarantee of success. Any pending proceedings or actions or any decisions determined to adversely affect the Company, may have a material and adverse effect on the Company's results of operations, financial condition and the trading price of the Common Shares.

The Company is a party to joint venture agreements in respect of its Hook Lake Property and Smart Lake Property and may in the future enter into other option agreements and/or joint ventures as a means of acquiring property interests. Any failure of any partner to meet its obligations to the Company or other third parties, or any disputes with respect to third parties' respective rights and obligations, could have a material adverse effect on the Company's rights under such agreements. Furthermore, the Company may be unable to exert direct influence over strategic decisions made in respect of properties that are subject to the terms of these agreements, and the result may have a materially adverse impact on the strategic value of the underlying mineral claims.

No Operating Revenues and History of Losses

The Company has no operating revenues and history of losses, and no operating revenues are anticipated until one of the Company's projects comes into production, which may or may not occur. The Company will continue to experience losses unless and until it can successfully develop and begin profitable commercial production at one of its mining properties. There can be no assurance that the Company will be able to do so.

No Recent History of Mineral Production

There is no recent history of mineral production on the Properties. There is no assurance that commercial quantities of minerals will be discovered at any future properties, nor is there any assurance that any future exploration programs of the Company on the Properties or any other properties will yield positive results. Even where commercial properties of minerals are discovered, there can be no assurance that any property of the Company will ever be brought to a stage where mineral reserves can be profitably produced thereon. Factors which may limit the ability of the Company to produce mineral resources from its Properties include, but are not limited to, the price of mineral resources that are explored for, availability of additional capital and financing, and the nature of any mineral deposits.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment, natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Company's Properties or the properties of others, delays in the ability to undertake exploration, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or

other hazards which it may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Health, Safety and Community Relations

The Company's operations are subject to various health and safety laws and regulations that impose various duties on the Company's operations relating to, among other things, worker safety and obligations in respect of surrounding communities. These laws and regulations also grant the relevant authorities broad powers to, among other things, close unsafe operations and order corrective action relating to health and safety matters. The costs associated with the compliance with such health and safety laws and regulations may be substantial and any amendments to such laws and regulations, or more stringent implementation thereof, could cause additional expenditure or impose restrictions on, or suspensions of, the Company's operations. The Company expects to make significant expenditure to comply with the extensive laws and regulations governing the protection of the environment, waste disposal, worker safety, mine development and protection of endangered and other special status species, and, to the extent reasonably practicable, to create social and economic benefit in the surrounding communities near the Company's Properties.

Government Regulation

The Company's exploration operations are subject to government legislation, policies and controls relating to prospecting, development, production, environmental protection, mining taxes and labour standards. In order for the Company to carry out its activities, its various licences and permits must be obtained and kept current. There is no guarantee that the Company's licences and permits will be granted, or that once granted will be extended. In addition, the terms and conditions of such licences or permits could be changed and there can be no assurances that any application to renew any existing licences will be approved. There can be no assurance that all permits that the Company requires will be obtainable on reasonable terms, or at all. Delays or a failure to obtain such permits, or a failure to comply with the terms of any such permits that the Company has obtained, could have a material adverse impact on the Company. The Company may be required to contribute to the cost of providing the required infrastructure to facilitate the development of its properties. The Company will also have to obtain and comply with permits and licences that may contain specific conditions concerning operating procedures, water use, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to comply with any such conditions. Future taxation of mining operators cannot be predicted with certainty so planning must be undertaken using present conditions and best estimates of any potential future changes.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities that could cause operations to cease or be curtailed. Other enforcement actions may include corrective measures requiring capital expenditures, the installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such mining activities and may have civil or criminal fines or penalties imposed upon them for violations of applicable laws or regulations.

Audit of Tax Filings

The Company's taxes may be affected by a number of factors, some of which are outside of its control, including the application and interpretation of the relevant tax laws and treaties. If the Company's filing position, application of tax incentives or similar 'holidays' or benefits were to be challenged for whatever reason, this could have a material adverse effect on the Company's business, results of operations and financial condition. The Company may be subject to routine tax audits by various tax authorities. Tax audits may result in additional tax, interest payments and penalties which would negatively affect the Company's financial

condition and operating results. New laws and regulations or changes in tax rules and regulations or the interpretation of tax laws by the courts or the tax authorities may also have a substantial negative impact on the Company's business. There is no assurance that the Company's current financial condition will not be materially adversely affected in the future due to such changes.

Influence of Third-Party Stakeholders

Some of the lands in which the Company holds an interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. In the event that such third parties assert any claims, the Company work programs may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

The Company may need to enter into negotiations with landowners and other groups in local communities in Saskatchewan in order to conduct further exploration and development work on its properties. There is no assurance that future discussions and negotiations will result in agreements with landowners and other local community groups in Saskatchewan or if such agreements will be on terms acceptable to the Company so that the Company may continue to conduct exploration and development activities on these properties.

Dividend Policy

No dividends on the Common Shares have been paid by the Company to date. Investors in the Company's securities cannot expect to receive a dividend on their investment in the foreseeable future, if at all. Accordingly, it is unlikely that investors will receive any return on their investment in the Company's securities other than through possible share price appreciation.

Acquisitions and Integration

From time to time, it can be expected that the Company will examine opportunities to acquire additional exploration and/or mining assets and businesses. Any acquisition that the Company may choose to complete may be of a significant size, may change the scale of the Company's business and operations, and may expose the Company to new geographic, political, operating, financial and geological risks. The Company's success in its acquisition activities depends upon its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of the Company. Any acquisitions would be accompanied by risks. In the event that the Company chooses to raise debt capital to finance any such acquisitions, the Company's leverage will be increased. If the Company chooses to use equity as consideration for such acquisitions, existing shareholders may suffer dilution. Alternatively, the Company may choose to finance any such acquisitions with its existing resources. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Dilution

While the Company believes that it is well-financed to carry out its exploration and development plans in the near term, financing the development of a mining operation through to production, should feasibility studies show it is recommended, would be expensive and the Company would require additional monies to fund development and exploration programs and potential acquisitions. The Company cannot predict the size of future issuances of Common Shares or the issuance of debt instruments or other securities convertible into Common Shares. Likewise, the Company cannot predict the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. If the Company raises additional funds by issuing additional equity securities, such financing may substantially dilute the interests of existing

shareholders. Sales of substantial numbers of Common Shares, or the availability of such Common Shares for sale, could adversely affect prevailing market prices for the Company's securities.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operations and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, plans, operations, and prospects.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain, and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the cost of development of the Company's properties and adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and our suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations. Given the emotion, political significance, and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness, and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in natural resources industry could harm the reputation of the Company.

Relationship with First Nations and Métis

First Nations and Métis rights, entitlements and title claims may impact Purepoint's ability and that of its joint venture partners to pursue exploration, development and mining at its Saskatchewan properties. Pursuant to historical treaties, First Nations in northern Saskatchewan ceded title to most traditional lands but continue to assert title to the minerals within the lands. Métis people have not signed treaties; they assert Aboriginal rights throughout Saskatchewan, including Aboriginal title over most if not all of the Company's project lands.

Managing relations with the local First Nations and Métis communities and governments is a matter of paramount importance to Purepoint. Engagement with, and consideration of the rights of, potentially affected Indigenous peoples may require accommodations, including undertakings regarding funding, contracting, environmental practices, employment and other matters and can be time consuming and challenging. This may affect the timetable and costs of exploration, evaluation and development of the Company's projects.

The Company's relationships with various interested parties are critical to ensure the future success of its existing operations and the construction and development of its projects. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on parties impacted by

such activities. Adverse publicity relating to the mining industry generated by non-governmental organizations and others could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with interested parties. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this regard will be successful or mitigate this potential risk.

The inability of the Company to maintain positive relationships with interested parties, including local First Nations and Métis, may result in additional obstacles to permitting, increased legal challenges, or other disruptions to the Company's exploration, development and production plans, and could have a significant adverse impact on the Company's share price and financial condition.

Risk of Litigation

The Company may become involved in disputes with other parties in the future which may result in litigation. The results of litigation cannot be predicted with certainty. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the ability of the Company to carry out its business plan.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date the Company has not experienced any losses relating to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

MATERIAL PROPERTY

The Company's material property is the Hook Lake Property located in Saskatchewan and is more particularly described below.

The Company owns 21% of the Hook Lake Property pursuant to the Hook Lake Joint Venture Agreement dated October 31, 2012 (the "**Hook Lake Joint Venture Agreement**") among the Company, Cameco Corporation ("**Cameco**") and Orano Canada Inc. (formerly known as AREVA Resources Canada Inc.) ("**Orano**"). Pursuant to the Hook Lake Joint Venture Agreement, the Company was appointed as operator of the Hook Lake Property and the parties have maintained their initial participating interest of 39.5% (Cameco), 39.5% (Orano) and 21% (Purepoint) through continuous contribution of their proportionate shares of costs for all exploration work conducted on the Hook Lake Property over the last 15 years. Pursuant to the Hook Lake Joint Venture Agreement, the Company, as operator of the Hook Lake Property, is entitled to administration charges in the amount of 10% of all joint venture expenses incurred while conducting all programs prior to the commissioning of a feasibility study.

Unless stated otherwise, the information in this section has been summarized or derived from the Hook Lake Technical Report, is effective as of the date of the Hook Lake Technical Report and was reviewed by, and included with the consent of, Scott Frostad, B.Sc., M.A.Sc., P.Geo., the author of the Hook Lake Technical Report. Portions of the following information are based on assumptions, qualifications and procedures, which

are not fully described herein. Reference should be made to the full text of the Hook Lake Technical Report, which is available for review under the Company's profile on SEDAR at www.sedar.com.

Property Description, Location and Access

The Hook Lake Property is situated in the southwestern quadrant of the Athabasca Basin and is located approximately 75 kilometres south-southeast of Orano Canada Inc.'s former Cluff Lake mine (Figure 1). It is located within the NTS map area 74-F-10, 11, 14 and 15, with its centre at about 109° 10' west longitude and 57° 43' north latitude (Figure 2). The property consists of nine mineral claims totaling 28,683 hectares (Table 1).

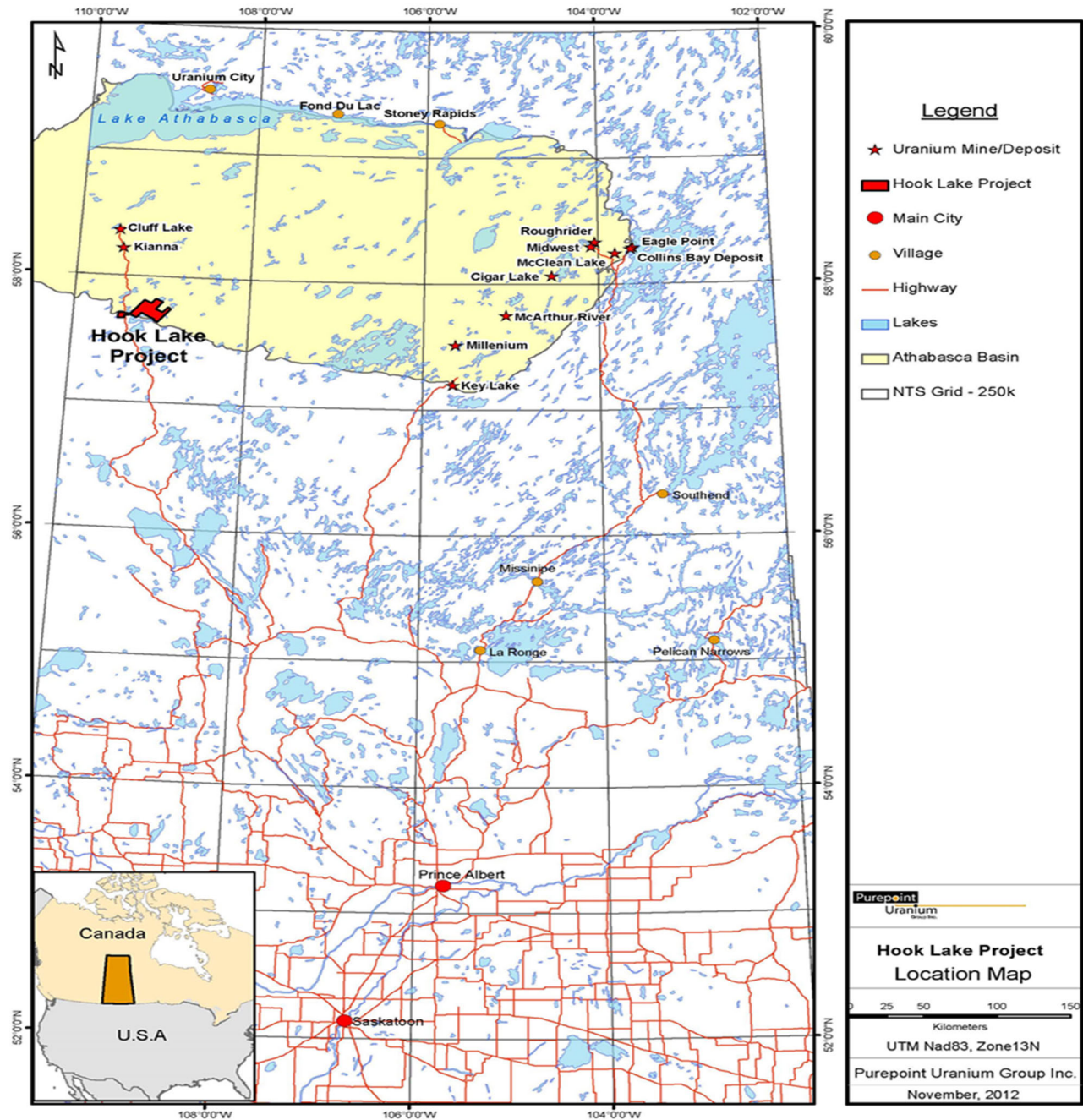


Figure 1: Location Map of the Hook Lake Project

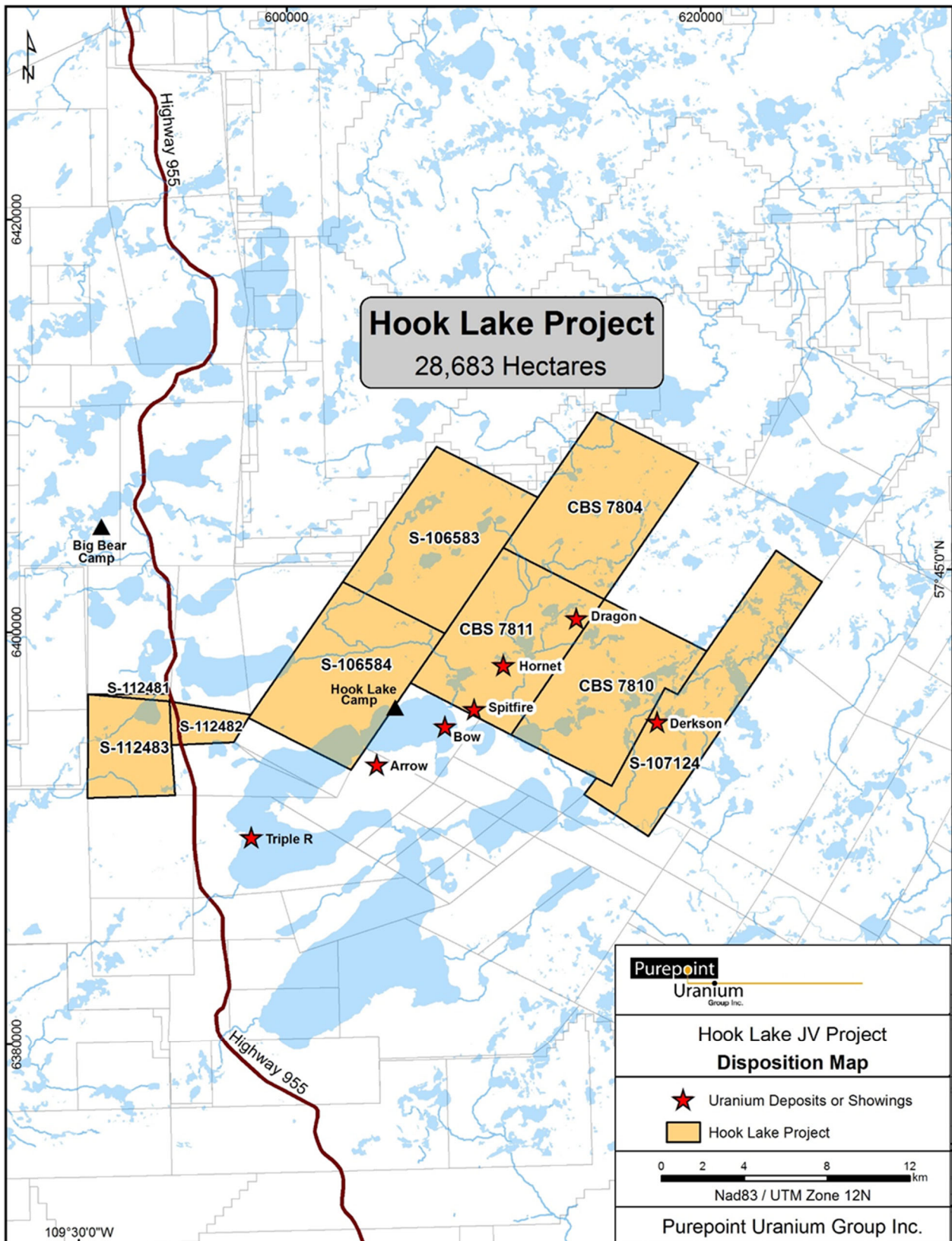


Figure 2: Disposition Map of the Hook Lake Project

Table 1: Hook Lake Project – Land Status Summary

Disposition	Area (ha)	NTS	Recording Date	Annual Assessment at \$15/ha	Annual Assessment at \$25/ha	Next Work Due
CBS 7804	4370	74-F-11, 14 & 15	2/3/1997	-	\$109,250	2-Feb-42
CBS 7810	4198	74-F-11 & 14	2/3/1997	-	\$104,950	2-Feb-42
CBS 7811	4370	74-F-10 & 11	2/3/1997	-	\$109,250	2-Feb-42
S-106583	4351	74-F-11 & 14	1/23/2002	-	\$108,775	22-Jan-42
S-106584	4404	74-F-11 & 14	1/23/2002	-	\$110,100	22-Jan-42
S-107124	4358	74-F-10, 11 & 15	12/23/2003	-	\$108,950	22-Dec-41
S-112481	74	74-F-11	12/14/2011	\$1,110	-	13-Dec-41
S-112482	605	74-F-11	12/14/2011	\$9,075	-	13-Dec-41
S-112483	1953	74-F-11	12/14/2011	\$29,295	-	13-Dec-41

In order to conduct work at the property, the operator must be registered with the Saskatchewan government and comply with the Saskatchewan Environment's Exploration Guidelines and hold the appropriate Temporary Work Camp Permit, Crown Land Work Authorization Permit, Aquatic Habitat Protection Permit, and Forest Product Permit. As well, the operator must comply with the Federal Department of Fisheries and Oceans that administers its own Guidelines for the Mineral Exploration Industry.

A mineral disposition in good standing gives the owner mineral rights only; Saskatchewan Environment controls surface rights. Mineral Claim Status was granted for the claims comprising the Hook Lake property during 1997, 2002, 2003 and 2011 (Table 1 above). The claims have accumulated enough excess credits to cover their annual requirements until 2041.

Primary access to the property is via a 40-km trail that leaves the all-weather Provincial Highway 955, which starts in La Loche, SK, at kilometer 165. Air access is via float aircraft, ski-equipped aircraft or helicopter from Buffalo Narrows, SK (230 km SSE) or Fort McMurray, AB (150 km SW).

The climate is typical of northern Saskatchewan, being cold in the winter, (-20 to -40 degrees Celsius) and hot in the summer (15 to 35 degrees Celsius). Precipitation is moderate. Freeze up begins in late October and break up occurs in late May. During the period of freeze up, from December to April, accessibility in the area is enhanced by frozen muskegs and lakes.

History

Uranium exploration companies have been active along the southern rim of the Athabasca Basin beginning in the late 1960's.

Canadian Southern Petroleum Ltd. near Newlands Lake initiated exploration in the Hook Lake area in 1969. Other companies active during this period included Canadian Occidental Petroleum Ltd., Getty Minerals Ltd., Houston Oil Ltd., Hudson Bay Exploration and Development, Imperial Oil Ltd., Kerr Addison Mines Ltd., Rio Algom Mines Ltd. and Saskatchewan Mining and Development Corporation (SMDC). Activities included soil, lake water and lake sediment sampling, geophysical surveys and diamond drilling. The exploration work resulted in the intersection of a minor zone of basement mineralization approximately five metres below the unconformity in the Derkson Lake area, DDH DER-04 by SMDC in 1978. This intersection averaged 0.24% U and 1.35% Ni over 2.5 metres (Rawsthorn and Harrigan, 1978).

In 1980, a drill hole by SMDC just south of the current Hook Lake property, PAT-04, returned 105 ppm U over 4.2 metres hosted within an interpreted basement clay regolith (Johnston, 1980). A follow-up hole in 1982, PAT-13, intersected 64 ppm U over 9.0 metres again within a basement clay regolith (Atamanik, 1983).

UEM initiated exploration in 1996 by completing a reconnaissance Athabasca Group boulder sampling program over the Hook Lake “trend”; which is comprised of a large-scale northeast-trending magnetic low. Geochemical analyses indicated that the background geochemical signature in the boulders was dominantly illitic (68% average), although an area north of Derkson Lake contained boulders with elevated boron (dravite), kaolinite and chlorite (Earle, 1996a). The anomalous kaolinite and boron/dravite boulders were traced north-northeast to Carter Lake and along the Williams River and was flanked to the east by a zone of strong illitization (Belyk and Leppin, 1998). Steven Earle of Grasswood Geoscience Ltd. noted that the intensity of the kaolinite and dravite alteration in these boulders is similar to the P2 North and Key Lake deposits (Earle, 1996b). Sixteen claims were staked in early 1997, as a result of the 1996 boulder sampling survey.

The 1997 exploration program consisted of line cutting, a Fixed Loop Transient Electromagnetic (TEM) survey, and composite Athabasca Group boulder sampling (Belyk and Leppin, 1998). The TEM survey successfully outlined numerous conductive anomalies at estimated depths of between 300 m and 700 m below surface. The 1997 composite Athabasca Group boulder sampling program on the western half of the Hook Lake project and off-property west towards Coflin Lake better defined the area of dravite, kaolinite and chlorite-bearing boulders located in 1996.

During 1999 to 2001, eleven diamond drill holes targeting five different conductors were completed (O’Connor et al., 1999 and 2000; Foster et al., 2001) Although significant uranium mineralization was not encountered, the results of this work were considered encouraging. Favourable features include post-Athabasca Group faulting and alteration (bleaching, dravitization, pyritization, hematization and clay enrichments), as well as the presence of brittle-ductile graphitic fault zones with brittle overprinting and associated hydrothermal alteration (clay and chlorite).

During the 2003 winter season (Jiricka et al., 2003) activities included 8 diamond holes, 2 of which were lost before reaching basement, and historic drill core litho-geochemistry. Significant radioactivity was not encountered and claims covered by deep (>300 m) Athabasca Group cover, as well as those along the Dell “corridor”, were allowed to lapse.

Work completed during 2004 and 2005 focused on EM geophysics to identify potential drill targets along the primary conductors. The 2004 TEM ground survey results were considered too coarse to get a meaningful overview of “along strike” variations in conductivity due to the wide line spacing (Leppin et al., 2004). The 2005 VTEM airborne electromagnetic survey confirmed that the most significant conductors were located within three NE-striking structural corridors (Leppin et al., 2005). The most noteworthy conductors included the B conductor in the Carter corridor, the U, W and D1 conductors in the Patterson corridor and the C conductor in the Derkson corridor.

Geological Setting, Mineralization and Deposit Types

The Hook Lake property lies in the southwestern portion of the Athabasca Basin, Saskatchewan, which is the host to some of the world’s largest and richest known uranium deposits. The Athabasca Basin is filled by relatively undeformed and flat-lying, mainly fluvialite clastic sediments of the Athabasca Group. This group unconformably overlies crystalline basement rocks of the Lloyd Domain that is part of the Rae Province. The Lloyd Domain consists of a series of granulite facies metamorphic grade granodioritic, granitic, gabbroic, and layered and blue quartz bearing gneisses with subordinate amounts of anorthosite, quartzite and pelitic gneiss. The Lloyd Domain comprises the crystalline basement below most of the western side of the basin, including that of the Hook Lake project, the Patterson Lake Corridor deposits (Arrow, Triple R and Spitfire showing), the deposits of the Carswell Structure and the Shea Creek uranium deposits. The Hook Lake project spans the

Athabasca Basin edge with Athabasca sandstone absent in the southern portion and thickening to 500 to 550 metres to the northern boundary. The basement and Athabasca sandstone in the Hook Lake project are overlain by up to 100 m of cover, including Cretaceous sedimentary rocks of the Western Canada Sedimentary Basin and Quaternary glacial sediments.

Uranium mineralization was discovered within the Spitfire area during the 2014 exploration program by drill hole HK14-09 that intersected strongly chloritized and sheared mafic dyke returning 0.32% U₃O₈ over 6.2 metres. Exploration success continued at the Spitfire Zone during 2016 with additional drill intercepts containing high-grade uranium mineralization. A highlight of the drill program was hole HK16-53 that intersected 10.0 metres of 10.3% U₃O₈, including 1.3 metres of 53.5% U₃O₈. The high-grade Spitfire mineralization lies within basement rocks, expands southwest to join the Harpoon prospect (NexGen Energy Ltd.) and is hosted within a NE-trending, moderate to steeply SE-dipping graphite-rich shear zone.

Uranium mineralization discovered to date at Hook Lake is associated with the central Patterson Lake conductive corridor that runs through the property and consists of an anastomosing shear zone which is locally strongly graphitic. Strain is preferentially concentrated along lithologic contacts, most notably at the contact between chloritized mafic dykes and the orthogneiss host rocks. Uranium mineralization commonly occurs as low-angle-dipping ore-shoots which originate at the upper contact of graphitic shear zones.

Exploration

Exploration conducted by Purepoint to date on the Hook Lake project includes airborne electromagnetics (EM), line-cutting, ground induced polarization, EM and gravity surveys, a soil geochemical survey, and 143 diamond drill holes totaling 57,589 metres. The Patterson Lake conductive corridor was tested by 129 of the drill holes while nine holes targeted the Derkson conductive corridor and five holes were collared on the Carter conductive corridor. For 2022, the Hook Lake JV partners have budgeted for a Z-Tipper Axis Electromagnetic survey (ZTEM) over the northern portion of the Carter corridor where little ground geophysics has been completed. The three corridors of the Hook Lake Project are outlined in Figure 3.

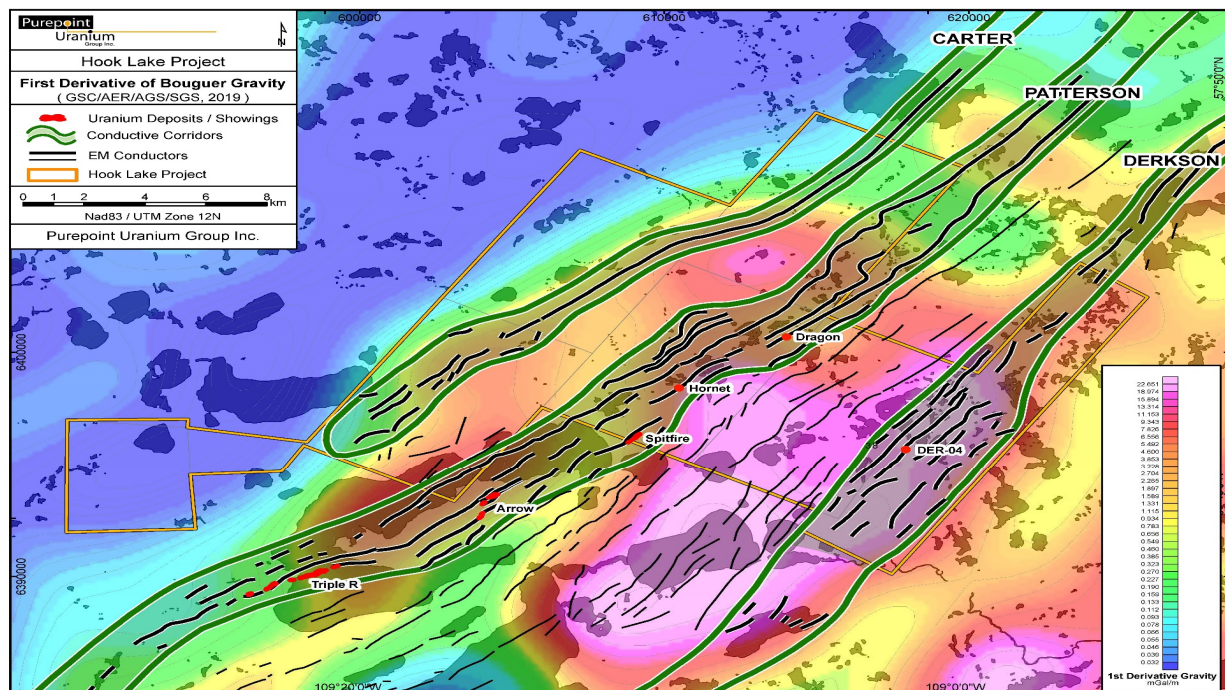


Figure 3: Corridors of the Hook Lake Project

Priority exploration targets at Hook Lake continue to be associated with the central Patterson Lake conductive corridor and the western Carter conductive corridor. The Spitfire zone is currently considered to be adequately drill tested and that the results provide for a reasonable estimate of the contained uranium mineralization. It is believed that additional pounds of uranium could still be outlined at Spitfire at depth and along strike to the northeast.

The Dragon shear zone area is still considered prospective for uranium deposition. Hole HK18-97A intersected 260 ppm over 0.3 metres, the strongest radioactivity returned at Dragon to date, while holes HK18-97A and 100A displayed the most intense hydrothermal alteration seen on the project outside of the Spitfire deposit. The Sabre Target Area remains prospective near hole HK19-105, which intersected strong hydrothermal alteration and elevated radioactivity including 125 ppm U over 1.3 metres, and north of HK21-118 towards the historic hole HK-02. The Jed Lake area towards the south is considered to still have exploration merit since HK15-20 drilled sandstone hosting significant dravite and S-kaolinite and intersected the graphitic conductor quite deep at 80 metres below the unconformity.

The “U” conductors are considered prospective and have not yet been drill tested. These strong, curvilinear conductors are located on the western side of the Patterson corridor, just west of Dwarf Lake. Cameco originally drilled one of these conductors in 2003 with hole HK-15 but the hole was lost within sandstone at a depth of 210.0 metres.

The 2019 Derkson area drilling showed that the strong clay alteration of basement rocks evidenced in historic holes was related to paleoweathering. However, unconformity-related mineralization, as evidenced with historic hole DER-04, remains a potential target along the corridor as does the 2018 gravity low located approximately one kilometre west of DER-04.

The Carter structural/conductive corridor is currently deemed as the most prospective target area on the Hook Lake project. The corridor is a long lived, reactivated fault zone that lies between the Clearwater Domain granitic intrusives to the west and runs parallel to the Patterson structural corridor to the immediate east. The Targeted Geoscience Initiative (TGI), a collaborative federal geoscience program, consider the Clearwater Domain intrusions as being high-heat-producers that warmed and circulated hydrothermal fluids over the structural corridors (Potter et al., 2020). Prolonged interaction of oxidized uranium-bearing fluids with basement rocks via reactivated faults is thought to have formed the high-grade uranium deposits. The TGI hypothesis favours the Carter reactivated fault zone due to its proximity to the Clearwater Domain heat source.

Drilling

The Patterson Corridor drilling was concentrated within the Spitfire area and tested the Hornet, Dragon and Sabre target areas.

Spitfire Zone

Within the Spitfire zone, 41 drill holes have been completed and 4 holes lost for a total of 17,103 metres drilled. An inclined longitudinal section of the deposit is shown in Figure 4.

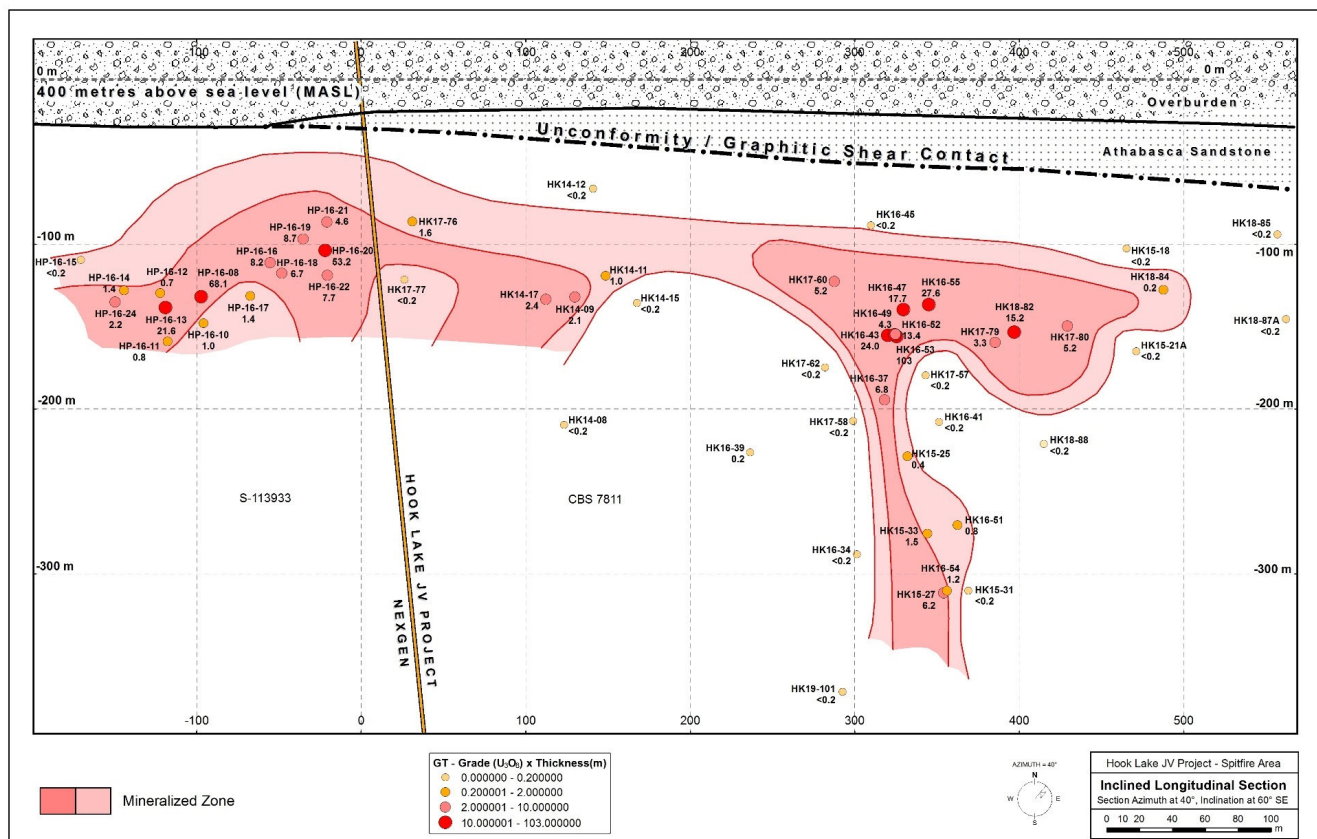


Figure 4: Inclined Longitudinal Section of Spitfire Zone

In 2014, uranium mineralization was discovered within the Spitfire area by drill hole HK14-09 that intersected a strongly sheared and chloritized mafic dyke returning 0.32% U₃O₈ over 6.2 metres and included an interval of limonitic fault gouge that assayed 1.10% U₃O₈ over 0.5 metres. The follow-up hole, HK14-11, encountered a strongly sheared and graphitic mafic dyke that returned 0.57% U₃O₈ over 0.9 metres and an additional interval of 0.11% U₃O₈ over 2.0 metres.

During the 2015 drill program, HK16-25 intersected 0.10% U₃O₈ over 4.3 metres approximately 250 metres northeast along strike from HK14-11. The follow-up hole, HK15-27 returned 2.3% U₃O₈ over 2.8 metres including 12.97% U₃O₈ over 0.4 metres. In addition, drill hole HK15-33 encountered 0.47% U₃O₈ over 1.3 metres.

Hornet Target Area

Outside of the Spitfire area, one of the best uranium intercepts along the Patterson Corridor was returned from an earlier hole, HK13-06, that returned 138 ppm U over 2.3 metres. The uranium mineralization in HK13-06 occurred immediately east of a strongly sheared, graphitic dioritic gneiss resembling the geologic setting of the Spitfire mineralization. The area was named the Hornet target with eight holes completed for a total of 3,322 metres being drilled.

Dragon Target Area

The Dragon target area has been tested by 17 completed drill holes and 6 holes were lost for a total of 11,102 metres drilled.

The Dragon shear zone is now known to be approximately 200 metres wide, is composed of three to four separate graphitic shears dipping southeast and has been tested over a strike length of 750 metres. As with the Spitfire discovery, the strong hydrothermal alteration is associated with the most easterly graphitic shear and the hanging wall rock. Hole HK18-97A intersected 260 ppm over 0.3 metres, the strongest radioactivity returned at Dragon to date, while holes HK18-97A and 100A displayed the most intense hydrothermal alteration seen on the project outside of the Spitfire deposit.

Sabre Target Area

The Sabre target area, which covers the northern extension of the historic “W” conductor, was initially drilled by Purepoint during 2019. Eight holes have now been completed (HK-19-104, 105, 107, 108, HK20-115, HK21-116 to 118) and 1 lost for a total of 5,609 metres being drilled. The average overburden thickness in the area is 20 to 25 metres and depth to the unconformity is typically greater than 400 metres.

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.

Other Patterson Targets

Along the Patterson corridor, strong EM conductors were tested where they extended beyond the areas previously described. Also, a few shorter conductors that were found to strike sub-parallel to the major structural trend were tested.

One of the additional areas considered to still have exploration merit is near the south end of Jed Lake. The initial hole here, HK15-19, was lost within sandstone at a depth of 180 metres due to flowing sand. The drill was moved 50 metres north along strike where drill hole HK15-20 cased overburden to a depth of 83 metres, then drilled sandstone hosting significant dravite and S-kaolinite to 155 metres, then the sandstone was strongly bleached and hematized to the unconformity at 186 metres. The conductor was explained by weakly sheared graphitic and pyritic granodioritic gneiss intersected between 266 and 380 metres and returned 39 ppm U over 0.3 metres near the contact of a mafic dyke.

Drill hole HK15-22 tested the northern end of the Spitfire conductor, approximately 200 metres northeast of HK18-85 that intersected 0.05% U₃O₈ over 0.5 metres. HK15-22 intersected the unconformity at 200 metres then drilled 45 metres of pervasively clay altered porphyroblastic schist, followed by hematite altered granodioritic gneiss to 277 metres. Strongly chloritized granodioritic gneiss hosting strongly sheared graphitic bands, 2 to 9 metres in width, were present to a final depth of 528 metres. The hole returned 116 ppm U over 0.6 metres between 455.3 and 455.9 metres proximal to a mafic dyke contact.

Historic exploration efforts in the Patterson area focused on the Derkson Corridor, where SMDC encountered uranium mineralization near the unconformity in hole DER-04 that returned 0.24% U₃O₈ and 1.35% Ni over 2.5 metres in 1978. During 2007, three holes were drilled by Purepoint within the Derkson Corridor with two completed (HK-26 and 28) and one being lost (HK-27) for a total of 585 metres. An additional six holes (DK19-001 to 006) totalling 1,749 metres were completed in 2019.

Further drilling along the Derkson Corridor was not conducted by Purepoint until 2019. Based on the recent basement-hosted, geologic setting of the Patterson Corridor mineralization, it was considered that the historic shallow drilling along the Derkson Corridor did not properly test for basement-hosted uranium deposits. Also, historic drill holes along this trend encountered very encouraging clay alteration of the basement rocks but were typically completed only 30 to 40 metres past the unconformity.

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 EM conductors 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. Although testing did identify the source of the EM conductors, no prospective structures, alteration or radioactivity were encountered within the basement rocks. However, unconformity-related mineralization, as evidenced with historic hole DER-04, remains a potential target as does the 2018 gravity low located approximately one kilometre west of DER-04.

The Carter Corridor was drilled by Purepoint during 2007 and 2008 with 3 holes completed (HK-08-01 to 03) and two holes lost (HK-29 and HK-08-03A) for a total of 1,341 metres being drilled.

The first Carter hole completed, HK08-01, intersected very strong sericite and silica hydrothermal alteration and returned a maximum of 17 ppm U within basement rock. Both HK08-01 and 02 failed to explain the targeted EM conductor. HK08-03 intersected 60 metres of intense hydrothermal hematite alteration below the unconformity.

Drill hole HK08-01 encountered a strongly disrupted, sericite-altered and silicified quartz diorite for over 110 metres starting at the unconformity at a downhole depth of 205 metres. Thin sections of the drill core show the basement rock hosts 30 to 35% sericite to a depth of 315 metres then becomes mainly chlorite altered to the completion depth of 330 metres. A graphitic rock unit was not intersected within the hole and the highest uranium result was returned from a zone of brecciation with strong hematite alteration that assayed 17 ppm U over 0.03 metres at a depth of 271.8 metres.

HK08-02 was drilled approximately 800 metres SSW of HK08-01 within the Carter corridor. The unconformity was intersected at 178 metres and primarily silicified granodioritic gneiss was encountered to the final depth of 330 metres. A graphitic and/or pyritic rock unit was not seen in this hole. It is believed that the source of the conductor was missed and lies to the immediate east.

The third hole, HK08-03, targeted the Carter corridor approximately 1.4 kilometres north of HK08-01 and intersected the unconformity at a depth of 223 m. Strongly hematite altered diorite gneiss was then drilled to 282 metres before becoming chlorite altered and hosting 10-20% disseminated graphite and 5-10% pyrite to the completion depth of 393 m.

Sampling, Analysis and Data Verification

The sample preparation on site is limited to splitting the core. All other sample preparation is performed by the independent SRC geoanalytical laboratory. The core splitting is done under the supervision of the site geologist by the company's geological technician. Diamond drill core is placed in core boxes and transported to the core logging building at the Hook Lake camp by the drilling company. The project geologists log the core for lithologic characteristics and the geological technicians log the core for core recovery, rock quality determination (RQD), fracture count, magnetic susceptibility and radioactivity.

Samples of drill core are typically chosen for analysis based on the radioactivity recorded by the geological technician using a handheld scintillometer. Additional "shoulder" samples are also taken above and below the radioactive zone. Also, non-radioactive structures, alteration and lithologies are sampled to possibly identify processes related to the mineral deposit model and background geological and geochemical processes. Attempts are made by the geologist to avoid collecting samples that span lithological boundaries.

Samples are collected by both a composite method (for sandstone) and by splitting. For composite samples of sandstone, the geologist collects a 2 to 4 cm long piece of core every metre and places these in a marked plastic sample bag along with a sample number tag from the sample ticket book. The geologist records the sample

intervals within the sample ticket book, and then staples a sample number tag from the sample ticket book to the core box where the interval begins.

For core to be sampled by splitting, the geologist marks the sample intervals on the core, records sample intervals within the sample ticket book, then staples sample number tags from the sample ticket book to the core box where the interval begins.

After the core has been marked for sampling, it is photographed both wet and dry. The core requiring splitting is then split lengthwise using a mechanical knife-type core splitting tool or core saw with every attempt made to ensure an even split. Intervals of poorly lithified core (i.e., clay altered) are split using stainless steel kitchen utensils. One half of the core is placed in plastic sample bags pre-marked with the sample number along with a sample number tag from the sample ticket book. The other half is returned to the core box and stored at the core storage area located near the Hook Lake camp. If the sample has been marked by the geologist as a field duplicate (every 1 in 30 samples has two tags for same interval), the half of the core that has been placed back in the box is then resplit.

The core splitter and sample collection pans are cleaned thoroughly with a brush before the next sample is split. The bags containing split samples are then placed in buckets with lids for transport to Saskatchewan Research Council (SRC) in Saskatoon, Saskatchewan.

The Hook Lake drillhole database contains the assay results from the composite samples (every 10 metres) and split samples (0.1 to 1.5 metres) with the length of these samples considered appropriate for the current stage of exploration. Recovery is not believed to be a factor that could materially impact the accuracy and reliability of the results since sample intervals are broken where the core has been lost.

The SRC facility in Saskatoon crushes each sample to 60% -10 mesh and then riffle splits to a 200 g sample with the remainder retained as coarse reject. The 200 g sample is then ground to 90% -140 mesh. Replicates are chosen at random and an additional 200 g sample is riffle split and ground to 90% -140 mesh. For total digestion analysis, a 0.125 g pulp is gently heated in a mixture of ultrapure HF/HNO₃/HClO₄ until dry and the residue dissolved in dilute ultrapure HNO₃. For the partial digestion analysis, a 0.500 g pulp is digested with 2.25 ml of 8:1 ultrapure HNO₃/HCl for 1 hour at 95°C. The solutions are then analyzed by ICP (Inductively Coupled Plasma) analysis. For boron, a 0.1 g pulp is fused at 650°C in a mixture of Na₂O₂/Na₂CO₃.

The SRC facility is licensed by the Canadian Nuclear Safety Commission (CNSC) to receive, process, and archive radioactive samples. The facility is ISO/IEC 17025:2005 accredited by the Standards Council of Canada (scope of accreditation #537) and also participates in regular inter-laboratory tests for many of their package elements.

Core samples are transported to the SRC laboratory by Purepoint employees. Results from the analyses are transmitted by email directly to Purepoint's exploration office in Saskatoon and the signed paper assay certificates are mailed.

Data verification for the Hook Lake project includes submitting a blind field duplicate approximately every 30 samples and internal SRC laboratory quality assurance and quality control (QA/QC) procedures. The Purepoint database for Hook Lake currently contains the analytical results of 10,024 core samples, 503 field duplicates, 317 SRC lab duplicates, 577 standards and 14 blanks.

The QA/QC results were reviewed by the author for each drilling program and provided within the annual assessment reports filed with the provincial government. Overall, the repeatability of the standards has been shown to be quite good with minimal variation and the SRC lab duplicates have returned good repeatable

results. Due to the splitting method employed for the field duplicates, the minor differences in results typically seen between the two samples are considered acceptable.

The author's ongoing review of the data verification shows the logging, sampling, shipping, sample security assessment, and analytical procedures are comparable to industry standard practices.

The drill hole database is compiled directly from Excel spreadsheets sent from SRC to Purepoint via email, thus eliminating the errors associated with manual data input. The results from individual Excel spreadsheets received for each certificate, including the laboratory QA/QC results, are imported into a single Access database. Values below the detection limit are given a value that is equal to the detection limit. Results provided in the PDF versions of the assay certificates that are received from SRC by email were randomly checked against the values in the Access database by the author at the end of each drill program.

Conclusion

The Hook Lake exploration programs have been focused on the Patterson Lake conductive corridor since the discovery of the Triple R deposit in 2012. The initial discovery of the Spitfire South mineralization by Purepoint within the Patterson trend by HK14-09 eventually led to the Spitfire intercept of HK16-53 with 10.0 metres of 10.3% U₃O₈ that included 1.3 metres of 53.5% U₃O₈. The Spitfire zone is currently considered to be adequately drill tested and that the results provide a reasonable estimate of the contained uranium mineralization. It is believed that additional pounds of uranium could still be outlined at Spitfire at depth and along strike to the northeast.

The Spitfire shear zone was targeted at depth by drill hole HK19-101 below the HK15-27 intercept (2.3% U₃O₈ over 2.8 metres). Based on the Spitfire 3D model, the targeted down dip extension of a high-grade mineralization lens warrants additional follow-up as HK19-101 was off the ideal target and did not encounter anomalous radioactivity. The northern end of the Spitfire conductor was tested by hole HK15-22 that intersected favourable clay alteration and elevated radioactivity (116 ppm U over 0.6 metres) suggesting further uranium mineralization may remain undetected in this area.

The Dragon shear zone area is still considered prospective for uranium deposition. The shear zone is approximately 200 metres wide, composed of three to four separate graphitic shears dipping southeast, and has been currently tested over a strike length of 750 metres. As with the Spitfire discovery, the strong hydrothermal alteration is associated with the most easterly graphitic shear and the hanging wall rock. Hole HK18-97A intersected 260 ppm over 0.3 metres, the strongest radioactivity returned at Dragon to date, while holes HK18-97A and 100A displayed the most intense hydrothermal alteration seen on the project outside of the Spitfire deposit.

The Sabre Target Area remains prospective near hole HK19-105 that intersected numerous high-strain-zones, a post-Athabasca fault combined with strong hydrothermal alteration, and elevated radioactivity including 125 ppm U over 1.3 metres and 25 ppm U over 1.3 metres. Also, the conductive trend north of HK21-118 towards the historic hole HK-02 remains untested.

Jed Lake and the immediate south area is also considered to still have exploration merit. The initial hole here, HK15-19, was lost within sandstone at a depth of 180 metres due to flowing sand. The drill was moved 50 metres north along strike where drill hole HK15-20 cased overburden to a depth of 83 metres, then drilled sandstone hosting significant dravite and S-kaolinite to 155 metres, then the sandstone was strongly bleached and hematized to the unconformity at 186 metres. The conductor was explained by weakly sheared graphitic and pyritic granodioritic gneiss intersected between 266 and 380 metres and returned 39 ppm U over 0.3 metres near the contact of a mafic dyke.

The “U” conductors (Figure 5) are considered prospective and have not yet been drill tested. These strong conductors are located on the western side of the Patterson corridor, just west of Dwarf Lake. Cameco originally drilled one of these conductors in 2003 with hole HK-15 but the hole was lost within sandstone at a depth of 210.0 metres.

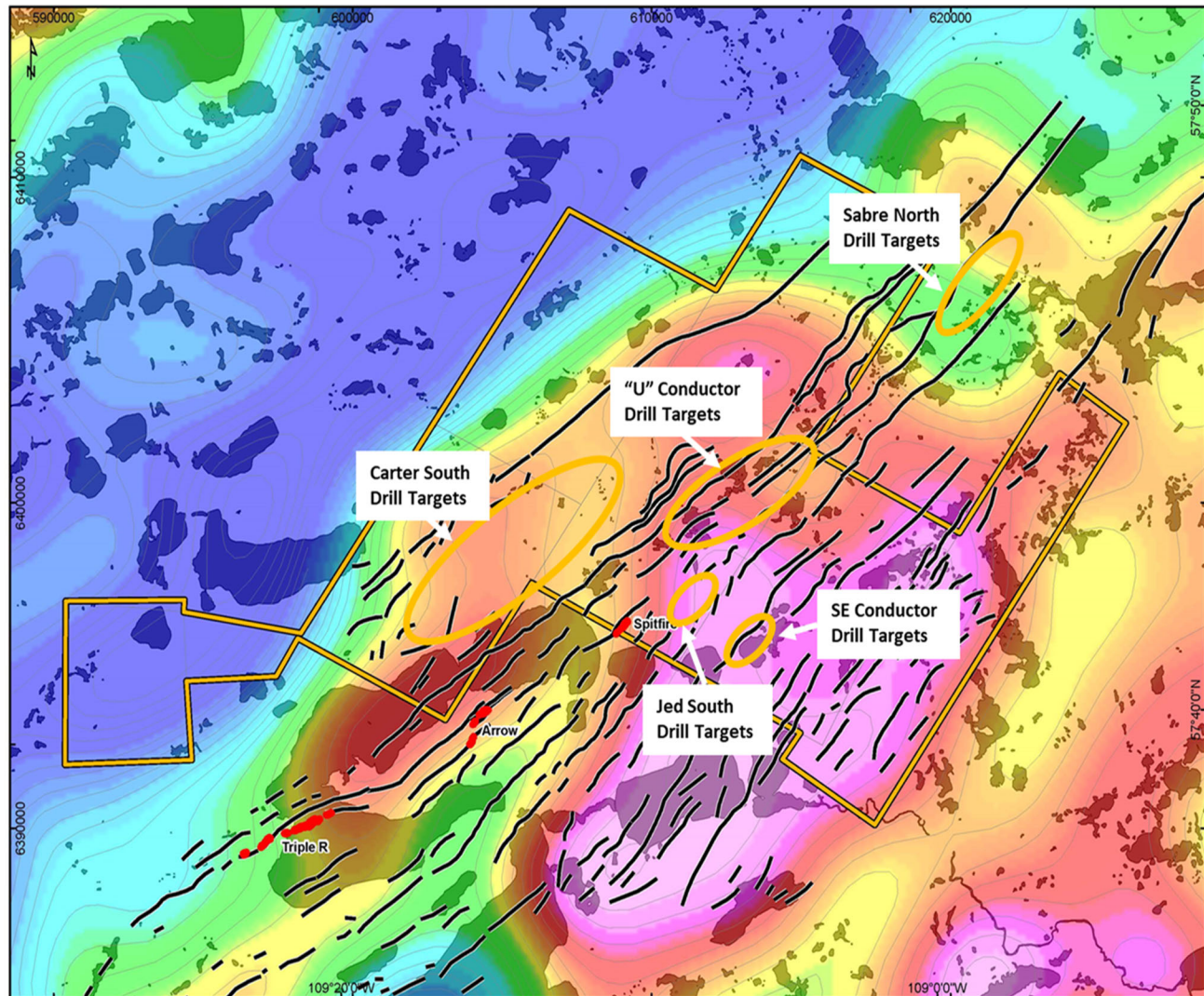


Figure 5: Proposed Priority Drill Targets – 1st Derivative Gravity Background

The 2019 Derkson area drilling showed that the strong clay alteration evidenced in historic holes was related to paleoweathering. The targeted EM conductors were explained by rock units that hosted wide intervals of disseminated graphite and pyrite rather than prospective graphitic structures. However, unconformity-related mineralization, as evidenced with historic hole DER-04, remains a potential target as does the 2018 gravity low located approximately one kilometre west of DER-04.

The Carter structural/conductive corridor is currently deemed as the most prospective target area on the Hook Lake project. The corridor is a long lived, reactivated fault zone that lies between the Clearwater Domain granitic intrusives to the west and runs parallel to the Patterson structural corridor to the immediate east. The EM conductors along the corridor’s 25-kilometre strike length remain essentially untested. The Hook Lake JV partners have budgeted for a Z-Tipper Axis Electromagnetic survey (ZTEM) over the northern portion of the Carter corridor during 2022 where little ground geophysics has been completed. The ZTEM is an airborne

electromagnetic survey system which detects anomalies in the earth's natural magnetic field allowing for the detection of deep-seated conductors.

The Carter corridor and the Patterson Lake area was recently flown by an airborne gravity survey (Boulanger, Kiss and Tschirhart, 2019) that was funded by the Targeted Geoscience Initiative (TGI), a collaborative federal geoscience program. The gravity results show the southern portion of the Carter corridor as being associated with the same gravity high response as the Triple R and Arrow uranium deposits. The gravity low response west of the Carter corridor reflects the geologically younger, Clearwater Domain intrusions. The TGI (Potter et al., 2020) consider the Clearwater Domain intrusions as being high-heat-producers that warmed and circulated hydrothermal fluids over the structural corridors. Prolonged interaction of oxidized uranium-bearing fluids with basement rocks via reactivated faults is thought to have formed the high-grade uranium deposits. The TGI hypothesis favours the Carter reactivated fault zone due to its proximity to the Clearwater Domain heat source.

Exploration along the Carter corridor by Purepoint has included extensive ground geophysics (2007 and 2008) followed-up by three drill holes (HK08-01 to 03). HK08-01 intersected very strong sericite and silica hydrothermal alteration and returned a maximum of 17 ppm U within basement rock but missed the conductor source while HK08-03 intersected 60 metres of intense hydrothermal hematite alteration below the unconformity. Numerous EM conductor picks identified from the geophysical survey results covering the Carter corridor remain untested and are considered highly prospective.

Recommendations

Based on the encouraging drill results from the Spitfire uranium deposit, the proximity of the Triple R and Arrow uranium deposits, and the favorable geologic setting, further uranium exploration is warranted. One of the highest priority target areas is considered to be the Carter corridor due to the encouraging alteration and structures encountered during the initial 2008 Carter Corridor drill program. The following recommendations are proposed by the author. A budget of \$175,000 for the Summer 2022 Stage 1 airborne geophysical survey has been approved by the joint venture committee. The 2023 Stage 2 diamond drill program has not been approved by the joint venture committee and will be presented for approval during Fall, 2022. A multi-staged exploration program is warranted and recommended for the Hook Lake Property. The exploration should comprise but not be limited to:

Stage 1: Summer 2022: Airborne Z-Tipper Axis Electromagnetic survey (ZTEM) over the northern portion of the Carter corridor Airborne is recommended.

Stage 2: Winter/Spring 2023: Drill testing of the strong SWML EM conductors along the Carter Corridor with a ten-hole, 4,200-metre drill program is recommended. Five EM targets have been outlined for testing with two holes per target to be drilled.

Stage 2 is not contingent upon the results of work carried out in Stage 1. Subject to approval by the joint venture committee, the approximate budget to complete stages 1 and 2 of exploration is about \$1,972,000 as more fully set out in the Hook Lake Technical Report.

OTHER PROPERTIES

The Company also has interests in the other Properties set out below, all of which are located in Saskatchewan. The following disclosure in respect of such other Properties has been prepared by management of Purepoint. All of the scientific and technical information contained in this section has been reviewed by Scott Frostad, P.Geo., who is a "qualified person" as such term is defined in NI 43-101.

Smart Lake Property – Joint Venture with Cameco

The Company entered into a joint venture agreement with Cameco 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 Property – 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'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 Property – 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.

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

Henday Property – 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 Property – 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 18,273 hectares and consists of seven 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.

Additional Properties – 100% Owned

The Company also holds 6 additional properties acquired in 2021 through staking. These early-stage uranium projects reside in northern Saskatchewan and will be the subject of preliminary review and surveying this year. They are Carson Lake, Russell South and four properties outside the South West area of the Athabasca Basin referred to as the Tabernor Block.

DIVIDENDS

The Company has not declared or paid any dividends on its Common Shares since its incorporation and does not anticipate the payment of dividends on its Common Shares in the foreseeable future. At present, the Company's policy is to retain earnings, if any, to finance the growth of its business. The Board will determine

if, as and when dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on the Company's financial position at the relevant time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares, of which 343,351,111 Common Shares were outstanding as at December 31, 2021. The holders of the Common Shares are entitled to receive notice of and to vote at every meeting of the shareholders and are entitled to one vote for each Common Share held. Subject to the rights attached to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if and when declared by the Board. Upon liquidation, dissolution or wind-up, whether voluntary or involuntary, or any other distribution of assets of the Company, shareholders share equally in such assets of the Company as are distributable to the holders of Common Shares under applicable laws.

Warrants

As of December 31, 2021, a total of 92,999,223 Common Shares are reserved for issuance upon the exercise of outstanding warrants to purchase Common Shares ("**Warrants**") granted in connection with the private placements of the Company.

Options

As of December 31, 2021, a total of 29,000,000 Common Shares are reserved for issuance upon the exercise of outstanding stock options to purchase Common Shares ("**Options**") granted under the Company's stock option plan.

Shareholder Rights Plan

The Company adopted a shareholder rights plan in 2009 which has been subsequently amended and approved by shareholders of the Company every three years. On May 21, 2021, the Company entered into an amended and restated shareholder rights plan agreement (the "**Shareholder Rights Plan**") with TSX Trust Company (formerly known as AST Trust Company (Canada)), as rights agent. At the annual and special meeting of shareholders of the Company held on June 24, 2021, the shareholders of the Company passed a resolution to amend and confirm the continuation of the Shareholder Rights Plan.

The Shareholder Rights Plan was adopted to protect the shareholders of the Company from unfair, abusive or coercive takeover strategies, including the acquisition of control of the Company by a bidder in a transaction or series of transactions that does not treat all the shareholders equally or fairly or that does not afford all the shareholders an equal opportunity to share in any premium paid upon an acquisition of control. Under the current securities legislation, an offeror may still obtain control or effective control of a corporation without treating all shareholders equally through purchases exempt from the current take-over bid rules ("**Exempt Purchases**"), which include acquisitions of control through creeping bids that result in the accumulation of more than 20% of the Common Shares of the Company. For example, an acquirer could acquire blocks of Common Shares by private agreement from one or a small group of shareholders at a premium to market price, which premium is not shared by the other shareholders. In addition, a person could slowly accumulate Common Shares through acquisition of Common Shares on or through the facility of TSXV which may result, over time, in an acquisition of control or effective control without paying a control premium or fair sharing of any control premium among the Shareholders. Under the Shareholder Rights Plan, in order to qualify as a Permitted Bid (as defined in the Shareholder Rights Plan), any offer to acquire 20% or more of the Company's Common

Shares, including any offer of Exempt Purchases, must be made by way of take-over bid circular to all holders of Common Shares.

The Shareholder Rights Plan is also designed to afford both the Shareholders and the Board of the Company sufficient time to assess offers made for the control stake of the Company and to pursue, explore and develop alternative courses of action in any attempt to maximize shareholder value. The Shareholder Rights Plan encourages potential acquirers who seek to acquire a control stake of the Company to proceed either by way of a Permitted Bid, which requires their take-over bids to satisfy certain minimum standards designed to promote fairness in accordance with National Instrument 62-104 – *Take-over Bids and Issuer Bids*, or to obtain the concurrence of the Board under certain circumstances permitted by the Shareholder Rights Plan.

The Shareholder Rights Plan provides one right (a “**Right**”) per Common Share (which Right may only be exercised if a person acquires control of 20% or more of the Common Shares) for each holder of Common Shares (other than the person that acquires 20% or more of the outstanding Common Shares), to acquire additional Common Shares at one-half of the market price at the time of exercise. This significantly dilutes the share position of the person that acquires 20% or more of the Common Shares and practically prevents that person from acquiring control of 20% or greater of the Common Shares unless the Shareholder Rights Plan has been withdrawn or the buyer makes a Permitted Bid (as defined in the Shareholder Rights Plan). The most common approaches that an acquiror may take to have the Shareholder Rights Plan withdrawn are to negotiate with the Board to have the Shareholder Rights Plan waived, or to apply to a securities commission to order withdrawal of the Shareholder Rights Plan if the Company cannot develop competitive bids. Both of these approaches will give the Board more time and control over any sale process and increase the likelihood of a better offer to the Shareholders.

For more information relating to the Shareholder Rights Plan, please refer the Company’s management information circular dated June 24, 2021 and the full text of the Shareholder Rights Plan which are available under the Company’s profile on SEDAR (www.sedar.com).

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares trade on the TSXV under the symbol “PTU”. The following table sets forth, for the periods indicated, the reported intra-day high and low sales prices and aggregate volume of trading of the Shares on the TSXV during the year ended December 31, 2021:

Month	High	Low	Trading Volume
January	\$0.11	\$0.07	17,312,800
February	\$0.12	\$0.08	13,142,000
March	\$0.08	\$0.10	11,143,900
April	\$0.20	\$0.10	29,871,100
May	\$0.14	\$0.11	14,571,300
June	\$0.14	\$0.09	9,291,200
July	\$0.11	\$0.09	9,939,700
August	\$0.17	\$0.11	28,984,600
September	\$0.17	\$0.12	15,079,700
October	\$0.15	\$0.09	16,540,000

Month	High	Low	Trading Volume
November	\$0.11	\$0.08	12,756,600
December	\$0.12	\$0.08	19,363,000

Prior Sales

During the year ended December 31, 2021, the Company issued the following options pursuant to the Company's stock option plan and warrants pursuant to the Company's private placements:

Securities	Issue Date	Number of Securities	Exercise Price
Options	May 13, 2021	8,400,000	\$0.13
Warrants	April 7, 2021	41,702,826	\$0.13
Warrants	April 7, 2021	3,569,174	\$0.105
Warrants	December 15, 2021	5,232,191	\$0.20
Options	December 29, 2021	5,800,000	\$0.13
Warrants	December 31, 2021	400,232	\$0.20

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of the Company, there are no securities of the Company held in escrow or were subject to a contractual restriction in the year ended December 31, 2021.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out, as at the date of this AIF, the name, province or state and country of residence, position(s) and office(s) held with the Company and principal occupations during the five preceding years of each director and executive officer of the Company, the period or periods during which each of the directors and the executive officers has served as a director and/or executive officer of the Company, and the number of Common Shares beneficially owned, directly or indirectly, or subject to control or direction, by such person as of the date hereof:

Name, Province or State and Country of Residence	Position or Office Held with the Company	Principal Occupation During Last Five Years	Date First Became a Director and/or officer of the Company	# of Common Shares Owned or Controlled
Chris Frostad ⁽¹⁾ <i>Toronto, Ontario, Canada</i>	CEO, President and Director	President and CEO of the Company	May 30, 2005	3,991,824
Ram Ramachandran <i>Aurora, Ontario, Canada</i>	Chief Financial Officer	Chief Financial Officer of the Company	May 31, 2005	100
Allan Beach ⁽¹⁾ <i>Toronto, Ontario, Canada</i>	Director	Director, Westney Group Inc.	May 30, 2005	4,353,700
Scott Frostad <i>Saskatoon, Saskatchewan, Canada</i>	Director	Vice-President, Exploration of the Company	December 19, 2006	2,090,700

Name, Province or State and Country of Residence	Position or Office Held with the Company	Principal Occupation During Last Five Years	Date First Became a Director and/or officer of the Company	# of Common Shares Owned or Controlled
Borys Chabursky ⁽¹⁾ <i>Toronto, Ontario, Canada</i>	Director	Founder and Chairman, Shift Health	April 27, 2015	666,667

Notes:

(1) Member of the Audit Committee. Chair of the Audit Committee is Borys Chabursky.

Each director holds office until the next annual meeting of shareholders following his election unless his is earlier vacated in accordance with the by-laws of the Company.

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially owned, controlled or directed, directly or indirectly, an aggregate of 11,102,991 Common Shares, representing approximately 3.01% of the outstanding Common Shares (on a basic non-diluted basis).

Cease Trade Orders

To the Company's knowledge, except as otherwise noted herein, no director or executive officer of the Company is, as at the date of this AIF, or was within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the Company's knowledge, except as otherwise noted herein, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To the Company's knowledge, except as otherwise noted herein, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The Company is not aware of any existing or potential material conflicts of interest between the Company or a subsidiary of the Company and any director or officer of the Company or of a subsidiary of the Company.

AUDIT COMMITTEE DISCLOSURE

Audit Committee

The Audit Committee is responsible for the Company's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. The Audit Committee also assists the board of directors in fulfilling its responsibilities in reviewing the Company's process for monitoring compliance with laws and regulations and its own code of business conduct. In performing its duties, the Audit Committee maintains effective working relationships with the board of directors, management, and the external auditors and monitor the independence of those auditors. The Audit committee is also responsible for reviewing the Company's financial strategies, its financing plans and its use of the equity and debt markets.

Audit Committee Charter

The text of the Audit Committee Charter is attached as Schedule "A" to this AIF.

Composition of the Audit Committee

The Audit Committee of the Company is currently comprised of Christopher Frostad, Allan Beach and Borys Chabursky. Mr. Chabursky is the Chairman of the Audit Committee. Each of the members of the Audit Committee is considered to be financially literate.

Allan Beach and Borys Chabursky are considered to be independent members of the Audit Committee. This determination was made by the Board upon inquiry of their activities and relationship with the Company.

Relevant Education and Experience

Borys Chabursky is the founder and Chairman of Shift Health, a consultancy in the life sciences sector. Mr. Chabursky is also the Chairman of SHI Capital, an advisory company, and President of SHI Ventures, a vehicle through which he has invested as an angel in healthcare and life sciences, mining and food and beverage companies. He specializes in strategic planning, capital sourcing and business development. He has acquired the requisite financial literacy and experience to adequately carry out his duties as a member of the Audit Committee through his career founding, investing, managing and advising various start-up companies.

Christopher Frostad has spent over 35 years working with and building a variety of high growth, early stage companies (both private and public). Prior to co-founding the Company's predecessor Purepoint Uranium Corporation, Mr. Frostad was the CEO-in-Residence of a Toronto-based Venture Capital firm where he led or worked with portfolio companies focusing on a variety of responsibilities including corporate finance, mergers & acquisitions, sales strategy, product development and marketing. He holds an Honors Bachelor of Business Administration Degree from Wilfrid Laurier University and is a member of the Ontario Institute of Chartered Accountants.

Allan Beach currently serves as a director of Westney Group Inc., a private equity firm. Prior to joining Westney Group Inc., Mr. Beach was counsel at one of Canada's largest national law firms, specializing in the equity and debt financing of corporations, partnerships, limited partnerships, co-ventures and other projects and entities, by way of both private placement and public offering, with particular experience in venture capital corporations, flow-through share offerings and other government incentive financing.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, there have been no recommendations of the Audit Committee that the Board of the Company has not adopted.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial period has the Company relied on the exemption in Section 2.4 (*De Minimis Non-audit Services*) of National Instrument 52-110 – *Audit Committees* ("NI 52-110"), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Services Fees

The following table sets out the aggregate fees billed by the Company's external auditors in the financial year ended December 31, 2021:

Category of Fees	Year Ended December 31, 2021
Audit Fees ⁽¹⁾	\$41,000
Audit-Related Fees ⁽²⁾	\$2,730
Tax Fees ⁽³⁾	\$2,750
All Other Fees ⁽⁴⁾	-
Total	\$46,480

Notes:

“**Audit Fees**” include fees necessary to perform the annual audit and quarterly reviews of the Company’s financial statements and includes the fees of the Company’s auditors. Audit fees also include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

“**Audit-Related Fees**” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

“**Tax Fees**” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

“**All Other Fees**” include all other non-audit service.

Reliance on Exemption for Venture Issuers

The Company is a “venture issuer” as the Common Shares are listed for trading on the TSXV. As such, the Company is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) based on the exemption for venture issuers contained in section 6.1 of NI 52-110.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The Company is not, and during the year ended December 31, 2021, was not, a party to, and none of the Company's property is, or during the year ended December 31, 2021 was, the subject of, any material legal proceedings. As of the date of this AIF, the Company does not have knowledge of any such legal proceedings being contemplated.

Regulatory Actions

There were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2021; (ii) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company has entered into before a court relating to securities legislation or with a securities regulatory authority during the nine months ended December 31, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this AIF, no director or executive officer of the Company, no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or

series of the Company's outstanding voting securities and no associate or affiliate of any of the foregoing persons or companies, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is TSX Trust Company at its office located at Suite 300, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following material contracts of the Company were entered into within the last financial year of the Company or before the last financial year of the Company but are still in effect:

- the Agency Agreement (see “General Development of the Business”); and
- the Warrant Indenture (see “General Development of the Business”).

The foregoing agreements are available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

MNP LLP, Chartered Professional Accountants, are the auditors of the Company and have performed the audit in respect of the annual financial statements of the Company for the year ended December 31, 2021. MNP LLP is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and Public Company Accounting Oversight Board Rule 3520 Auditor Independence.

Scott Frostad, P.Geo, Vice president of the Company, who is a “qualified person” as such term is defined in NI43-101, has prepared the Hook Lake Technical Report and sections of this AIF that are of a scientific or technical nature pertaining to the Company’s mineral projects and has verified the data disclosed herein. To the knowledge of the Company, Scott Frostad is the registered or beneficial owner, directly or indirectly, of less than one percent of the outstanding Common Shares of the Company.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on the SEDAR website at www.sedar.com. Further information concerning the Company, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, options to purchase securities and interests of insiders in material transactions, where applicable, is contained in the management information circular for the Company’s most recent annual general and special meeting of shareholders. Additional financial information is provided in the Company's audited consolidated financial statements and MD&A for the financial year ended December 31, 2021. A copy of this AIF, as well as the Circular and such other information and documentation that the Company makes available via SEDAR, can be found at www.sedar.com.

SCHEDULE "A"

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

PURPOSE

There shall be a committee of the board of directors (the “**Board**”) of the Company known as the Audit Committee. The Audit Committee shall assist the Board in fulfilling its oversight responsibilities with respect to the following principal areas:

- the Company’s external audit function, including the qualifications, independence, appointment and oversight of the work of the external auditors;
- the Company’s accounting and financial reporting requirements;
- the Company’s reporting of financial information to the public;
- the Company’s compliance with law and regulatory requirements;
- the Company’s risks and risk management policies;
- the Company’s system of internal controls and management information systems; and
- such other functions as are delegated to it by the Board.

Specifically, with respect to the Company’s external audit function, the Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the quality and integrity of the Company's financial statements, the independent auditors' qualifications, and the performance of the Company's independent auditors.

MEMBERSHIP

The Audit Committee shall consist of as many members as the Board shall determine but, in any event not fewer than three directors appointed by the Board as provided for in the By-laws of the Company. Each member of the Audit Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director of the Company. The Board may fill a vacancy which occurs in the Audit Committee at any time. No member of the Audit Committee should be a holder of more than 20% of the Company’s outstanding shares.

Members of the Audit Committee shall be selected based upon the following and in accordance with applicable laws, rules and regulations:

- Independence. At least 50% of the members shall be independent in accordance with applicable legal and regulatory requirements and in such regard shall have no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.
- Financially Literate. Each member shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. For these purposes, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are

generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Committee Procedure

Chair And Secretary

The Chair of the Audit Committee shall be designated by the Board. If the Chair is not present at a meeting of the Audit Committee, the members of the Audit Committee may designate an interim Chair for the meeting by majority vote of the members present. The Secretary of the Company shall be the Secretary of the Audit Committee, provided that if the Secretary is not present, the Chair of the meeting may appoint a secretary for the meeting with the consent of the Audit Committee members who are present. A member of the Audit Committee may be designated as the liaison member to report on the deliberations of the Audit Committees of affiliated companies (if applicable).

Meetings

The Chair of the Audit Committee, in consultation with the Audit Committee members, shall determine the schedule and frequency of the Audit Committee meetings provided that the Audit Committee will meet at least once in each fiscal year. The Audit Committee shall have the authority to convene additional meetings as circumstances require.

Meetings shall also be convened whenever requested by the external auditors or any member of the Audit Committee in accordance with applicable law. The Audit Committee shall meet separately and periodically with management, legal counsel and the external auditors. The Audit Committee shall meet separately with the external auditors at every meeting of the Audit Committee at which external auditors are present.

A majority of the Audit Committee members, present in person or by conference telephone, shall constitute quorum for the transaction of business.

The Audit Committee may request that any directors, officers or employees of the Company, or any other person from whom the Audit Committee would like advice or counsel, attend any meeting to provide such information or guidance.

An Audit Committee member or the Company's Secretary shall keep written minutes of the Audit Committee meetings. The minutes are to be maintained with the books and records of the Company. The Chair of the Audit Committee will regularly report the Audit Committee's findings and recommendations to the Board.

Meeting Agendas

Agendas for meetings of the Audit Committee shall be developed by the Chair of the Audit Committee in consultation with management and the corporate secretary, and shall be circulated to Audit Committee members as far in advance of each Audit Committee meeting as is reasonable.

Resources And Authority

The Audit Committee shall have the resources and the authority to discharge its responsibilities, including the authority, in its sole discretion, to engage, at the expense of the Company, outside consultants, independent legal counsel and other advisors and experts as it determines necessary to carry out its duties, without seeking approval of the Board or management.

The Audit Committee shall have the authority to conduct any investigation necessary and appropriate to fulfilling its responsibilities, and has direct access to and the authority to communicate directly with the internal and external auditors, the general counsel of the Company and other officers and employees of the Company.

The members of the Audit Committee shall have the right for the purpose of performing their duties to inspect all the books and records of the Company and its subsidiaries and to discuss such accounts and records and any matters relating to the financial position, risk management and internal controls of the Company with the officers and external and internal auditors of the Company and its subsidiaries. Any member of the Audit Committee may require the external or internal auditors to attend any or every meeting of the Audit Committee.

Mandate of the Committee

The Company's management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. The Audit Committee is responsible for overseeing the conduct of those activities by the Company's management and external auditors, and overseeing the activities of the internal auditors.

The specific responsibilities of the Audit Committee shall include those listed below. The enumerated responsibilities are not meant to restrict the Audit Committee from examining any matters related to its purpose.

Financial Reporting Process and Financial Statements

The Audit Committee shall:

- in consultation with the external auditors and the internal auditors, review the integrity of the Company's financial reporting process, both internal and external, and any major issues as to the adequacy of the internal controls and any special audit steps adopted in light of material control deficiencies;
- review all material transactions and material contracts entered into between (i) the Company or any subsidiary of the Company, and (ii) any subsidiary, director, officer, insider or related party of the Company, other than officer or employee compensation arrangements or director remuneration approved or recommended by the Compensation Committee, or transactions in the ordinary course of business;
- review and discuss with management and the external auditors: (i) the preparation of the Company's annual audited consolidated financial statements and its interim unaudited consolidated financial statements; (ii) whether the financial statements present fairly (in accordance with Canadian generally accepted accounting principles) in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented; (iii) any matters required to be discussed with the external auditors according to Canadian generally accepted auditing standards; (iv) an annual report by the external auditors describing: (A) all critical accounting policies and practices used by the Company; (B) all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management of the Company, including the ramifications of the use such alternative treatments and disclosures and the treatment preferred by the external auditors; and (C) other material written communications between the external auditors and management;
- following completion of the annual audit, review with each of: (i) management; (ii) the external auditors; and (iii) the internal auditors, any significant issues, concerns or difficulties encountered during the course of the audit;

- resolve disagreements between management and the external auditors regarding financial reporting;
- review the interim quarterly and annual financial statements and annual and interim press releases prior to the release of earnings information; and
- review and be satisfied that adequate procedures are in place for the review of the public disclosure of financial information by the Company extracted or derived from the Company's financial statements, other than the disclosure referred to in (f), and periodically assess the adequacy of those procedures.

External auditors

The Audit Committee shall:

- require the external auditors to report directly to the Audit Committee;
- be directly responsible for the selection, nomination, compensation, retention, termination and oversight of the work of the Company's external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, and in such regard recommend to the Board the external auditors to be nominated for approval by the Shareholders;
- approve all audit engagements and pre-approve the provision by the external auditors of all non-audit services, including fees and terms for all audit engagements and non-audit engagements, and in such regard the Audit Committee may establish the types of non-audit services the external auditors shall be prohibited from providing and shall establish the types of audit, audit related and non-audit services for which the Audit Committee will retain the external auditors. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services, provided that any such delegated pre-approval shall be exercised in accordance with the types of particular non-audit services authorized by the Audit Committee to be provided by the external auditor and the exercise of such delegated pre-approvals shall be presented to the full Audit Committee at its next scheduled meeting following such pre-approval.

Accounting Systems and Internal Controls

The Audit Committee shall oversee management's establishment and maintenance of disclosure controls and procedures and internal controls. The Audit Committee shall also receive and review reports from management, the internal auditors and the external auditors on an annual basis with regard to the reliability and effective operation of the Company's accounting system and internal controls;

Legal and Regulatory Requirements

The Audit Committee shall:

- receive and review timely analysis by management of significant issues relating to public disclosure and reporting;
- review, prior to finalization, periodic public disclosure documents containing financial information, including the Management's Discussion and Analysis;
- review with the Company's legal counsel compliance matters, significant litigation and other legal matters that could have a significant impact on the Company's financial statements; and

- assist the Board in the oversight of compliance with legal and regulatory requirements and review with legal counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with legal and regulatory responsibilities.

Limitation on the Oversight Role of the Audit Committee

Nothing in this Charter is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Audit Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives financial and other information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles in Canada and applicable rules and regulations. These are the responsibility of management and the external auditor.