



Unaudited Financial Statements

**For the Six Months Ended
June 30, 2005**

Prepared by Management

Notice to Reader

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

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



Chief Executive Officer



Chief Financial Officer

Purepoint Uranium Corporation

Balance Sheets

	June 30, 2005 <i>(unaudited)</i>	December 31, 2004 <i>(audited)</i>
Assets		
Current assets		
Cash and cash equivalents	\$ 1,353,396	\$ 138,183
Accounts receivable	36,625	5,703
Deposits and prepaid expenses	34,068	-
Permit deposits <i>(note 5)</i>	15,000	15,000
	<hr/>	<hr/>
	1,439,089	158,886
Equipment	3,454	-
Mining properties <i>(note 5)</i>	559,141	147,425
	<hr/>	<hr/>
	\$ 2,001,684	\$ 306,311
	<hr/>	<hr/>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 83,449	\$ 9,449
	<hr/>	<hr/>
Shareholders' equity		
Share capital <i>(note 4)</i>	2,157,348	320,002
Deficit	(239,113)	(23,140)
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	1,918,235	296,862
	<hr/>	<hr/>
	\$ 2,001,684	\$ 306,311
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See accompanying notes to consolidated financial statements

Approved by the Board





Statements of Operations and Deficit

	For the three month period ending June 30, 2005 <i>(unaudited)</i>	For the three month period ending June 30, 2004 <i>(unaudited)</i>	For the six month period ending June 30, 2005 <i>(unaudited)</i>	Period from date of incorporation, February 12, 2004 to June 30, 2004 <i>(unaudited)</i>
Expenses				
Research expenses	\$ -	\$ 9,296	\$ -	\$ 9,296
Professional fees	7,000	-	5,500	-
General and administrative expenses	60,620	240	77,371	240
	<u>67,620</u>	<u>9,536</u>	<u>82,871</u>	<u>9,536</u>
Net loss before interest income	(67,620)	(9,536)	(82,871)	(9,536)
Interest income	<u>3,642</u>	<u>-</u>	<u>3,815</u>	<u>-</u>
Net loss	(63,978)	(9,536)	(79,056)	(9,536)
Reverse take-over costs	(125,336)	-	(136,917)	-
Deficit, beginning of period	<u>(49,799)</u>	<u>-</u>	<u>(23,140)</u>	<u>-</u>
Deficit, end of period	\$ (239,113)	\$ (9,536)	(239,113)	(9,536)
Loss per share	\$0.00	\$0.00	\$0.00	\$0.00

See accompanying notes to consolidated financial statements

Statements of Cash Flows

	For the three month period ending June 30, 2005 <i>(unaudited)</i>	For the three month period ending June 30, 2004 <i>(unaudited)</i>	For the six month period ending June 30, 2005 <i>(unaudited)</i>	Period from date of incorporation, February 12, 2004 to June 30, 2004 <i>(unaudited)</i>
Cash flow from operating activities				
Net loss	\$ (63,978)	\$ (9,536)	\$ (79,056)	\$ (9,536)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Increases (decreases) in cash attributable to changes in operating assets and liabilities:				
Accounts receivable	(22,743)	(3,633)	(30,922)	(3,633)
Deposits and prepaid expenses	15,932		(34,068)	
Accounts payable	71,039	2,367	73,997	2,367
	<u>250</u>	<u>(10,802)</u>	<u>(70,049)</u>	<u>(10,802)</u>
Cash flow from investing activities				
Equipment	(3,451)		(3,451)	
Mining properties	(228,580)	(50,277)	(411,716)	(50,277)
	<u>(232,031)</u>	<u>(50,277)</u>	<u>(415,167)</u>	<u>(50,277)</u>
Cash flow from financing activities				
Issuance of shares	1,162,350	62,002	1,762,346	62,002
Reverse take-over costs	(50,336)		(61,917)	
	<u>1,112,014</u>	<u>62,002</u>	<u>1,700,429</u>	<u>62,002</u>
Increase in cash	<u>880,233</u>	<u>923</u>	<u>1,215,213</u>	<u>923</u>
Cash, beginning of period	<u>473,163</u>		<u>138,183</u>	
Cash, end of period	<u>\$ 1,353,396</u>	<u>\$ 923</u>	<u>\$1,353,396</u>	<u>\$ 923</u>

See accompanying notes to consolidated financial statements

Notes to Financial Statements

June 30, 2005

1. Business of the Company

Purepoint Uranium Corporation (“the Company”) was incorporated under the Canada Business Corporations Act on March 24, 2004. The Company completed a reverse take over transaction with Casablanca Capital Inc. on May 30, 2005 and subsequently changed its name to Purepoint Uranium Group Inc. For a description of the transaction see Note 3. The Company’s principal assets are mineral properties located in Saskatchewan. The Company is engaged in the acquisition, exploration and development of properties for the purpose of producing uranium. The recoverability of the amounts shown for mining properties is dependant, among other things, upon; the existence of economically recoverable reserves; the ability of the Company to obtain the necessary financing to complete exploration and development and upon future production or proceeds from disposition of such properties.

These financial statements have been prepared according to Canadian generally accepted accounting principles applicable to going concern which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to acquire, maintain and enhance its resource properties and to meet ongoing administration expenses and related liabilities as they fall due.

These financial statements do not reflect any adjustments relating to the recoverability and classifications of assets and liabilities should the Company be unable to continue going concern.

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements and, accordingly, certain disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles are not provided. These financial statements have been prepared following accounting principles consistent with those used in the annual financial statements of the Company for the year ended December 31, 2004. The results of the operations for the interim periods are not necessarily indicative of the results of operations for any other interim period or for a full fiscal year.

Mining properties and exploration expenditures deferred

Mining property acquisition costs and related direct exploration and development expenditures, net of recoveries, are deferred until the properties are placed into production. These net costs will be amortized against income using the unit-of-production method based on estimated recoverable reserves if the properties are brought into commercial production, or written off if the properties are abandoned or the carrying value is determined to be in excess of possible recoverable amounts.

The recoverability of amounts shown for mining properties is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mining claims, the ability of the Company to obtain financing to complete development of the properties, and on future profitability production or proceeds from the disposition thereof.

On an annual basis, the Company reviews the carrying values of deferred mining property acquisition and exploration expenditures to assess whether there has been an impairment in value. The Company recognizes write-downs for impairment where the carrying value of a mining property exceeds its estimated long term net recoverable value.

Notes to Financial Statements

June 30, 2005

2. Significant Accounting Policies – continued

Recoverable value is estimated based upon current exploration results and upon management's assessment of the future probability of positive cash flows from the property or from the sale of the property.

Income taxes

Future Income tax assets and liabilities are recognized for the future income tax consequences of events that have been included in the financial statements or income tax returns of the Company. Future income taxes are provided for using the liability method. Under the liability method, future income taxes are recognized for all significant temporary differences between tax and financial statement bases of assets, liabilities and certain carry forward items.

Future tax assets are recognized only to the extent that, in the opinion of management, it is more likely than not that the future income tax assets will be realized. Future income tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment or substantive enactment. The Company makes full provision for income taxes deferred as a result of claiming depreciation and other costs for income tax purposes which differ from the related amounts charged to earnings.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management judgement include assessing the recoverability of mining properties and exploration costs and future income tax assets. The reported amounts and note disclosures are determined to reflect the most probable set of economic conditions and planned course of action. Actual results could differ from these estimates.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Under the terms of the flow-through share agreements, the tax attributes of the related expenditures are renounced to subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefit at the time of the renouncement, provided there is a reasonable assurance that the expenditures will be incurred.

3. Casablanca Capital Corp. Merger

On March 10, 2005, the Company entered into a share exchange agreement (the "Share Exchange Agreement") with Casablanca Capital Corp. (Casablanca) and with each of its shareholders. Pursuant to the Share Exchange Agreement, all of the issued and outstanding shares of the Company were sold, by way of exchange, to Casablanca (the "Share Exchange").

Pursuant to the Share Exchange Agreement holders of issued and outstanding common shares of the Company received twenty (20) common shares of Casablanca for each outstanding share of the Company at a deemed value of \$0.25 per Casablanca share.

Notes to Financial Statements

June 30, 2005

3. Casablanca Capital Corp. Merger - continued

The Share Exchange was completed on May 30, 2005. For accounting purposes, the transaction is considered a reverse take-over whereby the Company would be considered the acquiring company as the shareholders of the Company would acquire more than 50% of the issued and outstanding shares of Casablanca.

Prior to the Share Exchange, Casablanca changed its name to Purepoint Uranium Group Inc. The Company then continued as a public company and a reporting issuer in British Columbia, Alberta and Ontario with its common shares listed on the TSX Venture Exchange. The transaction resulted in the Company assuming the cash assets of Casablanca in the amount of \$104,350. The total transaction costs incurred by the Company with respect to the Share Exchange amounted to \$136,917 and have been included as a separate charge in the Company's statement of operations and deficit for the three months ended June 30, 2005.

4. Capital Stock and Other Equity

	Common Shares	Amount
Common shares, no par value, authorized unlimited number of shares, issued and outstanding 34,885,556 and 1,308,444 at June 30, 2005 and December 31, 2004 respectively.		
Balance January 1, 2005 (<i>audited</i>)	1,308,444	\$ 320,002
Shares issued in private placement (a)	285,834	1,657,996
Shares issued in RTO (b)	50,000	75,000
Balance May 30, 2005	1,644,278	2,052,998
Casablanca Share Exchange (c)	33,241,278	104,350
Balance June 30, 2005 (<i>unaudited</i>)	34,885,556	\$ 2,157,348

(a) On March 29, 2005 the Company issued 100,000 flow-through shares at a price of \$6.00 per unit. On May 30, 2005 the Company issued an additional 99,999 flow-through shares at a price of \$6.00 per unit and 85,835 common shares at a price of \$5.00 per unit.

(b) On May 30, 2005 50,000 common shares were issued at a price of \$1.50 in consideration for certain professional fees associated with the RTO.

(c) The Casablanca share exchange includes a deemed issuance of 2,000,000 shares to former share holders of Casablanca, with the remainder being comprised of a 20-to-1 stock split of common shares outstanding prior to the RTO transaction (note 3).

Notes to Financial Statements

June 30, 2005

5. Mining Properties

	June 30, 2005 <i>(unaudited)</i>	December 31, 2004 <i>(audited)</i>
McEwen Lake Property	\$ 12,041	\$ 9,625
Red Willow Property	129,581	31,171
S. Newnham Lake Property	4,115	4,115
Turnor Lake Property	304,664	29,505
Umfreville Lake Property	70,356	68,990
William River Property	7,859	4,019
Fire Eye Lake Property	30,525	-
	<u>\$ 559,141</u>	<u>\$ 147,425</u>

These properties are all located at the Athabasca Basin, Northern Saskatchewan. The Company owns 100% interest in a total of 22 claims covering 86,900 hectares. In addition, the Company paid a \$15,000 deposit on a Mineral Prospecting Permit that grants the Company the exclusive right to explore and prospect for all minerals on 27,276 hectares of land in the same region. This deposit will be refunded when the Company makes the required exploration expenditures as follows:

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

6. Income Tax Losses Carryforward

The Company has approximately \$239,000 non-capital losses and \$560,000 of unclaimed exploration expenditures available to reduce future taxable income. The non-capital losses expire as follows:

2014	\$ 23,000
2015	\$ 216,000

7. Financial Instruments

Fair value

The carrying amounts of accounts receivable, accounts payable and accrued liabilities approximates their fair value because of the short-term maturities of these amounts.

Commodity price risk

The ability of the Company to develop its mining properties and the future profitability of the Company is directly related to the market price of uranium.

Notes to Financial Statements

June 30, 2005

8. Commitment

Pursuant to the flow-through issue described in note 4, the Company is required to spend \$599,996 on Canadian Exploration Expenditures in 2005.

9. Loss per share

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

	Six months ended June, 2005	Six months ended June, 2004	Three months ended June 30, 2005	Three months ended June 30, 2004
Net Loss	-79,056	-9,536	-63,978	-9,536
Average Number of Shares	33,034,306	32,549,722	33,518,889	32,549,722
Loss per Common Share	0	0	0	0

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