COSA RESOURCES CORP.

Financial Statements

For the years ended December 31, 2023 and October 31, 2022

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Cosa Resources Corp.

Opinion

We have audited the financial statements of Cosa Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2023 and October 31, 2022, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in shareholders' equity for the fourteen months ended December 31, 2023 and the year ended October 31, 2022, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and October 31, 2022, and its financial performance and its cash flows for the fourteen months ended December 31, 2023 and the year ended October 31, 2022 in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fourteen months ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of December 31, 2023.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at December 31, 2023, was $ 1,665,820, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 7 to the financial statements.

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How the Key Audit Matter Was Addressed in the Audit

Our approach to addressing the matter included the following procedures, among others:

Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained all mineral claim listings held by the Company and confirmed a sample of the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gordon Cummings.

D&H Group LLP

Vancouver, B.C.
April 16, 2024

Chartered Professional Accountants

COSA RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2023**	October 31, 2022
		$	$
ASSETS			
Current			
Cash and cash equivalents		**3,900,322**	1,840,954
Goods and services tax recoverable		**88,990**	47,619
Prepaid expenses and deposits	6	**178,640**	128,716
		4,167,952	2,017,289
Prepaid expenses and deposits	6	**253,436**	-
Equipment		**14,720**	-
Exploration and evaluation assets	7	**1,665,820**	1,469,172
Total assets		**6,101,928**	3,486,461
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10	**167,005**	45,491
Flow-through premium liability	8	**878,613**	98,715
Total liabilities		**1,045,618**	144,206
SHAREHOLDERS' EQUITY			
Share capital	9(b)	**7,915,368**	4,125,558
Reserves	9(c)(d)	**1,047,149**	487,881
Deficit		**(3,906,207)**	(1,271,184)
Total shareholders' equity		**5,056,310**	3,342,255
Total liabilities and shareholders' equity		**6,101,928**	3,486,461

Nature of business and going concern (Note 1)
Change in financial year end (Note 2(e))
Subsequent events (Note 14)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Keith Bodnarchuk"	*/s/ "Janine Richardson"*
Director	Director

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

COSA RESOURCES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	December 31, 2023	Years ended October 31, 2022
		$	$
Operating expenses			
Consulting fees		**-**	40,000
Depreciation		**1,690**	-
Exploration and evaluation expenses	7, 10	**1,576,311**	422,931
Marketing and investor relations		**332,241**	10,000
Office and administrative		**58,496**	41,745
Professional fees		**211,356**	147,283
Salaries and management fees	10	**484,817**	65,625
Share-based compensation	9(d), 10	**444,528**	438,440
Transfer agent and filing fees		**138,401**	37,962
Travel		**42,217**	5,448
		(3,290,057)	(1,209,434)
Other income			
Amortization of flow-through premium liability	8	**501,657**	72,714
Interest income		**153,377**	-
Net loss and comprehensive loss		**(2,635,023)**	(1,136,720)
Net loss per share:			
Basic and diluted		**(0.07)**	(0.04)
Weighted average number of common shares:			
Basic and diluted		**39,347,078**	25,345,386

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

COSA RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

		Years ended
	December 31, 2023	October 31, 2022
	$	$
Operating activities:		
Net loss for the year	**(2,635,023)**	(1,136,720)
Adjustments for:		
Depreciation	**1,690**	-
Share-based compensation	**444,528**	438,440
Amortization of flow-through premium liability	**(501,657)**	(72,714)
Changes in non-cash working capital:		
Goods and services tax recoverable	**(41,371)**	(128,716)
Prepaid expenses and deposits	**(303,360)**	(47,619)
Accounts payable and accrued liabilities	**121,514**	30,491
Cash used in operating activities	**(2,913,679)**	(916,838)
Investing activities:		
Acquisition of exploration and evaluation assets	**(121,648)**	-
Purchases of equipment	**(16,410)**	-
Cash acquired in the Polaris Uranium Corp. acquisition	**-**	75,828
Cash (used in) provided by investing activities	**(138,058)**	75,828
Financing activities:		
Proceeds from exercise of warrants	**24,919**	6,619
Proceeds from the issuance of units	**1,557,791**	-
Proceeds from the issuance of charity flow-through units	**4,000,005**	-
Proceeds from initial public offering shares issued	**-**	585,000
Proceeds from the issuance of common shares	**-**	1,400,000
Proceeds from the issuance of flow-through shares	**-**	600,000
Shares issuance costs	**(471,610)**	(185,691)
Cash provided by financing activities	**5,111,105**	2,405,928
Net change in cash and cash equivalents	**2,059,368**	1,564,918
Cash and cash equivalents, beginning of year	**1,840,954**	276,036
Cash and cash equivalents, end of year	**3,900,322**	1,840,954
Supplemental cash flow information:		
Share issuance costs - warrants	**127,951**	52,950
Share issuance costs - shares	**-**	10,000
Reallocation of reserve on warrant exercise	**(13,211)**	(3,509)
Deferred transaction costs expensed as share issuance costs	**-**	(25,500)
Shares issued for the acquisition of exploration and evaluation assets	**75,000**	1,525,000

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

COSA RESOURCES CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, October 31, 2021	17,100,000	415,500	-	(134,464)	281,036
Initial public offering shares issued for cash	3,900,000	585,000	-	-	585,000
Shares issued for cash	5,600,000	1,400,000	-	-	1,400,000
Flow-through shares issued for cash	1,714,285	600,000	-	-	600,000
Flow-through premium liability	-	(171,429)	-	-	(171,429)
Shares issued to acquire Polaris Uranium Corp.	4,300,000	1,075,000	-	-	1,075,000
Shares issued as finders' fee	66,666	10,000	-	-	10,000
Share issuance costs – cash	-	(195,691)	-	-	(195,691)
Share issuance costs – agent warrants	-	(52,950)	52,950	-	-
Shares issued on the exercise of warrants	44,128	10,128	(3,509)	-	6,619
Shares issued for option agreement payment	1,000,000	450,000	-	-	450,000
Share-based compensation	-	-	438,440	-	438,440
Net loss and comprehensive loss for the year	-	-	-	(1,136,720)	(1,136,720)
Balance, October 31, 2022	33,725,079	4,125,558	487,881	(1,271,184)	3,342,255
Exercise of warrants	166,125	38,130	(13,211)	-	24,919
Units issued for cash	4,450,830	1,557,791	-	-	1,557,791
Charity flow-through units issued for cash	7,767,000	4,000,005	-	-	4,000,005
Flow-through premium liability	-	(1,281,555)	-	-	(1,281,555)
Share issuance costs – cash	-	(471,610)	-	-	(471,610)
Share issuance costs – agent warrants	-	(127,951)	127,951	-	-
Shares issued to acquire Aurora Uranium Project	150,000	75,000	-	-	75,000
Share-based compensation	-	-	444,528	-	444,528
Net loss and comprehensive loss for the year	-	-	-	(2,635,023)	(2,635,023)
Balance, December 31, 2023	**46,259,034**	**7,915,368**	**1,047,149**	**(3,906,207)**	**5,056,310**

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

1. NATURE OF BUSINESS AND GOING CONCERN

Cosa Resources Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on November 16, 2020. The Company's head office is located at 1723 – 595 Burrard St, Vancouver BC V7X1L4 and its registered office is located at 401 - 353 Water Street, Vancouver, British Columbia, Canada, V6B 1B8. The Company's common shares trade on the TSXV under the symbol "COSA", the OTCQB Venture Market under the ticker symbol "COSAF" and on the Frankfurt Stock Exchange under the ticker symbol "SSKU".

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company is in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on April 16, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted.

d) Reclassification of prior year comparable period presentation

Certain amounts on the statements of loss and comprehensive loss of the prior year comparable period have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

e) Change in financial year end

On September 21, 2023, the Company announced the change of the fiscal year end from October 31 to December 31. The change will allow better alignment of the Company's financial reporting periods to that of its peers and facilitate investors to compare quarterly and annual financial results. The Company elected to have a transition year of a fourteen-month period from November 1, 2022 to December 31, 2023. Accordingly, these financial statements are prepared for the fourteen months ended December 31, 2023 and the year ended October 31, 2022, both of which will be referred to as a year ended.

3. MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of twelve months or less which correspond to cashable GICs with interest rates between 5.29% to 5.53% which are redeemable at any time without penalties.

b) Related party disclosures

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

c) Exploration and evaluation assets

Costs incurred before the Company has acquired the right to explore a property are expensed as incurred. Exploration and evaluation asset acquisition costs including option payments are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are expensed as incurred. Once a property is brought into production, the capitalized costs are amortized on a units-of-production basis, or until the property is abandoned, sold or management determines that the asset is no longer economically viable, at which time the unrecovered deferred costs are expensed. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in the statement of profit (loss).

d) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash, are measured based on the fair value of the consideration received, unless the fair value cannot be estimated reliably, in which case they are measured at the fair value of the shares at the date the shares are issued.

e) Share issuance costs

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

f) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to share-based compensation expense is recorded in reserves.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based compensation reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based compensation reserve.

g) Share purchase warrants

Share purchase warrants are classified as a component of equity.

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

3. MATERIAL ACCOUNTING POLICIES (continued)

Share purchase warrants issued for service are initially recorded as a part of warrants reserve in equity at the recognized fair value. The fair value of the share purchase warrants is determined using the Black-Scholes option pricing model.

Upon exercise of the share purchase warrants the previously recognized value of the warrants exercised is reallocated to share capital from warrants reserve. The proceeds generated from the payment of the exercise price are allocated to share capital. Should the warrants expire before exercise the previously recognized value of the warrants expired is reallocated to contributed surplus from warrants reserve.

h) Flow-through shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized as other income through profit or loss as the eligible expenditures are incurred.

i) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are the calculated in the same manner. In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding stock options and warrants on loss per share would be anti-dilutive.

j) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against, which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. MATERIAL ACCOUNTING POLICIES (continued)

k) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:

i. Fair value through profit or loss ("FVTPL")
ii. Fair value through other comprehensive income ("FVTOCI")
iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss. The Company has no financial assets in this category as at December 31, 2023 or October 31, 2022.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income or loss. The Company has no financial assets in this category as at December 31, 2023 or October 31, 2022.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company classifies cash and cash equivalents in this category.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Financial liabilities at FVTPL

This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in profit or loss. The Company has no financial liabilities in this category as at December 31, 2023 or October 31, 2022.

Other financial liabilities

This category includes accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICIES (continued)

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in profit or loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

Financial liabilities are derecognized when its contractual obligations are discharged, cancelled, or expire. The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value.

l) Equipment

Equipment is stated at historical cost net of accumulated depreciation and impairment losses.

The cost of an item of equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

The carrying amounts of equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, whichever is shorter. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use.

Equipment is depreciated over 5 years using a straight-line depreciation method.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

The preparation of the Company's financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Going concern

These financial statements were prepared under the assumption that the Company will continue as a going concern. The Company's management has assessed the Company's ability to continue as a going concern and has exercised judgment in its determination that the Company has the necessary resources and access to capital to continue its business for the foreseeable future.

Impairment of exploration and evaluation assets

At the end of each financial reporting period, the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that an impairment loss or reversal of previous impairment should be recorded. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any.

(Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINITY (continued)

With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about future events and circumstances and whether the carrying amount of exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Significant areas requiring the use of management estimates and assumptions include:

Fair value calculation of share-based compensation

The fair value of share-based compensation in relation to the options granted is calculated using a Black- Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry average and future forecasts.

5. ACQUISITION

On July 5, 2022, the Company completed the acquisition of all issued and outstanding securities of Polaris Uranium Corp. ("Polaris") pursuant to the terms of a share exchange agreement dated June 27, 2022 (the "Agreement") among the Company, Polaris, and Polaris shareholders. The acquisition of Polaris resulted in the Company acquiring a 100% interest in certain mining tenements in Athabasca Basin, Saskatchewan, as these exploration stage properties are the assets of Polaris (Note 7).

Pursuant to the terms of the Agreement, the Company acquired 100% of the issued and outstanding securities of Polaris in consideration for the issuance of 4,300,000 common shares of the Company. The shares are subject to a hold period as discussed in Note 9.

The acquisition of Polaris has been accounted for by the Company as a purchase of assets in accordance with the guidance provided in IFRS 2 *Share-based Payment* since it did not constitute a business combination under IFRS 3 *Business Combinations,* as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the acquisition.

A summary of the purchase price and the fair value of assets acquired as at the July 5, 2022 acquisition date is as follows:

	$
Purchase price:	
Fair value of common shares issued (4,300,000 shares at $0.25 per share)	1,075,000
Total consideration	**1,075,000**
Fair value allocated to:	
Cash	75,828
Exploration and evaluation assets:	
Castor Property	121,661
Charcoal Property	453,193
Orion Property	83,030
Ursa Property	341,288
Net assets acquired	**1,075,000**

On April 26, 2023, the Company's wholly owned subsidiary, Polaris, was dissolved by way of voluntary dissolution.

(Expressed in Canadian dollars, except where noted)

6. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	December 31, 2023	October 31, 2022
	$	$
Prepaid expenses	**178,640**	128,716
Saskatchewan Ministry of Energy and Resources deficiency deposit	**253,436**	-
	432,076	128,716
Current portion	**178,640**	128,716
Non-current portion	**253,436**	-

During 2023, the Company made a deficiency deposit to the Saskatchewan Ministry of Energy and Resources. This deposit was related to mandatory expenses for one of the properties within the Other Athabasca Uranium Projects. Once the necessary expenditures are fulfilled, the Company will receive a reimbursement for this deposit.

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

A summary of the Company's exploration and evaluation assets comprising capitalized acquisition costs is as follows:

	December 31, 2023	October 31, 2022
	$	$
Heron Project	**470,000**	470,000
Castor Property	**121,661**	121,661
Charcoal Property	**453,193**	453,193
Orion Property	**88,278**	83,030
Ursa Property	**397,248**	341,288
Other Athabasca Uranium Projects	**135,440**	-
	1,665,820	1,469,172

A summary of the Company's exploration and evaluation expenses for the years ended is as follows:

	Note	**December 31, 2023**	October 31, 2022
		$	$
Heron Project	7(a)	**14,026**	264,491
Castor Property	7(b)	**98,343**	156,490
Charcoal Property	7(b)	**191,119**	650
Orion Property	7(b)	**107,172**	650
Ursa Property	7(b)	**1,102,762**	650
Other Athabasca Uranium Projects	7(c)	**62,889**	**-**
		1,576,311	422,931

a) Heron Project

In April 2021, the Company entered into an option agreement (the "Heron Option Agreement") with private arm's length vendors (the "Heron Vendors") pursuant to which the Company has the exclusive option to acquire a 100% interest in the Heron copper project in northern Saskatchewan, Canada (the "Heron Project").

In April 2021, pursuant to the terms of the Heron Option Agreement, the Company issued 1,000,000 common shares to the Heron Vendors with a fair value of $20,000, which has been recorded as exploration and evaluation asset. In addition, the Company had fulfilled the requirement to incur $100,000 in exploration expenditures on the project as of October 31, 2021.

During the year ended October 31, 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares of the Company with a fair value of $450,000 to complete its remaining obligation under the terms of the Heron Option Agreement.

(Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

The Heron Vendors retained a 2% net smelter return royalty (the "NSR") over the Heron Project. The Company will have the right at any time following the delivery of a feasibility report on the Heron Project to repurchase one-half (1%) of the NSR for $2,000,000 in cash, and the remaining one-half (1%) of the NSR for $5,000,000 in cash.

During the year ended December 31, 2023, the Company incurred $14,026 (October 31, 2022 - $264,491), in exploration and evaluation expenses relating to the Heron Project.

A summary of the Company's exploration and evaluation expenses relating to the Heron Project for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Geophysics	**806**	259,719
General exploration	**13,220**	4,772
	14,026	264,491

b) Polaris Athabasca Uranium Properties

As at December 31, 2023, the Company held a portfolio of properties in the Athabasca Basin which were acquired through the Polaris acquisition which include four uranium exploration properties, consisting of Castor Property, Charcoal Property, Orion Property, and Ursa Property, totaling of 105,799 hectares of prospective uranium exploration ground (together known as the "Polaris Athabasca Uranium Properties").

On July 5, 2022, following the completion of the Polaris acquisition, the Company acquired an indirect 100% interest in four uranium exploration properties, Castor Property, Charcoal Property, Orion Property, and Ursa Property in the eastern Athabasca Basin. As a result, $999,172 was recognized as exploration and evaluation assets of the Company.

On January 19, 2023, the Company acquired an additional 41,119 hectares of uranium exploration mineral claims along the Cable Bay Shear Zone in the eastern Athabasca basin, which is contiguous to the Company's Ursa Property with acquisition costs of $53,641. The additional claims were acquired via low-cost staking and cash consideration paid to an arm's length property vendor. In addition, on September 12, 2023, the Company staked an additional 3,530 hectares that were contiguous to the Ursa Property.

On October 5, 2023, the Company acquired an additional 5,119 hectares north of the McArthur River uranium mine, which is part of the Company's Orion Property. The extension to the Orion Property was acquired through staking and is 100% owned by the Company.

During the year ended December 31, 2023, the Company incurred $1,499,396 (October 31, 2022 - $158,440), in exploration and evaluation expenses relating to the Polaris Athabasca Uranium Properties.

<u>Castor Property</u>

A summary of the Company's exploration and evaluation expenses relating to the Castor Property for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Geophysics	**83,702**	155,840
General exploration	**14,641**	650
	98,343	156,490

(Expressed in Canadian dollars, except where noted)

7. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

Charcoal Property

A summary of the Company's exploration and evaluation expenses relating to the Charcoal Property for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Geophysics	**177,640**	-
General exploration	**13,479**	650
	191,119	650

Orion Property

A summary of the Company's exploration and evaluation expenses relating to the Orion Property for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Geophysics	**83,708**	-
General exploration	**23,464**	650
	107,172	650

Ursa Property

A summary of the Company's exploration and evaluation expenses relating to the Ursa Property for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Drilling	**18,465**	-
Geophysics	**928,131**	-
General exploration	**156,166**	650
	1,102,762	650

c) Other Athabasca Uranium Projects

As at December 31, 2023, the Company holds a portfolio of properties in the Athabasca Basin which includes seven uranium exploration properties, totaling of 87,674 hectares of prospective uranium exploration ground (together known as the "Other Athabasca Uranium Projects"). The Other Athabasca Uranium Projects have been acquired through staking and purchase and include Astro, Aurora, Eclipse, Helios, Orbit, Polaris and Solstice.

A summary of the Company's exploration and evaluation expenses relating to the Other Athabasca Uranium Projects for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
General exploration	**62,889**	-
	62,889	-

(Expressed in Canadian dollars, except where noted)

8. FLOW-THROUGH PREMIUM LIABILITY

The Company has raised funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium received for a flow-through share, which is the price received for the share in excess of the market price of the share, is recorded as a flow-through premium liability. This liability is subsequently reduced when the required exploration expenditures are made, on a pro rata basis, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense to the extent that deferred income tax assets are available.

On April 22, 2022, the Company issued 1,714,285 flow-through shares at a purchase price of $0.35 per flow-through share for gross proceeds of $600,000. The flow-through shares were issued at a premium of $0.10 per share. As a result, a flow-through premium liability of $171,429 was recorded. The Company is obligated to spend $600,000 by December 31, 2023 on eligible exploration expenditures. As at December 31, 2023, the Company had incurred a total of $600,000 related to this obligation.

On June 21, 2023, the Company issued 7,767,000 charity flow-through units (the “Charity FT Units”) at the price of $0.515 per Charity FT Unit for gross proceeds of $4,000,005. Each Charity FT Unit consists of one flow-through share and one half of a warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.50 until June 21, 2025. The Charity FT Units were issued at a premium of $0.165 per Charity FT Unit. As a result, a flow-through premium liability of $1,281,555 was recorded. The Company is obligated to spend $4,000,005 by December 31, 2024 on eligible exploration expenditures. As at December 31, 2023, the Company had incurred a total of $1,246,016 related to this obligation.

During the year ended December 31, 2023, the Company incurred qualifying exploration expenditures of $1,598,426 (October 31, 2022 - $254,499). As a result, during the year ended December 31, 2023, the Company recognized an amortization expense in connection with the flow-through premium liability of $501,657 (October 31, 2022 - $72,714).

A summary of the Company’s flow-through premium liability and remaining eligible expenditure obligation movement is as follows:

	Flow-through funding and eligible expenditures	**Flow-through premium liability**
	$	$
Balance, October 31, 2021	-	-
Flow-through funds raised	600,000	171,429
Eligible expenditures	(254,499)	(72,714)
Balance, October 31, 2022	345,501	98,715
Flow-through funds raised	4,000,005	1,281,555
Eligible expenditures	(1,598,426)	(501,657)
Balance, December 31, 2023	**2,747,080**	**878,613**

9. SHARE CAPITAL AND RESERVES

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended December 31, 2023, the Company completed the following transactions:

- The Company issued 166,125 common shares for gross proceeds of $24,919 on the exercise of warrants. Accordingly, the Company reallocated $13,211 from reserves to share capital.

9. SHARE CAPITAL AND RESERVES (continued)

- On June 21, 2023, the Company closed a brokered private placement for aggregate gross proceeds of $5,557,796 by issuing 4,450,830 units at a price of $0.35 per unit and 7,767,000 Charity FT Units at a price of $0.515 per Charity FT Unit (Note 8). Each unit consists of one common share and one half of a warrant. Each Charity FT Unit consists of one flow-through share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.50 until June 21, 2025. After allocating the gross proceeds to the flow-through premium, the remaining proceeds are allocated between share capital and reserve using the residual method. As the fair value of the common shares issued exceeded the remaining proceeds, after the allocation of the flow-through premium, there was no proceeds allocated to the warrants. Total share issuance costs were $599,561 in connection with this private placement, which include $471,610 of cash share issuance costs and $127,951 related to 647,355 agent warrants issued to agents, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the reserves account in equity. Each agent warrant entitles the holder to purchase one common share at an exercise price of $0.35 until June 21, 2025.
- On December 1, 2023, the Company issued 150,000 common shares to acquire 100% interest in the Aurora Uranium Project at a price of $0.50 per common share for fair value of $75,000.

During the year ended October 31, 2022, the Company completed the following transactions:

- On March 18, 2022, the Company completed its initial public offering (the "IPO") whereby 3,900,000 common shares of the Company were qualified for distribution under the Company's final prospectus at a price of $0.15 per common share for gross proceeds of $585,000. In connection with the IPO, total share issuance costs were $176,288 comprised of: (i) cash share issuance costs of $144,579, (ii) the issuance of 66,666 common shares with a fair value of $10,000, and (iii) the issuance of 273,000 compensation warrants with a fair value of $21,708. The compensation warrants allow the holder to acquire 273,000 common shares of the Company at an exercise price of $0.15 per common share for a two-year period.
- On April 22, 2022, the Company issued 1,714,285 flow-through shares at a price of $0.35 per flow-through share for gross proceeds of $600,000 and 5,600,000 common shares at a price of $0.25 per common share for gross proceeds of $1,400,000. Total share issuance costs were $68,601 in connection with this financing, which includes $37,359 of cash share issuance costs and $31,242 related to 105,341 warrants issued to agents, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the reserves account in equity. Of the total warrants issued, 94,200 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.25 per common share and 11,141 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.35 per common share.
- On May 12, 2022, the Company issued 1,000,000 common shares pursuant to the Heron Option Agreement (Note 7) at a price of $0.45 per common share for fair value of $450,000.
- On July 5, 2022, the Company issued 4,300,000 common shares at a fair value of $0.25 per common share to acquire Polaris for fair value of $1,075,000 (Note 5).
- During the twelve months ended October 31, 2022, the Company issued 44,128 common shares for gross proceeds of $6,619 on the exercise of warrants. Accordingly, the Company reallocated $3,509 from reserves to share capital.

c) Warrants

During the year ended December 31, 2023, the Company completed the following transactions:

- On June 21, 2023, in connection with the issuance of units and Charity FT Units, 6,108,916 warrants were issued. As the fair value of the common shares issued exceeded the cash proceeds, there was no proceeds allocated to the warrants. Each warrant entitles the holder thereof to purchase one common share at an exercise price of $0.50 until June 21, 2025. In connection with the brokered private placement, 647,355 agent warrants were issued to agents. Each agent warrant entitles the holder to purchase one common share at an exercise price of $0.35 until June 21, 2025. Total fair value of the agent warrants issued was $127,951 and was recorded as share issuance costs to reserves.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	$
Balance, October 31, 2021	-	-
Issued	378,341	0.18
Exercised	(44,128)	0.15
Balance, October 31, 2022	334,213	0.18
Issued	6,756,271	0.49
Exercised	(166,125)	0.15
Balance, December 31, 2023	**6,924,359**	**0.48**

During the year ended December 31, 2023, the weighted average share price on the date of exercise of warrants was $0.39 per share (October 31, 2022 - $0.41).

A summary of the Company's outstanding warrants as at December 31, 2023 is as follows:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	Years
March 18, 2024 (Note 14)	62,747	0.15	0.21
April 22, 2024	105,341	0.26	0.31
June 21, 2025	6,108,916	0.50	1.47
June 21, 2025	647,355	0.35	1.47
	6,924,359	**0.48**	**1.44**

A summary of the Company’s weighted average assumptions used in the Black-Scholes option pricing model for warrants issued is as follows:

	December 31, 2023	October 31, 2022
Share price	$0.36	$0.23
Exercise price	$0.49	$0.18
Expected life of warrants	2 years	2 years
Risk-free interest rate	4.63%	2.23%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	100.00%	100.00%

d) Stock options

The Company has adopted a stock option plan, subject to regulatory and shareholder approvals, whereby directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's stock option activity is as follows:

	Number of stock options outstanding	Weighted average exercise price
	#	$
Balance, October 31, 2021	-	-
Granted	3,215,000	0.31
Balance, October 31, 2022	3,215,000	0.31
Granted	1,150,000	0.34
Balance, December 31, 2023	**4,365,000**	**0.32**

A summary of the Company's outstanding stock options as at December 31, 2023 is as follows:

Date of expiry	Number of options outstanding	Number of options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	$	Years
March 30, 2027	2,100,000	1,400,000	0.33	3.25
July 5, 2027	1,090,000	726,667	0.27	3.52
October 5, 2027	25,000	16,667	0.21	3.77
December 1, 2027	150,000	100,000	0.17	3.92
June 26, 2028	950,000	316,667	0.36	4.49
October 4, 2028	50,000	16,667	0.36	4.77
	4,365,000	**2,576,668**	**0.32**	**3.63**

All stock options have a term of five years and vest in three equal annual installments commencing on the date of the grant.

During the year ended December 31, 2023, the Company recorded share-based compensation of $444,528 (October 31, 2022 - $438,440) related to the vesting of stock options.

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for options issued is as follows:

	December 31, 2023	October 31, 2022
Share price	$0.33	$0.31
Exercise price	$0.34	$0.31
Expected life of options	5 years	5 years
Risk-free interest rate	3.64%	2.60%
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	100.00%	100.00%

e) Escrowed Shares

During the period ended December 31, 2023, the Company released 3,838,000 common shares from escrow and as at December 31, 2023 the Company has 5,681,250 common shares subject to escrow.

IPO Escrowed Shares

On March 21, 2022, in connection with the Company's IPO, an escrow agreement (the "IPO Escrow Agreement") between management and the Company's Board of Directors was completed resulting in 5,375,000 common shares (the "IPO Escrowed Shares") being deposited in escrow. Pursuant to the IPO Escrow Agreement, 10% of the IPO Escrowed Shares were released from escrow on the IPO Escrow Agreement date (the "Initial Release") and an additional 15% to be released every six-month interval thereafter, for a period of 36 months following the Initial Release. These IPO Escrowed Shares, may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities.

(Expressed in Canadian dollars, except where noted)

9. SHARE CAPITAL AND RESERVES (continued)

As at December 31, 2023, 2,956,250 IPO Escrowed Shares have been released from escrow. The remaining 2,418,750 IPO Escrowed Shares will be released from Escrow evenly in three amounts of 806,250 on March 21, 2024 (Note 14), September 21, 2024 and March 21, 2025.

Heron acquisition

On May 12, 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares (the "Heron Option Shares") to complete its remaining obligation under the terms of the agreement. The Heron Option Shares are subject to a 24-month hold period, with 25% being released from escrow every three months commencing on August 13, 2023.

As at December 31, 2023, 500,000 Heron Option Shares have been released from escrow. The remaining 500,000 common shares will be released evenly in two amounts of 250,000 on February 13, 2024 (Note 14) and May 13, 2024.

Polaris acquisition

On July 5, 2022, the Company acquired 100% of the issued and outstanding securities of Polaris in exchange for consideration comprised of the issuance of 4,300,000 common shares of the Company (Note 5). The shares are held in escrow and will be released over 24 months, with 25% of the common shares being released every six months, commencing January 4, 2023.

As at December 31, 2023, 2,150,000 common shares have been released. The remaining 2,150,000 common shares will be released evenly in two amounts of 1,075,000 on January 4, 2024 (Note 14) and July 4, 2024.

Aurora acquisition

On December 1, 2023, the Company acquired a 100% interest in the Aurora Uranium Project, presented as part of the Other Athabasca Uranium Projects, issued 150,000 common shares (the "Aurora Consideration Shares") to complete its remaining obligation under the terms of the agreement. The Aurora Consideration Shares are subject to a 6-month hold period in escrow, with 50% being released from escrow on the day of the agreement and the remainder six months after closing. As of December 31, 2023, the remaining balance of common shares to be released is 75,000.

10. RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions with key management for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Exploration and evaluation expenses	**145,982**	-
Salaries and management fees	**339,909**	65,625
Share-based compensation	**320,778**	316,888
	806,669	382,513

A summary of the Company's exploration and evaluation expenses due to key management for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Vice President of Exploration	**145,982**	-
	145,982	-

(Expressed in Canadian dollars, except where noted)

10. RELATED PARTY DISCLOSURES (continued)

A summary of the Company's management fees due to key management for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Chief Executive Officer	**192,000**	37,500
Chief Financial Officer	**85,400**	-
Vice President of Exploration	**22,509**	-
Executive Vice President (former Chief Financial Officer)	**40,000**	28,125
	339,909	65,625

A summary of the Company's share-based compensation due to key management for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Chief Executive Officer	**58,074**	97,946
Chief Financial Officer	**32,374**	-
Vice President of Exploration	**56,655**	-
Executive Vice President (former Chief Financial Officer)	**47,741**	79,886
Directors	**125,934**	139,056
	320,778	316,888

As at December 31, 2023, included in accounts payable and accrued liabilities is $nil owing to directors and corporate officers (October 31, 2022 - $19,661). The amounts due are unsecured, due on demand and are non-interest bearing.

11. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support current operations comprising the acquisition and development of its exploration and evaluation assets. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year ended December 31, 2023. The Company is not subject to externally imposed capital requirements.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at December 31, 2023, the fair value of the financial instruments cash and cash equivalents and accounts payable and accrued liabilities are classified and measured at amortized cost. The carrying value of cash and cash equivalents and accounts payable and accrued liabilities approximate the fair value due to the relatively short-term maturity of these instruments.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. Credit risk for the Company is associated with its cash and cash equivalents. The Company has minimal exposure of credit risk on its cash and cash equivalents as the Company's cash and cash equivalents are held with major Canadian financial institutions.

(Expressed in Canadian dollars, except where noted)

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company holds its cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalents balance as at December 31, 2023. The Company does not have any financial assets subject to changes in exchange rates so does not expect exchange rates to have a material impact to the Company.

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements. The Company's accounts payable and accrued liabilities are due within 90 days of December 31, 2023.

13. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates for the years ended is as follows:

	December 31, 2023	October 31, 2022
	$	$
Loss for the year	**(2,635,023)**	(1,136,720)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(711,500)**	(306,900)
Non-deductible expenditures and non-taxable revenues	**(14,400)**	98,700
Change in statutory, foreign tax, foreign exchange rates and other	**-**	10,000
Impact of flow through share	**420,000**	162,000
Share issuance costs	**(127,300)**	(50,100)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	**161,200**	-
Change in unrecognized deductible temporary differences	**272,000**	86,300
Income tax expense	**-**	-

Deferred taxes

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	December 31, 2023	October 31, 2022
	$	$
Tax loss carry forwards and pool balances	**454,500**	102,100
Exploration and evaluation assets	**(212,700)**	47,300
Flow-through shares	**-**	(90,600)
Property and equipment	**(100)**	-
Share issuance costs and financing fees	**129,300**	40,100
	371,000	98,900
Unrecognized deferred tax assets	**(371,000)**	(98,900)
Net deferred tax liability	**-**	-

(Expressed in Canadian dollars, except where noted)

13. INCOME TAXES (continued)

Deferred tax assets and liabilities that are probable to be utilized are offset if they relate to the same taxable entity and same taxation authority. Future potential tax deductions that do not offset deferred tax liabilities are considered to be deferred tax assets.

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	December 31, 2023	**Expiry date range**	December 31, 2022	Expiry date range
	$		$	
Temporary differences				
Share issuance costs and financing fees	**479,000**	**2043 to 2047**	148,600	2042 to 2046
Non-capital losses	**1,683,400**	**2040 to 2043**	378,200	2040 to 2042
Property and equipment	**(400)**	**No expiry date**	-	No expiry date
Mineral resources properties, net of flow-through shares	**(788,000)**	**No expiry date**	(160,200)	No expiry date

Deferred tax assets have not been recognized on non-capital loss carry forwards.

14. SUBSEQUENT EVENTS

On January 4, 2024, 1,075,000 of the Polaris acquisition shares were released from escrow. As a result, the remaining balance of Polaris acquisition shares held in escrow is 1,075,000.

On January 12, 2024, the Company completed the acquisition of a 100% interest in the Titan Uranium Property from CanAlaska Uranium Ltd. in exchange for 300,000 common shares of the Company and a payment of $10,000 in cash.

On February 13, 2024, 250,000 of the Heron Option Shares were released from escrow. As a result, the remaining balance of Heron Option Shares held in escrow is 250,000.

On February 21, 2024, the Company acquired by staking the Cosmo Uranium Property in the eastern Athabasca Basin, Saskatchewan.

On March 5, 2024, the Company closed a brokered private placement for aggregate gross proceeds of $6,500,816 by issuing 2,128,000 units of the Company (the "Hard Dollar Units") at a price of $0.47 per Hard Dollar Unit and 7,704,000 charity flow-through units of the Company (the "Charity FT Units", and together with the Hard Dollar Units, the "Units") at a price of $0.714 per Charity FT Unit. Each Hard Dollar Unit consists of one common share of the Company and one-half of one common share purchase warrants (each whole warrant, a "Warrant"). Each Charity FT Unit consists of one Share of the Company that qualifies as a "flow-through share" within the meaning of the Income Tax Act (Canada). Each Warrant entitles the holder to purchase one Share ("Warrant Share") at an exercise price of $0.67 until March 5, 2026.

On March 21, 2024, 806,250 of the Escrowed Shares were released from escrow. As a result, the remaining balance of shares held in escrow is 1,612,500.