# ABASCA RESOURCES INC.

# (Formerly AMV CAPITAL CORPORATION)

# FINANCIAL STATEMENTS

# FOR THE THREE AND NINE MONTHS ENDED

# JANUARY 31, 2024 AND 2023

# (UNAUDITED)

(Expressed in Canadian Dollars)

## ABASCA RESOURCES INC.

### NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

**ABASCA RESOURCES INC.** (formerly AMV Capital Corporation)
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**
(Expressed in Canadian Dollars)
As at, UNAUDITED

| | | January 31 2024 | | April 30 2023 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| Current | | | | |
| Cash | $ | **794,141** | $ | 1,530,460 |
| Amounts receivable and prepaid expenses | | **74,747** | | 157,521 |
| | | **868,888** | | 1,687,981 |
| Property and equipment (note 5) | | **55,422** | | 71,614 |
| **TOTAL ASSETS** | $ | **924,310** | $ | 1,759,595 |
| **LIABILITIES** | | | | |
| Current | | | | |
| Accounts payable and accrued liabilities (note 10) | $ | **37,623** | $ | 168,790 |
| Flow-through shares premium liability (note 11) | | **137,413** | | 118,491 |
| | | **175,036** | | 287,281 |
| **SHAREHOLDERS' EQUITY** | | | | |
| Share capital (note 7) | | **6,992,626** | | 5,894,172 |
| Contributed Surplus | | **122,500** | | 122,500 |
| Reserves (notes 8 and 9) | | **1,910,748** | | 1,655,483 |
| Deficit | | **(8,276,600)** | | (6,199,841) |
| | | **749,274** | | 1,472,314 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | $ | **924,310** | $ | 1,759,595 |

Nature of operations (note 1)
Commitments and contingencies (note 11)

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

**ABASCA RESOURCES INC.** (formerly AMV Capital Corporation)
**CONDENSED INTERIM STATEMENTS OF LOSS**
**FOR THE THREE AND NINE MONTHS ENDED JANUARY 31,**
(Expressed in Canadian Dollars) UNAUDITED

| | | **Three Months Ended January 2024** | | Three Months Ended January 2023 (note 12) | | **Nine Months Ended January 2024** | | Nine Months Ended January 2023 (note 12) |
|---|---|---|---|---|---|---|---|---|
| **EXPENSES** | | | | | | | | |
| Exploration expenses (note 6) | $ | **213,846** | $ | 2,741,722 | $ | **2,777,426** | $ | 2,741,722 |
| General administrative | | **1,982** | | 37 | | **5,727** | | 409 |
| Investor relations and promotion | | **1,966** | | 500 | | **37,040** | | 5,161 |
| Management and governance fees | | **25,538** | | 6,000 | | **72,784** | | 6,000 |
| Professional fees | | **25,209** | | (54,298) | | **62,043** | | 53,417 |
| RTO expenses | | **-** | | 285,137 | | **-** | | 285,137 |
| Transfer agent and regulatory | | **6,900** | | 6,902 | | **18,578** | | 14,496 |
| Loss before other income | | **275,441** | | 2,986,000 | | **2,973,598** | | 3,106,342 |
| Interest income | | **(9,794)** | | (5,869) | | **(45,761)** | | (5,869) |
| Flow-through shares premium | | **(38,618)** | | (17,792) | | **(851,078)** | | (17,792) |
| **LOSS FOR THE PERIOD** | $ | **227,029** | $ | 2,962,339 | $ | **2,076,759** | $ | 3,082,681 |
| LOSS PER SHARE (basic and diluted) | $ | **0.00** | $ | 0.13 | $ | **0.04** | $ | 0.21 |
| Weighted average number of common shares outstanding | | **53,137,369** | | 24,770,567 | | **51,148,238** | | 15,831,932 |

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

**ABASCA RESOURCES INC.** (formerly AMV Capital Corporation)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars) UNAUDITED

| | Number of Shares | Amount $ | Contributed Surplus $ | Stock Options $ | Warrants $ | Deficit $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Balances, April 30, 2023** | **46,137,369** | **5,894,172** | **122,500** | **1,038,433** | **617,050** | **(6,199,841)** | **1,472,314** |
| Issuance of common shares | 7,000,000 | 2,250,000 | - | - | - | - | 2,250,000 |
| Issue costs | - | (21,546) | - | - | (4,735) | - | (26,281) |
| Flow-through shares premium | - | (870,000) | - | - | - | - | (870,000) |
| Issuance of warrants | - | (260,000) | - | - | 260,000 | - | - |
| Loss for the period | - | - | - | | - | (2,076,759) | (2,076,759) |
| **Balance, January 31, 2024** | **53,137,369** | **6,992,626** | **122,500** | **1,038,433** | **872,315** | **(8,276,600)** | **749,274** |

| | Number of Shares | Amount $ | Contributed Surplus $ | Stock Options $ | Warrants $ | ***(restated)*** Deficit $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Balances, April 30, 2022** | **12,819,644** | **604,493** | **122,500** | **68,687** | **-** | **(698,384)** | **97,296** |
| Acquisition of mineral property | 25,639,288 | 2,563,929 | - | - | - | - | 2,563,929 |
| Issuance of common shares | 7,678,437 | 3,745,212 | - | - | - | - | 3,745,212 |
| Issue costs | - | (92,790) | - | - | (19,522) | - | (112,312) |
| Flow-through shares premium | - | (290,100) | - | - | - | - | (290,100) |
| Issuance of warrants | - | (636,572) | - | - | 636,572 | - | - |
| Issuance of stock options | - | - | - | 983,500 | - | - | 983,500 |
| Expiry of stock options | - | - | - | (13,754) | - | 13,754 | - |
| Loss for the period | - | - | - | | - | (3,082,681) | (3,082,681) |
| **Balance, January 31, 2023** | **46,137,369** | **5,894,172** | **122,500** | **1,038,433** | **617,050** | **(3,767,311)** | **3,904,844** |

See note 12.

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

**ABASCA RESOURCES INC.** (formerly AMV Capital Corporation)
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**
**FOR THE NINE MONTHS ENDED JANUARY 31,**
(Expressed in Canadian Dollars) UNAUDITED

| | 2024 | 2023 (note 12) |
|---|---|---|
| **CASH PROVIDED BY (USED IN):** | | |
| **OPERATING ACTIVITIES** | | |
| Loss for the period | $ **(2,076,759)** | $ (3,082,681) |
| Items not affecting cash: | | |
| Amortization | **16,192** | - |
| Flow-through shares premium | **(851,078)** | (17,792) |
| Common shares issued for mineral property | **-** | 2,563,929 |
| | **(2,911,645)** | (536,544) |
| Changes in non-cash working capital balances | | |
| Accounts receivable and prepaid expenses | **82,774** | (78,231) |
| Accounts payable and accrued liabilities | **(131,167)** | 331,383 |
| **Cash used in operating activities** | **(2,960,038)** | (283,392) |
| **INVESTING ACTIVITIES** | | |
| Purchase of property and equipment | **-** | (21,607) |
| **Cash used in investing activities** | **-** | (21,607) |
| **FINANCING ACTIVITIES** | | |
| Shares issued for cash (net of issue costs) | **2,223,719** | 3,632,900 |
| **Cash provided by financing activities** | **2,223,719** | 3,632,900 |
| **CHANGE IN CASH DURING THE PERIOD** | **(736,319)** | 3,327,901 |
| **CASH, BEGINNING OF THE PERIOD** | **1,530,460** | 100,655 |
| **CASH, END OF THE PERIOD** | $ **794,141** | $ **3,428,556** |
| **SUPPLEMENTAL INFORMATION** | | |
| Finders' warrants issued | $ - | $ 32,800 |
| Shares issued for mineral property | $ - | $ 2,563,929 |

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

## 1. NATURE OF OPERATIONS

Abasca Resources Inc. (formerly AMV Capital Corporation) ("Abasca" or the "Company") was formed by way of an amalgamation on January 31, 2019 under the *Business Corporation Act* (British Columbia). On December 29, 2022, Abasca acquired a 100% right, title and interest in the mineral claims that comprise the Key Lake South Uranium Project ("KLS" or the "KLS Project") located in the southeastern Athabasca Basin Region in northern Saskatchewan from 101159623 Saskatchewan Ltd. for 25,639,288 common shares of the Company. The transaction constituted a "reverse takeover" ("RTO") pursuant to the policies of the TSX Venture Exchange ("TSXV") and was completed along with a name change to Abasca Resources Inc.

The Company resumed trading on the TSXV under its new ticker symbol "ABA" on January 11, 2023. The address of the Company's corporate office and its principal place of business is suite 208, 4th Avenue North, Saskatoon, Saskatchewan, Canada.

These interim condensed financial statements were approved by the Audit Committee on February 28, 2024.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and, environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

As at January 31, 2024, the Company has a cumulative deficit of $8,276,600 (April 30, 2023 - $6,199,841), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These condensed interim financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

These condensed interim financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

## 2. SIGNIFICANT ACCOUNTING POLICIES

***Statement of compliance***

These interim condensed financial statements are prepared in accordance with IAS 34 Interim Financial Reporting ("IAS34") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all financial information required for full annual financial statements and should be read in conjunction with the Audited Financial Statements of the Company for the year ended April 30, 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

*Exploration and evaluation properties*

The acquisition costs of exploration and evaluation properties are expensed on the statements of comprehensive loss in the year incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

*Equipment*

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and amortization method are reviewed, and adjusted if appropriate, on an annual basis.

Equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where equipment consists of major components with different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Amortization is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

| Detail | Rate | Method |
|---|---|---|
| Exploration equipment | 3 years | Straight-line |

## 3. MANAGEMENT OF CAPITAL

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

## 3. MANAGEMENT OF CAPITAL (Continued)

The Company considers its capital to consist of equity, comprising share capital, contributed surplus, reserves and deficit which at January 31, 2024 totaled $749,274 (April 30, 2023 - $1,472,314). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the period ended January 31, 2024. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

## 4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash of $794,141 and is classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

The fair value of the Company's financial instruments approximates their carrying value as at January 31, 2024 because of the demand nature or short-term maturity of these instruments.

Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is not significant as the deposits are short-term.

(Expressed in Canadian Dollars) UNAUDITED

## 4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (Continued)

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

(iv) *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2024, the Company had a cash balance of $794,141 (April 30, 2023 - $1,530,460) to settle accounts payable and accrued liabilities of $37,623 (April 30, 2023 - $168,790). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

## 5. EQUIPMENT

| | Amount $ |
|---|---|
| **Balance, April 30, 2022 and January 31, 2023** | **21,607** |
| | |
| **Balance, April 30, 2023** | **71,614** |
| Amortization for the period | (16,192) |
| **Balance, January 31, 2024** | **55,422** |

## 6. EXPLORATION AND EVALUATION PROPERTIES

### Sage Property

Pursuant to an option agreement dated November 30, 2017 and amended February 28, 2019 the Company has earned a 100% interest in the 3 mineral claims known as the Sage Property located in British Columbia, Canada by paying $30,000.

### Key Lake South ("KLS") Uranium Project

On December 29, 2022, the Company acquired a 100% right, title and interest in the Key Lake South Uranium Project by issuing 25,639,288 common shares of the Company valued at $0.10.

(Expressed in Canadian Dollars) UNAUDITED

## 6. EXPLORATION AND EVALUATION PROPERTIES (Continued)

The following table sets out the exploration expenses for the nine month periods ended January 31, 2024 and 2023 for KLS.

| | 2024<br>$ | **2023**<br>**$** |
|---|---|---|
| Acquisition and staking costs | 14,246 | 2,563,929 |
| Drilling | 2,557,383 | 166,373 |
| Geology | 179,364 | 11,420 |
| Amortization | 16,192 | - |
| **Total** | **2,767,185** | **2,741,722** |

General Exploration
During the nine months ended January 31, 2024, the Company incurred $10,241 in general exploration.

## 7. SHARE CAPITAL

a) Authorized: Unlimited number of common shares without par value.

b) Escrow shares:

As at January 31, 2024, there were 20,063,874 common shares were held in escrow.

c) Issued and outstanding as at January 31, 2024: 53,137,369 common shares.

| | **Number** | **Amount**<br>**$** |
|---|---|---|
| **Balance - April 30, 2022** | **12,819,644** | **604,493** |
| Issuance of common shares (net of issue costs)(i)(ii) | 7,678,437 | 3,632,900 |
| Issuance for mineral property (iv) | 25,639,288 | 2,563,929 |
| Flow-through shares premium | - | (290,100) |
| Warrants issued | - | (562,180) |
| **Balance – January 31, 2023** | **46,137,369** | **5,949,042** |

| | | |
|---|---|---|
| **Balance - April 30, 2023** | **46,137,369** | **5,894,172** |
| Issuance of common shares (net of issue costs)(iii)(iv) | 7,000,000 | 2,223,719 |
| Flow-through shares premium | - | (870,000) |
| Warrants issued | - | (255,265) |
| **Balance – January 31, 2024** | **53,137,369** | **6,992,626** |

(i) On December 29, 2022, the Company completed a non-brokered flow-through private placement and issued 5,797,800 flow-through common share units at a price of $0.50 per unit for gross proceeds of $2,898,900. Each flow-through unit consisted of one flow-through common share of the Company and one-half common share non flow-through purchase warrant (a “NFT Warrant”). Each full NFT Warrant entitles the holder to acquire one additional common share until December 29, 2024 at an exercise price of $0.60 per common share.

## 7. SHARE CAPITAL (Continued)

The fair value of the warrants was estimated at $413,170 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 90%, risk-free interest rate of 4.01%, expected life of 2 years and share price of $0.38. Issue costs of $13,860 were allocated to the warrants.

Finder's fees totaling $87,512 were paid and 175,024 finders' warrants were issued under this private placement. Insiders and corporations controlled by an insider of the Company acquired an aggregate of 3,840,000 units in the private placement for a total of $1,920,000.

(ii) On December 29, 2022, in conjunction with RTO, the Company issued 1,880,138 subscription receipts at a price of $0.45 for gross proceeds of $846,062. Each subscription receipt consisted of one common share of the Company and one-half common share purchase warrant with similar terms as the NFT Warrant.

The fair value of the warrants was estimated at $134,000 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 90%, risk-free interest rate of 4.01%, expected life of 2 years and share price of $0.38. Issue costs of $3,930 were allocated to the warrants.

Finder's fees totaling $24,800 were paid and 55,111 finders' warrants were issued in relation to the subscription receipts. A corporation controlled by an insider of the Company acquired 200,000 subscription receipts for a total of $90,000.

(iii) On June 21, 2023, the Company completed a non-brokered flow-through private placement and issued 2,000,000 units at price of $0.50 per unit for gross proceeds of $1,000,000.

Each flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.60 for a period of 24 months expiring June 21, 2025. The fair value of the warrants was estimated at $60,000 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 126%, risk-free interest rate of 4.63%, expected life of 2 years and share price of $0.16. Issue costs of $2,081 were allocated to the warrants.

A corporation controlled by a director of the Company subscribed for the entire 2,000,000 flow-through units.

(iv) On July 28, 2023, the Company completed a non-brokered flow-through private placement and issued 5,000,000 units at price of $0.25 per unit for gross proceeds of $1,250,000.

Each flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of $0.30 for a period of 24 months expiring July 28, 2025. The fair value of the warrants was estimated at $200,000 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 126%, risk-free interest rate of 4.68%, expected life of 2 years and share price of $0.16. Issue costs of $2,654 were allocated to the warrants.

Two directors subscribed for an aggregate 960,000 units and a corporation controlled by a director of the Company subscribed for 2,860,000 units for aggregate gross proceeds of $955,000.

(Expressed in Canadian Dollars) UNAUDITED

## 8. STOCK OPTIONS

On February 3, 2023, the Company adopted a new Stock Option Plan (the "Plan") for directors, officers and employees, consultants of the Company which replaced the previous fixed plan (maximum of 2,400,000 common shares put in place in June 2019). The maximum number of common shares that is issuable under the Plan was fixed at 10% of the number of common shares issued and outstanding. Options expire after a maximum period of ten years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the nine-month periods ended January 31, 2024 and 2023:

| | Number of Stock Options | Weighted Average Exercise Price $ |
|---|---|---|
| **Balance – April 30, 2022** | **850,000** | **0.10** |
| Expired | (170,000) | 0.10 |
| **Balance –January 31, 2023** | **680,000** | **0.10** |
| | | |
| **Balance – April 30, 2023 and January 31, 2024** | **4,180,000** | **0.43** |

At January 31, 2024, the following stock options were outstanding and exercisable:

| Number of share options | Exercise price per share $ | Expiry Date |
|---|---|---|
| 680,000 | 0.10 | June 9, 2024 |
| 3,500,000 | 0.50 | February 3, 2028 |
| 4,180,000 | | |

## 9. WARRANTS

The following summarizes the warrants and finders' warrants activity for the nine-month periods ended January 31, 2024 and 2023:

| | Number of Warrants | Grant Date Fair Value | Weighted Average Exercise Price |
|---|---|---|---|
| **Balance – April 30, 2022** | **-** | **$ -** | **$ -** |
| Issued | 4,069,104 | 562,180 | 0.60 |
| **Balance – January 31, 2023** | **4,069,104** | **$ 562,180** | **$ 0.60** |
| | | | |
| **Balance – April 30, 2023** | **4,069,104** | **$ 617,050** | **$ 0.60** |
| Issued | 3,500,000 | 255,265 | 0.39 |
| **Balance – January 31, 2024** | **7,569,104** | **$ 872,315** | **$ 0.50** |

(Expressed in Canadian Dollars) UNAUDITED

## 9. WARRANTS (Continued)

As at January 31, 2024, the Company had warrants and finders' warrants outstanding as follows:

| Date of Issue | Number of Warrants | Issue Price ($) | Fair Value ($) | Expiry Date | Remaining Contractual Life (years) |
|---|---|---|---|---|---|
| December 29, 2022 | 4,069,104 | 0.60 | 617,050 | December 29, 2024 | 0.91 |
| June 21, 2023 | 1,000,000 | 0.60 | 57,919 | June 21, 2025 | 1.39 |
| July 28, 2023 | 2,500,000 | 0.30 | 197,346 | July 28, 2025 | 1.49 |

As at January 31, 2024, 1,212,000 warrants were subject to escrow provisions ending on January 9, 2026.

## 10. RELATED PARTY TRANSACTIONS

*a) Remuneration of directors and officers was as follows:*

| | Nine Months ended January 31, 2024 | 2023 |
|---|---|---|
| Fees, salaries and benefits | $ 72,672 | $ 6,000 |
| Share-based payments | - | - |
| | **$ 72,672** | **$ 6,000** |

For the nine months ended January 31, 2024, the salaries and benefits amount above includes $63,672 (2023 - $5,000) for fees invoiced by a corporation controlled by the CFO of the Company for his services. Included in accounts payable and accrued liabilities at January 31, 2024 is $1,000 (2023- $1,000) to directors and companies controlled by directors. The amounts payable are unsecured, non-interest bearing and have no fixed terms of repayment.

*b) Acquisition of Mineral Property*
In December 2022, the Company acquired the Key Lake South Uranium Project via the issuance of 25,639,288 common shares to 101159623 Saskatchewan Ltd. which is controlled by the CEO of the Company.

c*) Private Placement and Subscription Receipts*
As part of the flow-through private placement completed on June 21, 2023, a corporation controlled by a director of the Company subscribed for 2,000,000 flow-through units for gross proceeds of $1,000,000.

As part of the flow-through private placement completed on July 28, 2023, two directors subscribed for a total of 960,000 units and a corporation controlled by a director of the Company subscribed for 2,860,000 units for aggregate gross proceeds of $955,000.

As part of the flow-through private placement completed on December 29, 2022, directors, officers and corporations controlled by a director of the Company acquired an aggregate of 3,840,000 units in the private placement for total gross proceeds of $1,920,000.

As part of the subscription receipts issued on December 31, 2022, a corporation controlled by a director of the Company acquired 200,000 subscription receipts for a total of $90,000.

(Expressed in Canadian Dollars) UNAUDITED

## 10. RELATED PARTY TRANSACTIONS (Continued)

d*) Professional Fees*

The following table provide details of expenses included in professional and RTO fees for the nine-month periods ended January 31.

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Professional fees - Accounting | nil | 12,700 |
| Legal & RTO fees | 28,228 | 238,837 |

Legal and RTO expenses were incurred with a law firm in which a director is a partner and accounting fees were paid to a company controlled by the former Chief Financial Officer of the Company.

## 11. COMMITMENTS AND CONTINGENCIES

*Flow-through obligation*

As at January 31, 2024, the Company has to incur $687,067 in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required. The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability.

| | **Flow-through funding and expenditure requirements $** | **Flow-through premium liability $** |
|---|---|---|
| Balance, April 30, 2023 | 1,184,055 | 118,491 |
| Flow-through funds raised and premium recorded as a liability | 2,250,000 | 870,000 |
| Flow-through expenditures incurred and reduction of liability | (2,746,988) | (851,078) |
| Balance, January 31, 2024 | 687,067 | 137,413 |

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

*Management contracts*

The Company entered into agreements for the services of its key executives. Under the agreements, additional payments totaling $225,000 are be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements. The commitment upon termination of the agreement is $15,000. The minimum commitment due within one year under the terms of the agreements is $225,000.

*Environmental*

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## 12. RECLASSIFICATION OF THE PRIOR YEAR'S DATA FOR PRESENTATION

Certain of the January 2023 comparative amounts have been reclassified to conform to the form of presentation adopted at April 30, 2023. The change in presentation was made to provide more relevant information to the users of the financial statements and better conform to the IAS 1 presenting expenses based on their function. Some of the prior year expenses have been reclassified to adopt to the current year presentation.

**END OF NOTES TO FINANCIAL STATEMENTS**