TISDALE CLEAN ENERGY CORP.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2024

(Unaudited - Expressed in Canadian Dollars)

TISDALE CLEAN ENERGY CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at June 30, 2024 and December 31, 2023
(Expressed in Canadian Dollars)

	June 30, 2024	**December 31, 2023**
	$	$
ASSETS		
Current Assets		
Cash	76,468	693,566
Amounts receivable	26,884	49,423
Prepaid expenses	873,216	556,252
Total current assets	976,568	1,299,241
Exploration and evaluation assets (Note 6)	1,596,646	941,222
TOTAL ASSETS	**2,573,214**	**2,240,463**
LIABILITIES AND EQUITY		
Current Liabilities		
Trade and other payables (Note 7)	796,004	271,309
TOTAL LIABILITIES	**796,004**	**271,309**
Equity		
Share capital (Note 9)	18,475,193	16,971,007
Share subscriptions advanced	15,100	5,000
Reserves (Note 10)	756,950	746,778
Deficit	(17,470,033)	(15,753,631)
TOTAL EQUITY	1,777,210	1,969,154
TOTAL EQUITY AND LIABILITIES	**2,573,214**	**2,240,463**

Nature and continuance operations (Note 1)

Subsequent event (Note 13)

Approved on behalf of the Board:

"Alex Klenman"
Alex Klenman
Director

"Mark Ferguson"
Mark Ferguson
Director

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

TISDALE CLEAN ENERGY CORP.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	June 30, 2024	June 30, 2023
	$	$
Expenses		
Consulting fees	1,020,271	50,000
Corporate communications	342,638	22,246
Exploration and evaluation expenses	150,000	-
Filing and transfer agent fees	30,915	49,125
Geological consulting	2,400	1,200
Interest and accretion (Note 8)	-	46,934
Management fees (Note 11)	47,400	19,200
Office	19,521	387
Professional fees	93,115	28,483
Share-based compensation (Note 9)	10,172	-
Loss from operations	(1,716,432)	(217,575)
Other items		
Interest income	30	-
Net loss and comprehensive loss for the period	(1,716,402)	(217,575)
Basic and diluted loss per share	(0.06)	(0.02)
Weighted average number of shares outstanding	29,744,863	14,031,188

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

TISDALE CLEAN ENERGY CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

				Reserves			
	Number of shares	Share capital	Share subscriptions advanced	Warrants	Share-based compensation	Deficit	Total equity
		$	$	$	$	$	$
Balances, December 31, 2022	**12,449,195**	**14,523,893**	**5,000**	**76,727**	**583,262**	**(14,675,571)**	**513,311**
Shares issued in private placement (Note 9)	2,507,500	1,003,000	(5,000)	-	-	-	998,000
Shares issued for property interest (Notes 6 and 9)	1,111,111	455,555	-	-	-	-	455,555
Share issuance costs (Note 9)	-	(65,144)	-	40,785	-	-	(24,359)
Warrants exercised (Note 9)	400,000	72,000	-	-	-	-	72,000
Net loss	-	-	-	-	-	(217,575)	(217,575)
Balances, June 30, 2023	**16,467,806**	**15,989,304**	**-**	**117,512**	**583,262**	**(14,893,146)**	**1,796,932**

		$	$	$	$	$	$
Balances, December 31, 2023	**22,993,362**	**16,971,007**	**5,000**	**163,516**	**583,262**	**(15,753,631)**	**1,969,154**
Shares issued in private placement (Note 9)	8,541,716	1,542,507	10,100	-	-	-	1,552,607
Share issuance costs (Note 9)	-	(38,321)	-	10,172	-	-	(28,149)
Net loss	-	-	-	-	-	(1,716,402)	(1,716,402)
Balances, June 30, 2024	**31,535,078**	**18,475,193**	**15,100**	**173,688**	**583,262**	**(17,470,033)**	**1,777,210**

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

TISDALE CLEAN ENERGY CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2024 and 2023
(Expressed in Canadian Dollars)

	June 30, 2024	**June 30, 2023**
	$	$
OPERATING ACTIVITIES		
Net loss for the period	(1,716,402)	(217,575)
Non-cash items		
Interest and accretion	-	46,934
Share-based compensation	10,172	-
Changes in working capital items:		
Amounts receivable	22,539	(5,277)
Prepaid expenses	(316,964)	24,658
Trade and other payables	524,695	19,053
Cash used in operating activities	(1,475,960)	(132,207)
INVESTING ACTIVITIES		
Exploration and evaluation assets	(655,424)	(392,053)
Cash used in investing activities	(655,424)	(392,053)
FINANCING ACTIVITIES		
Proceeds from issuance of common shares	1,552,607	1,003,000
Proceeds from exercise of warrants	-	72,000
Share issue costs	(38,321)	(24,360)
Cash provided by financing activities	1,514,286	1,050,640
Change in cash	(617,098)	526,380
Cash, beginning of the period	693,566	1,292,332
Cash, end of the period	**76,468**	**1,818,712**

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

1. Nature and Continuance of Operations

Tisdale Clean Energy Corp. (the “Company”) is a corporation continued under the laws of the Province of British Columbia with its principal, registered and records office located at 2200 – 885 West Georgia Street, Vancouver, BC V6C 3E8. On June 8, 2022, the Company changed its name to Tisdale Clean Energy Corp.

After the close of trading on June 1, 2023, the Company’s common shares were delisted from the TSX Venture Exchange and, effective at the open of markets on June 2, 2023, the common shares were listed for trading on the Canadian Securities Exchange (“CSE”) under the symbol “TCEC”. The Company is also listed on the OTCPINK under the symbol “SNRAF”, and on the Frankfurt Exchange under the symbol “T1KC”.

The Company is a junior exploration company engaged in the business of identification, acquisition and exploration of mineral interests in North America. At the date of the consolidated financial statements, the Company has not identified a known body of commercial grade minerals on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

Management is targeting sources of additional financing through alliances with financial, exploration and mining entities, and other business and financial transactions which would assure continuation of the Company’s operations and exploration programs. In addition, management closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company if favourable or adverse market conditions occur.

These consolidated financial statements have been prepared on a going concern basis which presumes the realization of assets and settlement of liabilities in the normal course of operations in the foreseeable future. The Company continues to incur operating losses and at June 30, 2024 had a cumulative deficit of $16,810,027. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company’s ability to continue as a going concern. Further discussion of liquidity risk is included in notes 3 and 4.

These consolidated financial statements were authorized for issue on August 21, 2024 by the directors of the Company.

(Expressed in Canadian Dollars)

2. Material Accounting Policies

(a) Statement of compliance and basis of preparation

These consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. These consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company and the subsidiary is the Canadian dollar.

(b) Consolidation

The consolidated financial statements include the accounts of the Company and its controlled subsidiaries, after the elimination of all material intercompany balances and transactions. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

The Company's controlled subsidiaries included in these consolidated financial statements are:

		Ownership	
Name	**Country of Incorporation**	**2024**	**2023**
Gunnar Minerals Corp.(1)	Canada	100%	100%
Keefe Lake Projects Inc.(2)	Canada	0%	0%

(1) Gunnar Minerals Corp. had no commercial activities during the current or previous years.

(2) On November 24, 2017, the Company acquired Keefe Lake Projects Inc. ("Keefe Lake") which held the right to acquire a 100% interest in the Keefe Lake uranium project. On September 28, 2023, the Company sold its investment in Keefe Lake to an arm's length third party. As consideration for the sale, the Company received a cash payment of $20,000.

(c) Significant judgments and estimates

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments and estimates, in applying accounting policies. The most significant judgments and estimates applying to the Company's consolidated financial statements include:

- the assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- modification versus extinguishment of financial liability;
- the classification/allocation of expenditures as exploration and evaluation expenditures or operating expenses;
- the classification of financial instruments;
- fair value of share options and warrants; and
- inputs related to income tax calculations.

2. Material Accounting Policies (continued)

(d) Impairment

At each reporting period, management reviews all assets for indicators of impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for that period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which that asset belongs.

Past impairments are also considered at each reporting period and where there is an indication that an impairment loss may have decreased, the recoverable amount is calculated as outlined above to determine the extent of the recovery. If the recoverable amount of the asset is more than its carrying amount, the carrying amount of the asset is increased to its recoverable amount and the impairment loss is reversed in the profit or loss for that period. The increased carrying amount due to reversal will not be more than what the depreciated historical cost would have been if the impairment had not been recognized.

(e) Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

(f) Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or less deferred tax assets, and deferred income tax provisions or recoveries could be affected.

(g) Exploration and evaluation assets

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and development of exploration and evaluation assets incurred subsequent to the acquisition of legal rights to explore are capitalized on a property-by-property basis.

From time to time, the Company may acquire or dispose of a property pursuant to the terms of an option agreement. Due to the fact that property options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments for acquired mineral properties are recorded as acquisition costs. Proceeds of properties that are sold or optioned are recorded as revenues.

2. Material Accounting Policies (continued)

(h) Asset retirement obligations

The fair value of a liability for an asset retirement or environmental obligation is recognized when a reasonable estimate of fair value can be made. The asset retirement or environmental obligation is recorded as a liability with a corresponding increase to the carrying amount of the related long-lived asset. Subsequently, the asset retirement or environmental cost is charged to operations using a systematic and rational method and the resulting liability is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flow.

As of June 30, 2024, the Company does not have any asset retirement or environmental obligations.

(i) Convertible debentures

When convertible debentures are issued, the total proceeds are allocated to the liability component and the equity component, which are separately presented on the balance sheet. The liability component is recognized initially at its fair value, determined using a market interest rate for equivalent non-convertible debt. It is subsequently carried at amortized cost using the effective interest method until the liability is extinguished on conversion or redemption of the debt.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount will be transferred to the share capital account. When the conversion option lapses, its carrying amount will be transferred to retained earnings.

(j) Foreign currency translation

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company and its subsidiaries is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

On initial recognition, foreign currency transactions are translated into the functional currency at the exchange rate in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction, whereas nonmonetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition, are recognized in the consolidated statement of comprehensive loss in the period in which they arise.

2. Material Accounting Policies (continued)

(j) Foreign currency translation (continued)

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss shall be recognized in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognized in the consolidated statement of comprehensive loss, any exchange component of that gain or loss is also recognized in the statement of comprehensive loss.

(k) Financial instruments

Recognition, classification and measurement

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 contains three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit and loss. Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership. The Company has classified its cash as a financial asset measured at fair value through profit and loss.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its trade and other payables and convertible debentures as financial liabilities measured at amortized cost. Such liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Derivatives are carried at fair value and are reported as assets when they have a positive fair value and as liabilities when they have a negative fair value. Changes in the fair values of derivative financial instruments are reported in the consolidated statements of loss and comprehensive loss.

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2. Material Accounting Policies (continued)

(k) Financial instruments

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. A significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the consolidated statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost. The Company's non-derivative liabilities consist of trade and other payable and convertible debentures. Derivative liabilities are classified as fair value through profit or loss. The Company has no derivative assets or liabilities.

(l) Equity

The proceeds from the exercise of stock options, warrants and escrow shares are recorded as share capital in the amount for which the option, warrant or escrow share enabled the holder to purchase a share in the Company. Depending on the terms and conditions of each financing agreement, the warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement.

Warrants that are part of units are accounted for using the residual method, following an allocation of the unit price to the fair value of the common shares that were concurrently issued. Warrants that are issued as payment for an agency fee or other transactions costs are accounted for as share-based payments.

Commissions paid to agents and other related share issue costs are charged directly to share capital.

2. Material Accounting Policies (continued)

(m) New accounting standards issued but not yet effective

The amendments to IAS 1, Classification of Liabilities as Current or Non-current, clarifies the presentation of liabilities. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for annual reporting periods beginning on or after January 1, 2024. The implementation of this amendment is not expected to have a material impact on the Company.

There are no other standards or amendments or interpretations to existing standards issued but not yet effective that are expected to have a material impact on the Company.

3. Capital Management

The Company's objectives for the management of capital are to safeguard the Company's ability to continue as a going concern, including the preservation of capital, and to achieve reasonable returns on invested cash after satisfying the objective of preserving capital.

The Company considers its capital to be the accounts within shareholders' equity. The Company's policy is to maintain sufficient cash balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets as necessary and may also acquire additional funds where advantageous circumstances arise.

The Company currently has no externally imposed capital requirements. There have been no changes in the Company's approach to capital management during the year.

4. Financial Instruments and Risk Management

As at June 30, 2024, the Company's financial instruments consist of cash and trade and other payables. In management's opinion, the Company's carrying values of cash and trade and other payables approximate their fair values due to the immediate or short-term maturity of these instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at June 30, 2024, cash is assessed to be a Level 1 instrument.

The Company's financial instruments are exposed to the following risks:

Credit Risk

Currently the Company does not have any material exposure to credit risk. As the Company's policy is to limit cash holdings to instruments issued by major Canadian banks, or investments of equivalent or better quality, the credit risk is considered by management to be negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to pay financial liabilities as they come due. The Company's only liquidity risk from financial instruments is its need to meet trade and other payables requirements. The ability to do this relies on the Company maintaining sufficient cash on hand through debt or equity financing. Liquidity risk is assessed as low.

Price Risk

The Company is not exposed to price risk.

Currency Risk

As at June 30, 2024, the Company's expenditures are predominantly in Canadian dollars, and any future equity raised is expected to be predominantly in Canadian dollars. As a result, the Company does not believe it is exposed to any significant currency risk.

Interest Rate Risk

The Company is exposed to interest rate risk arising from the cash and short-term investment maintained at Canadian financial institutions and lawyers' trust accounts. The interest rate risk on cash and short-term investment is not considered significant due to its short-term nature and maturity.

5. Short-term investments

The short-term investment represents GIC deposits with a Canadian financial institution with a maturity of more than 30 days when purchased. During the year ended December 31, 2023, the Company purchased a $1,500,000 in GIC and fully redeemed it, with an interest income of $32,234. As of June 30, 2024, there were no short-term investments.

6. Exploration and Evaluation Assets

<u>Keefe Lake Projects, North-eastern Saskatchewan</u>

On November 24, 2017, the Company acquired 100% of the shares of Keefe Lake Projects Inc. Subject to a 2% Gross Overriding Royalty ("GORR"), Keefe Lake Projects Inc. holds a 100-per-cent interest in the Keefe Lake uranium project, an advanced exploration project that covers an area of approximately 15,400 hectares, on the eastern side of the Athabasca basin, in northeastern Saskatchewan, Canada.

On September 28, 2023, the Company sold its investment in Keefe Lake to an arm's length party. As consideration for the sale, the Company received a cash payment of $20,000 and recorded a loss on sale of $106,490 during the year ended December 31, 2023.

<u>South Falcon East, Northern Saskatchewan</u>

On October 19, 2022 and effective January 3, 2023, the Company entered into an option agreement ("Agreement") with a vendor, an unrelated party, whereby the Company is granted the right to acquire up to a 75% interest in the South Falcon East uranium property ("the Property"). Pursuant to the terms of the Agreement, the Company can earn an initial 51% interest in the Property by paying cash and incurring exploration expenditures as below:

- $350,000 in cash (paid) and issuing 1,111,111 common shares (issued) of the Company upon the Closing date ("Closing") of the Agreement;
- $1,450,000 in cash, of which up to $1,000,000 may be paid in shares, within 18 months from the Closing;
- $1,800,000 cash, of which up to $1,000,000 may be paid in shares, within 2nd anniversary of the Closing; and
- $2,500,000 cash, of which up to $1,500,000 may be paid in shares within 3rd anniversary of the Closing

The Company is required to incur total of $5,500,000 in exploration expenditure on the Property as below:

- $1,250,000 of exploration expenditures on or before 18 months from the Closing;
- An additional $1,750,000 of exploration expenditures on or before second anniversary of the Closing; and
- An additional $2,500,000 of exploration or expenditures on or before third anniversary of the Closing.

To earn the remaining 24% interest in the Property, the Company is required to pay $5,000,000 in cash, of which up to $3,000,000 may be paid in shares, on or before the 4th anniversary of the Closing and incur a minimum of $5,000,000 exploration expenditures as follows:

- $2,500,000 on or before 4th anniversary of the Closing; and
- An additional $2,500,000 additional on or before 5th anniversary of the Closing

The Property is subject to 2% of net smelter royalty ("NSR") and is payable to the former optionor of the Property. In addition, the Company agrees to pay a further 2% of NSR to the vendor, and it may purchase 1% of this further 2% NSR for $1,000,000 at any time.

(Expressed in Canadian Dollars)

6. Exploration and Evaluation Assets (continued)

A summary of the acquisition cost and exploration expenditures for the six months ended June 30, 2024 are as follows:

	South Falcon East	Keefe Lake	Total
	$	$	$
ACQUISITION COST			
Balance, December 31, 2023	**800,000**	**-**	**800,000**
Cash payments	-	-	-
Shares issued	-	-	-
Total acquisition costs, June 30, 2024	**800,000**	**-**	**800,000**
EXPLORATION AND EVALUATION COSTS			
Balance, December 31, 2023	**141,222**	**-**	**141,222**
Administration	174	-	174
Claim maintenance	-	-	-
Drilling	655,250	-	655,250
Geological	-	-	-
Surveying	-	-	-
Transportation	-	-	-
Total exploration costs for the period	655,424	-	655,424
Total exploration costs, June 30, 2024	**796,646**	**-**	**796,646**
Balance, June 30, 2024	**1,596,646**	**-**	**1,596,646**

A summary of the acquisition cost and exploration expenditures for the year ended December 31, 2023 are as follows:

	South Falcon East	Keefe Lake	Total
	$	$	$
ACQUISITION COST			
Balance, December 31, 2022			
Cash payments	350,000	-	350,000
Shares issued	450,000	-	450,000
Balance, December 31, 2023	**800,000**	**-**	**800,000**
EXPLORATION AND EVALUATION COSTS			
Balance, December 31, 2022		101,811	101,811
Administration			
Claim maintenance	103,848	-	103,848
Geological	-	-	-
Surveying	37,374	4,679	42,053
Transportation	-	20,000	20,000
Total exploration costs for the year	**141,222**	**24,679**	**62,053**
Balance, December 31, 2023	**941,222**	**126,490**	**1,067,712**
Disposal of mineral property	-	(126,490)	(126,490)
Balance, December 31, 2023	**941,222**	**-**	**941,222**

(Expressed in Canadian Dollars)

7. Trade and Other Payables

	June 30, 2024	December 31, 2023
	$	$
Trade payables	778,254	236,309
Accruals	17,750	35,000
	796,004	**271,309**

8. Convertible Debentures

On March 14, 2022, the Company closed its non-brokered private placement of convertible debentures (“Debentures”) for gross proceeds of $1,000,000. The Debentures matured on March 14, 2025 and bore interest at a rate of 12% per annum payable on maturity. Each debenture was convertible into units (“Conversion units”) of the Company at the option of the holder at a rate of one Conversion unit for every $0.25 of outstanding indebtedness. Each Conversion unit consisted of one common share of the Company and one common share purchase warrant exercisable at a price of $0.25 until March 14, 2025.

Using a risk adjusted discount rate of 25%, the equity portion was determined to include an effective interest rate of 21% for a total of $229,105. The deferred income tax liability on initial recognition was determined to be $61,858 and the net amount of $167,247 was recognized as the equity portion of convertible debentures.

During the year ended December 31, 2023, the Company entered into debt settlement agreements with the holders of the Debentures, settling an aggregate principal amount of $1,000,000, plus accrued interest and other liabilities of $227,207. Pursuant to the debt settlement agreements, the Company agreed to settle the debts with the Debentures holders for $1,054,462. As a result of the debt settlement amounts, the Company recorded a gain on settlement of debt of $172,745 for the year ended December 31, 2023.

During the six months ended June 30, 2024, there were no additional convertible debentures issued.

A summary of activity in the convertible debentures for the six months ended June 30, 2024 and the year ended December 31, 2023 and 2022 are as follows:

	Liability component	Equity component
	$	**$**
Balance, December 31, 2021	**-**	**-**
Proceeds received	770,895	229,105
Deferred income tax liability	-	(61,858)
Accretion and interest	129,467	-
Balance, December 31, 2022	**900,362**	**167,247**
Accretion and interest	159,598	-
Redemption of debentures	(1,059,960)	(167,247)
Balance, December 31, 2023 and June 30, 2024	**-**	**-**

9. Share Capital

(a) Authorized:

Unlimited number of common shares without par value.
Unlimited number of special shares issuable in series without par value.

As at June 30, 2024, there were 31,535,078 common shares issued and outstanding.

(b) Common shares issued:

<u>Six months ended June 30, 2024</u>

On February 1, 2024, the Company closed a second tranche of its non-brokered private placement and has issued 6,362,216 units at a price of $0.18 per unit for gross proceeds of $1,145,199. Each unit issued in the second tranche of the offering consists of one common share of the company and one share purchase warrant exercisable at a price of $0.30 within a 24 months period. In connection with completion of the offering, the Company paid $17,500 and issued 97,222 share purchase warrants to certain arm's-length brokerage firms who assisted in introducing subscribers to the offering. Each broker warrant is exercisable at a price of $0.30. The fair value of broker warrant was $6,009 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 4.11%; expected dividend yield of 0%; share price volatility of 86.22%; and expected life of 2 years. The finder’s warrants have the same term as for the purchase warrants issued in the private placement.

On February 29, 2024, the Company closed a third tranche of its non-brokered private placement and has issued a further 2,179,500 units at a price of $0.18 per unit for gross proceeds of $392,310. Each unit issued in the offering consists of one common share of the company and one share purchase warrant exercisable at a price of $0.30 within a 24 months period. In connection with completion of the offering, the company paid $20,720 and issued 115,115 share purchase warrants to certain arm's-length brokerage firms that assisted in introducing subscribers to the offering. Each broker's warrant is exercisable at a price of $0.30. The fair value of broker warrant was $4,163 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 4.28%; expected dividend yield of 0%; share price volatility of 85.34%; and expected life of 2 years. The finder’s warrants have the same term as for the purchase warrants issued in the private placement.

<u>Year ended December 31, 2023</u>

On December 22, 2023, the Company closed the first tranche of the private placement by issuing 4,305,556 units at a price of $0.18 per unit for gross proceeds of $775,000. Each unit consisted of one common share and one purchase warrant. Each purchase warrant entitles the holder to purchase an additional common share of the Company at $0.30 per share within a 24 months period. The fair value of the purchase warrants was $43,055 which was valued using the residual method. In connection with this private placement, the Company paid $6,400 in cash as finder’s fees and issued 35,000 finder’s warrants with fair value of $2,952 which was estimated using the Black Schoes Pricing Option model with assumptions: risk-free interest rate of 4.02%; expected dividend yield of 0%; share price volatility of 167%; and expected life of 2 years. The finder’s warrants have the same term as for the purchase warrants issued in the private placement.

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(b) Common shares issued:

On March 13, 2023, the Company completed a private placement of 2,507,500 units at $0.40 per unit for gross proceeds of $1,003,000. Each unit consisted of one common share and one half purchase warrant. Each whole purchase warrant entitles the holder to purchase an additional common share of the Company at $0.75 per share within a 36 months period. The fair value of the purchase warrants was $nil which was valued using the residual method. The finder's warrants have the same term as for the purchase warrants issued in the private placement.

In connection with the private placement on March 13, 2023, the Company paid finders fees of $24,360 and issued 60,900 finders warrants with fair value of $40,782 which was determined using the Black-Scholes Option Pricing Model with the following assumptions: risk-free interest rate of 3.31%; expected dividend yield of 0%; share price volatility of 251%; and expected life of 3 years.

The Company incurred $12,090 in professional fees in connection with the two private placements noted above.

The Company issued 2,620,000 common shares from the exercise of warrants for gross proceeds of $516,000.

On January 23, 2023, the Company issued 1,111,111 common shares with a fair value of $450,000 in connection with the Option agreement for the South Falcon East Property (Note 6).

(c) Warrants

Warrant activity for the six months ended June 30, 2024 and the year ended December 31, 2023 is presented below:

	June 30, 2024		December 31, 2023	
	Number of warrants	**Weighted average exercise price**	**Number of warrants**	**Weighted average exercise price**
		$		$
Outstanding – beginning of year	11,878,387	0.29	8,843,181	0.19
Issued	8,754,053	0.30	5,655,206	0.40
Exercised	-	-	(2,620,000)	(0.20)
Outstanding – end of year	20,632,440	0.29	11,878,387	0.29

As at June 30, 2024, the following warrants were outstanding:

Number of warrants	**Weighted average exercise price**	**Expiry date**	**Remaining life (years)**
	$		
4,340,556	0.30	December 22, 2025	1.48
6,459,438	0.30	February 1, 2026	1.59
2,294,615	0.30	February 28, 2026	1.67
1,314,650	0.75	March 13, 2026	1.70
5,150,000	0.18	August 17, 2026	2.13
1,073,181	0.18	August 30, 2026	2.17
20,632,440	0.29		1.75

(Expressed in Canadian Dollars)

9. Share Capital (continued)

(d) Stock options

The Company has a rolling incentive stock option plan that can reserve a maximum of 10% of the issued shares of the Company at the time of the stock option grant with no vesting provisions, but including the following terms:

- Each incentive share purchase option is personal to the grantee and may be neither assigned nor transferred to anyone else;
- Individual incentive share purchase options will have no more than a maximum term of 5 years from the date of their grant;
- Incentive share purchase options granted to any one individual in any 12-month period cannot exceed 5% of the issued and outstanding shares of the Company;
- Individual incentive share purchase options granted to any one consultant in any 12-month period shall not exceed 2% of the issued and outstanding shares of the Company; and
- Individual incentive share purchase option agreements granted to an employee or consultant conducting investor relations activities will not exceed an aggregate of 2% of the issued and outstanding shares of the Company in any twelve-month period.

The following table summarizes activity related to stock options for the six months ended June 30, 2024 and the year ended December 31, 2023:

	June 30, 2024		December 31, 2023	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		$		$
Outstanding – beginning of period	1,200,000	0.22	1,200,000	0.22
Outstanding – end of period	1,200,000	0.22	1,200,000	0.22

As at June 30, 2024, the following options were outstanding:

Expiry date	Number of options outstanding	Number of options vested	Weighted average exercise price	Remaining life (years)
		$		
March 7, 2027	1,000,000	1,000,000	0.20	2.68
March 23, 2027	200,000	200,000	0.34	2.73
	1,200,000	1,200,000	0.22	2.69

During the six months ended June 30, 2024 and the year ended December 31, 2023, there were no options granted.

(Expressed in Canadian Dollars)

10. Reserves

(a) Warrants reserve

This reserve records the incremental increase in the fair value of previously outstanding warrants resulting from a re-pricing.

(b) Share-based payments reserve

This reserve records items recognized as share-based compensation expense until such time that the stock options are exercised, at which time the corresponding amount will be transferred to share capital. If the options expire unexercised, the amounts recorded could potentially be transferred to deficit but the Company has elected to maintain them in the share-based payments reserve account.

11. Related Party Transactions

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. 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.

Key management personnel comprise the Company’s Board of Directors and executive officers.

During the six months ended June 30, 2024 and 2023, no remuneration was paid to key management personnel other than as noted below:

	2024	2023
	$	$
Management fees	47,400	38,400
Geological consulting fees	-	2,400
Total	**47,400**	**40,800**

12. Operating Segment

The Company's operations are limited to a single industry segment being the acquisition, exploration and development of mineral properties. The Company has mineral properties located in North America (Saskatchewan).

13. Subsequent Event

On July 23, 2024, the Company granted 1,750,000 stock options to certain directors, officers, and consultants under its omnibus incentive plan. These options allow for the purchase of up to an aggregate of 1,750,000 common shares, exercisable at $0.12 per share, and will expire on July 23, 2029.

On July 31, 2024, the Company announced that it closed its non-brokered private placement and has issued 5,654,666 units at a price of $0.075 cents per unit for gross proceeds of $424,100. Each unit consists of one common share of the company and one share purchase warrant, exercisable at a price of $0.15 until July 31, 2027. The proceeds from the offering will be used for general working capital purposes.