TRACTION URANIUM CORP.

Financial Statements

For the years ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Traction Uranium Corp.

Opinion

We have audited the financial statements of Traction Uranium Corp (the "Company"), which comprise the statement of financial position as at September 30, 2024, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, 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 September 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS.

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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the financial statements, which indicates that the Company incurred a net loss of $3,049,896 during the year ended September 30, 2024 and, as of that date, the Company's accumulated deficit was $25,197,295. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matters

The financial statements of Traction Uranium Corp. for the year ended September 30, 2023 were audited by another auditor who expressed an unmodified opinion on those statements on December 20, 2023.

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 of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

<u>Assessment of Impairment Indicators of Exploration and Evaluation Assets</u>

As described in Note 8 of the financial statements, the carrying amount of the Company's exploration and evaluation assets amounted to $2,927,934 as at September 30, 2024. This amount includes an impairment charge of $150,000 which was recorded during the year then ended. As more fully described in Note 4 to the financial statements, management assesses for indicators of impairment at each statement of financial position date.

The assessment of impairment indicators for exploration and evaluation assets is identified as a key audit matter due to significant judgment made by management, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area, particularly regarding the estimation of the recoverable amounts of these assets.

Addressing this matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluated management's assessment of impairment indicators;
- Evaluated the intent for the exploration and evaluation assets through discussion and communication with management;
- Assessed compliance with agreements and expenditures requirements including reviewing option agreements and flow through share obligations; and

Other Information

Management is responsible for the other information. The other information comprises the Management 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 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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, 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.

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 year ended 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 Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANT
Vancouver, BC

January 28, 2025

Traction Uranium Corp.
Statements of Financial Position
As at September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	2024	2023
		$	$
ASSETS			
Cash		722,647	1,861,425
Restricted cash	**6**	10,000	10,000
Accounts receivable	**12**	162,197	371,759
Prepaid expenses	**7**	3,542	211,068
TOTAL CURRENT ASSETS		**898,386**	**2,454,252**
Exploration and evaluation assets	**8**	2,927,934	2,844,184
TOTAL ASSETS		**3,826,320**	**5,298,436**
LIABILITIES			
Accounts payable and accrued liabilities	**10**	327,131	125,852
Flow-through premium liability	**11**	139,729	-
TOTAL CURRENT LIABILITIES		**466,860**	**125,852**
SHAREHOLDERS' EQUITY			
Share capital	**9**	26,606,454	25,308,281
Reserves	**9**	1,950,301	2,011,702
Deficit		(25,197,295)	(22,147,399)
TOTAL SHAREHOLDERS' EQUITY		**3,359,460**	**5,172,584**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**3,826,320**	**5,298,436**

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

Nature of operations (Note 1)
Going concern (Note 2)
Commitments (Note 11)
Subsequent event (Note 15)

Approved on behalf of the Board of Directors:

"Paul Gorman" (signed), Director

"Lester Esteban" (signed), Director

Traction Uranium Corp.
Statements of Loss and Comprehensive Loss
For the Years Ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	Notes	2024	2023
		$	**$**
EXPENSES			
Advertising and marketing		-	3,065,328
Consulting fees	**10**	332,500	383,205
Exploration and evaluation expense	**8**	1,958,643	2,811,608
Filing fees		66,344	90,577
Office and miscellaneous		51,785	132,715
Part XII.6 tax	**11**	64,019	-
Professional fees		109,102	180,435
Share-based compensation	**9, 10**	315,000	2,714,348
Travel		2,503	30,348
TOTAL OPERERATING EXPENSES		**(2,899,896)**	**(9,408,564)**
Impairment expense	**8**	(150,000)	-
Derecognition of flow-through liability	**9, 11**	-	47,760
LOSS AND COMPREHENSIVE LOSS		**(3,049,896)**	**(9,360,804)**
Loss per share, basic and diluted		(0.34)	(1.38)
Weighted average number of common shares outstanding – Basic and diluted		8,966,278	6,787,681

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

Traction Uranium Corp.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
	Number	**$**	**$**	**$**	**$**
Balance, September 30, 2022	5,187,197	15,758,166	1,032,443	(12,972,095)	3,818,514
Private placement – common shares	456,767	1,675,300	-	-	1,675,300
Private placement – flow-through shares	1,368,175	4,573,223	732,062	-	5,305,285
Shares issued for exploration and evaluation assets	41,486	150,625	-	-	150,625
Share issuance costs	-	(397,333)	114,849	-	(282,484)
Exercise – warrants	621,540	1,228,300	(76,500)	-	1,151,800
Issuance – restricted share units	645,000	2,320,000	(2,320,000)	-	-
Share-based compensation	-	-	2,714,348	-	2,714,348
Forfeitures	-	-	(185,500)	185,500	-
Loss and comprehensive loss for the year	-	-	-	(9,360,804)	(9,360,804)
Balance, September 30, 2023	**8,320,165**	**25,308,281**	**2,011,702**	**(22,147,399)**	**5,172,584**
Private placement – common shares	79,333	115,033	3,967	-	119,000
Private placement – flow-through shares	558,914	760,426	77,945	-	838,371
Shares issued for exploration and evaluation assets	25,000	33,750	-	-	33,750
Share issuance costs	-	(109,786)	40,437	-	(69,349)
Issuance – restricted share units	277,500	498,750	(498,750)	-	-
Share-based compensation	-	-	315,000	-	315,000
Loss and comprehensive loss for the year	-	-	-	(3,049,896)	(3,049,896)
Balance, September 30, 2024	**9,260,912**	**26,606,454**	**1,950,301**	**(25,197,295)**	**3,359,460**

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

Traction Uranium Corp.
Statements of Cash Flows
For the Years Ended September 30, 2024 and 2023
(Expressed in Canadian Dollars)

	2024	2023
	$	$
OPERATING ACTIVITIES		
Net loss for the year	(3,049,896)	(9,360,804)
Items not affecting cash:		
Share-based compensation	315,000	2,714,348
Impairment expense	150,000	-
Net changes in non-cash working capital items:		
Accounts receivable	209,562	(308,422)
Prepaid expenses	207,526	184,615
Accounts payable and accrued liabilities	201,279	102,970
Cash used in operating activities	**(1,966,529)**	**(6,667,293)**
INVESTING ACTIVITY		
Purchase of exploration and evaluation assets	(200,000)	(225,000)
Cash used in investing activity	**(200,000)**	**(225,000)**
FINANCING ACTIVITIES		
Proceeds from private placements	1,097,100	6,980,585
Share issuance costs	(69,349)	(282,484)
Warrant exercises	-	1,151,800
Cash provided by financing activities	**1,027,751**	**7,849,901**
Net change in cash and restricted cash	(1,138,778)	957,608
Cash and restricted cash, beginning of year	1,871,425	913,817
Cash and restricted cash, end of year	**732,647**	**1,871,425**
Supplemental cash flow information		
Non-cash investing and financing activities:		
Warrants issued for share issuance costs	40,437	114,849
Shares issued for purchase of exploration and evaluation assets	33,750	150,625
Flow-through premium	139,729	-
Residual value of warrants	81,912	732,062
Conversion of RSUs into common shares	498,750	2,320,000
Interest paid	-	-
Taxes paid	-	-

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

1. NATURE OF OPERATIONS

Traction Uranium Corp. (the "Company") was incorporated under the *BC Business Corporations Act* on July 20, 2020. On November 4, 2021, the Company changed its name from "Traction Exploration Inc." to "Traction Uranium Corp.". On September 1, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol "TRAC".

The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company's corporate office and principal place of business is 100 – 521 3rd Avenue SW, Calgary, AB T2P 3T3.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. During the year ended September 30, 2024, the Company incurred a net loss of $3,049,896 (2023 - $9,360,804) and as at that date, has an accumulated deficit of $25,197,295 (2023 - $22,147,399). The Company has incurred losses since inception and has no current source of operating revenue and is accordingly dependent upon the receipt of equity on terms which are acceptable.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent regional conflicts and potential economic global challenges such as the risk of higher inflation and energy crisis, may create further uncertainty and risk with respect to the prospects of the Company's business.

These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's statement of financial position. These financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. BASIS OF PRESENTATION

(a) Statement of Compliance

These financial statements have been prepared under IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

These financial statements, unless otherwise indicated, are expressed in Canadian dollars, which is the Company's functional currency.

These financial statements were authorized for issue by the Board of Directors on January 28, 2025.

(b) Basis of Presentation

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value as detailed in the accounting policies disclosed in Note 4 of these financial statements. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

4. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Cash, cash equivalents and restricted cash

Cash and cash equivalents include cash, bank deposits, cashable guaranteed investment certificates and all highly liquid investments with a maturity of three months or less at the date of purchase. Restricted cash is cash that is set aside for a specific use and is not available for general operational use. As of September 30, 2024 and 2023, the Company did not have any cash equivalents.

(b) Mineral properties

i. Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as “Exploration and Evaluation Assets” on the Statement of Financial Position, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company’s intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

ii. Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

iii. Impairment

The carrying value of all categories of exploration and evaluation assets are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash-generating unit (“CGU”), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU’s fair value less costs to sell and its value-in-use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(b) Mineral properties (Continued)

iii. Impairment (Continued)

Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures underlying the fair value estimates are subject to risk uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior reporting periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

iv. Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

v. Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(c) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Share capital – the market trading price of the common share;
- Warrant reserve – based on the valuation derived using the residual value method in a concurrent non-flow through issuance; and
- Flow-through premium – any excess, recorded as a liability.

Proceeds received from the issuance of flow-through units are restricted to be used only for eligible Canadian exploration expenses. Upon these expenses being incurred, the Company derecognizes the liability and recognizes a deferred tax liability and deferred tax expense for the amount of tax reduction renounced to the shareholders. The reduction of the premium previously recorded is recognized as flow-through recovery.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

(d) Financial instruments

i. Financial assets

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial instruments at initial recognition.

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

i. Financial assets (Continued)

Measurement

Financial assets at fair value through other comprehensive income

Financial assets carried at FVTOCI are initially recorded at fair value less transaction costs. Unrealized gains and losses arising from changes in the fair value of the financial assets held at FVTOCI are included in comprehensive income or loss in the period in which they arise. The Company has not elected carry any financial instruments at FVTOCI.

Financial assets at fair value through profit or loss

Financial assets 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 the financial assets held at FVTPL are included in profit or loss in the period in which they arise. The Company does not carry any financial instruments at FVTPL.

Financial assets measured at amortized cost

Financial assets at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method, net of any impairment. The effective interest method is a method of calculating the amortized cost of a financial asset and allocating interest income or expense over the relevant term. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss. The Company's cash, restricted cash, and accounts receivable (excluding sales tax receivable) are carried at amortized cost.

Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- The contractual rights to receive cash flows from the financial asset have expired; or
- The Company has transferred substantially all the risks and rewards of the financial asset.

ii. Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Financial liabilities at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable and accrued liabilities are measured at amortized cost.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(d) Financial instruments (Continued)

ii. Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as fair value through profit or loss.

iii. Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

The Company does not have any financial instruments classified at fair value.

(e) Common shares

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(f) Equity units

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

(g) Restricted share units

The fair value of the restricted share units ("RSUs") is recognized over the vesting periods based on the trading price of the Company's common shares on the grant date. Costs recognized when the RSUs vest are charged to share-based payment with the corresponding equity recorded as reserves. When the RSUs are settled in shares, recorded fair value is transferred from reserves to share capital. For cash settled RSUs, the fair value of the RSUs is recognized as share-based payment expense, with a corresponding increase in accrued liabilities over the vesting period. The amount recognized as an expense is based on the estimate of the number of RSUs expected to vest.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(h) Share-based payments

The Company has a stock option plan that is described in Note 9, whereby it may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. Share-based payments to employees are measured at the fair value of the instruments granted over relevant vesting periods. Share-based payments to non-employees are 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. The fair value of stock options is calculated using the Black-Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The fair value of awards are charged to the statement of loss and comprehensive loss and credited to reserves within shareholders' equity. Consideration received on the exercise of stock options is recorded as share capital and the recorded amount in reserves is transferred to share capital. For those options that expire or are cancelled, the recorded fair value in reserves is transferred to deficit.

(i) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(j) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted rates. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management's judgments include:

Going concern
The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

Title and rights to exploration and evaluation assets
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title or interest therein. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Flow-through shares
When flow-through units are issued, judgement is required to determine the value to allocate to the common shares, the warrants and the flow-through share component. The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Significant areas requiring the use of management estimates include:

Valuation of share-based payments
The Company uses the Black-Scholes Option Pricing Model to value its share purchase options and share purchase warrants issued as finders' fees. Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical volatility of comparable entities to the Company's common share price on the CSE. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Recoverability of exploration and evaluation assets
The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

4. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

(k) Use of estimates and judgments (Continued)

Deferred income taxes
At the end of each reporting period, the Company assesses whether the realization of deferred tax benefits is sufficiently probably to recognize deferred tax assets. This assessment requires the exercise of judgment on the part of management with respect to, among other things, benefits that could be realized from available income tax strategies and future taxable income, as well as other positive and negative factors. The recorded amount of total deferred tax assets could be reduced if estimates of projected future taxable income and benefits from available income tax strategies are lowered, or if changes in current income tax regulations are enacted that impose restrictions on the timing or extent of the Company's ability to utilize deferred tax benefits.

5. NEW ACCOUNTING PRONOUNCEMENTS

New accounting standards adopted

During the year ended September 30, 2024, the following accounting standards interpretations were adopted:

Adoption of amendments to IAS 1 Presentation of Financial Statements

Effective July 1, 2023, amendments to IAS 1 Presentation of Financial Statements were adopted with respect to disclosure of the Company's accounting policies. The adoption of the amendments did not result in any changes to the Company's accounting policies, the only impact was to the accounting policy information disclosed in the financial statements. As a result of the adoption of the amendments, the title of this note 4 was changed from "significant accounting policies" which had been used in all previous periods.

Where management determined necessary, clarifying language was applied in order to enhance focus on the materiality of a policy, and immaterial policy language was deleted.

Future accounting pronouncements

The following are the standards, amendments, and interpretations that the Company expects may be applicable at a future date and, if so, intends to adopt when they become effective. Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

In January 2020 and October 2022, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Company has assessed the impact of this amendment and has determined there will be no significant impact on its financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its financial statements.

(Expressed in Canadian Dollars)

5. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9 – Financial Instruments (“IFRS 9”) and introduced additional disclosure requirements in IFRS 7 – Financial Instruments: Disclosure (“IFRS 7”). Key changes include clarification on the timing of recognition and derecognition of financial assets and liabilities, introduction of additional disclosure for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs, and additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact that the adoption of these amendments will have on its financial statements.

6. RESTRICTED CASH

As at September 30, 2024, the Company has classified $10,000 (2023 - $10,000) as restricted cash. This amount is held as collateral for the Company’s corporate credit cards and is invested in GICs at a rate of prime less 0.50%, that auto-renew upon maturity.

7. PREPAID EXPENSES

As at September 30, 2024, the Company has $3,542 (2023 - $211,068) in prepaid expenses and consists of the following:

	2024	2023
	$	$
Prepaid exploration and evaluation expenses	-	207,728
Prepaid insurance	3,542	3,340
Total	**3,542**	**211,068**

8. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

The following table summarizes the Company’s exploration and evaluation assets by property at September 30, 2024 and 2023:

	Hearty Bay	Key Lake South	Grease River	Total
	$	$	$	$
Balance, September 30, 2022	2,418,559	50,000	-	2,468,559
Acquisition costs (cash)	200,000	-	25,000	225,000
Acquisition costs (shares)	-	100,000	50,625	150,625
Balance, September 30, 2023	2,618,559	150,000	75,625	2,844,184
Acquisition costs (cash)	150,000	-	50,000	200,000
Acquisition costs (shares)	-	-	33,750	33,750
Impairment expense	-	(150,000)	-	(150,000)
Balance, September 30, 2024	**2,768,559**	**-**	**159,375**	**2,927,934**

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the year ended September 30, 2024:

	Hearty Bay	Key Lake South	Grease River	Total
	$	$	$	$
Closure costs	-	130,139	-	130,139
Drilling	756,339	-	-	756,339
Geophysics	392,840	82,624	559,493	1,034,957
Land	1,765	-	-	1,765
Planning	15,390	-	-	15,390
Reporting and administration	13,386	3,333	3,334	20,053
Balance, September 30, 2024	**1,179,720**	**216,096**	**562,827**	**1,958,643**

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the year ended September 30, 2023:

	Hearty Bay	Lazy Edwards	Key Lake South	Grease River	Total
	$	$	$	$	$
Drilling	491,379	4,645	1,174,414	-	1,670,438
Geophysics	198,610	-	61,415	411,129	671,154
Lab analysis	47,112	-	-	-	47,112
Land maintenance	1,741	129	39,900	-	41,770
Planning	45,522	877	94,194	-	140,593
Reporting and administration	13,661	-	211,880	15,000	240,541
Balance, September 30, 2023	**798,025**	**5,651**	**1,581,803**	**426,129**	**2,811,608**

a) Hearty Bay Property

On October 30, 2021, the Company entered into an option agreement with F3 Uranium Corp. ("F3") (an unrelated party) whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan (together the "Hearty Bay Option Agreement").

Pursuant to the Hearty Bay Option Agreement, the Company will acquire up to a 70% interest in the Hearty Bay property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures. On February 28, 2023, the Hearty Bay Option Agreement was amended, with the revised series of cash payments, issuances of common shares, and required exploration expenditures outlined in the following schedule:

Milestones	Cash Payments	Exploration Expenditures
Phase 1: Acquire 50%		
Seven days after effective date of Dec 9, 2021 (cash payment - met)	$300,000	-
December 9, 2022 (cash payment and expenditures - met)	$100,000	$1,000,000
June 9, 2023 (cash payment - met)	$100,000	-
December 31, 2024 (cash payment – met)	$150,000	$2,000,000
Phase 2: Acquire Additional 20% (Total 70%)		
June 6, 2025	$150,000	-
December 9, 2025	$200,000	$3,000,000

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

a) Hearty Bay Property (Continued)

During the year ended September 30, 2024, the Company paid $150,000 (2023 - $200,000) in cash consideration.

F3 will retain a 2% net smelter royalty ("NSR") on the property.

During the year ended September 30, 2024, the Hearty Bay option agreement and royalty agreement were transferred from F3 to F4 Uranium Corp. by way of a plan of arrangement.

b) Lazy Edwards Property

On October 30, 2021 the Company entered into an option agreement with F3 Uranium Corp,, whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Lazy Edwards property in Saskatchewan (together the "Lazy Edwards Option Agreement") by paying consideration of $1,000,000 in cash via a series of payments, issuing common shares, and agreeing to incur at least $9,000,000 in expenditures.

During the year ended September 30, 2023, the Company terminated the Lazy Edwards Option agreement due to unfavourable results from preliminary exploration activities. The related acquisition costs of $2,418,559 were written off during the year ended September 30, 2022.

c) Key Lake South Property

On August 15, 2022, the Company entered into a property option agreement with UGreenco Energy Corp. (the "Vendor") pursuant to which the Company has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, North Saskatchewan, Canada (together the "Key Lake South Option Agreement").

Pursuant to the Key Lake South Option Agreement, the Company will acquire up to a 75% interest in the Key Lake South property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 51%			
Seven days after effective date (met)	$50,000	-	-
60 days after the effective date (met)	-	$100,000	-
December 31, 2022 (met)	-	-	$150,000
December 31, 2023	$200,000	$200,000	$1,500,000
December 31, 2024	$750,000	$750,000	$6,500,000
Phase 2: Acquire Additional 24% (Total 75%)			
December 31, 2025	$750,000	$750,000	$6,500,000

During the year ended September 30, 2024, the Company did not issue the consideration payments outlined by the option agreement as the project was not further pursued. As a result, the agreement was terminated. Accordingly, the Company wrote off the acquisition costs of $150,000 through the statement of loss and comprehensive loss.

(Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (Continued)

d) Grease River (Continued)

On February 3, 2023, the Company entered into an option agreement with Forum Energy Metals Corp. ("Forum"), whereby the Company will be granted the right to earn and acquire up to a 100% interest in the Grease River Property in Saskatchewan (together, the "Grease River Option Agreement").

Pursuant to the Grease River Option Agreement, the Company will acquire up to a 100% interest in the Grease River property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 51%			
February 10, 2023 (Met)	$25,000	-	-
March 1, 2023 (Met)	-	12,500	-
December 31, 2023 (Met)	$50,000	25,000	$500,000
December 31, 2024	$75,000	50,000	$1,000,000
December 31, 2025	$100,000	75,000	$1,500,000
Phase 2: Acquire Additional 19% (Total 70%)			
December 31, 2026	$200,000	100,000	$1,500,000
December 31, 2027	$500,000	150,000	$1,500,000
Phase 3: Acquire Additional 30% (Total 100%)			
December 31, 2028	$1,000,000	300,000	$3,000,000

During the year ended September 30, 2024, the Company issued 25,000 common shares and paid $50,000 in cash as part of the Grease River Option Agreement (2023 – 12,500 common shares and paid $25,000 in cash).

Forum will retain a 2% net smelter royalty ("NSR") on the property.

9. SHARE CAPITAL

a) Authorized and Issued Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

On September 26, 2024, the Company consolidated its issued share capital on a ratio of 10 pre-consolidation common shares to 1 post-consolidation common share (the "Share Consolidation"). The current and comparative references to the common shares, weighted average number of common shares, loss per share, options, RSUs and warrants have been restated to give effect to this Share Consolidation.

Common shares issued and outstanding as at September 30, 2024 are 9,260,912 (2023 – 8,320,165).

During the year ended September 30, 2024, the Company had the following common share transactions:

(i) On November 14, 2023, the Company closed the first tranche of a non-brokered private placement for aggregate proceeds of $747,100. The Company issued 79,333 units at a price of $1.50, as well as 358,914 flow-through units at a price of $1.75. Each non-flow-through and flow-through unit consist of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of $2.00 for a period of two years from the date of issue. A residual value of $21,912 was allocated to the warrants. Finders' fees of $44,826 were paid and 26,295 finders' warrants fair valued at $29,548 were issued in connection with the private placement. The Company also paid $3,523 in cash for share issuance costs. A total of $89,729 was allocated to the flow-through premium liability on the transaction.

9. SHARE CAPITAL (Continued)

a) Authorized and Issued Share Capital (Continued)

(ii) On November 24, 2023, the Company closed the second tranche of the non-brokered private placement discussed above for aggregate proceeds of $350,000. The Company issued 200,000 flow-through units at a price of $1.75. Each flow-through unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of $2.00 for a period of two years from the date of issue. A residual value of $60,000 was allocated to the warrants. Finders' fees of $21,000 were paid and 12,000 finders' warrants fair valued at $10,889 were issued in connection with the private placement. A total of $50,000 was allocated to the flow-through liability premium liability on the transaction .

(iii) On January 8, 2024, the Company issued 25,000 common shares to Forum Energy Metals Corp. with a fair value of $33,750 in connection to the Grease River Option Agreement (Note 8 (d)).

(iv) During the year-ended September 30, 2024, 277,500 restricted share units were converted into common shares of the Company and $498,750 was transferred from reserves to share capital.

During the year ended September 30, 2023, the Company had the following common share transactions:

(i) On October 6, 2022, the Company issued 28,986 common shares to UGreenco Energy Corp. with a fair value of $100,000 in connection to the Key Lake South Property option agreement (Note 8(c)).

(ii) On December 9, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of $2,513,105. The Company issued 718,030 flow-through units at a price of $3.50. Each flow-through unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $4.00 for a period of two years from the date of issue. A residual value of $454,861 was allocated to the warrants. Finders' fees of $68,567 were paid and 19,591 finders' warrants fair valued at $24,821 were issued in connection with the private placement. A total of $47,760 was allocated to the flow-through liability premium liability on the transaction.

(iii) On December 23, 2022, the Company closed a non-brokered private placement for aggregate gross proceeds of $300,000. The Company issued 85,714 flow-through units at a price of $3.50. Each flow-through unit consists of one common share and one-half common share purchase warrant, with each whole warrant exercisable into one common share of the Company at a price of $4.00 for a period of two years from the date of issue. A residual value of $51,429 was allocated to the warrants. Finders' fees of $18,000 were paid and 5,143 finders' warrants fair valued at $6,887 were issued in connection with the private placement.

(iv) On January 18, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $455,300. The Company issued 151,767 units at a price of $3.00 per unit. Each unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable into one share at a price of $4.00 until January 18, 2025. There was no residual value allocated to the warrants. A total of $9,918 in finders' fees were paid in cash and 3,306 finders' warrants fair valued at $8,948 were issued (with the same terms a' the warrants noted above).

(v) On March 31, 2023, the Company issued 12,500 common shares to Forum Energy Metals Corp. with a fair value of $50,625 in connection to the Grease River Option Agreement (Note 8 (d)).

(vi) On April 20, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $1,220,000. The Company issued 305,000 units at a price of $4.00 per unit. Each unit consists of one common share and one-half of a share purchase warrant, with each whole warrant exercisable into one share at a price of $5.50 until April 20, 2025. There was no residual value allocated to the warrants. A total of $57,900 in finders' fees were paid in cash and 14,475 finders' warrants fair valued at $26,702 were issued (with the same terms as the warrants noted above).

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

a) Authorized and Issued Share Capital (Continued)

(vii) On May 9, 2023, the Company closed a non-brokered private placement for aggregate gross proceeds of $2,539,940. The Company issued 564,431 flow-through units at a price of $4.50 per unit. Each flow-through unit consists of one common share and one-half common share purchase warrant. Each whole warrant is exercisable into one common share of the Company at an exercise price of $5.50 until May 9, 2023. $225,772 of residual value was allocated to the warrants. A total of $128,099 in finders' fees were paid in cash and 27,200 finders' warrants fair valued at $47,490 (with the same terms as the warrants noted above).

(viii) During the year ended September 30, 2023, 621,540 share purchase warrants and 645,000 restricted share units were exercised for 1,266,540 common shares of the Company. The Company received $1,151,800 from the exercise of warrants.

b) Stock Options

Effective March 22, 2023, the Company has amended and restated its equity incentive plan. Under the 2023 Equity Incentive Plan, the Company may from time to time grant non-transferable options to purchase common shares to directors, senior officers, employees and consultants of the Company. The aggregate instruments allowed to be issued under the equity incentive plan are limited to 20% of the outstanding common shares. The option exercise price under each option shall be not less than the market value on the grant date.

During the year ended September 30, 2024, the Company did not grant any options to officers and employees of the Company (2023 – 122,500). The fair value of each option granted was determined using the Black-Scholes Option Pricing Model with the weighted average assumptions as follows:

	2024	2023
Exercise price	-	$3.30
Risk-free interest rate	-	3.90%
Volatility	-	95.78%
Dividend yield	-	0.00%
Expected life (years)	-	4.69
Forfeiture rate	-	0.00%

During the year ended September 30, 2024, the Company recorded share-based compensation expense of $nil (2023 - $362,063) pursuant to options vesting. A remaining share-based compensation expense of $nil (2023 - $nil) is expected to be recognized as the remaining options vest.

A summary of the movement in the Company's stock options at September 30, 2024 and 2023 is as follows:

	Number of Options	Exercise Price
Balance, September 30, 2022	**125,000**	**$5.50**
Options - Granted	122,500	$3.26
Options - Forfeited	(60,000)	$6.00
Balance, September 30, 2023	**187,500**	**$3.90**
Options – Expired	(65,000)	$5.00
Balance, September 30, 2024	**122,500**	**$3.26**

As at September 30, 2024, the options have a weighted average remaining contractual life of 3.16 years (2023 – 2.24).

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

b) Stock Options (Continued)

The following is a summary of the stock options outstanding at September 30, 2024:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
December 29, 2022	December 29, 2027	$2.90	60,000
April 11, 2023	April 11, 2025	$4.00	12,500
June 19, 2023	June 19, 2028	$3.50	50,000
Total			**122,500**

c) Share Purchase Warrants

During the year ended September 30, 2024, the Company granted 676,543 (2023 – 982,185) share purchase warrants ("warrants") to finders in connection with the private placements completed (Note 9(a)). The fair value of each finders' warrant granted was determined using the Black-Scholes Option Pricing Model with the weighted average assumptions as follows:

	2024	2023
Exercise price	$2.00	$4.70
Risk-free interest rate	4.33%	3.81%
Volatility	181.26%	96.02%
Dividend yield	0.00%	0.00%
Expected life (years)	2.00	2.00
Forfeiture rate	0.00%	0.00%

A summary of the movement in warrants during the year ended September 30, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2022	**1,772,533**	**$4.00**
Granted	982,185	$4.73
Exercised	(621,540)	$1.90
Expired	(132,600)	$2.00
Balance, September 30, 2023	**2,000,578**	**$5.19**
Granted	676,543	$2.00
Expired	(1,018,393)	$5.64
Balance, September 30, 2024	**1,658,728**	**$3.60**

The following is a summary of the warrants outstanding at September 30, 2024:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
December 9, 2022	December 9, 2024	$4.00	378,606
December 23, 2022	December 23, 2024	$4.00	48,000
January 18, 2023	January 18, 2025	$4.00	79,189
April 20, 2023	April 20, 2025	$5.50	166,975
May 9, 2023	May 9, 2025	$5.50	309,415
November 14, 2023	November 14, 2025	$2.00	464,543
November 24, 2023	November 24, 2025	$2.00	212,000
Total			**1,658,728**

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (Continued)

c) Share Purchase Warrants (Continued)

As at September 30, 2024, the warrants have a weighted average remaining contractual life of 0.70 years (2023 – 0.80 years).

d) Restricted Share Units

Effective March 22, 2023, the Company has amended and restated its equity incentive plan. Under the 2023 Equity Incentive Plan, the Board of Directors of the Company may, from time to time, grant directors, officers, employees and consultants of the Company, non-transferable RSUs. The expiry date for each restricted share unit shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue.

A summary of the Company's restricted share units at September 30, 2024 is as follows:

	RSUs	Fair Value
Balance, September 30, 2022	**60,000**	**$6.00**
Granted	655,000	$3.48
Exercised	(645,000)	$3.60
Forfeited	(15,000)	$5.00
Balance, September 30, 2023	**55,000**	**$3.50**
Granted	350,000	$1.40
Exercised	(277,500)	$1.80
Expired	(127,500)	$1.45
Balance, September 30, 2024	**-**	**-**

On December 22, 2023, the Company granted a total of 350,000 RSUs to certain directors, officers and consultants of the Company. Of the total RSUs granted, 225,000 vested immediately, while 125,000 were subject to specific performance goals. The 125,000 RSUs expired unvested on June 30, 2024. The fair value of the RSUs was determined to be $490,000 by reference to the fair value of the Company's common shares on the date of grant.

On December 29, 2022, a total of 300,000 RSUs were issued to certain consultants of the Company. The RSUs vested immediately and expire on December 29, 2027.

On January 11, 2023, a total of 25,000 RSUs were issued to certain consultants of the Company. The RSUs vested immediately and expire on January 11, 2025.

On April 11, 2023, a total of 277,500 RSUs were issued to certain officers and consultants of the Company. The RSUs vested immediately and expire on April 11, 2024.

On June 19, 2023, a total of 52,500 RSUs were issued to certain officers, directors and consultants of the Company. The RSUs vested immediately and expire on June 19, 2024.

During the year ended September 30, 2024, the Company recorded a fair value of $315,000 pursuant to RSUs vesting (2023 - $2,352,285).

e) Escrow Shares

As at September 30, 2024, the Company has no common shares held in escrow (2023 – 69,000) common shares held in escrow.

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management are those personnel having the authority and responsibility for planning, directing, and controlling the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

The aggregate value of transactions relating to key management personnel during the years ended September 30, 2024 and 2023 were as follows:

	2024	2023
	$	$
Consulting fees – former CEO	54,000	96,320
Consulting fees – CEO	30,000	-
Consulting fees – CFO	90,000	83,750
Consulting fees - director fees	66,500	79,500
Share-based compensation	245,000	479,543
Total	**485,500**	**739,113**

As at September 30, 2024, $86,900 (2023 - $25,899) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

During the year ended September 30, 2024, the Company issued nil common shares (2023 – 28,986 common shares) to a related party via common director, UGreenco Energy Corp., as part of the Key Lake South option agreement discussed in Note 8. A total of $216,096 was spent on exploration activities related to Key Lake South (2023 - $1,581,803) and $130,139 (2023 - $1,519,861) was charged by UGreenco to Traction in relation to exploration activities. As at September 30, 2024, no prepaid expense remain (2023 - $130,139). Effective, January 20, 2024, the option agreement was terminated.

11. FLOW-THORUGH PREMIUM LIABILITY

A summary of changes in the Company's flow-through share premium liability is as follows:

	2024	2023
	$	$
Opening balance	-	-
Flow-through share premium on issuance	139,729	47,760
Settlement of flow-through share premium liability	-	(47,760)
Ending balance	**139,729**	**-**

During the year ended September 30, 2024, the Company paid Part XII.6 tax of $64,019 (2023 - $nil).

As at September 30, 2024, the Company has $2,263,729 (2023 - $3,201,117) in expenditure commitments for flow-through shares issued.

12. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

12. RISK MANAGEMENT (Continued)

i. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its $722,647 in cash (2023 - $1,861,425) and $10,000 (2023 - $10,000) in restricted cash is low as the Company's cash is held with major Canadian financial institutions. As at September 30, 2024, the full balance of the accounts receivable relates to GST receivable from the Canadian Revenue Agency.

ii. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at September 30, 2024, the Company has a working capital of $431,526 (2023 - $2,328,400) and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company intends to seek additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities. All of the Company's accounts payable and accrued liabilities are due within 90 days of year-end.

iii. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk. The Company is not exposed to significant market risk.

<u>Currency Risk</u>

The operating results and financial position of the Company are reported in Canadian dollars. The Company has limited exposure to these risks. The Company does not engage in any form of derivative or hedging instruments.

b) Fair Values

The Company's financial instruments consist of cash, restricted cash, accounts receivable (excluding sales tax receivable) and accounts payable and accrued liabilities, which are carried at amortized cost. The carrying values of these instruments approximate their fair values due to their short-term to maturity. The Company does not have any financial instruments carried at fair value.

c) Capital Management

The Company considers its shareholders' equity as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to satisfy its capital obligations and ongoing operational expenses, and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company manages its capital structure and makes adjustments as necessary in light of economic conditions. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. To maintain its capital structure the Company may, from time to time, issue equity or debt, repay debt or sell assets.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the year ended September 30, 2024.

(Expressed in Canadian Dollars)

13. INCOME TAX

A reconciliation of the expected income tax recovery is as follows:

For the Year Ended	2024	2023
	$	$
Net loss for the year	(3,049,896)	(9,360,804)
Statutory tax rate	27%	27%
Expected income tax recovery at the statutory rate	(823,000)	(2,527,000)
Permanent differences	103,000	736,000
Adjustments to prior year provisions and other	1,000	(673,000)
Unused tax losses and offsets not recognized	498,000	1,343,000
Change in unrecognized deductible temporary differences	221,000	1,121,000
Income tax recovery	-	-

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	2024	2023
	$	$
Deferred tax assets:		
Non-capital loss carry-forwards	2,484,000	2,284,000
Share issuance costs	120,000	151,000
Exploration and evaluation assets	797,000	745,000
Unrecognized deferred tax assets (net)	(3,401,000)	(3,180,000)
Net deferred tax assets	-	-

The Company has non-capital losses of approximately $9,201,000 (2023 - $8,458,000) available to offset future income for income tax purposes which commence expiring from 2040 to 2044. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements.

14. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

15. SUBSEQUENT EVENT

Subsequent to year end, 505,795 warrants exercisable at $4.00 expired unexercised.