

**TRACTION URANIUM CORP.**  
*(Formerly Traction Exploration Inc.)*

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 and 2023**

**(Unaudited)**

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**NOTICE TO READER**

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

The accompanying unaudited condensed interim financial statements of Traction Uranium Corp. have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three months ended December 31, 2024, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars unless otherwise stated.

**Traction Uranium Corp.**  
**Condensed Interim Statements of Financial Position**

As at December 31, 2024 and September 30, 2024

In Canadian Dollars, unless noted (unaudited)

<b>As at</b>	<b>Notes</b>	<b>December 31, 2024</b>	<b>September 30, 2024</b>
		\$	\$
<b>ASSETS</b>			
Cash		614,796	722,647
Restricted cash	4	10,000	10,000
Accounts receivable		166,552	162,197
Prepaid expenses	5	-	3,542
<b>TOTAL CURRENT ASSETS</b>		<b>791,348</b>	<b>898,386</b>
Exploration and evaluation assets	6	2,927,934	2,927,934
<b>TOTAL ASSETS</b>		<b>3,719,282</b>	<b>3,826,320</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities		291,624	327,131
Flow-through premium liability		139,729	139,729
<b>TOTAL LIABILITIES</b>		<b>431,353</b>	<b>466,860</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	7	26,606,454	26,606,454
Reserves	7	1,950,301	1,950,301
Deficit		(25,268,826)	(25,197,295)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>3,287,929</b>	<b>3,359,460</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,719,282</b>	<b>3,826,320</b>

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

*Going concern (Note 2) and Subsequent events (Note 9)*

Approved on behalf of the Board of Directors:

"Paul Gorman" (signed), Director

"Lester Esteban" (signed), Director

# Traction Uranium Corp.

## Condensed Interim Statements of Net and Comprehensive Loss

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

For the Three Months Ended December 31,	Notes	2024	2023
		\$	\$
<b>EXPENSES</b>			
Advertising and marketing fees			-
Consulting fees	8	52,125	101,750
Exploration and evaluation expense	6	-	490,512
Filing fees		7,283	14,872
Office and miscellaneous		8,883	20,568
Professional fees		3,240	60,930
Share-based compensation	7	-	490,000
Travel		-	2,503
<b>TOTAL OPERATING EXPENSES</b>		<b>(71,531)</b>	<b>(1,181,135)</b>
Impairment Expense	6	-	150,000
<b>NET AND COMPREHENSIVE LOSS</b>		<b>(71,531)</b>	<b>(1,331,135)</b>
Loss per share, basic and diluted		(0.01)	(0.15)
Weighted average number of common shares outstanding – Basic and diluted		9,260,912	8,651,389

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

## Traction Uranium Corp.

### Condensed Interim Statements of Changes in Shareholders' Equity

As at December 31, 2024 and December 31, 2023

In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
	Number	\$	\$	\$	\$
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	119,000	-	-	119,000
Private placement – flow-through shares	558,914	978,000	-	-	978,100
Share issuance costs	-	(89,530)	23,704	-	(65,826)
Grant – restricted share units	-	-	490,000	-	490,000
Issuance – restricted share units	37,500	131,250	(131,250)	-	-
Net and comprehensive loss for the period	-	-	-	(1,331,135)	(1,331,135)
<b>Balance, December 31, 2023</b>	<b>8,995,912</b>	<b>26,447,101</b>	<b>2,394,156</b>	<b>(23,478,534)</b>	<b>5,362,723</b>
Balance, September 30, 2024	9,260,912	26,606,454	1,950,301	(25,197,295)	3,359,460
Net and comprehensive loss for the period	-	-	-	(71,531)	(71,531)
<b>Balance, December 31, 2024</b>	<b>9,260,912</b>	<b>26,606,454</b>	<b>1,950,301</b>	<b>(25,268,826)</b>	<b>3,287,929</b>

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

# Traction Uranium Corp.

## Condensed Interim Statements of Cash Flow

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

For the Three Months Ended December 31,	Notes	2023	2022
<b>OPERATING ACTIVITIES</b>			
Net and comprehensive loss for the period		(71,531)	(1,331,135)
Items not affecting cash:			
Share-based compensation	7	-	490,000
Impairment Expense	6	-	150,000
<b>Net changes in non-cash working capital items:</b>			
Accounts receivable		(4,355)	240,158
Prepaid expenses		3,542	28,628
Accounts payable and accrued liabilities		(35,508)	(36,000)
<b>Cash used in operating activities</b>		<b>(107,851)</b>	<b>(458,349)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of exploration and evaluation assets	6	-	(150,000)
<b>Cash used in investing activities</b>		<b>-</b>	<b>(150,000)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share issuances	7	-	1,097,100
Share issuance costs	7	-	(65,826)
<b>Cash received from financing activities</b>		<b>-</b>	<b>1,031,274</b>
Net change in cash		(107,851)	422,925
Cash, beginning of period		732,647	1,871,425
<b>Cash, end of period</b>		<b>624,796</b>	<b>2,294,350</b>
<b>Supplemental Cash flow information</b>			
Warrants issued for share issuance costs		-	23,704
Shares issued for purchase of exploration and evaluation assets		-	-
Interest paid		-	-
Taxes paid		-	-

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

# **Traction Uranium Corp.**

## **Notes to the Condensed Interim Financial Statements**

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

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### **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 3<sup>rd</sup> Avenue SW, Calgary, AB T2P 3T3.

These condensed interim financial statements (the "financial statements") were approved by the Board of Directors on February 28, 2025.

### **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 period ended December 31, 2024, the Company incurred a net loss of \$71,531 (2023 - \$1,331,135) and as at that date, has an accumulated deficit of \$25,268,826 (September 30, 2024 - \$25,197,295). 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**

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2024.

The financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in Note 4 of the Company's audited financial statements for the year ended September 30, 2024. All accounting policies, estimates and methods of computation followed in the preparation of these financial statements are consistent with those of the previous year.

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

### 4. RESTRICTED CASH

As at December 31, 2024, the Company classified \$10,000 (September 30, 2024 - \$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.

### 5. PREPAID EXPENSES

As at December 31, 2024, the Company has \$nil (September 30, 2024 - \$3,542) in prepaid expenses and consists of the following:

	December 31, 2024	September 30, 2024
Prepaid insurance	\$ -	\$ 3,542
<b>Total</b>	<b>-</b>	<b>3,542</b>

### 6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

Staking costs, property option payments and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as exploration and evaluation assets. Other expenditures (i.e. geological and geographical surveys, analysis, mapping, etc.) are expensed as they are incurred.

The following table summarizes the Company's exploration and evaluation assets by property at December 31, 2024 and September 30, 2024.

	Hearty Bay	Key Lake South	Grease River	Total
	\$	\$	\$	\$
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)
<b>Balance, September 30, 2024 and December 31, 2024</b>	<b>2,768,559</b>	<b>-</b>	<b>159,375</b>	<b>2,927,934</b>

The Company did not spend on exploration and evaluation expenses during the three months ended December 31, 2024. The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the three months ended December 31, 2023:

	Hearty Bay	Key Lake South	Grease River	Total
	\$	\$	\$	\$
Drilling	-	-	-	-
Geophysics	475,288	5,224	-	480,512
Lab analysis	-	-	-	-
Land maintenance	-	-	-	-
Planning	-	-	-	-
Reporting and administration	3,333	3,333	3,333	10,000
<b>Balance, December 31, 2023</b>	<b>478,621</b>	<b>8,557</b>	<b>3,333</b>	<b>490,512</b>



# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

### 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	Common Shares Issuances	Exploration Expenditures
<b>Phase 1: Acquire 50%</b>			
Seven days after effective date of Dec 9, 2021 (met)	\$300,000	-	-
December 9, 2022 (met)	\$100,000	-	\$1,000,000
June 9, 2023 (met)	\$100,000	-	-
December 31, 2024 (cash payment – met)	\$150,000	-	\$2,000,000
<b>Phase 2: Acquire Additional 20% (Total 70%)</b>			
June 6, 2025	\$150,000	-	-
December 9, 2025	\$200,000	-	\$3,000,000

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

F4 will retain a 2% net smelter royalty ("NSR") on the property.

During the three months ended December 31, 2024, the Company issued no common shares and paid \$nil in cash as part of the Hearty Bay Option Agreement (2023 – nil common shares and \$150,000 in cash).

As at December 31, 2024, the Company is in negotiations with F4 to extend the terms of the option agreement as detailed above, and is not in default of any milestones required by the original agreement.

### b) 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:

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
<b>Phase 1: Acquire 51%</b>			
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
<b>Phase 2: Acquire Additional 24% (Total 75%)</b>			
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.

### c) Grease River

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
<b>Phase 1: Acquire 51%</b>			
February 10, 2023 (Met)	\$25,000	-	-
March 1, 2023 (Met)	-	125,000	-
December 31, 2023 (Met)	\$50,000	250,000	\$500,000
December 31, 2024	\$75,000	500,000	\$1,000,000
December 31, 2025	\$100,000	750,000	\$1,500,000
<b>Phase 2: Acquire Additional 19% (Total 70%)</b>			
December 31, 2026	\$200,000	1,000,000	\$1,500,000
December 31, 2027	\$500,000	1,500,000	\$1,500,000
<b>Phase 3: Acquire Additional 39% (Total 100%)</b>			
December 31, 2028	\$1,000,000	3,000,000	\$3,000,000

During the three months ended December 31, 2024, the Company issued no common shares and paid no amounts in cash as part of the Grease River Option Agreement (September 30, 2024 - 25,000 common shares and paid \$50,000 in cash).

As at December 31, 2024, the Company is in negotiations with Forum to extend the terms of the option agreement as detailed above, and is not in default of any milestones required by the original agreement.

## 7. SHARE CAPITAL

### A) Authorized and Issued Share Capital

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

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

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 December 31, 2024 are 9,260,912 (September 30, 2024 – 9,260,912).

The Company did not have any common share transactions during the three months ended December 31, 2024.

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.
- (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 6(c)).
- (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.

### B) Stock Options

A summary of the Company's share purchase options ("options") at December 31, 2024 and September 30, 2024 is as follows:

	Number of Options	Exercise Price
<b>Balance, September 30, 2023</b>	<b>187,500</b>	<b>\$3.90</b>
Options – Expired	(65,00)	\$5.00
<b>Balance, September 30, 2024 and December 31, 2024</b>	<b>122,500</b>	<b>\$3.26</b>

The following is a summary of the stock options outstanding as at December 31, 2024:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
December 31, 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
<b>Total</b>			<b>122,500</b>

During the three months ended December 31, 2024, the Company recorded share-based compensation expense of \$nil (2023 - \$nil) pursuant to option vesting.

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

### C) Share Purchase Warrants

A summary of the movements in the Company's share purchase warrants ("warrants") at December 31, 2024 is as follows:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, September 30, 2023</b>	<b>2,000,578</b>	<b>\$5.19</b>
Granted	676,543	\$2.00
Expired	(1,018,393)	\$5.64
<b>Balance, September 30, 2024</b>	<b>1,658,728</b>	<b>\$3.60</b>
Expired	(426,606)	\$4.00
<b>Balance, December 31, 2024</b>	<b>1,232,122</b>	<b>\$3.46</b>

The following is a summary of the warrants at December 31, 2024:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
January 18, 2023	January 18, 2025	\$4.00	79,189
April 20, 2023	April 20, 2025	\$5.50	166,975
May 9, 2023	May 7, 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
<b>Total</b>			<b>1,232,122</b>

At December 31, 2024, the warrants have a weighted average remaining contractual life of 0.61 years (September 30, 2024 – 0.70 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 ("RSUs") at December 31, 2024 is as follows

	RSUs	Fair Value
<b>Balance, September 30, 2023</b>	<b>55,000</b>	<b>\$3.50</b>
Granted	350,000	\$1.40
Exercised	(277,500)	\$1.80
Expired	(127,500)	\$1.45
<b>Balance, September 30, 2024 and December 31, 2024</b>	<b>-</b>	<b>-</b>

During the three months ended December 31, 2024, the Company recorded share-based compensation expense of \$nil pursuant to RSUs vesting (2023 – \$490,000).

### E) Escrow Shares

As at December 31, 2024, the Company has no common shares held in escrow (2023 – 690,000).

## 8. RELATED PARTY TRANSACTIONS AND BALANCES

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

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 three months ended December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
	\$	\$
Consulting fees - CEO	15,000	27,000
Consulting fees - CFO	22,500	22,500
Director fees	-	18,000
Share-based compensation	-	420,000
<b>Total</b>	<b>37,500</b>	<b>487,500</b>

As at December 31, 2024, a \$76,525 (September 30, 2024 – \$86,900) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

### 9. FLOW-THROUGH PREMIUM LIABILITY

A summary of changes in the Company's flow-through share premium liability as at December 31, 2024 and 2023 is as follows:

	2024	2023
	\$	\$
Opening balance	139,729	-
Flow-through share premium on issuance	-	-
Settlement of flow-through share premium liability	-	-
<b>Ending Balance</b>	<b>139,729</b>	<b>-</b>

As at December 31, 2024, the Company has \$2,263,729 (2023 – \$3,276,276) remaining in committed flow-through proceeds to be expended.

### 10. 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.

#### 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 \$614,796 in cash (September 30, 2024 - \$722,647) is low as the Company's cash is held with major Canadian financial institutions. 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 December 31, 2024 the Company's working capital surplus is \$359,995 (September 30, 2024 - \$431,526), 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

# Traction Uranium Corp.

## Notes to the Condensed Interim Financial Statements

For the Three Months Ended December 31, 2024 and 2023

In Canadian Dollars, unless noted (unaudited)

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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 period end.

### III. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

### IV. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company has limited exposure to these risks.

## B) Fair Values

The carrying values of cash, accounts payable and accrued liabilities and loan payable approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

## B) 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 three-month period ending December 31, 2024.