

FORM 51-102F4
BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Global Uranium Corp. (the “**Company**”)
1930 – 1177 West Hastings Street
Vancouver, British Columbia
V6E 2K3

1.2 Executive Officer

The following individual is knowledgeable about the significant acquisition and this business acquisition report:

Eli Dusenbury
Chief Financial Officer
604 359 1248

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On May 6, 2024, the Company acquired all of the issued and outstanding shares of Rare Earth Element Corp. (“**REEC**”) pursuant to a securities exchange agreement entered into with as between the Company and each of the former shareholders of REEC (the “**Acquisition**”).

REEC is party to an option agreement with respect to the Wing Lake Property (as defined herein) pursuant to which it was granted an option to acquire a 100% interest in the Wing Lake Property by:

- a) making aggregate cash payments of \$300,000 (\$200,000 of which were paid prior to the closing of the Acquisition);
- b) issuing 500,000 shares of REEC (150,000 of which were issued by REEC prior to the closing of the Acquisition) and as a result of the Acquisition, the Company agreed to satisfy the balance of this obligation by issuing common shares of the Company (“**Common Shares**”)); and
- c) undertaking \$250,000 of exploration work on the Wing Lake Property.

The Wing Lake Property is an exploration stage property which is prospective for uranium mineralization and is located in the Mudjatik Domain of northern Saskatchewan, Canada

The Acquisition and the respective businesses of each of the Company and REEC are more fully-described in the Company's Listing Statement (CSE Form 2A) dated April 29, 2024 and filed on the Company's SEDAR+ profile at www.sedarplus.ca (the "**Listing Statement**").

2.2 Date of Acquisition

May 6, 2024.

2.3 Consideration

On the closing of the Acquisition, the Company acquired 100% of REEC's issued and outstanding common shares, being 18,550,500 common shares, in exchange for issuing 18,550,500 Common Shares. Additionally, in connection with the Acquisition, 18,400,000 share purchase warrants held by former REEC shareholders were adjusted in accordance with their contractual terms to become exercisable for an equivalent amount of Common Shares at the same exercise price.

2.4 Effect on Financial Position

Pursuant to the Acquisition, the Company acquired control of REEC (including indirect ownership of all of REEC's assets and liabilities). Please see Schedule "A" and Schedule "B" of this Business Acquisition Report for further information regarding the financial position of REEC as at and for the years ended January 31, 2024 and January 31, 2023 and as at and for the three months ended April 30, 2024. Readers may also make reference to the pro forma consolidated statements of financial position and pro forma consolidated statement of loss and comprehensive loss of the Company giving effect to the Acquisition, attached as Appendix "C" to the Listing Statement.

At this time, the Company has no other plans or proposals for any other material changes in its business affairs or the affairs of REEC which may have a significant effect on the financial performance or position of the Company, including any proposal to liquidate the business of the Company, to sell, lease or exchange all or a substantial part of the Company's assets, to amalgamate the Company with any other business organization or to make any other material changes to the business of the Company or REEC.

2.5 Prior Valuations

To the knowledge of the Company, no valuation opinions were obtained in the last 12 months by the Company or REEC that were required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for REEC.

2.6 Parties to Transaction

The parties to the Acquisition (being the former REEC shareholders) were not informed persons (as such term is defined in section 1.1 of National Instrument 51-102 *Continuous Disclosure Obligations* ("**51-102**")), associates or affiliates of the Company.

2.7 Date of Report

July 19, 2024

Item 3 Financial Statements

Pursuant to Part 8 of 51-102, the audited annual financial statements of REEC as at and for the year ended January 31, 2024 and January 31, 2023, together with the notes thereto and the auditor's report thereon, are attached hereto as Schedule "A", and the unaudited condensed interim financial statements of REEC as at and for the three months ended April 30, 2024, together with the notes thereto, are attached hereto as Schedule "B". The financial statements attached hereto as Schedule "A" and Schedule "B" form part of this Business Acquisition Report.

Schedule "A"

See attached.

RARE EARTH ELEMENT CORP.

Financial Statements

For the years ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

INDEPENDENT AUDITOR'S REPORT

To the Director of Rare Earth Element Corp.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Rare Earth Element Corp. (the "Company"), which comprise the statements of financial position as at January 31, 2024 and 2023, and the statements of loss and comprehensive loss, changes in shareholder's equity and cash flows for the years then ended, including a summary of 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 January 31, 2024 and 2023 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("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 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 in the financial statements, which indicates that the Company has not achieved profitable operations, has accumulated losses since its inception and expects to incur further losses in the development of its business. 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.

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 period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there is the following key audit matter to communicate in our auditor's report.

Key audit matter:	How our audit addressed the key audit matter:
Assessment of impairment indicators of the Exploration and evaluation assets.	Our approach to addressing the matter included the following procedures, among others:
<i>Refer to note 4 – Accounting policy for Exploration and evaluation assets, note 3 – Significant accounting judgements and estimates and note 5 Exploration and evaluation assets</i>	Evaluated the reasonableness of management's assessment of impairment indicators, which included the following:
Management assesses at each reporting period whether there is an indication that the carrying value of the exploration and evaluation assets may not be recoverable.	<ul style="list-style-type: none">Assessed the completeness of the factors that could be considered indicators of impairment, including consideration of evidence obtained in other areas of the audit.

Management applies significant judgement in assessing whether indicators of impairment exist that necessitate impairment testing. Internal and external factors, such as (i) a significant decline in the market value of the Company's share price; (ii) changes in the Company's assessment of whether commercially viable quantities of mineral resources exist within the property; and (iii) changes in metal prices, capital and operating costs, are evaluated by management in determining whether there are any indicators of impairment.

- Confirmed that the Company's right to explore the property had not expired.
- Obtained management's written representations regarding the Company's future plans for the exploration and evaluation assets.
- Assessed the reasonability of the Company's financial statement disclosure regarding their exploration and evaluation assets.

We considered this a key audit matter due to (i) the significance of the exploration and evaluation asset balance and (ii) the significant audit effort and subjectivity in applying audit procedures to assess the factors evaluated by management in its assessment of impairment indicators, which required significant management judgement.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis" but does not include the financial statements and our auditor's report thereon.

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

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

The image shows a handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants

Vancouver, BC, Canada
April 29, 2024

Rare Earth Element Corp.

Statements of Financial Position

As at January 31, 2024 and January 31, 2023

In Canadian Dollars, unless noted

As at	Notes	January 31, 2024	January 31, 2023
ASSETS			
Cash		\$ 19,916	\$ -
TOTAL CURRENT ASSETS		19,916	-
Exploration and evaluation assets	5	100,000	-
TOTAL ASSETS		\$ 119,916	\$ -
LIABILITIES			
Accounts payable		\$ 158,669	\$ -
TOTAL LIABILITIES		158,669	-
EQUITY			
Share capital	6	1	1
Subscriptions received	6	120,000	-
Deficit		(158,754)	(1)
TOTAL EQUITY (DEFICIENCY)		(38,753)	-
TOTAL LIABILITIES AND EQUITY		\$ 119,916	\$ -

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

Going concern (Note 2)

Subsequent events (Notes 1, 5 & 11)

Approved and authorized for issue by the Director on April 29, 2024:

"Aman Parmar" Director

Rare Earth Element Corp.

Statements of Loss and Comprehensive Loss

For the years ended January 31, 2024 and January 31, 2023

In Canadian Dollars, unless noted

	Year Ended January 31, 2024		Year Ended January 31, 2023	
EXPENSES				
Bank fees	\$	84	\$	-
Exploration expenses (Note 5)		158,669		-
TOTAL EXPENSES		(158,753)		-
NET AND COMPREHENSIVE LOSS FOR THE YEAR	\$	(158,753)	\$	-
Loss per share, basic and diluted	\$	(318)	\$	-
Weighted average shares outstanding		500		500

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

Rare Earth Element Corp.

Statements of Changes in Shareholder's Equity

For the years ended January 31, 2024 and January 31, 2023

In Canadian Dollars, unless noted

	Share Capital		Subscriptions Received	Deficit	Total Equity
	Number	Amount			
January 31, 2022	500	\$ 1	\$ -	\$ (1)	\$ -
Net loss and comprehensive loss for the year	-	-	-	-	-
As of January 31, 2023	500	\$ 1	\$ -	\$ (1)	\$ -
Subscription received	-	-	120,000	-	120,000
Net loss and comprehensive loss for the year	-	-	-	(158,753)	(158,753)
As of January 31, 2024	500	\$ 1	\$ 120,000	\$ (158,754)	\$ (38,753)

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

Rare Earth Element Corp.

Statements of Cash Flows

For the years ended January 31, 2024 and January 31, 2023

In Canadian Dollars, unless noted

	Year Ended January 31, 2024	Year Ended January 31, 2023
OPERATING ACTIVITIES		
Net loss for the year	\$ (158,753)	\$ -
Changes in non-cash working capital items:		
Accounts payable	158,669	-
Net cash used in operating activities	(84)	-
INVESTING ACTIVITY		
Exploration and evaluation expenditures (Note 5)	(100,000)	-
Net cash used in investing activities	(100,000)	-
FINANCING ACTIVITY		
Subscriptions received (Note 6)	120,000	-
Net cash provided by financing activities	120,000	-
Net increase in cash	19,916	-
Cash, beginning of the year	-	-
Cash, end of the year	\$ 19,916	\$ -

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

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023
In Canadian Dollars, unless noted

1. NATURE OF OPERATIONS

a. Corporate information

Rare Earth Element Corp. (the “Company” or “REEC”) was incorporated under the laws of British Columbia on June 29, 2021. The Company was incorporated for the purposes of a plan of arrangement within the junior mining sector. The Company’s registered office and principal place of business is 1930 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5.

On March 20, 2024, the Company entered into a Securities Exchange Agreement (the “SEA”) whereby it is contemplated that the Company will complete a reverse takeover transaction (the “Acquisition”) with KR Investment Ltd. (“KR” or the “Issuer”). On closing of the Acquisition, REEC will become a wholly-owned legal subsidiary of KR, and KR will change its name to Global Uranium Corp. The combined entity will carry on the business of REEC, being the exploration for and development of uranium in the Wing Lake Property (see Note 5) and the targeting of other uranium opportunities or otherwise in the mining sector. The Issuer has received conditional approval from the TSX Venture Exchange (the “TSXV”) to delist its common shares and will delist from the NEX Board of the TSXV concurrently with the listing of the resulting issuer’s common shares on the Canadian Securities Exchange (the “CSE”) on completion of the Acquisition.

Pursuant to the terms of the SEA, the Issuer will acquire all of the issued and outstanding securities of REEC in exchange for the issuance of 18,550,500 common shares to the security holders of REEC. All previously issued warrants of REEC will convert to warrants of KR, with the same terms and conditions.

For accounting purposes, the transaction will be accounted for as a reverse takeover, as the security holders of REEC will acquire control of the consolidated entity upon the completion of the Acquisition. The reverse takeover will not constitute a business combination under IFRS 3, and instead will be accounted for under IFRS 2 *Share-Based Payments*, as KR does not meet the definition of a business. On closing of the Acquisition, REEC will be treated as the accounting parent (legal subsidiary), and KR will be treated as the accounting subsidiary (legal parent).

b. Approval of the financial statements

These audited financial statements (the “financial statements”) were approved by the Board of Directors on April 29, 2024.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

2. GOING CONCERN

These financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at January 31, 2024, the Company has not achieved profitable operations, had accumulated losses of \$158,754 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company's ability to continue as a going concern. A number of alternatives including, but not limited to completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

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 geopolitical events, including the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

3. BASIS OF PRESENTATION

a. Basis of preparation

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

b. Foreign currencies

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

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

c. Significant accounting judgments and estimates

The timely preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

Revisions to estimates are recognized prospectively. As at January 31, 2024, the following have been identified as material judgement and estimates:

i. Exploration and evaluation assets

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required:

- a) to determine if the right to explore will expire in the near future or is not expected to be renewed;
- b) to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted;
- c) to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and if the Company will discontinue such activities; or
- d) to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

ii. Ability to remain a going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

4. MATERIAL ACCOUNTING POLICY INFORMATION

a) Cash

The Company considers cash in banks, deposits in transit, and highly liquid term deposits with original maturities of three months or less to be cash and cash equivalents. Because of the short maturity of these instruments, the carrying amounts approximate their fair value

b) Exploration and evaluation assets

Exploration and evaluation asset acquisition costs are capitalized until the viability of the mineral interest is determined. Capitalized amounts may be written down if future cash flows, including potential sales proceeds, related to the property are estimated to be less than the carrying value of the property.

The Company's policy is to expense, as incurred, due diligence and mineral property assessment expenditures, and upon successful acquisition of a mineral property, exploration and evaluation expenditures incurred until the mineral property reaches the development stage.

c) Provisions

Liabilities are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

d) Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity. Current tax expense is the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for relating to goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting or taxable loss, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

e) Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on fair value at the date the shares were issued. The fair value is determined by referring to concurrent financing or recent private placements for cash.

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The share component of the unit is measured at fair value determined by referring to concurrent financing or recent private placements for cash, and the warrant component is measured by reference to the residual value, if any. Any value allocated to the warrant component is credited to reserves.

f) Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the equity instruments issued is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share options is charged to profit or loss, with the offsetting credit to reserves. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued.

Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in reserves are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in reserves.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

g) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net earnings (loss) available to common shareholders 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. In a loss period, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the period presented.

h) Financial instruments – recognition and measurement

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics.

Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts payable	Amortized cost

Measurement – amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Amortized cost is calculated using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments over the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortized cost of the financial liability.

Measurement – fair value through profit or loss

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Measurement – fair value through other comprehensive income

Financial assets and liabilities carried at FVOCI are initially recorded at fair value plus or minus transaction costs. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in other comprehensive income or loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

Financial liabilities are removed from the statement of financial position when the contract is extinguished, or, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss is recorded in profit or loss.

i) Accounting standards and amendments

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company's financial statements.

5. EXPLORATION AND EVALUATION ASSETS

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

As at January 31, 2024, the Company's exploration and evaluation assets were as follows:

	Wing Lake
	\$
Balance, January 31, 2023 and 2022	-
Acquisition payments	100,000
Balance, January 31, 2024	100,000

During the year ended January 31, 2024, the Company incurred exploration expenses of \$158,669 (2023 - \$nil) related to geophysical consulting, technical reports and other data collection and analysis.

Wing Lake Property

On January 2, 2024 (the "Effective Date"), the Company entered into a Property Option Agreement with Geomap Exploration Inc. ("Geomap") whereby the Company has the option to acquire a 100% interest in two continuous mining claims known as the Wing Lake Property ("Wing Lake"), located in northern Saskatchewan.

The Property Option Agreement provides the Company the option to acquire a 100% interest in the mining claims once the following has been completed:

Acquisition payments

- Cash payment of \$100,000 within 5 days of the Effective Date (completed);
- Cash payment of \$100,000 and the issuance of 150,000 common shares within 10 days following delivery of a technical report for the mining claims which complies with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (subsequently completed);
- Cash payment of \$50,000 and the issuance of 150,000 common shares on or before the date that is one (1) calendar year after the Effective Date;

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

- d) Completing exploration work on the Wing Lake Property of at least \$110,000 on or before the date that is one (1) calendar year after the Effective Date;
- e) Cash payment of \$50,000 and the issuance of 200,000 common shares on or before the date that is two (2) calendar years after the Effective Date; and
- f) Completing exploration work on the Wing Lake Property in the aggregate of at least \$250,000 on or before the date that is two (2) calendar years after the Effective Date.

Upon earning a 100% interest in the mining claims, the Company will grant to Geomap a 1.5% net smelter returns royalty (the "NSR"). The Company retains the right, at any time, to repurchase 1.0% of the NSR in exchange for \$1,000,000, thereby reducing the NSR held by Geomap to 0.5%.

6. EQUITY

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

As of January 31, 2024, the Company has received subscriptions of \$120,000 pursuant to a private placement completed subsequent to year end. The Company subsequently closed this private placement, issuing 18,400,000 units for total proceeds of \$920,000 (see Note 11(a)).

No common shares were issued during the year ended January 31, 2023.

c) Stock options and warrants

As at January 31, 2024 and 2023, the Company had no outstanding warrants or stock options.

7. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consists of the directors and corporate officers.

During the years ended January 31, 2024 and 2023, the Company did not incur any key management compensation or other related party transactions, and no amounts were owing to related parties as at January 31, 2024 and 2023.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

8. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
	<u>\$</u>	
Net loss for the year	(158,753)	-
Statutory tax rate	27%	27%
Expected income tax recovery	(42,864)	-
Current and prior tax attributes not recognized	42,864	-
Deferred income tax recovery	-	-

Details of deferred tax assets are as follows:

	<u>January 31, 2024</u>	<u>January 31, 2023</u>
	<u>\$</u>	
Non-capital losses	42,864	-
Less: Unrecognized deferred tax assets	(42,864)	-
	-	-

The Company has approximately \$158,754 of non-capital losses available, which will expire between 2042 and 2044 and may be applied against future taxable income. At January 31, 2024, the net amount which would give rise to a deferred income tax asset has not been recognized as it is not probable that such benefit will be utilized in the future years.

9. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financings to fund activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

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 one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has not experienced any significant credit losses and believes it is not exposed to any material credit risk.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at January 31, 2024, the Company had a working capital deficit consisting of a cash balance of \$19,916 and accounts payable of \$158,669.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows or other financial instruments will fluctuate because of changes in market prices. Market risk includes interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows or other financial instruments will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not material. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company does not have investments in financial instruments that would be affected by other price risk

b) Fair values

Financial instruments carried at fair value 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).

The Company's cash is considered to be Level 1 within the fair value hierarchy.

Rare Earth Element Corp.

Notes to the Financial Statements

For the Years Ended January 31, 2024 and 2023

In Canadian Dollars, unless noted

11. SUBSEQUENT EVENT

The Company completed the following subsequent event:

- a) On March 7, 2024, the Company completed a private placement by issuing 18,400,000 units for total proceeds of \$920,000. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable at a price of \$0.10 and expiring on March 7, 2026.

Schedule "B"

See attached.

Rare Earth Element Corp.

Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

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 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 Rare Earth Element Corp. have been prepared by and are the responsibility of management. These condensed interim financial statements for the three months ended April 30, 2024, have not been reviewed or audited by the Company's independent auditors.

Rare Earth Element Corp.
Condensed Interim Statements of Financial Position
As at April 30, 2024 and January 31, 2024
In Canadian Dollars, unless noted (unaudited)

As at	Notes	April 30, 2024	January 31, 2024
ASSETS			
Cash		\$ 641,019	\$ 19,916
TOTAL CURRENT ASSET		641,019	19,916
Exploration and evaluation assets	4	207,500	100,000
TOTAL ASSETS		\$ 848,519	\$ 119,916
LIABILITIES			
Accounts payable		\$ 205,769	\$ 158,669
TOTAL LIABILITIES		205,769	158,669
EQUITY			
Share capital	5	927,501	1
Subscriptions received	5	-	120,000
Deficit		(284,751)	(158,754)
TOTAL EQUITY (DEFICIENCY)		642,750	(38,753)
TOTAL LIABILITIES AND EQUITY		\$ 848,519	\$ 119,916

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

Going concern (Note 2)

Subsequent events (Notes 1, 4 & 9)

Approved and authorized for issue by the Directors on July 2, 2024:

"Eli Dusenbury" Director

"John Kim" Director

Rare Earth Element Corp.**Condensed Interim Statements of Loss and Comprehensive Loss**

For the three months ended April 30, 2024 and April 30, 2023

In Canadian Dollars, unless noted (unaudited)

	Three Months Ended April 30, 2024	Three Months Ended April 30, 2023
EXPENSES		
Office and miscellaneous	\$ 1,432	\$ -
Consulting and professional fees	99,749	-
Exploration expenses (Note 4)	24,816	-
TOTAL EXPENSES	(125,997)	-
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	\$ (125,997)	\$ -
Loss per share, basic and diluted	\$ (0.02)	\$ -
Weighted average shares outstanding	7,287,017	500

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

Rare Earth Element Corp.
Condensed Interim Statements of Changes in Shareholder's Equity
For the three months ended April 30, 2024 and April 30, 2023
In Canadian Dollars, unless noted

	Share Capital		Subscriptions Received	Deficit	Total Equity
	Number	Amount			
January 31, 2023	500	\$ 1	\$ -	\$ (1)	\$ -
Net loss and comprehensive loss for the period	-	-	-	-	-
As of April 30, 2023	500	\$ 1	\$ -	\$ (1)	\$ -
January 31, 2024	500	\$ 1	\$ 120,000	\$ (158,754)	\$ (38,753)
Shares issued pursuant to private placement	18,400,000	920,000	(120,000)	-	800,000
Shares issued pursuant to property option	150,000	7,500	-	-	7,500
Net loss and comprehensive loss for the period	-	-	-	(125,997)	(125,997)
As of April 30, 2024	18,550,500	\$ 1	\$ -	\$ (284,751)	\$ 642,750

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

Rare Earth Element Corp.**Condensed Interim Statements of Cash Flows**

For the three months ended April 30, 2024 and April 30, 2023

In Canadian Dollars, unless noted - unaudited

	Three Months Ended April 30, 2024		Three Months Ended April 30, 2023
OPERATING ACTIVITIES			
Net loss for the period	\$ (125,997)	\$	(158,753)
Changes in non-cash working capital items:			
Accounts payable	47,100		158,669
Net cash used in operating activities	(78,897)		(84)
INVESTING ACTIVITY			
Exploration and evaluation expenditures (Note 5)	(100,000)		(100,000)
Net cash used in investing activity	(100,000)		(100,000)
FINANCING ACTIVITY			
Subscriptions received (Note 6)	800,000		120,000
Net cash provided by financing activity	800,000		120,000
Net increase in cash	621,103		19,916
Cash, beginning of the period	19,916		-
Cash, end of the period	\$ 641,019	\$	19,916

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

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

1. NATURE OF OPERATIONS

a. Corporate information

Rare Earth Element Corp. (the “Company” or “REEC”) was incorporated under the laws of British Columbia on June 29, 2021. The Company was incorporated for the purposes of a plan of arrangement within the junior mining sector. The Company’s registered office and principal place of business is 1930 - 1177 West Hastings Street, Vancouver, BC, V6E 4T5.

On May 6, 2024, the Company completed a reverse takeover transaction (the “Acquisition”) with KR Investment Ltd. (“KR” or the “Issuer”). On closing of the Acquisition, REEC became a wholly-owned legal subsidiary of KR, and KR changed its name to Global Uranium Corp. The combined entity will carry on the business of REEC, being the exploration for and development of its uranium assets (see Note 5) and the targeting of other uranium opportunities or otherwise in the mining sector. On completion of the Acquisition, KR delisted its common shares from the TSX Venture Exchange (the “TSXV”) and the NEX Board and listed its common shares on the Canadian Securities Exchange (the “CSE”) under the ticker symbol, GURN.

Pursuant to the terms of the Acquisition, the Issuer acquired all of the issued and outstanding securities of REEC in exchange for the issuance of 18,550,500 common shares to the security holders of REEC. All previously issued warrants of REEC converted to warrants of KR, with the same terms and conditions.

For accounting purposes, the transaction will be accounted for as a reverse takeover, as the security holders of REEC acquired control of the consolidated entity upon the completion of the Acquisition. The reverse takeover will not constitute a business combination under IFRS 3, and instead will be accounted for under IFRS 2 *Share-Based Payments*, as KR does not meet the definition of a business. On closing of the Acquisition, REEC is now treated as the accounting parent (legal subsidiary), and KR will be treated as the accounting subsidiary (legal parent).

b. Approval of the financial statements

These condensed interim financial statements (the “financial statements”) were approved by the Board of Directors on July 2, 2024.

2. GOING CONCERN

These condensed interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at April 30, 2024, the Company has not achieved profitable operations, had accumulated losses of \$284,751 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

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 geopolitical events, including the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and the Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

3. BASIS OF PRESENTATION

a. Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim 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 January 31, 2024.

b. Foreign currencies

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

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position. Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in net income or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

c. Significant accounting judgments and estimates

The timely preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to estimates are recognized prospectively. As at April 30, 2024, the following have been identified as material judgement and estimates:

i. Exploration and evaluation assets

The Company is required to make certain judgments in assessing indicators of impairment of exploration and evaluation assets. Judgment is required:

- a) to determine if the right to explore will expire in the near future or is not expected to be renewed;
- b) to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted;
- c) to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and if the Company will discontinue such activities; or
- d) to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

ii. Ability to remain a going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management’s strategic planning. Should those judgments prove to be inaccurate, management’s continued use of the going concern assumption could be inappropriate.

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

4. EXPLORATION AND EVALUATION ASSETS

Title to mining properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its mineral property and, to the best of its knowledge, title to its property is in good standing.

As at April 30, 2024, the Company's exploration and evaluation assets were as follows:

	Wing Lake
	\$
Balance, January 31, 2024	100,000
Acquisition payments – cash	100,000
Acquisition payments – shares	7,500
Balance, April 30, 2024	207,500

During the three months ended April 30, 2024, the Company incurred exploration expenses of \$nil (2023 - \$nil).

Wing Lake Property

On January 2, 2024 (the "Effective Date"), the Company entered into a Property Option Agreement with Geomap Exploration Inc. ("Geomap") whereby the Company has the option to acquire a 100% interest in two continuous mining claims known as the Wing Lake Property ("Wing Lake"), located in northern Saskatchewan.

The Property Option Agreement provides the Company the option to acquire a 100% interest in the mining claims once the following has been completed:

Acquisition payments

- a) Cash payment of \$100,000 within 5 days of the Effective Date (completed);
- b) Cash payment of \$100,000 and the issuance of 150,000 common shares within 10 days following delivery of a technical report for the mining claims which complies with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (completed);
- c) Cash payment of \$50,000 and the issuance of 150,000 common shares on or before the date that is one (1) calendar year after the Effective Date;
- d) Completing exploration work on the Wing Lake Property of at least \$110,000 on or before the date that is one (1) calendar year after the Effective Date;
- e) Cash payment of \$50,000 and the issuance of 200,000 common shares on or before the date that is two (2) calendar years after the Effective Date; and
- f) Completing exploration work on the Wing Lake Property in the aggregate of at least \$250,000 on or before the date that is two (2) calendar years after the Effective Date.

Upon earning a 100% interest in the mining claims, the Company will grant to Geomap a 1.5% net smelter returns royalty (the "NSR"). The Company retains the right, at any time, to repurchase 1.0% of the NSR in exchange for \$1,000,000, thereby reducing the NSR held by Geomap to 0.5%.

See subsequent events note 9 for description of subsequent joint venture and property option agreements.

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

5. EQUITY

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

During the three months ended April 30, 2024, the Company completed the following:

- Issued 18,400,000 units for \$0.05 per unit for total proceeds of \$920,000. Each unit consisted of a two year warrant at an exercise price of \$0.12 per share.
- Issued 150,000 common shares pursuant to the Wing Lake property option agreement, measured at a fair value of \$7,500.

c) Stock options

As at April 30, 2024, the Company had no outstanding stock options.

d) Warrants

On March 7, 2024, the Company granted 18,400,000 warrants pursuant to the private placement completed. Each warrant is exercisable at a price of \$0.10 and expires on March 7, 2026.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consists of the directors and corporate officers.

During the three months ended April 30, 2024 and 2023, the Company did not incur any key management compensation or other related party transactions, and no amounts were owing to related parties as at April 30, 2024 and 2023.

7. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors do not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external financings to fund activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

8. 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 one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has not experienced any significant credit losses and believes it is not exposed to any material credit risk.

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances and through short-term borrowing. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments. As at April 30, 2024, the Company had a working capital deficit consisting of a cash balance of \$435,250 and accounts payable of \$205,769.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows or other financial instruments will fluctuate because of changes in market prices. Market risk includes interest rate risk, foreign currency risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows or other financial instruments will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes that the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not material. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company does not have investments in financial instruments that would be affected by other price risk

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

b) Fair values

Financial instruments carried at fair value 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).

The Company's cash and accounts payable are considered to be Level 1 within the fair value hierarchy.

9. SUBSEQUENT EVENT

The Company completed the following subsequent events:

- a) On May 6, 2024, the Company completed a reverse takeover transaction (the "Acquisition") with KR Investment Ltd. ("KR" or the "Issuer"). On closing of the Acquisition, REEC became a wholly-owned legal subsidiary of KR, and KR changed its name to Global Uranium Corp. The combined entity will carry on the business of REEC, being the exploration for and development of its uranium assets (see Note 5);
- b) On May 30, 2024, the Company entered into an option agreement ("Option Agreement") with Forum Energy Metals Corp. ("Forum") pursuant to which the Company has the right to acquire up to 75% of Forum's interest ("JV Interest") in a joint venture ("Forum / NexGen JV") between Forum and NexGen Energy Ltd. ("NexGen").

The Forum / NexGen JV, existing by way of a joint venture agreement between Forum and NexGen ("Forum / NexGen JV Agreement"), was formed for purpose of carrying out the obligations, and enjoying the rights under, a joint venture ("Northwest Athabasca Joint Venture") among Forum, Cameco Corporation and Orano Canada Inc. to explore and develop certain mineral claims in the Northwest Athabasca region of Saskatchewan ("NWA Project"). Forum currently holds a 62.2% beneficial interest in the Forum / NexGen JV, which in turn holds a 69.95% beneficial interest in the Northwest Athabasca Joint Venture. Accordingly, Forum holds a 43.32% beneficial interest in the Northwest Athabasca Joint Venture. These percentage interests are subject to adjustment from time to time in accordance with the terms of the Forum / NexGen JV and the Northwest Athabasca Joint Venture, as applicable.

Under the Option Agreement the Company has the initial right ("Initial Option") to acquire 51% of the Forum's Interest by:

- i) Making staged payments to Forum totalling \$225,000 by December 31, 2027;
- ii) Making staged issuances to Forum of a total of 1,000,000 shares of the Company by December 31, 2027; and
- iii) Making staged payments to Forum equal to the amounts Forum would be entitled to contribute for exploration under the Northwest Athabasca Joint Venture on account of the 2025-2028 operating years, totalling a minimum of \$3,900,000 and up to a maximum of \$9,000,000 to be applied to the corresponding cash calls, depending on the participation of the minority partners in the Northwest Athabasca Joint Venture in any approved exploration program.

The funding of \$3,000,000 of such amount by December 31, 2025, is a firm commitment on the part of the Company.

Rare Earth Element Corp.
Notes to the Condensed Interim Financial Statements

For the three months ended April 30, 2024

In Canadian Dollars, unless noted – unaudited

Upon exercise of the Initial Option, the Company shall become a party to the Forum / NexGen JV Agreement. The Company shall also have the right (“Second Option”) to acquire a further 24% interest in Forum’s Interest (for a total of 75%) by making payments to Forum equal to the amounts Forum would be entitled to contribute on account of the 2029-2031 operating years, totalling a minimum of \$4,750,000 and up to a maximum of \$11,000,000, depending on the participation of the minority partners in the Northwest Athabasca Joint Venture in any approved exploration program.

In circumstance where the Company has exercised the Initial Option, it shall make certain milestone payments to Forum. In this regard, if a preliminary economic assessment is prepared in respect of the NWA Project in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”), the Company shall pay Forum \$1,000,000. Further, if a feasibility study is prepared in respect of the NWA Project in accordance with NI 43- 101, the Company shall pay Forum a further \$1,000,000 and issue to it 1,000,000 common shares.

- c) On June 17, 2024 the Company announces that it has entered into an asset purchase agreement (“Purchase Agreement”) with a Director of the Company, Foster Wilson, pursuant to which the Company has been granted the right to acquire a 100% interest in certain Federal unpatented lode mineral claims and Wyoming State mineral leases (the “Properties”) located in Wyoming, USA.

Terms of the Transaction under the terms of the Purchase Agreement, at closing of the Purchase Agreement, which is expected on or about August 15, 2024, the Company is expected to acquire a 100% interest in the Properties in exchange for the following:

- i) USD\$70,000 in cash; and
- ii) the issuance of 400,000 common shares with 50% vesting in four months and 50% in eight months;