
PURANIUM ENERGY LTD (formerly MONTEREY MINERALS INC.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Puranium Energy Ltd. (formerly Monterey Minerals Inc.) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2022 have not been reviewed by the Company's auditors.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

(Unaudited)

	As at March 31, 2022	As at December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	\$ 756,631	\$ 836,024
Prepaid expenses and deposits (note 9)	7,931	174,983
Government remittance recoverable	43,044	20,583
Total current assets	807,606	1,031,590
Right-of-use asset (note 7)	2,856	7,141
Mineral property interest (note 10)	-	-
Total Assets	\$ 810,462	\$ 1,038,731
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 58,547	\$ 49,340
Lease liability (note 8)	7,277	11,675
Total Liabilities	65,824	61,015
Shareholders' Equity		
Share capital (note 9(a))	9,956,180	9,956,180
Reserves (notes 9 (b) and (c))	3,095,375	2,577,134
Accumulated other comprehensive loss	(3,332)	(3,332)
Accumulated deficit	(12,303,585)	(11,552,266)
Total shareholders' equity	744,638	977,716
Total Liabilities and Equity	\$ 810,462	\$ 1,038,731

Nature of operations and going concern (notes 1 and 2)

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: Jason Bagg _____

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

Three Months Ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

(Unaudited)

	Three Months Ended March 31,	
	2022	2021
Expenses		
Mineral acquisition and exploration (note 10)	\$ 16,320	\$ 40,392
Investor relations and communication	91,206	3,500
Share-based payments (note 9(b))	518,241	-
Consulting (note 12)	25,815	33,000
Transfer agent and filing fees	7,576	3,630
General and administration	87,876	25,156
Depreciation of right of use asset (note 7)	4,285	4,285
Net loss before below items	(751,319)	(109,963)
Loss on disposition of marketable securities (note 4)	-	(7,744)
Unrealized gain on marketable securities (note 4)	-	15,350
Net loss from continuing operations for the period	\$ (751,319)	\$ (102,357)
Net loss from discontinued operation for the period (note 4)	-	(132,961)
Total net loss for the period	\$ (751,319)	\$ (235,318)
Other comprehensive loss:		
Foreign currency translation adjustment	-	(607)
Total comprehensive loss for the period	\$ (751,319)	\$ (235,925)
Basic and diluted loss per share		
- continued operations	\$ (0.08)	\$ (4.17)
- discontinued operations	\$ 0.00	\$ (0.07)
Weighted average number of shares outstanding (i)	9,244,979	1,903,159

(i) Adjusted for 80:1 share consolidation effective July 27, 2021.

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited)

		Share Capital		Reserves	Other Comprehensive Income (loss)	Accumulated Deficit	Total
		Number	Amount				
Balance, December 31, 2020	-	1,903,158	\$ 8,305,778	\$ 2,003,134	\$ (2,725)	\$ (10,154,966)	\$ 151,221
Comprehensive income (loss) for the period	-	-	-	-	(607)	(235,318)	(235,925)
Balance, March 31, 2021	-	1,903,158	\$ 8,305,778	\$ 2,003,134	\$ (607)	\$ (10,390,284)	\$ (84,704)
Balance, December 31, 2021		9,244,976	\$ 9,956,180	\$ 2,577,134	\$ (3,332)	\$ (11,552,266)	\$ 977,716
Shares issued for exploration consulting services (note 9)		-	-	-	-	-	-
Stock-based payment (note 9)		-	-	518,241	-	-	518,241
Comprehensive loss for the period		-	-	-	-	(751,319)	(751,319)
Balance, March 31, 2022		9,244,976	\$ 9,956,180	\$ 3,095,375	\$ (3,332)	\$ (12,303,585)	\$ 744,638

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited)

Three months ended March 31,	2022	2021
Operating Activities		
Net loss for the period	\$ (751,319)	\$ (235,318)
Items not affecting cash:		
Foreign exchange	-	(1,845)
Share-based payments	518,241	-
Shares issued for exploration consulting services	-	-
Loss on disposition of marketable securities	-	7,744
Accretion of lease liability	19	81
Depreciation of right-of-use asset	4,285	4,285
Exploration expenses recognized on asset acquisition	-	-
Unrealized gain on marketable securities	-	(15,350)
Accrued interest on loans	-	214
Changes in non-cash operating working capital:		
Prepaid expenses and deposits	167,052	15,681
Government remittances recoverable	(22,461)	(5,291)
Repayment of lease liabilities	(4,416)	(4,378)
Accounts payable and accrued liabilities	9,206	(144,030)
Cash (used in) operating activities	(79,393)	(378,207)
Investing Activities		
Proceeds from disposition of marketable securities	-	43,059
Cash provided by investing activities	-	43,059
Financing Activities		
Proceeds from loans payable	-	-
Loan repayment	-	50,000
Cash provided by financing activities	-	50,000
Change in cash during the period	(79,393)	(285,148)
Impact of foreign exchange rate on cash	-	(607)
Cash, beginning of the period	836,024	320,550
Cash, end of the period	\$ 756,631	\$ 34,795

The notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations

Puranium Energy Ltd.(formerly Monterey Minerals Inc.) (the "Company") was incorporated on May 9, 2014 under the laws of British Columbia, Canada. Its head office is located at 777 Hornby Street, Suite 600, Vancouver, BC V6Z 1S4, Canada. The Company's common shares are listed on the Canadian Securities Exchange ("CSE") under the symbol UX.

On June 26, 2018, Monterey Minerals Inc. ("Former Monterey") and Landsdown Holdings Ltd. completed a share exchange public listing transaction pursuant to a Share Exchange Agreement (the "SEA"). This resulted in the former Landsdown shareholders acquiring control of the Company, after which the Company effected a change in directors, management and business.

Under the terms of the SEA, Former Monterey acquired all of the issued and outstanding common shares of Landsdown based on a 1:1 share exchange ratio. Based on the distribution of shareholdings on completion of the SEA, Landsdown is deemed to be the continuing entity for financial reporting purposes. The transaction constituted a reverse acquisition.

Prior to the SEA, on October 19, 2016, Former Monterey incorporated four wholly owned subsidiaries: 1093681 BC Ltd., 1093682 BC Ltd., 1093683 BC Ltd., and Blue Aqua Holdings Ltd. (formerly 1093684 B.C. Ltd.) ("Subcos") setup for proposed arrangement transactions. Former Monterey set the share distribution record date of a plan of an arrangement at close of business on April 18, 2018 whereby each Subcos would issue 1,010,549 common shares to shareholders of the Company. Blue Aqua Holdings Ltd. was spun out effective June 12, 2018 with the remaining Subcos spun out on August 28, 2018.

On November 17, 2021, the Company purchased a private company ("PrivateCo") that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property") (see note 6).

On July 27, 2021, the Company consolidated its outstanding common shares on the basis of one (1) post-consolidation common share for every eighty (80) pre-consolidation common shares. All historical share and per share data, including stock options and warrants, presented in this unaudited condensed interim consolidated financial statements have been retrospectively adjusted to reflect the Share Consolidation.

On March 24, 2022, Monterey Minerals Inc. changed its name to Puranium Energy Ltd. and on April 5, 2022 starting trading under the symbol UX on the CSE.

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2022 exploration activities. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

2. Going concern

These unaudited condensed interim consolidated 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. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern, and, therefore be required to realized its assets and liquidate its liabilities in other than the normal course of business and at amounts that may differ from those shown in these unaudited condensed interim consolidated financial statements. Such adjustments could be material.

At March 31, 2022, the Company had not yet achieved profitable operations and had accumulated losses of \$12,303,585 (December 31, 2021 - \$11,552,266). For the three months ended March 31, 2022, the Company had a net loss of \$751,319 (three months ended March 31, 2021 - net loss of \$102,357). The Company expects to incur further losses in the development of its business, all of which raise material uncertainties which casts significant doubt about the Company's ability to continue as a going concern.

A number of alternatives including, but not limited to selling an interest in one or more of its properties or 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; all of which are uncertain.

3. Significant accounting policies

(a) Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2022. The policies set out below are based on IFRS issued and outstanding as of May 30, 2022, the date of the Directors approved the statements.

(b) Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measure at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(c) Functional and Presentation Currency

The consolidated financial statements have been prepared in Canadian dollars, which is the Company's functional and presentation currency.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

3. Significant accounting policies (continued)

(d) Significant Accounting and Estimates and Judgements

The preparation of these unaudited condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout these consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and judgments:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, relate to, but are not limited to, the following:

- Income taxes - measurement of income taxes payable and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only become final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements;
- Capital reserves – the inputs used in accounting for share-based payment transactions, including stock options and warrants,
- Assessment of the acquisition of the PrivateCo. (note 10). This required management to make a determination as to whether it met the definition of a business pursuant to IFRS 3 – Business Combinations;
- Recognition of deferred income tax assets - In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified;
- Going concern - management must make an assessment as to the going concern basis of accounting and uncertainties associated with the Company's ability to raise additional capital and/or obtain financing to advance the exploration properties;
- Site decommissioning obligations - the Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates are made by management and external consultants considering current costs, technology and enacted legislation; and
- Share issued for non-cash consideration – Shares issued for non-cash consideration are measured by reference to the more reliable of the fair value of the consideration received or paid.

(e) Basis of consolidation

The consolidation financial statements incorporate the financial statements of the Company and its subsidiaries. The results of subsidiaries acquired or disposed of during the years presented are included in these consolidated statements of loss from the effective date of control and up to the effective date of disposal or loss of control, as appropriate. An investor controls an investee if the investor has the power over the investee, has the exposure, or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the investor's returns. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

Purani Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

3. Significant accounting policies (continued)

(e) Basis of consolidation (continued)

The following companies have been consolidated within the consolidated financial statements:

Monterey Minerals Inc.	Registered	Principal activity
<u>Parent</u>		
Purani Energy Ltd.(formerly Monterey Minerals Inc.)	British Columbia, Canada	Holding company
<u>Subsidiaries</u>		
Landsdown Holdings Ltd.	British Columbia, Canada	Holding company
Ridge Street Investments Pty Ltd.	Australia	Mines exploration and exploitation
CTTR Mining Tenements Pty Ltd	Australia	Mines exploration and exploitation
Golden River Resources Pty Ltd	Australia	Mines exploration and exploitation
1317152 B.C. Ltd. (PrivateCo.)	British Columbia, Canada	Mines exploration and exploitation
Bergamot Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Betel Leaf Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Parsley Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Plum Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Catnip Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Wasabi Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Clary Sage Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation
Chives Investments (Proprietary) Limited	Namibia	Mines exploration and exploitation

(f) New standards adopted during the year.

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2022 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded.

IAS 16 – Property, Plant and Equipment (“IAS 16”)

IAS16 was amended to introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

3. Significant accounting policies (continued)

(f) New standards adopted during the year (continued)

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37")

IAS 37 amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. Adoption of the amendment did not have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

(g) New standards not yet adopted and interpretations issued but not yet effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment was deferred and is effective for annual periods beginning on or after January 1, 2023. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28")

IFRS 10 and IAS 28 were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

Amendments to IAS 8 – accounting policies, changes in accounting estimates and errors

The amendments to IAS 8 is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific IFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendments effective for annual periods beginning on or after January 1, 2023, with early application permitted. No significant impact to the Company's financial statements is expected

4. Discontinued operation

During the three months ended March 31, 2021, the Company disposed of Inner Arc Pty Ltd. ("Inner Arc") for consideration of \$nil.

Pursuant to IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations, the unaudited condensed interim consolidated financial statements of the Company have been reclassified to reflect discontinued operation of Inner Arc. Accordingly, net loss of discontinued operation have been segregated in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

4. Discontinued operation (continued)

The following tables present summarized financial information related to discontinued operations in Inner Arc:

	Three Months Ended March 31,	
	2022	2021
Mineral acquisition and exploration (note 10)	\$ -	\$ 60,048
Travel	-	18,802
General and administration	-	26,651
Salaries and wages	-	1,154
Net loss before below item	-	106,655
Loss on disposition of Inner Arc	-	26,306
Net loss of discontinued operation for the period	\$ -	\$ 132,961

Statements of cash flows of the discontinued operation for the periods ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Net cash flows (used in) operating activities for discontinued operation	\$ -	\$ (244,511)
Net cash flows provided by financing activities for discontinued operation	-	128,527
Impact of foreign exchange rate on cash	-	(9,423)
Cash and cash equivalents, beginning of the period for discontinued operation	-	125,407
Cash and cash equivalents, end of the period for discontinued operation	\$ -	\$ -

5. Marketable securities

Balance, December 31, 2020	\$ 66,386
Addition (1)	72,214
Disposal	(148,419)
Revaluation to fair market value	31,947
Impact of foreign exchange	(22,128)
Balance, December 31, 2021 and March 31, 2022	\$ -

(1) This amount represents the fair value of the shares received from New Age (as defined in note 10) for the sale of the Company's portfolio in Australia and was offset against the mineral acquisition and exploration in the consolidated statements of loss and comprehensive loss.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

6. Asset acquisitions

(a) Properties in Namibia

On January 17, 2022, the Company approved LOI to acquire certain properties in Namibia. The definitive agreement for the Namibia acquisition was subsequently signed on March 24, 2022. Once the Namibian properties are transferred to the Company, the Company will make a payment of US\$175,000 and issue 8,000,000 common shares as consideration to the Vendors. The Company will also pay a finder's fee of 800,000 common shares.

(b) Acquisition of PrivateCo.

On November 17, 2021, the Company purchased a private company ("PrivateCo") that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property").

The Haines Property, located in Haines Township, Ontario is the key asset of PrivateCo. Under the terms of the share exchange agreement, PrivateCo will receive 1,800,000 common shares of the Company. The underlying option held by PrivateCo requires the following:

- Three hundred thousand (300,000) common shares being paid to the Vendor by October 18, 2022
- Six hundred thousand (600,000) common shares being paid to the Vendor by October 18, 2023; and
- One hundred thousand dollars (\$100,000) being spent on the Haines Property by October 18, 2023.

The Vendor shall retain a two percent (2%) Net Smelter Return ("NSR") on the claims, of which half of the NSR can be purchased back from the Vendor for CAD\$1,000,000. The company recorded the asset acquisition as mineral acquisition and exploration in the consolidated statements of loss and comprehensive loss.

Purchase consideration:

Issuance of common shares	\$	819,000
Total consideration paid	\$	819,000

7. Right-of-use Assets

Office lease	March 31, 2022	December 31, 2021
Balance, beginning of the period	\$ 7,141	\$ 24,279
Depreciation	(4,285)	(17,138)
Balance, end of the period	\$ 2,856	\$ 7,141

Right of use assets consist of leased office space which is amortized over the the life of the lease of 48 months.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

8. Lease Liabilities

	March 31, 2022	December 31, 2021
Office lease		
Balance, beginning of the period	\$ 11,674	\$ 28,953
Interest	19	233
Lease payments	(4,416)	(17,512)
Balance, end of the period	\$ 7,277	\$ 11,674
Allocated as:		
Current	\$ 7,277	\$ 11,675

The monthly payment amount for the lease is \$1,459.

9. Share capital and reserve

(a) Authorized – Unlimited Common shares without par value:

Issued and Outstanding as at March 31, 2022: 9,244,976 (December 31, 2021 - 9,244,976).

On April 1, 2021, the Company issued 11,836 common shares to a consultant for providing exploration consulting services.

On July 27, 2021, the Company consolidated its outstanding common shares on the basis of one (1) post-consolidation common share for every eighty (80) pre-consolidation common shares.

On November 17, 2021, the Company issued 1,800,000 common shares to a private company that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property") (see note 4).

On December 23, 2021, the Company completed a private placement of 3,930,000 Units (each, a "Unit") of the Company, issued at price of \$0.25 per Unit for gross proceeds of \$982,500. Each Unit consists of one (1) common share and one (1) non-transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at a price of \$0.35 for a period of 24 months from the date of issue and will be subject to an acceleration clause whereby the Company may force exercise of the Warrant any time before the end of the 24 month period if the Company's common shares trade at a price of over \$0.50 for 10 consecutive days. \$165,000 of the proceeds were received in January 2022 and is included in prepaids as a subscription receivable.

On December 23, 2021 \$400,000 of debt and trade payables outstanding to contractors, vendors, and insiders of the Company was settled in Units issued in connection with the Financing by issue of 1,600,000 units. Each Unit consists of one (1) common share and one (1) non-transferable common share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to purchase one additional common share at a price of \$0.35 for a period of 24 months from the date of issue.

The fair value of the 5,530,000 warrants were estimated at \$574,000 using the Black-Scholes Option Pricing Model under the following assumptions: average risk-free interest rate – .98%; expected life – 2 years; expected volatility – 183%; forfeiture rate – Nil and expected dividends – Nil.

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

9. Share capital and reserve (continued)

(b) Stock options

On January 11, 2022, the Company granted 850,000 share purchase options to directors, officers and consultant which have an exercise price of \$0.70 per option and expire on January 11, 2027. Share-based payments of \$518,241 have recorded in connection with the issuance of these options. The 850,000 options were fair valued at \$563,720 using the Black-Scholes Option Pricing Model using the following assumptions average risk-free interest rate - 1.50%; expected life - 5 years; expected volatility – 172%; forfeiture rate - Nil and expected dividends - Nil.

The movement in the Company's share options for the periods ended March 31, 2022 and 2021 are as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2020, March 31, 2021 and December 31, 2021	68,438	\$ 9.21
Granted	850,000	0.70
Balance, March 31, 2022	918,438	\$ 1.33

The weighted average grant date fair value of options granted during the three months ended March 31, 2022 is \$0.663 (March 31, 2021 - \$Nil).

As at March 31, 2022, the Company has outstanding share purchase options enabling holders to acquire common shares of the Company as follows:

Grant date	Options outstanding	Options vested	Weighted average remaining life (years)	Exercise price (\$)	Expiry date
August 15, 2018	16,250	16,250	1.38	12.00	August 15, 2023
February 28, 2019	10,938	10,938	1.92	9.60	February 28, 2024
August 29, 2019	9,375	9,375	2.42	8.00	August 29, 2024
February 19, 2020	3,750	3,750	2.89	8.00	February 19, 2025
August 10, 2020	18,750	18,750	3.36	8.00	August 10, 2025
September 3, 2020	9,375	9,375	3.43	8.00	September 3, 2025
January 11, 2022	850,000	650,000	4.79	0.70	January 11, 2027
	918,438	718,438	4.72	1.33	

Puranium Energy Ltd. (formerly Monterey Minerals Inc.)

Notes to Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2022

(Expressed in Canadian Dollars)

(Unaudited)

9. Share capital and reserve (continued)

(c) Share purchase warrants

A summary of the Company's share purchase warrants as at March 31, 2022 are as follows:

Grant date	Options outstanding	Exercise price (\$)	Expiry date
July 9, 2020	296,125	8.00	July 9, 2022
July 28, 2020	111,250	8.00	July 28, 2022
July 28, 2020	9,850	8.00	July 28, 2022
December 23, 2021 ⁽¹⁾	5,530,000	0.35	December 23, 2023
	5,947,225		

(1) The share purchase warrants granted on December 23, 2021 were fair valued using the Black-Scholes Option Pricing Model under the following assumptions average risk-free interest rate – .98%; expected life – 2 years; expected volatility – 183%; forfeiture rate – Nil and expected dividends – Nil. The fair value of these warrants was estimated at \$574,000.

10. Mineral property interests

Cobalt Mountain property

On February 17, 2019, the Company acquired a 100% interest in the Cobalt Mountain property located in Canada. As per the option agreement, the Company made cash payments of \$60,000 and issued 22,500 common shares to the vendors.

Properties in Australia

On February 28, 2019, the Company purchased 100% of Ridge Street Investments Pty Ltd. which owns two prospective tenements on the eastern flank of the Pilbara Basin. As consideration, the Company issued 100,000 common shares to the vendors and assumed loans of AUD \$65,000. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

On April 1, 2019, the Company purchased 100% of CTTR Mining Tenements Pty Ltd which owns seven tenements encompassing 525 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 87,500 common shares to the vendors and assumed loans of AUD \$55,000. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

On June 5, 2019, the Company purchased 100% of Golden River Resources Pty Ltd which owns six tenements encompassing 323 square kilometers in the Pilbara region of Western Australia. As consideration, the Company issued 137,500 common shares to the vendors and assumed loans of AUD \$69,816. The total acquisition consideration was recorded as 'Mineral acquisition and exploration' in the statement of comprehensive loss.

On September 29, 2020 the Company signed a purchase and sale agreement to sell four of its southern tenements (the "Tenements") within the Company's portfolio of Pilbara gold properties in Australia. New Age Exploration Limited ("New Age") acquired the Tenements for 25 million shares of New Age. The Company recorded the 25 million New Age shares as marketable securities valued at \$282,240 on the date of the sale which was recorded as a reduction of mineral acquisition and exploration during the year ended December 31, 2020.

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(Expressed in Canadian Dollars)

(Unaudited)

10. Mineral property interests (continued)

Properties in Australia (continued)

In addition, the Company entered into an option and asset sale agreement to option a further four tenements comprising 538 sq.km. to New Age for total consideration of 75 million New Age shares and 37.5 million unlisted New Age options with an exercise price of \$0.02, expiring September 28, 2023. New Age will have an exclusive right to exercise the option to acquire the four tenements on or before completion of a 45 day due diligence period. New Age paid an option fee of \$140,000 which was recorded as a reduction of mineral acquisition and exploration during the year ended December 31, 2020.

On August 26, 2021, the Company entered into a Deed of Variation to the principal agreement of the option and asset sale agreement signed with New Age on September 29, 2020. Under the Deed of Variation, the consideration for the option to purchase the four tenements comprising 538 sq.km was amended to (a) 7.5 million shares of New Age and (b) the performance payments of 30 million shares of New Age within 5 Business Days of the Purchaser first making a public announcement on the Australian Securities Exchange ("ASX") to the effect that it has delineated a 250 koz gold indicated Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy ("JORC") resource on the Tenements; and a further 30 million Shares within 5 Business Days of New Age first making a public announcement on the ASX to the effect that it has delineated a 500koz gold indicated JORC resource on the Tenements.

On January 12, 2022, the Company has divested itself of all assets in Australia.

Alicia Project

On August 13, 2020, the Company closed the acquisition of Greater Arc for 675,000 common shares and paid a finders' fee of 62,500 common shares of the Company. Greater Arc owns the Alicia high-grade gold and base metals project in Alicia Municipality, Philippines.

The Alicia Project is situated within a Declared Mineral Reservation determined by the Mines and Geosciences Bureau (MGB) in 1995 and is on a granted Exploration Permit.

During the three months ended March 31, 2021, the Company sold Inner Arc that owns the Alicia Project for \$nil consideration (see note 4).

Haines Property

On November 17, 2021, the Company purchased a private company ("PrivateCo") that has an option to purchase a 100% interest in 35 minerals claims in Ontario, Canada (the "Haines Property").

The Haines Property, located in Haines Township, Ontario is the key asset of PrivateCo. Under the terms of the share exchange agreement, PrivateCo will receive 1,800,000 common shares of the Company. The underlying option held by PrivateCo requires the following:

- Three hundred thousand (300,000) common shares being paid to the Vendor by October 18, 2022
- Six hundred thousand (600,000) common shares being paid to the Vendor by October 18, 2023; and
- One hundred thousand dollars (\$100,000) being spent on the Haines Property by October 18, 2023.

The Vendor shall retain a two percent (2%) Net Smelter Return ("NSR") on the claims, of which half of the NSR can be purchased back from the Vendor for CAD\$1,000,000

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(Expressed in Canadian Dollars)

(Unaudited)

10. Mineral property interests (continued)

Properties in Namibia

On January 17, 2022, the Company approved LOI to acquire certain properties in Namibia. The definitive agreement for the Namibia acquisition was subsequently signed on March 24, 2022. Once the Namibian properties are transferred to the Company, the Company will make a payment of US\$175,000 and issue 8,000,000 common shares as consideration to the Vendors. The Company will also pay a finder's fee of 800,000 common shares.

11. Loans payable

During the year ended December 31, 2021, the Company repaid the AUD\$89,230 loan for \$81,784. As at March 31, 2022 and December 31, 2021 the Company had loans payable of \$nil (\$nil AUD).

During the year ended December 31, 2021, the Company received a loan payable of \$180,000 which is due on demand and is subject to an interest rate of 6% per annum. During the three months ended March 31, 2022, the Company accrued an interest expense of \$nil, (three months ended March 31, 2022 - \$214), and in December 2021, the Company settled the loan and interest by issuing 745,680 units as part of the December 23, 2021 financing (see note 9).

12. Related party transactions

Related parties include the Board of Directors, close family members, other key management individuals and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The Company define keys management personnel as its CEO, CFO and Board of Directors.

Related party transactions conducted in the normal course of operations are measured at the fair value and approved by the Board of Directors in strict adherence to conflict of interest law and regulations.

The Company incurred the following charges with related parties for the periods ended March 31, 2022 and 2021:

	Three Months Ended March 31,	
	2022	2021
Consulting - Former President and CEO	\$ -	\$ 15,000
Consulting - President and CEO	12,500	-
Consulting - CFO	10,500	10,500
Stock-based compensation	451,921	-
	\$ 462,421	\$ 25,500

As at March 31, 2022, included in accounts payable and accrued liabilities is \$nil (December 31, 2021 - \$1,300) due to companies controlled by directors of the Company.