

GLORIOUS CREATION LIMITED

Financial Statements
(Expressed in Canadian dollars)

For the years ended December 31, 2023 and 2022

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Glorious Creation Limited

Opinion

We have audited the accompanying financial statements of Glorious Creation Limited (the "Company"), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of income (loss) and comprehensive income (loss), changes in shareholders' equity, and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year ended. 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.

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.



We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

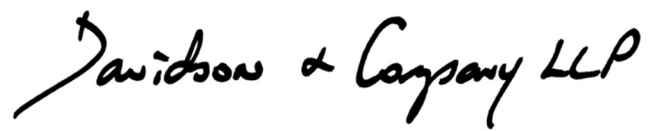
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year ended and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

March 6, 2024

Glorious Creation Limited

Statements of Income (Loss) and Comprehensive Income (Loss)

Expressed in Canadian dollars

For the years ended December 31,

	2023	2022
	\$	\$
General and administrative expenses		
Accounting and auditing	38,445	39,593
Consulting	42,000	-
Director fees (Note 7)	-	31,500
Legal	230,385	208,758
Management fees (Note 7)	280,350	81,900
Travel and related	21,321	11,215
Office and miscellaneous	3,222	1,945
Foreign exchange	(4,341)	-
Registration and filing	20,593	22,239
Rent	22,574	24,017
Transfer agent and shareholder costs	4,441	7,258
Project investigation	32,764	103,906
Operating loss for the year	(691,754)	(532,331)
Recovery of expenses (Note 1)	188,990	-
Gain on termination of transaction (Note 1)	1,321,370	-
Net income (loss) and comprehensive income (loss) for the year	818,606	(532,331)
Weighted average number of common shares outstanding – basic	25,209,207	23,715,699
Weighted average number of common shares outstanding – diluted	39,218,149	23,715,699
Basic income (loss) per common share	0.03	(0.02)
Diluted income (loss) per common share	0.02	(0.02)

Glorious Creation Limited

Statements of Changes in Shareholders' Equity

Expressed in Canadian dollars

	Share Capital				Total
	Number of common shares	Amount	Reserve	Deficit	
		\$	\$	\$	\$
Balance, December 31, 2021	20,983,389	3,825,043	535,701	(4,098,512)	262,232
Shares issued for private placement (net)	4,225,818	1,036,159	-	-	1,036,157
Loss for the year	-	-	-	(532,331)	(532,331)
Balance, December 31, 2022	25,209,207	4,861,202	535,701	(4,630,843)	766,060
Income for the year	-	-	-	818,606	818,606
Balance, December 31, 2023	25,209,207	4,861,202	535,701	(3,812,237)	1,584,666

Glorious Creation Limited

Statements of Cash Flows

Expressed in Canadian dollars

	December 31, 2023	December 31, 2022
	\$	\$
Operating activities		
Net income (loss) for the year	818,606	(532,331)
Items not involving cash:		
Foreign exchange	(1,902)	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	2,050	2,582
Prepays	12,497	(30,172)
Due to/from related parties	-	(2,100)
Total cash provided by (used in) operating activities	831,251	(562,021)
Investing activities		
Note receivable	118,923	(117,021)
Total cash (used in) provided by investing activities	118,923	(117,021)
Financing activities		
Shares issued for private placement financing (net)	-	1,036,159
Total cash provided by financing activities	-	1,036,159
Change in cash	950,174	357,117
Cash, beginning of the year	648,401	291,284
Cash, end of the year	1,598,575	648,401

Supplement disclosure with respect to cash flows (Note 10)

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

1. NATURE OF OPERATIONS

Glorious Creation Limited (the “Company” or “GCIT”) was incorporated under the Canada Business Corporations Act on December 24, 2015 and was registered as an extra-provincial company in British Columbia on January 28, 2016. On September 5, 2017, the Company completed its initial public offering (“IPO”) and trading of the Company’s common shares commenced on the Canadian Securities Exchange (“CSE”).

The Company is currently identifying and evaluating new potential asset or business acquisitions.

During the year ended December 31, 2023, the Company was a party to a definitive business combination agreement with Aeroponics Integrated Systems Inc. “Aerobloom”, which was terminated. Pursuant to the termination, the Company received a termination fee of US\$1,000,000 dollars, repayment of outstanding notes receivable in connection to the agreement (Note 5), and reimbursement of certain business expenses paid for on behalf of Aerobloom recorded as termination fee and recovery of business expenses. The agreement as previously contemplated was to acquire all of the issued and outstanding common shares of Aerobloom in exchange for securities of the Company.

Subsequent to the year ended December 31, 2023, the Company entered into a definitive agreement for the proposed acquisition of uranium assets in Eastern Athabasca Basin of Saskatchewan as further described in Note 13.

The Company’s head office and principal address is 401 - 750 West Pender Street, Vancouver, BC, Canada and the registered and records office of the Company is located at 900 – 885 West Georgia Street, Vancouver, BC, Canada.

2. BASIS OF PREPARATION AND GOING CONCERN

Statement of compliance

These financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

These financial statements were authorized for issue by the Board of Directors on March 6, 2024.

Basis of measurement

These financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Going concern

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue its operations for the foreseeable future and meet its obligations and commitments in the normal course of business. The Company currently is looking for new assets or businesses to acquire. It has no business that can generate revenue. At December 31, 2023, the Company had cash of \$1,598,575 (December 31, 2022 - \$648,401), a working capital of \$1,584,666 (December 31, 2022 -\$766,060) and a deficit of \$3,812,237 (December 31, 2022 - \$4,630,843). Management believes it has sufficient working capital to continue operations for the next 12 months. These financial statements do not include any adjustments related to the recoverability and classification of assets or the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

In the past, operating and development capital requirements have been funded primarily from equity financing and the Company will need to arrange equity or other financing in the near future in order to continue in operation. While the Company has been successful in raising capital in the past, there can be no assurance that such financing will be available to the Company in the amount required or that it can be obtained on terms satisfactory to the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) Going concern evaluation

As discussed in Note 2, these financial statements have been prepared under the assumptions applicable to a going concern. If the going concern assumption were not appropriate for these financial statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the statement of financial position classifications used and such adjustments could be material.

The Company reviews the going concern assessment at the end of each reporting period.

(ii) Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

4. MATERIAL ACCOUNTING POLICIES

Cash

Cash includes cash held at major financial institutions and highly liquid guaranteed investment certificates that are readily available to the Company on demand or with maturity dates of three months or less.

Share-based payment transactions

The share option plan allows the Company's employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. For employees, the fair value is measured at grant date and each tranche is recognized separately on a straight-line basis over the period during which the share options vest. The fair value of the share options granted is measured using the

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

4. MATERIAL ACCOUNTING POLICIES (continued)

Black-Scholes option pricing model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest. Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The fair value of the common shares issued in the private placements was determined to be the more easily measurable and the Company considers the market value of the common shares issued as fair value. The balance, if any, was allocated to the attached warrants. Warrants that are issued as payment for an agency fee or other transaction costs are accounted for as share-based payments.

Loss per share

Basic loss per share is calculated by dividing the loss for the year attributable to the ordinary shareholders by the weighted average number of common shares issued and outstanding during the year. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. In years in which a loss is incurred, the effect of potential issuances of shares under options and warrants would be antidilutive and therefore basic and diluted loss per share are the same.

Lease

Under IFRS 16, the Company recognizes right of use assets and lease liabilities for all leases except where the Company has elected to use the practical expedient to not recognize right-of-use assets and lease liabilities for low value assets or short-term leases under 1 year that are not expected to renew. As of December 31, 2023, the Company had no leases.

Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Financial instruments

The Company recognizes a financial asset or a financial liability in its statement of financial position when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

4. MATERIAL ACCOUNTING POLICIES (continued)

Financial assets

The Company will classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss, based on its business model for managing the financial asset and the financial asset's contractual cash flow characteristics. The three categories are defined as follows:

- a) Amortized cost - a financial asset is measured at amortized cost if both of the following conditions are met:
 - i. the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
 - ii. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- b) Fair value through other comprehensive income - financial assets are classified and measured at fair value through other comprehensive income if they are held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- c) Fair value through profit or loss - any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

When, and only when, the Company changes its business model for managing financial assets it must reclassify all affected financial assets. The Company's financial assets are comprised of cash and note receivable which are classified as and measured at amortized cost.

Financial liabilities

The Company's liabilities include accounts payable and accrued liabilities, and due to related parties, which are all measured at amortized cost. After initial recognition, an entity cannot reclassify any financial liability.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its investments in debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

New, amended and future accounting pronouncements

Accounting standards and amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

The Company has adopted: *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* – the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

5. RECEIVABLES

Note Receivable

As at December 31, 2023, the Company has \$nil (December 31, 2022 - \$96,900) recorded in connection to a promissory note issued in the amount of US\$75,000 due from Aerobloom, a company that was party to a definitive agreement with the Company as further described in Note 1. The promissory note bears nil interest, and was due and payable following the closing of the transaction, on demand or on termination of the definitive agreement within three months or 30 days pursuant to the certain terms of termination defined in the definitive agreement. This promissory note was repaid during the year ended December 31, 2023.

Other Receivable

As at December 31, 2023, other receivable is comprised of \$nil (December 31, 2022 - \$20,121), which consists of an additional loan to Aerobloom of US\$15,000, loaned on the same terms as the note receivable as described above. This promissory note was repaid during the year ended December 31, 2023.

6. SHAREHOLDERS' EQUITY

Share capital

Authorized:

Unlimited common shares without par value

As at December 31, 2023, the Company has 25,209,207 (December 31, 2022 – 25,209,207) common shares outstanding.

During the year ended December 31, 2023, there were no share capital issuances.

During the year ended December 31, 2022, on August 23, 2022, the Company closed a non-brokered private placement issuing 4,225,818 common shares of the Company at a price of \$0.25 per share for gross proceeds of \$1,056,455. The Company paid finder's fees totaling \$2,400 to certain arm's length finders who assisted with the offering and recorded share issuance costs of \$17,896.

Stock options

In January 2017, the Company adopted an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

6. SHAREHOLDERS' EQUITY (continued)

As at December 31, 2023, there are no stock options outstanding.

During the year ended December 31, 2022, 17,857 stock options priced at \$4.20 expired unexercised on September 5, 2022.

Warrants

There were no warrant transactions during the years ended December 31, 2023 and 2022.

As at December 31, 2023, and 2022, the following warrants are outstanding:

Number of Warrants	Exercise Price	Expiry Date
18,181,818	\$ 0.07	July 24, 2024

7. RELATED PARTY TRANSACTIONS

- a) During the year ended December 31, 2023, the Company paid or accrued management fees of \$105,000 (2022 - \$47,250) to a company controlled by the former CEO and director of the Company. As of December 31, 2023, the Company prepaid \$nil (December 31, 2022 - \$12,497 prepaid) to a company controlled by the former CEO management fees and office rent reimbursement.
- b) During the year ended December 31, 2023, the Company paid or accrued management fees of \$nil (2022 - \$12,600) to a company controlled by the former CFO of the Company.
- c) During the year ended December 31, 2023, the Company paid or accrued management fees of \$49,350 (2022 - \$22,050) to a company controlled by the CFO of the Company. As of December 31, 2023, the Company prepaid \$3,675 (December 31, 2022 - \$3,675 prepaid) to a company controlled by the CFO for January 2024 services.
- d) During the year ended December 31, 2023, the Company paid or accrued management fees of \$126,000 (2022 - directors fees of \$31,500) to a company controlled by a director, appointed as CEO during the year. As of December 31, 2023, the Company prepaid \$10,500 (December 31, 2022 - \$10,500 prepaid) to a company controlled by the CEO for January 2024.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

8. CAPITAL RISK MANAGEMENT

The Company defines capital as the items included in shareholders' equity. The Company's objectives in managing capital are to safeguard the Company's ability to continue as a going concern, ensure sufficient capital and liquidity to complete its technology developments, establish commercial markets and pursue its growth strategy.

To support these objectives, the Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash. In order to maximize the development efforts, the Company does not pay out dividends during its development stage.

The Company is not subject to any externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the reporting year.

9. FAIR VALUE AND RISK MANAGEMENT

IFRS 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and,

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company measured its cash, note receivable, and accounts payable and accrued liabilities at amortized cost. The carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Credit risk

Credit risk arises from cash held with financial institutions as well as credit exposure on outstanding receivables.

The Company's cash is held at high-credit rating financial institutions. The Company's maximum exposure to credit risk is the carrying amounts of cash, note receivable and receivables on its statement of financial position.

Currency risk

Foreign currency risk arises from fluctuations in foreign currencies versus the Canadian dollar that could adversely affect reported balances and transactions denominated in those currencies. The Company currently has no significant assets or liabilities and has no revenue or expenses denominated in a foreign currency; accordingly, it is not exposed to foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at December 31, 2023, the Company had a cash balance of \$1,598,575 (December 31, 2022 - \$648,401) to settle current liabilities of \$31,584 (December 31, 2022 - \$29,534). All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

9. FAIR VALUE AND RISK MANAGEMENT (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risk is insignificant.

10. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Other than transactions disclosed elsewhere, there were no significant non-cash investing and financing transactions during the years ended December 31, 2023, and 2022.

11. INCOME TAXES

A reconciliation of income taxes at statutory rates (2023 – 27%; 2022 – 27%) with the reported taxes is as follows:

	2023	2022
Loss for the year	\$ 818,606	\$ (532,331)
Expected income tax recovery	221,000	(144,000)
Change in statutory, foreign tax, foreign exchange rates and other	1,000	(6,000)
Permanent difference	3,000	2,000
Change in unrecognized deductible temporary differences	(225,000)	148,000
Total income tax expenses (recovery)	\$ -	\$ -

The significant components of the Company's net unrecognized deferred tax assets are as follows:

	2023	2022
Deferred tax assets		
Share issue costs	\$ 3,000	\$ 5,000
Allowable capital losses	308,000	308,000
Non-capital losses available for future periods	356,000	579,000
Unrecognized deferred tax assets	(667,000)	(892,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences and unused tax losses are as follows:

	2023	Expiry date range	2022	Expiry date range
Temporary Differences				
Share issue costs	\$ 12,000	2024 to 2027	\$ 17,000	2023 to 2026
Allowable capital losses	\$ 1,142,000	No expiry date	\$ 1,142,000	No expiry date
Non-capital losses available for future periods	\$ 1,318,000	2038 to 2043	\$ 2,143,000	2036 to 2041

Tax attributes are subject to review, and potential adjustment, by tax authorities.

Glorious Creation Limited

Notes to the Financial Statements

Expressed in Canadian dollars

For the year ended December 31, 2023 and 2022

12. CONTINGENCY

During the year ended December 31, 2023, the Company was a party to a terminated definitive business combination agreement with Aerobloom. Subsequent to the year ended December 31, 2023, the Company received notice that Aerobloom commenced a lawsuit naming the Company and is seeking an accounting of the monies which represented the termination fee, return of the termination fee, damages, litigation costs, other relief as the court deems proper, punitive damages, reasonable attorney's fees and pre-judgement interest. The Company intends to defend against the claim and as such, no amounts have been accrued in these financial statements.

13. PROPOSED TRANSACTION

Subsequent to the year ended December 31, 2023, the Company entered into a definitive purchase and sale agreement (the "Definitive Agreement") dated February 12, 2024 to acquire mineral located in Eastern Athabasca Basin of Saskatchewan (collectively, the "Properties") (the "Transaction").

The Definitive Agreement provides that the Company will acquire the Properties for the following consideration:

- concurrently with the signing the Definitive Agreement, a cash payment of \$100,000 (paid), which one half will be refundable should the Company not obtain approval from the CSE;
- on the date of the closing (the "Closing Date"), a cash payment of \$300,000;
- an aggregate of 2,500,000 shares to be issued by the Company to the vendor as follows:
 - 500,000 shares on the date which is six (6) months following the Closing Date,
 - 500,000 shares on the date which is twelve (12) months following the Closing Date,
 - 500,000 shares on the date which is eighteen (18) months following the Closing Date, and
 - 1,000,000 shares on the date which is twenty-four (24) months following the Closing Date; and
- a 3.0% net smelter return royalty on the Properties in favour of the vendor (the "Royalty").

The terms of the Royalty will include a 1.5% buy-back right in favour of the Company which can be exercised at any point prior to commercial production as follows: (a) \$500,000 for 0.5%; (b) \$750,000 for a second 0.5%; and (c) \$1,000,000 for a third 0.5%.

The Company expects to pay a finder's fee in connection with the Transaction.

There is no change of control of the Company expected to occur as a result of the Transaction.

Trading in the Company's common shares on the CSE was halted in connection with the proposed transaction.

The completion of the Transaction is subject to the satisfaction of various conditions as are standard for a transaction of this nature.