

**Kraken Energy Corp.**

**Condensed Consolidated Interim Financial Statements  
For the Three Months Ended September 30, 2024 and 2023**

**(Expressed in Canadian Dollars)**

**(Unaudited)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

**Kraken Energy Corp.**Condensed Consolidated Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

			<b>As at</b>	
	Notes		<b>September 30, 2024</b>	June 30, 2024
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	4	\$	684,215	\$ 1,476,633
Prepaid expenses			80,089	106,134
Loan advanced to related party	7		-	16,500
GST receivable			8,567	6,174
			<u>772,871</u>	<u>1,605,441</u>
<b>Non-Current Assets</b>				
Exploration and evaluation assets	5		22,702,032	22,563,025
<b>TOTAL ASSETS</b>		<b>\$</b>	<b>23,474,903</b>	<b>\$ 24,168,466</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	7	\$	53,430	\$ 120,765
<b>TOTAL LIABILITIES</b>			<b>53,430</b>	<b>120,765</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	6		41,825,275	41,819,275
Reserve	6		1,227,982	1,227,982
Accumulated other comprehensive income			1,170,529	1,488,650
Deficit			(20,802,313)	(20,488,206)
<b>TOTAL SHAREHOLDERS' EQUITY</b>			<b>23,421,473</b>	<b>24,047,701</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$</b>	<b>23,474,903</b>	<b>\$ 24,168,466</b>

Nature and continuance of operations and going concern (Note 1)

These consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2024. They are signed by the Board of Directors by:

*"Garrett Ainsworth"*

Director

*"Brian Goss"*

Interim CEO and Director

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

**Kraken Energy Corp.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss  
(Unaudited - Expressed in Canadian Dollars)

		<b>Three Months Ended</b>	
	Notes	<b>September 30, 2024</b>	September 30, 2023
<b>Expenses</b>			
Exploration expenditures	5	\$ 29,419	\$ 423,423
Office and miscellaneous	7	91,157	103,318
Management fees	7	91,307	103,750
Professional fees		18,550	109,468
Marketing and shareholder relations		68,171	163,111
Transfer agent fees		11,564	11,307
		(310,168)	(914,377)
<b>Other items</b>			
Interest income		12,561	57,127
Write-off of related party loan	7	(16,500)	-
<b>Net loss</b>		<b>\$ (314,107)</b>	<b>\$ (857,250)</b>
<b>Other comprehensive (loss) income</b>			
Translation adjustment		(318,121)	480,539
<b>Comprehensive loss</b>		<b>\$ (632,228)</b>	<b>\$ (376,711)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.01)</b>	<b>\$ (0.02)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>		<b>59,658,372</b>	<b>54,334,265</b>

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

**Kraken Energy Corp.**Condensed Consolidated Interim Statement of Changes in Shareholders' Equity  
(Unaudited - Expressed in Canadian Dollars)

		Share capital				Accumulated other comprehensive income		
	Notes	Number	Amount	Reserves			Deficit	Total
<b>Balance at June 30, 2023</b>		<b>54,307,091</b>	<b>\$ 41,380,766</b>	<b>\$ 1,914,073</b>	<b>\$</b>	<b>733,096</b>	<b>\$ (17,004,404)</b>	<b>\$ 27,023,531</b>
Shares issued for acquisition of Garfield Hills Property		50,000	13,750	-	-	-	-	13,750
Fair value of expired options		-	-	(366,047)	-	-	366,047	-
Foreign exchange translation of subsidiary		-	-	-	-	480,539	-	480,539
Loss for the period		-	-	-	-	-	(857,250)	(857,250)
<b>Balance at September 30, 2023</b>		<b>54,357,091</b>	<b>\$ 41,394,516</b>	<b>\$ 1,548,026</b>	<b>\$</b>	<b>1,213,635</b>	<b>\$ (17,495,607)</b>	<b>\$ 26,660,570</b>
<b>Balance at June 30, 2024</b>		<b>59,615,981</b>	<b>\$ 41,819,275</b>	<b>\$ 1,227,982</b>	<b>\$</b>	<b>1,488,650</b>	<b>\$ (20,488,206)</b>	<b>\$ 24,047,701</b>
Shares issued for acquisition of Garfield Hills Property	5, 6	75,000	6,000	-	-	-	-	6,000
Foreign exchange translation of subsidiary		-	-	-	-	(318,121)	-	(318,121)
Loss for the period		-	-	-	-	-	(314,107)	(314,107)
<b>Balance at September 30, 2024</b>		<b>59,690,981</b>	<b>\$ 41,825,275</b>	<b>\$ 1,227,982</b>	<b>\$</b>	<b>1,170,529</b>	<b>\$ (20,802,313)</b>	<b>\$ 23,421,473</b>

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

**Kraken Energy Corp.**Condensed Consolidated Interim Statements of Cash Flows  
(Unaudited - Expressed in Canadian Dollars)

	<b>Three Months Ended</b>	
	<b>September 30, 2024</b>	September 30, 2023
<b>Operating activities:</b>		
Loss for the period	\$ (314,107)	\$ (857,250)
Item not involving cash:		
Interest income	(12,561)	(57,127)
Write-off of related party loan	16,500	-
Changes in non-cash working capital items:		
Receivables and prepaid expenses	23,579	70,364
Accounts payable and accrued liabilities	(67,335)	13,316
<b>Net cash flows used in operating activities</b>	<b>(353,924)</b>	<b>(830,697)</b>
<b>Investing activities:</b>		
Exploration and evaluation assets	(451,055)	(355,020)
Interest received from cash equivalents	12,561	57,127
<b>Net cash flows used in investing activities</b>	<b>(438,494)</b>	<b>(297,893)</b>
Change in cash and cash equivalents	(792,418)	(1,128,590)
Cash and cash equivalents, beginning	1,476,633	5,231,692
<b>Cash and cash equivalents, ending</b>	<b>\$ 684,215</b>	<b>\$ 4,103,102</b>
<b>Supplemental non-cash activities:</b>		
Shares issued pursuant to Garfield Hills option agreement	\$ 6,000	\$ 13,750
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

## **Kraken Energy Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

### **1. NATURE AND CONTINUANCE OF OPERATIONS AND GOING CONCERN**

Kraken Energy Corp. (the “Company” or “Kraken Energy”) was incorporated on July 4, 2011, under the Canada Business Corporations Act. The Company is a resource exploration company that is acquiring and exploring mineral properties. The Company’s common shares trade on the Canadian Securities Exchange under the stock symbol “UUSA” and the OTCQB under the stock symbol “UUSAF”.

The head office and principal address of the Company is Suite 918 – 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3. The records office and registered address is Suite 1500 – 1055 West Georgia Street, Vancouver, British Columbia V6E 4N7.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. At September 30, 2024, the Company had not yet achieved profitable operations and had accumulated losses of \$20,802,313 (June 30, 2024 – \$20,488,206) since its inception. These events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern.

Although the Company has been successful in the past in obtaining financing, there can be no assurances that the Company will continue to obtain the additional financial resources necessary and/or achieve profitability or positive cash flows from its future operations. If the Company is unable to obtain adequate additional financing, the Company would be required to curtail its planned operations, and exploration and development activities. These condensed consolidated interim financial statements do not give effect to adjustments, which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the consolidated financial statements.

### **2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

These condensed consolidated interim financial statements were authorized for issue by the directors of the Company on November 28, 2024.

#### *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee.

#### *Basis of presentation*

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for some financial instruments classified in accordance with measurements standards under IFRS. These condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise specified. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

#### *Consolidation*

The condensed consolidated interim financial statements include the accounts of the Company and its controlled subsidiaries. Details of controlled subsidiaries are as follows:

	Country of incorporation	Percentage owned*	
		September 30, 2023	June 30, 2023
Kraken Energy (Nevada) Corp. ("Kraken Nevada")	United States	100%	100%
Panerai Capital Corp. ("Panerai")	Canada	100%	100%
Panerai Capital USA Corp. ("Panerai USA")	United States	100%	100%

\*Percentage of voting power is in proportion to ownership

#### *Presentation and functional currency*

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional currency of Kraken and Panerai are Canadian dollars and the functional currency of Kraken Nevada and Panerai USA are US dollars. These condensed consolidated interim financial statements are presented in Canadian dollars.

#### Significant accounting judgments

The preparation of condensed consolidated interim financial statements in accordance with IFRS requires management to make certain critical accounting estimates and assumptions about the future. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. The impacts of changes to estimates are recognized in the period estimates are revised and in future periods affected. The key assumptions management has made about the future and other major sources of estimation uncertainty at the date of the statement of financial position that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

#### *Going concern*

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

#### *Determination of functional currency*

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

#### *Impairment of long-lived assets*

The carrying value and the recoverability of long-lived assets, including exploration and evaluation assets, are evaluated at each reporting date. Management assesses for indicators of impairment, which includes assessing whether facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

#### Key sources of estimation uncertainty

##### *Income taxes*

The Company recognizes deferred tax assets for deductible temporary differences, unused tax losses and other income tax deductions only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and other income tax deductions can be utilized. In assessing the probability of realizing the income tax benefits of deductible temporary differences, unused tax losses and other income tax deductions, management makes estimates related to expectations of future taxable income, applicable tax planning 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. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence.

Changes in any of the above-mentioned estimates can materially affect the amount of income tax assets recognized. In addition, where applicable tax laws and regulations are either unclear or subject to varying interpretations, changes in these estimates can occur that materially affect the amounts of income tax assets recognized. The Company reassesses unrecognized income tax assets at the end of each reporting period.

### 3. MATERIAL ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 3 to the audited consolidated financial statements for the year ended June 30, 2024, and have been consistently followed in the preparation of these condensed consolidated interim financial statements.

#### *New accounting pronouncements*

##### IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes.

IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this standard on its financial statements.

### 4. CASH AND CASH EQUIVALENTS

	September 30, 2024		June 30, 2024	
Cash	\$	20,265	\$	473,725
Cash equivalents		663,950		1,002,908
<b>Total</b>	<b>\$</b>	<b>684,215</b>	<b>\$</b>	<b>1,476,633</b>

Cash equivalents are held in a cashable high interest savings account with an interest rate of 4.15%.

## Kraken Energy Corp.

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months Ended September 30, 2024 and 2023  
(Unaudited - Expressed in Canadian Dollars)

### 5. EXPLORATION AND EVALUATION ASSETS

The following summarizes the cumulative costs capitalized as exploration and evaluation assets as at September 30, 2024:

	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
<b>Property Acquisition Costs</b>					
Balance, June 30, 2023	\$ 21,079,896	\$ 110,153	\$ 80,503	\$ 108,161	\$ 21,378,713
Acquisitions – shares	-	13,750	-	-	13,750
Acquisitions – cash	-	40,669	-	-	40,669
Claims and bond fees	203,249	46,655	7,763	132,552	390,219
Currency translation adjustment	727,142	4809	2794	4929	739674
<b>Balance, June 30, 2024</b>	<b>\$ 22,010,287</b>	<b>\$ 216,036</b>	<b>\$ 91,060</b>	<b>\$ 245,642</b>	<b>\$ 22,563,025</b>
Acquisitions – shares	-	6,000	-	-	6,000
Acquisitions – cash	-	68,000	-	-	68,000
Claims and bond fees	232,337	44,510	11,821	89,049	377,717
Currency translation adjustment	(303,431)	(3,904)	(1,339)	(4,036)	(312,710)
<b>Balance, September 30, 2024</b>	<b>\$ 21,939,193</b>	<b>\$ 330,642</b>	<b>\$ 101,542</b>	<b>\$ 330,655</b>	<b>\$ 22,702,032</b>

The following summarizes exploration and evaluation expenses incurred during the three months ended September 30, 2024 and 2023:

	Apex Property	Garfield Property	Huber Hills Property	Harts Point Property	Total
<b>Exploration and evaluation costs</b>					
Costs incurred during the period ended September 30, 2023:					
Assay and analysis	\$ -	\$ -	\$ 2,880	\$ -	\$ 2,880
Camp and crew costs	18,278	3,804	-	5,732	27,814
Equipment rental	-	-	-	47,428	47,428
General consulting	51,576	14,236	2,588	40,334	108,734
Geological consulting	24,304	-	1,276	3,189	28,769
Permits	18,365	-	2,938	-	21,303
Transportation	-	-	-	4,059	4,059
Drilling	-	-	-	182,436	182,436
<b>Balance, September 30, 2023</b>	<b>\$ 112,523</b>	<b>\$ 18,040</b>	<b>\$ 9,682</b>	<b>\$ 283,178</b>	<b>\$ 423,423</b>
Costs incurred during the period ended September 30, 2024:					
Equipment Rental	-	-	-	6,120	6,120
General consulting	-	-	-	2,251	2,251
Permits	-	-	-	21,048	21,048
<b>Balance, September 30, 2024</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,419</b>	<b>\$ 29,419</b>

#### Apex Property

On April 8, 2022, the Company acquired a 100% interest in the Apex Property in Nevada, USA. The Apex Property remains subject to a 3% net smelter return (“NSR”) royalty in favour of the property vendors.

## **Kraken Energy Corp.**

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

On May 27, 2022, the Company acquired additional lode mining claims in Lander County, Nevada surrounding the Apex property. The additional claims acquired now form part of the Apex Property.

#### Harts Point Property

On May 19, 2023, and amended on November 29, 2023, the Company entered into a definitive option agreement with Atomic Minerals Corporation (“Atomic”) in order to acquire a 75% interest in the Harts Point Uranium Property, located within San Juan County, in Utah, USA. Under the terms of the agreement, the Company may acquire up to 75% of the Harts Point Property by meeting the following requirements:

- a. Kraken will be the operator and must incur cumulative US\$1 million and US\$1.5 million of eligible expenditures within 12 months (completed subsequent to September 30, 2024) and 18 months (by May 29, 2025), to earn a 65% interest (the “Initial Option”).
- b. Kraken has the option to increase its interest in the Property from 65% to 75% by incurring an additional US\$2.0 million of eligible expenditures within 30 months (by May 29, 2026) and issuing Atomic 2,000,000 common shares of Kraken (the “Extended Option”).
- c. Kraken will grant Atomic a 2.0% net smelter royalty (subject to a buy down to 1.0% for US\$5.0 million).
- d. After the Initial Option or the Extended Option, a definitive Joint Venture Agreement will be formed.

#### Garfield Hills Property

In 2022, the Company entered into an option agreement to acquire 100% of certain mining claims, including those encompassing the Garfield Hills Property, located east of Hawthorne, Nevada. Pursuant to the option agreement, Kraken may acquire a 100% interest in the Garfield Hills Property upon the following principal terms:

- a. Kraken will spend at least US\$50,000 in exploration expenditures on the property within the first year (incurred).
- b. Kraken will make cash payments totaling US\$150,000 over a three-year period as follows:
  - US\$20,000 upon signing the option agreement (paid);
  - US\$30,000 on or before August 9, 2023, the end of the first year (paid);
  - US\$50,000 on or before August 9, 2024, the end of the second year (paid); and
  - US\$50,000 on or before August 9, 2025, the end of the third year.
- c. Kraken will issue 250,000 common shares in the Company over a three-year period as follows:
  - 50,000 upon signing the option agreement (issued at fair value of \$37,000 (Note 6));
  - 50,000 on or before August 9, 2023, the end of the first year (issued at fair value of \$13,750 (Note 6));
  - 75,000 on or before August 9, 2024, the end of the second year (issued at a fair value of \$6,000 (Note 6)); and
  - 75,000 on or before August 9, 2025, the end of the third year.
- d. Kraken will grant a production royalty equal to 2.0% of the NSR from the property. The Company may, at any time, repurchase 50% of the NSR royalty for a one-time payment of US\$250,000 by Kraken to the optionor.

#### Huber Hills Property

During the year ended June 30, 2023, the Company staked claims encompassing the Huber Hills Uranium project (“Huber Hills”). Huber Hills is located within Elko County in Nevada, USA.

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

#### 6. SHARE CAPITAL

##### Authorized share capital

Unlimited number of common shares without par value.

##### Issued share capital

On September 30, 2024, there were 59,690,981 (June 30, 2024 – 59,615,981) issued and fully paid common shares.

##### *For the three months ended September 30, 2024*

During the three months ended September 30, 2024, the Company issued 75,000 common shares at \$0.08 per share for a fair value of \$6,000 pursuant to the Garfield Hills Property option agreement (Note 5).

##### *For the three months ended September 30, 2023*

During the three months ended September 30, 2023, the Company issued 50,000 common shares at \$0.275 per share for a fair value of \$13,750 pursuant to the Garfield Hills Property option agreement (Note 5).

##### Stock options

The Company has a rolling stock option plan, which authorizes the Board of Directors to grant options to directors, officers, employees, and consultants to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option may not be less than the market price of the Company's stock calculated on the date of the grant less the applicable discount. The options can be granted for a maximum term of 5 years. Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

A summary of the continuity of the Company's stock options is as follows:

	September 30, 2024		September 30, 2023	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
<b>Outstanding, beginning</b>	3,100,000	\$0.82	3,650,000	\$ 0.91
Expired	-	-	(500,000)	\$ 0.90
<b>Outstanding and exercisable, ending</b>	<b>3,100,000</b>	<b>\$0.82</b>	<b>3,150,000</b>	<b>\$ 0.97</b>

During the three months ended September 30, 2024, 500,000 options expired with a fair value of \$366,047 which was reclassified to deficit.

Stock options outstanding and exercisable as of September 30, 2024 are as follows:

Expiry date	Options outstanding	Options exercisable	Exercise price	Remaining contractual life (in years)
June 9, 2027	200,000	200,000	\$ 1.27	2.69
October 11, 2027	2,075,000	2,075,000	\$ 1.00	3.03
April 3, 2028	125,000	125,000	\$ 0.50	3.51
March 25, 2029	700,000	700,000	\$ 0.20	4.48
<b>Total</b>	<b>3,100,000</b>	<b>3,100,000</b>		

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

#### Warrants

There were no warrants granted or exercised during the three months ended September 30, 2024, or September 30, 2023. As of September 30, 2024, there were 2,868,478 warrants outstanding with an exercise price of \$0.20 and remaining life of 2.74 years, which were granted on June 28, 2024. There were no warrants outstanding as of September 30, 2023.

## 7. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel and close family members of its key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consist of its directors, the Chief Executive Officer and the Chief Financial Officer.

	<u>Three months ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Exploration – general consulting	\$ -	\$ 79,430
Management fees	91,307	103,750
<b>Total</b>	<b>\$ 91,307</b>	<b>\$ 183,180</b>

As at September 30, 2024, accounts payable and accrued liabilities include \$6,109 owing to related parties in respect of expenses incurred on behalf of the Company (June 30, 2024 - \$11,316) and \$5,000 for services provided to the Company (June 30, 2024 – \$19,000). Amounts due to the related parties are unsecured, non-interest bearing and have no specified terms of repayment.

During the three months ended September 30, 2024, the Company paid \$Nil (September 30, 2023 - \$61,501) respectively, to a company controlled by a former officer of the Company for geological labour and equipment rentals, which is recorded in exploration expenditures.

During the year ended June 30, 2023, the Company entered into a short-term loan agreement and advanced \$34,375 to a former director and officer of the Company. The loan was unsecured, non-interest bearing and due on demand. During the year ended June 30, 2024, \$17,875 of the loan was repaid. During the three months ended September 30, 2024, the remaining \$16,500 was forgiven and written off in the statement of loss and comprehensive loss.

The Company does not have offices in British Columbia, but rather is a party to an Administrative Services Agreement, whereby it has contracted administrative, corporate and financial reporting services with Sentinel Corporate Services Inc. ("Sentinel"), a company controlled by a close family member of a director appointed in February 2024, which are included in professional fees. Sentinel has a continuing service agreement with the Company. During the three months ended September 30, 2024, the Company incurred expenses with Sentinel for administration, corporate, and financial reporting services of \$26,250 (September 30, 2023 - \$Nil).

## 8. CAPITAL DISCLOSURES

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of equity comprised of share capital, reserves, and deficit. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management during the period ended September 30, 2024.

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

The Company is not subject to externally imposed capital requirements. The Company invests capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash and other demand deposits, all held with major financial institutions.

## 9. FINANCIAL INSTRUMENTS

### Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

	September 30, 2024	June 30, 2024
<b>Financial assets:</b>		
<b><i>Fair value through profit or loss</i></b>		
Cash and cash equivalents	\$ 684,215	\$ 1,476,633
<b><i>Amortized cost</i></b>		
Loan advanced to related party	-	16,500
<b>Financial liabilities:</b>		
<b><i>Amortized cost</i></b>		
Accounts payable and accrued liabilities	\$ 53,430	\$ 120,765

The fair value of cash and cash equivalents are carried at fair value in accordance with level 1 of the fair value hierarchy. The fair value of the loan advanced to a related party and accounts payables and accrued liabilities approximate their carrying values due to their short-term maturity.

### Financial risk factors

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

#### *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 carrying amounts of financial assets best represent the maximum credit risk exposure at the reporting date. The Company's cash and cash equivalents are held in a large Canadian financial institution. The Company has not experienced nor is exposed to any significant credit losses. As a result, the Company's exposure to credit risk is minimal.

#### *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. As at September 30, 2024, the Company had a cash and cash equivalents balance of \$684,215 (June 30, 2024 – \$1,476,633) to settle current liabilities of \$53,430 (June 30, 2024 – \$120,765). Management believes that the Company has sufficient liquidity to satisfy obligations as they come due and has assessed liquidity risk as moderate.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

## Kraken Energy Corp.

### Notes to the Condensed Consolidated Interim Financial Statements

For the Three Months Ended September 30, 2024 and 2023

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#### *Foreign exchange risk*

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency exchange risk as some of its mining and exploration operations are transacted in currencies other than the functional currency of the Company.

Since the Company's reporting currency is Canadian dollars and the Company and its subsidiaries have significant operations in the United States, the Company is exposed to foreign currency fluctuations on its reported amounts of assets and liabilities.

As at September 30, 2024 and June 30, 2024, the Company had the following US dollar denominated assets and liabilities:

	September 30, 2024		June 30, 2024	
	US Dollars		US Dollars	
Cash and cash equivalents	\$	-	\$	131
Prepays		3,895		3,934
Accounts payable		-		(1,442)
	\$	<b>3,895</b>	\$	<b>2,623</b>

As at September 30, 2024, a 10% change in exchange rates between US dollars and Canadian dollars would impact the Company's net loss by \$389 (June 30, 2024 – \$262).

## 10. SEGMENTED INFORMATION

#### Operating segment

The Company's operates in a single reportable operating segment, being the acquisition of mineral properties and exploration for metals in North America.

#### Geographic segment

The Company's geographic information as at September 30, 2024 and June 30, 2024 are as follows:

	September 30, 2024				
	Canada		USA		Total
<b>Assets</b>					
Exploration and evaluation assets	\$	-	\$	22,702,032	\$ 22,702,032
Other assets		772,871		-	772,871
	\$	<b>772,871</b>	\$	<b>22,702,032</b>	\$ <b>23,474,903</b>
	June 30, 2024				
	Canada		USA		Total
<b>Assets</b>					
Exploration and evaluation assets	\$	-	\$	22,563,025	\$ 22,563,025
Other assets		1,605,441		-	1,605,441
	\$	<b>1,605,441</b>	\$	<b>22,563,025</b>	\$ <b>24,168,466</b>