Traction Uranium Corp.
(Formerly Traction Exploration Inc.)

Financial Statements
Year ended September 30, 2021 and the 72-day period ended September 30, 2020
(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF TRACTION URANIUM CORP. (FORMERLY TRACTION EXPLORATION INC.)

Opinion

We have audited the financial statements of Traction Uranium Corp. (formerly Traction Exploration Inc.) (the "Company"), which comprise:

- the statements of financial position as at September 30, 2021 and 2020;
- the statements of comprehensive loss for the year ended September 30, 2021 and the 72-day period ended September 30, 2020;
- the statements of changes in shareholders' equity for the year ended September 30, 2021 and the 72-day period ended September 30, 2020;
- the statements of cash flows for the year ended September 30, 2021 and the 72-day period ended September 30, 2020; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and its financial performance and its cash flows for the year ended September 30, 2021 and the 72-day period ended September 30, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $354,451 during the year ended September 30, 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises of 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 audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits, and remain alert for indications that the other information appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' 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 auditors' 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 auditors' 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 auditors' 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 audits.

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.

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
December 7, 2021

TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Statements of Financial Position
(Expressed in Canadian Dollars)

	September 30, 2021	September 30, 2020
Assets		
Current		
Cash	$ 677,874	$ 201,306
Receivables	5,223	652
Prepaid expenses (note 4)	-	40,000
	$ 683,097	$ 241,958
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	$ 70,420	$ 14,509
Shareholders' Equity		
Share Capital (note 6)	856,268	206,589
Warrant Reserve (note 6)	120,000	-
Subscriptions Received (note 6)	-	30,000
Deficit	(363,591)	(9,140)
	612,677	227,449
Total Liabilities and Shareholders' Equity	$ 683,097	$ 241,958

Approved on behalf of the Board:

"Michael Malana" (signed)
Director

"David Bowen" (signed)
Director

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

TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Year Ended September 30, 2021		72 Day Period Ended September 30, 2020
Operating expenses				
Accounting and audit fees	$	19,130	$	-
Consulting fees		44,272		-
Exploration and evaluation costs (note 5)		195,875		-
Interest and bank charges		940		194
Legal fees		39,698		6,946
Management fees (note 7)		17,500		2,000
Office service and supplies		172		-
Rent and services agreement		1,500		-
Transfer agent and filing fees		35,364		-
Net loss and comprehensive loss for the period	$	(354,451)	$	(9,140)
Basic and diluted loss per share	$	(0.02)	$	(0.00)
Weighted average number of common shares outstanding		16,162,608		3,754,167

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

TRACTION URANIUM CORP. **(Formerly Traction Exploration Inc.)**
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Common Shares		**Reserves**				
	Number	**Amount $**	**Special Warrants $**	**Warrants $**	**Subscriptions Received $**	**Deficit $**	**Total Shareholders' Equity $**
Balance, July 20, 2020 (date of incorporation)	1,000,000	5,000	-	-	-	-	5,000
Founders' shares	1,300,000	6,500	-	-	-	-	6,500
Private placement – flow-through shares	3,500,000	70,000	-	-	-	-	70,000
Private placement	6,500,000	130,000	-	-	-	-	130,000
Share issuance costs	-	(4,911)	-	-	-	-	(4,911)
Subscriptions received	-	-	-	-	30,000	-	30,000
Net loss for period	-	-	-	-	-	(9,140)	(9,140)
Balance, September 30, 2020	12,300,000	206,589	-	-	30,000	(9,140)	227,449
Private placement	4,000,000	80,000	-	120,000	(30,000)	-	170,000
Private placement – special warrants	-	-	571,000	-	-	-	571,000
Conversion of special warrants	5,710,000	571,000	(571,000)	-	-	-	-
Warrant exercise	23,000	4,600	-	-	-		4,600
Share issuance costs	-	(5,921)	-	-	-	-	(5,921)
Net loss for year	-	-	-	-	-	(354,451)	(354,451)
Balance, September 30, 2021	22,033,000	856,268	-	120,000	-	(363,591)	612,677

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

TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year Ended September 30, 2021	72 Day Period Ended September 30, 2020
Cash Provided by (Used In)		
Operating Activities		
Net loss for the period	$ (354,451)	$ (9,140)
Change in working capital balances:		
Receivables	(4,571)	(652)
Prepaid expenses	40,000	(40,000)
Accounts payable and accrued liabilities	55,911	14,509
Cash Used in Operating Activities	(263,111)	(35,283)
Financing Activities		
Proceeds on issuance of common shares	741,000	211,500
Proceeds from exercise of warrants	4,600	-
Share issuance costs	(5,921)	(4,911)
Subscriptions received	-	30,000
Cash Provided by Financing Activities	739,679	236,589
Inflow of Cash	476,568	201,306
Cash, Beginning of Period	201,306	-
Cash, End of Period	$ 677,874	$ 201,306

There were no cash flows from investing activities during the year ended September 30, 2021 and the 72-day period ended September 30, 2020.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Traction Uranium Corp. (formerly Traction Exploration Inc.) (the "Company") was incorporated under the *BC Business Corporations Act* on July 20, 2020. On November 4, 2021, the Company changed its name from Traction Exploration Inc. to Traction Uranium Corp. The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company's registered and records office address is 6th Floor, 905 West Pender Street, Vancouver, BC, V6C 1L6. Its principal place of business is 915 – 700 West Pender Street, Vancouver, BC, V6C 1G8.

These financial statements have been prepared 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. During the year ended September 30, 2021, the Company incurred a net loss of $354,451 (72-day period ended September 30, 2020 - $9,140), and at present, the Company has no current operating income. Without additional financing, the Company may not be able to fund its ongoing operations and complete development activities. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. These uncertainties may cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations. These financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

At the time these financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries, to contain and treat the disease. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact at the date of approval of these financial statements, there may be further adverse impact on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

On August 12, 2021, the Company received conditional approval from the Canadian Securities Exchange (the "CSE") for the listing of its common shares on the CSE. On August 17, 2021, the Company obtained a receipt for its final long form prospectus (the "Prospectus") from the British Columbia Securities Commission, Alberta Securities Commission, Manitoba Securities Commission and Ontario Securities Commission. The Prospectus qualified the distribution of 5,710,000 common shares and 5,710,000 common share purchase warrants of the Company (Note 6). On September 1, 2021, the Company's common shares began trading on the CSE under the symbol "TRAC".

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board.

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PRESENTATION (Continued)

(b) Basis of presentation

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

(c) Approval of the financial statements

These financial statements were authorized for issue by the Audit Committee and Board of Directors on December 7, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Mineral property

(i) Exploration and evaluation

Staking costs, property option payments, and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as intangible assets, whereas exploration and evaluation expenditures are recognized as an expense as they are incurred. Exploration and evaluation expenditures include costs of conducting geological and geophysical surveys, equipment rental, geochemical analysis, mapping and interpretation, and costs to obtain legal rights to explore an area.

Management reviews the carrying value of capitalized exploration costs annually. This review is based on the Company's intentions for development of the undeveloped property.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project net of any impairment provisions are written off.

(ii) Development

Upon completion of a technical feasibility study and when commercial viability is demonstrated, capitalized exploration and evaluation assets are transferred to and classified as mineral property acquisition and development costs. Costs associated with the commissioning of new assets incurred in the period before they are operating in the way intended by management are capitalized. Development expenditures are net of the proceeds of the sale of metals from ore extracted during the development phase. Interest on borrowings related to the construction and development of assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

The costs of removing overburden to access ore are capitalized as pre-production stripping costs and classified as a component of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

(iii) Impairment

The carrying value of all categories of mineral property and exploration are reviewed at least annually by management for indicators the recoverable amount may be less than the carrying value. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

Value-in-use is based on estimates of discounted future cash flows expected to be recovered from an asset through their use. Estimated future cash flows are calculated using estimates of future recoverable reserves and resources, future commodity prices and expected future operating and capital costs.

Once calculated, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Fair value less costs to sell is the amount obtainable from either quotes from an active market or the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Costs of disposal are incremental costs directly attributable to the disposal of an asset or CGU, excluding finance costs and income tax expense.

Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit or group of units on a pro rata basis. Impairment losses are recognized in other expenses. Assumptions, such as commodity prices, discount rate, and expenditures underlying the fair value estimates are subject to risks uncertainties. Impairment charges are recorded in the reporting period in which determination of impairment is made by management.

Impairment losses recognized in prior reporting periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion or amortization, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Mineral property (Continued)

(iv) Provision for environmental rehabilitation

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or straight-line method.

The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

(b) Flow-through shares

Flow-through shares entitle a company that incurs certain resource expenditures in Canada to renounce them for tax purposes allowing the expenditures to be deducted for income tax purposes by the investors who purchase the shares.

At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are priced, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows:

- Capital stock – the market trading price of the common share;
- Warrant reserve – based on the valuation derived using the Black-Scholes option pricing model; and
- Flow-through premium – any excess, recorded as a liability.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation costs and the flow-through premium, if any, is amortized to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Flow-through shares (Continued)

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has formally renounced those expenditures at any time.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule in accordance with Government of Canada flow-through regulations. When applicable, this flow-through share tax expense is accrued and recorded in profit or loss.

(c) Mining exploration tax recoveries

The Company recognizes mining exploration tax recoveries in the period in which there is reasonable expectation, based on management's estimate, of receiving a refund. The amount of tax credit receivable is subject to review and approval by the taxation authorities and is adjusted for in the period when such approval is confirmed.

(d) Financial instruments

(i) Financial assets

Initial recognition and measurement

The Company recognizes a financial asset when it becomes party to the contractual provisions of the instrument. A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset is measured at amortized cost if it meets the conditions that i) the asset is held within a business model whose objective is to hold assets 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.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are carried in the statement of financial position at fair value with changes in fair value therein, included in other comprehensive income. The Company has no financial assets classified as fair value through other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in the statement of comprehensive loss. The Company classifies cash as fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset measured at amortized cost is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if necessary. The Company has no financial assets classified as amortized cost.

(ii) Derecognition

A financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the financial asset have expired; or
- the Company has transferred substantially all the risks and rewards of the financial asset.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

Financial liabilities at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's accounts payable are measured at amortized cost.

Financial liabilities at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company has no financial liabilities classified as fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial instruments (Continued)

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

The Company's financial instruments classified as Level 1 in the fair value hierarchy are cash and accounts payable and accrued liabilities. Their carrying values approximate the fair values due to short-term maturity of these instruments.

(e) Common shares

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 are shown in equity as a deduction, net of tax, from the proceeds.

(f) Equity unit

The proceeds received on the issuance of units, comprised of common shares and warrants, are allocated using the residual value method. Under the residual value method, proceeds are allocated first to share capital up to the fair value of the common share, determined by reference to the quoted market price of the common shares on the issuance date, with the residual amount of proceeds, if any, allocated to the reserve for warrants.

(g) Earnings (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings (loss) per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Income taxes

Tax provisions are recognized when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, a provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgment as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognized in income in the period in which the change occurs.

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs.

Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

(i) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may vary from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas requiring the use of management’s judgments include:

Going concern

The assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cast significant doubt upon the Company’s ability to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Use of estimates and judgments (Continued)

Recoverability of mineral properties

The application of the Company's accounting policy for mineral properties requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Mining exploration tax credits and flow-through expenditures

The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province of British Columbia. Management's judgment is applied in determining whether the resource expenditures are eligible for claiming such credits.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures.

Differences in judgment between management and regulatory authorities with respect to qualified expenditures may result in disallowed expenditures by the tax authorities. Any amount disallowed may result in the Company's required expenditures not being fulfilled.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include:

- the determination of asset retirement and environmental obligations; and
- the utilization of deferred income tax assets.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of financial performance and cash flows.

4. PREPAID EXPENSES

The Company's prepaid expenses include expense advances to consultants and costs incurred for exploration and evaluation costs. As at September 30, 2021, the Company has $Nil (2020 - $40,000) in prepaid expenses.

(Expressed in Canadian Dollars)

5. MINERAL PROPERTY

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad to acquire 100% interest in the Whitewater Property by paying consideration of $80,000 in cash and agreeing to incur at least $515,000 in expenditures on the Whitewater Property. This consideration will be paid as follows:

- Within three months of the agreement, the Company must incur expenditures of $75,000 (met);
- On or before the first anniversary of the date upon which the Company's shares are listed for trading on any stock exchange in Canada (the "Listing Date"), the Company must incur additional expenditures of $110,000 (met);
- On or before the second anniversary of the Listing Date, the Company will pay $30,000 in cash and incur additional expenditures of $130,000 (unpaid); and
- On or before the third anniversary of the Listing Date, the Company will pay $50,000 in cash and incur additional expenditures of $200,000 (unpaid).

During the year ended September 30, 2021, the Company had the following expenditures, which were expensed as incurred on the property:

Whitewater Property		**2021**
Assays and analysis	$	25,282
Project management		11,720
Field costs		52,923
Salaries and consultants		75,600
Data compilation and reporting		30,350
Total exploration and evaluation costs	**$**	**195,875**

During the 72-day period ended September 30, 2020, the Company had $Nil exploration and evaluation costs on the property.

6. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

Initial period ended September 30, 2020

(i) On July 20, 2020, the Company issued 1,000,000 common shares at a price of $0.005 in connection with the incorporation of the Company.

(ii) On August 10, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $6,500 by the issuance of 1,300,000 common shares at $0.005 per share to founders of the Company.

(iii) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $70,000 by the issuance of 3,500,000 flow-through shares at $0.02 per share. The flow-through shares were issued at market price and a value of $Nil was recorded as a flow-through share premium.

6. SHAREHOLDERS' EQUITY (Continued)

(b) Issued and outstanding (Continued)

(iv) On September 16, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $130,000 by the issuance of 6,500,000 common shares at $0.02 per share.

In connection with the private placements above, the Company incurred $4,911 in share issuance costs.

Year ended September 30, 2021

(v) On November 23, 2020, the Company completed a non-brokered private placement financing raising aggregate gross proceeds of $200,000 by the issuance of 4,000,000 units at $0.05 per unit. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of three years at an exercise price of $0.10. The fair value of the warrants was determined to be $Nil. The Company received $30,000 in subscription funds related to this private placement prior to September 30, 2020.

In connection with the private placement above, the Company incurred $5,921 in share issuance costs.

(vi) Special Warrants

On February 22, 2021, the Company completed the first tranche of a non-brokered private placement financing raising aggregate gross proceeds of $216,000 by the issuance of 2,160,000 special warrants at $0.10 per special warrant. On July 8, 2021, the Company completed the second tranche of a non-brokered private placement financing raising aggregate gross proceeds of $355,000 by the issuance of 3,550,000 special warrants at $0.10 per special warrant. Each special warrant is automatically convertible into one unit of the Company for no additional consideration at the earlier of (a) the third business day after the receipt of a final prospectus to qualify the distribution of common shares and warrants by the British Columbia Securities Commission; and (b) one year from the special warrants closing date. Each unit comprises one common share and one whole share purchase warrant. Each warrant will be exercisable for a period of two years from the date the Company's common shares commence trading on the CSE, at an exercise price of $0.20.

On September 1, 2021, the Company's common shares began trading on the CSE under the symbol "TRAC" and the Company's special warrants were converted into 5,710,000 common shares and 5,710,000 common share purchase warrants.

(Expressed in Canadian Dollars)

6. SHAREHOLDERS' EQUITY (Continued)

(c) Warrants

The following is a summary of the Company's warrant activities:

	Number of Warrants		Weighted Average Exercise Price
Outstanding at September 30, 2020	-	$	-
Issued	9,710,000		0.16
Exercised	(23,000)		0.20
Outstanding at September 30, 2021	9,687,000	$	0.16

The warrants outstanding as at September 30, 2021 are as follows:

Exercise Price	Expiration Date	Number of Warrants
$0.10	November 23, 2023	4,000,000
$0.20	September 1, 2023	5,687,000
		9,687,000

7. RELATED PARTY TRANSACTIONS

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Board of Directors and corporate officers.

During the year ended September 30, 2021, the Company paid $14,000 (72-day period ended September 30, 2020 - $2,000) in management fees to the Chief Financial Officer and paid $3,500 (72-day period ended September 30, 2020 - $ Nil) in management fees to the Chief Executive Officer of the Company. As at September 30, 2021, $1,050 due to the Chief Financial Officer is included in accounts payable and accrued liabilities (2020 - $2,100).

8. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant credit, liquidity or market risk arising from these financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk for the Company is associated with its cash. The Company is not exposed to significant credit risk as its cash is placed with a major Canadian financial institution.

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

As at September 30, 2021, the Company has cash of $677,874 (2020 - $201,306) available to apply against short-term business requirements and current liabilities of $70,420 (2020 - $14,509). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2021. The Company relies upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk, and other price risk. The Company is not exposed to significant market risk.

9. CAPITAL MANAGEMENT

The Company has just commenced operations. It has not yet determined whether it will be successful in its endeavours and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company defines its capital as shareholders' equity. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company did not change its approach to capital management during the year ended September 30, 2021.

10. INCOME TAX

A reconciliation of the expected income tax recovery is as follows:

		Year ended September 30, 2021		72 days ended September 30, 2020
Net loss for the period	$	(354,451)	$	(9,140)
Statutory tax rate		27%		27%
Expected income tax recovery at the statutory tax rate		(95,702)		(2,468)
Change in unrecognized deductible temporary differences		95,702		2,486
Income tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

10. INCOME TAX (Continued)

The Company recognizes tax benefits on losses or other deductible amounts generated where the probable criteria for the recognition of deferred tax assets has been met. The Company's unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consists of the following amounts:

		September 30, 2021		September 30, 2020
Deferred tax assets				
Loss carry-forwards	$	171,000	$	10,000
Share issuance costs		8,000		4,000
Resource properties		196,000		-
Unrecognized deferred tax assets		(375,000)		(14,000)
Net deferred tax assets	$	-	$	-

The Company has non-capital losses of approximately $171,000 available to offset future income for income tax purposes which commence expiring in 2040. Due to the uncertainty of realization of these loss carry-forwards, the benefit is not reflected in the financial statements.

11. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.

12. COMMITMENTS

As at September 30, 2020, the Company was committed to expend $70,000 of flow-through share proceeds related to flow-through shares issued during the period on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. The expenditures must be incurred by September 16, 2022. As at September 30, 2021 the Company has met the expenditure requirement.

13. EVENTS AFTER THE REPORTING DATE

Hearty Bay Property

The Company entered into an arm's-length letter of intent dated October 30, 2021 with Fission 3.0 Corp. ("Fission") whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan.

The Company will earn an initial 50% interest in the Hearty Bay property by paying consideration as follows:

- Within seven days of the effective date, the Company will pay $100,000 in cash (paid);
- Seven days after the effective date, the Company will pay $200,000 in cash ($100,000 paid);
- On or before the first anniversary of the effective date, the Company will pay $100,000 in cash;
- On or before the eighteen-months after the effective date, the Company will pay $100,000 in cash; and
- On or before the second anniversary of the effective date, the Company will pay $150,000 in cash.

13. EVENTS AFTER THE REPORTING DATE (Continued)

Hearty Bay Property (Continued)

The Company must also incur exploration expenditures on the Hearty Bay property as follows:

- On or before the first anniversary of the effective date, the Company must incur expenditures of $1,000,000; and
- On or before the second anniversary of the effective date, the Company must incur additional expenditures of $2,000,000.

The Company will also issue to Fission a number of common shares equal to 7.5% of the total issued and outstanding common shares of the Company on or before the date that is ten days after the Company has completed gross equity financing of $2,000,000.

The Company will earn an additional 20% interest in the Hearty Bay property by paying consideration as follows:

- On or before the 30-months after the effective date, the Company will pay $150,000 in cash; and
- On or before the third anniversary of the effective date, the Company will pay $200,000 in cash.

The Company must also incur exploration expenditures on the Hearty Bay property as follows:

- On or before the third anniversary of the effective date, the Company must incur expenditures of $3,000,000.

Lazy Edwards Property

The Company entered into an arm’s-length letter of intent dated October 30, 2021 with Fission whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Lazy Edwards property in Saskatchewan.

The Company will earn an initial 50% interest in the Lazy Edwards property by paying consideration as follows:

- Within seven days of the effective date, the Company will pay $100,000 in cash (paid);
- Seven days after the effective date, the Company will pay $200,000 in cash ($100,000 paid);
- On or before the first anniversary of the effective date, the Company will pay $100,000 in cash;
- On or before the eighteen-months after the effective date, the Company will pay $100,000 in cash; and
- On or before the second anniversary of the effective date, the Company will pay $150,000 in cash.

The Company must also incur exploration expenditures on the Lazy Edwards property as follows:

- On or before the first anniversary of the effective date, the Company must incur expenditures of $1,500,000; and
- On or before the second anniversary of the effective date, the Company must incur additional expenditures of $3,000,000.

13. EVENTS AFTER THE REPORTING DATE (Continued)

Lazy Edwards Property (Continued)

The Company will also issue to Fission a number of common shares equal to 7.5% of the total issued and outstanding common shares of the Company on or before the date that is ten days after the Company has completed gross equity financing of $2,000,000.

The Company will earn an additional 20% interest in the Lazy Edwards property by paying consideration as follows:

- On or before the 30-months after the effective date, the Company will pay $150,000 in cash; and
- On or before the third anniversary of the effective date, the Company will pay $200,000 in cash.

The Company must also incur exploration expenditures on the Lazy Edwards property as follows:

- On or before the third anniversary of the effective date, the Company must incur expenditures of $4,500,000.

Private Placement

On November 15, 2021, the Company completed a non-brokered private placement (the "Private Placement") of 1,291,986 units (each, a "Unit") of the Company at a purchase price of $0.27 per Unit for aggregate gross proceeds of $348,836. Each Unit consists of one (1) common share (a "Share") of the Company and one-half of one (1/2) transferable common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into one Share at a price of $0.50 per share for a period of two years from issuance.