

Traction Uranium Corp.
(Formerly Traction Exploration Inc.)

Condensed Interim Financial Statements
For the Three Months Ended December 31, 2021
(Expressed in Canadian Dollars)
(Unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying condensed interim financial statements of Traction Uranium Corp. (formerly Traction Exploration Inc.) have been prepared by and are the responsibility of the Company's management. The Company's independent auditors have not performed a review or audit of these interim financial statements.

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

	December 31, 2021	September 30, 2021
Assets		
Current		
Cash	\$ 7,748,900	\$ 677,874
Receivables	13,694	5,223
Prepaid expenses (note 4)	2,917	-
	7,765,511	683,097
Mineral properties (note 5)	6,102,726	-
	\$ 13,868,237	\$ 683,097
Liabilities and Shareholders' Equity		
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 323,639	\$ 70,420
Shareholders' Equity		
Share Capital (note 6)	8,771,899	856,268
Reserves (note 6)	5,594,517	120,000
Deficit	(821,818)	(363,591)
	13,544,598	612,677
Total Liabilities and Shareholders' Equity	\$ 13,868,237	\$ 683,097

Approved on behalf of the Board:

"Michael Malana" (signed)
 Director

"Faizaan Lalani" (signed)
 Director

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

TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Condensed Interim Statement of Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Operating expenses		
Accounting and audit fees	\$ 13,322	\$ 6,000
Consulting fees	159,860	43,792
Directors' fees (note 7)	10,000	-
Exploration and evaluation costs (note 5)	-	83,363
Interest and bank charges	671	82
Investor relations	50,500	-
Legal fees	25,195	5,833
Management fees (note 7)	19,500	3,000
Office service and supplies	172	-
Rent and services agreement	4,500	-
Realized exchange gain/loss	368	-
Share-based compensation (note 6,7)	123,000	-
Transfer agent and filing fees	51,139	-
Net loss and comprehensive loss for the period	\$ (458,227)	\$ (142,070)
Basic and diluted loss per share	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	24,780,743	13,952,174

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TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	<u>Common Shares</u>					Total Shareholders' Equity
	Number	Amount	Reserves	Subscriptions Received	Deficit	
		\$	\$	\$	\$	\$
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
Share issuance costs	-	(3,146)	-	-	-	(3,146)
Subscriptions received	-	-	-	15,200	-	15,200
Net loss for period	-	-	-	-	(142,070)	(142,070)
Balance, December 31, 2020	16,300,000	283,443	120,000	15,200	(151,210)	267,443
Balance, September 30, 2021	22,033,000	856,268	120,000	-	(363,591)	612,677
Private placement	12,641,021	1,987,475	3,354,936	-	-	5,342,411
Private placement – flow-through shares	5,602,000	1,288,460	1,512,540	-	-	2,801,000
Option agreement – Fission 3.0	6,046,952	5,502,726	-	-	-	5,502,726
Share issuance costs	-	(918,730)	494,541	-	-	(424,189)
Share based compensation	-	-	123,000	-	-	123,000
Warrant exercise	401,000	55,700	(10,500)	-	-	45,200
Net loss for period	-	-	-	-	(458,227)	(458,227)
Balance, December 31, 2021	46,723,973	8,771,899	5,594,517	-	(821,818)	13,544,598

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TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended December 31, 2021	Three Months Ended December 31, 2020
Cash Provided by (Used In)		
Operating Activities		
Net loss for the period	\$ (458,227)	\$ (142,070)
Items not affecting cash:		
Share-based compensation expense	123,000	-
Change in working capital balances:		
Receivables	(8,471)	(7,203)
Prepaid expenses	(2,917)	40,000
Accounts payable and accrued liabilities	253,219	(3,109)
Cash Used in Operating Activities	(93,396)	(112,382)
Investing Activities		
Mineral property acquisition costs	(600,000)	-
Cash Used in Investing Activities	(600,000)	-
Financing Activities		
Proceeds on issuance of common shares	8,143,411	170,000
Proceeds on exercise of warrants	45,200	-
Share issuance costs	(424,189)	(3,146)
Subscriptions received	-	15,200
Cash Provided by Financing Activities	7,764,422	182,054
Inflow of Cash	7,071,026	69,672
Cash, Beginning of Period	677,874	201,306
Cash, End of Period	\$ 7,748,900	\$ 270,978
Supplemental cash flows disclosure		
Shares issued for mineral property acquisition	\$ 5,502,726	\$ -

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TRACTION URANIUM CORP. (Formerly Traction Exploration Inc.)
Notes to the Condensed Interim Financial Statements
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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 condensed interim 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 three-month period ended December 31, 2021, the Company incurred a net loss of \$458,227 (2020 - \$142,070) 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 condensed interim 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 condensed interim 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 condensed interim 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 unaudited condensed interim financial statements were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. These condensed interim financial statements do not include all of the information required for full annual financial statements.

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2. BASIS OF PRESENTATION (Continued)

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended September 30, 2021 which have been prepared in accordance with IFRS as issued by the IASB.

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended September 30, 2021.

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

(b) Basis of presentation

These condensed interim 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 February 28, 2022.

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing these condensed interim financial statements, the significant accounting policies and the significant judgments made by management in applying the Company's significant accounting policies and key sources of estimation uncertainty were the same as those that applied to the Company's audited financial statements for the year ended September 30, 2021.

(a) 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:

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Use of estimates and judgments (Continued)

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.

Recoverability of mineral properties

The application of the Company's accounting policy for mineral properties requires judgement 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.

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4. PREPAID EXPENSES

The Company's prepaid expenses include expense advances to consultants and for exploration and evaluation costs. As at December 31, 2021, the Company has \$2,917 (September 30, 2021 - \$Nil) in prepaid expenses.

5. MINERAL PROPERTIES

Whitewater Property, British Columbia, Canada

In August 2020, the Company entered into an option agreement with Afzaal Ahmed Pirzad (a related party) 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 three-month period ended December 31, 2021, the Company incurred \$nil expenditures (2020 - \$83,363) expenditures on the Whitewater Property.

Hearty Bay Property, Saskatchewan, Canada

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 (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 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.

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5. MINERAL PROPERTIES (Continued)

Hearty Bay Property, Saskatchewan, Canada (Continued)

During the three-month period ended December 31, 2021, the Company issued 3,023,476 common shares to Fission 3.0 Corp. at \$0.91 per share as part of the Hearty Bay option agreement.

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, Saskatchewan Canada

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 (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.

During the three-month period ended December 31, 2021, the Company issued 3,023,476 common shares to Fission 3.0 Corp. at \$0.91 per share as part of the Lazy Edwards option agreement.

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5. MINERAL PROPERTIES (Continued)

Lazy Edwards Property, Saskatchewan, Canada (Continued)

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.

The following table summarizes the Company's mineral properties:

	Hearty Bay <i>(Saskatchewan, Canada)</i>		Lazy Edwards <i>(Saskatchewan, Canada)</i>		Total
As at September 30, 2021	\$	-	\$	-	\$ -
Acquisition costs (cash)		300,000		300,000	600,000
Acquisition costs (shares)		2,751,363		2,751,363	5,502,726
As at December 31, 2021	\$	3,051,363	\$	3,051,363	\$ 6,102,726

6. SHAREHOLDERS' EQUITY

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

Year ended September 30, 2021

- i) 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.

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6. SHAREHOLDERS' EQUITY (Continued)

(b) Issued and outstanding (Continued)

(ii) 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.

Three months ended December 31, 2021

- (iii) On November 15, 2021, the Company completed a non-brokered private placement of 1,291,986 units of the Company at a purchase price of \$0.27 per unit for aggregate gross proceeds of \$348,836. Each unit consists of one common share and one-half of one transferable common share purchase warrant at a price of \$0.50 per share for a period of two years from issuance.
- (iv) On December 22, 2021, the Company completed a non-brokered private placement of 5,602,000 flow-through units (each, an "FT Unit") of the Company at \$0.50 per FT Unit for aggregate gross proceeds of \$2,801,000. Each FT Unit is composed of one common share, issued on a flow-through basis pursuant the Income Tax Act (Canada), and one-half of one common share purchase warrant. Each warrant is exercisable at \$0.60 per share for two years from the date of issuance. Finder's fees of \$127,820 were paid and 255,640 finder's warrants fair valued at \$138,046 were issued in connection with the private placement.
- (v) On December 23, 2021, the Company completed a non-brokered private placement of 11,349,035 units (of the Company at \$0.44 per unit for aggregate gross proceeds of \$4,993,575. Each unit is composed of one common share and one-half of one common share purchase warrant. Finder's fees of \$296,369 were paid and 660,177 finder's warrants fair valued at \$356,496 were issued in connection with the private placement. Each finder's warrant is exercisable at \$0.60 for two (2) years from the date of issuance.
- (vi) On December 29, 2021, the Company issued 6,046,952 common shares at a price of \$0.91 to Fisson 3.0 Corp in accordance with the option agreements for the Hearty Bay and Lazy Edwards properties (note 5).

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6. SHAREHOLDERS' EQUITY (Continued)

(c) Options

The following is a summary of the Company's stock options:

	Options Outstanding	Weighted Average Exercise Price
Outstanding at September 30, 2021	-	\$ -
Granted	300,000	0.70
Outstanding at December 31, 2021	300,000	\$ 0.70

As at December 31, 2021, the weighted average remaining life of the stock options outstanding is 3.00 (September 30, 2020 – nil) years, with vesting periods ranging from 3 to 12 months. The Company's outstanding stock options as at December 31, 2021 are as follows:

Expiration Date	Exercise Price	Outstanding	Exercisable
November 5, 2023	\$0.70	300,000	-

Share-based payments

During the three months ended December 31, 2021, the Company granted 300,000 (September 30, 2021 – Nil) stock options to a director of the Company as part of the Company's stock incentive compensation plan. The options will vest 25% from 3 months of the grant date of November 5, 2021; 25% 6 months from the grant date; 25% 9 months from the grant date and 25% 12 months from the grant date. The options were valued using the Black-Scholes option pricing model with the following assumptions: a grant date fair value of \$0.70; a risk-free interest rate of 0.98%; an expected life of 3 years; an expected volatility of 94.42% and a dividend yield of 0%.

In accordance with the vesting terms of stock options granted, the Company recorded a charge to share-based payments expense of \$123,000 (2020 - \$nil) with an offsetting credit, to the share-based payments reserve, respectively, during the three months ended December 31, 2021.

(d) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Outstanding at September 30, 2021	9,687,000	\$ 0.16
Issued	10,037,327	0.59
Exercised	(401,000)	0.11
Outstanding at December 31, 2021	19,323,327	\$ 0.39

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6. SHAREHOLDERS' EQUITY (Continued)

The warrants outstanding as at December 31, 2021 are as follows:

	Exercise Price	Expiration Date	Number of Warrants
Common share purchase warrants			
	\$0.10	November 23, 2023	3,650,000
	\$0.20	September 1, 2023	5,636,000
	\$0.50	November 12, 2023	645,992
	\$0.60	December 21, 2023	5,674,518
	\$0.60	December 21, 2023	2,801,000
Agent warrants	\$0.60	December 21, 2023	915,817
			19,323,327

The fair value of finders' warrants issued was estimated as at private placement closing date using the Black-Scholes option pricing model with the following assumptions: a grant date fair value of \$0.89; a risk-free interest rate of 0.98%; an expected life of 2 years; an expected volatility of 95.66% and a dividend yield of 0%.

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 executive and non-executive members of the Board of Directors and corporate officers.

During the three-month period ended December 31, 2021, the Company paid \$9,000 (2020 - \$3,000) in management fees to the Chief Financial Officer; paid \$10,500 (2020 - \$nil) in management fees to the Chief Executive Officer of the Company; \$10,000 (2020 - \$nil) in directors fees and \$123,000 (2020 - \$nil) in share-based compensation to a Director of the Company. As at December 31, 2021, \$nil due to the Chief Financial Officer is included in accounts payable and accrued liabilities (September 30, 2021 - \$1,050).

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.

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8. FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2021, the Company has cash of \$7,748,900 (September 30, 2021 - \$677,874) available to apply against short-term business requirements and current liabilities of \$323,639 (September 30, 2021 - \$70,420). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 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 period ended December 31, 2021.

10. 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.

11. 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 December 31, 2021 the Company has met the expenditure requirement.

12. EVENTS AFTER THE REPORTING DATE

Subsequent to the three months ended December 31, 2021, pursuant to the provisions of the Company's restricted share unit plan, the Company granted an aggregate of 3,550,000 restricted share units of the Company (the "RSUs") to the various directors and consultants of the Company.