FIRST AMERICAN URANIUM INC.

CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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Independent Auditor's Report

To the Shareholders of First American Uranium Inc.

Opinion

We have audited the consolidated financial statements of First American Uranium Inc. (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended December 31, 2023. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets
As disclosed in Note 3 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale. Management identified that impairment indicators existed in its Silver Lake Property due to lack of further exploration plan and wrote off the capitalized costs of $161,269.

Why the matter was determined to be a key audit matter
We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit
We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;

- Assessing compliance with option agreements by reviewing agreements, vouching cash payments and share issuances, and confirming the agreement terms and status with an optionor;

- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;

- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and

- Assessing the adequacy of the related disclosures in Note 2 and Note 3 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's 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 auditor's report. We have nothing to report in this regard.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Crowe MacKay LLP

Chartered Professional Accountants
Vancouver, Canada
April 29, 2024

FIRST AMERICAN URANIUM INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Expressed in Canadian Dollars
AS AT

	December 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash	$ 4,234	$ 58,606
Receivables (Notes 4 and 6)	86,338	56,223
Prepaid expenses	18,162	-
Total current assets	108,734	114,829
Non-current assets		
Reclamation bond (Note 3)	24,000	24,000
Exploration and evaluation assets (Note 3)	1,401,035	1,310,263
Total assets	$ 1,533,769	$ 1,449,092
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 8)	$ 333,425	$ 133,154
Equity		
Share capital (Note 4)	2,702,242	1,227,530
Contributed surplus (Note 4)	140,803	55,700
Deficit	(2,099,212)	(437,763)
Equity attributable to the shareholders of the Company	661,983	845,467
Non-controlling interest (Note 9)	456,511	470,471
Total equity	1,200,344	1,315,938
Total liabilities and equity	$ 1,533,769	$ 1,449,092

Nature and continuance of operations (Note 1)
Subsequent event (Note 11)

On behalf of the Board:

"Eugene Spiering" Director   *"Kelvin Lee"* Director

FIRST AMERICAN URANIUM INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
Expressed in Canadian Dollars

	For the year ended December 31, 2023	2022
EXPENSES		
Consulting fees (Note 8)	$ 130,162	$ 4,934
Filing fees	56,353	30,641
Management fees (Note 8)	152,000	20,000
Marketing and shareholder communication	967,100	-
Office and miscellaneous	114	1,391
Professional fees	103,964	117,061
Share-based compensation (Notes 4 and 8)	93,800	-
Travel	10,647	-
Write-off of exploration and evaluation assets (Note 3)	161,269	-
Loss and comprehensive loss for the year	$ (1,675,409)	$ (174,027)
Net loss and comprehensive loss for the year attributed to:		
Shareholders of the Company	$ (1,661,449)	$ (162,831)
Non-controlling interest	(13,960)	(11,196)
	$ (1,675,409)	$ (174,027)
Basic and diluted loss per common share	$ (0.05)	$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	30,704,301	16,411,268

FIRST AMERICAN URANIUM INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Expressed in Canadian Dollars

	Number of shares	Share capital	Contributed surplus	Deficit	Non-controlling interest	Total equity
December 31, 2021	**8,600,001**	**$ 268,001**	**$ 27,500**	**$ (274,932)**	**$ -**	**$ 20,569**
Shares issued for cash	3,503,400	350,340	-	-	-	350,340
Share issuance costs - cash	-	(117,778)	-	-	-	(117,778)
Share issuance costs - warrants	-	(28,200)	28,200	-	-	-
Shares issued for mineral properties	366,667	32,667	-	-	-	32,667
Shares issued for acquisition (Note 9)	8,000,000	680,000	-	-	481,667	1,161,667
Finder's shares issued for acquisition	500,000	42,500	-	-	-	42,500
Loss for the year	-	-	-	(162,831)	(11,196)	(174,027)
December 31, 2022	**20,970,068**	**1,227,530**	**55,700**	**(437,763)**	**470,471**	**1,315,938**
Shares issued for cash	11,208,314	1,252,497	-	-	-	1,252,497
Share issuance costs - cash	-	(30,949)	-	-	-	(30,949)
Share issuance costs - warrants	-	(1,700)	1,700	-	-	-
Shares issued for warrant exercise	1,263,170	205,114	(10,397)	-	-	194,717
Shares issued for mineral properties	250,000	49,750	-	-	-	49,750
Share based compensation	-	-	93,800	-	-	93,800
Loss for the year	-	-	-	(1,661,449)	(13,960)	(1,675,409)
December 31, 2023	**33,691,552**	**$ 2,702,242**	**$ 140,803**	**$ (2,099,212)**	**$ 456,511**	**$ 1,200,344**

FIRST AMERICAN URANIUM INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Expressed in Canadian Dollars

	For the year ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (1,675,409)	$ (174,027)
Item not involving cash:		
Share-based compensation	93,800	-
Write-off of exploration and evaluation assets	161,269	-
Changes in non-cash working capital items:		
Receivables	34,885	2,300
Prepaid expenses	(18,162)	63,789
Accounts payable and accrued liabilities	300,271	(54,249)
Net cash used in operating activities	(1,103,346)	(162,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation costs	(202,291)	(8,152)
Reclamation bond	-	(24,000)
Cash received from acquisition of FirstAmerican Energy Fuels Ltd.	-	8,227
Net cash used in investing activities	(202,291)	(23,925)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from private placements	1,087,497	350,340
Share issuance costs	(30,949)	(117,778)
Warrant exercise	194,717	-
Net cash provided by financing activities	1,251,265	232,562
Change in cash for the year	(54,372)	46,450
Cash, beginning of year	58,606	12,156
Cash, end of year	$ 4,234	$ 58,606
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest paid	$ -	$ -
Income tax paid	$ -	$ -
Non-cash investing and financing activities:		
Fair value of broker warrants	$ 1,700	$ 28,200
Fair value of broker warrants exercised	$ 10,397	$ -
Shares issued for exploration and evaluation asset acquisition	$ 49,750	$ 32,667
Shares issued for acquisition	$ -	$ 680,000
Finder’s shares issued for acquisition	$ -	$ 42,500
Share subscription offset against payable	$ 100,000	$ -
Share subscription in receivables	$ 65,000	$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

First American Uranium Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 1, 2020. The Company is an exploration stage junior mining company currently engaged in the identification, acquisition and exploration of mineral properties in Canada and New Mexico. The Company completed its initial public offering ("IPO"), and its shares were approved for listing on the Canadian Securities Exchange on January 28, 2022.

These consolidated financial statements have been prepared in accordance with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive financial support from related parties, complete sufficient equity financings or generate profitable operations in the future. These material uncertainties may cast significant doubt on the entity's ability to continue as a going concern. The financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, or fair value through other comprehensive loss which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. These consolidated financial statements are presented in Canadian dollars unless otherwise noted.

The consolidated financial statements of the Company for the year ended December 31, 2023 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on April 29, 2024.

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary, FirstAmerican Energy Fuels Ltd. ("FirstAmerican"), a Canadian incorporated exploration stage mining company in which the Company owns a 60% interest (2022 – 60%). The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when an entity is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect these returns through its power over the entity. All significant intercompany balances and transactions have been eliminated.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Estimates, judgments and assumptions

Significant accounting judgments

Significant accounting judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the recoverability of the carrying value of the Company's exploration and evaluation assets, and the going concern assumption.

Financial instruments

Measurement and classification

Cash is classified as at fair value through profit or loss ("FVTPL") measured initially and subsequently at fair value.

Receivables, reclamation bond and accounts payable and accrued liabilities are classified as at amortized cost, initially measured at fair value net of transaction costs, subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Exploration and evaluation assets

Once the legal right to explore a property has been acquired, all costs related to the acquisition, exploration, and evaluation of mineral properties are capitalized by property. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction." Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Impairment of long-lived assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to mining assets along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. The rehabilitation asset is depreciated on the same basis as mining assets.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to mining assets with a corresponding entry to the rehabilitation provision. The Company’s estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit or loss for the period.

As at December 31, 2023, the Company has determined that it does not have any decommissioning obligations (2022 - $Nil).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Share capital

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate resource properties. These equity financing transactions may involve issuance of common shares or units. A unit comprises a certain number of common shares and a certain number of share purchase warrants ("Warrants"). Depending on the terms and conditions of each equity financing agreement ("Agreement"), the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the Agreement. Warrants that are part of units are valued using the residual method which involves comparing the selling price of the units to the Company's share price on the closing date of the financing to the selling price of the unit. The market value is then applied to the common share, and any residual amount is assigned to the Warrants. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments and are recognized in equity. When warrants are forfeited or are not exercised at the expiry date the amount previously recognized in equity is transferred from contributed surplus to deficit.

In situations where share capital is issued, or received, as non-monetary consideration and the fair value of the asset received, or given up is not readily determinable, the fair market value (as defined) of the shares is used to record the transaction. The fair market value of the shares issued, or received, is based on the trading price of those shares on the appropriate Exchange on the date the shares are issued.

Share issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital are charged against the related share capital.

Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. The fair value is determined using an option pricing model.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received in the profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions and behavioral considerations. All equity-settled share-based payments are reflected in contributed surplus until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid. Upon expiry, the amount reflected in contributed surplus remain unchanged.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

New standards issued but not yet effective and standards adopted during the year

The following standards are adopted during the year:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of the amendments in 2023 reduced the Company's disclosure of its accounting policies.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date.

These amendments are effective for reporting periods beginning on or after January 1, 2024. The adoption of these amendments will not have any significant impact on the Company.

Expressed in Canadian Dollars

3. EXPLORATION AND EVALUATION ASSETS

	Silver Lake Property, British Columbia	Red Basin Uranium/ Vanadium, New Mexico	Total
Acquisition costs			
Balance, December 31, 2021	$ 11,060	$ -	$ 11,060
Cash	-	5,402	5,402
Common shares	10,000	22,667	32,667
Acquired as part of acquisition (Note 9)	-	1,162,175	1,162,175
Balance, December 31, 2022	21,060	1,190,244	1,211,304
Cash	15,000	187,291	202,291
Common shares	26,250	23,500	49,750
Write-off	(62,310)	-	(62,310)
Balance, December 31, 2023	-	1,401,035	1,401,035
Exploration costs			
Balance, December 31, 2021	96,209	-	96,209
Assay and consulting	2,750	-	2,750
Balance, December 31, 2022	98,959	-	98,959
Geological consulting and report	-	-	-
Write-off	(98,959)	-	(98,959)
Balance, December 31, 2023	$ -	$ -	$ -
Total balance, December 31, 2022	$ 120,019	$ 1,190,244	$ 1,310,263
Total balance, December 31, 2023	$ -	$ 1,401,035	$ 1,401,035

Silver Lake Property, British Columbia

On November 27, 2020, the Company entered into an option agreement to earn a 100% interest in the Silver Lake Property in British Columbia. In order to earn the interest, the Company must make the following option payments:

i) pay $10,000 (paid) within 5 days of execution of the agreement and issue 100,000 common shares (issued and valued at $10,000) within 10 days after a listing on a Canadian stock exchange (the “Listing Date”);
ii) pay $15,000 (paid) and 150,000 common shares by January 28, 2023 (issued and valued at $26,250);
iii) pay $25,000 and issue 150,000 common shares by January 28, 2024 (subsequently issued and paid);
iv) pay $50,000 and issue 100,000 common shares by January 28, 2025;
v) pay $125,000 by January 28, 2026; and
vi) pay $175,000 by January 28, 2027.

If the Silver Lake Property is acquired by the Company, then it will be required to pay a 2.0% net smelter returns royalty payable to vendor upon the commencement of commercial production, 0.75% of which is purchasable by the Company for $250,000 at any time.

The Company paid $24,000 (2022 - $24,000) as a reclamation bond on the Silver Lake Property.

During the year ended December 31, 2023, the Company decided to write-off $161,269 due to no further exploration activities planned.

3. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Red Basin Uranium/Vanadium Project, Catron County, New Mexico

During the year ended December 31, 2022, through the First American acquisition (Note 9), the Company acquired the option for the acquisition of a 100% interest (subject to a 2% NSR) in and to certain mineral claims located in Catron County, New Mexico by making the following payments:

i) paying US$50,000 and issuing 266,667 common shares upon execution of the agreement (issued with a value $22,667);
ii) paying US$100,000 and issuing 333,333 common shares by the 1st anniversary of June 15, 2022 (the "Effective Date")
iii) paying US$50,000 and issuing 400,000 common shares by the 2nd anniversary of the Effective Date;
iv) paying US$150,000 and issuing 466,667 common shares by the 3rd anniversary of the Effective Date;
v) issuing 533,333 common shares by the 4th anniversary of the Effective Date.

On or before the date of commencement of commercial production an additional bonus payment of US$250,000 in cash or shares will be paid to the optionee. The property is subject to a royalty equal to 2% of net smelter returns upon commencement of commercial production and such royalty may be reduced from 2% to 1% by the payment of US$500,000.

On June 27, 2023, the Company and the arm's length optionor agreed to amend and restate the option agreement whereby the Company can acquire 100% interest for the mineral claims by making the following payments:

i) paying US$50,000 (paid) and issuing 100,000 common shares (issued with a value $23,500) on or before June 27, 2023.
ii) paying US$50,000 on or before October 27, 2023 (paid).

4. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Escrow share

The Company entered into an escrow agreement, whereby common shares will be held in escrow and are scheduled for release at 10% on the listing date and 15% on every six months from date of listing. At December 31, 2023, there were 1,203,750 (2022 – 2,006,251) common shares held in escrow.

Issued share capital

During the year ended December 31, 2023, the Company:

i) issued 1,134,000 common shares pursuant to exercise of warrants for proceeds of $181,800.

ii) issued 100,000 common shares pursuant to acquisition of Red Basin Uranium/Vanadium Project valued at $23,500 (Note 3).

iii) issued 8,575,000 units at a price of $0.10 per unit for gross proceeds of $857,500, of which $65,000 is receivable at December 31, 2023, and subsequently collected. Each unit is comprised of one common share and one-half share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of $0.15, expiring on or before February 9, 2025. The Company paid a finders' fees of $2,135 and issued 21,000 broker warrants (valued at $1,700). Each broker warrant will entitle the holder to purchase one common share at a price of $0.20, expiring on or before February 9, 2024.

4. SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

iv) issued 150,000 common shares pursuant to the acquisition of the Silver Lake Property valued at $26,250 (Note 3).

v) issued 2,633,314 units at a price of $0.15 per unit for gross proceeds of $394,997, of which $100,000 was settled against an accounts payable balance owing. Each unit is comprised of one common share and one share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at a price of $0.20, expiring on or before May 26, 2025. The Company incurred share issuance costs of $28,814 in connection with the financing.

vi) issued 129,170 common shares pursuant to exercise of broker's warrants for proceeds of $12,917 and accordingly allocated $10,397 from contributed surplus to share capital.

During the year ended December 31, 2022, the Company:

i) completed its initial public offering ("IPO") of 3,503,400 common share at a price of $0.10 per share for gross proceeds of $350,340. Pursuant to the IPO, the Company paid a cash commission of $35,034, a corporate finance fee of $25,000, and 350,340 broker warrants valued at $28,200. Each broker warrant is exercisable at a price of $0.10 per share on or before January 28, 2025. The Company also paid other share issuance costs of $57,744.

ii) issued 100,000 common shares with a value of $10,000 pursuant to the acquisition of the Silver Lake Property (Note 3).

iii) issued 8,500,000 common shares with a value of $722,500 pursuant to the acquisition of First American (Notes 3 and 9).

iv) issued 266,667 common shares with a value of $22,667 pursuant to the acquisition of the Red Basin Uranium/Vanadium (Note 3).

Stock options

The Company adopted an equity settled stock option plan ("Plan") where it would be authorized to grant options to directors, officers, consultants and employees of the Company. The number of options granted under the Plan is limited to 10% of the number of issued and outstanding common shares of the Company at the date of the grant of the options. The maximum number of common shares reserved for issue to any one person under the plan cannot exceed 5% of the issued and outstanding number of common shares at the date of the grant of the options and the maximum number of common shares reserved for issue to a consultant or a person engaged in investor relations activities cannot exceed 2% of the issued and outstanding number of common shares at the date of the grant of the options. The exercise price of options granted under the Plan may not be less than the discounted market price (as that term is defined in the policies of the stock exchange) of the Company's common shares at the date the options are granted. Options granted under the Plan have a maximum term of five years, are non-transferable and expire within 90 days of termination of employment or holding office as a director, officer, employee or consultant of the Company and in the case of death, expire within one year thereafter. The options generally vest on the date of grant, however, the Board of Directors may specify a vesting period on a grant-by-grant basis.

During the year ended December 31, 2023, the Company granted 600,000 stock options to directors and officers of the Company, exercisable at a price of $0.15 per option, expiring on February 15, 2028. The estimated fair value of these options was $93,800. The options vested immediately.

Expressed in Canadian Dollars

4. SHARE CAPITAL (CONTINUED)

Stock options (continued)

Stock option transactions are summarized as follows:

	Number of Stock Options	Weighted Average Exercise Price
Balance at December 31, 2021 and December 31, 2022	750,000	$ 0.10
Granted	600,000	0.15
Balance at December 31, 2023	**1,350,000**	**$ 0.12**

As of December 31, 2023, the following stock options were outstanding:

Expiry Date	Number of Options	Exercise price	Number of options exercisable
February 11, 2024*	750,000	$0.10	750,000
February 15, 2028	600,000	$0.15	600,000
	1,350,000		1,350,000

*Subsequently expired.

The weighted average remaining life of the stock options is 1.90 years (2022 – 1.12 years).

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted during:

	Year ended December 31, 2023	Year ended December 31, 2022
Risk-free interest rate	3.43%	-
Expected life of options	5 years	-
Expected annualized volatility	150%	-
Expected dividend rate	-	-

Expected annualized volatility is based on comparative peer companies historical share price.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance at December 31, 2021	-	$ -
Granted	350,340	0.10
Balance at December 31, 2022	350,340	0.10
Granted	6,941,814	0.17
Exercised	(1,263,170)	0.15
Balance at December 31, 2023	**6,028,984**	**$ 0.17**

Expressed in Canadian Dollars

4. SHARE CAPITAL (CONTINUED)

Warrants

As of December 31, 2023, the following warrants were outstanding:

Expiry Date	Number of Warrants	Exercise price
February 9, 2024*	21,000	$0.20
January 28, 2025	221,170	$0.10
February 9, 2025	3,387,500	$0.15
May 26, 2025	2,399,314	$0.20
	6,028,984	

* Subsequently expired.

The weighted average remaining life of the warrants is 1.22 years (2022 – 2.08 years).

The following weighted average assumptions were used for the Black-Scholes valuation of brokers warrants granted during the years ended December 31, 2023 and 2022:

	Year ended December 31, 2023	Year ended December 31, 2022
Risk-free interest rate	4.08%	1.42%
Expected life of broker warrants	1 year	3 years
Expected annualized volatility	192%	150%
Expected dividend rate	-	-

Expected annualized volatility is based on comparative peer company's historical share price.

5. CAPITAL MANAGEMENT

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, which mainly consists of its share capital and contributed surplus, and is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the year ended December 31, 2023.

6. FINANCIAL INSTRUMENTS AND RISK

Fair values

Financial instruments that are measured at fair value use inputs, which are classified within a hierarchy that prioritizes their significance. The three levels of the fair value hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 - Inputs that are not based on observable market data.

Expressed in Canadian Dollars

6. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
As at December 31, 2023				
Cash	$ 4,234	$ 4,234	-	-
As at December 31, 2022				
Cash	$ 58,606	$ 58,606	-	-

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company limits its exposure to credit risk by placing its cash with a high credit quality financial institution in Canada. The receivables include subscription receivables of $65,000 which has been subsequently collected. The maximum exposure to credit risk is the aggregate carrying amount of cash and receivables. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023 the Company had a cash balance of $4,234 (2022 - $58,606) to settle accounts payable and accrued liabilities of $333,425 (2022 - $133,154). The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short-term business requirements. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, commodity and equity prices.

a) 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 exposed to limited interest rate risk as it only holds non-interest bearing debt.

b) Foreign currency risk
As at December 31, 2023 and 2022, the Company was not exposed to foreign currency risk.

6. FINANCIAL INSTRUMENTS AND RISK (CONTINUED)

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold and other precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations may be significant. Much of this is out of the control of management and will be dealt with based on circumstances at any given time.

7. SEGMENTED INFORMATION

The Company has one operating segment, being the exploration of exploration and evaluation assets. There is $24,000 (2022 - $144,019) of long term assets in Canada and $1,401,035 (2022 - $1,190,244) of long term assets in USA.

8. RELATED PARTY TRANSACTIONS

Key management personnel are those people who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel includes the Company's executive officers and Board of Director members.

During the year ended December 31, 2023, the Company:

i) paid or accrued management and consulting fees of $Nil (2022 - $20,000) to a company owned by a former officer of the Company for management services provided.

ii) paid or accrued management and consulting fees of $110,000 (2022 - $Nil) to a company providing management services to the Company.

iii) paid or accrued management and consulting fees of $42,000 (2022 - $Nil) to an officer of the Company for management services provided.

iv) recorded $93,800 (2022 - $Nil) in share-based compensation related to options granted to officers and directors of the Company.

Included in accounts payable and accrued liabilities at December 31, 2023 is $29,500 (2022 - $448) owed to companies controlled by a director and an officer of the Company.

9. ACQUISITION OF FIRSTAMERICAN ENERGY FUELS LTD.

During the year ended December 31, 2022, the Company acquired 60% of the issued and outstanding shares of FirstAmerican.

The transaction did not constitute a business combination as FirstAmerican did not meet the definition of a business under IFRS 3 – Business Combinations. As a result, the acquisition of FirstAmerican has been accounted for as an asset acquisition, whereby all of the assets acquired, and liabilities assumed are assigned a carrying amount based on their relative fair values. Upon closing the transaction, FirstAmerican became a subsidiary of the Company.

Expressed in Canadian Dollars

9. ACQUISITION OF FIRSTAMERICAN ENERGY FUELS LTD. (CONTINUED)

The net assets acquired pursuant to the acquisition are as follows:

Net Assets Acquired		
Cash	$	8,227
Receivable		58,523
Accounts payable and accrued liabilities		(24,758)
Exploration and evaluation assets (Note 3)		1,162,175
Non-controlling interest		(481,667)
	$	722,500
Total Purchase Price		
Issuance of 80,000,000 common shares	$	680,000
Finder's fee – 500,000 common shares		42,500
	$	722,500

10. INCOME TAXES

A reconciliation of income taxes at statutory rate with the reported taxes is as follows:

		2023		2022
Loss for the year	$	(1,675,409)	$	(174,027)
Expected income tax (recovery) – 27%	$	(452,000)	$	(47,000)
Non-deductible expenses		25,000		-
Change in unrecognized tax benefits		427,000		47,000
Total income tax expenses (recovery)	$	-	$	-

The significant components of the Company's deductible temporary difference, unused tax credits and unused tax losses that have not been recognized on the consolidated statement of financial position are as follows:

		2023	Expiry		2022	Expiry
Non-capital loss carry forwards	$	1,860,000	2040-2043	$	411,000	2040-2042
Mineral property		161,000	No expiry		-	N/A
Share issuance cost		95,000	2023-2028		96,000	2023-2027
	$	2,116,000		$	507,000	

11. SUBSEQUENT EVENT

Subsequent to December 31, 2023, the Company granted 300,000 stock options to a director of the Company, exercisable at a price of $0.15 per option, expiring on January 10, 2029.