VORTEX ENERGY CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2023 and 2022

In Canadian Dollars, unless noted
(Unaudited)

VORTEX ENERGY CORP.

Condensed Consolidated Interim Statements of Financial Position

As at December 31, 2023 and June 30, 2023

In Canadian Dollars, unless noted (unaudited)

As at	Notes	December 31, 2023	June 30, 2023
		$	$
ASSETS			
Cash		3,297,263	3,994,470
Marketable securities	**4**	58,426	271,711
Accounts receivable		404,021	144,464
Prepaid expenses	**5**	157,333	404,228
TOTAL CURRENT ASSETS		**3,917,043**	**4,814,873**
Exploration and evaluation assets	**6**	6,861,669	4,184,423
Intangible assets	**7**	77,960	143,940
TOTAL ASSETS		**10,856,672**	**9,143,236**
LIABILITIES			
Accounts payable and accrued liabilities		939,935	621,328
Flow-through liability	**8**	167,805	167,000
TOTAL LIABILITIES		**1,107,740**	**788,328**
SHAREHOLDERS’ EQUITY			
Share capital	**8**	15,865,346	10,161,543
Share subscriptions	**8**	-	982,500
Reserves	**8**	2,616,263	924,716
Deficit		(8,732,677)	(3,713,851)
TOTAL SHAREHOLDERS’ EQUITY		**9,748,932**	**8,354,908**
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY		**10,856,672**	**9,143,236**

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

Going concern (Note 2), Subsequent events (Note 14) and Commitments (Note 6, 7 and 10)

Approved on behalf of the Board of Directors:

“Paul Sparkes” Director

“Eli Dusenbury” Director

VORTEX ENERGY CORP.

Condensed Consolidated Interim Statements of Net Loss and Comprehensive Loss

For the Three and Six Months Ended December 31, 2023 and 2022

In Canadian Dollars, unless noted (unaudited)

For the Three and Six Months Ended December 31,		Three Months Ended		Six Months Ended	
	Notes	2023	2022	2023	2022
		$	$	$	$
OPERATING EXPENSES					
Advertising and marketing		1,000,212	-	2,519,174	-
Amortization	**7**	32,300	-	65,980	-
Consulting fees		104,000	87,500	339,000	131,750
Filing fees		63,784	29,876	85,042	43,066
Management fees	**9**	123,250	37,650	213,250	71,400
Office and miscellaneous		4,405	4,666	30,256	5,497
Professional fees		105,166	81,743	191,943	135,054
Share-based compensation	**8, 9**	840,056	870,000	1,603,415	870,000
TOTAL OPERATING EXPENSES		**(2,273,173)**	**(1,111,435)**	**(5,048,060)**	**(1,256,767)**
OTHER INCOME (EXPENSES)					
Realized gain on marketable securities		-	-	14,425	-
Unrealized loss on marketable securities	**4**	(78,032)	-	(135,885)	-
Flow-through recovery		131,935	-	150,694	-
TOTAL OTHER INCOME (EXPENSES)		**53,903**	**-**	**29,234**	**-**
NET AND COMPREHENSIVE LOSS		**(2,219,270)**	**(1,111,435)**	**(5,018,826)**	**(1,256,767)**
Loss per share, basic and diluted		(0.03)	(0.03)	(0.07)	(0.04)
Weighted average number of common shares outstanding – Basic and diluted		71,183,569	32,928,000	70,261,828	32,928,000

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

VORTEX ENERGY CORP.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

For the Six Months Ended December 31, 2023 and 2022

In Canadian Dollars, unless noted (unaudited)

	Notes	Common Shares	Share Capital	Share Subscriptions	Reserves	Deficit	Total Equity
		(#)	$	$	$	$	$
Balances, June 30, 2022		32,928,000	2,004,348	-	-	(360,134)	1,644,214
Vesting of options and restricted share units		-	-	-	870,000	-	870,000
Loss and comprehensive loss for the period		-	-	-	-	(1,256,767)	(1,256,767)
Balances, December 31, 2022		**32,928,000**	**2,004,348**	**-**	**870,000**	**(1,616,901)**	**1,257,447**
Balances, June 30, 2023	8	62,706,754	10,161,543	982,500	924,716	(3,713,851)	8,354,908
Private placement - common shares at $0.50	8	4,310,000	2,155,000	(982,500)	-	-	1,172,500
Private placement - common shares at $0.60	8	1,166,333	583,167	-	-	-	583,167
Private placement – common shares at $0.43	8	2,324,396	964,625	-	-	-	964,625
Share issuance costs	8	-	(330,164)	-	216,257	-	(113,907)
Shares issued - Galloper	6	750,000	1,207,500	-	-	-	1,207,500
Shares issued – Fire Eye	6	150,000	88,500	-	-	-	88,500
Vesting of options and restricted share units	8	-	-	-	1,603,415	-	1,603,415
Exercise of restricted share units	8	1,281,250	128,125	-	(128,125)	-	-
Exercise of warrants	8	1,209,400	907,050	-	-	-	907,050
Loss and comprehensive loss for the period		-	-	-	-	(5,018,826)	(5,018,826)
Balances, December 31, 2023		**73,898,133**	**15,865,346**	**-**	**2,616,263**	**(8,732,677)**	**9,748,932**

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

VORTEX ENERGY CORP.

Condensed Consolidated Interim Statements of Cash Flows

For the Six Months Ended December 31, 2023 and 2022

In Canadian Dollars, unless noted (unaudited)

For the Six Months Ended	December 31, 2023	December 31, 2022
	$	$
OPERATING ACTIVITIES		
Net loss for the quarter	(5,018,826)	(1,256,767)
Amortization	65,980	-
Share-based compensation (Note 8)	1,603,415	870,000
Unrealized loss on marketable securities (Note 4)	135,885	-
Flow-through recovery	(150,694)	-
Changes in non-cash working capital items:		
Accounts receivable	(259,557)	(19,802)
Prepaid expenses	246,895	(100,000)
Accounts payable and accrued liabilities	517,225	2,618
Cash used in operating activities	**(2,859,677)**	**(503,951)**
INVESTING ACTIVITIES		
Exploration and evaluation assets (Note 6)	(1,579,863)	-
Sale of marketable securities (Note 4)	77,400	-
Cash used in investing activities	**(1,502,463)**	**-**
FINANCING ACTIVITIES		
Proceeds from share issuances (Note 8)	2,871,790	-
Proceeds from warrant exercises (Note 8)	907,050	-
Share issuance costs (Note 8)	(113,907)	-
Cash received from financing activities	**3,664,933**	**-**
Net change in cash	(697,207)	(503,951)
Cash, beginning of period	3,994,470	1,670,855
Cash, end of period	**3,297,263**	**1,166,904**

Supplemental cash flow information – Note 13

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

In Canadian Dollars, unless noted (unaudited)

1. NATURE OF OPERATIONS

a. Corporate information

Vortex Energy Corp. (the "Company") was incorporated under the laws of British Columbia on July 13, 2021.

The Company's registered office and principal place of business is 1930 – 1177 West Hastings Street, British Columbia V6C 4T5.

The Company was incorporated with the intention of pursuing a strategic acquisition in the green energy and/or mineral exploration sector. On December 28, 2022, the Company's common shares were approved for listing and trading on the Canadian Securities Exchange, under the symbol "VRTX".

These condensed consolidated interim financial statements (the "financial statements") were approved for issuance by the Board of Directors on February 28, 2024.

b. Acquisition of Blue Ocean Salt Corp.

On April 3, 2023, the Company completed the acquisition of 100% of the issued and outstanding share capital of Blue Ocean Salt Corp. ("BOSC") in consideration for an aggregate of 20,600,004 common shares in the capital of the Company (the "Acquisition"). BOSC owns a 100% interest in and to the Robinsons River Salt Property located in the Bay St. George region of southwestern Newfoundland consisting of four contiguous mineral licenses and is comprised of 687 claims covering 17,139 hectares.

Management has concluded that the transaction will be accounted for as an asset acquisition, and not as a business combination, as based on the stage of the property, it does not meet the definition of a business.

The fair value of the consideration was determined on the date the Company and BOSC entered into a binding letter agreement (March 6, 2023), which corresponds to 20,600,004 common shares of the Company being issued at $0.20 a share (market price).

The purchase price allocation at the acquisition date was as follows:

	$
Net assets acquired	
Cash[1]	145,207
Exploration and evaluation assets	3,872,745
Intangible asset[1]	174,460
Accounts payable and accrued liabilities[1]	(72,412)
Net assets acquired	**4,120,000**
Consideration	
Fair value of 20,600,004 shares issued	**4,120,000**

Notes:
1) Amounts acquired are recorded at fair value.

2. GOING CONCERN

The Company has incurred losses since inception and has no current source of operating revenue and is accordingly dependent upon the receipt of equity and/or related party debt financing on terms which are acceptable.

These condensed consolidated 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 for the foreseeable future.

The Company does not generate cash flow from operations to fund its exploration activities and has therefore relied upon the issuance of securities for financing. The Company intends to continue relying upon the issuance of securities to finance its future operations and exploration activities to the extent such instruments are issuable under terms acceptable to the Company. While the Company has been successful in raising funds in the past, it is uncertain whether it will be able to raise sufficient funds in the future.

These conditions create a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. If the Company is unable to secure additional financing, repay liabilities as they come due, negotiate suitable joint venture agreements, and/or continue as a going concern, then material adjustments may be required to the carrying value of assets and liabilities and the consolidated statement of financial position classifications used. These consolidated financial statements do not include any adjustments that may arise should the Company be unable to continue as a going concern.

3. BASIS OF PRESENTATION

a) Basis of preparation

In these condensed consolidated interim financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited consolidated financial statements for the year ended June 30, 2023.

b) Basis of consolidation

These consolidated interim financial statements include the operations of the Company and its wholly owned subsidiary as follows:

- Blue Ocean Salt Corp. incorporated in British Columbia, Canada
- VRTX Energy (Alberta) Corp. incorporated in Albera, Canada

Control exists when the parent company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. All significant intercompany transactions and balances have been eliminated.

c) Foreign currencies

Items included in the condensed interim consolidated financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment it which the entity operates and then translated into the functional currency.

The Company's functional and presentation currency is the Canadian dollar.

Monetary assets and liabilities are translated into Canadian dollars using the exchange rate in effect at the date of the statement of financial position.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined, and the related translation differences are recognized in profit or loss, or other comprehensive loss, consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

d) Significant accounting judgements and estimates

The timely preparation of these consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and expenses, and the disclosure of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to estimates are recognized prospectively. As at December 31, 2023, the Company has identified the following as material estimates:

i. Share-based compensation
Management determines fair value for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Similar calculations are made to value warrants. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

ii. Estimated lives – tangible and intangible assets
Amortization of tangible assets is dependent upon estimates of useful lives based on management's judgement. Determination must be made by management whether the tangible and intangible assets has an indefinite life or if not, management determines its lifespan. In management's view, the tangible and intangible assets have a finite life.

iii. **Impairment of intangible assets**
Management assesses at each reporting date whether there is an indication that finite lived intangible assets may be impaired. If indicators of impairment exist, management estimates the asset's recoverable amount, which is the higher of the asset's fair value less cost of disposal and its value in use.

In the preparation of these consolidated financial statements, management has made judgements, aside from those that involve estimates, in the process of applying the accounting policies. The following critical judgements can have an effect on the amounts recognized in the consolidated financial statements:

i. Exploration and evaluation assets
The Company is required to make certain judgements in assessing indicators of impairment of exploration and evaluation assets. Judgement is required to determine if the right to explore will expire in the near future or is not expected to be renewed. Judgement is required to determine whether substantive expenditures on further exploration for and evaluation of mineral resources in specific areas will not be planned or budgeted.

Judgement is required to determine if the exploration for and evaluation of mineral resources in specific areas have not led to the commercially viable quantities of mineral resources and the Company will discontinue such activities. Judgement is required to determine whether there are indications that the carrying amount of an exploration and evaluation property is unlikely to be recovered in full from successful development of the project or by sale.

ii. Flow-through expenditures
The Company is required to spend proceeds received from the issuance of flow-through shares on qualifying resources expenditures. Differences in judgement 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.

In Canadian Dollars, unless noted (unaudited)

iii. Asset acquisition

Acquisition transactions require significant judgement in determining whether the transaction met the definition of a business combination under IFRS 3 *Business Combinations*, or whether the transaction should be assessed under IFRS 2 *Share-based Payment*. In addition, significant estimation was required to determine the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired.

e) Upcoming accounting standards and interpretations

The Company has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for accounting periods beginning on or after January 1, 2024 or later periods. The new and amended standards are not expected to have a material impact on the Company's condensed consolidated financial statements.

4. MARKETABLE SECURITIES

The Company's marketable securities consist of investments in public company shares and warrants. A break down of investments held as at December 31, 2023 was as follows:

	Number	Cost	Fair Value	Realized / Unrealized Gain (Loss)
	#	$	$	$
Traction Uranium Corp. – Shares				
Balance, June 30, 2023	666,666	200,000	233,333	33,333
Sale	(258,000)	(77,400)	(78,855)	1,455
Fair value adjustment	-	-	(97,265)	(97,265)
Balance, December 31, 2023	**408,666**	**122,600**	**57,213**	**(65,387)**
Traction Uranium Corp. – Warrants				
Balance, June 30, 2023	**333,333**	**-**	**38,378**	**38,378**
Sale	(129,000)	-	(12,970)	12,970
Fair value adjustment	**-**	**-**	(24,195)	(24,195)
Balance, December 31, 2023	**204,333**	**-**	**1,213**	**1,213**

During the six months ended December 31, 2023, the Company recorded an unrealized loss of $135,885 (2022 - $nil), relating to the change in fair value of its marketable securities.

The Company sold 258,000 marketable securities during the six months ended December 31, 2023 for gross proceeds of $91,825 and a realized gain of $14,425 (2022 - $nil).

5. PREPAID EXPENSES

As at December 31, 2023 and June 30, 2023, the Company's prepaid expenses were as follows:

	December 31, 2023	June 30, 2023
	$	$
Advertising and marketing	155,000	394,895
Insurance	2,333	9,333
Total	**157,333**	**404,228**

In Canadian Dollars, unless noted (unaudited)

6. EXPLORATION AND EVALUATION ASSETS

As at December 31, 2023 and June 30, 2023, the Company's exploration and evaluation assets were as follows:

	Robinsons	Fire Eye	Total
	$	$	$
Balance, June 30, 2022	-	75,000	**75,000**
Option agreement - cash	-	75,000	75,000
Option agreement - share issuance	-	10,000	10,000
Acquisition - BOSC	3,872,745	-	3,872,745
Expenditures	151,678	-	151,678
Balance, June 30, 2023	**4,024,423**	**160,000**	**4,184,423**
Option agreement – cash	-	30,000	**30,000**
Option agreement – share issuance	-	88,500	**88,500**
Acquisition - Galloper - cash	162,800	-	**162,800**
Acquisition - Galloper - share issuance	1,207,500	-	**1,207,500**
Expenditures	1,188,446	-	**1,188,446**
Balance, December 31, 2023	**6,583,169**	**278,500**	**6,861,669**

a) Robinsons River Salt Property

On April 3, 2023, the Company completed the acquisition of 100% of the issued and outstanding share capital of Blue Ocean Salt Corp. ("BOSC") in consideration for an aggregate of 20,600,004 common shares in the capital of the Company (the "Acquisition"). BOSC owns a 100% interest in and to the Robinsons River Salt Property ("Robinson Property") located in the Bay St. George region of southwestern Newfoundland consisting of four contiguous mineral licenses and is comprised of 687 claims covering 17,139 hectares.

On August 1, 2023, the Company completed the acquisition of additional mineral licenses contiguous to the northern border of its Robinson Property, in Newfoundland and Labrador from Galloper Gold Corp.("Galloper").

The Company paid $162,800 in cash and issued 750,000 common shares fair valued at $1,207,500 of the Company to Galloper in connection with the closing of the acquisition.

In addition, subject to the terms of the property purchase agreement with respect to the acquisition, the Company has agreed to

(i) issue an additional 1,000,000 common shares to Galloper in the event that the Company completes a drill hole on the acquired mineral license which intersects a core length of at least 300 meters with an average grade of at least 90% Sodium Chloride and;
(ii) issue an additional 3,000,000 common shares of the Company and pay an additional $1,000,000 to Galloper if the Company utilizes, on a commercial basis, any salt caverns on the acquired mineral license for underground energy storage.

For the six months ended December 31, 2023, the Company has capitalized $1,188,446 in costs related to the exploration and evaluation of the Robinson Property, which entirely relate to geophysics and geological work performed on the property.

b) Fire Eye Property

On March 10, 2022 (the "effective date"), the Company entered into a property option agreement for the option to purchase the mineral property referred to as the Fire Eye Property located in Saskatchewan, Canada, upon satisfaction of each of the following obligations:

i. Total cash consideration of $230,000 to be paid as follows:
   a. $75,000 within five calendar days of the effective date (paid);

b. $75,000 on or before 10 calendar days after the seller (or "Optionor") has delivered a technical report for the property which complies with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (paid)*;*
c. $30,000 on or before March 10, 2023; (paid August 2023)
d. $50,000 on or before March 10, 2024.

ii. Issuing the Optionor an aggregate of 400,000 common shares, as follows:
   a. 100,000 common shares on or before 10 calendar days after the Optionor has delivered a technical report for the property which complies with the requirements of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (issued);
   b. 150,000 common shares on or before one calendar year after the Listing Date (December 28, 2023) (issued); and
   c. 150,000 common shares on or before two calendar years after the Listing Date (December 28, 2024).

iii. Incurring an aggregate expenditure amount of $360,000 on the property, as follows:
   a. $110,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2023); and
   b. $250,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2024).

On October 3, 2023, the property option agreement was amended to adjust the aggregate expenditure amount of $360,000 on the property, as follows:
   a. $110,000 of expenditures on or before two calendar years after the Effective Date (March 10, 2024); and
   b. $250,000 of expenditures on or before three calendar years after the Effective Date (March 10, 2025).

For the six months ended December 31, 2023, the Company has capitalized $30,000 in cash payments and issued 150,000 common shares valued at $88,500 to fulfill the related to the option agreement requirements.

7. INTANGIBLE ASSETS

As a result of the Acquisition of BOSC, the Company acquired a licensing agreement with AmmPower Corp. ("AmmPower"). The license is for North America, the United Kingdom and the European Union to buy, use, sell, modify, create derivative works of, distribute and sublicense membrane separator technology for the efficient purification of hydrogen from ammonia.

The license is for an initial term of two years and can be extended for another eighteen years (for a total of 20 years).

The licencing fees are as follows:
- the Company will deliver, or cause the delivery, to AmmPower on or before the expiration of the initial term of August 10, 2024, 690,000 common shares in the capital of the Company, such common shares being subject to a two (2) year voluntary resale restriction period, such that the common shares shall be released as follows: (i) one-fourth (1/4) of the common shares shall be released from voluntary restriction on the date that is six (6) months following delivery; (ii) one-fourth (1/4) of the common shares shall be released from voluntary restriction on the date that is twelve (12) months following delivery; (iii) one-fourth (1/4) of the common shares shall be released from voluntary restriction on the date that is eighteen (18) months following delivery; and (iv) the remaining one-fourth (1/4) of the common shares shall be released from voluntary restriction on the date that is twenty-four (24) months following delivery.

The term of this agreement may be extended as follows:

a) Additional three years for a total of five years for cash payment of US$500,000 and issue additional common shares of the Company as represents 9.99% of the then issued and outstanding common shares of the Company;
b) Additional five years for a total of ten years for cash payment of US$5,000,000;

c) Additional five years for a total of fifteen years for cash payment of US$7,500,000;
d) Additional five years for a total of twenty years for cash payment of US$10,000,000; and
e) The term of the agreement may be extended for perpetuity by the Company for a cash payment of US$25,000,000.

During the six months ended December 31, 2023, the Company recognized $65,980 related to the amortization of the licensing agreement (2022 – $nil). The net book value at December 31, 2023 was $77,960 (June 30, 2023 – $143,940).

At December 31, 2023, the Company noted no indicators of impairment for it’s intangible assets.

8. EQUITY

a) Authorized Share Capital

Unlimited number of common shares without par value.

The Company has established an equity incentive plan (the “Plan”) dated August 8, 2022, contemplating the grant of equity-based incentive awards, in the form of options, restricted share units (“RSUs”), and deferred share units, to employees, officers, directors and consultants of the Company.

The Plan is a 20% rolling plan, pursuant to which share awards may be granted by the Company not exceeding 20% of the issued and outstanding common shares at the time of grant.

b) Issued Share Capital

Six months ended December 31, 2023

On July 6, 2023, the Company closed the final tranche (the “Final Tranche”) of the non-brokered private placement for gross proceeds of $2,854,800. Pursuant to the Final Tranche, the Company issued (i) 4,310,000 units at a price of $0.50 per unit for aggregate gross proceeds of $2,155,000, with each $0.50 unit comprised of one non-flow-through common share and one share purchase warrant entitling the holder to acquire one share at a price of $0.75 until July 6, 2025 and (ii) 1,166,333 units at a price of $0.60 per unit for aggregate gross proceeds of $699,800, with each $0.60 unit comprised of one flow through common share and one share purchase warrant entitling the holder to acquire one share at a price of $0.75 until July 6, 2025. In connection with the closing of the Final Tranche, the Company paid finder’s fees totalling $70,175 and issued 137,083 finder’s warrants, fair valued at $184,399, entitling the holder thereof to acquire one share at an exercise price of $0.75 until July 6, 2025.

On August 1, 2023, the Company issued 750,000 common shares fair valued at $1,207,500 to Galloper Gold Corp., in addition to cash consideration, for the Galloper Property. Refer to Note 6 for additional information.

On December 22, 2023, the Company closed the “flow-through” portion (the “FT Offering”) of a non-brokered private placement for gross proceeds of $999,490. Pursuant to the FT Offering, the Company issued 2,324,396 units at a price of $0.43 per unit, with each $0.43 unit comprised of one flow-through common share and one common share purchase warrant entitling the holder to acquire one non-flow-through common share at a price of $0.55 until December 22, 2025. A total of $34,866 in residual value was allocated to the flow-through obligation. In connection with the closing of the FT Offering, the Company paid finder’s fees totalling $43,732 and issued 162,707 finder’s warrants fair valued at $31,858 entitling the holder thereof to acquire one share at an exercise price of $0.55 until December 22, 2025.

On December 29, 2023, the Company issued 150,000 common shares in accordance with the Fire Eye property option agreement measured at the issuance date fair value of $0.59 per share.

Year ended June 30, 2023

On January 20, 2023, the Company issued 100,000 common shares in accordance with the Fire Eye property option agreement measured at the issuance date fair value of $0.10 per share.

In Canadian Dollars, unless noted (unaudited)

On June 19, 2023, the Company completed the first tranche of a non-brokered private placement of 5,690,000 units of the Company at $0.50 per unit for aggregate gross proceeds of $2,845,000. Each unit is composed of one common share and one common share purchase warrant. Each warrant is exercisable at a price of $0.75 per share for two years from the date of issuance. There was no residual value allocated to the warrants as the market price of the share on the date of completion was $1.13 per common share.

On June 19, 2023, the Company completed the first tranche of a non-brokered private placement of 1,670,000 flow-through units (each, a “FT Unit”) of the Company at $0.60 per FT Unit for aggregate gross proceeds of $1,002,000. Each FT Unit is composed of one common share, issued on a flow-through basis pursuant the Income Tax Act (Canada), and one common share purchase warrant. Each warrant is exercisable at $0.75 per share for two years from the date of issuance. There was residual value allocated to the flow-through obligation, based on a $0.10 premium between the $0.60 FT Unit issued and the $0.50 Unit issued (see above). As a result, $167,000 in flow-through premium liability was recorded as an “Flow-through liability” on the Statement of Financial Position. No residual value was allocated to the warrants as the market price of the share on the date of completion was $1.13 per common share.

In connection with the closing of the first tranches above, finder’s fees of $103,740 were paid and 177,100 finder’s warrants fair valued at $152,190 were issued in connection with the private placement. Each finder’s warrant is exercisable at $0.75 for two years from the date of issuance.

c) Options

A summary of the Company’s options as at December 31, 2023 and June 30, 2023, is as follows:

	December 31, 2023	June 30, 2023
Opening balance	3,162,500	-
Granted	-	3,200,000
Exercised	-	(37,500)
Closing balance	**3,162,500**	**3,162,500**

A further breakdown of the options outstanding as of December 31, 2023 are as follows:

	Issued	Exercised	Remaining	Exercisable	Exercise Price	Expiry Date	Remaining Life
Granted – October 5, 2021	500,000	-	500,000	500,000	$0.10	October 5, 2024	0.76
Granted – December 28, 2022	750,000	(37,500)	712,500	712,500	$0.40	December 28, 2024	0.99
Granted – March 20, 2023	1,000,000	-	1,000,000	500,000	$0.26	March 20, 2026	2.22
Granted – April 26, 2023	600,000	-	600,000	-	$0.65	April 26, 2026	2.32
Granted – June 13, 2023	350,000	-	350,000	-	$0.98	June 13, 2026	2.45
Balance, December 31, 2023	**3,200,000**	**(37,500)**	**3,162,500**	**1,712,500**	**$0.41**		**1.75**

During the six months ended December 31, 2023, the Company recognized $356,962 in share-based payment expense in connection with the granting and vesting of options (2022 – $190,000).

d) Restricted Share Units

A summary of the Company’s restricted share units (“RSUs”) as at December 31, 2023 and June 30, 2023, is as follows:

	December 31, 2023	June 30, 2023
Opening balance	2,243,750	-
Granted	1,675,000	3,925,000
Exercised	(1,281,250)	(1,681,250)
Closing balance	**2,637,500**	**2,243,750**

In Canadian Dollars, unless noted (unaudited)

A further breakdown of the RSUs outstanding as of December 31, 2023 are as follows:

	Issued	Exercised	Remaining	Exercisable	Exercise Price	Expiry Date	Remaining Life
Granted - December 28, 2022	1,700,000	(1,400,000)	300,000	300,000	$0.40	December 28, 2024	0.99
Granted - January 20, 2023	2,225,000	(1,562,500)	662,500	176,563	$0.10	January 20, 2025	1.06
Granted - September 1, 2023	1,675,000	-	1,675,000	588,750	$1.22	September 1, 2025	1.67
Balance, December 31, 2023	**5,600,000**	**(2,962,500)**	**2,637,500**	**1,065,313**	**$0.53**		**1.44**

During the six months ended December 31, 2023, the Company had a total of 1,281,250 RSUs exercised. The weighted average quoted share price of the exercises during the period was noted to be $1.08 per share.

During the six months ended December 31, 2023, the Company recognized $1,246,453 in share-based compensation expense related to the granting and vesting of RSUs (2022 – $680,000). As the RSUs are equity settled, a corresponding amount was credited to reserves.

e) Warrants

A summary of the Company’s common share purchase warrants as at December 31, 2023 and June 30, 2023, is as follows:

	December 31, 2023	June 30, 2023
Opening balance	8,949,600	1,412,500
Granted	8,100,519	7,537,100
Exercised	(1,209,400)	-
Closing balance	**15,840,719**	**8,949,600**

A further breakdown of the warrants outstanding as of December 31, 2023 are as follows:

	Issued	Exercised	Remaining	Exercise Price	Expiry Date	Remaining Life
Granted - May 25, 2022	1,412,500	(1,209,400)	203,100	$0.75	May 25, 2024	0.40
Granted - June 19, 2023	7,537,100	-	7,537,100	$0.75	June 19, 2025	1.47
Granted - July 6, 2023	5,613,416	-	5,613,416	$0.75	July 6, 2025	1.51
Granted – December 22, 2023	2,487,103	-	2,487,103	$0.55	December 22, 2025	1.98
Balance, December 31, 2023	**17,050,119**	**(1,209,400)**	**15,840,719**	**$0.72**		**1.55**

9. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consists of the directors and corporate officers.

In Canadian Dollars, unless noted (unaudited)

The aggregate value of transactions relating to key management personnel during the six months December 31, 2023 were as follows:

Equity incentives granted and fees paid to the following for the services rendered	Equity Incentive	Equity Incentive Amount	Equity Incentive Fair Value	Fees Paid
			$	$
The CEO and Director pursuant to officer services provided	Options, RSUs	300,000	247,106	123,250
The CFO pursuant to officer services provided	Options, RSUs	200,000	148,660	60,000
A Director of the Company pursuant to director services provided	Options, RSUs	25,000	139,647	15,000
A Director of the Company pursuant to director services provided	RSUs	50,000	37,824	15,000
Total		**575,000**	**573,237**	**213,250**

For the six months ended December 31, 2022, the Company incurred $71,400 in management fees for CEO and CFO services provided included in “Management Fees”.

At December 31, 2023, $44,557 (2022 - $28,407) due to companies controlled by the corporate officers and directors of the Company is included in accounts payable and accrued liabilities. The amount payable is non-interest bearing, is unsecured, and has no specific terms of repayment.

10. COMMITMENTS

As a result of the flow-through financing structure (see Note 8(b)) on June 19, 2023, July 6, 2023, and December 22, 2023 the Company is committed to expend $2,701,290 of flow-through share proceeds related to flow-through shares issued during the year on qualifying exploration expenditures. The Company must incur eligible expenditures within 24 months from issuing the flow-through shares.

As at December 31, 2023, the Company has $1,423,207 remaining in committed flow-through proceeds to be expended.

11. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its shareholders’ equity, which was $9,748,932 at December 31, 2023 (June 30, 2023 - $8,354,908).

The Company’s objective when managing capital is to maintain corporate and administrative functions necessary to support the Company’s operations.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are intended to be secured, when necessary, through debt funding or equity capital raised by means of private placements. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits. The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to externally imposed capital requirements. There has been no changes to management’s approach during the year to date.

12. RISK MANAGEMENT

a) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. There have been no changes to these processes during the year to date. The principal risks to which the Company is exposed are described below.

(i) 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. Management's assessment of the Company's exposure to credit risk on its $3,297,263 in cash (June 30, 2023 - $3,994,470) is low as the Company's cash is held with a major Canadian financial institution.

(ii) 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. As at December 31, 2023, the Company's working capital surplus is $2,809,303 (June 30, 2023 - $4,026,545) and it does not have any long-term monetary liabilities.

The Company may seek additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. 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 cash of $3,297,263 and total liabilities of $1,107,740.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

Management notes that the Company is exposed to other price risk (equity risk), related to the marketable securities, as they are traded on the Canadian Securities Exchange.

Management believes the Company is not exposed to currency risk or interest rate risk.

b) Fair values

The carrying values of accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Financial instruments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

In Canadian Dollars, unless noted (unaudited)

The Company's cash and marketable securities (common share portion) are considered to be Level 1 within the fair value hierarchy. The warrants related to the marketable securities are considered to be Level 2 within the fair value hierarchy.

13. SUPPLEMENTAL CASH FLOW INFORMATION

The Company incurred the following non-cash transactions relating to financing activities. These were excluded from the statement of cash flows:

For the Six Months Ended	December 31, 2023	December 31, 2022
		$
Shares issued for purchase of the property from Galloper	1,207,500	-
Shares issued in accordance with the Fire Eye property option agreement	88,500	
Share issued upon conversion of restricted share rights for $nil proceeds	128,125	-
Finder's warrants issued for share issuance costs	216,257	-

No interest nor income tax were paid or received in cash during the six months ended December 31, 2023 (2022 - $nil)

14. SUBSEQUENT EVENTS

On January 9, 2024, the Company closed its non-brokered private placement for gross proceeds of $1,500,000. The Company issued 3,750,000 units of the Company at a price of $0.40. Each unit is comprised of one common share and one share purchase warrant, with each warrant exercisable into one share at an exercise price of $0.50 until January 9, 2026.

Subsequent to December 31, 2023, there were 756,250 RSU's of the Company exercised into 756,250 common shares of the Company.