

VORTEX ENERGY CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

(In Canadian dollars, unless noted)



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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Vortex Energy Corp.:

Opinion

We have audited the consolidated financial statements of Vortex Energy Corp. and its subsidiary (together the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and 2023, and the consolidated statements of net loss and comprehensive loss, consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards.

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 Company 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 2 in the consolidated financial statements, which describes the conditions indicating that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 for the year ended June 30, 2024. 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.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section of our auditor's report, we have determined the matter described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
<i>Assessment of the existence of impairment indicators for exploration and evaluation assets</i>	
Refer to note 7	Our approach to addressing the matter involved the following procedures, among others:
<p>As at June 30, 2024, the carrying amount of the Company's exploration and evaluation assets was \$8,572,600.</p> <p>At each reporting period, management assesses exploration and evaluation assets to determine whether there are any indicators of impairment. If any such indicators exist, the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount.</p> <p>Management assesses exploration and evaluation assets for impairment based on, at minimum, the presence of any one of the following indicators:</p> <ul style="list-style-type: none"> (i) the period for which the Company 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) the Company has decided to discontinue exploration for and evaluation of mineral resources in the specific area; and/or (iv) for areas of likely development, available data indicates that the carrying amount exceeds the recoverable amount. <p>No impairment indicators were identified by management as at June 30, 2024.</p> <p>We considered this a key audit matter due to the significance of the exploration and evaluation assets and the judgments made by management in their assessment of whether there existed impairment indicators related to the exploration and evaluation assets. These factors have resulted in a high degree of subjectivity in performing audit procedures, related to the judgment applied by management.</p>	<p>Evaluating the judgments made by management in determining the impairment indicators, which included the following:</p> <ul style="list-style-type: none"> • Obtained for a sample of claims by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates. • Read the board of directors' minutes and resolutions, and obtained evidence supporting the continued and planned exploration expenditures, which included evaluating results of the Company's work programs subsequent to year end. • Assessed whether available data indicates the potential for commercially viable mineral resources of which we noted that there is no currently available data indicating the potential or lack of potential for commercially viable mineral resources. • Based on evidence obtained in other areas of the audit, considered whether other facts and circumstances suggest that the carrying amount may exceed the recoverable amount.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated. If, based on the work we have performed, 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, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Company 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.

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 Doris Yingying Cen.

Baker Tilly WM LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
October 25, 2024

VORTEX ENERGY CORP.

Consolidated Statements of Financial Position

As at June 30, 2024 and June 30, 2023

In Canadian Dollars, unless noted

As at	Notes	June 30, 2024	June 30, 2023
		\$	\$
ASSETS			
Cash		3,183,968	3,994,470
Accounts receivable		171,038	144,464
Marketable securities	5	-	271,711
Prepaid expenses	6	14,333	404,228
TOTAL CURRENT ASSETS		3,369,339	4,814,873
Long-term prepaid expenses	6	150,000	-
Exploration and evaluation assets	7	8,572,600	4,184,423
Intangible assets	8	14,160	143,940
TOTAL ASSETS		12,106,099	9,143,236
LIABILITIES			
Accounts payable and accrued liabilities		1,086,212	621,328
Flow-through liability	9	158,677	167,000
TOTAL LIABILITIES		1,244,889	788,328
SHAREHOLDERS' EQUITY			
Share capital	9	18,808,002	10,161,543
Share subscriptions	9	-	982,500
Reserves	9	2,572,739	924,716
Deficit		(10,519,531)	(3,713,851)
TOTAL SHAREHOLDERS' EQUITY		10,861,210	8,354,908
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		12,106,099	9,143,236

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

Going concern (Note 2), Subsequent events (Notes 7, 8, 9 and 17) and Commitments (Notes 7, 8 and 11)

Approved on behalf of the Board of Directors:

"Paul Sparkes" Director

"Eli Dusenbury" Director

VORTEX ENERGY CORP.

Consolidated Statements of Net Loss and Comprehensive Loss

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

For the Year Ended,	Notes	June 30, 2024	June 30, 2023
		\$	\$
OPERATING EXPENSES			
Advertising and marketing		3,292,741	972,783
Amortization	8	129,780	30,520
Consulting fees	10	577,000	358,250
Filing fees		105,492	130,722
Management fees	10	393,250	246,400
Office and miscellaneous		17,134	39,577
Professional fees		269,110	286,525
Share-based compensation	9	2,311,223	1,360,651
TOTAL OPERATING EXPENSES		(7,095,730)	(3,425,428)
Realized loss on marketable securities	5	(143,949)	-
Unrealized gain on marketable securities	5	-	71,711
Grant income	13	115,500	-
Flow-through recovery	9	318,499	-
NET AND COMPREHENSIVE LOSS		(6,805,680)	(3,353,717)
Loss per share, basic and diluted		(0.09)	(0.09)
Weighted average number of common shares outstanding – Basic and diluted		74,976,348	38,790,683

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

VORTEX ENERGY CORP.

Consolidated Statements of Changes in Shareholders' Equity

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

	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
Private placement - \$0.50	9	5,690,000	2,845,000	922,500	-	-	3,767,500
Private placement - \$0.60	9	1,670,000	835,000	60,000	-	-	895,000
Share issuance costs	9	-	(255,930)	-	152,190	-	(103,740)
Shares issued - Fire Eye	7	100,000	10,000	-	-	-	10,000
Shares issued - BOSC	7	20,600,004	4,120,000	-	-	-	4,120,000
Share-based compensation	9	-	-	-	1,360,651	-	1,360,651
Exercise of restricted share units	9	1,681,250	588,125	-	(588,125)	-	-
Exercise of options	9	37,500	15,000	-	-	-	15,000
Loss and comprehensive loss for the year		-	-	-	-	(3,353,717)	(3,353,717)
Balances, June 30, 2023		62,706,754	10,161,543	982,500	924,716	(3,713,851)	8,354,908
Private placement – \$0.50	9	4,310,000	2,155,000	(982,500)	-	-	1,172,500
Private placement – \$0.60	9	1,166,333	583,167	-	-	-	583,167
Private placement – \$0.43	9	2,324,396	964,625	-	-	-	964,625
Private placement – \$0.40	9	3,750,000	1,500,000	-	-	-	1,500,000
Private placement – \$0.34	9	2,441,178	671,324	-	-	-	671,324
Share issuance costs	9	-	(342,957)	-	229,050	-	(113,907)
Shares issued – Galloper	7	750,000	1,207,500	-	-	-	1,207,500
Shares issued – Fire Eye	7	150,000	88,500	-	-	-	88,500
Share-based compensation	9	-	-	-	2,311,223	-	2,311,223
Exercise of restricted share units	9	2,462,500	892,250	-	(892,250)	-	-
Exercise of options	9	200,000	20,000	-	-	-	20,000
Exercise of warrants	9	1,209,400	907,050	-	-	-	907,050
Loss and comprehensive loss for the year		-	-	-	-	(6,805,680)	(6,805,680)
Balances, June 30, 2024		81,470,561	18,808,002	-	2,572,739	(10,519,531)	10,861,210

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

VORTEX ENERGY CORP.

Consolidated Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

	June 30, 2024	June 30, 2023
	\$	\$
OPERATING ACTIVITIES		
Net loss	(6,805,680)	(3,353,717)
Amortization (Note 8)	129,780	30,520
Share-based compensation (Note 9)	2,311,223	1,360,651
Unrealized gain on marketable securities (Note 5)	-	(71,711)
Realized loss on marketable securities (Note 5)	143,949	-
Flow-through recovery (Note 9)	(318,499)	-
Changes in non-cash working capital items:		
Accounts receivable	(26,574)	(144,464)
Prepaid expenses (Note 6)	389,895	(404,228)
Accounts payable and accrued liabilities	(274,562)	310,974
Cash used in operating activities	(4,450,468)	(2,271,975)
INVESTING ACTIVITIES		
Cash acquired - BOSCO (Note 1)	-	145,207
Exploration and evaluation assets (Note 7)	(2,352,731)	(106,477)
Purchase of marketable securities (Note 5)	-	(200,000)
Sale of marketable securities (Note 5)	127,762	-
Long-term prepaid expenses (Note 6)	(150,000)	-
Cash used in investing activities	(2,374,969)	(161,270)
FINANCING ACTIVITIES		
Proceeds from share issuances (Note 9)	5,201,792	3,862,000
Proceeds from warrant exercises (Note 9)	907,050	-
Proceeds from option exercises (Note 9)	20,000	-
Share subscriptions received (Note 9)	-	982,500
Share issuance costs (Note 9)	(113,907)	(87,640)
Cash received from financing activities	6,014,934	4,756,860
Net change in cash	(810,502)	2,323,615
Cash, beginning of year	3,994,470	1,670,855
Cash, end of year	3,183,968	3,994,470

Supplemental cash flow information – Note 16

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

VORTEX ENERGY CORP.

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

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 consolidated financial statements were approved for issuance by the Board of Directors on October 25, 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 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.

The transaction was accounted for as an asset acquisition, and not as a business combination as, based on the stage of the property, it did 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 (quoted 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

1) Amounts acquired are recorded at fair value.

VORTEX ENERGY CORP.

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

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 consolidated 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. These adjustments could be material.

3. BASIS OF PRESENTATION

a) Basis of preparation

These consolidated financial statements have been prepared using IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

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

b) Basis of consolidation

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

- Blue Ocean Salt Corp. incorporated in British Columbia, Canada
- VRTX Energy (Alberta) Corp. incorporated in Alberta, 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 financial statements of each of the Company's subsidiaries are measured using the currency of the primary economic environment in which the entity operates and then translated into the functional currency.

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

VORTEX ENERGY CORP.

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

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 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.

As at June 30, 2024, 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.

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 resource 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.

iii. Asset acquisition

The acquisition transaction required 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, estimation was required to determine the fair value of the consideration paid and the fair value of the identifiable assets and liabilities acquired.

VORTEX ENERGY CORP.

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

4. MATERIAL ACCOUNTING POLICIES

a. Financial instruments

i. Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial instruments at initial recognition.

The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Those financial assets that have contractual cash flows that are solely payments of principal and interest, are generally classified as at amortized cost. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

ii. Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method, net of any impairment. The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating interest income or expense over the relevant term. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability, or where appropriate, a shorter period. Interest expense is reported in profit or loss.

Financial assets and liabilities at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise.

Financial assets and liabilities carried at FVTOCI are initially recorded at fair value less transaction costs. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTOCI are included in comprehensive income or loss in the period in which they arise.

The classification and measurement bases of the Company's financial instruments are as follows:

Financial Instrument	Classification
Cash	FVTPL
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost

iii. Impairment of financial assets at amortized cost

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.

iv. Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in profit or loss.

VORTEX ENERGY CORP.

Notes to the Consolidated Financial Statements

For the Years Ended June 30, 2024 and 2023

In Canadian Dollars, unless noted

Financial liabilities are removed from the consolidated statement of financial position when the contract is extinguished, or, when the obligation specified in the contract is either discharged or cancelled or expires. Where there has been an exchange between an existing borrower and lender of debt instruments with substantially different terms, or there has been a substantial modification of the terms of an existing financial liability, this transaction is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A gain or loss is recorded in profit or loss.

b. Impairment

At each consolidated statement of financial position reporting date, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal 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 or cash generating unit 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.

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, as long as the increased carrying amount 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.

c. Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were issued. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units.

The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in private placements to be the more easily measurable component of unit offerings and the common shares are valued at their fair value, as determined by the closing quoted bid price on the issue date.

The balance, if any, is allocated to any attached warrants or other features. Any fair value attributed to warrants is recorded as reserves.

d. Share-based payments

The Company's share option plan allows employees and consultants to acquire shares of the Company. The fair value of equity-settled options and restricted stock units ("RSUs") granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

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The fair value of employee options is measured at grant date and the fair value of non-employee options is at the grant date or over the period such services are received. Each tranche of employee and non-employee options granted is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. The fair value of RSUs granted is measured by the closing quoted bid price immediately prior to the grant date. At each consolidated statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Share-based payments granted to non-employees that are related to the issuance of shares are recorded as a reduction of share capital. All share-based payments are reflected in reserves, until exercised. Upon exercise, shares are issued from treasury and the grant date fair value reflected in the reserve is credited to share capital, adjusted for any consideration paid. When stock options or warrants expire unexercised or are cancelled, the applicable amounts recorded in reserves are not reclassified within equity.

For equity-settled share-based payment transactions, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the Company cannot estimate reliably the fair value of the goods or services received, the Company shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

e. Intangible assets

The AmmPower license (note 8) has a finite life and will be amortized over its useful economic life (the license term). The asset is assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method is reviewed at least at the end of each reporting period. A change in the expected useful life of the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

f. Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current income tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit.

Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date.

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Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

g. Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). In computing diluted earnings per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments.

In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same.

h. Exploration and evaluation assets

Exploration and evaluation expenditures incurred before the Company has obtained legal rights to explore an area of interest are expensed as incurred. All costs related to the acquisition, exploration and evaluation of mineral properties incurred subsequent to the acquisition of legal rights to explore, including property maintenance costs, are capitalized by property. Mineral properties acquired from entities under common control are recorded at the same carrying value at which the common control entity carried the mineral properties. If economically recoverable mineral reserves are determined to exist, capitalized costs of the related property will be reclassified as mineral assets and amortized using the unit of production method. When a property is abandoned, all related costs are written off or derecognized. Exploration and evaluation assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

In circumstances where indicators of impairment exist, an impairment test is required to determine if the carrying amount of the exploration and evaluation asset exceeds its estimated recoverable amount. The estimated recoverable amount is the greater of fair value less costs of disposal, and value in use. If the exploration and evaluation asset is determined to be impaired, the exploration and evaluation asset is written down to the estimated recoverable amount.

The amounts shown for exploration and evaluation assets do not necessarily represent present or future values. Their recoverability is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing and permitting to explore and complete the development of the properties, and future profitable production from the disposition of the minerals produced from the properties or by sale.

Exploration and evaluation assets are classified as intangible assets.

i. Flow-through shares

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

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

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

- Share capital – the market trading price of the common share;
- Flow-through premium – the difference noted between the market trading price of the common share and the price for each flow-through share or unit.
- Reserves – excess, if any.

Thereafter, as qualifying resource expenditures are incurred, these costs are expensed as exploration and evaluation expenses and the flow-through premium, if any, will be reversed when the expenditures are incurred and renounced.

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

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

j. Government grants

Government grants are not recognised until there is reasonable assurance that the group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates

k. Accounting standards adopted in the current year

Adoption of amendments to IAS 1 Presentation of Financial Statements

Effective July 1, 2023, amendments to IAS 1 Presentation of Financial Statements were adopted with respect to disclosure of the Company's accounting policies. The adoption of the amendments did not result in any changes to the Company's accounting policies, the only impact was to the accounting policy information disclosed in the financial statements. As a result of the adoption of the amendments, the title of this note 4 was changed from "significant accounting policies" which had been used in all previous periods.

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Where management determined necessary, clarifying language was applied in order to enhance focus on the materiality of a policy, and immaterial policy language was deleted.

Adoption of amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Effective July 1, 2023, the Company adopted the amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors with respect to the new definition of “accounting estimates”. The amendments clarify how measurement techniques and inputs are used to develop accounting estimates, and clarifies the distinction between changes in accounting policies, correction of prior period errors, and changes are made to accounting estimates, including the facts and circumstances that are considered. The definition of a change in accounting estimates was deleted.

The adoption of the amendments did not result in any impact to the Company's consolidated financial statements.

I. Upcoming accounting standards and interpretations

The following are the standards, amendments, and interpretations that the Company expects may be applicable at a future date and, if so, intends to adopt when they become effective. Certain accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

In January 2020 and October 2022, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the consolidated statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity. In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted. The Company has assessed that the adoption of this amendment had no impact on its consolidated financial statements.

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027. The Company is currently assessing the impact that the adoption of IFRS 18 will have on its consolidated financial statements.

In May 2024, the IASB issued narrow-scope amendments to the recognition, derecognition and classification requirements in IFRS 9 – Financial Instruments (“IFRS 9”) and introduced additional disclosure requirements in IFRS 7 – Financial Instruments: Disclosure (“IFRS 7”). Key changes include clarification on the timing of recognition and derecognition of financial assets and liabilities, introduction of additional disclosure for certain financial instruments with contractual terms that could change the timing or amount of contractual cash flows due to contingent events that are not directly related to changes in basic lending risks and costs, and additional guidance for assessing whether the contractual cash flows of financial assets represent solely payments of principal and interest and updated disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Company is currently assessing the impact that the adoption of these amendments will have on its consolidated financial statements.

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5. MARKETABLE SECURITIES

The Company's marketable securities consist of investments in public company shares and warrants. A break down of investments held as at June 30, 2024 and 2023 was as follows:

	Number	Cost	Fair Value	Realized / Unrealized Gain (Loss)
	#	\$	\$	\$
<i>Traction Uranium Corp – Shares</i>				
Balance, June 30, 2023	666,666	200,000	233,333	-
Sale	(666,666)	(200,000)	(127,762)	
Fair value adjustment	-	-	(105,571)	(105,571)
<i>Traction Uranium Corp – Warrants</i>				
Balance, June 30, 2023	333,333	-	38,378	
Sale	(333,333)	-	-	
Fair value adjustment	-	-	(38,378)	(38,378)
Balance, June 30, 2024	-	-	-	(143,949)

During the year ended June 30, 2024, the Company sold all of its marketable securities for proceeds of \$127,762 resulting in a realized loss of \$143,949 (2023 - \$nil).

6. PREPAID EXPENSES

As at June 30, 2024 and 2023, the Company's prepaid expenses were as follows:

	June 30, 2024	June 30, 2023
	\$	\$
Short-term		
Marketing and advertising	5,000	394,895
Insurance	9,333	9,333
Balance, Short-term	14,333	404,228
Long-term		
Drilling deposit	150,000	-
Balance, Long-term	150,000	-

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7. EXPLORATION AND EVALUATION ASSETS

As at June 30, 2024 and 2023, the Company's exploration and evaluation assets were as follows:

	Robinsons Property	Fire Eye Property	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	2,899,377	-	2,899,377
Balance, June 30, 2024	8,294,100	278,500	8,572,600

The following table summarizes the Company's exploration and evaluation expenses by property and type of expense for the years ended June 30, 2024 and 2023:

June 30, 2024	Robinsons Property	Fire Eye Property	Total
	\$	\$	\$
Geophysics	193,754	-	193,754
Drilling	2,664,304	-	2,664,304
Reporting and administration	41,319	-	41,319
Balance, June 30, 2024	2,899,377	-	2,899,377

June 30, 2023	Robinsons Property	Fire Eye Property	Total
	\$	\$	\$
Geophysics	151,678	-	151,678
Balance, June 30, 2023	151,678	-	151,678

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") (Note 1). BOSC owns 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.

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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 year ended June 30, 2024, the Company has capitalized \$2,899,377 in costs related to the exploration and evaluation of the Robinson Property, which entirely relate to geophysics, geological work and drilling activities 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 (later amended, see below).
- 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 (the below was amended, as mentioned in the paragraph below):
 - a. \$110,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2023) (amended); and
 - b. \$250,000 of expenditures on or before one calendar year after the Listing Date (December 28, 2024) (amended).

On October 1, 2024, 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 three calendar years after the Effective Date (March 10, 2025); and
- b. \$250,000 of expenditures on or before four calendar years after the Effective Date (March 10, 2026).

In addition on October 1, 2024, the optionor agreed to accept, in lieu of the payment of \$50,000 in cash, such number of Company shares as have the same value (\$50,000). (issued) (Note 17)

For the year ended June 30, 2024, the Company has capitalized \$30,000 in cash payments and issued 150,000 common shares valued at \$88,500 to fulfill obligations related to the option agreement requirements.

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8. 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 has committed to 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 cash payment of US\$25,000,000.

During the year ended June 30, 2024, the Company recognized \$129,780 related to the amortization of the licensing agreement (2023 – \$30,520). The carrying amount at June 30, 2024 was \$14,160 (2022 – \$143,940).

On August 10, 2024, the Company opted to not renew the license and did not issue the common shares required by the licensing fee above.

9. 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”) 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

Year ended June 30, 2024

On July 6, 2023, the Company closed the final tranche (the “Final Tranche”) of a 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 \$982,500 collected in the prior year.

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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. A total of \$116,633 in residual value was allocated to the flow-through liability, with \$nil allocated to warrants. 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 7 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 liability, with \$nil allocated to warrants. 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, for a total fair value of \$88,500. Refer to Note 7 for additional information.

On January 9, 2024, the Company closed a non-brokered private placement for gross proceeds of \$1,500,000. Pursuant to the private placement, the Company issued 3,750,000 units at a price of \$0.40 per unit, with each unit comprised of one common share and one common share purchase warrant entitling the holder to acquire one common share at a price of \$0.50 until January 9, 2026. Using the residual method, 100% of the proceeds were allocated to the value of the common shares, as their fair value at the time of issuance was equal or more than total proceeds. As a result, the fair value of the warrants is \$nil.

On March 25, 2024, the Company closed a non-brokered charity flow-through private placement for gross proceeds of \$830,000 pursuant to an arrangement with Wealth Creation Preservation & Donation Inc. ("WCPD"). Pursuant to the offering, the Company issued 2,441,178 "flow-through" common shares of the Company at a price of \$0.34 per share. In connection with the offering, the Company issued 103,750 finder's warrants fair valued at \$12,793, entitling the holder to acquire one non-flow-through common share at an exercise price of \$0.40 until March 25, 2026. A total of \$158,677 in residual value was allocated to the flow-through liability.

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. Refer to Note 7 for additional information.

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 quoted 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.

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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 quoted 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) Escrowed shares

As of June 30, 2024, included in shares outstanding, there were 10,418,178 (2023 – 21,413,626) common shares escrowed in connection with the listing on the Canadian Securities Exchange.

d) Options

A summary of the Company's options as at June 30, 2024 and June 30, 2023, is as follows:

	June 30, 2024	June 30, 2023
Opening balance	3,162,500	-
Granted	-	3,200,000
Exercised	(200,000)	(37,500)
Forfeited	(462,500)	-
Closing balance	2,500,000	3,162,500

A further breakdown of the options outstanding as of June 30, 2024 are as follows:

	Issued	Exercised	Forfeited	Remaining	Exercisable	Exercise Price	Expiry Date	Remaining Life
Granted – October 5, 2022	500,000	(200,000)	-	300,000	300,000	\$0.10	October 5, 2024	0.27
Granted – December 28, 2022	750,000	(37,500)	(462,500)	250,000	250,000	\$0.40	December 28, 2024	0.50
Granted – March 17, 2023	1,000,000	-	-	1,000,000	1,000,000	\$0.26	March 17, 2026	1.72
Granted – April 26, 2023	600,000	-	-	600,000	300,000	\$0.65	April 26, 2026	1.82
Granted – June 13, 2023	350,000	-	-	350,000	275,000	\$0.98	June 13, 2026	1.95
Balance, June 30, 2024	3,200,000	(237,500)	(462,500)	2,500,000	2,125,000	\$0.40		1.48

During the year ended June 30, 2024, there were 200,000 options with an exercise price of \$0.10, that were exercised for total proceeds of \$20,000. The market value of the Company's shares on the date of exercise was \$0.28 per share.

During the year ended June 30, 2024, the Company recognized \$506,448 in share-based compensation in connection with the granting and vesting of options (2023 – \$517,972).

Subsequent to year-end, 300,000 options granted on October 5, 2021 have expired unexercised.

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The fair value of options granted during the year ended June 30, 2023 was determined using the following range of Black-Scholes Option Pricing Model assumptions:

	2023
Share price on grant date	\$0.10 - \$0.98
Exercise price	\$0.10 - \$0.98
Expected life	2 - 3 years
Volatility*	148% - 167%
Risk-free interest rate	3.39% - 4.17%

*Since the Company does not have enough history of trading prices, the Company utilized annualized volatility of comparable companies

e) Restricted Share Units

A summary of the Company's restricted share units ("RSUs") as at June 30, 2024 and June 30, 2023 is as follows:

	June 30, 2024	June 30, 2023
Opening balance	2,243,750	-
Granted	2,675,000	3,925,000
Exercised	(2,462,500)	(1,681,250)
Cancelled	(187,500)	-
Closing balance	2,268,750	2,243,750

A further breakdown of the RSUs outstanding as at June 30, 2024 are as follows:

	Issued	Exercised	Cancelled	Remaining	Exercisable
Granted - December 28, 2022	1,700,000	(1,500,000)	-	200,000	200,000
Granted - January 20, 2023	2,225,000	(2,093,750)	-	131,250	131,250
Granted - September 1, 2023	1,675,000	(550,000)	(187,500)	937,500	491,250
Granted - April 8, 2024	1,000,000	-	-	1,000,000	-
Balance, June 30, 2024	6,600,000	(4,143,750)	(187,500)	2,268,750	822,500

During the year ended June 30, 2024, the Company had a total of 2,462,500 RSUs exercised. The weighted average share price at the time of exercises was \$0.76 per share.

During the year ended June 30, 2024, the Company recognized \$1,804,775 in share-based compensation expense related to the granting and vesting of RSUs (2023 - \$842,679). As the RSUs are equity settled, a corresponding amount was credited to reserves.

f) Warrants

A summary of the Company's common share purchase warrants as at June 30, 2024 and June 30, 2023 is as follows:

	June 30, 2024	June 30, 2023
Opening balance	8,949,600	1,412,500
Granted	11,954,269	7,537,100
Exercised	(1,209,400)	-
Expired	(203,100)	-
Closing balance	19,491,369	8,949,600

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A further breakdown of the warrants outstanding as of June 30, 2024 are as follows:

	Issued	Exercised	Expired	Remaining	Exercise Price	Expiry Date	Remaining Life
Granted - June 19, 2023	7,537,100	-	-	7,537,100	\$0.75	June 19, 2025	0.97
Granted - July 6, 2023	5,613,416	-	-	5,613,416	\$0.75	July 6, 2025	1.02
Granted – December 22, 2023	2,487,103	-	-	2,487,103	\$0.55	December 22, 2025	1.48
Granted – January 9, 2024	3,750,000	-	-	3,750,000	\$0.50	January 9, 2026	1.53
Granted – March 25, 2024	103,750	-	-	103,750	\$0.40	March 25, 2026	1.73
Balance, June 30, 2024	19,491,369	-	-	19,491,369	\$0.68		1.16

10. 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.

The aggregate value of transactions relating to key management personnel during the year ended June 30, 2024 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
			\$	\$
The CEO and Director pursuant to officer services provided	RSUs	550,000	332,045	213,250
The CFO pursuant to officer services provided	RSUs	450,000	246,371	120,000
A Director of the Company pursuant to director services provided	RSUs	50,000	54,592	30,000
A Director of the Company pursuant to director services provided	RSUs	25,000	176,989	30,000
Total		1,075,000	809,997	393,250

For the year ended June 30, 2023, the Company incurred \$150,750 in management fees for CEO and CFO services provided included in "Management Fees" and 1,750,000 equity incentives.

At June 30, 2024, \$33,744 (2023 - \$261,801) due to companies controlled by the corporate officers and directors of the Company is included in accounts payable and accrued liabilities. The amounts payable are non-interest bearing, is unsecured, and have no specific terms of repayment.

11. COMMITMENTS

During the year, the Company entered into a collaborative research agreement with the University of Alberta relating to the Robinsons River Salt Dome. The Company is committed to fund \$300,000 for a period of 24 months ending on December 31, 2025 and, as at June 30, 2024, the remaining commitment amounts to \$184,000.

As a result of the flow-through financing structure (see Note 9(b)) on June 19, 2023, July 6, 2023, December 22, 2023, and March 25, 2024 the Company is committed to expend \$3,531,291 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 June 30, 2024, the Company has \$541,914 (2023 - \$912,000) remaining in committed flow-through proceeds to be expended.

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Commitment to expense flow-through proceeds

For the Years Ended	June 30, 2024	June 30, 2023
	\$	\$
Balance, opening	912,000	-
Flow-through share proceeds	2,529,290	1,002,000
Eligible expenses incurred	(2,899,376)	(90,000)
Balance, closing	541,914	912,000

Amortization of the flow-through premium

For the Years Ended	June 30, 2024	June 30, 2023
	\$	\$
Balance, opening	167,000	-
Flow-through share proceeds	310,176	167,000
Eligible expenses incurred	(318,499)	-
Balance, closing	158,677	167,000

12. INCOME TAXES

A reconciliation of income taxes at statutory rates is as follows for the years ended June 30, 2024 and 2023:

	June 30, 2024	June 30, 2023
	\$	\$
Loss for the year	(6,805,680)	(3,353,717)
Combined tax rate	27%	27%
Expected income tax recovery	(1,837,534)	(905,504)
Permanent differences	633,711	377,057
Impact of flow-through shares	729,348	270,540
Share issuance costs	(92,598)	(60,490)
Other	(191,164)	-
Change in unrecognized deductible temporary differences	758,237	318,397
Total income tax expense (recovery)	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been recognized are as follows:

	June 30, 2024	June 30, 2023
Deferred Tax Assets (Liabilities)	\$	\$
Exploration and evaluation assets	(847,922)	(269,470)
Share issuance costs	119,012	60,490
Non-capital losses carry forwards	1,911,462	633,295
	1,182,552	424,315
Unrecognized deferred tax assets	(1,182,552)	(424,315)
Net deferred tax assets	-	-

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As at June 30, 2024, the Company has approximately \$7,079,487 in non-capital losses to carry forward to future years, expiring as follows:

Year of expiry	\$
2044	4,737,674
2043	1,975,459
2042	366,354
	7,079,487

As at June 30, 2024, the Company has \$440,786 in share issuance costs which expiry dates are as follows:

Year of expiry	\$
2028	68,591
2027	119,777
2026	126,209
2025	126,209
	440,786

13. GRANT INCOME

During the year ended June 30, 2024, the Company received government grants of \$115,000 as part of a government initiative to provide financial support for exploration activities focused within the province of Newfoundland and Labrador. The grant was awarded to the Company in recognition of prior exploration expenditures made on the Robinsons River Salt Project, and has been recognized as Grant Income in profit or loss. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year.

14. MANAGEMENT OF CAPITAL

The Company defines the capital that it manages as its shareholders' equity, which was \$10,861,210 at June 30, 2024 (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. The Company has not changed its management of capital from the prior year.

15. 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. The principal risks to which the Company is exposed are described below. The Company has not changed its risk management processes from the prior year.

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(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 \$3,183,968 in cash (2023 - \$3,994,470) is low as the Company's cash is held with major Canadian financial institutions.

(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 June 30, 2024, the Company's working capital surplus is \$2,124,450 (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 June 30, 2024, the Company had cash of \$3,183,968 and total liabilities of \$1,244,889.

(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 believes the Company is not exposed to significant currency risk, interest rate risk or to other price 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).

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.

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16. SUPPLEMENTAL CASH FLOW INFORMATION

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

For the Years Ended	June 30, 2024	June 30, 2023
	\$	\$
Accounts payable for exploration and evaluation assets	-	98,826
Shares issued for purchase of BOSC	-	4,120,000
Shares issued for the purchase of property from Galloper	1,207,500	-
Shares issued for acquisition of exploration and evaluation assets	88,500	100,000
Share issued upon conversion of restricted share units for \$nil proceeds	2,462,500	1,681,250
Finder's warrants issued as share issuance costs	229,050	152,190
Interest received	77,707	-
Interest paid	-	-

No taxes were paid or received in cash during the year ended June 30, 2024 (2023 - \$nil)

17. SUBSEQUENT EVENTS

Subsequent to year end, the Company issued a total of 377,500 common shares in recognition of RSU exercises. The exercises were made on July 30, 2024 and October 10, 2024 for 62,500 and 315,000 common shares, respectively.

On October 16, 2024 the Company issued 500,000 common shares fair-valued at \$50,000 in relation to the Fire Eye property option agreement. (Note 7b)