

Nuclear Fuels Inc.

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Three Months Ended June 30, 2023 and 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Nuclear Fuels Inc.. ("the Company") have been prepared by management in accordance with International Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim consolidated financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for review of condensed interim consolidated financial statements by an entity's auditor.

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

	June 30, 2023	March 31, 2023
Assets		
Current:		
Cash	\$ 5,006,423	\$ 6,798,246
Receivables	117,736	20,011
Prepays	72,250	-
	5,196,409	6,818,257
Non-current assets:		
Deposit (Note 4)	208,034	-
Equipment	53,581	16,002
Exploration and evaluation assets (Note 4)	5,177,997	760,877
	10,636,021	7,595,136
Total assets	\$ 10,636,021	\$ 7,595,136
Liabilities and shareholder's equity		
Current:		
Accounts payable and accrued liabilities	\$ 271,951	\$ 104,862
	271,951	104,862
Shareholder's equity		
Share capital (Note 5)	12,888,706	8,605,219
Reserves	219,115	219,115
Deficit	(2,743,751)	(1,334,060)
	10,364,070	7,490,274
Total liabilities and shareholder's equity	\$ 10,636,021	\$ 7,595,136

Nature and continuance of operations (Note 1)

Subsequent events (Note 9)

Approved on Behalf of the Board on August 29, 2023:

"Michael Collins"

Michael Collins, Director

"William Sheriff"

William Sheriff, Director

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Three Months Ended June 30, 2023	Date of Incorporation May 25, 2022, to June 30, 2022
Operating expense		
Advertising	\$ 91,521	\$ -
Amortization	83	-
Exploration and evaluation expenditures (Note 4)	1,071,440	-
Foreign exchange	43,903	-
Management fees (Note 6)	30,000	40,000
Office and miscellaneous	26,598	94
Property investigation (Note 4)	-	307,200
Professional fees (Note 6)	184,870	-
Travel	3,101	-
Operating loss	(1,451,516)	(347,294)
Interest income	41,825	-
Loss and comprehensive loss for the period	\$ (1,409,691)	\$ (347,294)
Basic and diluted loss per common share	\$ (0.03)	\$ (3,473)
Weighted average number of common share outstanding – basic and diluted	41,750,225	100

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statement of Changes in Shareholder's Equity

(Unaudited)

(Expressed in Canadian dollars)

	Number of Common Shares	Share capital	Reserves	Deficit	Total
Balance, May 25, 2022	-	\$ -	\$ -	\$ -	\$ -
Shares issued for cash, net of share issuance costs	31,083,250	8,185,219	-	-	8,185,219
Shares issued for exploration and evaluation assets	2,100,000	420,000	-	-	420,000
Share-based payment	-	-	219,115	-	219,115
Loss and comprehensive loss for the period	-	-	-	(1,334,060)	(1,334,060)
Balance, March 31, 2023	33,183,250	\$8,605,219	\$219,115	\$ (1,334,060)	\$ 7,490,274
Shares issued for exploration and evaluation assets	8,566,975	4,283,487	-	-	4,283,487
Loss and comprehensive loss for the period	-	-	-	(1,409,691)	(1,409,691)
Balance, June 30, 2023	41,750,225	\$12,888,706	\$219,115	\$ (2,743,751)	\$ 10,364,070

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

	Three Months Ended June 30, 2023	Date of Incorporation May 25, 2022, to June 30, 2022
Cash flows from operating activities		
Net loss for the period	\$ (1,409,691)	\$ (347,294)
Non-cash items:		
Amortization	2,811	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(40,945)	54,600
Receivables	(97,725)	(5,576)
Prepays	(72,250)	-
Net cash used in operating activities	(1,617,800)	(298,270)
Cash flows from financing activities		
Issuance of shares for cash	-	-
Subscriptions in advance	-	663,142
Share issuance costs	-	-
Net cash received from financing activities	-	663,142
Cash flows from investing activities		
Equipment	(40,390)	-
Exploration and evaluation assets	(133,633)	-
Net cash used in investing activities	(174,023)	-
Net change in cash	(1,791,823)	364,872
Cash, beginning of the period	6,798,246	-
Cash, end of the period	\$ 5,006,423	\$ 364,872
Supplemental cash flow information:		
Shares issued for the acquisitions of Hydro and Belt Line	\$ 4,283,487	\$ -

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

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Nuclear Fuel Inc. (the “Company”) was a privately held exploration company incorporated under the Business Corporations Act (British Columbia) (“BCBCA”) on May 25, 2022. The Company is principally engaged in the acquisition and exploration of resource properties. The address of its head office is located at Suite 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8. The Company’s registered and records office is Suite 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8. The Company does not have any subsidiaries at the reporting date. The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable. The Company completed a reverse takeover transaction as more fully described in note 9 on July 10, 2023 and is trading on the Canadian Securities Exchange (“CSE”) under the symbol “NF”.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at June 30, 2023, the Company had working capital of \$4,924,458 had not yet achieved profitable operations and has an accumulated deficit of \$2,743,751 since its inception of May 25, 2022. The Company expects to incur further losses in the development of its business. The Company’s continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. The Company estimates it has sufficient working capital to continue operations for the upcoming year based on the private placements completed.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

2 BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim consolidated financial statements, including IAS 34 Interim Financial Reporting.

These condensed interim consolidated financial statements do not include all the information required of full annual financial statements and are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim consolidated financial statements be read in conjunction with the annual audited financial statements of the Company for the period ended March 31, 2023. The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed Company’s audited financial statements for the period ended March 31, 2023.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These financial statements are presented in Canadian dollars, which is also the Company’s and its subsidiaries functional currency.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Belt Line Resources, Inc. and Hydro Restoration Corp from the date of April 1, 2023. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. All inter-company transactions and balances are eliminated in full.

3 SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash is comprised of cash on hand and cash on deposit with the Company’s financial institution on which it earns variable amounts of interest.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

b) Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI"), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) 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 assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period. The Company has classified its cash as fair value through profit or loss.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company has classified its receivables at amortized costs.

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.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Amortized cost: This category includes accounts payable and accrued liabilities and subscriptions received in advance which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

c) Exploration and evaluation assets

Exploration and evaluation property acquisition costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration and evaluation expenditures are expensed as incurred. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analysing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the reserves available. If the properties are sold or abandoned, the acquisition costs will be written off.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

d) Equipment

On initial recognition equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Equipment is subsequently stated at cost less accumulated depreciation, less any accumulated impairment losses, apart from land, which is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

The Company allocates the amount initially recognized in respect of an item of equipment to its significant parts and depreciates separately each part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized within operating expenses in the statement of operations and comprehensive loss.

Equipment is depreciated using the following methods:

Equipment	30% declining
Computer equipment	45% declining

NUCLEAR FUELS INC.

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3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

e) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the statement of loss and comprehensive loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

f) Share-based compensation

The Company uses the fair value-based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital .

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

g) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous years.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

h) Decommissioning Liabilities

The Company is required to recognize a liability when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As of June 30, 2023, the Company has not incurred any such obligations.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

3 SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

i) Significant judgments, estimates and assumptions

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the amounts reported and disclosed in its condensed interim consolidated financial statements and related notes. Those include estimates that, by their nature, are uncertain and actual results could differ materially from those estimates. The impacts of such estimates may require accounting adjustments based on future results. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

The preparation of these condensed interim consolidated financial statements requires the Company to make judgements regarding the going concern of the Company and discussed in Note 1.

The areas which require management to make significant estimates, judgments and assumptions in determining carrying values include:

Exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation assets requires judgment in determining whether it is likely that costs incurred will be recovered through successful exploration and development or sale of the asset under review. Furthermore, the assessment as to whether economically recoverable reserves exist is itself an estimation process. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the statement of loss and comprehensive loss in the period when the new information becomes available.

Share-based compensation

The fair value of stock options and non-cash compensation are subject to limitations in Black-Scholes option pricing and fair value estimates that incorporate market data involving uncertainty in estimates used by management in the assumptions. The Black-Scholes option pricing model has subjective assumptions, including the volatility of share prices, which can materially affect the fair value estimate.

Income taxes

The determination of the Company's tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgement by management. In determining these amounts, management interprets tax legislation in Canada and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities, the deferral and deductibility of certain items and the interpretation of the treatment for tax purposes for exploration and development activities. The Company is subject to assessment by Canadian tax authorities, which may interpret legislation differently which may affect the final amount or timing of the payment of taxes. The Company provides for such differences where known based on management's best estimate of the probable outcome of these matters.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

4 EXPLORATION AND EVALUATION ASSETS

L.A.B. Critical Metals District Project (“LAB Project”), Newfoundland

The Company incurred \$318,294 in property investigation costs associated with the option agreement dated October 1, 2022 with Gary Lewis. The option agreement is to acquire 100% interest in the LAB Project located in Newfoundland.

To exercise the option and acquire the right to a 100% interest in the LAB Project, the Company may:

- Issue 1,500,000 (issued with a fair value of \$300,000) common shares on or before June 18, 2022;
- Issue 750,000 common shares on or before June 18, 2023;
- Issue 750,000 common shares on or before June 18, 2024;
- Pay \$50,000 and issue 1,000,000 common shares on or before June 18, 2025; and
- Pay \$150,000 and issue 1,000,000 common shares on or before June 18, 2026.

The LAB Project is subject to a net smelter return (“NSR”) royalty of 3% and a buyback of 1.5% for \$3,000,000.

As well, Gary Lewis will have the right to participate in the first three financings and purchase up to 7% of total shares of each financing.

During the period ended June 30, 2023, the Company acquired additional claims contiguous with the LAB Project by incurring staking costs of \$49,534 (March 31, 2023 - \$14,821).

During the period ended June 30, 2023, the Company incurred a property deposit of \$208,034 associated with LAB.

Miller Project, Wyoming, USA

On October 31, 2022, the Company entered into an option agreement with Miller and Associated LLC to acquire 100% interest in the Miller project located in Wyoming, USA.

To exercise the option and acquire the right to a 100% interest in the Miller Project, the Company will:

- Pay US\$140,000 on October 31, 2022 (\$190,174 paid);
- Pay US\$100,000 on October 31, 2023; and
- Issue 600,000 (issued with a fair value of \$120,000) common shares within 20 days of October 31, 2022.

The Miller Project is subject to a NSR royalty of 2% and a surrounding area of interest will be subject to a 1% NSR royalty. The transaction is considered to be a related party transaction as David Miller subsequently became a director of the Company.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

4 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Bootheel Project, Wyoming, USA

On November 1, 2022, the Company entered into an exploration and mining lease agreement with Highest Resources LLC for a 20-year lease on the Bootheel project located in Wyoming, USA.

The Company will pay the following pursuant to the agreement:

- Pay US\$20,654 on November 1, 2022 (paid \$28,092);
- Pay US\$25,000 on November 1, 2023;
- Pay US\$40,000 on November 1, 2024; and
- Pay US\$50,000 on November 1, 2025 and thereafter on each succeeding anniversary.

The Bootheel project is subject to a 2% NSR royalty for minerals produced from the property and 2% net proceeds for uranium minerals produced from the property.

During the period ended June 30, 2023, the Company acquired a 100% right, title and interest in and to certain claims within the Bootheel Uranium Project in Albany County, Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). Pursuant to the terms of the share purchase agreement for the sale of Hydro, encore Energy Corp. ("encore Energy") has agreed to sell Hydro in consideration for (i) issue 6,414,469 shares of the Company; (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates. Upon subsequent completion of the proposed transaction in note 9, encore Energy will be entitled to be issued a top-up to 19.9% of the outstanding Resulting Issuer Shares.

The transaction was accounted for as an asset purchase of mineral property interests and \$3,207,235 was allocated to the fair value of exploration and evaluation assets attributed to Bootheel Project \$174,243 and Kaycee Project \$3,032,991.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets of the Company, based on management's best estimate.

During the period ended June 30, 2023, the Company acquired additional claims contiguous with the Bootheel Project by incurring staking costs of \$3,668.

NUCLEAR FUELS INC.

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For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

4 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Kaycee Bootheel Projects

During the period ended June 30, 2023, the Company acquired a 100% right, title and interest in and to certain claims within the Kaycee Project in Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). Pursuant to the terms of the share purchase agreement for the sale of Hydro, encore Energy Corp. ("encore Energy") sold Hydro in consideration for (i) issue 6,414,469 shares of the Company; (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and \$3,207,235 was allocated to the fair value of exploration and evaluation assets attributed to Bootheel Project \$174,243 and Kaycee Project \$3,032,991.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets of the Company, based on management's best estimate.

During the period ended June 30, 2023, the Company acquired additional claims contiguous with the Kaycee Project by incurring staking costs of \$9,082 (March 31, 2023 - \$60,204).

Moonshine Springs, Arizona, USA

During the period ended June 30, 2023, the Company acquired a 100% right, title and interest in and to certain claims within the Moonshine Springs Project in Arizona, through the acquisition of Belt Line Resources, Inc. ("Belt Line"). Pursuant to the terms of the share purchase agreement for the sale of Belt Line, encore Energy Corp. ("encore Energy") sold Belt Line in consideration for (i) issue 2,152,506 shares of the Company; (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and \$1,076,253 was allocated to the fair value of exploration and evaluation assets attributed to Moonshine Springs.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets of the Company, based on management's best estimate.

During the period ended June 30, 2023, the Company acquired additional claims contiguous with the Moonshine Project by incurring staking costs of \$71,349 (March 31, 2023 - \$47,586).

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidation Financial Statements

For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

4 EXPLORATION AND EVALUATION ASSETS (cont'd...)

In relation to both purchase agreements with Belt Line and Hydro, upon subsequent completion of the proposed transaction in note 9, encore Energy will be entitled to be issued a top-up to 19.9% of the outstanding Resulting Issuer Shares. In the event the Company does not complete the proposed transaction by September 30, 2023, then the Company will issue to encore Energy top-up to 19.9% of the outstanding share capital of the Company as at June 30, 2022.

Following the closing, encore Energy will have the right to participate in equity financings of the Resulting Issuer in order to maintain its percentage interest in the Resulting Issuer, and the right to nominate two individuals to the board of directors of the Company, in each case for so long as encore Energy holds at least 10% of the outstanding shares capital of the Resulting Issuer.

Exploration and evaluation property acquisition costs

	Miller Project	LAB Project	Bootheel Project	Kaycee Project	Moon shine Springs Project	Total
Balance, May 25, 2022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Acquisition cost – cash	190,174	-	28,092	-	-	218,266
Acquisition costs – share payments	120,000	300,000	-	-	-	420,000
Staking	-	14,821	-	60,204	47,586	122,611
Balance, March 31, 2023	\$310,174	\$314,821	\$28,092	\$60,204	\$47,586	\$760,877
Acquisition costs – share payments	-	-	174,243	3,032,991	1,076,253	4,283,487
Staking	-	49,534	3,668	9,082	71,349	133,633
Balance, June 30, 2023	\$310,174	\$364,355	\$206,003	\$3,102,277	\$1,195,188	\$5,177,997

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Notes to the Condensed Interim Consolidation Financial Statements

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(Unaudited - Expressed in Canadian dollars)

4 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation expenditures incurred as follows:

	LAB Project	Bootheel Project	Kaycee Project	Moonshine Spring Project	Total
Exploration Costs					
Amortization	2,729	-	-	-	2,729
Equipment, field supplies, and other	267,097	21,305	21,305	-	309,707
Geological	440,913	17,431	185,255	-	640,599
Geophysical	54,437	-	16,880	3,297	74,614
Travel	41,776	-	2,015	-	43,791
Balance, June 30, 2023	\$ 806,952	\$ 38,736	\$ 222,455	\$3,297	\$ 1,071,440

5 SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the period ended June 30, 2023, the Company:

- a) issued 8,566,975 common shares valued at \$4,283,487 relating to exploration and evaluation assets (Note 4).

During the period ended March 31, 2023, the Company:

- b) issued 100 common shares for gross proceeds of \$1.
- c) closed non-brokered private placements for gross proceeds of \$8,424,198 through the sale of 31,083,150 common shares at prices ranging from \$0.038 to \$0.50 per common share. The Company paid \$238,980 in share issuance costs.
- d) issued 2,100,000 common shares valued at \$420,000 relating to exploration and evaluation assets (Note 4).

NUCLEAR FUELS INC.

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For the three months ended June 30, 2023

(Unaudited - Expressed in Canadian dollars)

5 SHARE CAPITAL (cont'd...)

c) Share-based payments

Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at June 30, 2023, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, May 25, 2022	-	\$ -
Granted	1,850,000	0.25
Balance, June 30, 2023 and March 31, 2023	1,850,000	\$ 0.25

During the period ended March 31, 2023, the Company issued:

1,850,000 stock options with an exercise price of \$0.25 per share and a fair value of \$219,155. The weighted average fair value per option was \$0.12. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 3 years, risk-free rate of 3.77% and volatility of 100%.

The following table summarizes information concerning outstanding and exercisable options at June 30, 2023:

Exercise prices	Number of options outstanding	Number of options exercisable	Weighted average life (years)
0.25	1,850,000	1,850,000	2.33
	1,850,000	1,850,000	2.33

The fair value of the options was estimated using the Black-Scholes option pricing model with the following weighted-average assumptions:

	March 31, 2023
Risk-free interest rate	3.77%
Expected price volatility	100%
Expected life	3 years
Expected dividend yield	-

NUCLEAR FUELS INC.

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6 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the period ended June 30, 2023, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$30,000 (2022 – \$40,000) to a company controlled by a director and Chief Executive Officer of the Company.

Paid or accrued professional fees of \$20,898 (2022 - \$Nil) to the Chief Financial Officer of the Company.

As at June 30, 2023, \$14,404 (March 31, 2023 - \$Nil) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

During the period ended March 31, 2023, the Company issued 1,350,000 stock options to the officers and directors of the Company with a fair value of \$159,895 included in share-based compensation expense.

7 CAPITAL MANAGEMENT

Capital is comprised of items within the Company's shareholder's equity. As at June 30, 2023, the Company's shareholder's equity was \$10,364,070. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements.

NUCLEAR FUELS INC.

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8 FINANCIAL INSTRUMENTS AND RISK

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of cash is based on Level 1 inputs of the fair value hierarchy.

The fair value of the Company's receivables, accounts payable and accrued liabilities approximates their carrying values due to their short-term nature.

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

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2023, the Company had a cash balance of \$5,006,423 to settle current liabilities of \$271,951.

Market risk

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

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8 FINANCIAL INSTRUMENTS AND RISK (cont'd...)

a) Interest rate risk

The Company has cash balances and no interest-bearing debt. The interest rate risk on cash is not considered significant.

b) Foreign currency risk

The Company does not have assets or liabilities in a foreign currency.

c) Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

9 SUBSEQUENT EVENTS

Subsequent to the period end:

- a) The Company entered into a definitive business combination agreement (the "Definitive Agreement") dated April 19, 2023 with Uravan Minerals Inc. ("Uravan"), pursuant to which Uravan has agreed to acquire all of the outstanding shares of the Company in exchange for 42,447,050 post-consolidated common shares of Uravan (the "Transaction"). The Company will hold an aggregate of approximately 90% of the issued and outstanding common shares of the resulting issuer (as defined below) following completion of the Transaction and accordingly the transaction will be considered a reverse takeover transaction. Upon completion of the Transaction, Uravan will continue to the province of British Columbia under the name "Nuclear Fuels Inc." (the "Resulting Issuer").

On July 10, 2023, the Company received final approval from the CSE for the listing of the Company's common shares. As a result, of the listing on the CSE and closing of the transaction with Uravan, the Company had an aggregate of 46,873,368 common shares issued and outstanding, of which 13,579,612 common shares are held in escrow with 10% released upon listing and 15% released every six months after listing.

- b) The Company issued 696,826 common shares to encore Energy in relation to the contractual top up right (Note 4).