Nuclear Fuels Inc.
(Formerly Uravan Minerals Inc.)

Consolidated Financial Statements
(Expressed in Canadian Dollars)

For the Year Ended March 31, 2024 and the period from incorporation on May 25, 2022 to March 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nuclear Fuels Inc. (formerly Uravan Minerals Inc.)

Opinion

We have audited the accompanying consolidated financial statements of Nuclear Fuels Inc. (formerly Uravan Minerals Inc.) (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the year ended March 31, 2024 and the period from incorporation on May 25, 2022 to March 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2024 and 2023, and its financial performance and its cash flows for the year ended March 31, 2024 and the period from incorporation on May 25, 2022 to March 31, 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $5,340,288 as of March 31, 2024. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments and share issuances.
- Evaluating, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Accounting for the Reverse Takeover Transaction ("RTO")

As described in Note 4 to the consolidated financial statements, the Company completed a RTO whereby the Company acquired all of the issued and outstanding common shares of Nuclear Fuels Energy Inc.

The principal considerations for our determination that performing procedures relating to the RTO is a key audit matter is that there was judgment made by management when assessing whether the transaction met the definition of a business, and separately, the degree of estimation utilized in determining the fair value of the consideration, specifically the determination of the fair value of the common shares issued and the replacement options.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included among others:

- Evaluating the appropriateness of management's assessment of the nature of operations of the accounting acquiree and whether the activities constituted a business.
- Examining and evaluating the contractual terms identified in underlying agreements in connection with the RTO.
- Evaluating the methodology used to determine the fair value of the consideration including the valuation assumptions.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year 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 Michael MacLaren.

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 26, 2024

NUCLEAR FUELS INC.
(Formerly Uravan Minerals Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

		March 31, 2024		March 31, 2023
Assets				
Current:				
Cash and cash equivalents	$	**5,562,062**	$	6,798,246
Short term investments		**1,498,759**		-
Receivables		**236,302**		20,011
Prepaids (Note 7)		**159,767**		-
		7,456,890		6,818,257
Non-current assets:				
Equipment		**45,146**		16,002
Exploration and evaluation assets (Note 5)		**5,340,288**		760,877
Total assets	$	**12,842,324**	$	7,595,136
Liabilities and shareholder's equity				
Current:				
Accounts payable and accrued liabilities	$	**261,786**	$	104,862
		261,786		104,862
Shareholder's equity				
Share capital (Note 6)		**21,987,466**		8,605,219
Reserves (Note 6)		**1,254,527**		219,115
Deficit		**(10,661,455)**		(1,334,060)
		12,580,538		7,490,274
Total liabilities and shareholder's equity	$	**12,842,324**	$	7,595,136

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved on Behalf of the Board on July 26, 2024:

"Gregory Huffman" "Rich Munson"

Gregory Huffman, Director Rich Munson, Director

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

NUCLEAR FUELS INC.
(Formerly Uravan Minerals Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

		For the year ended March 31, 2024	For the period from incorporation on May 25, 2022, to March 31, 2023
Operating expense			
Advertising	$	**407,312**	36,197
Amortization		**331**	-
Exploration and evaluation expenditures (Note 5)		**4,847,428**	361,524
Foreign exchange		**(48,392)**	(15,704)
Management fees (Note 7)		**138,357**	110,000
Office and miscellaneous		**127,002**	11,893
Property investigation (Note 5)		**-**	420,244
Professional fees (Note 7)		**386,714**	176,319
Regulatory and transfer agent fees		**116,842**	-
Share-based payments (Note 6 and 7)		**108,774**	219,115
Travel		**47,893**	14,472
Operating loss		**(6,132,261)**	(1,334,060)
Interest income		**91,597**	-
Impairment of deposit (Note 5)		**(208,034)**	-
Impairment of exploration and evaluation assets (Note 5)		**(844,840)**	-
Listing fee (Note 4)		**(2,233,857)**	-
Loss and comprehensive loss for the period	$	**(9,327,395)**	(1,334,060)
Basic and diluted loss per common share	$	**(0.19)**	(0.09)
Weighted average number of common share outstanding – basic and diluted		**48,266,394**	15,053,098

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

NUCLEAR FUELS INC.
(Formerly Uravan Minerals Inc.)
Consolidated Statement of Changes in Shareholder's Equity
(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	10,013,801	4,950,650	-	-	4,950,650
Equity issued per reverse takeover of NFI	4,426,317	2,213,158	79,635	-	2,292,793
Shares issued for cash, net of share issuance costs	12,720,000	6,218,439	847,003	-	7,065,442
Share-based payment	-	-	108,774	-	108,774
Loss and comprehensive loss for the year	-	-	-	(9,327,395)	(9,327,395)
Balance, March 31, 2024	**60,343,368**	**$21,987,466**	**$1,254,527**	**$(10,661,455)**	**$12,580,538**

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

NUCLEAR FUELS INC.
(Formerly Uravan Minerals Inc.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended March 31, 2024	Date of Incorporation May 25, 2022, to March 31, 2023
Cash flows from operating activities		
Net loss for the period	**$ (9,327,395)**	$ (1,334,060)
Non-cash items:		
Amortization	**11,245**	2,824
Listing fee (Note 4)	**2,233,857**	-
Share-based payments	**108,774**	219,115
Impairment of deposit	**208,034**	-
Impairment of exploration and evaluation assets	**844,840**	-
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	**58,025**	104,862
Receivables	**(208,698)**	(20,011)
Prepaids	**(159,767)**	-
Net cash used in operating activities	**(6,231,085)**	(1,027,270)
Cash flows from financing activities		
Issuance of shares and units for cash	**7,632,000**	8,424,199
Share issuance costs	**(566,558)**	(238,980)
Net cash received from financing activities	**7,065,442**	8,185,219
Cash flows from investing activities		
Transaction cost paid in cash for the reverse takeover of NFI	**(151,863)**	-
Cash received on the reverse takeover of NFI	**108,506**	-
Equipment	**(40,389)**	(18,826)
Exploration and evaluation assets	**(280,002)**	(340,877)
Purchase of short-term investments	**(1,498,759)**	-
Deposit	**(208,034)**	-
Net cash used in investing activities	**(2,070,541)**	(359,703)
Net change in cash and cash equivalents	**(1,236,184)**	6,798,246
Cash and cash equivalents, beginning of the period	**6,798,246**	-
Cash and cash equivalents, end of the period	**$ 5,562,062**	$ 6,798,246
Cash	**$ 2,757,162**	$ 6,798,246
Cash equivalents	**$ 2,804,900**	$ -
Supplemental cash flow information:		
Agent warrants	**$ 211,003**	$ -
Shares issued for exploration and evaluation assets	**$ 4,950,650**	$ 420,000

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

1 NATURE AND CONTINUANCE OF OPERATIONS

Nuclear Fuels Inc. (formerly Uravan Minerals Inc.) (the "Company" or "NFI") was incorporated on December 1, 1997. The address of its head office is located at Suite 1020-800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company's registered and records office is Suite 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8.

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 March 31, 2024, the Company had working capital of $7,195,104, had not yet achieved profitable operations and has an accumulated deficit of $10,661,455. 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.

Reverse Takeover

On July 10, 2023, the Company completed the reverse takeover transaction ("RTO") purchase in which it acquired Nuclear Fuels Energy Inc. (formerly Nuclear Fuels Inc.) ("NFEI"). NFEI is principally engaged in the acquisition and exploration of resource properties. 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's common shares listed on the TSXV under the symbol "UVN" were delisted in connection with the RTO and the Company's common shares were listed on the CSE under the trading symbol "NF".

On closing of the RTO, NFEI became a wholly owned subsidiary of the Company. As NFEI is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations are included in the consolidated financial statements at their historical carrying value. The Company's results of operations are those of NFEI, with NFI operations being included from July 10, 2023 onwards, the closing date. Please refer to the RTO (Note 4) for more details.

2 BASIS OF PRESENTATION

Statement of Compliance

The financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of Measurement

The 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 consolidated 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 consolidated financial statements include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation. All intercompany transactions and balances have been eliminated on consolidation.

Company	Place of Incorporation	Effective Interest	Principal Activity	Functional Currency
Nuclear Fuels Energy Inc. (formerly Nuclear Fuels Inc.)	Canada	100%	Exploration	Canadian Dollar
Belt Line Resources, Inc. ("Belt Line")	USA	100%	Exploration	Canadian Dollar
Hydro Restoration Corporation ("Hydro")	USA	100%	Exploration	Canadian Dollar
Prime Fuels Corp.	USA	100%	Exploration	Canadian Dollar

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with banks, and highly liquid short term interest bearing investments which are subject to an insignificant risk of change in value.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

b) Short-term investments

Short-term investments consist of Government of Canada Treasury Bills with terms greater than 90 days and less than 1 year.

c) 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.

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 cash and cash equivalents, receivables, and deposit 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.

3 SUMMARY OF MATERIAL 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 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.

d) 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, analyzing 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.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

e) 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

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

f) 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.

g) Share capital

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 most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

h) 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.

3 SUMMRY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

h) Share-based compensation

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.

i) 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.

j) 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 March 31, 2024, the Company has not incurred any such obligations.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

k) Significant judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets. The cost model is utilized, and the value of the exploration and evaluation assets is based on the acquisition costs incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;
- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether to recognize these deferred tax assets; and
- The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model which incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model required the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

The preparation of consolidated financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty; and
- The determination of functional currency of the Company and its subsidiaries.
- Acquisition of companies and a reverse take-over. Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 –Business Combinations, the components of a business must include inputs, processes and outputs. Management has determined that Belt, Hydro and NFI did not include those components. Accordingly, the acquisition of NFI has been recorded as an acquisition of NFI's net assets (Note 4 and 5).

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd…)

l) Accounting standards adopted during the year

The Company adopted the following new IFRS standard effective for annual periods beginning on or after January 1, 2023. The nature and impact of the standard on the Company's annual audited financial statements is indicated below.

In February 2021, the IASB issued Disclosure of Accounting Policies (amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). IAS 1 is amended to require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy and clarify that information may be material because of its nature, even if the related amounts are immaterial. These amendments have not had a material impact on the Company's annual financial statements.

m) Accounting pronouncements not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective and has determined that any other standards that have been issued would have no or very minimal impact on the Company's annual financial statements.

(Expressed in Canadian dollars)

4 ACQUISITION OF NUCLEAR FUELS ENERGY INC.

On July 10, 2023, the Company completed a RTO pursuant to the Business Combination Agreement in which the Company acquired NFEI. For accounting purposes, NFEI is deemed to be the accounting acquirer in such reverse takeover transaction. The net assets of NFI are acquired at fair value at July 10, 2023. The RTO was accounted for in accordance with guidance provided in IFRS 2, “Share-Based Payment” as NFI did not qualify as a business according to the definition in IFRS 3. Accordingly, NFI will be the continuing legal entity and the total purchase price is allocated to the assets acquired and liabilities assumed based on their respective fair values with excess allocated to charge to listing fee.

Additionally, the RTO was not considered to be a business acquisition as the primary item acquired was the public listing. Replacement options of NFI were issued in the amount of 292,000 stock options and are valued at $79,635. The fair value of the replacement options were estimated on the grant date using the Black-Scholes option model with the following weighted average variables: share price of $0.50, risk-free interest rate of 4.60%, expected option life of 1.5 year, expected stock price volatility of 100% and expected dividend rate of 0%. Each replacement option gives the holder the right to purchase one common share at an exercise price ranging from $0.31 to $0.63 and for a period of 1 to 4.37 years.

The Company issued 4,426,317 common shares with a fair value of $2,213,158 and paid $151,863 in transaction costs in connection with the RTO transaction.

The allocation of consideration transferred is summarized as follows:

Purchase Price	**Amount $:**
Fair value of the common shares of the resulting issuer held by NFI valued using the concurrent financing price	
Common shares	2,213,158
Replacement options	79,635
Transaction costs	151,863
Total consideration	2,444,656
Allocation of total consideration	
Cash	108,506
Receivables	7,593
Exploration and evaluation assets	193,599
Accounts payable and accrued liabilities	(98,899)
Listing fee	2,233,857
	2,444,656

5 EXPLORATION AND EVALUATION ASSETS

L.A.B. Critical Metals District Project ("L.A.B. Project"), Newfoundland

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

To exercise the option and acquire the right to a 100% interest in the L.A.B. 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 (issued with a fair value of $318,750) 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 L.A.B. 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 year ended March 31, 2024, the Company acquired additional claims contiguous with the L.A.B. Project by incurring staking costs of $17,670 (March 31, 2023 - $14,821).

During the year ended March 31, 2024, the Company posted and subsequently impaired a property deposit of $208,034 (March 31, 2023 - $Nil) associated with L.A.B.

The Company will be focusing on other projects and as a result the Company decided to impair the L.A.B. Project and deposit associated with the project and recorded an impairment of $651,241 and $208,034 respectively for the year end March 31, 2024.

Kaycee 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 Properties located in Wyoming, USA as part of the Kaycee Project.

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

- Pay US$140,000 on October 31, 2022 ($190,174 paid);
- Pay US$100,000 on October 31, 2023 ($137,710 paid); and
- Issue 600,000 (issued with a fair value of $120,000) common shares within 20 days of October 31, 2022.

5 EXPLORATION AND EVALUATION ASSETS (cont'd…)

Kaycee Project, Wyoming, USA (cont'd…)

The Miller Properties are 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.

During the year ended March 31,2024 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 common shares of the Company (issued with a fair value of $3,207,235); (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 consideration was allocated 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.

The Company issued 696,826 common shares valued at $348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The top up right to 19.9% interest in the Company was extinguished upon completion of the RTO. The allocation to the fair value of exploration and evaluation assets attributed to Bootheel Project $14,173 and Kaycee Project $246,699 and Moonshine Springs $87,541.

During the year ended March 31, 2024, the Company acquired additional claims contiguous with the Kaycee Project by incurring staking costs of $63,382 (March 31, 2023 - $60,204).

5 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 Hightest 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(paid $34,188);
- 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 year ended March 31, 2024, as described above, 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"). The transaction was accounted for as an asset purchase of mineral property interests with a fair value of exploration and evaluation assets attributed to the Bootheel Project of $174,243.

The Company issued 696,826 common shares valued at $348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The fair value of exploration and evaluation assets attributed to the Bootheel Project is $14,173.

5 EXPLORATION AND EVALUATION ASSETS (cont'd…)

Moonshine Springs, Arizona, USA

During the year ended March 31, 2024, 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 sold Belt Line in consideration for (i) issue 2,152,506 shares of the Company (issued with a fair value of $1,076,253); (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 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 being the sole asset of Belt Line.

The Company issued 696,826 common shares valued at $348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The allocation to the exploration and evaluation assets attributed to Moonshine Springs was valued at $87,541.

During the year ended March 31, 2024, the Company acquired additional claims contiguous with the Moonshine Project by incurring staking costs of $27,052 (March 31, 2023 - $47,586).

enCore Energy retains the right to participate in equity financings of the Company in order to maintain its percentage interest in the Company, 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 Company.

Lisbon Valley Property, Utah, USA

On July 10, 2023 by way of the RTO, the Company acquired 100% interest in certain unpatented lode mining claims situated in the State of Utah, USA, the Lisbon Valley Property. The Lisbon Valley Property is in the Lisbon Valley District, south-eastern Utah. The value associated to the Lisbon Valley Property is $193,599. The Lisbon Valley Property are subject to a 2.0% Net Smelter Royalty.

During the year ended March 31, 2024, the Company decided to focus on other projects and impaired the Lisbon Valley Property resulting in an impairment of $193,599.

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd…)

Exploration and evaluation property acquisition costs

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Springs Project	Lisbon Valley	Total
Balance, May 25, 2022	$ -	$ -	$ -	$ -	$ -	$ -
Acquisition cost – cash	-	28,092	190,174	-	-	218,266
Acquisition costs – share payments	300,000	-	120,000	-	-	420,000
Staking	14,821	-	60,204	47,586	-	122,611
Balance, March 31, 2023	$314,821	$28,092	$370,378	$47,586	$ -	$760,877
Acquisition costs – share payments	318,750	188,416	3,279,690	1,163,794	-	4,950,650
Acquisition costs – cash payments	-	34,188	137,710	-	-	171,898
RTO	-	-	-	-	193,599	193,599
Staking	17,670	-	63,382	27,052	-	108,104
Impairment	(651,241)	-	-	-	(193,599)	(844,840)
Balance, March 31, 2024	**$ -**	**$250,696**	**$3,851,160**	**$1,238,432**	**$ -**	**$5,340,288**

Exploration and evaluation expenditures incurred as follows:

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Spring Project	Total
Exploration Costs					
Aircraft	$587,883	$ -	$ -	$ -	$ 587,883
Amortization	-	-	10,915	-	10,915
Drilling	-	-	923,424	-	923,424
Equipment, field supplies, and other	647,795	21,305	127,380	250	796,730
Geological	304,850	17,431	916,015	1,561	1,239,857
Geophysical	270,960	-	128,090	4,724	403,774
Land access/claim renewal	32,114	11,934	530,092	126,180	700,320
Travel	113,837	-	70,688	-	184,525
Balance, March 31, 2024	$1,957,439	$50,670	$2,706,604	$132,715	$4,847,428

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd…)

	For the Period from Incorporation on May 25, 2022 to March 31, 2023
LAB Project	$
Amortization	2,824
Fieldworks, supplies, rentals and maintenance	223,151
Geological consulting	95,947
Geophysics	8,290
Travel	31,312
Total costs incurred during period	361,524

6 SHARE CAPITAL AND RESERVES

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended March 31, 2024, the Company:

a) issued 10,013,801 common shares valued at $4,950,650 relating to exploration and evaluation assets (Note 5).
b) issued 4,426,317 common shares at $0.50 per share for a value of $2,213,158 as part of the RTO (Note 4). In addition, the Company issued 292,000 stock options and are valued at $79,635.
c) the Company closed brokered private placements for gross proceeds of $7,632,000 through the sale of 12,720,000 units. The Company has allocated $6,996,000 to common shares and $636,000 to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of $0.80 per share until Jan. 24, 2027. In consideration for the services provided by the underwriters in connection with the offering, the Company paid the underwriters a cash commission and other expenses of $566,558 and issued to the underwriters an aggregate of 620,024 share purchase warrants. Each share purchase warrant is exercisable into one common share of the company at a price of $0.60 per share until Jan. 24, 2027. The 620,024 share purchase warrants have a fair value of $211,003. The weighted average fair value per warrant was $0.34. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.80% and volatility of 100%.

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd…)

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

a) issued 100 common shares for gross proceeds of $1.

b) 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.

c) issued 2,100,000 common shares valued at $420,000 relating to exploration and evaluation assets (Note 5).

c) Escrowed Common Shares.

Upon closing of the RTO, 13,579,612 common shares and 1,365,000 employee stock options of the Company outstanding at July 10, 2023 are subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 10,184,709 common shares and 1,023,750 employee stock options remained in escrow.

d) 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 March 31, 2024, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2023	1,850,000	$ 0.25
Granted	1,872,000	0.53
Balance, March 31, 2024	3,722,000	$ 0.39
Balance, March 31, 2024 Exercisable	2,142,000	$ 0.27

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd…)

During the year ended March 31, 2024, the Company issued:

292,000 stock options with a weighted average exercise price of $0.37 per share and a fair value of $79,635 was recognized within listing fee.

1,580,000 stock options with a weighted average exercise price of $0.56 per share and a fair value of $601,453 vesting over a period of 18 months. The weighted average fair value per option was $0.38. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.85% and volatility of 100%. As of March 31, 2024, $108,774 was recognized as share-based compensation expense in connection with the vesting of these options.

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 March 31, 2024:

Exercise prices	Number of options outstanding	Number of options exercisable	Weighted average life (years)
0.31	200,000*	200,000	0.32
0.63	52,000*	52,000	0.32
0.25	1,850,000	1,850,000	1.58
0.31	40,000	40,000	3.65
0.56	1,580,000	-	2.85
	3,722,000	2,142,000	2.06

* Options expired subsequent to year end.

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd…)

e) Share Purchase Warrants

As at March 31, 2024, the following share purchase warrants were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2023	-	$ -
Granted	6,980,024	0.78
Balance, March 31, 2024	6,980,024	$ 0.78

The following table summarizes information concerning outstanding share purchase warrants at March 31, 2024:

Exercise prices	Number of options outstanding	Weighted average life (years)
0.80	6,360,000	2.82
0.60	620,024	2.82
	6,980,024	2.82

7 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 year ended March 31, 2024, the Company entered into the following transactions with related parties:

Paid or accrued management fees of $138,357 (2023 – S110,000) to the former director and Chief Executive Officer of the Company.

Paid or accrued professional fees of $92,833 (2023 - $36,500) to the Chief Financial Officer of the Company.

Paid or accrued professional fees of $55,529 (2023 - $Nil) to a company controlled by a director of the Company.

During the year ended March 31, 2024, the Company advanced $618,684 to Platoro West Holdings Inc., a related party by way of common director, for explorations expenditures. As at March 31, 2024, $22,468 in exploration advance were included in prepaids.

During the year ended March 31, 2024, the Company issued 1,185,000 (2023 – 1,350,000) stock options to the officers and directors of the Company with a fair value of $451,089 (2023 - $159,895). Upon the issuance, $81,580 in share-based compensation expense was recorded relating to directors and officers. As well, the Company replaced 40,000 stock options to a director as part of the RTO valued at $15,838 and is included in total consideration.

8 CAPITAL MANAGEMENT

Capital is comprised of items within the Company's shareholder's equity. As at March 31, 2024, the Company's shareholder's equity was $12,580,538. 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 and there were no changes to the approach to capital management.

9 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 the Company's cash and cash equivalents, receivables, deposit and 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 March 31, 2024, the Company had a cash balance of $5,562,062 and short-term investments of $1,498,759 to settle current liabilities of $261,786.

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.

a) Interest rate risk

The Company has cash and cash equivalents, short-term investment balances and no interest-bearing debt. The interest rate risk on cash and cash equivalents and short-term investments are not considered significant.

9 FINANCIAL INSTRUMENTS AND RISK (cont'd…)

b) Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in Canadian dollars and US dollars. Any fluctuations of the Canadian dollar in relation to the US dollar may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

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.

10 SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Canada and the United States (Note 5).

(Expressed in Canadian dollars)

11 INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

	March 31, 2024	March 31, 2023
Loss for the period	$(9,327,395)	$(1,334,060)
Expected income tax recovery	(2,518,000)	(360,000)
Permanent difference	626,000	57,000
Share issue costs	(153,000)	(65,000)
Impact of RTO transaction	(3,672,000)	-
Other	197,000	(4,000)
Change in unrecognized deductible temporary differences	5,520,000	372,000
Income tax recovery	$ -	$ -

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

	March 31, 2024	March 31, 2023
Deferred income tax assets:		
Share issue	$ 603,000	$ 191,000
Allowable capital losses	1,846,000	-
Equipment	15,000	3,000
Exploration and evaluation assets	15,083,000	362,000
Non-capital losses carried forwards	4,928,000	817,000
Net deferred income tax assets not recognized	$22,475,000	$1,373,000

No deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has approximately $4,928,000 in non-capital losses for Canadian income tax purposes. The losses for Canada, if not utilized, will expire through 2044.

12 SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2024:

a) The Company granted 1,000,000 stock options, each exercisable at a price of $0.35 per common share for five years subject to semi-annual vesting over the first two years.