COSA RESOURCES CORP.

Financial Statements

For the year ended December 31, 2024 and the fourteen months ended December 31, 2023

(Expressed in Canadian dollars)

Independent Auditor's Report

To the Shareholders of Cosa Resources Corp.

Opinion

We have audited the financial statements of Cosa Resources Corp. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of loss and comprehensive loss, statements of cash flows and statements of changes in shareholders' equity for the year ended December 31, 2024 and the the fourteen months ended December 31, 2023, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for the year ended December 31, 2024 and the fourteen months ended December 31, 2023 in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present. No impairment indicators were identified by management as of December 31, 2024.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at December 31, 2024, was $ 2,024,066, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Notes 4 and 6 to the financial statements.

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How the Key Audit Matter Was Addressed in the Audit
Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained all mineral claim listings held by the Company and confirmed a sample of the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company has not yet achieved profitable operations and is dependent upon obtaining financing to fund operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the 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 on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

"D&H Group LLP"

Vancouver, B.C.
April 16, 2025

Chartered Professional Accountants

COSA RESOURCES CORP.
Statements of Financial Position
(Expressed in Canadian dollars)

	Note	**December 31, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash and cash equivalents		**1,682,243**	3,900,322
Goods and services tax recoverable		**344,677**	88,990
Prepaid expenses and deposits	5	**395,383**	178,640
		2,422,303	4,167,952
Prepaid expenses and deposits	5	**-**	253,436
Equipment		**11,429**	14,720
Exploration and evaluation assets	6	**2,024,066**	1,665,820
Total assets		**4,457,798**	6,101,928
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9	**325,033**	167,005
Flow-through premium liability	7	**617,147**	878,613
Total liabilities		**942,180**	1,045,618
SHAREHOLDERS' EQUITY			
Share capital	8(b)	**11,855,128**	7,915,368
Reserves		**1,814,485**	1,047,149
Deficit		**(10,153,995)**	(3,906,207)
Total shareholders’ equity		**3,515,618**	5,056,310
Total liabilities and shareholders’ equity		**4,457,798**	6,101,928

Nature of business and going concern (Note 1)
Change in financial year end (Note 2(d))
Subsequent events (Note 13)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ “Keith Bodnarchuk”	*/s/ “Janine Richardson”*
Director	Director

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

COSA RESOURCES CORP.
Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except number of shares)

	Note	**Year ended December 31, 2024**	Fourteen months ended December 31, 2023 Note 2(d)
		$	$
Operating expenses			
Depreciation		**3,291**	1,690
Exploration and evaluation expenses	6, 9	**6,428,942**	1,576,311
Marketing and investor relations		**800,889**	332,241
Office and administrative		**171,293**	58,496
Professional fees		**138,072**	211,356
Salaries and management fees	9	**657,843**	484,817
Share-based compensation	8(d), 9	**288,496**	444,528
Transfer agent and filing fees		**60,021**	138,401
Travel		**43,932**	42,217
		(8,592,779)	(3,290,057)
Other income			
Amortization of flow-through premium liability	7	**2,141,242**	501,657
Interest income		**203,749**	153,377
Net loss and comprehensive loss		**(6,247,788)**	(2,635,023)
Net loss per share:			
Basic and diluted		**(0.11)**	(0.07)
Weighted average number of common shares:			
Basic and diluted		**55,001,887**	39,347,078

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

COSA RESOURCES CORP.
Statements of Cash Flows
(Expressed in Canadian dollars)

	Year ended December 31, 2024	Fourteen months ended December 31, 2023
	$	$
Operating activities:		
Net loss for the year	**(6,247,788)**	(2,635,023)
Adjustments for:		
Depreciation	**3,291**	1,690
Share-based compensation	**288,496**	444,528
Amortization of flow-through premium liability	**(2,141,242)**	(501,657)
Changes in non-cash working capital:		
Goods and services tax recoverable	**(255,687)**	(41,371)
Prepaid expenses and deposits	**36,693**	(303,360)
Accounts payable and accrued liabilities	**64,928**	121,514
Cash used in operating activities	**(8,251,309)**	(2,913,679)
Investing activities:		
Acquisition of exploration and evaluation assets	**(46,146)**	(121,648)
Purchases of equipment	**-**	(16,410)
Cash used in investing activities	**(46,146)**	(138,058)
Financing activities:		
Proceeds from exercise of warrants	**40,658**	24,919
Proceeds from exercise of stock options	**43,800**	-
Proceeds from the issuance of units	**1,000,160**	1,557,791
Proceeds from the issuance of charity flow-through units	**5,500,656**	4,000,005
Unit issuance costs	**(505,898)**	(471,610)
Cash provided by financing activities	**6,079,376**	5,111,105
Net change in cash and cash equivalents	**(2,218,079)**	2,059,368
Cash and cash equivalents, beginning of year	**3,900,322**	1,840,954
Cash and cash equivalents, end of year	**1,682,243**	3,900,322
Supplemental cash flow information:		
Cash income tax paid	**-**	-
Cash interest paid	**-**	-
Cash interest received	**(203,749)**	(153,377)
Fair value of shares issued to acquire Aurora Uranium Project	**-**	75,000
Fair value of shares issued to acquire Orbit Uranium Project	**60,000**	-
Fair value of shares issued to acquire Titan Uranium Project	**159,000**	-
Unit issuance costs - warrants	**107,483**	127,951
Accrued costs of acquisition of exploration and evaluation assets	**93,100**	-

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

COSA RESOURCES CORP.
Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, October 31, 2022	33,725,079	4,125,558	487,881	(1,271,184)	3,342,255
Exercise of warrants	166,125	38,130	(13,211)	-	24,919
Units issued for cash	4,450,830	1,557,791	-	-	1,557,791
Charity flow-through units issued for cash	7,767,000	4,000,005	-	-	4,000,005
Flow-through premium liability	-	(1,281,555)	-	-	(1,281,555)
Share issuance costs - cash	-	(471,610)	-	-	(471,610)
Share issuance costs - agent warrants	-	(127,951)	127,951	-	-
Shares issued to acquire Aurora Uranium Project	150,000	75,000	-	-	75,000
Share-based compensation	-	-	444,528	-	444,528
Net loss and comprehensive loss for the year	-	-	-	(2,635,023)	(2,635,023)
Balance, December 31, 2023	46,259,034	7,915,368	1,047,149	(3,906,207)	5,056,310
Exercise of warrants	178,880	78,767	(38,109)	-	40,658
Exercise of stock options	140,000	76,774	(32,974)	-	43,800
Units issued for cash	2,128,000	904,400	95,760	-	1,000,160
Charity flow-through units issued for cash	7,704,000	5,153,976	346,680	-	5,500,656
Flow-through premium liability	-	(1,879,776)	-	-	(1,879,776)
Share issuance costs - cash	-	(505,898)	-	-	(505,898)
Share issuance costs - agent warrants	-	(107,483)	107,483	-	-
Shares issued to acquire Titan Uranium Project	300,000	159,000	-	-	159,000
Shares issued to acquire Orbit Uranium Project	250,000	60,000	-	-	60,000
Share-based compensation	-	-	288,496	-	288,496
Net loss and comprehensive loss for the year	-	-	-	(6,247,788)	(6,247,788)
Balance, December 31, 2024	**56,959,914**	**11,855,128**	**1,814,485**	**(10,153,995)**	**3,515,618**

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

1. NATURE OF BUSINESS

Cosa Resources Corp. (the "Company") was incorporated under the Business Corporations Act of British Columbia on November 16, 2020. The Company's head office is located at 1723 - 595 Burrard St, Vancouver, British Columbia, Canada, V7X 1L4; and its registered office is located at 401 - 353 Water Street, Vancouver, British Columbia, Canada, V6B 1B8. The Company's common shares trade on the TSX Venture Exchange under the symbol "COSA", the OTCQB Venture Market under the ticker symbol "COSAF", and on the Frankfurt Stock Exchange under the ticker symbol "SSKU".

The Company's principal business activities include the acquisition and exploration of mineral property assets. The Company is in the exploration stage with respect to its interests in exploration and evaluation assets. The recoverability of the amounts comprising exploration and evaluation assets is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

Going concern

These financial statements for the year ended December 31, 2024 and 2023 (the "financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2024, the Company has not yet achieved profitable operations. The continuing operations of the Company are dependent upon obtaining the necessary financing to meet the Company's commitments as they become due and its ability to finance future exploration and development of potential business acquisitions, economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, and upon future profitable production. Failure to continue as a going concern would require that assets and liabilities be recorded at their liquidation values, which may differ materially from their carrying values. These conditions indicate the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements have been prepared on a going concern basis, which assumes the realization of assets and discharge of liabilities in the normal course of business. These financial statements do not include any adjustments for the recoverability and classification of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on April 16, 2025.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of the Company is the Canadian dollar. The financial statements are presented in Canadian dollars, except as otherwise noted.

d) Change in financial year end

On September 21, 2023, the Company announced the change of its fiscal year end from October 31 to December 31. The change more closely aligns the Company's financial reporting periods to its peers and facilitates investors to compare quarterly and annual financial results. The Company elected to have a transition year of a fourteen-month period from November 1, 2022 to December 31, 2023 ("Fiscal 2023"). Accordingly, the comparative figures are prepared for the fourteen months ended December 31, 2023. The current year is for the twelve months ended December 31, 2024 ("Fiscal 2024").

3. MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of twelve months or less which correspond to cashable GICs which are redeemable at any time without penalties.

b) Related party disclosures

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

c) Exploration and evaluation assets

Costs incurred before the Company has acquired the right to explore a property are expensed as incurred. Exploration and evaluation asset acquisition costs including option payments are capitalized. Exploration expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are expensed as incurred. Once a property is brought into production, the capitalized costs are amortized on a units-of-production basis, or until the property is abandoned, sold or management determines that the asset is no longer economically viable, at which time the unrecovered deferred costs are expensed. Proceeds received from the sale of any interest in a property will be credited against the carrying value of the property, with any excess included in the statement of profit (loss).

d) Share capital and share issuance costs

Common shares are classified as equity. Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash, are measured based on the fair value of the consideration received, unless the fair value cannot be estimated reliably, in which case they are measured at the fair value of the shares at the date the shares are issued.

Professional, consulting, regulatory and other costs directly attributable to equity financing transactions are recorded as share issue costs when the financing transactions are completed if the completion of the transaction is considered likely. Otherwise, they are expensed as incurred. Share issuance costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

e) Share-based compensation

Share-based compensation to employees and others providing similar services are measured at the estimated fair value of the instruments issued on the grant date and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to share-based compensation expense is recorded in reserves.

Consideration received on the exercise of stock options is recorded as share capital and the related equity settled share-based compensation reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from equity settled share-based compensation reserve.

f) Share purchase warrants

Share purchase warrants are classified as a component of equity.

Proceeds from unit issuances by the Company consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

3. MATERIAL ACCOUNTING POLICIES (continued)

Share purchase warrants issued for services are initially recorded as a part of reserves in equity at the recognized fair value. The fair value of the share purchase warrants is determined using the Black-Scholes option pricing model.

Upon exercise of the share purchase warrants the previously recognized value of the warrants exercised is reallocated to share capital from reserves. The proceeds generated from the payment of the exercise price are allocated to share capital. Should the warrants expire before exercise the previously recognized value of the warrants expired is reallocated to contributed surplus from warrants reserve.

g) Flow-through shares

Canadian income tax legislation permits companies to issue flow-through instruments whereby the income tax deductions generated by eligible expenditures of the Company, defined in the Income Tax Act (Canada) as qualified Canadian exploration expenses, are claimed by the investors rather than by the Company. Shares issued on a flow-through basis are typically sold at a premium above the market share price which relates to the tax benefits that will flow through to the investors. The Company often issues flow-through shares as part of its equity financing transactions in order to fund its Canadian exploration activities. The Company estimates the portion of the proceeds attributable to the premium as being the excess of the flow-through share price over the market share price of the common shares without the flow-through feature at the time of issuance. When the Company issues flow-through units, the proceeds are allocated to common shares and share purchase warrants consistent with the policy described in Note 3(f) and the balance, if any, is attributed to the premium. The premium is recorded as a liability which represents the Company's obligation to spend the flow-through funds on eligible expenditures and is amortized as other income through profit or loss as the eligible expenditures are incurred.

h) Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares using the treasury stock method. If the Company incurs net losses in a fiscal year, basic and diluted losses per share are calculated in the same manner. In the Company's case, diluted loss per share is the same as basic loss per share as the effect of outstanding stock options and warrants on loss per share would be anti-dilutive.

i) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against, which they can be utilized. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. MATERIAL ACCOUNTING POLICIES (continued)

j) Financial instruments

Financial assets

The Company classifies its financial assets in the following categories:

i. Fair value through profit or loss ("FVTPL")
ii. Fair value through other comprehensive income ("FVTOCI")
iii. Amortized cost

The determination of the classification of financial assets is made at initial recognition. The Company's accounting policy for each of the categories is as follows:

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in profit or loss. The Company has no financial assets in this category as at December 31, 2024 or 2023.

Financial assets at FVTOCI

Financial assets carried 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 income or loss. The Company has no financial assets in this category as at December 31, 2024 or 2023.

Financial assets at amortized cost

A financial asset is measured at amortized cost if the objective is to hold the financial asset for the collection on contractual cash flows and the asset's contractual cash flows are comprised solely of payments of principal and interest. The financial asset is classified as current or non-current based on its maturity date and is initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company classifies cash and cash equivalents in this category.

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. The financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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:

Financial liabilities at FVTPL

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 profit or loss. The Company has no financial liabilities in this category as at December 31, 2024 or 2023.

Other financial liabilities

This category includes accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

3. MATERIAL ACCOUNTING POLICIES (continued)

The effective interest method calculates the amortized cost of a financial liability and allocates interest expense over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts over the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs in respect of financial liabilities at fair value through profit or loss are recognized in profit or loss immediately while transaction costs associated with other financial liabilities are included in the initial measurement of the financial liability.

Financial liabilities are derecognized when their contractual obligations are discharged, cancelled, or expire. The Company derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value.

k) Equipment

Equipment is stated at historical cost net of accumulated depreciation and impairment losses.

The cost of an item of equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as repairs and maintenance.

The carrying amounts of equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, whichever is shorter. Depreciation starts on the date when commissioning is complete, and the asset is ready for its intended use.

Equipment is depreciated over 5 years using a straight-line depreciation method.

l) New and amended IFRS Accounting standards

The Company adopted the following amendments to accounting standards, which are effective for annual periods beginning on or after January 1, 2024:

<u>Classification of liabilities as current or non-current - amendments to IAS 1</u>

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments have not had an impact on the classification of the Company's liabilities

<u>Supplier finance arrangements - amendments to IAS 7 and IFRS 7</u>

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments had no impact on the Company's financial statements.

<u>Lease liability in a sale and leaseback - amendments to IFRS 16</u>

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Company's financial statements.

3. MATERIAL ACCOUNTING POLICIES (continued)

m) Pronouncements issued but not yet effective:

IFRS 18 Presentation and Disclosure in Financial Statements ("IFRS 18")

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its ‘operating profit or loss’. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity’s financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. The Company is currently assessing the effects of IFRS 18 on the financial statements.

IFRS 9 Financial Instruments (“IFRS 9”) and IFRS 7 Financial Instruments: Disclosures (“IFRS 7”)

In May 2024, the IASB issued *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7).* These amendments updated classification and measurement requirements in IFRS 9 *Financial Instruments* and related disclosure requirements in IFRS 7 *Financial Instruments: Disclosures.* The IASB clarified the recognition and derecognition date of certain financial assets and liabilities, and amended the requirements related to settling financial liabilities using an electronic payment system. It also clarified how to assess the contractual cash flow characteristics of financial assets in determining whether they meet the ‘solely payments of principal and interest’ criterion, including financial assets that have environmental, social and corporate governance (ESG)-linked features and other similar contingent features. The IASB added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs and amended disclosures relating to equity instruments designated at fair value through other comprehensive income. The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted. The Company is currently assessing the effect of these amendments on the financial statements.

The Company has not early adopted any new accounting standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINITY

The preparation of the Company’s financial statements and applying its accounting policies requires management to make judgments, estimates and assumptions that affect the reported amounts of, expenses, assets and liabilities, the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

a) Going concern

These financial statements were prepared under the assumption that the Company will continue as a going concern. The Company’s management has assessed the Company’s ability to continue as a going concern and has exercised judgment in its determination that the Company has the necessary resources and access to capital to continue its business for the foreseeable future.

b) Impairment of exploration and evaluation assets

At the end of each financial reporting period, the carrying amounts of the Company’s non-financial assets are reviewed to determine whether there is any indication that an impairment loss or reversal of previous impairment should be recorded. Where such an indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any.

(Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINITY (continued)

With respect to exploration and evaluation assets, the Company is required to make estimates and judgments about future events and circumstances and whether the carrying amount of exploration assets exceeds its recoverable amount. Recoverability depends on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the exploration and evaluation assets themselves. Additionally, there are numerous geological, economic, environmental, and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or its ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

Significant areas requiring the use of management estimates and assumptions include:

c) Fair value calculation of share-based compensation

The fair value of share-based compensation in relation to the options granted is calculated using a Black- Scholes option pricing model. There are a number of inputs used in the calculation such as the expected option life, risk-free interest rate used and the future price volatility of the underlying security, which can vary from actual future events. The factors applied in the calculation are management's best estimates based on industry average and future forecasts.

5. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	December 31, 2024	December 31, 2023
	$	$
Prepaid expenses	**141,947**	178,640
Saskatchewan Ministry of Energy and Resources deficiency deposit	**253,436**	253,436
	395,383	432,076
Current portion	**395,383**	178,640
Non-current portion	**-**	253,436

During the fourteen months ended December 31, 2023, the Company made a deficiency deposit to the Saskatchewan Ministry of Energy and Resources. This deposit was related to mandatory expenses for the Aurora Uranium Project, one of the properties within the 'Other Athabasca Uranium Projects' (Note 6). The Company met the mandatory expenses in 2024 and expects to receive a reimbursement for this deposit during the first half of 2025 following government review and approval of the completed work.

6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

A summary of the Company's exploration and evaluation assets comprising capitalized acquisition costs is as follows:

	December 31, 2024	December 31, 2023
	$	$
Heron Project (i)	**470,000**	470,000
Castor Property (ii)	**121,661**	121,661
Charcoal Property (ii)	**453,193**	453,193
Orion Property (ii)	**264,014**	88,278
Ursa Property (ii)	**398,371**	397,248
Aurora Uranium Project (iii)	**96,500**	95,000
Denison Projects (iv)	**108,833**	-
Other Athabasca Uranium Projects (v)	**111,494**	40,440
	2,024,066	1,665,820

6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

i) Heron Project

In April 2021, the Company entered into an option agreement with arm's length vendors pursuant to which the Company had the option to acquire a 100% interest in the Heron copper project in northern Saskatchewan, Canada (the "Heron Project"). On May 12, 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares of the Company with a fair value of $450,000 to complete its remaining obligation under the terms of the option agreement.

The Heron Project is subject to a 2% net smelter return royalty ("NSR"). The Company will have the right at any time following the delivery of a feasibility report on the Heron Project to repurchase 1% NSR for $2,000,000 in cash, and the remaining 1% NSR for $5,000,000 in cash.

ii) Polaris Athabasca Uranium Properties

As at December 31, 2024, the Company held a portfolio of properties in the Athabasca Basin which were initially acquired through the 2022 acquisition of Polaris Uranium Corp., which include four uranium exploration properties, consisting of Castor Property, Charcoal Property, Orion Property, and Ursa Property. The Ursa Property is subject to a 2% NSR which can be reduced to 1% with the payment of $1,000,000.

In 2023, the Company acquired via low-cost staking and cash consideration paid to an arm's length property vendor, an additional 44,649 hectares of uranium exploration mineral claims contiguous to the Company's Ursa Property with acquisition costs of $53,641.

In 2023, the Company acquired through staking an additional 5,119 hectares north of the McArthur River uranium mine, which is part of the Company's Orion Property.

On January 31, 2024, the Company acquired the Titan Uranium Project which comprises an additional 9,333 hectares that are part of the Company's Orion Property. The extension to the Orion Property was acquired through the issuance of 300,000 common shares. As a result, $159,000 was recognized as exploration and evaluation assets of the Company (Note 8(b)).

iii) Aurora Uranium Project

On December 1, 2023, the Company acquired a 100% interest in the Aurora Uranium Project by issuing 150,000 common shares at a price of $0.50 per common share for fair value of $75,000 (Note 8(b)).

iv) Denison Projects

During the year ended December 31, 2024, the Company incurred $93,100 and $15,734 in legal fees and other acquisition costs, respectively, in connection with the acquisition of the Denison Projects. This acquisition was closed on January 14, 2025 (Note 13).

v) Other Athabasca Uranium Projects

As at December 31, 2024, the Company holds a portfolio of properties in the Athabasca Basin which includes seven uranium exploration properties, totaling of 86,973 hectares of prospective uranium exploration ground (together known as the "Other Athabasca Uranium Projects"). The Other Athabasca Uranium Projects have been acquired through staking and purchase and include Astro, Eclipse, Helios, Orbit, Polaris, Cosmo, and Solstice.

On August 6, 2024, the Company issued 250,000 common shares to acquire 100% interest in the two additional mineral claims in the Orbit Uranium Project at a fair value of $0.24 per common share for gross consideration of $60,000.

(Expressed in Canadian dollars, except where noted)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

A summary of the Company's exploration and evaluation expenses for Fiscal 2024 and Fiscal 2023 is as follows:

	Note	**December 31, 2024**	December 31, 2023 Note 2(d)
		$	$
Heron Project	(i)	**3,431**	14,026
Castor Property	(ii)	**2,195**	98,343
Charcoal Property	(iii)	**2,116**	191,119
Orion Property	(iv)	**205,886**	107,172
Ursa Property	(v)	**5,526,071**	1,102,762
Aurora Uranium Project	(vi)	**432,278**	7,214
Other Athabasca Uranium Projects	(vii)	**256,965**	55,675
		6,428,942	1,576,311

i) Heron Project

A summary of the Company's exploration and evaluation expenses relating to the Heron Project for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Geophysics	**1,105**	806
General exploration	**2,326**	13,220
	3,431	14,026

ii) Castor Property

A summary of the Company's exploration and evaluation expenses relating to the Castor Property for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Geophysics	**-**	83,702
General exploration	**2,195**	14,641
	2,195	98,343

iii) Charcoal Property

A summary of the Company's exploration and evaluation expenses relating to the Charcoal Property for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Geophysics	**-**	177,640
General exploration	**2,116**	13,479
	2,116	191,119

(Expressed in Canadian dollars, except where noted)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

iv) Orion Property

A summary of the Company's exploration and evaluation expenses relating to the Orion Property for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Geophysics	**173,399**	83,708
General exploration	**32,487**	23,464
	205,886	107,172

v) Ursa Property

A summary of the Company's exploration and evaluation expenses relating to the Ursa Property for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Drilling	**3,980,352**	18,465
Geophysics	**1,228,238**	928,131
General exploration	**317,481**	156,166
	5,526,071	1,102,762

vi) Aurora Uranium Project

A summary of the Company's exploration and evaluation expenses relating to the Aurora Uranium Project for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Early-stage exploration	**595**	-
Geophysics	**406,065**	-
General exploration	**25,618**	7,214
	432,278	7,214

vii) Other Athabasca Uranium Projects

A summary of the Company's exploration and evaluation expenses relating to the Other Athabasca Uranium Projects for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Early-stage exploration	**6,547**	-
Geophysics	**197,756**	-
General exploration	**52,662**	55,675
	256,965	55,675

(Expressed in Canadian dollars, except where noted)

7. FLOW-THROUGH PREMIUM LIABILITY

The Company has raised funds through the issuance of flow-through equity securities. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year following the issuance of equity securities.

The premium received for a flow-through equity security, which is the price received for the equity security in excess of the market price of the share, is recorded as a flow-through premium liability. This liability is subsequently reduced when the required exploration expenditures are made, on a pro rata basis, and accordingly, a recovery of flow-through premium is then recorded as a reduction in the deferred tax expense to the extent that deferred income tax assets are available.

On June 21, 2023, the Company issued 7,767,000 charity flow-through units (the “2023 Charity FT Units”) at $0.515 per 2023 Charity FT Unit for gross proceeds of $4,000,005. Each 2023 Charity FT Unit consists of one flow-through common share and one half of a warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.50 until June 21, 2025. The 2023 Charity FT Units were issued at a premium of $0.165 per 2023 Charity FT Unit. As a result, a flow-through premium liability of $1,281,555 was recorded. The Company is obligated to spend $4,000,005 by December 31, 2024 on eligible exploration expenditures.

On March 5, 2024, the Company issued 7,704,000 charity flow-through units (the “2024 Charity FT Units”) at $0.714 per 2024 Charity FT Unit for gross proceeds of $5,500,656. Each 2024 Charity FT Unit consists of one flow-through common share and one half of a warrant. Each whole warrant entitles the holder thereof to purchase one common share of the Company at an exercise price of $0.67 until March 5, 2026. The 2024 Charity FT Units were issued at a premium of $0.244 per 2024 Charity FT Unit. As a result, a flow-through premium liability of $1,879,776 was recorded. The Company is obligated to spend $5,500,656 by December 31, 2025 on eligible exploration expenditures.

During the year ended December 31, 2024, the Company incurred qualifying exploration expenditures of $6,438,421 (December 31, 2023 - $1,598,426). As a result, during the year ended December 31, 2024, the Company recognized amortization in connection with the flow-through premium liability of $2,141,242 (December 31, 2023 - $501,657).

A summary of the Company’s flow-through premium liability and remaining eligible expenditure obligation movement is as follows:

	Flow-through funding and eligible expenditures	**Flow-through premium liability**
	$	$
Balance, October 31, 2022	345,501	98,715
Flow-through funds raised	4,000,005	1,281,555
Eligible expenditures	(1,598,426)	(501,657)
Balance, December 31, 2023	2,747,080	878,613
Flow-through funds raised	5,500,656	1,879,776
Eligible expenditures	(6,438,421)	(2,141,242)
Balance, December 31, 2024	**1,809,315**	**617,147**

8. SHARE CAPITAL AND RESERVES

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the year ended December 31, 2024, the Company completed the following transactions:

- On January 31, 2024, the Company issued 300,000 common shares to acquire 100% interest in the Titan Uranium Project at a fair value of $0.53 per common share for gross consideration of $159,000 (Note 6(ii)).
- On March 5, 2024, the Company closed a brokered private placement consisting of 2,128,000 units and 7,704,000 Charity FT Units (Note 7). The units were priced at $0.47 per unit for gross proceeds of $1,000,160. Each unit contained one common share and half of a warrant with an exercise price of $0.67 and expire on March 5, 2026. Applying the residual method, proceeds were allocated between shares and warrants using the closing fair value on the issuance date of $0.42 for one common share. Proceeds from the units of $904,400 were allocated to share capital and a residual amount of $95,760 was allocated to reserves. The Charity FT Units were priced at $0.714 per unit and consist of one flow-through common share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.67 and expire on March 5, 2026. The gross proceeds were first allocated to the flow-through premium liability, calculated as the difference between the price of a Charity FT Unit and the price of a unit on the issue date. As a result, $1,879,776 was allocated to the flow-through premium. The remaining proceeds of $3,620,880 were allocated using the residual value method. As a result, $3,274,200 was allocated to share capital and $346,680 was allocated to reserves. Total share issuance costs were $613,381 in connection with this private placement, which include $505,898 of cash unit issuance costs and $107,483 related to 490,552 agent warrants issued to agents, which were valued using the Black-Scholes option pricing model with a corresponding amount added to reserves. Each agent warrant entitles the holder to purchase one common share at an exercise price of $0.47 until March 5, 2026.
- On August 6, 2024, the Company issued 250,000 common shares to acquire 100% interest in the two additional mineral claims in the Orbit Uranium Project at a fair value of $0.24 per common share for gross consideration of $60,000.
- The Company issued 178,880 common shares for gross proceeds of $40,658 on the exercise of warrants. Accordingly, the Company reallocated $38,109 from reserves to share capital.
- The Company issued 140,000 common shares for gross proceeds of $43,800 on the exercise of stock options. Accordingly, the Company reallocated $32,974 from reserves to share capital.

During the fourteen months ended December 31, 2023, the Company completed the following transactions:

- On June 21, 2023, the Company closed a brokered private placement consisting of 4,450,830 units and 7,767,000 Charity FT Units (Note 7). The units were priced at $0.35 per unit for gross proceeds of $1,557,791. Each unit contained one common share and one half of a warrant with an exercise price of $0.50 and expire on June 21, 2025. Proceeds from the units of $1,557,791 were allocated to share capital. The Charity FT Units were priced at $0.515 and consist of one flow-through common share and one half of a warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of $0.50 and expire on June 21, 2025.The gross proceeds were first allocated to the flow-through premium liability, calculated as the difference between the price of a Charity FT Unit and the price of a unit on the issue date. As a result, $1,281,555 was allocated to the flow-through premium. The remaining proceeds of $2,718,450 were allocated using the residual value method. As the fair value of the common shares issued exceeded the remaining proceeds, after the allocation of the flow-through premium, there were no proceeds allocated to the warrants. As a result, $2,718,450 was allocated to share capital. Total share issuance costs were $599,561 in connection with this private placement, which include $471,610 of cash share issuance costs and $127,951 related to 647,355 agent warrants issued to agents, which were valued using the Black-Scholes option pricing model with a corresponding amount added to the reserves account in equity. Each agent warrant entitles the holder to purchase one common share at an exercise price of $0.35 until June 21, 2025.
- On December 1, 2023, the Company issued 150,000 common shares to acquire 100% interest in the Aurora Uranium Project at a price of $0.50 per common share for fair value of $75,000.
- The Company issued 166,125 common shares for gross proceeds of $24,919 on the exercise of warrants. Accordingly, the Company reallocated $13,211 from reserves to share capital.

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL AND RESERVES (continued)

c) Warrants

A summary of the Company's warrant activity is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, October 31, 2022	334,213	0.18
Issued (Note 8(b))	6,756,271	0.49
Exercised	(166,125)	0.15
Balance, December 31, 2023	6,924,359	0.48
Issued (Note 8(b))	5,406,552	0.65
Exercised	(178,880)	0.22
Expired	(3,608)	0.35
Balance, December 31, 2024	**12,148,423**	**0.56**

During the year ended December 31, 2024, the weighted average share price on the date of exercise of warrants was $0.46 per share (2023 - $0.39).

A summary of the Company's outstanding warrants as at December 31, 2024 is as follows:

Date of expiry	**Number of warrants**	**Weighted average exercise price**	**Weighted average remaining life**
	#	$	Years
June 21, 2025	6,108,916	0.50	0.47
June 21, 2025	632,955	0.35	0.47
March 5, 2026	4,916,000	0.67	1.18
March 5, 2026	490,552	0.47	1.18
	12,148,423	**0.56**	**0.78**

A summary of the Company’s weighted average assumptions used in the Black-Scholes option pricing model for warrants issued for the year ended December 31, 2024 and fourteen months ended December 31, 2023 is as follows:

	2024	2023
Share price	$0.43	$0.36
Exercise price	$0.47	$0.49
Expected life	2 years	2 years
Risk-free interest rate	4.04%	4.63%
Expected volatility	100.00%	100.00%
Expected annual dividend yield	0.00%	0.00%

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL AND RESERVES (continued)

d) Stock options

The Company has adopted a stock option plan, subject to regulatory and shareholder approvals, whereby directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company.

A summary of the Company's stock option activity is as follows:

	Number of stock options outstanding	Weighted average exercise price
	#	$
Balance, October 31, 2022	3,215,000	0.31
Granted	1,150,000	0.34
Balance, December 31, 2023	4,365,000	0.32
Granted	1,179,000	0.31
Exercised	(140,000)	0.31
Forfeited	(20,000)	0.27
Balance, December 31, 2024	**5,384,000**	**0.31**

During the year ended December 31, 2024, the weighted average share price on the date of exercise of options was $0.42 per share (December 31, 2023 - $nil).

A summary of the Company's outstanding stock options as at December 31, 2024 is as follows:

Date of expiry	Number of stock options outstanding	Number of stock options exercisable	Weighted average exercise price	Weighted average remaining life
	#	#	$	Years
March 30, 2027	2,000,000	2,000,000	0.33	2.25
July 5, 2027	1,030,000	1,030,000	0.27	2.51
October 5, 2027	25,000	25,000	0.21	2.76
December 1, 2027	150,000	150,000	0.17	2.92
June 26, 2028	950,000	633,334	0.36	3.49
October 4, 2028	50,000	33,334	0.36	3.76
June 26, 2029	1,179,000	393,000	0.31	4.49
	5,384,000	**4,264,668**	**0.31**	**3.04**

All stock options have a term of five years and vest in three equal annual installments commencing on the date of the grant.

During the year ended December 31, 2024, the Company recorded share-based compensation of $288,496 (December 31, 2023 - $444,528) related to the vesting of stock options.

A summary of the Company's weighted average assumptions used in the Black-Scholes option pricing model for stock options granted during the year ended December 31, 2024 and fourteen months ended December 31, 2023 is as follows:

	2024	2023
Share price	$0.30	$0.33
Exercise price	$0.31	$0.34
Expected life	5 years	5 years
Risk-free interest rate	3.51%	3.64%
Expected volatility	100.00%	100.00%
Expected annual dividend yield	0.00%	0.00%

(Expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL AND RESERVES (continued)

e) Escrowed Shares

During the year ended December 31, 2024, the Company released 4,562,500 common shares from escrow and as at December 31, 2024 the Company has 881,250 common shares subject to escrow.

IPO Escrowed Shares

On March 21, 2022, in connection with the Company's IPO, an escrow agreement (the "IPO Escrow Agreement") between management and the Company's Board of Directors was completed resulting in 5,375,000 common shares (the "IPO Escrowed Shares") being deposited in escrow. Pursuant to the IPO Escrow Agreement, 10% of the IPO Escrowed Shares were released from escrow on the IPO Escrow Agreement date (the "Initial Release") and an additional 15% to be released every six-month interval thereafter, for a period of 36 months following the Initial Release. These IPO Escrowed Shares, may not be transferred, assigned, or otherwise dealt without the consent of the regulatory authorities.

As at December 31, 2024, 4,568,750 IPO Escrowed Shares have been released from escrow. The remaining 806,250 IPO Escrowed Shares will be released on March 21, 2025 (Note 13).

Titan acquisition

On January 12, 2024, the Company acquired a 100% interest in the Titan Uranium Project, an extension to the Orion Property presented as part of the Polaris Athabasca Uranium Projects, issued 300,000 common shares (the "Titan Consideration Shares") to complete its remaining obligation under the terms of the agreement. The Titan Consideration Shares are subject to a 4-month hold period in escrow, with 25% being released from escrow every three months commencing on May 13, 2024.

As at December 31, 2024, 225,000 Titan Consideration Shares have been released from escrow. The remaining 75,000 Titan Consideration Shares will be released on February 21, 2025 (Note 13).

9. RELATED PARTY DISCLOSURES

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions with key management personnel for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Exploration and evaluation expenses	**137,161**	145,982
Salaries and management fees	**499,484**	339,909
Share-based compensation	**192,513**	320,778
	829,158	806,669

A summary of the Company's related party exploration and evaluation expenses for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Vice President of Exploration	**137,161**	145,982

(Expressed in Canadian dollars, except where noted)

9. RELATED PARTY DISCLOSURES (continued)

A summary of the Company's related party salaries and management fees for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Chief Executive Officer	**260,000**	192,000
Chief Financial Officer	**141,000**	85,400
Vice President of Exploration	**98,484**	22,509
Executive Vice President (former Chief Financial Officer)	**-**	40,000
	499,484	339,909

A summary of the Company's related party share-based compensation for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023 Note 2(d)
	$	$
Chief Executive Officer	**28,663**	58,074
Chief Financial Officer	**31,399**	32,374
Vice President of Exploration	**47,551**	56,655
Executive Vice President (former Chief Financial Officer)	**-**	47,741
Directors	**84,900**	125,934
	192,513	320,778

10. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support current operations comprising the acquisition and development of its exploration and evaluation assets. The Company obtains funding primarily through issuing common shares. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the year ended December 31, 2024. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

> Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
> Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
> Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company's financial instruments comprise cash and cash equivalents, deposits and accounts payable and accrued liabilities. Cash and cash equivalents are classified and subsequent measured at fair value to profit and loss using Level 1 inputs. Deposits and AP and AL are are classified and subsequently measured at amortized cost.. The carrying values of deposits and accounts payable and accrued liabilities approximate their fair values because of their short-term nature.

(Expressed in Canadian dollars, except where noted)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is as follows:

a) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to fulfill its contractual obligations. Credit risk for the Company is associated with its cash and cash equivalents and deposit. The Company has minimal exposure to credit risk as the Company's cash and cash equivalents are held with major Canadian financial institutions and its deposit with a government ministry.

b) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates. The Company holds its cash and cash equivalents in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market interest rates do not have a significant impact on the estimated fair value of the Company's cash and cash equivalents balance as at December 31, 2024. The Company does not have any financial assets or liabilities subject to changes in exchange rates so does not expect exchange rates to have a material impact to the Company.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash and cash equivalents. The Company's cash and cash equivalents are invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements.

The Company's financial liabilities, accounts payable and accrued liabilities $323,033 (2023 - $167,005), based on contractual undiscounted payments, will all be settled in less than three months from December 31, 2024.

12. INCOME TAXES

A summary of the Company's reconciliation of income taxes at statutory rates for Fiscal 2024 and Fiscal 2023 is as follows:

	December 31, 2024	December 31, 2023
	$	$
Loss for the year	**(6,247,788)**	(2,635,023)
Combined federal and provincial statutory income tax rates	**27%**	27%
Income tax recovery at statutory rates	**(1,686,900)**	(711,500)
Non-deductible expenditures and non-taxable revenues	**(500,200)**	(14,400)
Change in statutory, foreign tax, foreign exchange rates and other	**-**	-
Impact of flow through share	**1,738,400**	420,000
Share issuance costs	**(136,600)**	(127,300)
Adjustments to prior years provision versus statutory tax returns and expiry of non-capital losses	**28,100**	161,200
Change in unrecognized deductible temporary differences	**557,200**	272,000
Income tax expense	**-**	-

(Expressed in Canadian dollars, except where noted)

12. INCOME TAXES (continued)

Deferred taxes

A summary of the Company's significant components of unrecognized deferred tax assets is as follows:

	December 31, 2024	December 31, 2023
	$	$
Deferred tax assets (liabilities)		
Tax loss carry forwards and pool balances	**971,100**	454,500
Exploration and evaluation assets	**(242,600)**	(212,700)
Property and equipment	**(1,100)**	(100)
Share issuance costs and financing fees	**200,800**	129,300
	928,200	371,000
Unrecognized deferred tax assets	**(928,200)**	(371,000)
Net deferred tax liability	**-**	-

Deferred tax assets and liabilities that are probable to be utilized are offset if they relate to the same taxable entity and same taxation authority. Future potential tax deductions that do not offset deferred tax liabilities are considered to be deferred tax assets.

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

	December 31, 2024	**Expiry date range**	December 31, 2023	Expiry date range
	$		$	
Temporary differences				
Share issuance costs and financing fees	**743,700**	**2045 to 2048**	479,000	2043 to 2047
Non-capital losses	**2,694,100**	**2041 to 2044**	1,683,400	2040 to 2043
Property and equipment	**-**	**No expiry date**	(400)	No expiry date
Mineral resources properties, net of flow-through shares	**-**	**No expiry date**	(788,000)	No expiry date

Deferred tax assets have not been recognized on non-capital loss carry forwards.

13. SUBSEQUENT EVENTS

On January 14, 2025, the Company completed an agreement with Denison Mines Corp ('Denison') whereby Cosa acquired a 70% interest in three prospective eastern-Athabasca uranium projects: Murphy Lake North, Darby, and Packrat. Murphy Lake North comprises of two mineral claims totalling 1532 hectares. As part of the agreement with Denison, Cosa must sole-fund the first C$1.5 million of exploration expenditures at Murphy Lake North which must be incurred by December 31, 2027. Darby comprises 18,069 hectares across 12 mineral claims. As part of the agreement, Cosa must sole-fund the first C$5 million of exploration expenditures at Darby which must be incurred by June 30, 2029. Packrat comprises one mineral claim covering 1,621 hectares and there are no expenditure commitments. The Darby and Packrat properties are subject to a 2% net smelter return ("NSR") royalty and the Murphy Lake North property is subject to a 0.5% NSR royalty. In addition to transferring a 70% property interest for each project, Denison has agreed to participate in Cosa's equity financings for an aggregate total of up to C$1 million at Cosa's discretion. In exchange for the property interests, Cosa has granted, issued or agreed to additional considerations paid to Denison:

i. 14,195,506 common shares representing 19.95% of Cosa's then current outstanding shares issued on the Closing Date (January 14, 2025);
ii. an additional $2.25 million in deferred consideration shares within five years of the Closing Date; and
iii. equity participation rights to retain 19.95% of Cosa's common shares for so long as Denison holds at least 5% of Cosa's issued and outstanding commons shares.

On February 21, 2025, the final tranche of Titan Consideration Shares of 75,000 were released from escrow. At the date of these financial statements, no shares remain in escrow.

13. SUBSEQUENT EVENTS (Continued)

On February 26, 2025, the Company closed a brokered private placement for proceeds of $6,000,000 by issuing 8,800,000 units at a price of $0.25 per unit and 8,941,176 Charity FT Units (the “2025 Charity FT Units”) at a price of $0.425 per 2025 Charity FT Unit. Each unit consists of one common share of the Company and one-half of one common share purchase warrants (each whole warrant, a “Warrant”). Each 2025 Charity FT Unit consists of one share of the Company that qualifies as a “flow-through share” within the meaning of the Income Tax Act (Canada) and one-half of one Warrant. Each warrant entitles the holder to purchase one common share at an exercise price $0.37 until February 26, 2027.

On March 21, 2025, the final tranche of IPO Escrowed Shares of 806,250 were released from escrow. At the date of these financial statements, no shares remain in escrow.

On April 9, 2025, the Company announced it had entered into an option agreement for its Astro Uranium Project. Pursuant to the option agreement the optionee has the right to earn up to an 80% interest in Astro should it complete certain exploration expenditure and make certain cash and share payments.