COSA RESOURCES CORP.

Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Cosa Resources Crop. (the “Company”) for the interim periods ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021, have been prepared in accordance with the International Accounting Standard 34 *Interim financial reporting* as issued by the International Accounting Standards Board and are the responsibility of the Company’s management.

The Company’s independent auditors, D&H Group LLP, have not performed a review of these condensed interim consolidated financial statements.

September 29, 2022

COSA RESOURCES CORP.
Condensed Interim Consolidated Statements of Financial Position
As at July 31, 2022 and October 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Note	**July 31, 2022**	October 31, 2021
		$	$
ASSETS			
Current assets			
Cash		**2,295,201**	276,036
Goods and services tax recoverable		**28,094**	-
		2,323,295	276,036
Exploration and evaluation assets	4, 5	**1,200,422**	20,000
Total assets		**3,523,717**	296,036
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	**77,238**	15,000
Flow-through premium liability	6	**142,941**	-
Total liabilities		**220,179**	15,000
SHAREHOLDERS' EQUITY			
Share capital	7	**3,874,215**	415,500
Reserves	7	**368,789**	-
Deficit		**(939,466)**	(134,464)
Total shareholders' equity		**3,303,538**	281,036
Total liabilities and shareholders' equity		**3,523,717**	296,036

Nature of business and going concern (Note 1)
Subsequent event (Note 11)

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors on September 29, 2022.

"Wesley Short"	*"Janine Richardson"*
Wesley Short, Director	**Janine Richardson, Director**

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

COSA RESOURCES CORP.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Note	**Three months ended July 31, 2022**	Three months ended July 31, 2021	**Nine months ended July 31, 2022**	From November 16, 2020 (incorporation) to July 31, 2021
		$	$	**$**	$
Operating expenses					
Consulting fees		**26,667**	-	**26,667**	-
Exploration and evaluation expenses	5	**25,119**	42,532	**265,541**	42,532
Management fees	8	**26,212**	-	**39,375**	-
Office and administrative		**5,571**	197	**32,511**	197
Professional fees		**48,512**	-	**98,128**	-
Share-based compensation	7, 8	**204,265**	-	**336,754**	-
Transfer agent and filing		**4,337**	-	**34,514**	-
Total operating expenses		**(340,683)**	(42,729)	**(833,490)**	(42,729)
Other income					
Amortization of flow-through premium liability	6	**28,488**	-	**28,488**	-
Loss and comprehensive loss		**(312,195)**	(42,729)	**(805,002)**	(42,729)
Loss per share					
Basic and diluted		**(0.01)**	(0.00)	**(0.04)**	(0.00)
Weighted average number of shares outstanding					
Basic and diluted		**22,561,753**	14,460,870	**22,561,753**	8,795,238

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

COSA RESOURCES CORP.
Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021
(Unaudited - Expressed in Canadian dollars)

	Nine months ended July 31, 2022	From November 16, 2020 (incorporation) to July 31, 2021
	$	$
Operating activities		
Loss and comprehensive loss	**(805,002)**	(42,729)
Item not affecting cash:		
Share-based compensation	**336,754**	-
Amortization of flow-through premium liability	**(28,488)**	-
Changes in non-cash working capital items		
Goods and services tax recoverable	**(28,094)**	-
Accounts payable and accrued liabilities	**62,238**	-
Net cash used in operating activities	**(462,592)**	(42,729)
Investing activities		
Cash acquired from Polaris Uranium Corp.	**75,828**	-
Net cash provided by investing activities	**75,828**	-
Financing activities		
Proceeds from issuance of initial public offering shares	**585,000**	-
Proceeds from issuance of common shares	**1,400,000**	308,000
Proceeds from issuance of flow-through shares	**600,000**	122,500
Share issuance costs	**(185,691)**	-
Proceeds from exercise of warrants	**6,620**	-
Net cash provided by financing activities	**2,405,929**	430,500
Net change in cash	**2,019,165**	387,771
Cash, beginning of the period	**276,036**	-
Cash, end of the period	**2,295,201**	387,771
Non-cash transactions		
Warrants issued	**35,544**	-
Reallocation of reserves on warrant exercise	**(3,509)**	-
Flow-through premium liability	**171,429**	-
Shares issued for option agreement payment	**450,000**	20,000
Deferred transaction costs expensed as share issuance costs	**(25,500)**	-

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

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

	Number of shares	Share capital	Reserves	Deficit	Total shareholders' equity
	#	$	$	$	$
Balance, November 16, 2020 (date of incorporation)	-	-	-	-	-
Share issued for incorporation	1	-	-	-	-
Cancellation of the incorporation share	(1)	-	-	-	-
Private placement of common shares issuance for cash	14,350,000	308,000	-	-	308,000
Private placement of flow-through shares issuance for cash	1,750,000	122,500	-	-	122,500
Flow-through premium liability	-	(35,000)	-	-	(35,000)
Shares issued for option agreement payment	1,000,000	20,000	-	-	20,000
Loss and comprehensive loss	-	-	-	(42,729)	(42,729)
Balance, July 31, 2021	17,100,000	415,500	-	(42,729)	372,771
Loss and comprehensive loss	-	-	-	(91,735)	(91,735)
Balance, October 31, 2021	17,100,000	415,500	-	(134,464)	281,036
Initial public offering shares issued for cash	3,900,000	585,000	-	-	585,000
Shares issued for cash	5,600,000	1,400,000	-	-	1,400,000
Flow-through shares issued for cash	1,714,285	600,000	-	-	600,000
Flow-through premium liability	-	(171,429)	-	-	(171,429)
Shares issued to acquire Polaris Uranium Corp.	4,300,000	806,250	-	-	806,250
Shares issued as finders' fee	66,666	10,000	-	-	10,000
Share issuance costs	-	(195,691)	-	-	(195,691)
Share issuance costs - warrants	-	(35,544)	35,544	-	-
Exercise of warrants	44,128	10,129	(3,509)	-	6,620
Shares issued for option agreement payment	1,000,000	450,000	-	-	450,000
Share-based compensation	-	-	336,754	-	336,754
Loss and comprehensive loss	-	-	-	(805,002)	(805,002)
Balance, July 31, 2022	**33,725,079**	**3,874,215**	**368,789**	**(939,466)**	**3,303,538**

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

1. NATURE OF BUSINESS AND GOING CONCERN

Cosa Resources Corp. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of British Columbia on November 16, 2020. The Company's head office is located at 1295 Richards Street, Suite 801, Vancouver, British Columbia, Canada V6B 1B7. The Company's registered office is located at 353 Water Street, Suite 401, Vancouver, British Columbia, Canada V6B 1B8. On March 21, 2022, the shares of the Company began trading on the Canadian Stock Exchange (the "Exchange") under the symbol "COSA".

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.

These condensed interim consolidated financial statements for the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021 (the "Interim Financial Statements") have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at July 31, 2022, the Company has not yet achieved profitable operations. This condition indicates the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. 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 Interim Financial Statements do not include adjustments that would be necessary should the Company be unable to continue as a going concern.

As of the date of these Interim Financial Statements, COVID-19 has had no impact on the Company's ability to access and explore its current properties but may impact the Company's ability to raise funding or explore its properties related to COVID-19 be extended or expanded in scope.

2. BASIS OF PRESENTATION

a) Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee applicable to the preparation of the Interim Financial Statements, including International Accounting Standard 34 *Interim financial reporting*.

These Interim Financial Statements were reviewed, approved, and authorized for issuance by the Company's Board of Directors on September 29, 2022.

b) Basis of measurement

These Interim Financial Statements have been prepared on a historical cost basis, except for financial instruments measured at fair value. In addition, these Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars, which is the functional and presentation currency of the Company, except otherwise noted.

2. BASIS OF PRESENTATION (continued)

d) Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly owned subsidiary, Polaris Uranium Corp. The Company's Interim Financial Statements include subsidiaries from the date control commences until the date control ceases. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intercompany transactions and balances are eliminated on consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Significant estimates and assumptions

The preparation of the Interim Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the Interim Financial Statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable in the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Information about significant areas of estimation uncertainty considered by management in preparing the Interim Financial Statements is as follows:

Valuation of share-based compensation

The fair value of share-based payments in relation to the options granted is calculated using a Black Scholes option pricing model. There are a number of estimates used in the calculation such as the expected option life, rate of forfeiture of options granted, 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.

Impairment

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. 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.

Information about significant areas of judgment exercised by management in preparing these Interim Financial Statements is as follows:

Going concern

These Interim 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

b) Cash

Cash includes deposits held with banks and which are available on demand.

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 recorded in profit or loss. 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 to profit or loss. 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 loss for the year.

d) Share capital

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.

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.

Share-based compensation expense relating to deferred share units is accrued over the vesting period of the units based on the quoted market price. As these awards can be settled in cash, the expense and liability are adjusted each reporting period for changes in the underlying share price.

f) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into:

i) A flow-through share premium, equal to the estimated premium, if any, investors paid for the flow-through feature, which is recognized as a liability due to the obligation to incur eligible expenditures; and
ii) Share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for the amount of tax deduction renounced to shareholders. To the extent that eligible deferred income tax assets are available, the Company will reduce the deferred income tax liability and records a deferred income tax recovery. Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the “Look-back” rule. If applicable, this tax is classified as an administration expense.

g) Loss per share

Basic loss per share is calculated by dividing the loss for the period by the weighted average number of common shares outstanding during the year.

The Company uses the treasury stock method to compute the dilutive effect of options and other similar instruments. Under this method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options and their equivalents would be used to repurchase common shares of the Company at the average market price during the period.

Shares to be issued on existing stock options, warrants and convertible debenture have not been included in the computation of diluted loss per share as to do so would be anti-dilutive. Accordingly, basic and diluted loss per share is the same for the years presented.

h) 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 it relates 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. SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Financial instruments

Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading (including all equity derivative instruments) are classified as at 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 FVOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives), or the Company has opted to measure them at FVTPL.

The Company's financial instruments consist of cash and accounts payable and accrued liabilities, all of which are initially recorded at fair value with subsequent measurement at amortized cost.

Measurement

(a) Financial assets at FVOCI

Elected investments in equity instruments at FVOCI 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.

(b) Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

(c) Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed as incurred. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in profit or loss in the period in which they arise, except for financial liabilities measured at FVTPL, the change in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income.

Impairment of financial assets at amortized cost

Under IFRS 9, the Company recognizes a loss allowance using the expected credit loss model on financial assets that are measured at amortized cost.

At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(Unaudited - Expressed in Canadian dollars, except where noted)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

(a) Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the profit or loss. However, gains and losses on derecognition of financial assets classified as FVOCI remain within accumulated other comprehensive income.

(b) Financial liabilities

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4. ACQUISITION

On July 5, 2022, the Company completed the acquisition of all issued and outstanding securities of Polaris Uranium Corp. (“Polaris”) pursuant to the terms of a share exchange agreement dated June 27, 2022 (the “Agreement”) among the Company, Polaris, and Polaris shareholders. The acquisition of Polaris resulted in the Company acquiring a 100% interest in certain mining tenements in Athabasca Basin, Saskatchewan, as these exploration stage properties are the assets of Polaris (Note 5).

Pursuant to the terms of the Agreement, the Company acquired 100% of the issued and outstanding securities of Polaris in consideration for the issuance of 4,300,000 common shares of the Company. The shares are subject to a 24-month hold period, with 25% of the common shares being released every six months, commencing January 4, 2023.

The acquisition of Polaris has been accounted for by the Company as a purchase of assets in accordance with the guidance provided in IFRS 2 *Share-based payment* since it did not constitute a business combination under IFRS 3 *Business combinations,* as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the acquisition.

The following table summarizes the asset acquisition:

	July 5, 2022
Purchase price:	$
Fair value of common shares issued (4,300,000 shares at $0.1875 per share)	806,250
Total consideration	**806,250**
Fair value allocated to:	
Cash	75,828
Exploration and evaluation assets	730,422
Net assets acquired	**806,250**

5. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

Heron Project

In April 2021, the Company entered into an option agreement (the “Heron Option Agreement”) with private arm’s length vendors (the “Heron Vendors”) pursuant to which the Company has the exclusive option to acquire a 100% interest in the Heron copper project in northern Saskatchewan, Canada (the “Heron Project”).

(Unaudited - Expressed in Canadian dollars, except where noted)

5. EXPLORATION AND EVALUATION ASSETS AND EXPENSES (continued)

In April 2021, pursuant to the terms of the Heron Option Agreement, the Company issued 1,000,000 common shares to the Heron Vendors with a fair value of $20,000, which has been recorded as exploration and evaluation asset. In addition, the Company has also fulfilled the requirement to incur $100,000 in exploration expenditures on the project as of October 31, 2021.

During the nine months ended July 31, 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 Heron Option Agreement.

The Heron Vendors retain a 2% net smelter return royalty (the “NSR”) over the Heron Project. The Company will have the right at any time following the delivery of a feasibility report on the Heron Project to repurchase one-half (1%) of the NSR for $2,000,000 in cash, and the remaining one-half (1%) of the NSR for $5,000,000 in cash.

Athabasca Uranium Properties

With the completion of the Polaris acquisition, the Company now holds an indirect 100% interest in four uranium exploration properties in the eastern Athabasca Basin (the “Athabasca Uranium Properties”). As a result, $730,422 was recognized as exploration and evaluation assets of the Company.

As at July 31, 2022 and October 31, 2021, the Company had the following exploration and evaluation assets:

	July 31, 2022	October 31, 2021
	$	$
Heron Project	**470,000**	20,000
Athabasca Uranium Properties	**730,422**	-
Total	**1,200,422**	20,000

Exploration and evaluation expenses for the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to July 31, 2021 were:

	Three months ended July 31, 2022	Three months ended July 31, 2021	**Nine months ended July 31, 2022**	From November 16, 2020 to July 31, 2021
	$	$	**$**	$
Geophysical survey	**11,883**	42,532	**231,135**	42,532
Geophysical consulting	**4,306**	-	**20,310**	-
Other	**8,930**	-	**14,096**	-
Total	**25,119**	42,532	**265,541**	42,532

6. FLOW-THROUGH PREMIUM LIABILITY

The Company has raised funds through the issuance of flow-through shares. Based on Canadian tax law, the Company is required to spend this amount on eligible exploration expenditures by December 31 of the year after the year in which the shares were issued.

The premium received for a flow-through share, which is the price received for the share 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.

(Unaudited - Expressed in Canadian dollars, except where noted)

6. FLOW-THROUGH PREMIUM LIABILITY (continued)

During the period ended October 31, 2021, the Company issued 1,750,000 flow-through shares pursuant to a private placement at a price of $0.07 per share for gross proceeds of $122,500. The Company allocated $35,000 as the flow-through premium and recorded this as its flow-through premium liability. As at October 31, 2021, the Company has incurred all of its obligated flow-through expenditures of $122,500; accordingly, a pro-rata portion of the flow-through premium liability has been amortized into profit or loss as flow-through income.

On April 22, 2022, the Company issued 1,714,285 flow-through shares at a purchase price of $0.35 per flow-through share for gross proceeds of $600,000. The flow-through shares were issued at a premium of $0.10 per share. As a result, a flow-through premium liability of $171,429 was recorded. The Company is obligated to spend $600,000 by December 31, 2023 on eligible exploration expenditures.

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through premium liability:

	Flow-through funding and eligible expenditures	Flow-through premium liability
	$	$
Balance, November 16, 2020 (incorporation)	-	-
Flow-through funds raised	122,500	35,000
Eligible expenditures	(122,500)	(35,000)
Balance, October 31, 2021	-	-
Flow-through funds raised	600,000	171,429
Eligible expenditures	(99,708)	(28,488)
Balance, July 31, 2022	**500,292**	**142,941**

7. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

During the nine months ended July 31, 2022, the Company completed the following transactions:

- In March 2022, the Company completed its initial public offering (the “IPO”) whereby 3,900,000 common shares of the Company were qualified for distribution under the Company’s final prospectus at a price of $0.15 per share for gross proceeds of $585,000. In connection with the IPO, total share issuance costs were $176,290 comprised of: (i) cash share issuance costs of $144,579, (ii) the issuance of 66,666 common shares with a fair value of $10,000, and (iii) the issuance of 273,000 compensation warrants with a fair value of $21,711. The compensation warrants allow the holder to acquire 273,000 shares of the Company at an exercise price of $0.15 per share for a two-year period.

  The fair value of the compensation warrants was determined using a Black-Scholes option pricing model with the following assumptions:

Expected stock price volatility	100.00%
Expected life of warrants	2 years
Risk free interest rate	2.02%
Expected dividend yield	0.00%
Exercise price	$0.15
Fair value per warrant issued	$0.08

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

- In April 2022, the Company issued 1,714,285 flow-through shares at a price of $0.35 per flow-through share for gross proceeds of $600,000 and 5,600,000 common shares at a price of $0.25 per common share for gross proceeds of $1,400,000. Total share issuance costs were $51,193 in connection with this financing, which includes $37,360 of cash share issuance costs and $13,833 related to 105,342 warrants issued to agents which were valued using the Black-Scholes model with a corresponding amount added to the reserve account in equity. Of the total warrants issued, 94,200 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.25 and 11,142 entitle the holder to purchase an additional common share for a period of two years at an exercise price of $0.35 per share. The warrants were valued using the following weighted average assumptions:

Expected stock price volatility	100.00%
Expected life of warrants	2 years
Risk free interest rate	2.79%
Expected dividend yield	0.00%
Exercise price	$0.26
Fair value per warrant issued	$0.13

- On May 12, 2022, the Company issued 1,000,000 shares pursuant to the Heron Option Agreement (Note 5) at a price of $0.45 per share for fair value of $450,000.

- On July 5, 2022, the Company issued 4,300,000 shares at a value of $0.1875 per share to acquire Polaris (Note 4). Share issuance costs were $3,752 in connection with this financing.

- During the nine months ended July 31, 2022, the Company issued 44,128 common shares for gross proceeds of $6,620 on the exercise of warrants. Accordingly, the Company reallocated $3,509 from reserves to share capital.

During the period from November 16, 2020 (incorporation) to October 31, 2021, the Company completed the following transactions:

- In November 2020, the Company issued 5,000,000 shares to founders at a price of $0.005 per share for gross proceeds of $25,000. The incorporation share issued on November 16, 2020 was cancelled on November 19, 2020.

- In March 2021, the Company issued 6,150,000 shares pursuant to a private placement at a price of $0.02 per share for gross proceeds of $123,000.

- In April 2021, the Company issued 1,000,000 shares pursuant to the Heron Option Agreement (Note 5) at a price of $0.02 per share for fair value of $20,000.

- In June 2021, the Company issued 1,750,000 flow-through shares pursuant to a private placement at a price of $0.07 per share for gross proceeds of $122,500.

- In June 2021, the Company issued 3,200,000 shares pursuant to a private placement at a price of $0.05 per share for gross proceeds of $160,000.

c) Warrants

The following is a summary of the Company’s warrants for the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to October 31, 2021:

	Number of warrants	Weighted average exercise price
	#	$
Balance, November 16, 2020 (incorporation) and October 31, 2021	-	-
Issued	378,342	0.18
Exercised	(44,128)	0.18
Balance, July 31, 2022	**334,214**	**0.18**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

As at July 31, 2022, the Company had the following warrants outstanding and exercisable:

Date of expiry	Number of warrants	Weighted average exercise price	Weighted average remaining life
	#	$	years
March 18, 2024	228,872	0.15	1.64
April 22, 2024	105,342	0.26	1.73
	334,214	**0.18**	**1.67**

The Company uses the Black-Scholes option pricing model to calculate the fair value of warrants issued for services. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates. The warrants were valued using the following assumptions:

Expected stock price volatility	100.00%
Expected life of warrants	2 years
Risk free interest rate	2.02% - 2.79%
Expected dividend yield	0.00%
Weighted average exercise price	$0.18
Weighted average fair value per warrant issued	$0.09

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.

The following is a summary of the Company's stock options for the nine months ended July 31, 2022 and the period from November 16, 2020 (incorporation) to October 31, 2021:

	Number of stock options	Weighted average exercise price
	#	$
Balance, November 16, 2020 (incorporation) and October 31, 2021	-	-
Granted	3,190,000	0.31
Balance, July 31, 2022	**3,190,000**	**0.31**

As at July 31, 2022, the Company had the following stock options outstanding and exercisable:

Date of expiry	Weighted average exercise prices	Options outstanding	Options exercisable	Weighted average remaining life
	$	#	#	years
March 30, 2027	0.33	2,100,000	700,000	4.67
July 5, 2027	0.27	1,090,000	363,333	4.93
	0.31	**3,190,000**	**1,063,333**	**4.76**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

The Company uses the Black-Scholes option pricing model to calculate the fair value of granted stock options. The model requires management to make estimates, which are subjective and may not be representative of actual results. Changes in assumptions can materially affect fair value estimates. The stock options were valued using the following assumptions:

Expected stock price volatility	100.00%
Expected life of options	5 years
Risk-free interest rate	2.42% - 2.94%
Expected dividend yield	0.00%
Weighted average exercise price	$0.31
Weighted average fair value per option	$0.23

During the three and nine months ended July 31, 2022, the Company recorded share-based compensation of $204,265 and $336,754, respectively (three months ended July 31, 2021 and from November 16, 2020 (incorporation) to July 31, 2021 - $nil and $nil, respectively) related to the vesting of stock options.

e) Share restrictions

Escrowed shares

In connection with the Company's IPO, 5,375,000 common shares held by management and the Company's Board of Directors were placed into escrow subject to an escrow agreement with the Company's transfer agent, Odyssey Trust Company, whereby the shares will be released as follows:

Date of release	Number of common shares	Number of common shares remaining
	#	#
March 21, 2022	537,500	-
September 21, 2022	806,250	806,250
March 21, 2023	806,250	806,250
September 21, 2023	806,250	806,250
March 21, 2024	806,250	806,250
September 21, 2024	806,250	806,250
March 21, 2025	806,250	806,250
Total	**5,375,000**	**4,837,500**

Heron share payments

In May 2022, the Company exercised its option to acquire a 100% interest in the Heron Project and issued 1,000,000 common shares (the "Option Shares") to complete its remaining obligation under the terms of the agreement. The Option Shares are subject to a 24-month hold period, with 25% being released every three months commencing in August 2023.

Polaris acquisition

On July 5, 2022, the Company acquired 100% of the issued and outstanding securities of Polaris in consideration for the issuance of 4,300,000 common shares of the Company. The shares are subject to a 24-month hold period, with 25% of the common shares being released every six months, commencing January 4, 2023.

Pooling agreement

Inclusive of the shares held in escrow, a total of 17,100,000 common shares are subject to a voluntary pooling restriction and will be released, no earlier than 12 months after the listing date in March 2023.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. RELATED PARTY TRANSACTIONS

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. 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.

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.

During the three months ended July 31, 2022 and 2021, the nine months ended July 31, 2022 and the period from November 16, 2020 to July 31, 2021, the Company had the following transactions to the Company's key management personnel:

	Three months ended July 31, 2022	Three months ended July 31, 2021	**Nine months ended July 31, 2022**	From November 16, 2020 to July 31, 2021
	$	$	**$**	$
Management fees	**26,212**	-	**39,375**	-
Share-based compensation	**100,497**	-	**244,746**	-
Total	**126,709**	-	**284,121**	-

As at July 31, 2022, $10,849 (October 31, 2021 - $nil) was included in accounts payable and accrued liabilities owing to directors and officers. The amounts due are unsecured, due on demand and are non-interest bearing.

9. 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 stock. 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. The Company is not subject to externally imposed capital requirements.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, and accounts payable and accrued liabilities.

The Company classifies the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and
- Level 3 - inputs for the asset or liability that are not based upon observable market data.

The fair values of the Company's cash, and accounts payable and accrued liabilities are approximate their carrying value, due to their short-term maturities or liquidity.

As at July 31, 2022, the Company's financial instrument risk exposure and the impact thereof on the Company's financial instruments are summarized below:

Credit risk

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

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents and seeking equity financing when needed.

Market risk

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

The Company holds its cash in bank accounts that earn variable interest rates. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value of the Company's cash balance as at July 31, 2022.

11. SUBSEQUENT EVENT

On September 21, 2022, an additional of 806,250 shares were released from escrow. As a result, the remaining balance of escrowed shares is 4,031,250.