



ATOMIC MINERALS CORPORATION

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Atomic Minerals Corporation

Opinion

We have audited the consolidated financial statements of Atomic Minerals Corporation (the "Group"), which comprise the consolidated statements of financial position as at August 31, 2024 and August 31, 2023 and the consolidated statements of loss and comprehensive loss, cash flows and changes in shareholders' equity for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at August 31, 2024 and August 31, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements which describes the material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the year ended August 31, 2024. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be a key audit matter to be communicated in our report. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of Exploration and Evaluation Assets

As disclosed in Note 6 to the consolidated financial statements, the carrying value of Exploration and Evaluation Assets represents a significant asset of the Group. Refer to Note 2 and Note 3 to the consolidated financial statements for a description of the accounting policy and significant judgments applied to Exploration and Evaluation Assets.

At each reporting period end, management applies judgment in assessing whether there are any indicators of impairment relating to mining claims and deferred exploration costs. If there are indicators of impairment, the recoverable amount of the related asset is estimated in order to determine the extent of any impairment. Indicators of impairment may include (i) the period during which the entity has the right to explore in the specific area has expired during the year or will expire in the near future and is not expected to be renewed; (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and (iv) sufficient data exists to indicate that the carrying amount of the mining claims and deferred exploration costs is unlikely to be recovered in full from successful development or by sale.

Why the matter was determined to be a key audit matter

We considered this a key audit matter due to (i) the significance of the mining claims and deferred exploration costs balance and (ii) the judgments made by management in its assessment of indicators of impairment related to mining claims and deferred exploration costs, which have resulted in a high degree of subjectivity in performing audit procedures related to these judgments applied by management.

How the matter was addressed in our audit

We have evaluated management's assessment of impairment indicators per IFRS 6 Exploration for and Evaluation of Mineral Resources, including but not limited to:

- Obtaining, by reference to government registries, evidence to support (i) the right to explore the area and (ii) claim expiration dates;
- Assessing compliance with acquisition agreements by reviewing agreements, and vouching cash payments and share issuances;
- Considering the status of the relevant exploration areas by holding discussions with management, and reviewing the Group's exploration budget;
- Enquiring with management and reviewing its future plans and other documentation as evidence that further exploration and evaluation activities in the area of interest will be continued in the future;
- Assessing whether any data exists to suggest that the carrying value of the Exploration and Evaluation assets is unlikely to be recovered through development or sale; and
- Assessing the adequacy of the related disclosures in Note 2, Note 3 and Note 6 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent

with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Our responsibilities are to plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



**Chartered Professional Accountants
Vancouver, Canada
December 30, 2024**

ATOMIC MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars)

	August 31,	August 31,
	2024	2023
ASSETS		
Current		
Cash	\$ 552	\$ 4,158
GST recoverable	35,091	24,992
Prepaid expenses	3,214	3,269
Total Current Assets	38,857	32,419
Equipment	8,941	12,887
Reclamation Bond (Note 6)	-	78,309
Exploration and Evaluation Assets (Note 6)	1,363,583	896,865
Total Assets	\$ 1,411,381	\$ 1,020,480
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 626,010	\$ 202,764
Advance payable	29,475	-
Notes payable (Note 7)	235,064	300,013
Total Current Liabilities	890,549	502,777
Advance Payable (Note 6)	-	77,999
Total Liabilities	890,549	580,776
SHAREHOLDERS' EQUITY		
Share Capital (Note 8)	17,146,415	15,658,777
Reserve	1,162,034	914,636
Deficit	(17,787,617)	(16,133,709)
Total Shareholders' Equity	520,832	439,704
Total Liabilities and Shareholders' Equity	\$ 1,411,381	\$ 1,020,480

Nature of Operations and Going Concern (Note 1)

Subsequent Events (Note 13)

These financial statements were approved and authorized for issue by the Board of Directors on December 30, 2024. They are signed on the Company's behalf by:

"Clive Massey"
Director

"James Hyland"
Director

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

ATOMIC MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

	Years ended	
	August 31,	August 31,
	2024	2023
Expenses		
Audit and accounting	\$ 62,999	\$ 29,366
Consulting (Note 9)	426,360	185,500
Depreciation	3,946	3,906
Legal	27,662	31,459
Management and admin (Note 9)	273,000	216,000
Marketing and promotion	317,399	86,713
Office, rent and telephone	59,875	43,166
Property investigation (Note 8)	8,472	320,123
Regulatory, transfer and filing fees	61,943	27,507
Share-based compensation (Notes 8 and 9)	204,449	14,041
Transfer agent	26,914	15,799
Travel and entertainment	136	4,365
	(1,473,155)	(977,945)
Other items:		
Gain on debt settlement (Note 8)	2,408	-
Write-off of note receivable (Note 5)	-	(12,382)
Impairment on exploration assets (Note 6)	(183,161)	(531,993)
	(183,161)	(531,993)
Net Loss and Comprehensive Loss for the Year	\$ (1,653,908)	\$ (1,522,320)
Loss Per Share, Basic and Diluted	\$ (0.06)	\$ (0.13)
Weighted Average Number of Outstanding Shares	25,852,283	12,043,957

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

ATOMIC MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	Years ended	
	August 31, 2024	August 31, 2023
Cash provided by (used in):		
Operating activities		
Net loss for the year	\$ (1,653,908)	\$ (1,522,320)
Items not involving cash		
Depreciation	3,946	3,906
Gain on debt settlement	(2,408)	-
Write-off of note receivable	-	12,382
Interest expense accrued	18,051	9,937
Share-based compensation	204,449	14,041
Notes payable arrangement fee	5,000	12,000
Impairment on exploration assets	183,161	531,993
Foreign exchange	(779)	-
Shares issued for services	-	300,000
Net changes in non-cash working capital		
Prepaid expenses	55	80,562
GST recoverable	(10,099)	16,123
Accounts payable and accrued liabilities	373,446	134,190
Net cash used in operating activities	(879,086)	(407,186)
Investing activities		
Reclamation bond	79,088	(78,309)
Exploration expenditures	(271,955)	(436,812)
Earn-in payments received	89,077	-
Net cash used in investing activities	(103,790)	(515,121)
Financing activities		
Issuance of common shares (net of share issue costs)	1,037,795	-
Notes payable repayment	(120,000)	-
Interest paid on notes payable	(18,000)	-
Proceeds from advance and notes payable	79,475	321,643
Net cash provided by financing activities	979,270	321,643
Decrease in cash	(3,606)	(600,664)
Cash, Beginning of Year	4,158	604,822
Cash, End of Year	\$ 552	\$ 4,158
Supplemental cash flow information		
Property acquisition costs included in accrued liabilities	\$ 125,000	\$ -
Non-cash investing and financing activities		
Shares issued for exploration assets	\$ 420,000	\$ 180,000
Shares issued for services	\$ -	\$ 300,000
Shares issued for debt	\$ 72,792	\$ -

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

ATOMIC MINERALS CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Expressed in Canadian dollars, except number of shares)

	SHARE CAPITAL		RESERVE			TOTAL SHAREHOLDERS' EQUITY
	NUMBER OF SHARES	AMOUNT	WARRANTS	OTHER	DEFICIT	
	#	\$	\$	\$	\$	
Balance, August 31, 2022	11,254,916	15,178,777	593,328	307,267	(14,611,389)	1,467,983
Shares issued for exploration asset	1,200,000	180,000	-	-	-	180,000
Shares issued for services	1,200,000	300,000	-	-	-	300,000
Share-based compensation	-	-	-	14,041	-	14,041
Net loss for the year	-	-	-	-	(1,522,320)	(1,522,320)
Balance, August 31, 2023	13,654,916	15,658,777	593,328	321,308	(16,133,709)	439,704
Shares issued for cash net of costs	14,782,117	994,846	42,949	-	-	1,037,795
Shares issued for exploration asset	6,000,000	420,000	-	-	-	420,000
Shares issued for debt	1,037,892	72,792	-	-	-	72,792
Share-based compensation	-	-	-	204,449	-	204,449
Net loss for the year	-	-	-	-	(1,653,908)	(1,653,908)
Balance, August 31, 2024	35,474,925	17,146,415	636,277	525,757	(17,787,617)	520,832

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

ATOMIC MINERALS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Atomic Minerals Corporation (the “Company”) was incorporated on March 31, 1980, under the laws of the province of British Columbia, Canada and its corporate office and principal place of business is located at 830 – 1100 Melville Street, Vancouver, BC, V6E 4A6. Its registered records office is located at 800-885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is a public company listed on the TSX Venture Exchange, trading under the symbol “ATOM.V”.

On October 16, 2023, the Company consolidated its common shares on the basis of one post-consolidated common share for every five pre-consolidated common shares. The Company did not change its name or trading symbol. All share and per share information in the consolidated financial statements, including references to the number of common shares, warrants, prices of issued shares, exercise prices of warrants, and earnings (loss) per share, have been adjusted retrospectively to reflect the impact of the share consolidation.

The Company is engaged in the acquisition and exploration of mineral properties.

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company’s continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations. The ability of the Company to arrange additional financing in the future depends, in part, on the prevailing capital market conditions. As at August 31, 2024, the Company has a working capital deficiency of \$851,692 (2023 – \$470,358) and does not have sufficient liquidity to settle its liabilities as they become due. The Company incurred a net loss and comprehensive loss of \$1,653,908 for the year ended August 31, 2024 (2023 - \$1,522,320) and as of that date had a deficit of \$17,787,617 (2023 - \$16,133,709). There are material uncertainties that cast significant doubt upon the ability of the Company to continue as a going concern. The consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and settle its liabilities other than in the normal course of business and at amounts different from those in the consolidated financial statements. Management intends to finance operating costs over the next twelve months with cash on hand, loans from directors and/or private placement of common shares. Refer to Note 13 for disclosure of events subsequent to the reporting period date.

2. BASIS OF PRESENTATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

b) Basis of Measurement

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

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

c) Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of expenses during the reporting period.

Critical judgments exercised where management's judgment in applying accounting policies that has the most significant effect on the amounts recognized in these consolidated financial statements are as follows:

- i. *Going concern assumption* - The determination of the going concern assumption requires management to make judgments regarding the viability of the Company.
- ii. *Economic recoverability and probability of future benefits of exploration and evaluation assets* - The assessment of indications of impairment for the Company's exploration and evaluation assets and related determination of recoverable values and write-down of those assets where applicable.
- iii. *Determination of functional currency* - In accordance with IAS 21, "The Effects of Changes in Foreign Exchange Rates", an entity's functional currency should reflect the underlying transactions, events and conditions relevant to the entity. Determination of the functional currency involves judgment to assess the primary economic environment in which the Company operates in. The Company has determined that the functional currency of Recoupment Exploration Company LLC is the Canadian dollar.
- iv. *Decommissioning liabilities* - Judgment is required to determine if there are legal or constructive obligations to incur restoration, rehabilitation, and environmental costs when there is an environmental disturbance caused by exploration, development, or ongoing production of an exploration and evaluation asset. When it is determined that an obligation exists, a provision is recognized. The provision for decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures, and the timing of those expenditures.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting year could result in a material adjustment in the event that actual results differ from the assumptions made. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

d) Basis of Consolidation

These consolidated financial statements comprise the accounts of the Company and its wholly owned subsidiary, Recoupment Exploration Company LLC ("Recoupment"), incorporated in the state of New Mexico on February 18, 2022. All inter-company transactions and balances have been eliminated on consolidation.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Exploration and Evaluation Assets

Exploration and evaluation expenditures include the acquisition costs associated with exploration and evaluation activities. Exploration and evaluation expenditures are capitalized as incurred. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Proceeds received from the sale of or option-out of any interest in a property will be credited against the carrying value of the property, with any excess included in other income for the period.

Exploration and evaluation assets are assessed for impairment if: (i) sufficient data exists to determine technical feasibility and commercial viability; and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Facts and circumstances as defined in IFRS 6 Exploration and Evaluation Assets are as follows:

- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, which management has determined to be indicated by a feasibility study, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets.

Recoverability of the carrying amount of any exploration and evaluation asset is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

It is management's judgment that none of the Company's exploration and evaluation assets have reached the development stage and as a result are all considered to be exploration and evaluation assets. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property may be subject to unregistered prior agreements and non-compliance with regulatory requirements. The Company is not aware of any disputed claims of title.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

b) Impairment of Non-Financial Assets

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

As asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

c) Financial Instruments

The Company classifies its financial instruments as follows:

Financial Asset/Liabilities	
Cash	Fair value through profit or loss ("FVTPL")
Reclamation bond	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost
Advance payable	Amortized cost

Fair Value Hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Inputs for assets or liabilities that are not based on observable market data.

Cash is classified using a level 1 fair value hierarchy.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) Loss Per Common Share

Basic loss per common share is computed by dividing losses by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, only instruments with exercise amounts less than market prices impact the diluted calculations. In computing diluted loss per share, no shares were added to the weighted average number of common shares outstanding during the years ended August 31, 2024 and 2023 for the dilutive effect of employee stock options and warrants as they were all anti-dilutive. No adjustments were required to report net loss in computing diluted per share amounts.

e) Share-based Compensation

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity.

The fair value is measured at grant date, and each tranche is recognized using the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted.

At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

All equity-settled share-based compensation are reflected in reserve, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserve is credited to share capital, adjusted for any consideration paid. Upon expiration, forfeiture or cancellation of the options, the fair value recorded in reserve remains.

f) Fair Value of Warrants

Proceeds from unit placements are allocated between shares and warrants using the residual method. The value is allocated first to share capital based on the market value of common shares on the date of issue, with any residual value from the proceeds being allocated to the warrants. Warrants issued to brokers are evaluated using the Black-Scholes model.

Upon expiry of the warrants, the fair value recorded in reserve remains.

g) Foreign Currency Transactions

The presentation currency and the functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

h) Decommissioning Liabilities

A legal or constructive obligation to incur restoration, rehabilitation, and environmental costs may arise when environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. A pre-tax discount rate that reflects the time value of money and the risks specific to the liability is used to calculate the net present value of the expected future cash flows. These costs are charged to the statement of operations over the economic life of the related asset, through depreciation expense using either the unit-of-production or the straight-line method as appropriate. The related liability is progressively increased each period as the effect of discounting unwinds, creating an expense recognized in the statement of operations. The liability is assessed at each reporting date for changes to the current market-based discount rate, amount, or timing of the underlying cash flows needed to settle the obligation.

The Company has no material restoration, rehabilitation, or environmental costs as any disturbance to date is minimal.

i) New Accounting Standards Interpretations Adopted

The Company adopted the following accounting standards during the year ended August 31, 2024:

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures. The implementation of these amendments reduced disclosures in the notes to the consolidated financial statements.

Amendments to IAS 8 – Definition of Accounting Estimates

These amendments clarify how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively. Further, the amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. There was no significant impact to the consolidated financial statements as a result of the implementation of these amendments.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) Future Accounting Standards Issued and Not Yet Effective

A number of new standards, and amendments to standards and interpretations, are not effective and have not been early adopted in preparing these consolidated financial statements. The following accounting standards and amendments are effective for future periods:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024 and are not expected to have a material impact on the Company.

IFRS 18 – Presentation and Disclosure in Financial Statements

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

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Risk Management

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include currency, credit, interest rate and liquidity risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit Risk

The Company's credit risk is primarily attributable to cash. Cash is held in a reputable Canadian bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash is minimal. The Company is not subject to material credit risk as at August 31, 2024.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on its cash. A change in interest rate would have a minimal effect on the profitability of the Company.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (Continued)

Liquidity Risk

As at August 31, 2024, the Company held cash of \$552 (2023 - \$4,158) and has current liabilities of \$890,549 (2023 - \$502,777), which fall due for payment within 12 months of the consolidated statement of financial position.

Foreign Currency Risk

The Company has operations in Canada and USA subject to foreign currency fluctuations. The Company's operating expenses are incurred in Canadian dollars and US dollars, and the fluctuation of the Canadian dollar in relation to this other currency will have an impact upon the profitability of the Company and may also affect the value of the Company's assets and the amount of equity.

The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks.

Financial assets and liabilities denominated in US dollars were as follows:

	August 31, 2024	August 31, 2023
US dollars		
Financial assets	\$ -	\$ 767
Financial liabilities	(166,865)	(187,155)
Net	(166,865)	(186,388)
Canadian dollar equivalent	\$ (224,361)	\$ (249,912)

Based on the above net exposures as at August 31, 2024, and assuming that all other variables remain constant, a 10% change in the value of the US dollar against the Canadian dollar would result in an increase/decrease of approximately \$22,436 (2023 - \$24,991) in net loss.

Commodity Risk

Commodity risk is the risk provided by uncertainties of future market values and of the size of the future financing, caused by the fluctuation in the prices of commodities. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company.

5. NOTE RECEIVABLE

On October 23, 2020, the Company provided a note receivable of \$20,000 to a third party. The loan was unsecured, bore interest of 8% per annum and was due on April 23, 2021. As at August 31, 2022, the note receivable had a principal balance of \$10,966 and outstanding accrued interest of \$538. During the year ended August 31, 2023, the Company wrote-off the principal balance of \$10,966 and accrued interest of \$1,416 as the credit risk associated with the loan had increased significantly since initial recognition and the likelihood of recovery of all or a portion of the balance outstanding was not determinable.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

Gravity Jack Property

On March 24, 2021, the Company entered into an option agreement with an arm's length party (the "Optionors") to earn a 100% ownership interest in the Gravity property and the Jack White property (collectively the "Gravity Jack property") located in the New Westminster mining division, near Boston Bar, BC, Canada. Under the terms of the agreement, the Company may acquire a 100% ownership interest in the Gravity Jack property by issuing to the Optionors an aggregate of 820,000 common shares in the capital of the Company and incurring \$2,377,000 in exploration expenditures.

Upon completion of the option, the Optionors will maintain a 4% net smelter royalty on the property of which 50% (2%) may be purchased for \$1,000,000.

On February 1, 2022, the Company and the Optionors amended the terms of the option agreement whereby the exploration expenditures to be incurred before August 21, 2021 (amended to January 31, 2022) have been reduced from \$200,000 to \$127,000. In consideration for the amendment, the Company issued 20,000 shares to the Optionors with a fair value of \$5,500.

The Company terminated the Gravity Jack option agreement in May 2023. As a result of the termination, the Company recorded an impairment of \$266,027 during the year ended August 31, 2023.

Lloyd Lake Property

On November 8, 2021, the Company entered into an option agreement with Kode Mineral Exploration Ltd. to earn a 100% ownership interest in the Lloyd Lake Uranium project located in the prolific Athabasca basin, near the village of La Loche, Saskatchewan, Canada.

Under the terms of the agreement, the Company may acquire a 100% ownership interest in the Lloyd Lake project by paying to the vendor \$10,000 (paid) within five days of signing, \$40,000 (paid) cash payment by December 24, 2021, \$50,000 cash payment (not paid) within one year of signing and a further \$50,000 cash payment (not paid) within two years of signing the agreement and completing \$200,000 in exploration expenditures on the Lloyd Lake project by November 8, 2023 (completed as at August 31, 2022).

Upon completing the above noted commitments, and at the Company's sole discretion, the Company will have earned a 100% interest in the Lloyd Lake project. The Company will pay a 1% net smelter royalty to the vendor upon commencement of commercial production. The Company will have the right to purchase from the vendor the 1% net smelter royalty, at any time, at a cost of \$1,000,000.

The Company terminated the Lloyd Lake option agreement in September 2023. As the Company does not have expenditures budgeted or planned as of August 31, 2023, the Company recorded an impairment of \$265,966 and as of August 31, 2024, an impairment of \$3,161.

Uranium Claims

During the year ended August 31, 2022, the Company acquired by staking the SC Claim Block ("SC Property"), consisting of 50 unpatented lode claims in San Miguel County, Colorado, USA. The Company incurred \$13,608 (USD \$10,000) in claim maintenance fees during the year ended August 31, 2024. During the year ended August 31, 2023, the Company recorded \$12,202 (USD \$9,060) in claim maintenance fees.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Harts Point

During the year ended August 31, 2022, the Company acquired by staking the Harts Point, consisting of 324 unpatented lode claims in San Juan County, Utah, USA. The Company incurred \$88,180 (USD \$64,800) in claim maintenance fees and \$871 (USD \$640) in permitting fees during the year ended August 31, 2024. During the year ended August 31, 2023, the Company recorded \$17,995 (USD \$13,360) in permitting fees, and \$6,465 (USD \$4,800) in claim maintenance fees.

On May 19, 2023, as amended November 29, 2023, the Company and Recoupment entered into a definitive option agreement with Kraken Energy Corp. ("Kraken"). Kraken may acquire up to 75% interest in the Harts Point Property by meeting the following requirements:

- Kraken will be the operator and must incur USD \$1,000,000 of eligible expenditures by November 29, 2024 (incurred) and incur an additional USD \$500,000 of eligible expenditures by May 29, 2025 to earn 65% interest.
- Kraken has the option to increase interest in the Property from 65% to 75% by incurring an additional USD \$2,000,000 of eligible expenditures within 30 months from the date of the option agreement and issuing the Company 2,000,000 common shares of Kraken.
- Kraken will grant the Company a 2% net smelter royalty (subject to a buy down to 1% for USD \$5,000,000).
- After the initial option (Kraken 65%; the Company 35%) or the extended option (Kraken 75%; the Company 25%), a definitive Joint Venture Agreement will be formed.

During the year ended August 31, 2023, Kraken advanced \$78,309 (USD \$58,140) to the Company for the reclamation bond. During the year ended August 31, 2024, the reclamation bond in the amount of \$79,088 (USD \$58,140) was returned by the regulatory authorities.

During the year ended August 31, 2024, Kraken advanced \$89,077 (USD \$65,460) to the Company for reimbursement of claim maintenance fees paid. This amount, together with the \$77,999 advanced during the year ended August 31, 2023, for a total of \$167,076 (USD \$123,600), was recorded as earn-in payments (offset against the exploration costs paid during the year).

MVN Claim Blocks ("10 Mile")

During the year ended August 31, 2023, the Company acquired by staking the MVN Claim Blocks, collectively known as the 10 Mile Property, consisting of originally 521 unpatented lode claims in Grand County, Utah, USA. In August 2024, the Company reduced its land package to 243 claims and incurred \$66,135 (USD \$48,600) in claim maintenance fees during the year ended August 31, 2024. The Company incurred \$280,748 (USD \$208,440) in acquisition costs and \$115,786 (USD \$85,965) in claim maintenance fees during the year ended August 31, 2023.

Hamilton Lake Uranium Project

On January 30, 2023, the Company entered into an option agreement to earn a 100% ownership interest in the Hamilton Lake Uranium Project located in Athabasca basin, Saskatchewan, Canada. Under the terms of the agreement, the Company could acquire a 100% ownership by issuing 600,000 common shares in the capital of the Company and completing certain work commitments. The shares were issued on February 7, 2023, with a fair value of \$90,000 (Note 8). The Company terminated the Hamilton Lake agreement in January 2024 and recorded an impairment of \$90,000.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

Mitchell Lake Uranium Project

On January 30, 2023, the Company entered into an option agreement to earn a 100% ownership interest in the Mitchell Lake Uranium Project located in Athabasca basin, Saskatchewan, Canada. Under the terms of the agreement, the Company could acquire a 100% ownership by issuing 600,000 common shares in the capital of the Company and completing certain work commitments. The shares were issued on February 7, 2023, with a fair value of \$90,000 (Note 8). The Company terminated the Mitchell Lake agreement in January 2024 and recorded an impairment of \$90,000.

North Saskatchewan Property

On April 15, 2024, as amended November 29, 2024, the Company completed an acquisition of an extensive uranium land package, consisting of four properties within or in very close proximity to the Athabasca Basin in Northern Saskatchewan, Canada (the "Property"). The principal properties in the package include Bleasdell lake, Parks Lake and Pistol Lake. The consideration is comprised of:

- A payment of \$100,000 due within five days of approval of the TSX Venture Exchange (the "Exchange") (Paid);
- Issuance of 6,000,000 common shares in the capital of the Company with five days of the approval of the Exchange (Issued with a fair value of \$420,000) (Note 8);
- A second payment of \$10,000 due on December 2, 2024 (Paid subsequent to year-end); and
- A final payment of \$115,000 due on February 28, 2025 (Accrued).

There is a 2% net smelter royalty ("NSR") payable to the vendor on any future production. The Company can reduce the NSR to 1% by paying \$1,000,000 cash to the vendor.

ATOMIC MINERALS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (Continued)

A summary of the Company's Exploration and Evaluation Assets is as follows:

	Canada					USA				Total
	Gravity Jack	Lloyd Lake	Mitchell	Hamilton	North Saskatchewan	Hart Point	SC	10 Mile		
Balance, August 31, 2022	\$ 266,027	\$ 262,350	\$ -	\$ -	\$ -	\$ 245,647	\$ 38,022	\$ -	\$ 812,046	
Property acquisition costs	-	-	90,000	90,000	-	-	-	280,748	460,748	
Exploration costs:										
Claim maintenance	-	-	-	-	-	6,465	12,202	115,786	134,453	
Permitting	-	3,616	-	-	-	17,995	-	-	21,611	
Impairment	(266,027)	(265,966)	-	-	-	-	-	-	(531,993)	
Balance, August 31, 2023	-	-	90,000	90,000	-	270,107	50,224	396,534	896,865	
Property acquisition costs	-	-	-	-	645,000	-	-	-	645,000	
Exploration costs:										
Claim maintenance	-	-	-	-	-	88,180	13,608	66,135	167,923	
Permitting	-	3,161	-	-	-	871	-	-	4,032	
Earn-in payments	-	-	-	-	-	(167,076)	-	-	(167,076)	
Impairment	-	(3,161)	(90,000)	(90,000)	-	-	-	-	(183,161)	
Balance, August 31, 2024	\$ -	\$ -	\$ -	\$ -	\$ 645,000	\$ 192,082	\$ 63,832	\$ 462,669	\$ 1,363,583	

ATOMIC MINERALS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023
(Expressed in Canadian Dollars)

7. NOTES PAYABLE

On May 16, 2022, the Company entered into a promissory note payable with a third party for a principal amount of \$32,778 (USD \$25,000). During the year ended August 31, 2023, the Company received additional proceeds of \$123,644 (USD \$91,799) from the third party. The note payable is subject to interest of 8% per annum and is due on March 11, 2025.

	Principal		Interest		Total
Balance August 31, 2022	\$	32,778	\$	776	\$ 33,554
Proceeds received		123,644		-	123,644
Interest accrued		-		9,615	9,615
Balance August 31, 2023		156,422		10,391	166,813
Interest accrued		-		12,751	12,751
Balance August 31, 2024	\$	156,422	\$	23,142	\$ 179,564

On August 4, 2023, the Company entered into a promissory note payable with a third party for a principal amount of \$25,000. The note payable was subject to interest of 1% per month, an arrangement fee of \$2,500 and was due on February 4, 2024. On December 7, 2023, the Company repaid the principal of the loan of \$25,000 and the accrued interest of \$3,750.

	Principal		Interest		Total
Balance August 31, 2022	\$	-	\$	-	-
Proceeds received		25,000		-	25,000
Arrangement fee accrued		-		2,500	2,500
Interest accrued		-		250	250
Balance August 31, 2023		25,000		2,750	27,750
Interest accrued		-		1,000	1,000
Loan repayment		(25,000)		(3,750)	(28,750)
Balance August 31, 2024	\$	-	\$	-	-

On August 4, 2023, the Company entered into a promissory note payable with a third party for a principal amount of \$95,000. The note payable is subject to interest of 1% per month, an arrangement fee of \$9,500 and was due on February 4, 2024. On December 8, 2023, the Company repaid the principal of the loan of \$95,000 and the accrued interest of \$14,250.

	Principal		Interest		Total
Balance August 31, 2022	\$	-	\$	-	-
Proceeds received		95,000		-	95,000
Arrangement fee accrued		-		9,500	9,500
Interest accrued		-		950	950
Balance August 31, 2023		95,000		10,450	105,450
Interest accrued		-		3,800	3,800
Loan repayment		(95,000)		(14,250)	(109,250)
Balance August 31, 2024	\$	-	\$	-	-

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023 (Expressed in Canadian Dollars)

7. NOTES PAYABLE (Continued)

On August 15, 2024, the Company entered into a promissory note payable with a third party for a principal amount of \$50,000. The note payable is subject to interest of 1% per month, an arrangement fee of \$5,000 and is due on February 15, 2025.

	Principal	Interest	Total
Balance August 31, 2023	\$ -	\$ -	-
Proceeds received	50,000	-	50,000
Arrangement fee accrued	-	5,000	5,000
Interest accrued	-	500	500
Balance August 31, 2024	\$ 50,000	\$ 5,500	\$ 55,500

8. SHARE CAPITAL

On October 16, 2023, the Company consolidated its issued and outstanding share capital on the basis of one post consolidated common share for every five pre-consolidated common shares. No fractional shares were issued as all fractional shares were rounded to the nearest whole number. All share and per share amounts in these consolidated financial statements are presented on a post-consolidated basis.

a) Authorized

Unlimited common shares without par value.

b) Issued

During the year ended August 31, 2024

On July 31, 2024, the Company closed the first tranche of a private placement and issued 1,450,000 units at \$0.05 per unit for gross proceeds of \$72,500. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of two years, expiring on July 31, 2026. The Company valued the warrants at \$7,250 using the residual value method. The Company paid finder's fees consisting of cash totaling \$4,000 and 80,000 non-transferable finder's warrants exercisable at \$0.05 per common share and 16,000 non-transferable finder's warrants exercisable at \$0.10 per common share for a period of two years, expiring on July 31, 2026. The fair value of the finder's warrants issued was \$3,808 determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate of 2.984%, expected life of 2 years, no annual dividends, and expected volatility of 142%.

On June 27, 2024, the Company issued an aggregate of 458,182 common shares to an arm's-length third party of the Company with a fair value of \$20,618, to settle an aggregate indebtedness of \$25,200. The Company recorded a gain on debt settlement of \$4,582.

On April 15, 2024, the Company issued 6,000,000 common shares with a fair value of \$420,000 in connection with the North Saskatchewan Property acquisition (Note 6).

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

b) Issued (Continued)

During the year ended August 31, 2024 (continued)

On January 22, 2024, the Company closed the second tranche of a private placement and issued 4,006,667 units at \$0.075 per unit for gross proceeds of \$300,500. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of three years, expiring on January 22, 2027. The Company valued the warrants at \$Nil using the residual value method.

On December 6, 2023, the Company closed the first tranche of a private placement and issued 9,325,450 units at \$0.075 per unit for gross proceeds of \$699,409. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of three years, expiring on December 6, 2026. The Company valued the warrants at \$Nil using the residual value method. The Company paid an 8% finder's fees consisting of cash totaling \$30,614 and 408,192 non-transferable finder's warrants. The finder's warrants entitle the holders to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of two years, expiring on December 6, 2025. The fair value of the finder's warrants issued was \$31,891 determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate of 4.065%, expected life of 2 years, no annual dividends, expected volatility of 155%.

On November 23, 2023, the Company issued an aggregate of 579,710 common shares to an arm's-length third party of the Company with a fair value of \$52,174, to settle an aggregate indebtedness of \$50,000. The Company recorded a loss on debt settlement of \$2,174.

During the year ended August 31, 2023

On July 27, 2023, the Company issued 1,200,000 common shares with a fair value of \$300,000 for property investigation.

On February 7, 2023, the Company issued 1,200,000 common shares with a fair value of \$180,000 in connection with the Mitchell Lake and Hamilton Lake option agreements (Note 6).

c) Incentive Stock Options

The Company has a rolling stock option plan whereby a maximum of 10% of the issued shares will be reserved for issuance under the plan. The exercise price of the stock options will not be less than the closing price of the common shares on the grant date, and the maximum term will be determined by the Board as permitted by the Exchange.

When the Company issues stock options, it records a share-based compensation expense in the year or period which the options are granted and/or vested. The expense is estimated using assumptions including the expected volatility assumption that is based on the historical and implied volatility of the Company's common share price and the risk-free interest rate assumption that is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the expected life of the stock options.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Incentive Stock Options (Continued)

The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model. The Company has not paid and does not anticipate paying dividends on its common shares. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the share-based compensation expense recorded in the accompanying statements of comprehensive loss.

On August 15, 2024, the Company granted 500,000 stock options to a consultant at an exercise price of \$0.05 per share for a period of five years, expiring on August 15, 2029. The stock options vested immediately. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: expected life of 5 years, risk-free interest rate of 2.984%, expected volatility of 144%, dividend rate of 0%. Accordingly, the fair value of these options was calculated to be \$22,481.

On May 15, 2024, the Company granted 400,000 stock options to a consultant at an exercise price of \$0.07 per share for a period of five years, expiring on May 15, 2029. The stock options vested immediately. The fair value of these options was calculated using the Black-Scholes model with the following assumptions: expected life of 5 years, risk-free interest rate of 3.634%, expected volatility of 142%, dividend rate of 0%. Accordingly, the fair value of these options was calculated to be \$25,107.

On January 3, 2024, the Company reduced the exercise price of 620,000 stock options. The reduction in the exercise price resulted in an incremental increase in the fair value of these options of \$12,830 determined using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate of 3.562% to 3.97%; expected life of 2.11 to 4 years; expected volatility of 143% to 152% and dividend yield of \$Nil. The Company recognized \$12,381 in the stock based compensation for the increased value of the vested stock options during the year ended August 31, 2024.

On December 22, 2023, the Company granted an aggregate of 1,700,000 share purchase options to directors, officers and consultants of the Company at an exercise price of \$0.09 per share, vest immediately and have a term of five years. The estimated fair value of the stock options was \$144,031 calculated using the Black-Scholes option pricing model based on the following assumptions: risk free interest rate of 3.30%, expected life of 5 years, no annual dividends, expected volatility of 139%, and a forfeiture rate of 0%.

On January 3, 2023, the Company granted an aggregate of 100,000 share purchase options to a consultant at an exercise price of \$0.25 per share, vest immediately and have a term of five years. On January 3, 2024, the exercise price of the stock options was reduced to \$0.09. The estimated fair value of the stock options was \$10,225 calculated using the Black-Scholes option pricing model based on the following assumptions: risk free interest rate of 3.31%, expected life of 5 years, no annual dividends, expected volatility of 132%, and a forfeiture rate of 0%.

On September 20, 2022, the Company granted an aggregate of 20,000 share purchase options to a consultant at an exercise price of \$0.50 per share, vest immediately and have a term of five years. On January 3, 2024, the exercise price of the stock options was reduced to \$0.09. The estimated fair value of the stock options was \$3,816 calculated using the Black-Scholes option pricing model based on the following assumptions: risk free interest rate of 3.31%, expected life of 5 years, no annual dividends, expected volatility of 142%, and a forfeiture rate of 0%.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

c) Incentive Stock Options (Continued)

A continuity schedule of stock options is as follows:

	Number of options	Weighted average exercise price (\$)
Options outstanding, August 31, 2022	500,000	0.51
Granted	120,000	0.29
Options outstanding, August 31, 2023	620,000	0.47
Granted	2,600,000	0.08
Options outstanding, August 31, 2024	3,220,000	0.08

Details of outstanding and exercisable stock options at August 31, 2024 are as follows:

Exercise price (\$)	Options outstanding and exercisable	Expiry Date
0.09	440,000	Feb 11, 2026
0.09	60,000	Dec 31, 2026
0.09	20,000	Sep 20, 2027
0.09	100,000	Jan 03, 2028
0.09	1,700,000	Dec 22, 2028
0.07	400,000	May 15, 2029
0.05	500,000	Aug 15, 2029
	3,220,000	

As at August 31, 2024, the weighted average remaining contractual life of the stock options was 4 years (2023 – 2.89 years) and the weighted average exercise price was \$0.08 (2023 - \$0.47).

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (Continued)

d) Share Purchase Warrants

A continuity schedule of warrants are as follows:

	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, August 31, 2022	8,127,286	0.49
Expired	(887,693)	0.50
Warrants outstanding, August 31, 2023	7,239,593	0.49
Issued	15,286,309	0.10
Expired	(6,698,926)	0.49
Warrants outstanding, August 31, 2024	15,826,976	0.11

Details of warrants outstanding and exercisable as at August 31, 2024 are as follows:

Exercise price (\$)	Warrants outstanding	Expiry Date
0.45	486,667	Oct 24, 2024
0.45	54,000	Nov 13, 2024
0.10	408,192	Dec 06, 2025
0.10	9,325,450	Dec 06, 2026
0.10	4,006,667	Jan 22, 2027
0.05	80,000	Jul 31, 2026
0.10	1,466,000	Jul 31, 2026
	15,826,976	

As at August 31, 2024, the weighted average remaining contractual life of the share purchase warrants was 2.17 years (2023 – 0.42 years) and the weighted average exercise price was \$0.11 (2023 - \$0.50).

9. RELATED PARTY TRANSACTIONS

Transactions are in the normal course of operations and are measured at fair value. All amounts due to related parties are unsecured, non-interest bearing and have no specific repayment terms.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

Transactions with Key Management Personnel:

	Years ended	
	August 31, 2024	August 31, 2023
Management and consulting fees	\$ 267,000	\$ 210,500
Share-based compensation	\$ 51,614	\$ -

As at August 31, 2024, \$131,913 (2023 - \$37,429) of fees and expenses due to related parties is included in accounts payable and accrued liabilities. The amounts due to related parties are unsecured, non-interest bearing and due on demand.

Key management personnel includes the President, CEO, CFO, and directors. Fees for consulting or management services are directly related to their positions in the organization and are paid or accrued directly to them or companies controlled by them.

In September 2023, the Company entered into a consulting agreement with Clive Massey to provide CEO services to the Company, commencing September 1, 2023. The agreement requires monthly payments of \$12,500. Included in the agreement is a provision for a one-year pay-out (\$150,000) in the event of a termination without notice and a provision for a two-year pay-out (\$300,000) in the event of a change of control.

In September 2023, the Company entered into a consulting agreement with Redonda Management Ltd., a company controlled by the Company's CFO, to provide CFO services to the Company, commencing September 1, 2023. The agreement requires monthly payments of \$6,250. Included in the agreement is a provision for a one-year pay-out (\$75,000) in the event of a termination without notice and a provision for a two-year pay-out (\$150,000) in the event of a change of control.

10. CAPITAL MANAGEMENT

The Company manages capital with the goal to safeguard the Company's ability to continue as a going concern and ensure its ability to further explore and develop its mineral property holdings in Canada and the USA. The Company includes cash and the components of shareholders' equity in the definition of capital.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

To ensure continued operations, the Company depends on external financing to fund its activities. The Company manages its capital requirements through the preparation of annual expenditure budgets, which are updated regularly to take into account factors such as successful financings to fund activities, changes in property holdings and related obligations, and exploration activities.

In the past, the Company has been successful in raising funds through the issuance of share capital. It is uncertain, however, how successful the Company will be in raising more funds in the current difficult market conditions.

There have been no changes to the Company's approach to capital management during the year ended August 31, 2024.

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

11. INCOME TAX

A reconciliation of income taxes at statutory rates to the Company's effective income tax expense is as follows:

	2024	2023
Statutory tax rate	27%	27%
Expected income tax recovery	\$ (447,000)	\$ (411,000)
Non-deductible items	55,000	4,000
Change in unrecognized deferred tax assets	392,000	407,000
	\$ -	\$ -

The Company's unrecognized deductible temporary difference and unused tax losses consist of the following amounts:

	2024		2023	
	Amount	Expiry	Amount	Expiry
Resource deductions	\$ 4,976,000	No expiry	\$ 4,793,000	No expiry
Non-capital loss carry forwards	7,387,000	2026-2044	6,094,000	2026-2043
Net capital loss carry forwards	182,000	No expiry	495,000	No expiry
Share issue cost	73,000	2025-2028	71,000	2024-2026
Equipment	4,000	No expiry	19,000	No expiry
	\$ 12,622,000		\$ 11,472,000	

12. SEGMENTED INFORMATION

The Company has one operating segment, which is mineral exploration. All mineral properties are located in Canada and the USA. Long-term assets by geographic segment, at cost, are as follows:

	CANADA	USA	TOTAL
August 31, 2024			
Equipment	\$ -	\$ 8,941	\$ 8,941
Exploration and evaluation assets	\$ 645,000	\$ 718,583	\$ 1,363,583
August 31, 2023			
Equipment	\$ -	\$ 12,887	\$ 12,887
Reclamation bond	\$ -	\$ 78,309	\$ 78,309
Exploration and evaluation assets	\$ 180,000	\$ 716,865	\$ 896,865

ATOMIC MINERALS CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED AUGUST 31, 2024 AND 2023

(Expressed in Canadian Dollars)

13. SUBSEQUENT EVENTS

On September 23, 2024, the Company closed the second tranche of a private placement and issued 2,100,000 units at \$0.05 per unit for gross proceeds of \$105,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of two years, expiring on September 23, 2026. The Company paid finder's fees consisting of cash totaling \$4,000 and 80,000 non-transferable finder's warrants exercisable at \$0.10 per common share for a period of two years, expiring on September 23, 2026.

On October 24, 2024, 486,667 warrants expired unexercised.

On November 13, 2024, 54,000 warrants expired unexercised.

On November 19, 2024, 100,000 options were granted to a consultant. The options are exercisable at a price of \$0.05 for a period of 5 years.

On November 29, 2024, the Company closed the first tranche of the non-flow through ("NFT") and flow-through ("FT") private placement and issued 4,733,333 FT units at \$0.06 per FT unit for gross proceeds of \$284,000 and 2,350,000 NFT units at \$0.05 per NFT unit for gross proceeds of \$117,500. Each FT and NFT unit consists of one common share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of two years, expiring on November 29, 2026. The Company paid finder's fees consisting of cash totaling \$20,800, 173,333 finder's common shares and 173,333 non-transferable finder's warrants. The finder's warrants entitle the holder to purchase one common share of the Company at an exercise price of \$0.10 per common share for a period of two years, expiring on November 29, 2026.