



Condensed Interim Financial Statements
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the nine months ended September 30, 2023 and
September 30, 2022

Atha Energy Corp.
(the “Company” or “Atha”)

CONDENSED INTERIM FINANCIAL STATEMENTS
As at and for the nine months ended September 30, 2023

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Management of Atha Energy Corp. is responsible for the preparation of the accompanying unaudited condensed interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company’s auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

ATHA ENERGY CORP.

Condensed Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	As at September 30, 2023	As at December 31, 2022
Assets		
Current Assets		
Cash	\$ 22,798,609	\$ 6,976,683
Restricted cash (Note 6)	-	33,725,000
Prepaid expenses	43,375	17,734
GST receivable	541,020	35,256
Refundable claim deposits (Note 5)	4,654,651	-
	\$ 28,037,655	\$ 40,754,673
Property and equipment (Note 4)	50,395	122,436
Exploration and evaluation assets (Note 5)	50,654,129	110,000
Long term deposits (Note 5)	-	1,046,642
Total Assets	\$ 78,742,179	\$ 42,033,751
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 514,788	\$ 350,711
Share subscriptions received (Note 6)	-	33,725,000
	514,788	34,075,711
Shareholders' Equity		
Share capital (Note 6)	80,671,245	8,631,245
Share-based payment reserve (Note 6)	4,496,134	567,744
Deficit	(6,939,988)	(1,240,949)
	78,227,391	7,958,040
Total Liabilities and Shareholders' Equity	\$ 78,742,179	\$ 42,033,751

Nature and continuance of operations (Note 1)

Subsequent event (Note 12)

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

"Troy Boisjoli"

Troy Boisjoli – CEO

"Mike Castanho"

Mike Castanho – Director

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

ATHA ENERGY CORP.

Condensed Interim Statements of Loss and Comprehensive Loss

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Interest income	\$ 280,000	\$ -	\$ 972,550	\$ -
Expenses				
Administration and bank charges	\$ 50,370	\$ 6,201	\$ 91,413	\$ 12,219
Consulting fees (Note 7)	433,729	-	788,115	-
Depreciation (Note 4)	27,637	-	82,910	-
Management fees	-	30,000	30,000	90,000
Marketing	841,427	-	1,111,731	-
Professional fees	163,745	32,847	351,655	82,452
Salaries and wages	82,658	-	82,658	-
Share-based payments (Note 6 and 7)	2,766,803	567,307	3,928,390	567,307
Transfer agent and filing fees	17,386	13,436	89,396	17,147
Travel and accommodation	68,813	-	115,321	-
	(4,452,568)	(649,791)	(6,671,589)	(769,125)
Loss and comprehensive loss for the period	\$ (4,172,568)	\$ (649,791)	\$ (5,699,039)	\$ (769,125)
Weighted average number of shares outstanding – basic and diluted (Note 8)	126,306,388	40,464,465	102,053,006	28,419,954
Basic and diluted loss per share (Note 8)	\$ (0.03)	\$ (0.02)	\$ (0.06)	\$ (0.03)

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

ATHA ENERGY CORP.

Condensed Interim Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	Share Capital			Reserves	Deficit	Total Shareholders' Equity (Deficiency)
	Number ¹	Amount \$	\$			
Balance, December 31, 2022	51,341,388	8,631,245	567,744	(1,240,949)	7,958,040	
Common shares issued - Golden Rose Option	200,000	200,000	-	-	200,000	
Common shares issued – acquisition of Uranium Exploration Properties	38,040,000	38,040,000	-	-	38,040,000	
Common shares issued - consulting and finders fees	3,000,000	3,000,000	-	-	3,000,000	
Common shares issued – conversion of Subscription Receipts	33,725,000	33,725,000	-	-	33,725,000	
Share issuance costs	-	(2,925,000)	-	-	(2,925,000)	
Share-based payments	-	-	3,928,390	-	3,928,390	
Loss for the period	-	-	-	(5,699,039)	(5,699,039)	
Balance, September 30, 2023	126,306,388	80,671,245	4,496,134	(6,939,988)	78,227,391	
Balance, December 31, 2021	17,961,388	124,652	437	(210,706)	(85,617)	
Common shares issued - private placement and loan settlements (Note 7)	26,450,000	8,405,000	-	-	8,405,000	
Share issuance costs	-	(37,007)	-	-	(37,007)	
Common shares issued – debt settlement (Note 7)	6,930,000	138,600	-	-	138,600	
Share-based payments	-	-	567,307	-	567,307	
Loss for the period	-	-	-	(769,125)	(769,125)	
Balance, September 30, 2022	51,341,388	8,631,245	567,744	(979,831)	8,219,158	

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

ATHA ENERGY CORP.

Condensed Interim Statements of Cash Flows

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Cash provided by / (used for):		
Operating Activities:		
Loss for the period	\$ (5,699,039)	\$ (769,125)
Items not involving cash:		
Exploration and evaluation assets (Note 5)	(148,698)	-
Depreciation	82,910	-
Share-based payments	3,928,390	567,307
Net change in non-cash working capital items:		
GST receivable	(505,764)	(11,413)
Prepaid expenses	(25,641)	-
Accounts payable and accrued liabilities	164,077	135,138
	(2,203,765)	(78,093)
Financing Activities:		
Proceeds from share issuance (Note 6)	33,725,000	8,205,000
Settlement of loans for shares	-	200,000
Subscriptions received	(33,725,000)	-
Share issuance costs (Note 6)	(2,925,000)	(13,163)
	(2,925,000)	8,391,837
Investing Activities:		
Refundable claim deposits (Note 5)	(4,654,651)	-
Exploration and evaluation assets (Note 5)	(8,108,789)	(110,000)
Purchase of property and equipment (Note 4)	(10,869)	-
Long term deposits	-	(1,000,000)
	(12,774,309)	(1,110,000)
Change in cash for the period	(17,903,074)	7,203,744
Cash and restricted cash, beginning of the period	40,701,683	18,339
Cash, end of the period	\$ 22,798,609	\$ 7,222,083
Supplemental information:		
Interest paid	\$ -	\$ -
Income taxes	\$ -	\$ -
Non-cash transactions:		
Share issuance for debt settlement	\$ -	\$ 138,600
Share issuance costs included in accounts payable	\$ -	\$ 23,844
Share issuance for exploration and evaluation assets	\$ 41,240,000	\$ -

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

ATHA ENERGY CORP.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND CONTINUANCE OF OPERATIONS

Atha Energy Corp. (the “Company” or “Atha”) was incorporated under the British Columbia Business Corporations Act on January 14, 2021. The Company’s head office and its registered and records office is located at 1250 – 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1. On May 30, 2022, the Company changed its name from Inglenook Ventures Ltd. to Atha Energy Corp.

The Company is principally engaged in the acquisition, exploration, and evaluation of mineral resources in the Athabasca Basin located in Saskatchewan, Canada. At this time, the Company does not own any operating mines and has no operating income from mineral production. Funding for exploration and operations will be raised primarily through share offerings.

Management estimates that the Company has sufficient funding to meet operating commitments for the ensuing year. However, the Company’s future capital requirements will depend on many factors, including the costs of exploring and evaluating resource properties, operating costs, the current capital market environment, and global market conditions. As at September 30, 2023, the Company has working capital of \$27,522,867.

2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY DISCLOSURE INFORMATION**Statement of Compliance**

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting. Accordingly, these condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the most recent audited annual financial statements of the Company as at and for the year ended December 31, 2022. The Board of Directors authorized these condensed interim financial statements for issue on November 29, 2023.

Basis of preparation

These condensed interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. These Financial Statements are presented in Canadian dollars, which is also the Company’s functional currency. In addition, these Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

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Notes to the Condensed Interim Financial Statements
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2. BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY DISCLOSURE INFORMATION (continued)

New and amended IFRS standards that are effective for the current year:

In the current year, the Company has applied the below amendment to IFRS Standards and Interpretations issued by the IASB that was effective for annual periods that begin on or after January 1, 2023. Its adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgments—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term "significant accounting policies" with "material accounting policy information." Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The International Accounting Standards Board ("IASB") has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendment was applied effective January 1, 2023 and did not have a material impact on the Company's Financial Statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual experience may differ from these estimates and assumptions.

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Notes to the Condensed Interim Financial Statements

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(Unaudited – Prepared by Management)

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (*continued*)

The effect of a change in accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements are discussed below:

Judgements**Going Concern**

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1.

Estimates**Deferred tax assets and liabilities**

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent 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 mineral properties 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 to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)***Estimates (continued)*****Provision for environmental rehabilitation**

Liabilities for environmental provisions are recognized at the time of environmental disturbance, in amounts equal to the discounted value of expected future reclamation. The provision for environmental rehabilitation represents management's best estimate of the present value of the future cash outflows required to settle the liability.

Factors that affect the final cost of remediation include estimates of the extent and costs of rehabilitation activities, the expected timing, technological changes, cost increases and changes in discount rates. Changes in the above factors can result in a change to the asset retirement obligation. This liability is reassessed and re-measured at each reporting date.

Stock options

Determining the fair value of stock options requires estimates related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate, and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could have a significant impact on the Company's future operating results or on other components of shareholders' equity.

4. PROPERTY AND EQUIPMENT

	Furniture	Leasehold Improvements	Total
Cost:			
Balance, December 31, 2022	\$ 32,910	\$ 103,130	\$ 136,040
Additions	-	10,869	10,869
Balance, September 30, 2023	\$ 32,910	\$ 113,999	\$ 146,909
Accumulated Depreciation:			
Balance, December 31, 2022	\$ 3,291	\$ 10,313	\$ 13,604
Depreciation	17,771	65,139	82,910
Balance, September 30, 2023	\$ 21,062	\$ 75,452	\$ 96,514
Net Book Value:			
December 31, 2022	\$ 29,619	\$ 92,817	\$ 122,436
September 30, 2023	\$ 11,848	\$ 38,547	\$ 50,395

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Notes to the Condensed Interim Financial Statements
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(Unaudited – Prepared by Management)
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5. EXPLORATION AND EVALUATION ASSETS

September 30, 2023	Uranium Exploration Properties	Golden Rose	Total
Acquisition costs:			
Balance, beginning of year	\$ -	\$ 110,000	\$ 110,000
Additions			
Shares issued on acquisition (Note 6b)	41,040,000	200,000	41,240,000
Cash paid on acquisition	2,000,000	200,000	2,200,000
Claims acquisition	46,642	-	46,642
Balance, end of period	43,086,642	510,000	43,596,642
Exploration costs:			
Balance, beginning of year	\$ -	\$ -	\$ -
Incurred during the period:			
Data review	78,109	-	78,109
Field work	2,367,285	-	2,367,285
Geophysical surveying	4,585,093	-	4,585,093
43-101 – Technical report	27,000	-	27,000
Balance, end of period	7,057,487	-	7,057,487
Total costs	\$50,144,129	\$ 510,000	\$ 50,654,129

December 31, 2022	Uranium Exploration Properties	Golden Rose	Total
Acquisition costs:			
Balance, beginning of year	\$ -	\$ -	\$ -
Additions	-	110,000	110,000
Balance, end of year	-	110,000	110,000
Total costs	\$ -	\$ 110,000	\$ 110,000

Uranium Exploration Properties

On September 20, 2022, the Company entered into an agreement (the “Purchase Agreement”) to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin (the “Acquired Assets”) from The New Saskatchewan Syndicate (the “Vendors”) which includes a 10% carried interest on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd. (the “Acquisition”).

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For the nine months ended September 30, 2023
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (*continued*)

Uranium Exploration Properties (*continued*)

In accordance with the terms of the Purchase Agreement, and as consideration for the Acquired Assets, the Company has agreed, among other things, to pay the Vendors the following:

- \$2,000,000 cash to be paid as follows:
 - \$200,000 non refundable deposit upon execution of the term sheet signed between the parties on January 11, 2022 (paid);
 - \$800,000 non refundable deposit upon execution of the Purchase Agreement (paid); and
 - \$1,000,000 upon Listing (as defined in Note 6b) (paid).
- Issuance of common shares representing not less than 30% of the shares of the Company, on a fully diluted basis, upon Listing (issued 38,040,000 shares of the Company on March 30, 2023 – Note 6b); and
- \$3,000,000 to be made available to the Vendors for the purpose of acquiring additional prospective uranium exploration properties on behalf of, and for the benefit of, the Company.

The Vendors will retain a 10% interest in any additional prospective mineral exploration properties acquired. The Company has also agreed to grant the Vendors a 2% net smelter returns royalty and a 10% carried interest in and to the Acquired Assets. The initial \$1,000,000 deposit was paid to the Vendors through promissory notes issued to various entities who paid the funds to the Vendors. These promissory notes bore no interest and were repaid by the Company within ten days after demand.

On May 16, 2023 the Company entered into a binding letter of intent (“LOI”) with Stallion Discoveries Corp. (“Stallion”), and on July 18, 2023 the parties entered a definitive option and joint venture agreement (the “Definitive Agreement”) providing Stallion an ability to earn an option (the “Option”) to acquire a 70% interest in 47 of the Company’s mineral claims in Saskatchewan, Canada (the “Claims”) by acquiring the requisite portion of the Company’s current 90% interest, after meeting certain milestones.

The milestones included in the Definitive Agreement are:

- within two days of the closing date (expected to be upon approval of the Canadian Securities Exchange (“CSE” and TSX Venture Exchange (“TSX-V”)), Stallion shall issue 3,333,333 Stallion shares to the Company;
- within twelve months after the closing date, Stallion shall incur \$3,311,770 of Saskatchewan Exploration Expenditure Credits towards the exploration of the Claims; and
- within sixty months after the closing date, Stallion shall incur a further \$8,688,230 of Saskatchewan Exploration Expenditure Credits towards the exploration of the Claims.

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For the nine months ended September 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)**Uranium Exploration Properties (continued)**

Upon exercise of the Option, a joint venture agreement (the “Joint Venture Agreement”) shall be entered into by the Company and Stallion, with Stallion and the Company (including the carried over interest of the legacy owner) holding a 70% and a 30% interest, respectively.

During the nine month period ending September 30, 2023, Atha paid refundable claim deposits totalling \$4,654,651 to the Ministry of Energy and Resources of Saskatchewan. The majority of the deposits relate to Claims to be optioned to Stallion. The Company expects to receive a refund of these deposits in connection with Stallions’ exploration expenditures on the related Claims.

The Option remains subject to the policies of the CSE on the part of the Company, the approval of the TSX-V on the part of Stallion, and other conditions as set out in the Definitive Agreement.

Golden Rose Property

Pursuant to a property option agreement dated July 18, 2022 between the Company and Conquest Resources Limited (“Conquest”), the Company has secured the sole and exclusive right and option (the “Golden Rose Option”) to acquire up to a 100% undivided interest in certain mineral leases, known as the Golden Rose Gold Property, located in Ontario.

To fully exercise the Golden Rose Option, the Company must pay Conquest an aggregate of \$1,000,000 and issue to Conquest an aggregate of 1,500,000 common shares of the Company over a period of 36 months, as follows:

- \$100,000 plus the cost of obtaining a technical report on the effective date (paid);
- 200,000 common shares of the Company upon obtaining a public listing on a recognized Canadian stock exchange (issued on March 30, 2023 – Note 6b) (issued);
- \$200,000 (paid) and 300,000 common shares of the Company on the first anniversary of the effective date of the Golden Rose Option;
- \$200,000 and 300,000 common shares of the Company on the second anniversary of the effective date of the Golden Rose Option; and
- \$500,000 and 700,000 common shares of the Company on the third anniversary of the effective date of the Golden Rose Option.

The Company has also agreed to grant Conquest a 1.0% net smelter returns royalty on the Golden Rose Property, which can be purchased by the Company for \$1,000,000.

See also Note 12.

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Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian dollars)

6. SHARE CAPITAL**(a) Authorized**

Unlimited number of common and preferred shares without par value.

(b) Issued and outstanding

As at September 30, 2023, the Company had 126,306,388 (December 31, 2022 - 51,341,388) common shares issued and outstanding.

On March 8, 2022, the Company completed a consolidation of its issued and outstanding common shares on a 1.388:1 basis. All share and per share information in these financial statements have been retroactively adjusted to reflect the consolidation.

On October 28, 2022 and November 8, 2022, the Company completed two tranches of a non-brokered private placement of an aggregate of 33,725,000 subscription receipts (the "Subscription Receipts") of the Company at a price of \$1.00 per Subscription Receipt, for aggregate proceeds of \$33,725,000. The proceeds from the Subscription Receipts financings were held in escrow, pending the listing of the Company's common shares on a recognized Canadian stock exchange (the "Listing"). On March 29, 2023 the Company received the approval of the CSE to list its common shares and on March 30, 2023, the Company issued 33,725,000 common shares upon conversion of the Subscription Receipts. The Company incurred \$2,925,000 in costs in connection with the financing.

On March 30, 2023 the Company issued 200,000 common shares in connection with the Golden Rose Option.

On March 30, 2023 the Company issued 38,040,000 common shares in connection with the Acquisition of the Uranium Exploration Properties.

Additionally, in connection with the acquisition of the Uranium Exploration Properties, on March 30, 2023 the Company issued an aggregate of 3,000,000 common shares to certain finders and consultants of the Company.

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6. SHARE CAPITAL (continued)**(b) Issued and outstanding (continued)**

	Number of Shares	Amount \$
Balance, December 31, 2021	17,961,388	124,652
Debt settlement	6,930,000	138,600
Private placement and loan settlement	12,050,000	1,205,000
Private placement	14,400,000	7,200,000
Share issuance costs	-	(37,007)
Balance, December 31, 2022	51,341,388	8,631,245
Conversion of Subscriptions Receipts	33,725,000	33,725,000
Share issuance costs	-	(2,925,000)
Issued in connection with purchase of the Uranium Exploration Properties	38,040,000	38,040,000
Issued for consulting and finders fees	3,000,000	3,000,000
Issued in connection with the Golden Rose Option	200,000	200,000
Balance, September 30, 2023	126,306,388	80,671,245

(c) Stock options

On January 20, 2023, the Company adopted a new equity incentive plan (the “Equity Incentive Plan”). The Equity Incentive Plan is a 10% rolling plan that allows the Company to grant incentive stock options, deferred share units (“DSUs”), performance share units (“PSUs”), and restricted share units (“RSUs”), (“Awards”). Pursuant to the Equity Incentive Plan, the Company can grant Awards to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Equity Incentive Plan is limited to 10% of the issued common shares of the Company at any time.

The vesting period for all incentive stock options is at the discretion of the Board of Directors of the Company. The exercise price of incentive stock options will be set by the Board of Directors of the Company at the time of grant and cannot be less than the discounted market price of the Company’s common shares.

The Equity Incentive Plan provides that the number of common shares that may be reserved for the issuance to any one individual upon exercise of all Awards held by such an individual may not exceed 5% of the issued common shares, if the individual is a director or officer, or 2% of the issued common shares, if the individual is a consultant or engaged in providing investor relations services, on a yearly basis. All incentive stock options granted under the Equity Incentive Plan will

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6. SHARE CAPITAL (continued)**(c) Stock options (continued)**

expire not later than the date that is ten years from the date that such options are granted. Incentive stock options terminate earlier as follows: (i) immediately in the event of dismissal with cause; (ii) 90 days from date of termination other than for cause; or (iii) 90 days from the date of death or disability. Incentive stock options granted under the Equity Incentive Plan are not transferable or assignable other than by will or other testamentary instrument or pursuant to the laws of succession.

On April 20, 2023, the Company granted a total of 4,700,000 incentive stock options to certain directors, officers, and consultants of the Company, having an exercise price of \$1.44 per share, and an expiry date of April 20, 2033. 200,000 of the options vest monthly over a period of two years, and 4,500,000 vest quarterly over a period of one year.

On June 30, 2023, the Company granted a total of 1,600,000 incentive stock options to certain directors, officers, and consultants of the Company, having an exercise price of \$1.34 per share, and an expiry date of June 30, 2033. The options vest quarterly over a period of one year.

The fair value of options granted was determined using the Black-Scholes option pricing model. For all grants, the assumed dividend yield and forfeiture rate were nil and nil, respectively. Other weighted average assumptions for the options granted on April 20, 2023 and June 30, 2023 were as follows:

	June 30, 2023	April 20, 2023
Expected life of options	10 years	10 years
Annualized volatility	100%	100%
Risk-free interest rate	2.96%	2.96%
Weighted average share price on grant date	\$1.34	\$1.44
Weighted average Black-Scholes fair value	\$1.21	\$1.30

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

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2021	1,404,899	\$0.1388
Cancelled	(1,404,899)	\$0.1388
Granted	1,937,500	\$0.50
Cancelled	(1,250,000)	\$0.50
Balance, December 31, 2022	687,500	\$0.50
Granted	4,700,000	\$1.44
Granted	1,600,000	\$1.34
Balance, September 30, 2023	6,987,500	\$1.32

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6. SHARE CAPITAL (continued)**(c) Stock options (continued)**

As at September 30, 2023, outstanding incentive stock options were as follows:

Grant Date	Number of Options	Options Exercisable	Exercise Price	Expiry Date	Remaining Contractual Life (Years)
August 29, 2022	687,500	687,500	\$ 0.50	August 29, 2027	3.92
April 20, 2023	4,700,000	1,166,667	\$ 1.44	April 20, 2033	9.56
June 30, 2023	1,600,000	400,000	\$ 1.34	June 30, 2033	9.76
Total	6,987,500	2,254,167	\$ 1.32		

Share-based payments expense for stock options for the nine months ended September 30, 2023 was \$3,153,680 (nine months ended September 30, 2022 - \$567,307).

(d) Restricted Share Units (“RSU”)

The Company has implemented a restricted share unit plan (the “RSU Plan”) whereby the board of directors may, from time to time, grant RSUs to employees, consultants, officers or directors of the Company. The board of directors may determine the time during which the RSUs shall vest and the method of vesting, or that no vesting restriction shall exist.

2,300,000 RSUs were granted on June 30, 2023 to certain directors, officers and consultants of the Company. The RSUs vest one year from the date of grant.

A summary of the RSU activity during the nine months ended September 30, 2023 is as follows:

	Number of RSUs
Outstanding balance, December 31, 2022	-
Granted	2,300,000
Outstanding balance, September 30, 2023	2,300,000

RSU expense (included in share-based payments on the Financial Statements) for the nine months ended September 30, 2023 was \$774,710 (nine months ended September 30, 2022 - \$nil).

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7. 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 persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them are recorded at their exchange amounts as agreed upon by transacting parties.

Summary of expenses incurred:

Nature	Relationship	For the period ended	For the period ended
		September 30, 2023	September 30, 2022
		\$	\$
Consulting expense	Consulting fees paid to companies controlled by officers and directors of the Company	170,000	-
Share-based payments	Non-cash expense used to value stock options and RSUs granted and vested to, directors and officers and former directors of the Company	2,049,318	161,429

There were no other related party transactions during the period.

8. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended September 30, 2023 was based on the loss attributable to common shareholders of \$5,699,039 (2022 – \$769,125) and the weighted average number of common shares outstanding of 102,053,006 (2022 – 28,419,954).

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9. MANAGEMENT OF CAPITAL

The Company defines capital as consisting of shareholder's equity (comprised of issued share capital, share-based payment reserves, and deficit). The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. Protecting the ability to pay current and future liabilities includes maintaining capital above minimum regulatory levels, current financial strength rating requirements and internally determined capital guidelines and calculated risk management levels.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital, but rather relies on the expertise of the Company's management to sustain the future development of the business. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. As at September 30, 2023, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no changes in management's approach to capital management during the period ended September 30, 2023.

10. FINANCIAL INSTRUMENTS

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

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at September 30, 2023, the Company is not exposed to currency risk.

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10. FINANCIAL INSTRUMENTS (continued)**Market Risk (continued)****(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in interest rates. The Company's sensitivity to interest rates relative to its cash balances is currently insignificant. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, GST receivable and refundable claim deposits. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. The Company's maximum exposure to credit risk is equal to the carrying amount of cash, GST receivable, and refundable claim deposits. Management believes that the credit risk related to its liquid financial assets is negligible.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At September 30, 2023, the Company has no sources of revenue (other than interest income) and has a cash balance of \$22,798,609 to settle current liabilities of \$514,788.

Since inception the Company has relied solely on private placements to fund its operations. Management believes these financings will fund the Company's exploration work on its resource projects, as well as the existing administrative needs. The Company may require additional financing to accomplish long-term strategic objectives. Future funding may be obtained by means of issuing share capital and/or debt financing. There can be no certainty of the Company's ability to raise additional financing through these means. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. As at September 30, 2023, the Company was exposed to a low level of liquidity risk.

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10. FINANCIAL INSTRUMENTS (continued)**Fair Value Measurements**

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

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As of September 30, 2023 the Company's financial instruments consist of cash, GST receivable, refundable claim deposits, and accounts payable and accrued liabilities. These financial instruments are classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature.

11. SEGMENTED INFORMATION

The Company operates in one reportable segment, being the exploration and evaluation of mineral properties. All of the Company's non-current assets are located in Canada.

12. SUBSEQUENT EVENT

On October 25, 2023, pursuant to an amending letter agreement (the "Amendment Agreement") the Company and Conquest amended certain terms of the Golden Rose Option. Pursuant to the amendments, upon issuance of the first anniversary common shares (300,000) to Conquest, the Company has the right to convert its option to acquire 100% of the Golden Rose Property into a 10% carried interest (the "Carried Interest") in the Golden Rose Property.

In the event that the Company elects to convert its option into the Carried Interest, upon completion by Conquest of a bankable feasibility study ("BFS"), the Company will then have the right to a) participate in the further development of the Golden Rose Property by paying its 10% share of further costs in accordance with the terms of a joint venture agreement to be negotiated by the parties, or b) convert its Carried Interest into a 2% NSR relating to all the mineral leases forming part of the BFS.

On November 15, 2023, pursuant to the Golden Rose Option, the Company issued 300,000 common shares to Conquest (Note 5).