



**ATHA Energy Corp.**

**Condensed Consolidated Interim Financial Statements**

*(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)*

For the three and nine months ended September 30, 2024 and 2023

**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed consolidated interim financial statements of Atha Energy Corp. for the three and nine months ended September 30, 2024 and 2023, have been prepared by the management of the Company and approved by the Company's Board of Directors. The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of the interim financial statements by an auditor.

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars, unless otherwise noted)

As at:	Notes	September 30, 2024	December 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7,8	\$ 15,703,374	\$ 33,322,911
Restricted cash	7,14	35,000	3,880,000
Receivables	6,7,8	2,271,722	809,916
Deferred financing costs	14	-	120,000
Deferred acquisition costs	7,8	-	422,473
Marketable securities	12	255,639	683,333
Prepaid expenses	7	906,544	669,530
<b>Total current assets</b>		<b>\$ 19,172,279</b>	<b>\$ 39,908,163</b>
<b>Non-current assets</b>			
Property and equipment	9	293,002	116,675
Exploration and evaluation assets	10	196,113,867	59,133,559
Right-of-use assets	7,11	667,275	-
<b>Total non-current assets</b>		<b>\$ 197,074,144</b>	<b>\$ 59,250,234</b>
<b>Total assets</b>		<b>\$ 216,246,423</b>	<b>\$ 99,158,397</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	16	4,117,842	2,056,810
Share subscriptions received	14	-	4,000,000
Current portion of lease liabilities	7,11	193,881	-
Flow-through premium liability	13	2,138,559	-
<b>Total current liabilities</b>		<b>\$ 6,450,282</b>	<b>\$ 6,056,810</b>
<b>Non-current liabilities</b>			
Lease liabilities	7,11	478,541	-
Flow-through premium liability	13	-	5,334,532
<b>Total liabilities</b>		<b>\$ 6,928,823</b>	<b>\$ 11,391,342</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	14	213,830,572	93,555,414
Share-based payment reserve	15	14,175,018	9,428,217
Contributed surplus	15	3,570,391	-
Accumulated other comprehensive gain	12	111,591	-
Deficit		(22,369,972)	(15,216,576)
<b>Total shareholders' equity</b>		<b>\$ 209,317,600</b>	<b>\$ 87,767,055</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 216,246,423</b>	<b>\$ 99,158,397</b>

Nature of business and continuing operations (Note 1)

Events after reporting period (Note 21)

Approved by the Board of Directors and authorized for issue on November 28, 2024:

“Troy Boisjoli” CEO

“Mike Castanho” Director

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

	Notes	Three months ended		Nine months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<b>Operating expenses</b>					
Business development		83,463	-	626,066	-
Consulting and advisory fees	16	46,249	433,729	148,653	788,115
Depreciation	9,11	76,901	27,637	136,835	82,910
Management and director fees	16	102,627	-	340,222	30,000
Marketing and shareholder relations		359,021	841,427	1,435,900	1,111,731
Office and administration		97,985	50,370	555,530	91,413
Professional fees		257,128	163,745	1,114,386	351,655
Rent expense	16	6,375	-	46,314	-
Salaries and wages	16	153,175	82,658	813,026	82,658
Share-based compensation	15,16	628,774	5,043,580	4,813,801	6,205,167
Transfer agent and filing fees		41,766	17,386	619,922	89,396
Travel		129,531	68,813	527,371	115,321
<b>Total operating expenses</b>		<b>\$ (1,982,995)</b>	<b>\$ (6,729,345)</b>	<b>\$ (11,178,026)</b>	<b>\$ (8,948,366)</b>
<b>Operating loss</b>		<b>\$ (1,982,995)</b>	<b>\$ (6,729,345)</b>	<b>\$ (11,178,026)</b>	<b>\$ (8,948,366)</b>
<b>Other income (expenses)</b>					
Foreign exchange loss		(339,424)	-	(656,113)	-
Interest expense		(14,245)	-	(21,806)	-
Interest income		196,539	280,000	760,694	972,550
Other income		16,950	-	13,221	-
<b>Loss before tax</b>		<b>\$ (2,123,175)</b>	<b>\$ (6,449,345)</b>	<b>\$ (11,082,030)</b>	<b>\$ (7,975,816)</b>
Flow-through premium recovery	13	1,176,407	-	3,926,834	-
<b>Net loss</b>		<b>\$ (946,768)</b>	<b>\$ (6,449,345)</b>	<b>\$ (7,155,196)</b>	<b>\$ (7,975,816)</b>
<b>Other comprehensive gain (loss)</b>					
Translation adjustment		323,843	-	647,541	-
Unrealized loss on marketable securities	12	(46,978)	-	(535,950)	-
<b>Total comprehensive loss</b>		<b>\$ (669,903)</b>	<b>\$ (6,449,345)</b>	<b>\$ (7,043,605)</b>	<b>\$ (7,975,816)</b>
<b>Basic and diluted loss per common share</b>					
		<b>\$ (0.00)</b>	<b>\$ (0.05)</b>	<b>(0.03)</b>	<b>(0.08)</b>
Weighted average number of common shares outstanding - basic and diluted		277,892,900	126,306,388	235,534,746	101,867,249

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

	Number of shares	Share capital	Share-based payment reserve	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
<b>Balance - January 1, 2023</b>	<b>51,341,388</b>	<b>\$ 8,631,245</b>	<b>\$ 567,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,240,949)</b>	<b>\$ 7,958,040</b>
Common shares issued – Golden Rose Option	200,000	200,000	-	-	-	-	200,000
Common shares issued – acquisition of NSS 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 compensation	-	-	6,205,167	-	-	-	6,205,167
Net loss for the period	-	-	-	-	-	(7,975,816)	(7,975,816)
<b>Balance - September 30, 2023</b>	<b>126,306,388</b>	<b>\$ 80,671,245</b>	<b>\$ 6,772,911</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (9,216,765)</b>	<b>\$ 78,227,391</b>
<b>Balance - January 1, 2024</b>	<b>138,606,388</b>	<b>\$ 93,555,414</b>	<b>\$ 9,428,217</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (15,216,576)</b>	<b>\$ 87,767,055</b>
Common shares to acquire Latitude Uranium Inc. (Note 7)	64,444,004	57,999,604	-	-	-	-	57,999,604
Common shares to acquire 92 Energy Limited (Note 8)	65,794,682	54,609,586	-	-	-	-	54,609,586
Conversion of subscription receipts (Note 14)	4,000,000	4,000,000	-	-	-	-	4,000,000
Share issuance costs (Note 14)	-	(551,032)	-	-	-	-	(551,032)
Common shares issued - acquisition of NSS Properties (Note 10)	5,000,000	4,150,000	-	-	-	-	4,150,000
Stock options to acquire Latitude Uranium Inc. (Note 7)	-	-	-	1,510,447	-	-	1,510,447
Warrants to acquire Latitude Uranium Inc. (Note 7)	-	-	-	2,061,744	-	-	2,061,744
Share-based compensation (Note 15)	-	-	4,813,801	-	-	-	4,813,801
Unrealized loss on marketable securities (Note 12)	-	-	-	-	(535,950)	-	(535,950)
Exercise of RSUs	50,000	67,000	(67,000)	-	-	-	-
Expiry of share options (Note 15)	-	-	-	(1,800)	-	1,800	-
Translation adjustment	-	-	-	-	647,541	-	647,541
Net loss for the period	-	-	-	-	-	(7,155,196)	(7,155,196)
<b>Balance - September 30, 2024</b>	<b>277,895,074</b>	<b>\$ 213,830,572</b>	<b>\$ 14,175,018</b>	<b>\$ 3,570,391</b>	<b>\$ 111,591</b>	<b>\$ (22,369,972)</b>	<b>\$ 209,317,600</b>

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

For the nine months ended:	Notes	September 30, 2024	September 30, 2023
<b>OPERATING ACTIVITIES</b>			
Net loss		\$ (7,155,196)	\$ (7,975,816)
<b>Non-cash items:</b>			
Depreciation	9,11	136,835	82,910
Share-based compensation	15,16	4,813,801	6,205,167
Flow-through premium recovery	13	(3,926,834)	-
Interest expense	11	21,806	-
Foreign exchange loss		656,113	-
Other income		1,644	-
<b>Changes in non-cash working capital items:</b>			
Receivables		(855,252)	(505,764)
Prepaid expenses		(15,428)	(25,641)
Accounts payable and accrued liabilities		(1,151,824)	15,379
Deferred acquisition costs	7,8	(404,841)	-
Deferred financing costs	14	120,000	-
Refund of interest paid		1,514	-
<b>Cash flows used in operating activities</b>		<b>\$ (7,757,662)</b>	<b>\$ (2,203,765)</b>
<b>INVESTING ACTIVITIES</b>			
Exploration and evaluation expenditures	10,16	\$ (23,710,242)	\$ (8,108,789)
Receipt of provincial exploration credit		236,200	-
Purchase of property and equipment	9	(132,402)	(10,869)
Repayment of refundable claim deposits		-	(4,654,651)
Refund of claim deposits		1,463,573	-
Cash and restricted cash received on acquisition of Latitude Uranium Inc.	7	6,381,619	-
Cash and restricted cash received on acquisition of 92 Energy Limited	8	2,681,028	-
<b>Net cash used in investing activities</b>		<b>\$ (13,080,224)</b>	<b>\$ (12,774,309)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from share issuance		-	33,725,000
Subscriptions received		-	(33,725,000)
Share issuance costs		(551,032)	(2,925,000)
Payment on lease obligations	11	(103,150)	-
<b>Net cash used in financing activities</b>		<b>\$ (654,182)</b>	<b>\$ (2,925,000)</b>
<b>Decrease in cash and cash equivalents, and restricted cash</b>		<b>\$ (21,492,068)</b>	<b>\$ (17,903,074)</b>
Effect of foreign exchange rate fluctuation		27,531	-
<b>Cash and cash equivalents, and restricted cash, beginning of period</b>		<b>\$ 37,202,911</b>	<b>\$ 40,701,683</b>
<b>Cash and cash equivalents, and restricted cash, end of period</b>		<b>\$ 15,738,374</b>	<b>\$ 22,798,609</b>
Interest paid		\$ 23,304	\$ -
Total cash		\$ 15,608,374	\$ 22,798,609
Total cash equivalents		\$ 95,000	\$ -
Total restricted cash		\$ 35,000	\$ -

# **ATHA ENERGY CORP.**

## **Notes to the Condensed Consolidated Interim Financial Statements**

**Three and nine months ended September 30, 2024 and 2023**

*(Unaudited - expressed in Canadian Dollars, unless otherwise noted)*

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### **1. NATURE OF BUSINESS AND CONTINUING 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 April 6, 2023, the Company received approval from the Canadian Securities Exchange (“CSE”) to list its common shares under the symbol SASK. The Company applied to voluntarily delist its common shares from the CSE in March 2024 in tandem with the Company’s listing on the TSX Venture Exchange (“TSXV”) which was effective at TSXV open on March 4, 2024. The Company’s common shares continue to trade under the symbol “SASK”.

The Company is principally engaged in the acquisition, exploration, and evaluation of mineral resources in the Athabasca Basin located in Saskatchewan, Alberta, Labrador, and Nunavut, 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.

These condensed consolidated interim financial statements (“Interim Financial Statements”) have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. 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, 2024, the Company has working capital of \$12,721,997.

### **2. STATEMENT OF COMPLIANCE**

The Interim Financial Statements of the Company as at and for the three and nine months ended September 30, 2024, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board, applicable to the preparation of interim financial statements as set out in IAS 34 Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented. These Interim Financial Statements do not include all the disclosures required for a complete set of IFRS financial statements. Accordingly, they should be read in conjunction with the last audited annual financial statements and notes thereto for the year ended December 31, 2023 (“annual financial statements”). Selected explanatory notes are included in the Interim Financial Statements to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

These Interim Financial Statements were approved and authorized for issuance by the Board of Directors on November 28, 2024.

### **3. BASIS OF PRESENTATION**

These Interim Financial Statements are prepared in accordance with accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretation of the International Financial Reporting Interpretation Committee (“IFRIC”).

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

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

The Interim Financial Statements of the Company are presented in Canadian dollars, unless otherwise indicated, the reporting currency of the Company.

### Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its wholly-owned subsidiaries, which are controlled by the Company. Control is achieved when the parent company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has all of the following: (i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee); (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect its returns. The financial statements of the subsidiaries are included in these condensed consolidated interim financial statements from the date that control commences until the date that control ceases. All significant inter-company balances and transactions are eliminated on consolidation.

The entities contained in the Interim Financial Statements are as follows:

Entity Name	Place of business and operations	Functional currency	Equity percentage
Atha Energy Corp (the "Company") - parent	Canada	CAD	n/a
Atha Energy (NU) Corp. ("ATHA NU") – wholly owned subsidiary	Canada	CAD	100%
Latitude Uranium Inc. ("Latitude") – wholly owned subsidiary	Canada	CAD	100%
5833 Nunavut Ltd ("NUN") – indirect wholly-owned subsidiary	Canada	CAD	100% owned by Latitude
92 Energy Limited ("92E") – wholly owned subsidiary	Australia	AUD	100%
92 Energy Canada Ltd. ("92CAN") – indirect wholly-owned subsidiary	Canada	CAD	100% owned by 92E

## 4. MATERIAL ACCOUNTING POLICIES

Material accounting policies applied to these Interim Financial Statements are the same as those applied and disclosed in Note 4 of the Company's audited annual financial statements for the year ended December 31, 2023 except for the following:

### Cash and cash equivalents

Cash and cash equivalents consist of cash held at a Canadian financial institution and guaranteed investment certificates ("GICs") that are redeemable on demand and with maturity dates less than one-year.

### Right-of-use assets and lease liabilities

The Company assesses whether a contract is a lease based on whether the contract conveys the right to control the use ("ROU") of an underlying asset for a period of time in exchange for consideration. Leases are recognized as a lease liability and a corresponding ROU asset at the date on which the leased asset is

available for use by the Company. Liabilities and assets arising from a lease are initially measured on a present value basis. Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Company's estimated incremental borrowing rate when the rate implicit in the lease is not readily available. The corresponding right-of-use assets are measured at the amount equal to the lease liability.

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the amount expected to be payable under a residual value guarantee or if there is a change in the assessment of whether the Company will exercise a purchase, extension or termination option that is within the control of the Company. The ROU asset, initially measured at an amount equal to the corresponding lease liability, is depreciated on a straight-line basis, over the shorter of the estimated useful life of the asset or the lease term. The ROU asset may be adjusted for certain remeasurements of the lease liability and impairment losses.

### Exploration and evaluation assets

#### Farm-out arrangements

In a farm-out agreement, the Company does not record any expenditure made by the farmed on its account. It also does not recognize any gain or loss on its exploration and evaluation farm-out arrangements but redesignates any costs previously capitalized in relation to the whole interest as relating to the partial interest retained. Any cash or equity consideration received from the farmed is credited against costs previously capitalized in relation to the whole interest with any excess accounted for by the farmer as a gain on disposal.

#### **Property and equipment**

The annual amortization rate and method for the newly added category of property and equipment is as follows:

- Field equipment: straight-line – 3 years

#### **Accumulated other comprehensive income (loss)**

Accumulated other comprehensive income (loss) includes gains or losses from revaluation of marketable securities and translation adjustment from retranslation of foreign subsidiaries.

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates and judgments applied to these Interim Financial Statements are the same as those applied to the Company's audited annual financial statements for the year ended December 31, 2023 except for the following:

### **Judgements**

#### *Term of Lease Contracts*

The Company has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of the lease liabilities and right-of-use assets recognized.

#### *Business Combination vs. Asset Acquisition*

The Company applies judgement in determining whether the acquisition of arms-length entities constitute a business combination or an asset acquisition. The assessment of whether the transaction should be accounted for as a business combination or asset acquisition has significant impact to the initial measurement and valuation of net assets acquired and resulting recognition of goodwill.

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

### Estimates

#### Lease – Discount Rate

In instances where the Company cannot readily determine the interest rate implicit in a lease, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary

to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as interest rate spreads for credit and other risks).

## 6. RECEIVABLES

Receivables balances as at September 30, 2024 and December 31, 2023 were comprised of the following:

	September 30, 2024	December 31, 2023
Receivables	\$ 1,601	\$ -
Sales tax credit receivable	2,270,121	809,916
<b>Total receivables</b>	<b>\$ 2,271,722</b>	<b>\$ 809,916</b>

## 7. ACQUISITION OF LATITUDE URANIUM INC.

On March 7, 2024, the Company completed its acquisition of Latitude pursuant to the terms of an arrangement agreement (the “Latitude Agreement”). On closing, the Company issued 64,444,004 common shares of the Company in exchange for 100% of the issued and outstanding common shares of Latitude. Latitude is an entity that was incorporated on July 13, 2021 under the laws of the province of Ontario. Latitude’s primary business activity prior to acquisition was the exploration of mineral properties in Canada.

Per the terms of the Latitude Agreement, Latitude shareholders received 0.2769 of a common share of the Company for each Latitude common share held (the “Latitude Ratio”). Additionally, incentive stock options of Latitude were exchanged for incentive stock options of the Company at the Latitude Ratio. Similarly, Latitude common share purchase warrants (“warrants”) were exchanged for common share purchase warrants of the Company at the Latitude Ratio. Consequently, 5,371,854 incentive stock options and 11,285,962 common share purchase warrants were issued respectively. The stock options and warrants have been fair valued as determined using the Black Scholes option pricing model (Note 15). The Transaction has been accounted for as an asset acquisition as Latitude did not meet the definition of a ‘business’ as defined under IFRS 3.

Purchase price consideration	
Fair value of 64,444,004 common shares issued at \$0.90	\$ 57,999,604
Fair value of 5,371,854 stock options issued	1,510,447
Fair value of 11,285,962 warrants issued	2,061,744
<b>Total purchase price</b>	<b>\$ 61,571,795</b>
<b>Total acquisition costs (i)</b>	<b>\$ 377,416</b>
<b>Total amount allocated to net assets acquired</b>	<b>\$ 61,949,211</b>

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

<i>Assets acquired and liabilities assumed:</i>		
Cash and cash equivalent (ii)	\$	6,346,619
Restricted cash		35,000
Receivables		297,583
Prepaid expenses		231,586
Right-of-use asset		354,090
Exploration and evaluation asset		55,426,412
Property and equipment		67,487
Accounts payable and accrued liabilities		(222,489)
Flow-through premium liability		(232,986)
Lease liability		(354,090)
<b>Total amount allocated</b>	<b>\$</b>	<b>61,949,211</b>

- (i) Acquisition costs relate entirely to legal fees incurred as part of completing the acquisition transaction. \$235,368 of this balance was presented as deferred acquisition costs as at December 31, 2023.
- (ii) Included in cash and cash equivalents is a \$20,000 and \$4,975,000 GIC investment (collectively the "GICs") held with a Canadian financial institution. The GICs are redeemable on demand without penalty. During the three and nine months ended September 30, 2024, the Company recognized interest income of \$6,411 and \$80,530 (three and nine months ended September 30, 2023 - \$nil and \$nil) in relation to its GICs. The \$4,975,000 GIC was fully redeemed as of September 30, 2024. The remaining GIC investment is presented as cash and cash equivalent on the Company's statement of financial position.

## 8. ACQUISITION OF 92 ENERGY LIMITED

On April 11, 2024, the Company completed its acquisition of 92E pursuant to the terms of Scheme Implementation Deed (the "Scheme"). On closing, the Company issued 65,794,682 common shares of the Company in exchange for 100% of the issued and outstanding common shares of 92E. Pursuant to the Scheme, shareholders of 92E received 0.5834 (the "92E Ratio") common shares of the Company per one 92E common share held. Prior to acquisition, 92E was an exploration stage uranium company listed on the Australian Securities Exchange (the "ASX") with a focus on exploration of its uranium exploration projects located within the Athabasca Basin region of Canada. The Transaction has been accounted for as an asset acquisition as 92 Energy did not meet the definition of a 'business' as defined under IFRS 3.

<b>Purchase price consideration</b>		
Fair value of 65,794,682 common shares issued at \$0.83	\$	54,609,586
<b>Total purchase price</b>	<b>\$</b>	<b>54,609,586</b>
<b>Total acquisition costs (i)</b>	<b>\$</b>	<b>449,898</b>
<b>Total amount allocated to net assets acquired</b>	<b>\$</b>	<b>55,059,484</b>

<i>Assets acquired and liabilities assumed:</i>		
Cash and cash equivalents (ii)	\$	2,681,028
Receivables		304,359
Property and equipment		18,282
Exploration and evaluation assets		53,772,654
Trade and other payables		(1,228,387)
Flow-through premium liability		(488,452)
<b>Total amount allocated</b>	<b>\$</b>	<b>55,059,484</b>

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

*(Unaudited - expressed in Canadian Dollars, unless otherwise noted)*

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- (i) Acquisition costs relate entirely to legal fees incurred as part of completing the acquisition transaction. \$187,105 of this balance was presented as deferred acquisition costs as at December 31, 2023.
  
- (ii) Included in cash and cash equivalents are GIC investments which are held with the same Canadian financial institution. The GICs are redeemable on demand without penalty with maturity dates as follows:
  - GIC investment of \$40,000; maturity date of October 12, 2024 – annual interest rate of 3.30%; GIC investment of \$107,000; maturity date of September 19, 2024 – annual interest rate of 4.75%; and
  
  - GIC investment of \$35,000; maturity date of October 10, 2024 – annual interest rate of 4.05%

During the three and nine months ended September 30, 2024, the Company recognized interest income of \$6,033 and \$29,962 (three and nine months ended September 30, 2023 - \$nil and \$nil) in relation to its GIC investments. All GIC investments have been presented as cash and cash equivalent on the Company's statement of financial position.

## ATHA ENERGY CORP.

### Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

#### 9. PROPERTY AND EQUIPMENT

	Computer equipment	Furniture	Field equipment	Leasehold improvements	Total
<b>Cost</b>					
<b>Balance, December 31, 2023</b>	\$ 2,470	\$ 43,769	\$ –	\$ 113,999	\$ 160,238
Additions	20,408	17,610	94,382	–	132,400
Property and equipment added on acquisition of Latitude	–	–	–	67,487	67,487
Property and equipment added on acquisition of 92E	345	17,937	–	–	18,282
<b>Balance, September 30, 2024</b>	\$ 23,223	\$ 79,316	\$ 94,382	\$ 181,486	\$ 378,407
<b>Accumulated depreciation and impairment</b>					
<b>Balance, December 31, 2023</b>	\$ 1,235	\$ 10,301	\$ –	\$ 32,027	\$ 43,563
Depreciation in the period	3,428	8,160	4,600	25,654	41,842
<b>Balance, September 30, 2024</b>	\$ 4,663	\$ 18,461	\$ 4,600	\$ 57,681	\$ 85,405
<b>Carrying amount</b>					
Balance, December 31, 2023	\$ 1,235	\$ 33,468	\$ –	\$ 81,972	\$ 116,675
<b>Balance, September 30, 2024</b>	\$ 18,560	\$ 60,855	\$ 89,782	\$ 123,805	\$ 293,002

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

### 10. EXPLORATION AND EVALUATION ASSETS

	Saskatchewan/ Alberta Exploration Properties	Nunavut Exploration Properties	Golden Rose Property	Angilak Property	Gemini Property	Other Exploration Properties	Total
<b>Acquisition costs:</b>							
<b>Balance, January 1, 2024<sup>(1)</sup></b>	\$ 45,136,505	\$ 2,915,965	\$ 807,000	\$ -	\$ -	\$ -	\$ 48,859,470
Exploration and evaluation assets added on acquisition of Latitude (Note 7)	-	-	-	49,883,770	-	5,542,642	55,426,412
Exploration and evaluation assets added on acquisition of 92E (Note 8)	-	-	-	-	48,395,389	5,377,265	53,772,654
Option and other payments	3,139,197	-	-	-	(43,709)	83,953	3,179,441
Option proceeds	(158,256)	-	-	-	-	-	(158,256)
<b>Balance, September 30, 2024</b>	\$ 48,117,446	\$ 2,915,965	\$ 807,000	\$ 49,883,770	\$ 48,351,680	\$ 11,003,860	\$ 161,079,721
<b>Exploration and evaluation costs:</b>							
<b>Balance, January 1, 2024</b>	\$ 10,274,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,274,089
<i>Expenditures incurred during the period:</i>							
Staking	39,375	103,320	-	34,020	-	91,615	268,330
Data review	290,913	-	-	-	-	-	290,913
Information technology	115,503	-	-	-	-	30,985	146,488
Field work	4,787,874	1,035,274	-	4,369,162	243,935	176,991	10,613,236
Salaries and wages	316,369	-	-	107,624	188,685	-	612,678
Consultants and contractors	43,660	-	-	-	-	-	43,660
Travel	8,470	-	-	347,131	60,335	-	415,936
Geophysical surveying	4,583,474	-	-	659,353	9,200	-	5,252,027
43-101 Technical report	9,900	-	-	-	-	-	9,900
Digitization program	193,764	-	-	-	-	-	193,764
Geological	28,600	-	-	901,562	82,994	104,400	1,117,556
Archaeology	-	-	-	60,000	-	-	60,000
Drilling	-	-	-	2,721,375	1,565,497	-	4,286,872
Assaying	-	-	-	630	-	-	630
Helicopter	67,464	-	-	1,222,817	92,865	-	1,383,146
Community and indigenous engagement	33,750	-	-	241	-	-	33,991
Environmental	-	-	-	30,930	-	-	30,930
<b>Balance, September 30, 2024</b>	\$ 20,793,205	\$ 1,138,594	\$ -	\$ 10,454,845	\$ 2,243,511	\$ 403,991	\$ 35,034,146
Balance as at January 1, 2024	55,410,594	2,915,965	807,000	-	-	-	59,133,559
<b>Balance, September 30, 2024</b>	<b>68,910,651</b>	<b>4,054,559</b>	<b>807,000</b>	<b>60,338,615</b>	<b>50,595,191</b>	<b>11,407,851</b>	<b>196,113,867</b>

<sup>(1)</sup> Included in claims fees are Saskatchewan deficiency deposits totalling \$3,101,078 Nunavut claims fees totalling \$3,092,680 which are contingently recoverable by the Company upon meeting certain exploration requirements within the next two years.

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

	Saskatchewan/ Alberta Exploration Properties	Nunavut Exploration Properties	Golden Rose Property	Angilak Property	Gemini Property	Other Exploration Properties	Total
<b>Acquisition costs:</b>							
<b>Balance, January 1, 2023</b>	\$ -	\$ -	\$ 110,000	\$ -	\$ -	\$ -	\$ 110,000
Option and other payments	43,086,642	-	400,000	-	-	-	43,486,642
<b>Balance, September 30, 2023</b>	\$ 43,086,642	\$ -	\$ 510,000	\$ -	\$ -	\$ -	\$ 43,596,642
<b>Exploration and evaluation costs:</b>							
<b>Balance, January 1, 2023</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Expenditures incurred during the period:</i>							
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
<b>Balance, September 30, 2023</b>	\$ 7,057,487	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,057,487
Balance as at January 1, 2023	-	-	110,000	-	-	-	110,000
<b>Balance, September 30, 2023</b>	<b>50,144,129</b>	<b>-</b>	<b>510,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,654,129</b>

# ATHA ENERGY CORP.

## Notes to the Condensed Consolidated Interim Financial Statements

Three and nine months ended September 30, 2024 and 2023

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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### Saskatchewan/ Alberta 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 "NSS") which includes a 10% carried interest on certain land owned and operated by NexGen Energy Ltd. and IsoEnergy Ltd. (the "Acquisition").

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 NSS the following:

- \$2,000,000 cash to be paid as follows:
  - \$200,000 nonrefundable 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 8b) (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 14); and
- \$3,000,000 to be made available to the NSS for the purpose of acquiring additional prospective uranium exploration properties on behalf of, and for the benefit of, the Company.

In connection with the Acquisition, the Company issued 1,000,000 common shares with a fair value of \$1,000,000 as finders fees.

The NSS, pursuant to an amending agreement signed in December 2023, will retain a 5% interest in any additional prospective mineral exploration properties acquired. The Company has also agreed to grant the NSS a 1% net smelter returns royalty and a 5% carried interest in and to the Acquired Assets and, agreed to issue 5,000,000 common shares to the NSS prior to June 30, 2024 (issued on April 11, 2024).

The initial \$1,000,000 deposit was paid to the NSS through promissory notes issued to various entities who paid the funds to the NSS. These promissory notes bore no interest and were repaid by the Company within ten days after demand. Expenditures of \$46,642 on NSS mineral claims were classified as deposits because as of December 31, 2022 the Acquisition and listing had not been completed.

### Stallion Discoveries Option

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 "Stallion Option") to acquire a 70% interest in 47 of the Company's mineral claims in Saskatchewan, Canada (the "Stallion Claims") by acquiring the requisite portion of the Company's current 90% interest, after meeting certain milestones.

The Definitive Agreement, included the following material terms:

- Stallion issued 3,333,333 Stallion shares to the Company in July 2023 with fair value on issuance of \$683,333;

# **ATHA ENERGY CORP.**

## **Condensed Consolidated Interim Statements of Cash Flows**

*(Unaudited - expressed in Canadian Dollars, unless otherwise noted)*

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- Stallion was required to incur \$3,311,770 of Saskatchewan Exploration Expenditure Credits (“SEEC”) towards the exploration of the Stallion Claims within twelve months of the Stallion Option. As of July 2024, \$2.7 million of SEEC expenditures were incurred on the Stallion Claims and, accordingly, the Company expects approximately \$600,00 in SEEC deposits will be forfeited in 2024 and such forfeited amounts would be settled through the issuance of Stallion shares valued at 1.5 times the forfeited amounts pursuant to provisions of the Stallion Option. ATHA expects to receive these Stallion shares in the fourth quarter of 2024; 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.

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 year ended December 31, 2023, ATHA paid refundable claim deposits totaling \$4,654,651 to the Ministry of Energy and Resources of Saskatchewan. A significant portion of the deposits relate to claims to be option to Stallion. The Company expects to receive a refund of these deposits in connection with Stallion’s exploration expenditures on the related Stallion Claims. During the three and nine months ended September 30, 2024, the Company received refunds totaling \$1,413,573.

### **Golden Rose Property**

On April 4, 2024, the Company issued the Conversion Notice to Conquest as per the Amendment Agreement and upon delivery, all of Company’s obligations with respect to the Golden Rose Option were terminated and the Company has no further obligations, including additional payments or the granting of a 1.0% net smelter returns royalty to Conquest, in connection with the Golden Rose Option. Per the Amending Agreement and upon the completion by Conquest of a bankable feasibility study (“BFS”), the Company has 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.

### **Nunavut Exploration Properties**

#### **Angilak**

The Angilak Project is situated within the Angikuni Basin approximately 225 km southwest of Baker Lake in the Kivalliq Region of Nunavut.

#### **Gemini Property**

The Gemini property is an unconformity-associated uranium exploration project located on the eastern margin of the Athabasca Basin, 27 km southeast of the McArthur River uranium mine, 60 km northeast of the Key Lake uranium mill and 780 km northeast of the regional center of Saskatoon. Gemini consists of 13 granted mineral claims with a total area of 445.3 km.

#### **Other Properties**

#### **Inspiration Energy Option Agreement**

On April 24, 2024, ATHA Energy announced an agreement with Inspiration Energy Corp. (CSE: ISP) (“Inspiration”) whereby ATHA granted Inspiration an exclusive option to acquire an undivided 70% interest

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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in each of ATHA's Plateau and Ledge properties (together, the "Properties"), subject to option considerations and work commitments outlined in the option agreement.

Inspiration issued 4,330,228 of its common shares (the "Consideration Shares") to ATHA.

This Option Agreement lapsed in accordance with its terms on September 1, 2024.

### Riverboat Energy Option Agreement

On May 28, 2024, ATHA announced a definitive option agreement dated May 20, 2024 (the "Effective Date"), with Riverboat Energy Corporation ("Riverboat") a privately held Canadian exploration company. The option agreement grants Riverboat an exclusive option to acquire an undivided 70% interest in ATHA's Vista property ("Vista Property"), situated within the Company's East Rim Exploration District, located in the Athabasca Basin, Saskatchewan. The option agreement is subject to Riverboat fulfilling the option considerations and exploration expenditures detailed below in the Vista Option.

In accordance with the terms of the Option Agreement, Riverboat can earn a 70% undivided interest (subject to underlying 2.0% NSR royalties on the property) in the Vista Property by making cash payments to ATHA, issuing Option Shares to ATHA and completing Expenditures on the Property (the "Option Payments"), each as described below. Riverboat may exercise the option on the Vista Property by satisfying all of the following conditions:

1. Making an aggregate of \$600,000 in cash payments (collectively, the "Cash Payments") to Atha as follows:
  - a. \$50,000 on or before the date that is 30 days from the Effective Date (received on July 3, 2024);
  - b. \$350,000 on or before the date (the "Listing Date") on which the common shares of Riverboat are listed for trading on a Canadian stock exchange;
  - c. \$100,000 on or before the second anniversary of the Effective Date; and
  - d. \$100,000 on or before the third anniversary of the Effective Date;
2. The issuance to Atha of such number of common shares (each, an "Option Share") in the capital of Riverboat equal to the quotient obtained by dividing \$800,000 by the Price per Share, as follows:
  - a. Such number of Option Shares equal to the quotient obtained by dividing \$600,000 by the Price per Share issuable on the Listing Date;
  - b. Such number of Option Shares equal to the quotient obtained by dividing \$100,000 by the Price per Share issuable on or before the first anniversary of the Effective Date; and
  - c. Such number of Option Shares equal to the quotient obtained by dividing \$100,000 by the Price per Share issuable on or before the second anniversary of the Effective Date;
3. Incurring and funding aggregate Expenditures in the amount of \$9,300,000 on the Property over a three-year period, as follows:
  - a. Riverboat shall have incurred and funded a minimum of \$500,000 of Expenditures on the Vista Property on or before the first anniversary of the Effective Date;
  - b. Riverboat shall have incurred and funded not less than an aggregate of \$2,900,000 of Expenditures on the Vista Property on or before the second anniversary of the Effective Date; and
  - c. Riverboat shall have incurred and funded not less than an aggregate of \$9,300,000 of Expenditures on the Vista Property on or before the third anniversary of the Effective Date.

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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

The Option Agreement is subject to the policies of the TSX Venture Exchange on the part of ATHA, and other customary conditions as set out in the Agreement.

### Collins Bay Option Agreement

On July 18, 2024, the Company agreed to purchase a 100% interest in Collins Bay Property from The NSS, along with a net smelter return royalty agreement (NSR). The Company paid US\$100,000 (CAD\$139,360 as of September 30, 2024) and agreed to reimburse \$21,000 for legal fees. Additionally, Collins Bay Property is subject to a 2% NSR/gross overriding royalty and a 5% carried interest by the NSS.

## 11. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

The Company acquired right-of-use assets (“ROU”) and assumed lease liabilities in connection with its acquisition of Latitude (Note 7) during the nine months ended September 30, 2024. The Company also entered into a new building office lease in the province of Saskatchewan during the nine months ended September 30, 2024. The ROU assets and corresponding lease liabilities relate to three office building leases respectively based in St. John’s, Newfoundland, Toronto, Ontario, and Saskatoon, Saskatchewan.

The leases acquired from Latitude have an end date of April 30, 2025 and December 31, 2027 respectively. The Company used an 8.00% interest rate, its estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement. The Saskatoon office lease has an end date of May 31, 2028 and the Company used an 8.25% interest rate, its estimated incremental borrowing rate, to calculate the present value of the lease payments on initial measurement.

<b>Right-of-use assets</b>		<b>Office Properties</b>
<b>Cost</b>		
<b>Balance, January 1, 2024</b>	\$	-
Acquired on acquisition of Latitude (Note 7)		354,090
Additions		408,178
<b>Balance, September 30, 2024</b>	\$	<b>762,268</b>
<b>Accumulated Depreciation</b>		
<b>Balance, January 1, 2024</b>	\$	-
Depreciation in the period		94,993
<b>Balance, September 30, 2024</b>	\$	<b>94,993</b>
<b>Net book value</b>		
Balance, January 1, 2024	\$	-
<b>Balance, September 30, 2024</b>	\$	<b>667,275</b>

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

At September 30, 2024, the Company is committed to minimum lease payments as follows:

	September 30, 2024	December 31, 2023
<b>Maturity analysis – contractual undiscounted cash flows</b>		
Less than one year	\$ 239,508	\$ -
One to five years	526,000	-
More than five years	-	-
<b>Total undiscounted lease liabilities</b>	<b>\$ 765,508</b>	<b>\$ -</b>
<b>Lease liabilities</b>	<b>\$ 672,422</b>	<b>\$ -</b>
Current	\$ (193,881)	\$ -
Non-current	\$ 478,541	\$ -

During the three and nine months ended September 30, 2024, the Company recognized total interest expense of \$13,928 and \$23,304 (three and nine months ended September 30, 2023 - \$nil and \$nil) respectively in connection with its lease liabilities.

## 12. MARKETABLE SECURITIES

As at September 30, 2024, the Company held 3,333,333 common shares (December 31, 2023 – 3,333,333) of Stallion and 866,046 common shares (December 31, 2023 – nil) of Inspiration (Note 10). The fair value of marketable securities as at September 30, 2024 and December 31, 2023 are as follows:

	September 30, 2024	December 31, 2023
<b>Opening balance</b>	<b>\$ 683,333</b>	<b>\$ -</b>
Initial recognition (Note 10)	108,256	683,333
Unrealized loss from remeasurement of marketable securities	(535,950)	-
<b>Ending balance</b>	<b>\$ 255,639</b>	<b>\$ 683,333</b>

Marketable securities are remeasured at each reporting date with changes in fair-value recognized through other comprehensive income (“OCI”). During the three and nine months ended September 30, 2024 the Company recognized an unrealized loss from re-measurement of \$46,978 and \$535,950 respectively, through OCI.

## 13. FLOW-THROUGH PREMIUM LIABILITY

The Company’s flow-through premium liability balance as at September 30, 2024 and the change during the nine months then ended are as follows:

	September 30, 2024	December 31, 2023
<b>Opening balance</b>	<b>\$ 5,334,532</b>	<b>\$ -</b>
Initial recognition	-	5,334,532
Addition on acquisition of Latitude (Note 7)	232,986	-
Addition on acquisition of 92E (Note 8)	488,452	-
Settlement of flow-through premium liability upon incurring eligible expenses	(3,926,834)	-
Translation adjustment	9,423	-
<b>Ending balance</b>	<b>\$ 2,138,559</b>	<b>\$ 5,334,532</b>

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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During the three and nine months ended September 30, 2024, the Company incurred qualifying flow-through expenditures of \$9,829,685 and \$24,841,425, respectively, on its properties.

### 14. SHARE CAPITAL

#### (a) Authorized

Unlimited number of common and preferred shares without par value.

At September 30, 2024, 25,353,273 (December 31, 2023 - 31,691,591) shares were held in escrow and are to be released as follows:

- 5,162,918 on October 11, 2024;
- 6,730,118 on April 11, 2025;
- 6,730,119 on October 11, 2025; and
- the remainder on April 11, 2026.

#### (b) Issued and outstanding

As at September 30, 2024, the Company had 277,895,074 (December 31, 2023 - 138,606,388) common shares issued and outstanding.

#### Share issuances during the nine months ended September 30, 2024

On March 6, 2024, the Company issued 4,000,000 common shares of the Company on conversion of 4,000,000 Subscription Receipts previously issued as part of the Company's completed private placement on December 28, 2023. As a result of the Subscription Receipts conversion, \$3,880,000 of restricted cash, as presented at December 31, 2023, were reclassified to cash and cash equivalents as at September 30, 2024. Similarly, \$120,000 of deferring financing costs are now recognized as share issuance costs as at September 30, 2024.

On March 7, 2024, the Company issued 64,444,004 common shares in connection with the acquisition of Latitude, see Note 7 for more details.

On April 11, 2024, the Company issued 65,794,682 common shares in connection with the acquisition of 92E, see Note 8 for more details.

On April 11, 2024, the Company issued 5,000,000 common shares pursuant to the option agreement with the New Saskatchewan Syndicate to acquire a diversified portfolio of mineral exploration assets and carried interests in the Athabasca Basin, see Note 10 for more details.

On July 5, 2024 the Company issued 50,000 common shares of the Company on exercise of 50,000 RSUs.

#### Share issuances during the year ended December 31, 2023

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 share issuance costs in connection with the financing.

On March 30, 2023 the Company issued 200,000 common shares with a fair value of \$200,000 in connection with the Golden Rose Property (Note 10).

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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On March 30, 2023 the Company issued 38,040,000 common shares with a fair value of \$38,040,000 in connection with the Acquisition of the Saskatchewan/ Alberta Exploration Properties (Note 10). Additionally, in connection with the acquisition of the Saskatchewan/ Alberta Exploration Properties, on March 30, 2023, the Company issued to certain parties as a finder's fees an aggregate of 1,000,000 common shares of the Company.

On March 30, 2023, the Company issued 2,000,000 common shares of the Company with a fair market value of \$2,000,000 for advisory services.

On November 15, 2023, pursuant to the Golden Rose Property, the Company issued 300,000 common shares with a fair value of \$297,000 to Conquest (Note 10).

On December 28, 2023, the company completed a private placement offering of:

- (i) 8,363,710 charitable federal flow-through common shares of the Company (the "Federal CFT Shares") at an issue price per Federal CFT Share of \$1.57;
- (ii) 3,636,290 charitable Saskatchewan flow-through common shares of the Company (the "Saskatchewan CFT Shares" and, together with the Federal CFT Shares, the "Offered Shares") at an issue price per Saskatchewan CFT Share of \$1.75 (the "CFT Offering"); and
- (iii) 4,000,000 subscription receipts of the Company (the "Subscription Receipts") at an issue price per Subscription Receipt of \$1.00 (the "SR Offering" and together with the CFT Offering, the "Offering")

The Company received aggregate gross proceeds of approximately \$23,494,532 for the Offering. The flow-through shares were assigned a flow-through premium of \$5,334,532 which is recognized as a liability on the statement of financial position as at December 31, 2023 and will be reduced as the Company incurs eligible exploration expenditures. The Company incurred share issuance costs of \$1,572,831 related to the CFT offering and deferred financing costs of \$120,000 for the subscription receipt financing which was not closed as of December 31, 2023.

## 15. SHARE-BASED PAYMENT RESERVE AND CONTRIBUTED SURPLUS

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"; DSUs, PSUs and RSUs being, collectively, the "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 maximum term for all incentive stock options is 10 years.

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%

# ATHA ENERGY CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian Dollars, unless otherwise noted)

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 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.

During the three and nine months ended September 30, 2024 and 2023, the Company recognized the following share-based compensation:

	Three months ended		Nine months ended:	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Stock Options (a)	\$ 231,364	\$ 5,043,580	\$ 2,097,632	\$ 5,430,457
RSUs (b)	397,410	-	2,716,169	774,710
<b>Total share-based compensation</b>	<b>\$ 628,774</b>	<b>\$ 5,043,580</b>	<b>\$ 4,813,801</b>	<b>\$ 6,205,167</b>

### a. Stock options

The following is a summary of changes in stock options:

	Weighted average exercise price per stock option	Number of options
<b>As at January 1, 2024</b>	<b>\$ 1.27</b>	<b>8,587,500</b>
Granted as replacement for Latitude stock options	1.16	5,371,854
Expired	0.95	(13,844)
<b>As at September 30, 2024</b>	<b>\$ 1.23</b>	<b>13,945,510</b>
<b>Vested and exercisable as at September 30, 2024</b>	<b>\$ 1.22</b>	<b>11,184,354</b>

No options were cancelled or forfeited during the nine months ended September 30, 2024.

On March 7, 2024, the Company granted 5,371,854 stock options in connection with the Latitude acquisition (Note 7).

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 common 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 of \$1.30 per share, and an expiry date of June 30, 2033. The options vest quarterly over a period of one year.

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The options were fair-valued using the Black-Scholes option pricing model. The weighted average inputs used in the Black-Scholes model were as follows:

<b>For the nine months ended:</b>	<b>September 30, 2024</b>	<b>September 30, 2023</b>
Share price on grant date	\$ 0.90	\$ 1.40
Exercise price	\$ 1.16	\$ 1.40
Risk-free interest rate	3.92%	2.96%
Expected annualized share volatility	65.68%	100.00%
Expected dividend yield	0%	0%
Expected life of options (years)	1.89	10.00
<b>Fair value of stock option</b>	<b>\$ 0.28</b>	<b>\$ 1.28</b>

The total fair value of options granted on the Latitude acquisition was \$1,510,447 and has been presented within contributed surplus as at September 30, 2024.

Stock options outstanding as at September 30, 2024 and December 31, 2023 have the following expiry dates and exercise prices:

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Stock Options at September 30, 2024</b>	<b>Stock Options at December 31, 2023</b>
August 29, 2022	August 29, 2027	\$0.50	687,500	687,500
April 20, 2023	April 20, 2033	\$1.44	4,700,000	4,700,000
June 30, 2023	June 30, 2033	\$1.34	1,600,000	1,600,000
December 6, 2023	December 6, 2033	\$1.01	1,600,000	1,600,000
March 7, 2024	March 7, 2025	\$0.62	948,382	-
March 7, 2024	March 7, 2025	\$1.02	1,592,175	-
March 7, 2024	March 7, 2025	\$1.09	415,350	-
March 7, 2024	March 7, 2025	\$1.27	491,496	-
March 7, 2024	March 7, 2025	\$2.53	436,116	-
March 7, 2024	February 22, 2027	\$2.53	256,131	-
March 7, 2024	October 13, 2027	\$2.53	13,845	-
March 7, 2024	January 6, 2028	\$1.27	235,365	-
March 7, 2024	June 19, 2028	\$1.02	595,335	-
March 7, 2024	November 28, 2028	\$0.62	373,815	-
<b>Total</b>			<b>13,945,510</b>	<b>8,587,500</b>

The weighted average remaining life of outstanding stock options as at September 30, 2024 is 5.59 years (December 31, 2023 - 9.01 years).

### b. Restricted share units

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. The following is a summary of changes in RSUs:

	<b>Number of RSUs</b>
<b>Balance, December 31, 2023</b>	<b>4,000,000</b>
Exercised	(50,000)
<b>Balance, September 30, 2024</b>	<b>3,950,000</b>

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The Company granted no RSUs during the nine months ended September 30, 2024 (year ended December 31, 2023 – 4,000,000). During the nine months ended September 30, 2024, 50,000 RSUs were exercised, no RSUs were forfeited, or cancelled in the same period (during the year ended December 31, 2023, no exercise, forfeitures or cancellations).

During the nine months ended September 30, 2024, the Company had 2,300,000 RSUs vest with a remaining 1,700,000 unvested RSUs outstanding as at September 30, 2024. During the year ended December 31, 2023, the Company had no RSUs that vested and 4,000,000 unvested RSUs were outstanding as at December 31, 2023.

### c. Warrants

On March 7, 2024, the Company granted 11,285,962 warrants in connection with the Latitude acquisition (Note 7). The warrants were fair-valued using the Black-Scholes Option Pricing Model. The weighted average inputs used in the Black-Scholes model were as follows:

For the nine months ended:	September 30, 2024
Share price on grant date	\$ 0.90
Exercise price	\$ 1.85
Risk-free interest rate	4.08%
Expected annualized share volatility	65.46%
Expected dividend yield	0%
Expected life of options (years)	1.64
<b>Fair value of warrants</b>	<b>\$ 0.18</b>

The total fair value of warrants granted on the Latitude acquisition was \$2,061,744 and has been presented within contributed surplus as at September 30, 2024. The following is a summary of changes in warrants:

	Number of Warrants	Weighted Average Exercise Price
<b>Balance, January 1, 2024</b>	-	\$ -
Issued on acquisition or Latitude (Note 7)	11,285,962	1.85
Expired	(1,117,668)	4.89
<b>Balance, September 30, 2024</b>	<b>10,168,294</b>	<b>\$ 1.52</b>

Warrants outstanding as at September 30, 2024 have the following expiry dates and exercise prices:

Number of Warrants Outstanding	Number of Warrants Exercisable	Exercise Price	Expiry Date	Weighted Average Remaining Contractual Life in Years
922,631	922,631	\$ 2.17	November 24, 2024	0.15
4,229,018	4,229,018	\$ 1.08	November 28, 2025	1.16
443,407	443,407	\$ 1.26	April 5, 2026	1.51
4,573,238	4,573,238	\$ 1.81	April 5, 2026	1.51
<b>10,168,294</b>	<b>10,168,294</b>	<b>\$ 1.52</b>		<b>1.24</b>

## 16. RELATED PARTY TRANSACTIONS AND BALANCES

### Key Management Compensation

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.

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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.

The remuneration of directors and other members of key management personnel during the three and nine months ended September 30, 2024 and 2023 are as follows:

Nature	Three months ended:		Nine months ended:	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Exploration and evaluation expenditures (i)	\$ 328,404	\$ -	\$ 6,714,346	\$ -
Consulting fees (ii)	15,000	60,000	206,250	170,000
Management and director fees (iii)	111,000	-	283,425	-
Rent (iv)	-	-	19,038	-
Salaries and wages (v)	75,000	-	225,000	-
Share-based payments (vi)	1,150,109	3,452,842	3,742,900	4,169,566
<b>Total</b>	<b>\$ 1,679,513</b>	<b>\$ 3,512,842</b>	<b>\$ 11,190,959</b>	<b>\$ 4,339,566</b>

- (i) Exploration and evaluation expenditures paid to a company controlled by a director of the Company
- (ii) Consulting fees paid to a company controlled by an officer of the Company
- (iii) Management and director fees paid to companies controlled by an officer and a director of the Company
- (iv) Rent fees paid to a company with an officer and a director in common
- (v) Salaries paid to an officer of the Company
- (vi) Non-cash expense used to value stock options and RSUs granted and vested to, directors and officers and former directors of the Company

As at September 30, 2024, \$53,827 were amounts due (December 31, 2023 - \$136,500) within accounts payable and accrued liabilities to companies controlled by key management personnel or directors. There were no other related party transactions during the three and nine months ended September 30, 2024.

## 17. 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, 2024, the Company is not subject to any externally imposed capital requirements or debt covenants. There were no

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changes in management's approach to capital management during the nine months ended September 30, 2024.

### 18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to the same financial risks, including currency risk, credit risk, liquidity risk and commodity price risk as disclosed in the Company's audited financial statements for the year ended December 31, 2023.

#### *Fair value hierarchy*

The Company applied the following fair value hierarchy for financial instruments that are carried at fair value. The hierarchy prioritizes the inputs used in the valuation methodologies in measuring fair value into three levels.

The three levels are defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

As at September 30, 2024, the Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, marketable securities and accounts payable and accrued liabilities. These financial instruments are classified as amortized cost other than marketable securities, which is classified as a financial asset at FVOCI, and measured using level 1 inputs. The fair value of financial instruments other than marketable securities approximate their carrying values because of their short-term nature.

### 19. SUPPLEMENTAL CASH FLOW INFORMATION

Non-cash transactions for the nine months ended September 30, 2024 and 2023 are as follows:

		<b>September 30, 2024</b>	<b>September 30, 2023</b>
Common shares issued for exploration and evaluation assets	\$	4,150,000	\$ 41,240,000
Common shares issued to acquire Latitude Uranium Inc.	\$	57,999,604	\$ -
Stock options issued to acquire Latitude Uranium Inc.	\$	1,510,447	\$ -
Share purchase warrants to acquire Latitude Uranium Inc.	\$	2,061,744	\$ -
Common shares issued to acquire 92E	\$	54,609,586	\$ -
Exploration and evaluation assets included in accounts payable	\$	2,663,176	\$ -
Receipt of marketable securities in farm-out arrangements	\$	108,256	\$ -
Subscription receipts converted to common shares	\$	4,000,000	\$ -
Unrealized loss on marketable securities	\$	535,950	\$ -
Expiry of share warrants	\$	900	\$ -
Exercise of RSUs	\$	67,000	\$ -

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### 20. 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.

### 21. EVENTS AFTER REPORTING PERIOD

On October 11, 2024 the Company entered into an option agreement ("Option Agreement") with Terra Uranium Ltd. ("T92"), for T92 to earn an option to acquire a 70% interest in Atha's Spire and Horizon properties (together, the "Spire Horizon Projects") and an option agreement for Atha to earn an option to acquire up to a 60% interest in T92's Pasfield Lake Property (the "Pasfield Project").

#### Spire Horizon Option

In accordance with the terms of the Option Agreement ATHA shall grant T92 the sole and exclusive right and option to acquire up to a 70% interest in the Spire Horizon Projects (the "Spire Horizon Option") in consideration for incurring a minimum of \$4,750,000 exploration expenditures as set out below:

- (i) on or before December 20, 2024, T92 must incur at least \$750,000 of statutory exploration expenditure, which must also include the costs associated with the payment for a mineral exploration assessment report (the "First Expenditure");
- (ii) on or before September 21, 2025, T92 must incur additional statutory exploration expenditures of at least \$1,000,000 (the "Second Expenditure");
- (iii) on or before September 21, 2026, T92 must incur additional statutory exploration expenditures of at least \$1,000,000 (the "Third Expenditure");
- (iv) on or before September 21, 2027, T92 must incur additional statutory exploration expenditures of at least \$1,000,000 (the "Fourth Expenditure"); and
- (v) on or before September 21, 2028, T92 must incur additional statutory exploration expenditures of at least \$1,000,000 (the "Fifth Expenditure").

ATHA and T92 agree to form a joint venture on the Spire Horizon Projects upon the satisfaction of the First Expenditure, Second Expenditure, and the Third Expenditure, with the initial interest of T92 being a 50% participating interest and ATHA's being a 50% carried interest (subject to the 5% carried interest in favor of a third party).

Upon the satisfaction of the Fourth Expenditure and the Fifth Expenditure, T92's interest will increase to a 70% participation interest and ATHA's interest will adjust to a 30% participation interest. If at any time during the period where ATHA holds a carried interest, T92 prepares and delivers a "preliminary economic assessment" prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects in respect of the Spire Horizon Projects to ATHA, ATHA's carried interest may be converted into a participating interest at the election of ATHA.

#### Pasfield Option

In accordance with the terms of the Option Agreement, T92 shall grant to ATHA the four exclusive and separate rights and options to acquire undivided legal and beneficial interests in the Pasfield Project (together the "Pasfield Options" and each, a "Pasfield Option") as follows:

- (i) an undivided 15% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling \$1,000,000; or

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- (b) successfully completing one deep hole of at least 1,000 m into the geophysical target on or before December 31, 2025
  
- (ii) an undivided 15% interest for a total of 30% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling \$2,000,000; or
  - (b) successfully completing two deep holes of at least 1,000 m into the geophysical target on or before December 31, 2026
  
- (iii) an undivided 15% interest in the Pasfield Project, which may be exercised by either:
  - (a) funding exploration expenditures totaling \$3,000,000; or
  - (b) successfully completing three deep holes of at least 1,000 m into the geophysical target on or before December 31, 2027; and
  
- (iv) an undivided 15% interest in the Pasfield Project (the "Fourth CP Option"), which may be exercised by either:
  - (a) funding exploration expenditures totaling \$4,000,000; or
  - (b) successfully completing four deep holes of at least 1,000 m into the geophysical target on or before December 31, 2028.

After exercising each Pasfield Option and upon written notice by ATHA to T92, each undivided 15% interest in the Pasfield Project can, at ATHA's election, be converted into a 1% net smelter returns royalty ("NSR") for an aggregate maximum NSR of 4%. Upon the satisfaction of the Fourth CP Option and assuming ATHA has not converted its interests in the Pasfield Project into a NSR, the parties will be deemed to form a joint venture on the Pasfield Project (the "Pasfield Joint Venture") with T92 holding an initial 40% participating interest in the Pasfield Joint Venture and ATHA holding a 60% participation interest. ATHA will also have the sole and exclusive right to access and use all camp facilities located on the Pasfield Project for a daily fee to be negotiated between ATHA and T92.