



**Anfield Energy Inc.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**

**(Unaudited)**

**(Expressed in Canadian Dollars)**

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

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

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor. The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

**Anfield Energy Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(Expressed in Canadian Dollars)

	Notes	September 30, 2024	December 31, 2023
<b>(unaudited)</b>			
<b>Assets</b>			
<b>Current Assets</b>			
Cash		\$ 64,422	\$ 2,611,281
Receivables		10,006	43,488
Prepays and deposits	7	707,018	1,583,731
Marketable securities	3	40,536	42,443
		<b>821,982</b>	<b>4,280,943</b>
<b>Non-current Assets</b>			
Insurance premium	5	457,456	343,287
Prepaid reclamation bond	5,8	14,921,267	14,078,254
Property and equipment	4	22,418,149	22,008,669
Deferred acquisition costs		–	112,740
Exploration and evaluation assets	5	36,084,502	34,449,558
		<b>73,881,374</b>	<b>70,992,508</b>
<b>Total Assets</b>		<b>\$ 74,703,356</b>	<b>\$ 75,273,451</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	6	\$ 899,184	\$ 556,271
Due to related parties	7	822,214	101,441
Loan payable – related party	7	1,510,587	–
		<b>3,231,985</b>	<b>657,712</b>
<b>Long-term liabilities</b>			
Asset retirement obligations	8	23,410,010	22,315,783
Loan payable	9	3,095,008	2,703,154
<b>Total Liabilities</b>		<b>29,737,003</b>	<b>25,676,649</b>
<b>Equity</b>			
Share capital	10	\$ 108,881,469	\$ 107,194,133
Stock option reserve	10	6,991,160	7,443,544
Warrant reserve	10	7,539,700	7,396,640
Foreign exchange reserve	10	1,944,370	1,113,884
Deficit		(80,390,346)	(73,551,399)
<b>Total Equity</b>		<b>44,966,353</b>	<b>49,596,802</b>
<b>Total Equity and Liabilities</b>		<b>\$ 74,703,356</b>	<b>\$ 75,273,451</b>

Going concern (Note 1)

Subsequent events (Note 15)

Approved and authorized on November 29, 2024, on behalf of the Board of Directors:

*“Corey Dias”*

Chief Executive Officer

*“Laara Shaffer”*

Chief Financial Officer

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

**Anfield Energy Inc.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
**(Expressed in Canadian Dollars - unaudited)**

	Notes	For the three months ended		For the nine months ended	
		September 30,		September 30,	
		2024	2023	2024	2023
<b>Expenses</b>					
Depreciation	4	\$ 964	\$ 948	\$ 2,886	\$ 2,856
Exploration and evaluation expenditures	5, 7	1,213,327	981,564	3,571,016	2,920,533
Loss (gain) on foreign exchange		87,293	(131,693)	(53,021)	(67,137)
General and administrative	7	869,822	631,295	2,768,105	1,815,113
Shareholder communications		22,425	15,894	98,575	37,233
<b>Total expenses</b>		<b>2,193,831</b>	<b>1,498,008</b>	<b>6,387,561</b>	<b>4,708,598</b>
<b>Net loss before other items</b>		<b>(2,193,831)</b>	<b>(1,498,008)</b>	<b>(6,387,561)</b>	<b>(4,708,598)</b>
<b>Other items</b>					
Accretion expense of discount and interest expense on loans payable	7,9	(206,702)	(210,788)	(532,409)	(621,670)
Accretion expense for asset retirement obligations	8	(231,471)	–	(680,831)	–
Debt modification cost	9	–	–	(250,109)	–
Gain on sale of royalty portfolio	5	–	–	–	1,123,620
Interest expense		(6,518)	(53)	(6,518)	(673)
Other income		192,603	180,772	568,575	450,081
Unrealized gain (loss) on marketable securities	3	7,095	17,173	(2,544)	(2,243)
Write-off of accounts payable		–	–	66	18,845
<b>Net loss</b>		<b>(2,438,824)</b>	<b>(1,510,904)</b>	<b>(7,291,331)</b>	<b>(3,740,638)</b>
<b>Other comprehensive loss</b>					
Other comprehensive loss that may be reclassified to profit or loss:					
Exchange differences on translating foreign operations		(523,229)	669,256	830,486	462,959
<b>Total comprehensive loss</b>		<b>\$ (2,962,053)</b>	<b>\$ (841,648)</b>	<b>\$ (6,460,845)</b>	<b>\$ (3,277,679)</b>
<b>Loss per share – basic and diluted</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average shares outstanding</b>		<b>1,018,676,519</b>	<b>789,318,611</b>	<b>1,015,657,450</b>	<b>748,683,338</b>

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

**Anfield Energy Inc.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
**(Expressed in Canadian Dollars - unaudited)**

	Number of shares	Amount	Stock option reserve	Warrant reserve	Foreign exchange reserve	Deficit	Total equity
<b>Balance, December 31, 2022</b>	<b>648,858,283</b>	<b>\$ 89,255,223</b>	<b>\$ 7,036,812</b>	<b>\$ 5,939,526</b>	<b>\$ 1,165,918</b>	<b>\$ (88,702,579)</b>	<b>\$ 14,694,900</b>
Shares issued for exploration and evaluation assets	30,000,000	2,400,000	–	–	–	–	2,400,000
Shares issued for acquisition of Neutron Energy, Inc.	185,000,000	9,250,000	–	–	–	–	9,250,000
Shares issued - private placement, net of share issue costs	81,820,000	3,592,846	134,090	409,100	–	–	4,136,036
Comprehensive loss for the period	–	–	–	–	462,959	(3,740,638)	(3,277,679)
<b>Balance as at September 30, 2023</b>	<b>945,678,283</b>	<b>\$104,498,069</b>	<b>\$ 7,170,902</b>	<b>\$ 6,348,626</b>	<b>\$ 1,628,877</b>	<b>\$ (92,443,217)</b>	<b>\$ 27,203,257</b>
<b>Balance, December 31, 2023</b>	<b>994,598,684</b>	<b>\$107,194,133</b>	<b>\$ 7,443,544</b>	<b>\$ 7,396,640</b>	<b>\$ 1,113,884</b>	<b>\$ (73,551,399)</b>	<b>\$ 49,596,802</b>
Shares issued for exploration and evaluation assets	15,000,000	863,100	–	–	–	–	863,100
Shares issued upon exercise of warrants	9,077,835	801,330	–	(107,049)	–	–	694,281
Shares issued upon modification of credit facility	–	–	–	250,109	–	–	250,109
Refund of share issuance costs related to private placement in prior fiscal year	–	22,906	–	–	–	–	22,906
Stock options expired unexercised	–	–	(452,384)	–	–	452,384	–
Comprehensive loss for the period	–	–	–	–	830,486	(7,291,331)	(6,460,845)
<b>Balance as at September 30, 2024</b>	<b>1,018,676,519</b>	<b>\$108,881,469</b>	<b>\$ 6,991,160</b>	<b>\$ 7,539,700</b>	<b>\$ 1,944,370</b>	<b>\$ (80,390,346)</b>	<b>\$ 44,966,353</b>

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

**Anfield Energy Inc.**  
**Condensed Interim Consolidated Statement of Cash Flows**  
(Expressed in Canadian Dollars - unaudited)

	For the nine months ended	
	September 30,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net loss	\$ (7,291,331)	\$ (3,740,638)
Adjustments for non-cash items:		
Accretion of asset retirement obligations	680,831	621,670
Accretion of discount and interest expense on loans payable	532,409	–
Debt modification expense	250,109	–
Depreciation	2,886	2,856
Foreign exchange	(481,685)	(22,636)
Gain on sale of royalty portfolio	–	(1,123,620)
Unrealized loss on marketable securities	2,544	2,243
Write-off of accounts payable	(66)	(18,845)
Changes in non-cash working capital:		
Receivables	33,482	565
Prepays and deposits	762,544	(856,596)
Accounts payable and accrued liabilities	617,707	487,586
Due to related parties	720,773	616,619
<b>Net cash flows used in operating activities</b>	<b>(4,169,797)</b>	<b>(4,030,796)</b>
<b>Investing activities</b>		
Acquisition of exploration and evaluation assets	–	(5,866,608)
Acquisition of property and equipment	–	(26,868)
Reclamation deposit	(579,248)	(479,577)
Proceeds from sale of royalty portfolio	–	2,015,243
<b>Net cash flow used in investing activities</b>	<b>(579,248)</b>	<b>(4,357,810)</b>
<b>Financing activities</b>		
Deferred financing costs	–	(40,000)
Proceeds from share issuances, net of issuance costs	–	4,136,036
Proceeds from exercise of warrants	694,281	–
Proceeds from related party loan payable	1,485,000	–
Refund of share issuance costs	22,905	–
<b>Net cash flow provided by financing activities</b>	<b>2,202,186</b>	<b>4,096,036</b>
<b>Decrease in cash</b>	<b>(2,546,859)</b>	<b>(4,292,570)</b>
<b>Cash, beginning</b>	<b>2,611,281</b>	<b>4,317,549</b>
<b>Cash, ending</b>	<b>\$ 64,422</b>	<b>\$ 24,979</b>
<b>Supplementary Information - Non-Cash Transactions</b>		
Fair value of compensation options	\$ –	\$ 134,090
Fair value of finders' warrants reclassified to share capital upon exercise	\$ 107,049	\$ –
Shares issued for asset acquisition of Neutron Energy, Inc.	\$ –	\$ 9,250,000
Shares issued for exploration and evaluation assets	\$ 863,100	\$ 2,400,000
Stock options expired unexercised	\$ 452,384	\$ –
Warrants issued upon modification of credit facility	\$ 250,109	\$ –

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

## **1. CORPORATE INFORMATION AND GOING CONCERN**

Anfield Energy Inc. (the “Company”) is a publicly listed company incorporated in British Columbia on July 12, 1989. The Company’s shares are listed on the TSX Venture Exchange (“TSX.V”) under the symbol “AEC”, the OTCQB Marketplace under the symbol “ANLDF”, and the Frankfurt Stock Exchange under the symbol “OAD”. On September 16, 2022, 125,000,000 warrants of the Company commenced trading on TSX.V under the symbol “AEC.WT”. The Company is engaged in mineral development and production. The Company’s head office and its registered and records offices are located at Suite 2005, 4390 Grange Street, Burnaby, British Columbia, V5H 1P6.

These condensed interim consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2024 the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company incurred a net loss of \$7,291,331 during the nine months ended September 30, 2024, and had an accumulated deficit of \$80,390,346 as at September 30, 2024. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration and development activities and its ability to attain profitable operations and generate funds therefrom and or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that casts significant doubt about the Company’s ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with private placement of common shares or the issuance of debt. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

## **2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION**

### **a) BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

These unaudited condensed interim consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These financial statements comply with International Accounting Standard 34, *Interim Financial Reporting*.

This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

The condensed interim consolidated financial statements of the Company have been prepared on an accrual basis are based on historical costs. The condensed interim consolidated financial statements are presented in Canadian dollars, which is the Parent’s functional currency.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value.

## 2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PRESENTATION (CONTINUED)

### b) BASIS OF CONSOLIDATION

These condensed interim consolidated financial statements comprise the accounts of the Company and its wholly-owned subsidiaries Equinox Exploration Holding Corp. ("EQX US"), Anfield Resources Holding Corp. ("ARHC"), ARH Wyoming Corp. ("ARHW"), Highbury Resources Inc. ("HRI"), Anfield Precious Metals Inc. ("APMI") and Neutron Energy, Inc. ("NEI"). All inter-company transactions, balances, income and expenses are eliminated on consolidation.

### c) SIGNIFICANT MANAGEMENT JUDGEMENT AND ESTIMATES IN APPLYING ACCOUNTING POLICIES

#### *Significant estimates and assumptions*

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Areas requiring a significant degree of estimation and judgment relate to the determination of the recoverability of the carrying value of property and equipment, and exploration and evaluation assets, fair value measurements for financial instruments and share-based compensation and other equity-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, purchase price allocation and the recoverability and measurement of deferred tax assets and liabilities. Actual results may differ from those estimates and judgments.

#### *Significant judgments*

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's condensed interim consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- Whether there are indicators of impairment or impairment reversal of the Company's property and equipment and exploration and evaluation assets; and
- The determination of future unfulfilled conditions or other contingencies which may result in a liability.

### d) ACCOUNTING STANDARDS

#### *Accounting standards effective January 1, 2024*

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current* (Amendments to IAS 1), which amended IAS 1 to clarify the requirements for presenting liabilities in the statement of financial position. The amendments specify that the Company must have the right to defer settlement of a liability for at least 12 months after the reporting period for the liability to be classified as non-current.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

### d) ACCOUNTING STANDARDS (CONT'D)

In addition, the amendments clarify that: (a) the Company's right to defer settlement must exist at the end of the reporting period; (b) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (c) if the Company's right to defer settlement is subject to the Company complying with specified conditions, the right exists at the end of the reporting period only if the Company complies with those conditions at the end of the reporting period, even if the lender does not test compliance until a later date; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

In October 2022, the IASB issued *Non-current Liabilities with Covenants*, which amended IAS 1 to clarify that if the Company's right to defer settlement of a liability for at least 12 months is subject to the Company complying with covenants after the reporting period, those covenants would not affect whether the Company's right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. The amendments also increased the disclosure requirement relating to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) whether the Company would comply with the covenants based on its circumstances at the reporting date; and (iii) whether and how the Company expects to comply with the covenants by the date on which they are contractually required to be tested. The above amendments are effective for the Company's annual reporting period beginning on January 1, 2024. As disclosed in Note 9, the Company's Credit Facility is subject to certain covenants.

At September 30, 2024, the Company was not in compliance with all covenants as the working capital was below the requirement of \$250,000. The impacts of initial application of the amendments on the Company's condensed interim consolidated financial statements for the nine months ending September 30, 2024 and for future periods will depend on the Company's right to defer settlement of its liabilities at the end of such reporting period and can include increased disclosure in respect of its compliance with related covenants.

#### ***Accounting standards not yet effective***

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### e) RECLASSIFICATION

Certain balances on the previously issued balance sheet and cash flow statement have been reclassified to be consistent with the current period presentation. The reclassification had no impact on total financial position, net loss, or shareholders' equity.

### 3. MARKETABLE SECURITIES

Marketable securities consist of 4,000,000 shares of GTI Resources Limited (“GTRIF”), an Australian company listed on the Australian Securities Exchange and OTC Markets in the United States, received upon the sale of two previously owned Utah leases.

	December 31, 2023 fair value	Unrealized loss	Foreign exchange translation	September 30, 2024 fair value
GTI Resources Limited	\$ 42,443	\$ (2,544)	\$ 637	\$ 40,536
	<b>\$ 42,443</b>	<b>\$ (2,544)</b>	<b>\$ 637</b>	<b>\$ 40,536</b>

### 4. PROPERTY AND EQUIPMENT

	Vehicle	Shootaring Mill	Total
<b>COST</b>			
<b>Balance, December 31, 2023</b>	<b>\$ 26,262</b>	<b>\$21,986,159</b>	<b>\$22,012,421</b>
Foreign exchange translation	492	411,924	412,416
<b>Balance, September 30, 2024</b>	<b>26,754</b>	<b>22,398,083</b>	<b>22,424,837</b>
<b>DEPRECIATION</b>			
<b>Balance, December 31, 2023</b>	<b>3,752</b>	–	<b>3,752</b>
Depreciation	2,886	–	2,886
Foreign exchange translation	50	–	50
<b>Balance, September 30, 2024</b>	<b>6,688</b>	–	<b>6,688</b>
<b>CARRYING AMOUNTS</b>			
<b>Balance, December 31, 2023</b>	<b>\$ 22,510</b>	<b>\$21,986,159</b>	<b>\$22,008,669</b>
<b>Balance, September 30, 2024</b>	<b>\$ 20,066</b>	<b>\$22,398,083</b>	<b>\$22,418,149</b>

**Anfield Energy Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For nine months ended September 30, 2024 and 2023**  
**(Expressed in Canadian Dollars - unaudited)**

**5. EXPLORATION AND EVALUATION ASSETS**

As at September 30, 2024, the Company held interests in uranium exploration properties in Utah, Arizona and New Mexico ("Uranium Properties"); uranium/vanadium properties in Colorado (Highbury and Slick Rock Project) and in Arizona (Artillery Project); and a gold project in Arizona also known as Newsboy Project.

A continuity of exploration and evaluation assets is as follows:

	Uranium Properties	Colorado Properties		Arizona Properties		Total
		Highbury	Slick Rock	Newsboy Gold	Artillery Peak	
<b>Balance December 31, 2023</b>	<b>\$15,828,599</b>	<b>\$ 5,428,839</b>	<b>\$ 6,352,224</b>	<b>\$ 2,405,698</b>	<b>\$ 4,434,198</b>	<b>\$ 34,449,558</b>
Acquisitions cost	976,434					976,434
Foreign exchange	309,635	101,712	119,013	45,072	83,078	658,510
<b>Balance September 30, 2024</b>	<b>\$17,114,668</b>	<b>\$ 5,530,551</b>	<b>\$ 6,471,237</b>	<b>\$ 2,450,770</b>	<b>\$ 4,517,276</b>	<b>\$36,084,502</b>

The following exploration and evaluation expenditures were included in comprehensive loss for nine months ended September 30, 2024, and 2023 are as follows:

	Newsboy	Highbury	Uranium Properties	Artillery Peak	Clay Borrow	Total
Consulting	\$ –	\$ 753,728	\$ 307,304	\$ –	\$ –	\$1,061,032
Sundry field	–	4,326	71,517	–	–	75,843
Sampling, assaying	–	1,535	139,405	–	–	140,940
License, filing and insurance	23,266	80,739	1,153,385	55,227	12,764	1,325,381
Royalty	–	416,397	282,460	–	–	698,857
Property tax	–	–	(78)	–	–	(78)
Drilling	–	43,520	–	–	–	43,520
Termination of acquisition agreement	–	–	225,521	–	–	225,521
<b>Total for the nine months ended September 30, 2024</b>	<b>\$ 23,266</b>	<b>\$1,300,245</b>	<b>\$2,179,514</b>	<b>\$55,227</b>	<b>\$12,764</b>	<b>\$3,571,016</b>
Consulting	\$ 5,618	\$ 415,148	\$1,428,050	\$ 6,951	\$ 7,943	\$1,863,710
Sundry field	–	(2,409)	623,253	85,431	1,835	708,110
Sampling, assaying	–	4,318	110,133	–	–	114,451
License, filing and insurance	48,041	21,777	71,607	–	–	141,425
Royalty	–	92,837	–	–	–	92,837
<b>Total for the nine months ended September 30, 2023</b>	<b>\$ 53,659</b>	<b>\$ 531,671</b>	<b>\$2,233,043</b>	<b>\$ 92,382</b>	<b>\$ 9,778</b>	<b>\$2,920,533</b>

## 5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

### URANIUM PROPERTIES

#### *Shootaring Mill Project*

On August 27, 2015, as amended November 23, 2017, the Company closed an Asset Purchase Agreement and amendments, with Uranium One Americas Inc. ("Uranium One") to acquire the Shootaring Canyon uranium mill (the "Shootaring Mill") located in Utah, and a portfolio of conventional uranium assets including: Shootaring Mill, Velvet-Wood Project, Frank M Project, Wate and Findlay Tank Breccia Pipes, royalty portfolio and surface stockpiles. Considerations included cash and share payments totaling US\$7,500,000 paid to Uranium One and U.S. Energy Corp. ("US Energy").

#### *Calf Mesa Uranium Project*

In January 2023, the Company acquired 100% interest in 65 unpatented mining claims of the Marysvale uranium project located in Beaver County, Utah, USA and 100% interest in 26 unpatented mining claims of the Calf Mesa project located in Emery County, Utah, USA. The Company paid cash of US\$60,000 (\$80,618) and issued 9,000,000 common shares with a fair value of \$555,600.

#### *Marquez-Juan Tafoya Uranium Project*

In July 2023, the Company acquired the Marquez-Juan Tafoya Uranium Marquez-Juan Tafoya uranium project located in the Grants Uranium Merial District, Albuquerque, New Mexico, USA.

#### *Other Utah Properties*

On October 19, 2023, the Company entered into a definitive agreement with Nolan Holdings, Inc. to acquire 100% interest in 175 federal unpatented uranium mining claims, located in San Juan and Grand Counties in Utah. As consideration for the claims and associated data, the Company paid US\$85,000 in cash, issued 15,000,000 common shares (Note 10) and reimbursed all costs and expenses incurred in connection with the transaction including staking, filing and recording fees related to the claims.

#### *Reclamation Bonds*

The Company is required to obtain replacement bonds to meet reclamation requirements in connection with the Shootaring Mill.

During the year ended December 31, 2023, the Company paid a bond premium of US\$370,702 as insurance, which would create an obligation for the surety company to cover the difference between the bond requirement and the cash collateral. The bond premium is amortized over one year. As at September 30, 2024, US\$338,555 (\$457,456) (December 31, 2023 – US\$258,821 (\$343,287)) was recorded in insurance premium for the reclamation bond requirements.

As at September 30, 2024, the Company recorded the cash collateral of US\$11,026,975 (\$14,899,648) (December 31, 2023 – US\$10,583,683 (\$14,037,668)) as a reclamation bond.

#### *Royalty Portfolio Sale*

In February 2023, the Company disposed of its uranium royalty portfolio for cash of \$2,015,243 (US\$1,500,000) reducing the carrying value of the exploration and evaluation asset of \$61,115 (US\$45,489), resulting in a gain of \$1,954,128 (US\$1,454,511) upon sale.

## **5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)**

### **URANIUM PROPERTIES (CONT'D)**

#### **WYOMING PROPERTIES**

On August 23, 2016, the Company entered into a Leases and Claims Transfer Agreement to acquire 24 uranium mining properties in Wyoming. Under the term of the leases and claims transfer agreement, the Company paid total consideration of US\$6,550,000. On June 6, 2022, these 24 properties were included as part of an asset swap for the Slick Rock project.

#### **COLORADO PROPERTIES**

##### **HIGHBURY PROJECT**

On December 28, 2018, the Company signed an Asset Purchase Agreement (the "Agreement") to acquire both the Charlie ISR Uranium Project ("Charlie Leasehold") and nine past-producing uranium/vanadium properties in Colorado, collectively known as the West Slope Project, from Cotter Corporation (the "Seller"), in exchange for 11,051,775 common shares of the Company. Included in this acquisition, the Company also received the Papoose Quarry property, which is not core to the Company's current operations. The closing date of the transaction was February 28, 2019. On June 6, 2022, the Charlie Leasehold was included in an asset swap for the Slick Rock project.

##### **SLICK ROCK PROJECT**

On June 6, 2022, the Company completed an asset swap to exchange certain uranium properties and the Charlie Leasehold in Wyoming for Slick Rock Project in Colorado. The Company recorded it at \$6,017,216 (US\$4,789,252), which was the carrying value of the certain uranium properties and Charlie Leasehold which were exchanged.

#### **ARIZONA PROPERTIES**

##### **NEWSBOY GOLD PROJECT**

On November 30, 2020, the Company entered into a Leases and Claims Transfer Agreement to acquire the Newsboy Gold Project ("Newsboy Project") located in Arizona, USA. The Company issued 5,000,000 common shares (issued), made cash payments of US\$625,000, was to incur exploration expenditures of US\$3,000,000 and bring the Newsboy Project into production within 48 months of closing. The closing date of the transaction was June 10, 2021. The Newsboy Project is subject to a 2% net smelter returns royalty on commercial production. The Company incurred \$50,000 of cash transaction cost.

In March 2022, the Company entered into a settlement agreement and an amendment agreement for the Newsboy project. Upon a cash payment of US\$750,000 to transferor, 1% of the NSR royalty was bought back by the Company, and the Company's work commitments, resource milestones, and production milestone requirements were waived.

The Company has a US\$12,000 reclamation bond held by the regulatory authorities and will be released to the Company on satisfactory restoration of the property. The reclamation bond balance was \$16,214 as at September 30, 2024 (December 31, 2023 – \$15,916).

## 5. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

### ARIZONA PROPERTIES (CONT'D)

#### **ARTILLERY PEAK PROJECT**

On November 15, 2022, the Company entered into a definitive agreement with Wayne Minerals Inc. to acquire a 100% interest in 50 unpatented mining claims in the uranium-rich Artillery Peak project area, located in Mohave County, Arizona, USA. The Company paid \$199,665 (US\$150,000) cash and issued 25,000,000 common shares with fair value of \$2,000,000.

The Seller retained a 3% Net Smelter Returns royalty ("NSR") which can be bought back for US\$450,000 at US\$150,000 per percentage point. During the year ended December 31, 2023, the Company bought back the 3% NSR in consideration for \$613,541 (US\$450,000).

#### *LiVada Claims*

In January 2023, the Company acquired a 100% interest in 119 unpatented mining claims and historical data in the Artillery Peak area, located in Mohave County, Arizona, USA, from LiVada Corporation. During the year ended December 31, 2023, the Company paid \$67,148 (US\$50,000) cash and issued 6,000,000 common shares with a fair value of \$370,400.

#### *Dripping Springs Quartzite Project*

In February 2023, the Company acquired 100% in 115 unpatented mining claims of the Dripping Springs Quartzite uranium project located in Gila County, Arizona, USA. During the year ended December 31, 2023, the Company paid \$66,758 (US\$50,000) cash and issued 15,000,000 common shares with a fair value of \$1,200,000.

### OTHER PROPERTIES

#### **CLAY BORROW PROJECT, UTAH**

On March 1, 2023, the Company entered into a clay mineral lease agreement with the School and Institutional Trust Lands Administration to lease 620.88 acres of land located in Garfield County, Utah, for a term of 10 years. Pursuant to the agreement, the Company agreed to pay an annual rent of a minimum US\$500 or at the rate of US\$2 for each acre and fractional acre situated within the boundaries of the property.

Commencing on the 10th anniversary of the agreement and until the lease terminates, the Company agreed to pay in advance an annual minimum royalty equal to six times the annual rent. In addition, the Company agreed to pay a production royalty equal to the greater of: (i) 10% of the gross value of the clay minerals sold under an arm's length transaction, or (ii) US\$1 per short ton of the clay minerals.

During the year ended December 31, 2023, the Company paid US\$18,600 for a reclamation bond held by the regulatory authorities and will be released to the Company on satisfactory restoration of the property. During the nine months ended September 30, 2024, the Company received a refund of US\$14,600. The reclamation bond balance was \$5,405 (US\$4,000) as at September 30, 2024 (December 31, 2023 – \$24,670 (US\$18,600)).

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>September 30, 2024</b>	December 31, 2023
Trade payables	\$ 585,417	\$ 306,805
Accrued liabilities	<b>313,767</b>	249,466
	<b>\$ 899,184</b>	\$ 556,271

**7. RELATED PARTY TRANSACTIONS AND BALANCES**

**a) Related Party Balances**

As at September 30, 2024, an amount of \$822,214 (December 31, 2023 - \$101,441) was owed to related parties. These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

As at September 30, 2024, an amount of \$14 (December 31, 2023 - \$12,700) was recorded in prepaid expenses for advances to a director of the Company for future property expenditures.

On August 2, 2024, the Company entered into a loan agreement with a director of the Company for \$1,650,000. The Company received proceeds of \$1,485,000, net of original issue discount of \$165,000. The loan is unsecured, non-interest bearing and due on August 2, 2025. The carrying value of the loan will be accreted using the effective interest rate method over the term of the loan. The effective interest rate is estimated at 10.66%.

	<b>Loan Payable</b>
<b>Balance, December 31, 2023</b>	\$ –
Addition	1,650,000
Original issue discount	(165,000)
Accretion of discount on loan payable	25,587
<b>Balance, September 30, 2024</b>	<b>\$ 1,510,587</b>

## 7. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

### b) Related Party Transactions (continued)

The Company has identified its directors and certain senior officers as its key management. Key management compensation during the nine months ended September 30, 2024 and 2023, are as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2024	2023	2024	2023
Consulting fees and management bonus (i)	\$ 365,721	\$ 185,724	\$ 823,961	\$ 899,979
Legal fees (i)	61,402	–	183,681	–
Auto and rent expense (ii)	18,403	–	42,859	–
	<b>\$ 445,526</b>	<b>\$ 185,724</b>	<b>\$1,050,501</b>	<b>\$ 899,979</b>

(i) These expenses are included in general and administrative expenses in the condensed interim consolidated statements of comprehensive loss.

(ii) These expenses are included in exploration and evaluation expenditures in the condensed interim consolidated statements of comprehensive loss.

## 8. ASSET RETIREMENT OBLIGATIONS

Laws and regulations concerning environmental protection affect the Company's exploration and operations. Under current regulations, the Company is required to meet performance standards to minimize environmental impact from its activities and to perform site restoration and other closure activities. The Company's provision for future site closure and reclamation costs is based on known requirements.

A continuity of the Company's provision for site reclamation and closure is as follows:

	Shootaring Mill	West Slope	Papoose	Totals
<b>Balance December 31, 2023</b>	<b>\$ 17,678,299</b>	<b>\$ 4,338,813</b>	<b>\$ 298,671</b>	<b>\$ 22,315,783</b>
Accretion	538,682	133,268	8,881	680,831
Foreign exchange	327,491	80,370	5,535	413,396
<b>Balance September 30, 2024</b>	<b>\$ 18,544,472</b>	<b>\$ 4,552,451</b>	<b>\$ 313,087</b>	<b>\$ 23,410,010</b>

### a) SHOOTARING MILL

During the year ended December 31, 2023, the Company revised the asset retirement costs for the Shootaring Mill and recorded a change in estimate for \$411,042 (US\$309,904). The change in estimate was recorded as an increase to property and equipment and increase to asset retirement obligation.

The Company's estimate of the environmental rehabilitation provision arising from the Shootaring Mill (Notes 4 and 5) at September 30, 2024, was \$18,544,472 (US\$13,724,448) (December 31, 2023 – \$17,678,299 (US\$13,328,534)). This estimate was based upon an undiscounted risk-adjusted future cost of \$21,975,440 (US\$16,263,647), an annual inflation rate of 2.40% and discount rate of 3.98%. The closure and reclamation expenditure is expected to be incurred in 2036.

## **8. ASSET RETIREMENT OBLIGATIONS (CONTINUED)**

### **b) WEST SLOPE PROJECT**

During the year ended December 31, 2023, the Company revised the asset retirement obligation costs for the West Slope Project and recorded a change in estimate for \$427,925 (US\$322,634). The change in estimate was recorded as an increase to exploration and evaluation assets and increase to asset retirement obligation.

The Company's estimate of the environmental rehabilitation provision arising from the West Slope Project (Note 5) at September 30, 2024, was \$4,552,451 (US\$3,369,192) (December 31, 2023 – \$4,338,813 (US\$3,271,243)). This estimate was based upon an undiscounted risk-adjusted future cost of \$5,500,157 (US\$4,070,572), an annual inflation rate of 2.4% and a discount rate of 4.01%. The closure and reclamation expenditure is expected to be incurred in 2037.

### **c) PAPOOSE PROPERTY**

During the year ended December 31, 2023, the Company revised the asset retirement obligation costs for the Papoose Property and recorded a change in estimate for \$17,796 (US\$13,417). The change in estimate was recorded as an increase to property and equipment and increase to asset retirement obligation.

The Company's estimate of the environmental rehabilitation provision arising from the Papoose property (Note 5) at September 30, 2024, was \$313,087 (US\$231,710) (December 31, 2023 – \$298,671 (US\$225,183)). This estimate was based upon an undiscounted risk-adjusted future cost of \$346,321 (US\$256,306), an annual inflation rate of 2.40% and risk adjusted discount rate of 3.88%. The closure and reclamation expenditure is expected to be incurred in 2032.

## **9. LOAN PAYABLE**

On September 26, 2023, the Company entered into a loan agreement (the "Loan Agreement") for a non-revolving term credit facility (the "Credit Facility") with Extract Advisors LLC as agent (the "Agent") for Extract Capital Master Fund Ltd. (the "Lender"). The Credit Facility of \$4,300,000 matures on September 26, 2028, bears a coupon of the Secured Overnight Financing Rate ("SOFR") plus 5.0% per annum, payable semi-annually in U.S. dollars. The SOFR is equal to the secured overnight financing rate published by the Federal Reserve Bank of New York on the website of the Federal Reserve Bank of New York. The Company, with written notice, may elect to capitalize the interest payable on the Credit Facility semi-annually, in arrears, at a rate of SOFR plus 7.0%. On October 6, 2023, the terms of the Loan Agreement were amended to add the fixed repayment amount of US\$3,203,961. Interest shall be calculated based on the repayment amount of US\$3,203,961 and on the basis of a year of 360 days. The Credit Facility has an original issue discount of \$300,000.

In connection with the Loan Agreement, the Company issued 42,105,263 warrants to the Lender, with each warrant entitling the holder to acquire one common share of the Company at an exercise price of \$0.095 per warrant for a period ending on the maturity date. For so long as the Credit Facility remains outstanding, all proceeds from the exercise of the warrants by the Lender shall be used to repay the principal amount of the Credit Facility. As additional consideration for arranging the Loan, the Company paid an arrangement fee of \$100,000 to the Lender and reimbursed expenses of \$32,678 to the Agent. The Company also incurred other financing costs of \$254,162 which included a success fee of \$180,500 paid to Haywood Securities Inc. (\$90,500 in cash and issuance of 1,158,301 common shares of the Company with a fair value of \$90,000), legal expenses of \$66,312 and filing fees of \$7,350.

## 9. LOAN PAYABLE (CONTINUED)

On October 6, 2023, the Company received proceeds of US\$2,839,875, net of the original issue discount of US\$218,452 (\$300,000), arrangement fee of US\$72,817 (\$100,000) and an initial foreign exchange loss of US\$72,817.

The Credit Facility contains a voluntary prepayment option, allowing the Company to prepay the Credit Facility at any time after the twelve-month anniversary of the closing date by paying a prepayment fee equal to 3% of the outstanding amount of the Credit Facility.

The Credit Facility contains a mandatory prepayment clause where the Company must pay certain amount of proceeds from sale of secured assets, debt financings, or royalty sale transactions, to the Agent.

The Credit Facility is secured by a corporate guarantee and share pledge from each of the subsidiaries of the Company and contains certain other customary provisions, including certain covenants and default conditions in favour of the Lender.

The Credit Facility is a compound financial instrument which consists of two components: the loan (a financial liability) and the warrants (an equity instrument). The Company assessed each of the components separately and allocated the proceeds from the Credit Facility and financing costs as follows:

	Credit Facility (USD)	Financing costs (USD)	Credit Facility (net of financing costs) (USD)
Financial liability	\$ 2,188,982	\$ 161,418	\$ 2,027,564
Warrants	650,893	47,998	602,895
<b>Total</b>	<b>\$ 2,839,875</b>	<b>\$ 209,416</b>	<b>\$ 2,630,459</b>

The initial carrying amount of the financial liability was determined by discounting the estimated future interest and principal payments at a discount rate of 20.5%.

The carrying amounts of the equity component (the warrants) was established using the residual fair value approach, which takes the difference between the principal amount received from the Credit Facility (US\$2,839,875) less the fair value of the loan. The value of the warrants of \$827,956 (US\$602,895), net of financing cost of \$65,915 (US\$47,998) is recorded within warrant reserves on the statement of financial position.

The carrying value of the loan will be accreted using the effective interest rate method over the term of the Credit Facility. The effective interest rate is estimated at 21.66%.

	Loan Payable
<b>Balance, December 31, 2023</b>	<b>\$ 2,703,154</b>
Accretion of discount on loan payable	59,677
Capitalization of interest	274,728
Foreign exchange impact	57,449
<b>Balance, September 30, 2024</b>	<b>\$ 3,095,008</b>

On March 27, 2024, the Company elected to capitalize the first interest payment of \$274,728 (US\$203,321) on the Credit Facility, effective April 5, 2024.

## **9. LOAN PAYABLE (CONTINUED)**

On April 15, 2024, the Company entered into a waiver and second amending agreement to the Loan Agreement with Extract Advisors LLC and Extract Capital Master Fund Ltd., whereby: (a) the lender agreed to waive application of a covenant in order to permit the acquisition of the DOE Leases by the Company on January 2, 2024; (b) the Credit Facility was amended by reducing the minimum working capital requirement to \$250,000; and (c) the Credit Facility was amended by requiring written consent of the agent prior to taking any corporate action to effect a share consolidation or stock split, unless the market price exceeds \$0.12 per share for 20 consecutive trading days. In consideration for entering into the waiver and second amending agreement, on June 26, 2024, the Company issued the lender 4,000,000 share purchase warrants with a fair value of \$250,109. The share purchase warrants are exercisable at a price of \$0.095 per warrant until September 26, 2028.

During the nine months ended September 30, 2024, the Company recognized accretion of the discount of \$59,677 (2023 - \$nil) and interest expense of \$447,145 (2023 - \$nil). As at September 30, 2024, a total of \$3,095,008 (US\$2,290,563) (December 31, 2023 - \$2,703,154 (US\$2,038,040)) of principal is outstanding, net of an unamortized discount of \$1,508,912 (US\$1,116,720) (December 31, 2023 - \$1,546,420 (US\$1,165,921)). As at September 30, 2024, \$287,658 (US\$212,891) (December 31, 2023 - \$123,356 (US\$93,004)) is outstanding for interest which is included in accounts payable and accrued liabilities.

## **10. SHARE CAPITAL**

### **AUTHORIZED SHARE CAPITAL**

Unlimited number of common shares without par value.

### **ISSUED SHARE CAPITAL**

As at September 30, 2024, the Company had 1,018,676,519 (December 31, 2023 - 994,598,684) issued and fully paid common shares.

### **SHARES FOR EXPLORATION AND EVALUATION ASSETS**

On January 5, 2024, the Company issued 15,000,000 common shares with a fair value of \$863,100 pursuant to the acquisition of 175 federal unpatented uranium mining claims, located in San Juan and Grand Counties in Utah (Note 5).

### **SHARES ISSUED FOR THE EXERCISE OF WARRANTS**

On January 18, 2024, the Company issued 674,800 common shares upon exercise of 674,800 warrants with an exercise price of \$0.055 per share for gross proceeds of \$37,114.

On January 31, 2024, the Company issued 1,860,885 common shares upon exercise of 1,860,885 warrants with an exercise price of \$0.055 per share for gross proceeds of \$102,349.

On February 2, 2024, the Company issued 42,150 common shares upon the exercise of 42,150 warrants with an exercise price of \$0.055 per share for gross proceeds of \$2,318.

On April 10, 2024, the Company issued 3,000,000 common shares upon the exercise of 3,000,000 warrants with an exercise price of \$0.085 per share for gross proceeds of \$255,000.

On April 17, 2024, the Company issued 3,500,000 common shares upon the exercise of 3,500,000 warrants with an exercise price of \$0.085 per share per share for gross proceeds of \$297,500.

## 10. SHARE CAPITAL (CONTINUED)

Upon exercise, the original fair value of the warrants totalling \$107,049 was transferred from warrant reserve to share capital.

### WARRANTS

Warrant activity is summarized as follows:

	Number of warrants	Weighted average exercise price
<b>Balance at December 31, 2023</b>	<b>460,524,074</b>	<b>\$ 0.14</b>
Warrants issued	4,000,000	0.095
Warrants exercised	(9,077,835)	0.08
Warrants expired	(101,870,823)	0.13
Rounding adjustment	(100)	0.055
<b>Balance at September 30, 2024</b>	<b>353,575,316</b>	<b>\$ 0.15</b>

During the nine months ended September 30, 2024, the weighted average share price on the date of warrants exercised was \$0.10 (2023 - \$nil).

Outstanding warrants are summarized as follows:

Number of warrants outstanding	Exercise price	Expiry
2,058,865*	\$0.055	July 10, 2025
34,410,000*	\$0.085	July 10, 2025
49,728,270*	\$0.10	December 21, 2025
221,272,918	\$0.18	May 12, 2027
46,105,263	\$0.095	September 26, 2028
<b>353,575,316</b>		

\*partially exercised subsequent to the nine months ended September 30, 2024 (Note 15)

At September 30, 2024, the weighted average life of warrants was 2.41 (December 31, 2023 – 2.46) years.

### OPTIONS

The Company has adopted an incentive stock option plan, which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the TSX.V requirements, grant to directors, officers, employees and technical consultants to the Company, non-transferable stock options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the Company's issued and outstanding common shares. Such options will be exercisable for a period of up to a maximum of five years from the date of grant.

In connection with the foregoing, the number of common shares reserved for issuance to any one optionee will not exceed five percent (5%) of the issued and outstanding common shares and the number of common shares reserved for issuance to all investor relation activities and consultants will not exceed two percent (2%) of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company or 30 days following cessation of an optionee conducting investor relations activities' position. With the exception of options granted for investor relations, all options granted typically vest on the grant date.

## 10. SHARE CAPITAL (CONTINUED)

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price
<b>Balance December 31, 2023</b>	<b>94,567,828</b>	<b>\$ 0.11</b>
Expired	(3,100,000)	0.20
<b>Balance September 30, 2024</b>	<b>91,467,828</b>	<b>\$ 0.10</b>

The weighted average remaining life of the outstanding options at September 30, 2024 was 3.10 (December 31, 2023 – 3.75) years.

Details of options outstanding, issued and exercisable, as at September 30, 2024 are as follows:

Number of options outstanding and exercisable	Exercise	Expiry
5,250,000	\$0.10	August 28, 2025
14,500,000	\$0.12	August 27, 2026
35,100,000	\$0.10	September 20, 2027
36,617,828	\$0.10	October 6, 2028
<b>91,467,828</b>		

## 11. SEGMENTED INFORMATION

The Company's exploration and evaluation assets, by geographical areas as at September 30, 2024, and December 31, 2023, were all located in USA.

## 12. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the evaluation and exploration of its mineral exploration properties and to maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes the components of share capital as well as cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents and short-term investments. In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company is not subject to any externally imposed capital requirements. There were no changes during the year to management's approach to capital management. The Company's investment policy is to invest its excess cash in highly liquid investments that are readily convertible into cash with maturities of three months or less from the original date of acquisition or when it is needed, selected with regards to the expected timing of expenditures from continuing operations.

### 13. FINANCIAL INSTRUMENTS

#### a) FAIR VALUE

The carrying values of cash, accounts payable and due to related parties approximate their fair values due to the relatively short period to maturity of those financial instruments. Financial instruments recorded at fair value on the statements of financial position are classified using a fair value hierarchy.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3: Inputs that are not based on observable market data.

As at September 30, 2024, the financial instruments recorded at fair value on the statement of financial position are cash and marketable securities which are measured using Level 1, and the financial instruments recorded at amortized cost are reclamation bonds.

#### b) CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial assets included in the statement of financial position are as follows:

	September 30, 2024	December 31, 2023
Fair value through profit and loss:		
Cash	\$ 64,422	\$ 2,611,281
Marketable securities	40,536	42,443
Amortized cost:		
Reclamation bonds	14,921,267	14,078,254

Financial liabilities included in the statement of financial position are as follows:

	September 30, 2024	December 31, 2023
Non-derivative financial liabilities:		
Accounts payable	\$ 585,417	\$ 306,805
Due to related parties	822,214	101,441
Loan payable – related party	1,510,587	–
Loan payable	3,095,008	2,703,154

## 14. FINANCIAL RISK MANAGEMENT

### FINANCIAL RISK MANAGEMENT

#### *CREDIT RISK*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with major banks in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is high credit quality financial institutions as determined by rating agencies. The Company has secondary exposure to credit risk on its receivables. The receivables consist of refundable goods and services tax from the government. Credit risk is assessed as low.

#### *LIQUIDITY RISK*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

The Company's current liabilities are due on demand or have a term of less than a year. The Company's long-term liabilities consist of a credit facility which is due on September 26, 2028.

#### *INTEREST RATE RISK*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at September 30, 2024, the Company loan payable of US\$3,095,008 is subject to interest rate risk. The loan payable incurs interest based on the SOFR plus 5.0% per annum, payable semi-annually in U.S. dollars. The Company, with written notice, may elect to capitalize the interest payable on the Credit Facility semi-annually, in arrears, at a rate of SOFR plus 7.0%.

#### *FOREIGN CURRENCY RISK*

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The foreign currency risk for the Company is low as the foreign currencies held are in the functional currency of the entities.

#### *COMMODITY RISK*

Commodity risk is the risk that the value of future cash flows and profits will fluctuate based on the prices of commodities. The Company is exposed to changes in the price of commodities. Changes in the price of commodities will impact the Company's ability to obtain financing to explore its exploration and evaluation assets.

As at September 30, 2024, the Company has no contracts or agreements in place to mitigate these price risks.

## **15. SUBSEQUENT EVENTS**

- a) On January 2, 2024, HRI entered into a definitive agreement with Gold Eagle Mining Inc. ("GEM") and Golden Eagle Uranium LLC ("GEU") (collectively, "the Sellers") to acquire a 100% interest in twelve Department of Energy ("DOE") leases ("DOE Leases") and associated data in various Counties in Colorado. The Company agreed to pay the following consideration for the DOE Leases and associated dates:
- At closing, US\$500,000 in cash and US\$1,250,000 in common shares of the Company;
  - US\$750,000 in cash at the one-year anniversary of closing;
  - US\$1,000,000 in cash at the two-year anniversary of closing;
  - US\$1,000,000 in cash at the three-year anniversary of closing; and
  - US\$1,500,000 in cash at the four-year anniversary of closing.
- At September 30, 2024, the transaction has not closed.
- b) On October 2, 2024, the Company entered into an Arrangement Agreement with IsoEnergy Ltd. ("IsoEnergy") pursuant to which IsoEnergy will acquire all of the issued and outstanding common shares of the Company by way of a court-approved plan of arrangement (the "Transaction"). Under the terms of the Transaction, the Company's shareholders will receive 0.031 of a common share of IsoEnergy (each whole share, an "ISO Share") for each share of the Company held (the "Exchange Ratio"). Existing shareholders of IsoEnergy and the Company will own approximately 83.8% and 16.2% on a fully-diluted in-the-money basis, respectively, of the outstanding ISO Shares on closing of the Transaction. On November 6, 2024, the Company filed its notice of meeting of shareholders, management information circular, and related documents with securities regulators in connection with the special meeting of holders of the Company's common shares. The purpose of the meeting is for shareholders of the Company to vote on a special resolution to approve the proposed arrangement with IsoEnergy Ltd. The meeting will be held on December 3, 2024. On October 1, 2024, IsoEnergy entered into an Agreement of Indemnity in relation to the Shooting Mill, whereby IsoEnergy agreed to guarantee an increase of US\$3,000,000 in the reclamation bond.
- c) Subsequent to the nine months ended September 30, 2024, the Company issued a total of 15,070,614 common shares upon the exercise of warrants with exercise prices ranging between \$0.055 per share and \$0.10 per share for total proceeds of \$1,284,407.