

# **NORTH SHORE ENERGY METALS LTD.**

**Condensed Interim Financial Statements**

**For the nine months ended September 30, 2023**

(Unaudited – Expressed in Canadian dollars)

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**Notice to Reader**

These condensed interim financial statements of North Shore Energy Metals Ltd. have been prepared by management and approved by the sole director of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim financial statements, notes to the financial statements or the related quarterly Management's Discussion and Analysis.

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## North Shore Energy Metals Ltd.

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

		September 30, 2023	December 31, 2022
	<i>Note</i>		
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		\$ 3,430	\$ 166,360
GST receivable		12,001	24,487
Prepaid expenses		3,750	-
		19,181	190,847
<b>Deposits</b>	4	76,431	67,664
<b>Exploration and evaluation assets</b>	4	275,000	150,000
		\$ 370,612	\$ 408,511
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Trade and other payables	7	\$ 102,544	\$ 119,301
Due to Clover Leaf	7	14,100	-
Loans payable	5	211,551	40,000
		328,195	159,301
<b>Shareholders' equity</b>			
Share capital	6	812,501	812,501
Deficit		(770,084)	(563,291)
		42,417	249,210
		\$ 370,612	\$ 408,511
<b>Nature of operations and going concern</b>	1		
<b>Reverse takeover transaction</b>	10		

These condensed interim financial statements are approved for issue by the sole director of the Company on November 22, 2023.

"Brooke Clements", Director

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

## North Shore Energy Metals Ltd.

Condensed Interim Statements of Loss and Comprehensive Loss  
(Unaudited – Expressed in Canadian dollars)

		Three months ended		Nine months ended	
	Note	September 30,		September 30,	
		2023	2022	2023	2022
<b>Expenses</b>					
Consulting fees	7	\$ 28,500	\$ 28,000	\$ 85,500	\$ 55,000
Exploration and evaluation expenditures	4	17,383	-	51,423	7,312
Office expenses		5,552	875	23,259	1,162
Professional fees		13,860	-	40,060	5,391
		(65,295)	(28,875)	(200,242)	(68,865)
<b>Interest expense</b>	5	(3,617)	-	(6,551)	-
<b>Loss and comprehensive loss for the period</b>		\$ (68,912)	\$ (28,875)	\$ (206,793)	\$ (68,865)
<b>Basic and diluted loss per common share</b>		\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.12)
<b>Weighted average number of common shares outstanding</b>		16,725,100	1,635,970	16,725,100	551,382

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

## North Shore Energy Metals Ltd.

Condensed Interim Statements of Cash Flows  
(Unaudited – Expressed in Canadian dollars)

	Nine months ended	
	September 30,	
	2023	2022
<b>OPERATING ACTIVITIES</b>		
Loss for the period	\$ (206,793)	\$ (68,865)
Items not affecting cash:		
Accrued interest on loans payable	6,551	-
Change in non-cash working capital items:		
GST receivable	12,486	(7,575)
Prepaid expenses	(3,750)	(94,719)
Trade and other payables	(16,757)	17,959
Due to Clover Leaf	14,100	-
Net cash used in operating activities	(194,163)	(153,200)
<b>INVESTING ACTIVITIES</b>		
Deposits	(8,767)	(67,664)
Exploration and evaluation assets	(125,000)	(150,000)
Net cash used in investing activities	(133,767)	(217,664)
<b>FINANCING ACTIVITIES</b>		
Private placement	-	205,000
Obligation to issue shares	-	407,500
Loans payable	205,000	82,000
Repayment of loans	(40,000)	-
Net cash provided by financing activities	165,000	694,500
<b>Change in cash for the period</b>	(162,930)	323,636
<b>Cash, beginning of period</b>	166,360	14,184
<b>Cash, end of period</b>	\$ 3,430	\$ 337,820
<b>Supplementary information</b>		
Interest paid	\$ -	\$ -
Income taxes paid	-	-

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

## North Shore Energy Metals Ltd.

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

(Unaudited – Expressed in Canadian dollars)

	Number of Shares	Share Capital	Obligation to issue shares	Deficit	Total Shareholders' Equity
<b>Balance, December 31, 2022</b>	16,725,100	\$ 812,501	\$ -	\$ (563,291)	\$ 249,210
Comprehensive loss for the period	-	-	-	(206,793)	(206,793)
<b>Balance, September 30, 2023</b>	16,725,100	\$ 812,501	\$ -	\$ (770,084)	\$ 42,417

	Number of Shares	Share Capital	Obligation to issue shares	Deficit	Total Shareholders' Equity (Deficiency)
<b>Balance, December 31, 2021</b>	100	\$ 1	\$ -	\$ (5,542)	\$ (5,541)
Private placement	10,250,000	205,000	-	-	205,000
Shares for debt	500,000	10,000	-	-	10,000
Obligation to issue shares	-	-	407,500	-	407,500
Comprehensive loss for the period	-	-	-	(68,865)	(68,865)
<b>Balance, September 30, 2022</b>	10,750,100	\$ 215,001	\$ 407,500	\$ (74,407)	\$ 548,094

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

# North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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## 1. NATURE OF OPERATIONS AND GOING CONCERN

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North Shore Energy Metals Ltd. (the “Company” or “North Shore”) was incorporated on November 23, 2021 pursuant to the provisions of the Business Corporations Act (British Columbia). As at November 3, 2023, the corporate office and registered and records office of the Company is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

The Company is engaged in the exploration and, if warranted, development of mineral resource projects. The Company is considered to be in the exploration stage as it has not placed any of its exploration and evaluation assets into production nor has it generated any revenues from operations.

North Shore holds the Falcon and West Bear Properties located in Saskatchewan.

On October 31, 2023, the Company and Clover Leaf Capital Corp. (“Clover Leaf”) completed a transaction that resulted in a reverse takeover of Clover Leaf by the Company (the “Transaction”) (Note 10).

These condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at September 30, 2023, the Company had a working capital deficiency of \$309,014. Subsequent to September 30, 2023, and concurrent with closing of the Transaction, the Company completed a private placement for gross proceeds of \$2,329,268 (Note 10). However, management estimates these proceeds may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These condensed interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Recent global issues, including the COVID-19 pandemic and certain political conflicts in other regions of the world have adversely affected workplaces, economies, supply chains, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse results of these issues and their effects on the Company’s business or results of operations this time.

# North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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## 2. BASIS OF PRESENTATION

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### Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee.

These condensed interim financial statements do not include all of the disclosures required for annual financial statements, and therefore should be read in conjunction with the financial statements for the year ended December 31, 2022.

### Basis of measurement

These condensed interim financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

### Functional and presentation currency

These condensed interim financial statements are presented in Canadian dollars, which is the Company’s functional and presentation currency.

### Use of estimates and judgments

The preparation of these condensed interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

### Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, preliminary economic assessment, accessibility of facilities and existing permits.

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 2. BASIS OF PRESENTATION (continued)

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#### Use of estimates and judgments (continued)

##### Going concern assumption

In the determination of the Company's ability to meet its ongoing obligations and future contractual commitments management relies on the Company's planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operations for a period of one year. Changes in estimated cash use may alter the Company's ability to meet its ongoing obligations and future contractual commitments and could result in adjustments to the amounts and classifications of assets and liabilities should the Company be unable to continue as a going concern.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2022.

#### **New standards, interpretations and amendments not yet effective**

There are no new standards that are expected to have any material effect on the Company.

### 4. EXPLORATION AND EVALUATION ASSETS

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	<b>Falcon Property</b>	<b>West Bear Property</b>	<b>Total</b>
<b>As at December 31, 2022</b>	\$ 75,000	\$ 75,000	\$ 150,000
Additions	50,000	75,000	125,000
<b>As at September 30, 2023</b>	\$ 125,000	\$ 150,000	\$ 275,000

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS (continued)

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#### *Falcon uranium property*

The Falcon uranium property consists of certain mineral claims in the Athabasca Basin region in northern Saskatchewan.

On April 14, 2022, the Company entered into an option agreement to acquire 100% of the Falcon property for \$100,000. The Company paid \$75,000 on signing and the final \$25,000 in April 2023 to complete the payments and exercise the option. The property is subject to a 2% net smelter returns (“NSR”) royalty, with the Company having the option to purchase one half of the royalty for \$1,000,000.

On May 29, 2023, the Company entered into an option agreement, as amended on August 28, 2023, to acquire an 80% interest in certain mining claims adjacent to the Falcon property under the following terms:

- Cash
  - \$25,000 on signing (paid);
  - \$25,000 on or before October 31, 2023 (paid subsequent to September 30, 2023);
  - \$100,000 on or before November 30, 2024;
  - \$150,000 on or before October 31, 2025; and
  - \$225,000 on or before October 31, 2026.
- Shares
  - 500,000 common shares of North Shore Uranium Ltd. on or before October 31, 2023 (issued subsequent to September 30, 2023) (Note 10).
- Cash or shares at the option of the Company
  - \$200,000 on or before November 30, 2024;
  - \$350,000 on or before October 31, 2025; and
  - \$525,000 on or before October 31, 2026.
- Exploration expenditures totalling \$3,550,000
  - \$250,000 on or before December 31, 2023;
  - \$250,000 on or before October 31, 2024;
  - \$1,300,000 on or before October 31, 2025; and
  - \$1,750,000 on or before October 31, 2026.

Upon completion of the earn-in, the Company will have the right to acquire the remaining 20% of these claims for \$5,000,000 cash and the issuance of \$5,000,000 worth of common shares. Upon completion of the earn-in, the vendor will be granted a 1% NSR royalty on 2 mineral claims. In addition, there is an underlying 2% NSR royalty on 9 mineral claims, of which the Company can buy back 1% for \$1,000,000.

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS (continued)

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#### *West Bear uranium property*

The West Bear uranium property consists of certain mineral claims in the Athabasca Basin region in northern Saskatchewan.

On April 18, 2022, the Company entered into an option agreement to acquire 75% of the West Bear property under the following terms:

- Cash
  - \$75,000 on signing (paid);
  - \$50,000 on or before April 11, 2023 (paid in April 2023);
  - \$50,000 on or before April 11, 2024; and
  - \$50,000 on or before April 11, 2025.
- Cash or shares at the option of the Company
  - \$25,000 on or before April 11, 2023 (paid in cash in April 2023);
  - \$25,000 on or before April 11, 2024; and
  - \$25,000 on or before April 11, 2025.
- Exploration expenditures totalling \$270,655
  - \$135,327 on or before April 15, 2023 (incurred), which amount includes the posting of five refundable deficiency deposits totalling \$67,664 (paid – these amounts have been recorded as deposits on the statement of financial position);
  - \$67,664 on or before April 11, 2024; and
  - \$67,664 on or before April 11, 2025.

Upon completion of the earn-in, the Company will have the right to acquire the remaining 25% of the West Bear property for \$200,000 cash and the issuance of \$200,000 worth of common shares. Upon completion of the earn-in, the vendor will be granted a 2% NSR royalty or the net proceeds of diamond sales, as the case may be, with the Company having the option to purchase one half of the royalty for \$1,000,000.

In July 2023, the Company posted a refundable deficiency deposit of \$8,767 on the West Bear property, which has been recorded as deposits on the statement of financial position.

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 4. EXPLORATION AND EVALUATION ASSETS (continued)

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During the nine months ended September 30, 2023, the Company incurred the following exploration and evaluation expenditures.

	<b>Falcon Property</b>	<b>West Bear Property</b>	<b>Total</b>
Consulting fees	\$ 26,210	\$ 20,445	\$ 46,655
Land administration	4,768	-	4,768
Total	\$ 30,978	\$ 20,445	\$ 51,423

During the nine months ended September 30, 2022, the Company incurred the following exploration and evaluation expenditures.

	<b>Falcon Property</b>	<b>West Bear Property</b>	<b>Total</b>
Consulting fees	\$ 3,656	\$ 3,656	\$ 7,312
Total	\$ 3,656	\$ 3,656	\$ 7,312

### 5. LOANS PAYABLE

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#### *Clover Leaf loan*

On April 6, 2023, the Company entered into a secured loan facility agreement with Clover Leaf to provide interim funding for the Company to complete certain property acquisition payments (Note 4) and meet other working capital needs prior to the completion of the Transaction. The maximum principal amount was \$250,000. The credit facility was at an interest rate of 7% per annum and payable no later than October 31, 2023.

During the nine months ended September 30, 2023, Clover Leaf loaned the Company \$205,000 under the credit facility.

During the three and nine months ended September 30, 2023, the Company recorded interest expense of \$3,617 and \$6,551, respectively.

The Transaction closed subsequent to September 30, 2023 (Note 10) and the loan and accrued interest became an intercompany loan between the Company and Clover Leaf.

#### *Shareholder loan*

As at December 31, 2022, the Company owed \$40,000 to a shareholder of the Company which amount was repaid in February 2023.

## **North Shore Energy Metals Ltd.**

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### **6. SHARE CAPITAL**

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#### **Authorized**

The Company has an unlimited number of common shares without par value authorized for issue.

#### **Issued and outstanding**

There were no common shares issued during the nine months ended September 30, 2023.

During the nine months ended September 30, 2022:

- On September 16, 2022, the Company completed a private placement through the issuance of 10,250,000 common shares at a price of \$0.02 per share for gross proceeds of \$205,000.
- On September 16, 2022, the Company issued 500,000 common shares valued at \$10,000 to settle an amount owing to the President of the Company for consulting fees.

### **7. RELATED PARTY TRANSACTIONS**

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During the three and nine months ended September 30, 2023, the Company paid or accrued consulting fees of \$28,500 (2022 - \$28,000) and \$85,500 (2022 - \$55,000) respectively to a company controlled by the President of the Company. As at September 30, 2023, the Company owed \$29,925 (December 31, 2022 - \$9,975) for accrued fees which are included in trade and other payables.

During the nine months ended September 30, 2023, Clover Leaf paid \$14,100 for certain expenses on behalf of the Company. The Transaction closed subsequent to September 30, 2023 (Note 10) and this amount became an intercompany loan between the Company and Clover Leaf.

### **8. SEGMENTED INFORMATION**

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Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance. The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the President. The Company operates in a single segment, being mineral exploration and evaluation. All of the Company's significant assets are located in Canada.

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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#### Financial instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss; fair value through other comprehensive income; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instruments	Category	September 30, 2023	December 31, 2022
Cash	Amortized cost	\$ 3,430	\$ 166,360
Deposits	Amortized cost	76,431	67,664
Trade and other payables	Amortized cost	102,544	119,301
Loans payable	Amortized cost	211,551	40,000

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

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.

The carrying value of cash, deposits, trade and other payables, and loans payable approximate their fair value due to their short-term nature.

#### Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the period ended December 31, 2022.

## North Shore Energy Metals Ltd.

Notes to the Condensed Interim Financial Statements

For the nine months ended September 30, 2023

(Unaudited – Expressed in Canadian dollars)

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### 10. REVERSE TAKE-OVER TRANSACTION

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On October 31, 2023, the Company and Clover Leaf completed a transaction that resulted in a reverse takeover of Clover Leaf by the Company (the “Transaction”). Prior to closing the Transaction, Clover Leaf was classified as a Capital Pool Company (“CPC”) as defined by the TSX Venture Exchange Policy 2.4. The Transaction constituted Clover Leaf’s Qualifying Transaction under that policy.

Following completion of the Transaction (and prior to the Concurrent Equity Offering), North Shore shareholders owned approximately 59% of the combined company resulting in the shareholders of North Shore controlling Clover Leaf. Although Clover Leaf is regarded as the parent for legal purposes, North Shore is the acquirer for accounting purposes. Consequently, North Shore is deemed to be a continuation of the reporting entity, and control of the net assets and operations of Clover Leaf is deemed to have been acquired in consideration for the issuance of Clover Leaf shares to the shareholders of North Shore.

On October 26, 2023, as a condition to the completion of the Transaction, the Company closed a private placement (the “Concurrent Financing”) through the issuance of 7,530,660 non-flow-through subscription receipts at a price of \$0.30 for gross proceeds of \$2,259,198 and 200,200 flow-through subscription receipts at a price of \$0.35 for gross proceeds of \$70,070. Immediately prior to the closing of the Transaction, each subscription receipt was automatically converted into one common share of North Shore, and on closing of the Transaction, each North Shore share was exchanged for one common share of Clover Leaf pursuant to the terms of the share exchange agreement dated December 19, 2022, as amended, entered into among Clover Leaf, North Shore, and the shareholders of North Shore. The Company also paid cash finder’s fees of \$64,705 and issued 210,014 finder’s warrants. Each North Shore finder’s warrant was exchanged in connection with the Transaction for a finder’s warrant of Clover Leaf exercisable into one common share of Clover Leaf at a price of \$0.30 for a period of 24 months.

On closing of the Transaction, the shareholders of North Shore were issued one common share of Clover Leaf for every common share of North Shore held, or 24,455,960 common shares.

In connection with closing of the Transaction, Clover Leaf issued 500,000 common shares pursuant to the May 2023 Falcon option agreement (Note 4).

Concurrent with closing of the Transaction, Clover Leaf changed its name to North Shore Uranium Ltd.

Following completion of the Transaction, the Company is now a wholly owned subsidiary of North Shore Uranium Ltd.