

FORM 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 Identity of Company

1.1 Name and Address of Company

Premier American Uranium Inc. (the “**Company**”)
217 Queen St. West
Suite 303
Toronto, ON M5V 0P5

1.2 Executive Officer

Colin Healey
Chief Executive Officer and Director
1 (833) 223-4673

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On September 16, 2025, the Company completed the acquisition of all of the issued and outstanding common shares of Nuclear Fuels Inc. (“**NF**”) by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) (the “**Arrangement**”). Upon completion of the Arrangement, NF became a wholly-owned subsidiary of the Company.

NF is a uranium exploration company advancing early-stage, district-scale ISR amenable uranium projects towards production in the U.S. NF’s flagship asset is the Kaycee property in Wyoming’s Powder River Basin (the “**Kaycee Property**”). NF has consolidated the Kaycee district under single-company control for the first time since the early 1980s.

2.2 Acquisition Date

September 16, 2025

2.3 Consideration

Pursuant to the Arrangement, the shareholders of NF received 0.33 of a common share in the capital of the Company (each whole share, a “**PUR Share**”) for each common share of NF held (the “**Exchange Ratio**”). In aggregate, the Company issued approximately 32,521,748 PUR Shares under the Arrangement.

In addition, the Company assumed NF share purchase warrants, after taking into account the Exchange Ratio, to acquire 8,783,356 PUR Shares, and the Company issued 1,475,100 stock options of the Company in exchange for NF stock options outstanding on September 16, 2025, adjusted as to number and price in accordance with the Exchange Ratio, and otherwise with the same terms as the original NF stock options. The replacement options will be governed by the terms of the Company’s long-term incentive plan.

2.4 Effect on Financial Position

Prior to the Arrangement, the Company was focused on the exploration of its portfolio of exploration projects in the U.S.. As a result of the Arrangement, the Company has expanded and diversified its portfolio of U.S. exploration projects by adding exploration projects in Wyoming, Utah and Arizona. Following completion of the Arrangement, the Kaycee Property became a material property of the Company.

The Company will continue the current business of NF going forward and does not at present have any plans or proposals for material changes in the Company's or NF's affairs (corporate structure, personnel or management) that will have an impact on the financial performance and financial position of the Company.

2.5 Prior Valuations

None.

2.6 Parties to Transaction

The transaction was not with an informed person, associate or affiliate of the Company.

2.7 Date of Report

November 28, 2025.

Item 3 Financial Statements

The following financial statements both of which are filed and available on SEDAR+ under NF's profile at www.sedarplus.ca, are attached to this Business Acquisition Report:

1. Audited comparative financial statements for Nuclear Fuels for the years ended March 31, 2025 and 2024 and the notes thereto, together with the auditor's report thereon, attached hereto as Schedule "A"; and
2. Unaudited condensed interim financial statements of NF as at and for the three month periods ended June 30, 2025 and 2024 and the notes thereto, attached hereto as Schedule "B".

Schedule "A"

See attached.

Nuclear Fuels Inc.

Consolidated Financial Statements

(Expressed in Canadian Dollars)

For the Years Ended March 31, 2025 and 2024

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Nuclear Fuels Inc.

Opinion

We have audited the accompanying consolidated financial statements of Nuclear Fuels Inc. (the "Company"), which comprise the consolidated statements of financial position as at March 31, 2025 and 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of Impairment Indicators of Exploration and Evaluation Assets ("E&E Assets")

As described in Note 5 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was \$5,453,765 as of March 31, 2025. As more fully described in Note 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount.

The principal considerations for our determination that the assessment of impairment indicators of the E&E Assets is a key audit matter is that there was judgment made by management when assessing whether there were indicators of impairment for the E&E Assets, specifically relating to the assets' carrying amount which is impacted by the Company's intent and ability to continue to explore and evaluate these assets. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in their assessment of indicators of impairment that could give rise to the requirement to prepare an estimate of the recoverable amount of the E&E Assets.



Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators.
- Evaluating the intent for the E&E Assets through discussion and communication with management.
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements and vouching cash payments.
- Evaluating, on a test basis, confirmation of title to ensure mineral rights underlying the E&E Assets are in good standing.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

A handwritten signature in black ink that reads "Davidson & Company LLP". The signature is written in a cursive, flowing style.

Vancouver, Canada

Chartered Professional Accountants

July 25, 2025

NUCLEAR FUELS INC.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	March 31, 2025	March 31, 2024
Assets		
Current:		
Cash and cash equivalents	\$ 10,780,536	\$ 5,562,062
Short-term investments	-	1,498,759
Receivables	277,079	236,302
Prepays (Note 7)	63,631	159,767
	11,121,246	7,456,890
Non-current assets:		
Deposit (Note 5)	939,108	-
Equipment	31,046	45,146
Exploration and evaluation assets (Note 5)	5,453,765	5,340,288
	17,545,165	12,842,324
Total assets	\$ 17,545,165	\$ 12,842,324
Liabilities and shareholder's equity		
Current:		
Accounts payable and accrued liabilities	\$ 236,740	\$ 261,786
	236,740	261,786
Shareholder's equity		
Share capital (Note 6)	35,715,433	21,987,466
Reserves	2,271,872	1,254,527
Deficit	(20,678,880)	(10,661,455)
	17,308,425	12,580,538
Total liabilities and shareholder's equity	\$ 17,545,165	\$ 12,842,324

Nature and continuance of operations (Note 1)
Subsequent events (Note 12)

Approved on Behalf of the Board on July 25, 2025:

"Gregory Huffman"

Gregory Huffman, Director

"Rich Munson"

Rich Munson, Director

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

NUCLEAR FUELS INC.Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Operating expense		
Advertising	\$ 286,246	407,312
Amortization	596	331
Exploration and evaluation expenditures (Note 5)	8,210,682	4,847,428
Foreign exchange	(36,325)	(48,392)
Management fees (Note 7)	441,810	138,357
Office and miscellaneous	28,443	127,002
Professional fees (Note 7)	357,275	386,714
Regulatory and transfer agent fees	103,836	116,842
Share-based payments (Note 6 and 7)	670,653	108,774
Travel	67,115	47,893
Operating loss	(10,130,331)	(6,132,261)
Interest income	112,906	91,597
Impairment of deposit (Note 5)	-	(208,034)
Impairment of exploration and evaluation assets (Note 5)	-	(844,840)
Listing fee (Note 4)	-	(2,233,857)
Loss and comprehensive loss for the year	\$ (10,017,425)	(9,327,395)
Basic and diluted loss per common share	\$ (0.13)	(0.19)
Weighted average number of common share outstanding		
– basic and diluted	74,540,218	48,266,394

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

NUCLEAR FUELS INC.Consolidated Statement of Changes in Shareholder's Equity
(Expressed in Canadian dollars)

	Number of Common Shares	Share capital	Reserves	Deficit	Total
Balance, March 31, 2023	33,183,250	\$8,605,219	\$219,115	\$ (1,334,060)	\$ 7,490,274
Shares issued for exploration and evaluation assets	10,013,801	4,950,650	-	-	4,950,650
Equity issued per reverse takeover of NFI	4,426,317	2,213,158	79,635	-	2,292,793
Shares issued for cash, net of share issuance costs	12,720,000	6,218,439	847,003	-	7,065,442
Share-based payment	-	-	108,774	-	108,774
Loss and comprehensive loss for the year	-	-	-	(9,327,395)	(9,327,395)
Balance, March 31, 2024	60,343,368	\$21,987,466	\$1,254,527	\$(10,661,455)	\$12,580,538
Units issued for cash, net of share issuance costs	37,283,983	13,629,217	346,692	-	13,975,909
Shares issued for cash	250,000	98,750	-	-	98,750
Share-based payment	-	-	670,653	-	670,653
Loss and comprehensive loss for the year	-	-	-	(10,017,425)	(10,017,425)
Balance, March 31, 2025	97,877,351	\$35,715,433	\$2,271,872	\$(20,678,880)	\$17,308,425

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

NUCLEAR FUELS INC.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities		
Net loss for the year	\$(10,017,425)	\$ (9,327,395)
Non-cash items:		
Amortization	14,100	11,245
Listing fee (Note 4)	-	2,233,857
Share-based payments	670,653	108,774
Impairment of deposit	-	208,034
Impairment of exploration and evaluation assets	-	844,840
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	(25,046)	58,025
Receivables	(40,777)	(208,698)
Prepays	(159,923)	(159,767)
Net cash used in operating activities	(9,558,418)	(6,231,085)
Cash flows from financing activities		
Issuance of shares and units for cash	14,890,019	7,632,000
Share issuance costs	(815,360)	(566,558)
Net cash received from financing activities	14,074,659	7,065,442
Cash flows from investing activities		
Transaction cost paid in cash for the reverse takeover of NFI	-	(151,863)
Cash received on the reverse takeover of NFI	-	108,506
Equipment	-	(40,389)
Exploration and evaluation assets	(113,477)	(280,002)
Deposits	(683,049)	(208,034)
Short-term investments	1,498,759	(1,498,759)
Net cash provided by (used in) investing activities	702,233	(2,070,541)
Net change in cash and cash equivalents	5,218,474	(1,236,184)
Cash and cash equivalents, beginning of the year	5,562,062	6,798,246
Cash and cash equivalents, end of the year	\$ 10,780,536	\$ 5,562,062
Cash	1,768,913	2,757,162
Cash equivalents	9,011,623	2,804,900
Supplemental cash flow information:		
Fair value of Finders warrants	\$ 273,298	\$ 211,003
Reverse takeover of NFI	-	Note 4
Shares issued for exploration and evaluation assets	\$ -	\$ 4,950,650

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

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Nuclear Fuels Inc. (the “Company” or “NFI”) was incorporated on December 1, 1997. The address of its head office is located at Suite 1020-800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company’s registered and records office is Suite 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at March 31, 2025, the Company had working capital of \$10,884,506, had not yet achieved profitable operations and has an accumulated deficit of \$20,678,880. The Company expects to incur further losses in the development of its business. The Company’s continuation as a going concern is dependent upon the successful results from its exploration 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. The Company estimates it has sufficient working capital to continue operations for the upcoming year based on the private placements completed.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

Reverse Takeover

On July 10, 2023, the Company completed the reverse takeover transaction (“RTO”) purchase in which it acquired Nuclear Fuels Energy Inc. (formerly Nuclear Fuels Inc.) (“NFEI”). NFEI is principally engaged in the acquisition and exploration of resource properties. The Company is in the process of exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

The Company’s common shares listed on the TSXV under the symbol “UVN” were delisted in connection with the RTO and the Company’s common shares were listed on the CSE under the trading symbol “NF”.

On closing of the RTO, NFEI became a wholly owned subsidiary of the Company. As NFEI is deemed to be the accounting acquirer for accounting purposes, its assets and liabilities and operations are included in the consolidated financial statements at their historical carrying value. The Company’s results of operations are those of NFEI, with NFI operations being included from July 10, 2023 onwards, the closing date. Please refer to the RTO (Note 4) for more details.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

2 BASIS OF PRESENTATION

Statement of Compliance

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

Basis of Measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

These consolidated financial statements are presented in Canadian dollars, which is also the Company’s and its subsidiaries functional currency.

Basis of Consolidation

These consolidated financial statements include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation. All intercompany transactions and balances have been eliminated on consolidation.

Company	Place of Incorporation	Effective Interest	Principal Activity	Functional Currency
Nuclear Fuels Energy Inc. (formerly Nuclear Fuels Inc.)	Canada	100%	Exploration	Canadian Dollar
Belt Line Resources, Inc. (“Belt Line”)	USA	100%	Exploration	Canadian Dollar
Hydro Restoration Corporation (“Hydro”)	USA	100%	Exploration	Canadian Dollar
Prime Fuels Corp.	USA	100%	Exploration	Canadian Dollar

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents comprise cash on deposit with banks, and highly liquid short-term interest-bearing investments which are subject to an insignificant risk of change in value.

b) Short-term investments

Short-term investments consist of Government of Canada Treasury Bills with terms greater than 90 days and less than 1 year.

c) Financial instruments

The following is the Company's accounting policy for financial assets and liabilities:

Financial assets:

The Company classifies its financial assets in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (FVTOCI), or at amortized cost.

The determination of the classification of financial assets is made at initial recognition. Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL; for other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial assets at FVTPL: Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of financial assets held at FVTPL are included in the statement of loss and comprehensive loss in the period.

Financial assets at FVTOCI: Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive (loss) income in they arise.

Financial assets at amortized cost: A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment. The Company has classified its cash and cash equivalents, receivables, and deposit at amortized costs.

Impairment of financial assets at amortized cost: The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

Financial liabilities

The Company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was incurred. The Company's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises derivatives or liabilities acquired or incurred principally for the purpose of selling or repurchasing in the near term. They are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of loss and comprehensive loss.

Amortized cost: This category includes accounts payable and accrued liabilities which are recognized at amortized cost using the effective interest method.

Transaction costs in respect of financial instruments at fair value through profit or loss are recognized in the statement of loss and comprehensive loss immediately, while transaction costs associated with all other financial instruments are included in the initial measurement of the financial instrument.

d) Exploration and evaluation assets

Exploration and evaluation property acquisition costs directly related to specific properties are deferred, commencing on the date that the Company acquires legal rights to explore a property, until technical and economic feasibility of extracting a mineral resource is demonstrable, or until the properties are sold or abandoned. Exploration and evaluation expenditures are expensed as incurred. Exploration costs may include costs such as materials used, surveying costs, drilling costs, payments made to contractors, analyzing historical exploration data, geophysical studies, and depreciation on equipment used during the exploration stage. If the properties are put into commercial production, the acquisition and exploration expenditures will be depleted using the units of production basis based upon the reserves available. If the properties are sold or abandoned, the acquisition costs will be written off.

Mineral properties are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may exceed the recoverable amount. Where there is evidence of impairment, the net carrying amount of the asset will be written down to its recoverable amount. Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many resource properties.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

e) Equipment

On initial recognition equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

Equipment is subsequently stated at cost less accumulated depreciation, less any accumulated impairment losses, apart from land, which is not depreciated.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss and comprehensive loss during the financial period in which they are incurred.

The Company allocates the amount initially recognized in respect of an item of equipment to its significant parts and depreciates separately each part. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognized within operating expenses in the statement of operations and comprehensive loss.

Equipment is depreciated using the following methods:

Equipment	30% declining
Computer equipment	45% declining

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

f) Impairment of tangible and intangible assets

Tangible and intangible assets with finite useful lives are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount, which is the higher of value in use and fair value less costs to sell, the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the assets' cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets.

An impairment loss is charged to the statement of loss and comprehensive loss except to the extent it reverses gains previously recognized in other comprehensive loss/income. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

g) Share capital

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the most easily measured component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in a private placement was determined to be the more easily measurable component and were valued at their fair value. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded as a warrant reserve.

h) Share-based compensation

The Company uses the fair value-based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

h) Share-based compensation (cont'd...)

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

i) Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable relating to previous years.

Deferred tax is recognized in respect to the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences do not result in deferred tax assets or liabilities: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

j) Decommissioning Liabilities

The Company is required to recognize a liability when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. As of March 31, 2025, the Company has not incurred any such obligations.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

k) Significant judgments, estimates and assumptions

The preparation of these consolidated 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.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets. The cost model is utilized, and the value of the exploration and evaluation assets is based on the acquisition costs incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount;
- The recognition of deferred tax assets. The Company considers whether the realization of deferred tax assets is probable in determining whether to recognize these deferred tax assets; and
- The fair value of stock options issued are subject to the limitations of the Black-Scholes option pricing model which incorporated market data and involved uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model required the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

The preparation of consolidated 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 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; and
- The determination of functional currency of the Company and its subsidiaries.
- Acquisition of companies and a reverse take-over. Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 –Business Combinations, the components of a business must include inputs, processes and outputs. Management has determined that Belt, Hydro and NFI did not include those components. Accordingly, the acquisition of NFI has been recorded as an acquisition of NFI's net assets (Note 4 and 5).

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (cont'd...)

l) Accounting standards adopted during the year

The following standards were effective and implemented for the annual period as of January 1, 2024:
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

This amendment clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. This amendment is effective for annual reporting periods beginning on or after January 1, 2024. There was no significant impact to the current period or comparative periods presented because of these amendments.

m) Accounting pronouncements not yet adopted

IFRS 18 Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

The Company is assessing the impact of this new standard.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

4 ACQUISITION OF NUCLEAR FUELS ENERGY INC.

On July 10, 2023, the Company completed a RTO pursuant to the Business Combination Agreement in which the Company acquired NFEI. For accounting purposes, NFEI is deemed to be the accounting acquirer in such reverse takeover transaction. The net assets of NFI are acquired at fair value at July 10, 2023. The RTO was accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment" as NFI did not qualify as a business according to the definition in IFRS 3. Accordingly, NFI will be the continuing legal entity and the total purchase price is allocated to the assets acquired and liabilities assumed based on their respective fair values with excess allocated to charge to listing fee.

Additionally, the RTO was not considered to be a business acquisition as the primary item acquired was the public listing. Replacement options of NFI were issued in the amount of 292,000 stock options and are valued at \$79,635. The fair value of the replacement options were estimated on the grant date using the Black-Scholes option model with the following weighted average variables: share price of \$0.50, risk-free interest rate of 4.60%, expected option life of 1.5 year, expected stock price volatility of 100% and expected dividend rate of 0%. Each replacement option gives the holder the right to purchase one common share at an exercise price ranging from \$0.31 to \$0.63 and for a period of 1 to 4.37 years.

The Company issued 4,426,317 common shares with a fair value of \$2,213,158 and paid \$151,863 in transaction costs in connection with the RTO transaction.

The allocation of consideration transferred is summarized as follows:

Purchase Price	\$
Fair value of the common shares of the resulting issuer held by NFI valued using the concurrent financing price	
Common shares	2,213,158
Replacement options	79,635
Transaction costs	<u>151,863</u>
Total consideration	2,444,656
Allocation of total consideration	
Cash	108,506
Receivables	7,593
Exploration and evaluation assets	193,599
Accounts payable and accrued liabilities	(98,899)
Listing fee	<u>2,233,857</u>
	<u>2,444,656</u>

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS

L.A.B. Critical Metals District Project ("L.A.B. Project"), Newfoundland

During the year ended March 31, 2024, the Company acquired additional claims contiguous with the L.A.B. Project by incurring staking costs of \$17,670.

During the year ended March 31, 2024, the Company posted and subsequently impaired a property deposit of \$208,034 associated with L.A.B.

The Company will be focusing on other projects and as a result the Company decided to impair the L.A.B. Project and deposit associated with the project and recorded an impairment of \$651,241 and \$208,034 respectively for the year end March 31, 2024.

Kaycee Project, Wyoming, USA

On October 31, 2022, the Company entered into an option agreement with Miller and Associated LLC to acquire 100% interest in the Miller Properties located in Wyoming, USA as part of the Kaycee Project.

To exercise the option and acquire the right to a 100% interest in the Miller Properties, the Company will:

- Pay US\$140,000 on October 31, 2022 (\$190,174 paid);
- Pay US\$100,000 on October 31, 2023 (\$137,710 paid); and
- Issue 600,000 (issued with a fair value of \$120,000) common shares within 20 days of October 31, 2022.

The Miller Properties are subject to a NSR royalty of 2% and a surrounding area of interest will be subject to a 1% NSR royalty. The transaction is considered to be a related party transaction as David Miller subsequently became a director of the Company.

During the year ended March 31, 2024, the Company acquired a 100% right, title and interest in and to certain claims within the Kaycee Project in Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). Pursuant to the terms of the share purchase agreement for the sale of Hydro, enCore Energy Corp. ("enCore Energy") sold Hydro in consideration for (i) issue 6,414,469 common shares of the Company (issued with a fair value of \$3,207,235); (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and consideration was allocated to Bootheel Project \$174,243 and Kaycee Project \$3,032,991.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Kaycee Project, Wyoming, USA (cont'd...)

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets of the Company, based on management's best estimate.

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The top up right to 19.9% interest in the Company was extinguished upon completion of the RTO. The allocation to the fair value of exploration and evaluation assets attributed to Bootheel Project \$14,173 and Kaycee Project \$246,699 and Moonshine Springs \$87,541.

During the year ended March 31, 2025, the Company acquired additional claims contiguous with the Kaycee Project by incurring staking costs of \$57,607 (March 31, 2024 - \$63,382).

During the year ended March 31, 2025, the Company posted a property deposit of \$939,108 associated with Kaycee.

Bootheel Project, Wyoming, USA

On November 1, 2022, the Company entered into an exploration and mining lease agreement with Highest Resources LLC for a 20-year lease on the Bootheel project located in Wyoming, USA.

The Company will pay the following pursuant to the agreement:

- Pay US\$20,654 on November 1, 2022 (paid \$28,092);
- Pay US\$25,000 on November 1, 2023 (paid \$34,188);
- Pay US\$40,000 on November 1, 2024; (paid \$55,870) and
- Pay US\$50,000 on November 1, 2025 and thereafter on each succeeding anniversary.

The Bootheel project is subject to a 2% NSR royalty for minerals produced from the property and 2% net proceeds for uranium minerals produced from the property.

During the year ended March 31, 2024, as described above, the Company acquired a 100% right, title and interest in and to certain claims within the Bootheel Uranium Project in Albany County, Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). The transaction was accounted for as an asset purchase of mineral property interests with a fair value of exploration and evaluation assets attributed to the Bootheel Project of \$174,243.

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The fair value of exploration and evaluation assets attributed to the Bootheel Project is \$14,173.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Moonshine Springs, Arizona, USA

During the year ended March 31, 2024, the Company acquired a 100% right, title and interest in and to certain claims within the Moonshine Springs Project in Arizona, through the acquisition of Belt Line Resources, Inc. ("Belt Line"). Pursuant to the terms of the share purchase agreement for the sale of Belt Line, enCore Energy sold Belt Line in consideration for (i) issue 2,152,506 shares of the Company (issued with a fair value of \$1,076,253); (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and \$1,076,253 was allocated to Moonshine Springs.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets being the sole asset of Belt Line.

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The allocation to the exploration and evaluation assets attributed to Moonshine Springs was valued at \$87,541.

During the year ended March 31, 2024, the Company acquired additional claims contiguous with the Moonshine Project by incurring staking costs of \$27,052.

enCore Energy retains the right to participate in equity financings of the Company in order to maintain its percentage interest in the Company, and the right to nominate two individuals to the board of directors of the Company, in each case for so long as enCore Energy holds at least 10% of the outstanding shares capital of the Company.

Lisbon Valley Property, Utah, USA

During the year ended March 31, 2024, the Company decided to focus on other projects and impaired the Lisbon Valley Property resulting in an impairment of \$193,599.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation property acquisition costs

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Springs Project	Lisbon Valley	Total
Balance, March 31,2023	\$314,821	\$ 28,092	\$ 370,378	\$ 47,586	\$ -	\$ 760,877
Acquisition costs – share payments	318,750	188,416	3,279,690	1,163,794	-	4,950,650
Acquisition costs – cash payments	-	34,188	137,710	-	-	171,898
RTO	-	-	-	-	193,599	193,599
Staking	17,670	-	63,382	27,052	-	108,104
Impairment	(651,241)	-	-	-	(193,599)	(844,840)
Balance, March 31, 2024	\$ -	\$250,696	\$3,851,160	\$1,238,432	\$ -	\$5,340,288
Acquisition costs – cash payments	-	55,870	-	-	-	55,870
Staking	-	-	57,607	-	-	57,607
Balance, March 31, 2025	\$ -	\$306,566	\$3,908,767	\$1,238,432	\$ -	\$5,453,765

Exploration and evaluation expenditures incurred as follows:

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Springs Project	Lisbon Valley	Total
Exploration Costs						
Amortization	\$ -	\$ -	\$ 15,643	\$ -	\$ -	\$ 15,643
Drilling	-	-	4,615,610	-	-	4,615,610
Equipment, field supplies, and other	51,199	6,963	195,144	-	-	253,306
Geological	112,656	15,360	1,394,505	54,910	-	1,577,431
Geophysical	-	-	510,399	-	-	510,399
Land access/claim renewal	-	20,951	1,028,570	35,789	1,542	1,086,852
Travel	4,433	5,055	141,953	-	-	151,441
Balance, March 31, 2025	\$168,288	\$48,329	\$7,901,824	\$90,699	\$1,542	\$8,210,682

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation expenditures incurred as follows:

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Spring Project	Total
Exploration Costs					
Aircraft	\$587,883	\$ -	\$ -	\$ -	\$ 587,883
Amortization	-	-	10,915	-	10,915
Drilling	-	-	923,424	-	923,424
Equipment, field supplies, and other	647,795	21,305	127,380	250	796,730
Geological	304,850	17,431	916,015	1,561	1,239,857
Geophysical	270,960	-	128,090	4,724	403,774
Land access/claim renewal	32,114	11,934	530,092	126,180	700,320
Travel	113,837	-	70,688	-	184,525
Balance, March 31, 2024	\$1,957,439	\$50,670	\$2,706,604	\$132,715	\$4,847,428

6 SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the year ended March 31, 2025, the Company:

- a) closed a non-brokered private placement for gross proceeds of \$856,269 through the sale of 2,446,483 units at a price of \$0.35 per unit. The Company has allocated \$782,875 to common shares and \$73,394 to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of \$0.55 per share until August 13, 2026.
- b) closed a brokered private placement for gross proceeds of \$10,000,000 through the sale of 25,000,000 units and a non-brokered private placement for gross proceeds of \$3,935,000 through the sale of 9,837,500 units. The Company has allocated \$13,935,00 to common shares and \$Nil to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of \$0.55 per share until November 20, 2027. In consideration for the services provided by the underwriters in connection with the offering, the Company paid the underwriters a cash commission and other expenses of \$815,360 and issued to the underwriters an aggregate of 994,250 share purchase warrants. Each share purchase warrant is exercisable into one common share of the company at a price of \$0.40 per share until November 20, 2027.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd...)

The 994,250 share purchase warrants have a fair value of \$273,298. The weighted average fair value per warrant was \$0.27. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.24% and volatility of 100%.

- c) closed a non-brokered private placement of 250,000 shares for gross proceeds of \$98,750 at a price of \$0.395 per share.

During the year ended March 31, 2024, the Company:

- a) issued 10,013,801 common shares valued at \$4,950,650 relating to exploration and evaluation assets (Note 5).
 - b) issued 4,426,317 common shares at \$0.50 per share for a value of \$2,213,158 as part of the RTO (Note 4). In addition, the Company issued 292,000 stock options and are valued at \$79,635.
 - c) closed a brokered private placement for gross proceeds of \$7,632,000 through the sale of 12,720,000 units. The Company has allocated \$6,996,000 to common shares and \$636,000 to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of \$0.80 per share until Jan. 24, 2027. In consideration for the services provided by the underwriters in connection with the offering, the Company paid the underwriters a cash commission and other expenses of \$566,558 and issued to the underwriters an aggregate of 620,024 share purchase warrants. Each share purchase warrant is exercisable into one common share of the company at a price of \$0.60 per share until Jan. 24, 2027. The 620,024 share purchase warrants have a fair value of \$211,003. The weighted average fair value per warrant was \$0.34. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.80% and volatility of 100%.
- c. Escrowed Common Shares.

Upon closing of the RTO, 13,579,612 common shares and 1,365,000 employee stock options of the Company outstanding at July 10, 2023 are subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 6,110,825 common shares and 614,250 employee stock options remained in escrow.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd...)

d. Share-based payments Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at March 31, 2025, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2023	1,850,000	\$ 0.25
Granted	1,872,000	0.53
Balance, March 31, 2024	3,722,000	\$ 0.39
Granted	1,325,000	0.36
Expired	252,000	0.38
Balance, March 31, 2025	4,795,000	\$ 0.38
Balance, March 31, 2025 Exercisable	3,218,333	\$ 0.36

During the year ended March 31, 2025, the Company issued:

1,000,000 stock options with a weighted average exercise price of \$0.35 per share and a fair value of \$283,049 vesting over a period of 24 months. The weighted average fair value per option was \$0.28. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 5 years, risk-free rate of 3.37% and volatility of 100%.

300,000 stock options with a weighted average exercise price of \$0.395 per share and a fair value of \$74,850 vesting over a period of 18 months. The weighted average fair value per option was \$0.25. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.18% and volatility of 100%.

25,000 stock options with a weighted average exercise price of \$0.33 per share and a fair value of \$3,452 vesting on grant. The weighted average fair value per option was \$0.14. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 1.21 years, risk-free rate of 3.30% and volatility of 100%.

As of March 31, 2025, \$670,653 was recognized as share-based compensation expense in connection with the vesting of stock options of which \$555,790 relating to directors and officers.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd...)

The weighted average fair value per option was \$0.27. The weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year end March 31, 2025 are 3.33% risk-free interest rate, 4.48 years as expected life of options, 100% expected annualized volatility and Nil dividend yield.

During the year ended March 31, 2024, the Company issued:

292,000 stock options with a weighted average exercise price of \$0.37 per share and a fair value of \$79,635 was recognized within listing fee.

1,580,000 stock options with a weighted average exercise price of \$0.56 per share and a fair value of \$601,453 vesting over a period of 18 months.

The weighted average fair value per option was \$0.38. The weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year end March 31, 2024 are 3.85% risk-free interest rate, 3 years as expected life of options, 100% expected annualized volatility and Nil dividend yield.

As of March 31, 2024, \$108,774 was recognized as share-based compensation expense in connection with the vesting of these options.

The following table summarizes information concerning outstanding and exercisable options at March 31, 2025:

Exercise prices	Number of options outstanding	Number of options exercisable	Weighted average life (years)
0.25	1,850,000	1,850,000	0.58
0.33	25,000	25,000	0.58
0.31	40,000	40,000	2.65
0.56	1,580,000	1,053,333	1.85
0.35	1,000,000	250,000	4.24
0.395	300,000	-	2.53
	4,795,000	3,218,333	1.90

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

6 SHARE CAPITAL AND RESERVES (cont'd...)

e. Share Purchase Warrants

As at March 31, 2025, the following share purchase warrants were outstanding:

	Number of Share Purchase Warrants	Weighted Average Exercise Price
Balance, March 31, 2023	-	\$ -
Granted	6,980,024	0.78
Balance, March 31, 2024	6,980,024	\$ 0.78
Granted	19,636,242	0.54
Balance, March 31, 2025	26,616,266	\$ 0.61

The following table summarizes information concerning outstanding share purchase warrants at March 31, 2025:

Exercise prices	Number of options outstanding	Weighted average life (years)
0.80	6,360,000	1.82
0.60	620,024	1.82
0.55	1,223,242	1.37
0.55	17,418,750	2.64
0.40	994,250	2.64
	26,616,266	2.37

7 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the year ended March 31, 2025, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$190,618 (2024 – \$138,357) to the former director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$251,192 (2024 – \$Nil) to the director and Chief Executive Officer of the Company.

Paid or accrued professional fees of \$91,667 (2024 - \$92,833) to the Chief Financial Officer of the Company.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

7 RELATED PARTY TRANSACTIONS (cont'd...)

Paid or accrued professional fees of \$nil (2024 - \$55,529) to a company controlled by a director of the Company.

During the year ended March 31, 2024, the Company advanced \$618,684 to Platoro West Holdings Inc., a related party by way of common director, for explorations expenditures. As at March 31, 2025, \$Nil (2024 - \$22,468) in exploration advance were included in prepaids.

During the year ended March 31, 2025, the Company issued 1,300,000 (2024 – 1,185,000) stock options to an officer and director of the Company with a fair value of \$555,790 (2024 - \$451,089). During the year ended March 31, 2024 relating to the issuance of stock options, \$81,580 in share-based compensation expense was recorded relating to directors and officers. As well, the Company replaced 40,000 stock options to a director as part of the RTO valued at \$15,838 and is included in total consideration.

As at March 31, 2025, \$71,500 (March 31, 2024 - \$Nil) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

8 CAPITAL MANAGEMENT

Capital is comprised of items within the Company's shareholder's equity. As at March 31, 2025, the Company's shareholder's equity was \$17,308,425. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements and there were no changes to the approach to capital management.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

9 FINANCIAL INSTRUMENTS AND RISK

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

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

The fair value of the Company's cash and cash equivalents, receivables, deposit and accounts payable and accrued liabilities approximates their carrying values due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2025, the Company had a cash balance of \$10,780,536 to settle current liabilities of \$236,740.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

9 FINANCIAL INSTRUMENTS AND RISK (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a. Interest rate risk

The Company has cash and cash equivalents, short-term investment balances and no interest-bearing debt. The interest rate risk on cash and cash equivalents and short-term investments are not considered significant.

b. Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in Canadian dollars and US dollars. Any fluctuations of the Canadian dollar in relation to the US dollar may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c. Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

10 SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Canada and the United States (Note 5).

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

11 INCOME TAXES

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes is as follows:

	March 31, 2025	March 31, 2024
Loss for the year	\$(10,017,425)	\$(9,327,395)
Expected income tax recovery	(2,705,000)	(2,518,000)
Other	391,000	197,000
Permanent difference	181,000	626,000
Share issue costs	(220,000)	(153,000)
Adjustment to prior years provision versus statutory tax returns	(165,000)	-
Impact of RTO transaction	-	(3,672,000)
Change in unrecognized deductible temporary differences	2,518,000	5,520,000
Income tax recovery	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	March 31, 2025	March 31, 2024
Deferred income tax assets:		
Share issue	\$ 1,126,000	\$ 603,000
Allowable capital losses	1,000	1,846,000
Equipment	28,000	15,000
Exploration and evaluation assets	20,681,000	15,083,000
Non-capital losses carried forwards	11,847,000	4,928,000
Net deferred income tax assets not recognized	\$33,683,000	\$22,475,000

No deferred tax asset has been recognized in respect of the above because the amount of future taxable profit that will be available to realize such assets is not probable.

The Company has approximately \$11,847,000 in non-capital losses for Canadian income tax purposes. The losses for Canada, if not utilized, will expire through 2045.

NUCLEAR FUELS INC.

Notes to the Consolidated Financial Statements

For the year ended March 31, 2025

(Expressed in Canadian dollars)

12 SUBSEQUENT EVENTS

Subsequent to the year ended March 31, 2025:

The Company and Premier American Uranium Inc. (“PUR” or “Premier American Uranium”) (TSXV: PUR, OTCQB: PAUIF) entered into an arm’s length definitive agreement (the “Arrangement Agreement”) dated June 4, 2025, pursuant to which Premier American Uranium has agreed to acquire all of the issued and outstanding common shares of the Company by way of a court-approved plan of arrangement (the “Arrangement” or the “Transaction”).

Under the terms of the Arrangement, shareholders of the Company will receive 0.33 of a common share of Premier American Uranium (each whole share, a “PUR Share”) for each of the Company’s share held (the “Exchange Ratio”).

The Company engaged Canaccord Genuity Corp. to provide a fairness opinion associated with the Arrangement Agreement. Fees include a \$200,000 cash payment for the initial fairness opinion, \$100,000 for each additional opinion involving a different acquiror, and \$50,000 for updates to prior opinions. These fees are payable regardless of transaction completion. If the Transaction completes during the engagement, the Company will issue common shares valued at \$225,000.

The Arrangement Agreement includes standard deal protections, including non-solicitation and fiduciary out provisions with respect to Nuclear Fuels and a right-to-match in favour of Premier American Uranium, as well as certain representations, covenants and conditions that are customary for a transaction of this nature and a termination fee of \$2,000,000 payable to Premier American Uranium in certain circumstances.

Schedule "B"

See attached.

Nuclear Fuels Inc.

Condensed Interim Consolidated Financial
Statements

(Unaudited)

(Expressed in Canadian Dollars)

For the Three Months Ended June 30, 2025 and 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of Nuclear Fuels Inc. ("the Company") have been prepared by management in accordance with International Reporting Standards ("IFRS"). Management acknowledges responsibility for the preparation and presentation of the unaudited condensed interim consolidated financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company's circumstances.

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

	June 30, 2025	March 31, 2025
Assets		
Current:		
Cash and cash equivalents	\$ 9,453,366	\$ 10,780,536
Short-term investments	-	-
Receivables	290,656	277,079
Prepays	113,070	63,631
	9,857,092	11,121,246
Non-current assets:		
Deposit (Note 3)	893,230	939,108
Equipment	31,880	31,046
Exploration and evaluation assets (Note 3)	5,453,765	5,453,765
	16,235,967	17,545,165
Total assets	\$ 16,235,967	\$ 17,545,165
Liabilities and shareholder's equity		
Current:		
Accounts payable and accrued liabilities	\$ 645,392	\$ 236,740
	645,392	236,740
Shareholder's equity		
Share capital (Note 4)	35,715,433	35,715,433
Reserves	2,360,972	2,271,872
Deficit	(22,485,830)	(20,678,880)
	15,590,575	17,308,425
	16,235,967	17,545,165
Total liabilities and shareholder's equity	\$ 16,235,967	\$ 17,545,165

Nature and continuance of operations (Note 1)

Proposed transaction (Note 1)

Approved on Behalf of the Board on August 28, 2025:

"Gregory Huffman"

Gregory Huffman, Director

"Rich Munson"

Rich Munson, Director

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Operating expense		
Advertising	\$ 50,112	83,000
Amortization	1,887	149
Exploration and evaluation expenditures (Note 3)	1,229,942	1,648,683
Foreign exchange	(78,993)	(9,182)
Management fees (Note 7)	75,000	190,618
Office and miscellaneous	70,723	25,342
Professional fees	231,096	101,527
Regulatory and transfer agent fees	20,013	11,934
Share-based payments (Note 4 and 7)	89,100	116,131
Travel	8,850	8,624
Operating loss	(1,855,716)	(2,176,826)
Interest income	48,766	61,204
Loss and comprehensive loss for the year	\$ (1,806,950)	(2,115,622)
Basic and diluted loss per common share	\$ (0.02)	(0.04)
Weighted average number of common share outstanding		
– basic and diluted	97,877,351	60,343,368

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statement of Changes in Shareholder's Equity

(Unaudited)

(Expressed in Canadian dollars)

	Number of Common Shares	Share capital	Reserves	Deficit	Total
Balance, March 31, 2024	60,343,368	\$21,987,466	\$1,254,527	\$ (10,661,455)	\$ 12,580,538
Share-based payment	-	-	116,131	-	116,131
Loss and comprehensive loss for the period	-	-	-	(2,115,622)	(2,115,622)
Balance, June 30, 2024	60,343,368	\$21,987,466	\$1,370,658	\$(12,777,077)	\$10,581,047
Units issued for cash, net of share issuance costs	37,283,983	13,629,217	346,692	-	13,975,909
Shares issued for cash	250,000	98,750	-	-	98,750
Share-based payments	-	-	554,552	-	554,552
Loss and comprehensive loss for the period	-	-	-	(7,901,803)	(7,901,803)
Balance, March 31, 2025	97,877,351	\$35,715,433	\$2,271,872	\$(20,678,880)	\$17,308,425
Share-based payment	-	-	89,100	-	89,100
Loss and comprehensive loss for the period	-	-	-	(1,806,950)	(1,806,950)
Balance, March 31, 2025	97,877,351	\$35,715,433	\$2,360,972	\$(22,485,830)	\$15,590,575

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

NUCLEAR FUELS INC.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited)

(Expressed in Canadian dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024
Cash flows from operating activities		
Net loss for the year	\$ (1,806,950)	\$ (2,115,622)
Non-cash items:		
Amortization	10,699	3,525
Foreign exchange	45,878	
Share-based payments	89,100	116,131
Changes in non-cash working capital items:		
Accounts payable and accrued liabilities	397,119	(11,321)
Receivables	(13,577)	(17,298)
Prepays	(49,439)	92,254
Net cash used in operating activities	(1,327,170)	(1,932,331)
Cash flows from investing activities		
Exploration and evaluation assets	-	-
Deposits	-	(683,049)
Short-term investments	-	1,498,759
Net cash provided by (used in) investing activities	-	815,710
Net change in cash and cash equivalents	(1,327,170)	(1,116,621)
Cash and cash equivalents, beginning of the period	10,780,536	5,562,062
Cash and cash equivalents, end of the period	\$ 9,453,366	\$ 4,445,441
Cash	206,938	4,445,441
Cash equivalents	9,246,427	-
Supplemental cash flow information:		
Equipment included in accounts payable	\$ 11,533	\$ -

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

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

1 NATURE AND CONTINUANCE OF OPERATIONS

Nuclear Fuels Inc. (the “Company” or “NFI”) was incorporated on December 1, 1997. The address of its head office is located at Suite 1020-800 West Pender Street, Vancouver, British Columbia, Canada V6C 2V6. The Company’s registered and records office is Suite 1200-750 West Pender Street, Vancouver, British Columbia, Canada V6C 2T8.

The ability of the Company to continue as a going concern is dependent on its ability to obtain additional equity financing and achieve future profitable operations. As at June 30, 2025, the Company had working capital of \$9,211,700, had not yet achieved profitable operations and has an accumulated deficit of \$22,485,830. The Company expects to incur further losses in the development of its business. The Company’s continuation as a going concern is dependent upon the successful results from its exploration 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. The Company estimates it has sufficient working capital to continue operations for the upcoming year based on the private placements completed.

There are many external factors that can adversely affect general workforces, economies and financial markets globally. Examples include, but are not limited to, the COVID-19 global pandemic and political conflict in other regions. It is not possible for the Company to predict the duration or magnitude of adverse results of such external factors and their effect on the Company’s business or ability to raise funds.

Proposed Transaction

The Company and Premier American Uranium Inc. (“PUR” or “Premier American Uranium”) (TSXV: PUR, OTCQB: PAUIF) entered into an arm’s length definitive agreement (the “Arrangement Agreement”) dated June 4, 2025, pursuant to which Premier American Uranium has agreed to acquire all of the issued and outstanding common shares of the Company by way of a court-approved plan of arrangement (the “Arrangement” or the “Transaction”).

Under the terms of the Arrangement, shareholders of the Company will receive 0.33 of a common share of Premier American Uranium (each whole share, a “PUR Share”) for each of the Company’s share held (the “Exchange Ratio”).

The Company engaged Canaccord Genuity Corp. to provide a fairness opinion associated with the Arrangement Agreement. Fees include a \$200,000 cash payment for the initial fairness opinion, \$100,000 for each additional opinion involving a different acquiror, and \$50,000 for updates to prior opinions. These fees are payable regardless of transaction completion. If the Transaction completes during the engagement, the Company will issue common shares valued at \$225,000.

The Arrangement Agreement includes standard deal protections, including non-solicitation and fiduciary out provisions with respect to Nuclear Fuels and a right-to-match in favour of Premier American Uranium, as well as certain representations, covenants and conditions that are customary for a transaction of this nature and a termination fee of \$2,000,000 payable to Premier American Uranium in certain circumstances.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

2 BASIS OF PRESENTATION

Statement of Compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim consolidated financial statements, including International Accounting Standards (“IAS”) 34 “Interim Financial Reporting”.

These condensed interim consolidated financial statements does not include all of the information required of full annual financial statements 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 these condensed interim consolidated financial statements be read in conjunction with the annual audited financial statements of the Company for the year ended March 31, 2025. The accounting policies applied in preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited financial statements for the year ended March 31, 2025.

Basis of Measurement

The condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the accounting policies below. In addition, the condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

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

Basis of Consolidation

These condensed interim consolidated financial statements include the financial statements of the Company and its controlled subsidiaries. Control is achieved when the Company has the power to, directly or indirectly, govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries are fully consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Intercompany balances, transactions and unrealized intercompany gains and losses are eliminated upon consolidation. All intercompany transactions and balances have been eliminated on consolidation.

Company	Place of Incorporation	Effective Interest	Principal Activity	Functional Currency
Nuclear Fuels Energy Inc. (formerly Nuclear Fuels Inc.)	Canada	100%	Exploration	Canadian Dollar
Belt Line Resources, Inc. (“Belt Line”)	USA	100%	Exploration	Canadian Dollar
Hydro Restoration Corporation (“Hydro”)	USA	100%	Exploration	Canadian Dollar
Prime Fuels Corp.	USA	100%	Exploration	Canadian Dollar

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

2 BASIS OF PRESENTATION

Use of management estimates, judgments and measurement uncertainty

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

In preparing these condensed interim consolidated financial statements, the Company applied the critical accounting judgements and estimates as disclosed in Note 3 of the audited financial statements for the year ended March 31, 2025.

3 EXPLORATION AND EVALUATION ASSETS

Kaycee Project, Wyoming, USA

On October 31, 2022, the Company entered into an option agreement with Miller and Associated LLC to acquire 100% interest in the Miller Properties located in Wyoming, USA as part of the Kaycee Project.

To exercise the option and acquire the right to a 100% interest in the Miller Properties, the Company will:

- Pay US\$140,000 on October 31, 2022 (\$190,174 paid);
- Pay US\$100,000 on October 31, 2023 (\$137,710 paid); and
- Issue 600,000 (issued with a fair value of \$120,000) common shares within 20 days of October 31, 2022.

The Miller Properties are subject to a NSR royalty of 2% and a surrounding area of interest will be subject to a 1% NSR royalty. The transaction is considered to be a related party transaction as David Miller subsequently became a director of the Company.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

3 EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended March 31, 2024, the Company acquired a 100% right, title and interest in and to certain claims within the Kaycee Project in Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). Pursuant to the terms of the share purchase agreement for the sale of Hydro, enCore Energy Corp. ("enCore Energy") sold Hydro in consideration for (i) issue 6,414,469 common shares of the Company (issued with a fair value of \$3,207,235); (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and consideration was allocated to Bootheel Project \$174,243 and Kaycee Project \$3,032,991.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets of the Company, based on management's best estimate.

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The top up right to 19.9% interest in the Company was extinguished upon completion of the RTO. The allocation to the fair value of exploration and evaluation assets attributed to Bootheel Project \$14,173 and Kaycee Project \$246,699 and Moonshine Springs \$87,541.

During the year ended March 31, 2025, the Company acquired additional claims contiguous with the Kaycee Project by incurring staking costs of \$57,607 (March 31, 2024 - \$63,382).

During the year ended March 31, 2025, the Company posted a property deposit of \$939,108 associated with Kaycee.

Bootheel Project, Wyoming, USA

On November 1, 2022, the Company entered into an exploration and mining lease agreement with Hightest Resources LLC for a 20-year lease on the Bootheel project located in Wyoming, USA.

The Company will pay the following pursuant to the agreement:

- Pay US\$20,654 on November 1, 2022 (paid \$28,092);
- Pay US\$25,000 on November 1, 2023 (paid \$34,188);
- Pay US\$40,000 on November 1, 2024; (paid \$55,870) and
- Pay US\$50,000 on November 1, 2025 and thereafter on each succeeding anniversary.

The Bootheel project is subject to a 2% NSR royalty for minerals produced from the property and 2% net proceeds for uranium minerals produced from the property.

During the year ended March 31, 2024, as described above, the Company acquired a 100% right, title and interest in and to certain claims within the Bootheel Uranium Project in Albany County, Wyoming, through the acquisition of Hydro Restoration Corporation ("Hydro"). The transaction was accounted for as an asset purchase of mineral property interests with a fair value of exploration and evaluation assets attributed to the Bootheel Project of \$174,243.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

3 EXPLORATION AND EVALUATION ASSETS (cont'd...)

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The fair value of exploration and evaluation assets attributed to the Bootheel Project is \$14,173.

Moonshine Springs, Arizona, USA

During the year ended March 31, 2024, the Company acquired a 100% right, title and interest in and to certain claims within the Moonshine Springs Project in Arizona, through the acquisition of Belt Line Resources, Inc. ("Belt Line"). Pursuant to the terms of the share purchase agreement for the sale of Belt Line, enCore Energy sold Belt Line in consideration for (i) issue 2,152,506 shares of the Company (issued with a fair value of \$1,076,253); (ii) a 2% net smelter returns royalty on mining claims; and (iii) a 1% net smelter returns royalty on certain leasehold estates.

The transaction was accounted for as an asset purchase of mineral property interests and \$1,076,253 was allocated to Moonshine Springs.

Management has determined that this transaction is an asset acquisition, as the assets acquired do not constitute a business. The fair value of the consideration paid for the acquisitions has been recorded to exploration and evaluation assets being the sole asset of Belt Line.

The Company issued 696,826 common shares valued at \$348,413 to enCore Energy in relation to the contractual top up right in relation to the Belt and Hydro acquisitions. The allocation to the exploration and evaluation assets attributed to Moonshine Springs was valued at \$87,541.

During the year ended March 31, 2024, the Company acquired additional claims contiguous with the Moonshine Project by incurring staking costs of \$27,052.

enCore Energy retains the right to participate in equity financings of the Company in order to maintain its percentage interest in the Company, and the right to nominate two individuals to the board of directors of the Company, in each case for so long as enCore Energy holds at least 10% of the outstanding shares capital of the Company.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

3 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation property acquisition costs

	Bootheel Project	Kaycee Project	Moonshine Springs Project	Total
Balance, March 31, 2024	\$ 306,566	\$ 3,908,767	\$ 1,283,432	\$ 5,453,765
Acquisition costs – cash payments	55,870	-	-	55,870
RTO	-	-	-	193,599
Staking	-	63,382	27,052	108,104
Impairment	-	-	-	(844,840)
Balance, March 31, 2024	\$250,696	\$3,851,160	\$1,238,432	\$5,340,288
Acquisition costs – cash payments	55,870	-	-	55,870
Staking	-	57,607	-	57,607
Balance, March 31, 2025 & June 30, 2025	\$306,566	\$3,908,767	\$1,238,432	\$5,453,765

Exploration and evaluation expenditures incurred as follows:

	Bootheel Project	Kaycee Project	Moonshine Springs Project	Total
Exploration Costs				
Amortization	\$ -	\$ 8,812	\$ -	\$ 8,812
Drilling	-	476,028	-	476,028
Equipment, field supplies, and Other	-	44,787	-	44,787
Geological	-	273,142	-	273,142
Geophysical	-	60,837	-	60,837
Land access/claim renewal	-	325,365	-	325,365
Travel	-	40,970	-	40,970
Balance, March 31, 2025	\$ -	\$1,229,942	\$ -	\$1,229,942

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

3 EXPLORATION AND EVALUATION ASSETS (cont'd...)

Exploration and evaluation expenditures incurred as follows:

	L.A.B. Project	Bootheel Project	Kaycee Project	Moonshine Spring Project	Total
Exploration Costs					
Amortization	\$ -	\$ -	\$ 3,376	\$ -	\$ 3,376
Drilling	-	-	765,489	-	765,489
Equipment, field supplies, and other	51,199	6,963	74,632	-	132,794
Geological	112,656	15,360	440,716	-	568,732
Geophysical	-	-	131,287	-	131,287
Land access/claim renewal	-	-	7,082	-	7,082
Travel	-	5,055	30,435	-	39,923
Balance, June 30, 2024	\$168,288	\$27,378	\$1,435,017	\$-	\$1,648,683

4 SHARE CAPITAL AND RESERVES

a. Authorized

Unlimited number of common shares without par value.

b. Issued and outstanding

During the period ended June 30, 2025, the Company did not issue any common shares.

During the year ended March 31, 2025, the Company:

- a) closed a non-brokered private placement for gross proceeds of \$856,269 through the sale of 2,446,483 units at a price of \$0.35 per unit. The Company has allocated \$782,875 to common shares and \$73,394 to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of \$0.55 per share until August 13, 2026.
- b) closed a brokered private placement for gross proceeds of \$10,000,000 through the sale of 25,000,000 units and a non-brokered private placement for gross proceeds of \$3,935,000 through the sale of 9,837,500 units. The Company has allocated \$13,935,00 to common shares and \$Nil to share purchase warrants by applying the residual value method. Each unit consists of one common share and one-half of one common shares purchase warrant. Each whole warrant entitles the holder to purchase one common share of the company at a price of \$0.55 per share until November 20, 2027. In consideration for the services provided by the underwriters in connection with the offering, the Company paid the underwriters a cash commission and other expenses of \$815,360 and issued to the underwriters an aggregate of 994,250 share purchase warrants. Each share purchase warrant is exercisable into one common share of the company at a price of \$0.40 per share until November 20, 2027.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

4 SHARE CAPITAL AND RESERVES (cont'd...)

The 994,250 share purchase warrants have a fair value of \$273,298. The weighted average fair value per warrant was \$0.27. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.24% and volatility of 100%.

- c) closed a non-brokered private placement of 250,000 shares for gross proceeds of \$98,750 at a price of \$0.395 per share.

c. Escrowed Common Shares

Upon closing of the RTO, 13,579,612 common shares and 1,365,000 employee stock options of the Company outstanding at July 10, 2023 are subject to an Escrow Agreement. Under the Escrow Agreement, 10% of the escrowed common shares will be released from escrow on the date the Company's common shares are listed for trading (the "Initial Release") and an additional 15% will be released on the dates that are 6 months, 12 months, 18 months, 24 months, 30 months and 36 months following the Initial Release. As of the date of these financial statements, 6,110,825 common shares and 614,250 employee stock options remained in escrow.

d. Share-based payments Stock Option Plan

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

As at June 30, 2025, the following stock options were outstanding:

	Number of Stock Options	Weighted Average Exercise Price
Balance, March 31, 2024	3,722,000	\$ 0.39
Granted	1,325,000	0.36
Expired	252,000	0.38
Balance, March 31, 2025 and June 30, 2025	4,795,000	\$ 0.38
Balance, June 30, 2025 Exercisable	3,568,333	\$ 0.36

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

4 SHARE CAPITAL AND RESERVES (cont'd...)

There were no stock options granted during the period ended June 30, 2025.

During the year ended March 31, 2025, the Company issued:

1,000,000 stock options with a weighted average exercise price of \$0.35 per share and a fair value of \$283,049 vesting over a period of 24 months. The weighted average fair value per option was \$0.28. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 5 years, risk-free rate of 3.37% and volatility of 100%.

300,000 stock options with a weighted average exercise price of \$0.395 per share and a fair value of \$74,850 vesting over a period of 18 months. The weighted average fair value per option was \$0.25. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 3 years, risk-free rate of 3.18% and volatility of 100%.

25,000 stock options with a weighted average exercise price of \$0.33 per share and a fair value of \$3,452 vesting on grant . The weighted average fair value per option was \$0.14. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a weighted average life expectancy of 1.21 years, risk-free rate of 3.30% and volatility of 100%.

For the three months ended June 30, 2025, \$89,100 (June 30, 2024 - \$116,121) was recognized as share-based compensation expense in connection with the vesting of stock options of which \$80,739 (June 30, 2024 - \$88,279) relating to directors and officers.

The weighted average fair value per option was \$0.27. The weighted average assumptions were used for the Black-Scholes option-pricing model valuation of stock options granted during the year end March 31, 2025 are 3.33% risk-free interest rate, 4.48 years as expected life of options, 100% expected annualized volatility and Nil dividend yield.

The following table summarizes information concerning outstanding and exercisable options at June 30, 2025:

Exercise prices	Number of options outstanding	Number of options exercisable	Weighted average life (years)
0.25	1,850,000	1,850,000	0.33
0.33	25,000	25,000	0.33
0.31	40,000	40,000	2.40
0.56	1,580,000	1,053,333	1.61
0.35	1,000,000	500,000	3.99
0.395	300,000	100,000	2.28
	4,795,000	3,568,333	1.65

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

4 SHARE CAPITAL AND RESERVES (cont'd...)

e. Share Purchase Warrants

As at June 30, 2025, the following share purchase warrants were outstanding:

	Number of Share Purchase Warrants	Weighted Average Exercise Price
Balance, March 31, 2024	6,980,024	\$ 0.78
Granted	19,636,242	0.54
Balance, March 31, 2025 and June 30, 2025	26,616,266	\$ 0.61

The following table summarizes information concerning outstanding share purchase warrants at June 30, 2025:

Exercise prices	Number of options outstanding	Weighted average life (years)
0.80	6,360,000	1.57
0.60	620,024	1.57
0.55	1,223,242	1.12
0.55	17,418,750	2.39
0.40	994,250	2.39
	26,616,266	2.12

5 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

During the three months ended June 30, 2025, the Company entered into the following transactions with related parties:

Paid or accrued management fees of \$nil (2025 – \$184,375) to the former director and Chief Executive Officer of the Company.

Paid or accrued management fees of \$75,000 (2025 – \$6,243) to the director and Chief Executive Officer of the Company.

Paid or accrued professional fees of \$25,000 (2025 - \$25,000) to the Chief Financial Officer of the Company.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended June 30, 2025

(Unaudited)

(Expressed in Canadian dollars)

5 RELATED PARTY TRANSACTIONS (cont'd...)

During the three months ended June 30, 2025 relating to the issuance and vesting of stock options, \$80,739 (2025 - \$4,271) in share-based compensation expense was recorded relating to directors and officers.

As at June 30, 2025, \$19,247 (March 31, 2025 - \$71,500) was included in accounts payable and accrued liabilities owing to officers and directors of the Company in relation to services provided and reimbursement of expenses.

6 CAPITAL MANAGEMENT

Capital is comprised of items within the Company's shareholder's equity. As at June 30, 2025, the Company's shareholder's equity was \$15,590,575. The Company's objectives when managing capital are to maintain financial strength and to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

The Company is dependent on the capital markets as its sole source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support for its projects. The Company is not subject to any externally imposed capital requirements and there were no changes to the approach to capital management.

7 FINANCIAL INSTRUMENTS AND RISK

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

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

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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

The fair value of the Company's cash and cash equivalents, receivables, deposit and accounts payable and accrued liabilities approximates their carrying values due to their short-term nature.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company believes it has no significant credit risk.

NUCLEAR FUELS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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7 FINANCIAL INSTRUMENTS AND RISK (cont'd...)

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2025, the Company had a cash balance of \$9,453,366 to settle current liabilities of \$645,392.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a. Interest rate risk

The Company has cash and cash equivalents, short-term investment balances and no interest-bearing debt. The interest rate risk on cash and cash equivalents and short-term investments are not considered significant.

b. Currency risk

The international nature of the Company's operations results in foreign exchange risk. The Company's operating costs are primarily in Canadian dollars and US dollars. Any fluctuations of the Canadian dollar relation to the US dollar may affect the profitability of the Company and the value of the Company's assets and liabilities. Management believes the foreign exchange risk derived from currency conversions is not significant and therefore does not hedge its foreign exchange risk.

c. Price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, and the stock market to determine the appropriate course of action to be taken by the Company.

8 SEGMENTED INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in Canada and the United States (Note 3).