Condensed Interim Consolidated Financial Statements
(Unaudited – prepared by management)

F3 Uranium Corp.

(formerly Fission 3.0 Corp.)

For the Six Months Ended
December 31, 2023

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed consolidated interim financial statements for the six month period ended December 31, 2023.

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(formerly Fission 3.0 Corp.)
Condensed Interim Consolidated statements of financial position
(Expressed in Canadian dollars)

	Notes	**December 31, 2023 (unaudited)**	June 30, 2023 (audited)
ASSETS		**$**	$
Current assets			
Cash and cash equivalents	12	**43,806,025**	17,723,499
GST receivable		**369,148**	523,920
Marketable securities	7	**480,958**	1,444,860
Investment	7	**433,226**	217,672
Deposits		**645,687**	157,290
Prepaid expenses		**114,872**	373,112
		45,849,916	20,440,353
Right-of-use asset	6	**68,795**	88,956
Exploration advances		**-**	155,998
Exploration and evaluation assets	8,13	**43,963,819**	29,762,105
		44,032,614	30,007,059
TOTAL ASSETS		**89,882,530**	50,447,412
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	13	**1,677,114**	1,715,361
Shares to be issued		**8,400**	8,400
Lease liability – short term	6	**23,229**	23,228
Flow-through share premium	10	**490,722**	2,415,671
		2,199,465	4,162,660
Lease liability – long term	6	**70,441**	79,624
Convertible debt	9	**9,557,891**	-
Deferred income tax liability	17	**1,960,000**	1,960,000
Total Liabilities		**13,787,797**	6,202,284
SHAREHOLDERS' EQUITY			
Share capital	11	**89,263,299**	65,157,500
Subscription receivable	11	**-**	(26,000)
Reserves	11	**23,039,539**	19,257,597
Equity portion of convertible debt		**3,982,310**	-
Accumulated deficit		**(40,190,415)**	(40,143,969)
Total shareholders' equity		**76,094,733**	44,245,128
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**89,882,530**	50,447,412

Nature of operations (Note 1)
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Approved by the Board of Directors and authorized for issuance on February 27, 2024:

"Devinder Randhawa"
Director

"Terrence Osier"
Director

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

F3 Uranium Corp.

(formerly Fission 3.0 Corp.)

Condensed interim consolidated statements of loss and comprehensive loss

(Expressed in Canadian dollars - Unaudited)

	Notes	**Three months ended December 31, 2023**	Three months ended December 31, 2022	**Six months ended December 31, 2023**	Six months ended December 31, 2022
		$	$	**$**	$
EXPENSES					
Accretion interest	9	**50,766**	-	**50,766**	-
Business development		**131,250**	55,154	**213,442**	135,333
Consulting and director fees	13	**764,659**	184,240	**1,636,789**	384,870
Depreciation	6	**10,079**	10,080	**20,160**	20,160
Exploration costs		**-**	22,975	**-**	39,363
Office and administration		**1,182,725**	151,470	**1,490,831**	205,679
Professional fees		**265,813**	45,095	**453,270**	45,618
Public relations and communications		**473,100**	375,231	**1,118,791**	394,120
Right-of-use interest	6	**5,024**	13,765	**10,466**	13,765
Share-based compensation	11,13	**1,526,404**	8,144,922	**1,526,404**	8,152,007
Wages and benefits	13	**124,669**	31,038	**229,755**	65,590
		(4,534,489)	(9,033,970)	**(6,750,674)**	(9,456,505)
Other items:					
Deferred income tax expense		**1,472,909**	-	**1,472,909**	-
Flow-through share recovery tax	10	**2,999,794**	376,776	**4,811,547**	-
Interest income		**782,793**	32,084	**1,039,535**	376,776
Realized and unrealized loss on marketable securities	7	**268,024**	(423,802)	**2,687**	88,807
Unrealized loss on shares		**(622,450)**	121,253	**(622,450)**	(552,936)
		366,581	(8,927,659)	**(46,446)**	114,667
					(9,429,191)
Profit (Loss) and Comprehensive Profit (loss) for the period		**366,581**	(8,927,659)	**(46,446)**	(9,429,191)
Basic and Diluted Profit (Loss) Per Share		**0.00**	(0.03)	**(0.00)**	(0.03)
Weighted Average Number of Shares Outstanding		**459,988,458**	304,453,970	**430,246,984**	321,501,415

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

F3 Uranium Corp.
(formerly Fission 3.0 Corp.)
Condensed interim consolidated statements of shareholder's equity
(Expressed in Canadian dollars - Unaudited)

	Share Capital						
	Number of shares	Amount	Reserves	Subscriptions receivable	Equity portion of convertible debt	Accumulated deficit	Total
		$	$	$	$	$	$
Balance, June 30, 2022	**296,526,184**	**44,416,876**	**13,926,224**	**-**	-	**(29,968,309)**	**28,374,791**
Private placements	19,047,619	8,000,000	-	-	-	-	8,000,000
Finder fees and share issuance costs	-	(529,582)	-	-	-	-	(529,582)
Broker warrants	-	(137,000)	137,000	-	-	-	-
Share-based compensation	-	8,152,007	-	-	-	-	8,152,007
Warrants exercised	7,126,182	706,018	-	-	-	-	706,018
Flow-through share premium	-	(2,857,143)	-	-	-	-	(2,857,143)
Net loss	-	-	-	-	-	(9,429,190)	(9,429,190)
Balance, December 31, 2022	**322,699,985**	**57,751,176**	**14,063,224**	-	-	**(39,397,500)**	**32,416,901**
Balance, June 30, 2023	**381,284,073**	**65,157,500**	**19,257,597**	**(26,000)**	-	**(40,143,969)**	**44,245,128**
Private placements	41,237,113	15,441,000	4,559,000	26,000	-	-	20,026,000
Finders' fees and share issuance costs	-	(1,190,830)	-	-	-	-	(1,190,830)
Brokers' warrants	-	(495,000)	495,000	-	-	-	-
Warrants and options exercised	47,362,366	13,081,362	(2,798,462)	-	-	-	10,282,900
Conversion of RSUs	82,500	-	-	-	-	-	-
Equity portion of convertible debt	-	-	-	-	3,982,310	-	3,982,310
Finder fee shares	380,158	155,865	-	-	-	-	155,865
Flow-through share premium	-	(2,886,598)	-	-	-	-	(2,886,598)
Share-based compensation	-	-	1,526,404	-	-	-	1,526,404
Subscription receivable	-	-	-	-	-	-	-
Net loss for the period	-	-	-	-	-	(46,446)	(46,446)
Balance, December 31, 2023	**475,345,850**	**89,263,299**	**23,039,539**	**-**	**3,982,310**	**(40,190,415)**	**76,094,733**

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

F3 Uranium Corp.
(formerly Fission 3.0 Corp.)
Condensed interim consolidated statements of cash flow
(Expressed in Canadian dollars - Unaudited)

	Six months ended December 31, 2023	Six months ended December 31, 2022
	$	$
Operating activities		
Net loss	**(46,446)**	(9,429,190)
Non-cash items:		
Accretion interest	**50,766**	-
Depreciation and amortization	**20,160**	20,160
Deferred income tax expense	**(1,472,909)**	-
Interest on lease	**10,466**	-
Realized and unrealized loss on marketable securities	**622,416**	438,269
Share based compensation	**1,682,269**	8,152,007
Flow-through share tax recovery	**(4,811,547)**	-
Changes in non-cash working capital items:		
GST receivable	**154,772**	(66,192)
Prepaid expenses and deposits	**(230,157)**	(100,223)
ROU Lease	**(19,649)**	(5,884)
Accounts payable and accrued liabilities	**(1,138,462)**	(1,072,259)
Cash flows used in operating activities	**(5,178,321)**	(2,063,312)
Investing activities		
Exploration and evaluation assets additions, net of recoveries	**(12,945,503)**	(5,325,715)
Purchase of investment	**(215,554)**	-
Proceed from sale of shares	**341,486**	386,287
Cash flows used in investing activities	**(12,819,571)**	4,939,428
Financing activities		
Private placement proceeds	**20,026,000**	8,000,000
Convertible debt proceeds	**15,000,000**	-
Finders’ fees and share issuance costs	**(1,228,486)**	-
Warrants and options exercised	**10,282,904**	324,000
Cash flows provided by financing activities	**44,080,418**	17,969,098
Net change in cash in the year	**26,082,526**	(3,384,654)
Cash, beginning of the year	**17,723,499**	12,618,100
Cash, end of the year	**43,806,025**	9,233,447

Supplemental disclosure with respect to cash flows (Note 11)

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

1. Nature of Operations

F3 Uranium Corp. (the "Company") (formerly Fission 3.0 Corp.) was incorporated on September 23, 2013 under the laws of the Canada Business Corporations Act in connection with a court approved plan of arrangement to reorganize Fission Uranium Corp. ("Fission Uranium") which was completed on December 6, 2013 (the "Fission Uranium Arrangement"). The Company's principal business activity is the acquisition and exploration of mineral properties. To date, the Company has not generated revenues from operations and is considered to be in the exploration stage. The Company's head office is located at 750 – 1620 Dickson Ave., Kelowna, BC, V1Y 9Y2 and is listed on the TSX Venture Exchange under the symbol FUU, and on the Frankfurt Stock Exchange under the symbol 2F3.

The Company changed its name from Fission 3.0 Corp. to F3 Uranium Corp. on January 30, 2023.

On January 16, 2024, the Company announced that it has initiated steps to spin out (the "Spin-Out") 14 of the Company's prospective uranium exploration projects in the Athabasca Basin including the Murphy Lake, Cree Bay, Hearty Bay, Clearwater West, Wales Lake, Todd, Smart Lake, Lazy Edward Bay, Grey Island, Seahorse Lake, Bird Lake, Beaver River, Bell Lake and Flowerdew Lake properties (collectively, the "Properties") into a newly incorporated wholly-owned subsidiary to be named F4 Uranium Corp. ("F4"). The Patterson Lake North Property along with the Broach and Minto Properties (collectively, the "PLN Project"), totaling 39,946 hectares, will remain with F3. It is expected that the Spin-Out will be effected by way of a plan of arrangement (the "Arrangement"), under the Canada Business Corporations Act.

The Company has not yet determined whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of the amounts shown for the exploration and evaluation assets, including the acquisition costs, is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves, and upon future profitable production.

Over the past year, global stock markets have experienced volatility and a significant weakening in the aftermath of COVID-19. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions. Volatility in financial markets may have a significant impact on the Company's financial position. The duration and impact of the higher inflationary environment, as well as the effectiveness of government and central bank responses, remains unclear at this time.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon its ability to fund its operations through equity financing, joint ventures, option agreements or other means. As at December 31, 2023 the Company had cash of $43,806,025 (June 30, 2023 - $17,723,499) and a working capital balance of $43,650,451 (June 30, 2023 - $16,277,693).

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, *IAS 34, Interim Financial Reporting* ("IAS 34") and do not contain all the information required for annual financial statements. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended June 30, 2023 prepared in accordance with IFRS. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on February 27, 2024.

(b) Basis of presentation

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

(c) Basis of consolidation

The consolidated financial statements of the Company includes the 100% owned Fission Energy Peru S.A.C which has been inactive since 2020 and has no assets or liabilities. The Company consolidates subsidiaries when it is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All intercompany balances eliminated on consolidation.

3. Significant accounting policies

(a) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading 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 liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial Instrument	Classification
Cash and cash equivalents	FVTPL
Marketable securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

Measurement

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise.

Selected investments in equity instruments at FVTOCI are initially recorded at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

(a) Financial instruments (continued)

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. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

3. Significant accounting policies (continued)

Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

(b) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and redeemable term deposits that are readily convertible to cash. The Company's cash and cash equivalents are invested with major financial institutions and are not invested in any asset backed deposits/investments.

(c) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars. The financial statements for the Company's subsidiary are measured using the currency of the primary economic environment in which the subsidiary operates (the "functional currency"). Each subsidiary determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency determinations were conducted through an analysis of the consideration factors identified in *IAS 21, The Effects of Changes in Foreign Exchange Rates*.

The functional currency of the Company, and the Company's subsidiary are as follows:

- F3 Uranium Corp. – Canadian Dollar
- F4 Uranium Corp – Canadian Dollar (inactive and no assets)
- Fission Energy Peru S.A.C. – Peruvian New Sol (inactive and no assets)

Transactions and balances

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the reporting date are recognized in profit or loss. Non-monetary assets and liabilities are translated at their historical costs.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(c) Foreign currency translation (continued)

Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars at the rate of exchange prevailing at the reporting date and income and expenses are translated at exchange rates prevailing at the date of transactions. The exchange differences arising on the translation are recognized in other comprehensive income/(loss). On disposal of a foreign operation, the component of other comprehensive income/(loss) relating to that particular foreign operation is recognized in profit or loss.

3. Significant accounting policies (continued)

(d) Property and equipment

Property and equipment is stated at cost, less accumulated depreciation and impairment charges. Carrying amounts of property and equipment are depreciated to their estimated residual values. Depreciation is calculated on a straight-line basis on their estimated useful lives.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

When an item of property and equipment comprises major components with different useful lives, the components are accounted for as separate items of property and equipment.

The Company's tangible and intangible assets are reviewed for an indication of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated. An impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in profit and loss for the period.

(e) Exploration and evaluation assets

The Company records exploration and evaluation assets which consist of the costs of acquiring licenses for the right to explore and costs associated with exploration and evaluation activity, at cost. All direct and indirect costs related to the acquisition, exploration and development of exploration and evaluation assets are capitalized by property.

The exploration and evaluation assets are capitalized until the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable. Exploration and evaluation assets are then assessed for impairment and reclassified to mining property and development assets within property and equipment. If an exploration and evaluation property interest is abandoned, both the acquisition costs and the exploration and evaluation costs will be written off to operations in the period of abandonment.

On an ongoing basis, exploration and evaluation assets are reviewed on a property-by-property basis to consider if there are any indicators of impairment, including the following:

(e) Exploration and evaluation assets (continued)

i. Whether the exploration on the property has significantly changed, such that previously identified resource targets are no longer being pursued;

ii. Whether exploration results to date are promising and whether additional exploration work is being planned in the foreseeable future; and

iii. Whether remaining claim tenure terms are sufficient to conduct necessary studies or exploration work.

3. Significant accounting policies (continued)

If any indication of impairment exists, an estimate of the exploration and evaluation asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal for the exploration and evaluation property interest and their value in use. The fair value less costs of disposal and the value in use are determined for an individual exploration and evaluation property interest, unless the exploration and evaluation property interest does not generate cash inflows that are largely independent of other exploration and evaluation property interests. If this is the case, the exploration and evaluation property interests are grouped together into cash generating units ("CGUs") for impairment purposes.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and 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 CGU) in prior periods. A reversal of an impairment loss is recognized in profit or loss in the period in which that determination was made.

(f) Agents warrants and warrants

Warrants issued to agents in connection with a financing are recorded at fair value using the Black-Scholes Option Pricing Model and charged to share issue costs associated with the offering with an offsetting credit to reserves in shareholders' equity.

(g) Flow-through shares

Resource expenditure deductions for income tax purposes related to exploration activities funded by flow-through share arrangements are renounced to investors under Canadian income tax legislation. On issuance, the Company separates the flow-through share into i) a flow-through share premium, equal to the difference between the current market price of the Company's common shares and the issue price of the flow through share and ii) share capital. Upon eligible exploration expenditures being incurred, the Company recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares must be expended on Canadian resource property exploration within a period of two years. Failure to expend such funds after the end of the first year as required under the Canadian income tax legislation will result in a Part XII.6 tax to the Company on flow-through proceeds renounced under the "Look-back" Rule. When applicable, this tax is accrued as flow-through share tax expense until paid.

3. Significant accounting policies (continued)

(h) Share Capital

Share capital includes cash consideration received for share issuances, net of commissions and share issue costs. Common shares issued for non-monetary consideration are recorded at their fair market value based upon the trading price of the Company’s shares on the Exchange on the date of the agreement.

The proceeds from the issue of units is allocated between common shares and common share purchase warrants on a prorated basis on relative fair values as follows: the fair value of common shares is based on the market close on the date the units are issued; and the fair value of the common share purchase warrants is determined using the Black-Scholes Option Pricing Model.

(i) Share-based payments

The Company’s share-based compensation plans for employees, Directors, officers, employees and consultants consist of stock options and restricted share units (“RSUs”).

The Company has a stock option plan whereby it is authorized to grant stock options to directors, officers, employees and consultants. Directors, officers, employees and consultants are classified as employees who render personal services to the entity and either i) are regarded as employees for legal or tax purposes, ii) work for an entity under its direction in the same way as directors, officers, employees and consultants who are regarded as employees for legal or tax purposes, or iii) the services rendered are similar to those rendered by employees.

The fair value of equity settled stock options issued to employees is measured on the grant date, using the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of the Company’s common shares and an expected life of the options. The fair value less estimated forfeitures is charged over the vesting period of the related options to profit or loss unless it meets the criteria for capitalisation to the exploration and evaluation assets with a corresponding credit to other capital reserves in equity. Stock options granted with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

The share-based awards issued to non-employees are generally measured on the fair value of goods or services received unless that fair value cannot be reliably measured. This fair value shall be measured at the date the entity obtains the goods or the counterparty renders service. If the fair value of goods or services received cannot be reliably measured, the fair value of the share-based payments to non-employees are periodically re-measured using the Black-Scholes Option Pricing Model until the counterparty performance is complete.

When the stock options are exercised, the proceeds are credited to share capital and the fair value of the options exercised is reclassified from other capital reserves to share capital. The estimated forfeitures are based on historical experience and reviewed on a quarterly basis to determine the appropriate forfeiture rate based on past, present and expected forfeitures.

RSUs are measured at their fair value on the date of grant based on the closing price of the Company's shares on the date of the grant and are recognized as share-based compensation expense over the vesting period, with a corresponding credit to reserve for share-based payments.

3. Significant accounting policies (continued)

(j) Income taxes

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the end of each reporting period, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income taxes are recorded using the liability method whereby deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they are realized or settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future tax profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Loss per share

The Company presents basic and diluted loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the gain or loss attributable to common shareholders when the effect is anti-dilutive.

(l) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant control over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(m) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether it has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and it has the right to direct the use of the asset.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. The right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

3. Significant accounting policies (continued)

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments, and amounts expected to be payable at the end of the lease term.

The Company does not recognize the right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less. The lease payments associated with these leases are charged directly to income on a straight-line basis over the lease term. Refer to Note 6.

4. Key estimates and judgements

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Judgements

- the recoverability of mineral properties and exploration and evaluation expenditures incurred on its projects; the Company capitalizes acquisition, exploration and evaluation expenditures on its statement of financial position, and evaluates these amounts at least annually for indicators of impairment;
- the functional currency and reporting currency of the parent company, F3 Uranium Corp., is the Canadian Dollar. The functional currency Fission Energy Peru S.A.C. is the Peruvian Sol. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment; and
- the Company determines the flow-through share premium by allocating the total funds received between common share and flow-through premium liability by first assessing the fair value of the common shares issued, based on market price at issuance, with any excess considered being allocated to warrants (if any) and the flow-through premium.

4. Key estimates and judgements (continued)

Estimates

- the discount rate used to present value the lease liability related to the office rent was estimated to be 18% which was based off of the Company's interest rate on their corporate credit cards as the Company does not have any other interest bearing debt;
- the inputs in accounting for share-based payment transactions in the statement of loss and comprehensive loss (using the Black-Scholes model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate; and
- the determination and recognition of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

5. New accounting pronouncement

During the year ended June 30, 2023, there were no new standards adopted. The following accounting pronouncements that have been issued, but are not yet effective:

IAS 1 – Presentation of Financial Statements ("IAS 1"), has been amended to clarify how to classify debt and other liabilities as either current or non-current. The amendment to IAS 1 is effective for the years beginning on or after January 1, 2023, with early application permitted. The Company is currently assessing the impact of this amendment on its consolidated financial statements.

6. Right-of-Use Asset and Lease Liability

On September 17, 2021, the Company entered a five-year office lease with an arm's length landlord commencing November 1, 2021. For the first 36 months, the Company will pay $3,275 per month and for the remainder of the term the monthly payments will be $3,488. The Company has recognized a ROU asset in respect to this lease, which is included in right-of-use asset on the statement of financial position.

Below is a summary of the activities related to right-of-use office lease asset for the indicated periods:

(Expressed in Canadian dollars)

6. Right-of-Use Asset and Lease Liability (continued)

Cost	**Right-of-Use Asset**
	$
As at June 30, 2022	-
Additions	**133,434**
As at June 30, 2023 and December 31, 2023	**133,434**
Accumulated depreciation	
Balance at June 30, 2022	17,791
Depreciation	26,687
As at June 30, 2023	**44,478**
Depreciation	20,161
As at December 31, 2023	**64,639**
Net Book Value	
As at June 30, 2022	88,956
As at December 31, 2023	**68,795**

The Company has also recognized a lease liability for this lease, which was initially measured at the present value of the future lease payments, discounted using the Company's incremental borrowing rate of 18%.

Below is a summary of the activities related to lease liabilities for the following periods:

	Lease Liability
	$
Balance, June 30, 2022	**122,282**
Interest	19,869
Lease payments	(39,299)
Balance, June 30, 2023	**102,852**
Interest	10,466
Lease payments	(19,648)
Balance, December 31, 2023	**63,670**
Current portion of lease liability	23,229
Non-current lease liability	70,441
Balance, December 31, 2023	**63,670**

(Expressed in Canadian dollars)

7. Marketable securities and investments

The Company's marketable securities consist of investments in public company shares. A breakdown of the shares held was as follows:

Traction Uranium Corp.

	Number of Shares	Fair Value
Balance, June 30, 2022	**6,046,952**	**2,297,842**
Sale of shares	(2,418,781)	(919,137)
Loss on re-valuation	-	(108,845)
Balance, June 30, 2023	**3,628,171**	**$ 1,269,860**
Sale of shares	(907,043)	(341,486)
Loss on re-valuation	-	(547,416)
Balance, December 31, 2023	**2,721,128**	**$ 380,958**

On December 29, 2021, the Company received 6,046,952 shares of Traction Uranium Corp. as consideration for the sale of Hearty Bay and Lazy Edwards mineral property rights (Note 8).

SKRR Exploration Inc.

	Number of Shares	Fair Value
As at June 30, 2022	**-**	**$ -**
Acquisition (Note 8)	1,000,000	225,000
Loss on re-valuation	-	(50,000)
As at June 30, 2023	**1,000,000**	**$ 175,000**
Loss on re-valuation	-	(75,000)
Balance, December 31, 2023	**1,000,000**	**$ 100,000**

During the year ended June 30, 2023, the Company received 1,000,000 shares of SKRR Exploration Inc. with a fair value of $225,000 as consideration for the sale of Clearwater West mineral property rights (Note 8).

Other investment

On May 29, 2023, the Company purchased a 3.125% undivided interest in a Cessna Citation CJ2+ from AirSprint for a total consideration of $217,672 ($160,000 USD); and a further $215,553 was paid during the period ended December 31, 2023 for an additional 3.125% undivided interest. The undivided interest can be sold to a third party purchase any time for fair market value. Under the contract, the Company has the right to utilize 25 hours of flying time on the Cessna Citation CJ2+. The Company is required to pay an annual overhead fee of $84,535 to cover aircraft operating costs. The Company has the opportunity to sell its interest in the aircraft, as long as AirSprint is used as the agent on the transaction. AirSprint will maintain custody and control over the aircraft for the duration of the Company's ownership term.

The consideration paid to purchase the interest was recorded as a short-term investment.

8. Exploration and evaluation assets

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of title and/or ownership of claims. The agreements, claims, and concessions held at each property are as at December 31, 2023:

(a) Clearwater West Property, Saskatchewan, Canada

The Company holds a 100% interest in 3 claims (June 30, 2022 – 3 claims) at the Clearwater West property.

On May 10, 2023, and amended on January 22, 2024, the Company entered into an option agreement with SKRR Exploration Inc. ("SKRR") whereby SKRR has the opportunity to acquire up to a 70% interest in the Company's Clearwater West Project.

Pursuant to the Clearwater West Option Agreement (the "Clearwater West Agreement"), the Company granted SKRR an option to acquire a 50% interest in the Clearwater West Project for the following consideration:

i. Pay cash payments to the Company of $50,000 (met - $50,000 received).

ii. The issuance of 1,000,000 commons shares of SKRR (met - received with a fair value of $225,000) (Note 7).

iii. Incur $3,000,000 in exploration work on the Clearwater West Property, on or before May 25, 2025.

iv. Issuance of a further 605,000 common shares of SKRR to the Company and is required to issue an additional 395,000 common shares of SKRR on or before June 1, 2024 unless subsequent to such share issuance, the Company's partially diluted shareholdings in SKRR would exceed 10% of the issued and outstanding shares of SKRR, in which case SKRR shall pay $39,500 in cash on or before June 5, 2024

Upon completion of the 50% interest earn-in, SKRR and the Company will automatically enter into a joint venture and will negotiate to formalize a joint venture agreement. Pursuant to the terms of the Clearwater West Option Agreement, SKRR will have the option to increase its interest in the Clearwater West Property to 70% by making additional cash and exploration expenditures:

i. Additional cash payments totalling $50,000 on or before December 31, 2024.

ii. Incur an additional $3,000,000 in exploration work on the Clearwater West Property on or before the date that is three years following the date of the Clearwater West Agreement.

The Company will retain a 2.0% NSR on the property, of which 1% may be repurchased by SKRR for $1,000,000.

During the year ended June 30, 2023, the total consideration received of $275,000 was offset against the capitalized exploration and evaluation expenditures, to reduce the balance to $nil and the remainder of $180,513 was recognized as a recovery on mineral rights in the consolidated statement of loss and comprehensive loss.

8. Exploration and evaluation assets (continued)

(b) Patterson Lake North Property, Saskatchewan, Canada

The Company holds a 100% interest in 43 claims (June 30, 2023 – 43 claims) at the Patterson Lake North property.

(c) Wales Lake Property, Saskatchewan, Canada

The Company holds a 100% interest in 31 claims (June 30, 2023 – 31 claims) at the Wales Lake Property.

(d) Key Lake Area, Saskatchewan, Canada

The Company holds a 100% interest in 5 properties that comprise the Key Lake Area in Saskatchewan. The number of claims held at each property is as follows:

(i) Bird Lake Property, 1 claim (June 30, 2023 – 1 claim)
(ii) Hobo Lake Property, 37 claims (June 30, 2023– 37 claims) held until January 22, 2024 whereby the Company swapped all these claims with CanAlaska Uranium Ltd., in exchange for certain claims in the Patterson Lake area contiguous to existing claims owned by the Company
(iii) Lazy Edward Bay Property, 11 claims (June 30, 2023 – 11 claims)
(iv) Seahorse Lake Property, 3 claims (June 30, 2023 – 3 claims)
(v) Grey Island, 11 claims (June 30, 2023 – 11 claims)

(e) Beaverlodge/Uranium City Area, Saskatchewan, Canada

The Company holds a 100% interest in 3 properties that comprise the Beaverlodge/ Uranium City Area in Saskatchewan. The number of claims held at each property is as follows:

(i) Beaver River Property, 14 claims (June 30, 2023 – 14 claims)
(ii) Hearty Bay Property, 7 claims (June 30, 2023 – 7 claims)
(iii) Midas, 1 claim (June 30, 2023 – 1 claims)

Based on the lack of planned expenditures on a certain claims, an impairment indicator was identified for the Midas property which includes its Thomson Lake and remaining North Shore claims. The Company wrote these claims down to $nil and recognized an impairment charge of $461,965 for the June 30, 2023 year end (June 30, 2022 (North Shore claims) - $538,677).

(f) Northeast Athabasca Basin Area, Saskatchewan, Canada

The Company holds a 100% interest in 28 claims (June 30, 2023 – 28 claims) in other uranium properties in and around the Northeast Athabasca Basin area.

Based on the lack of planned expenditures, an impairment indicator was identified for the Eagle property and recognized an impairment charge of $8,459 (June 30, 2022 - $nil).

On February 20, 2024, the Company entered into a non-binding letter of intent with Canadian GoldCamps Corp. ("Canadian GoldCamps") whereby Canadian GoldCamps and the Company will enter into definitive option agreement The staged option will allow CanadianGoldcamps to earn up to a 70% interest in the Murphy Lake Property in the Athabasca Basin, Saskatchewan in exchange for up to $1.4M in cash, $18,000,000 in exploration expenditures, and 9.9% ownership of Canadian GoldCamps.

8. Exploration and evaluation assets (continued)

Traction Uranium Corp. Option Agreements

On December 9, 2021, the Company entered into two Option Agreements with Traction Uranium Corp. ("Traction") whereby Traction has the opportunity to acquire up to a 70% interest in two properties controlled by the Company: the Hearty Bay Project and the Lazy Edward Bay Project. Hearty Bay was further amended on February 23, 2023.

Hearty Bay Project

Pursuant to the Hearty Bay Option Agreement (the "Hearty Bay Agreement"), the Company granted Traction an option to acquire a 50% interest in the Hearty Bay Project for the following consideration:

i. Pay cash payments to the Company of $550,000 over a two-year period (met - $250,000 received in 2023; $300,000 received in 2022).

ii. Issue shares to the Company equal to 7.5% of the number of issued and outstanding common shares of Traction that are outstanding as of such date, provided Traction has completed one or more equity financings for gross proceeds of $2,000,000 by such date (the Company received 3,023,476 Traction shares on December 29, 2021 with a fair value of $2,569,955) (met) (Note 7).

iii. Incur $3,000,000 in exploration work on the Hearty Bay Property by December 31, 2024. On March 11, 2022, the Company received $1,000,000 in cash to be used for mineral expenditures. As at June 30, 2022, the Company incurred $824,520 in eligible expenditures and the remaining balance of $175,480 was incurred during the year ended June 30, 2023. As at February 26, 2024, the Company received the remaining balance from Traction to be spent on the property.

To acquire the additional 20% interest in Hearty Bay Project, Traction will need to incur the following:

iv. Additional cash payments totalling $350,000.

v. Incur an additional $3,000,000 in exploration work on the Hearty Bay Property on or before December 9, 2025.

The Company will retain a 2.0% net smelter return royalty ("NSR") on the property.

During the year ended June 30, 2023 and 2022, the consideration received was offset against the capitalized exploration and evaluation expenditures, to reduce the balance to $345,656 (2022 - $nil) and the remainder of $nil (2022 - $1,543,628) was recognized as a recovery on mineral rights in the consolidated statement of loss and comprehensive loss.

8. Exploration and evaluation assets (continued)

Lazy Edward Project

Pursuant to the Lazy Edward Project Option Agreement (the "Lazy Edward Agreement") the Company granted Traction an option to acquire a 50% interest in the Lazy Edward Project for the following consideration:

i) Pay cash payments to the Company of an aggregate of $550,000 over a two-year period (not met - $nil received in 2023; $300,000 received in 2022).

ii) Issue shares to the Company equal to 7.5% of the number of issued and outstanding common shares of Traction that are outstanding as of such date, provided Traction has completed one or more equity financings for gross proceeds of $2,000,000 by such date

(the Company received 3,023,476 Traction shares on December 29, 2021 with a fair value of $2,569,955) (met) (Note 7).

iii) Incur $4,500,000 in exploration work on the Lazy Edward Property over the first two years of the contract. On May 20, 2022, the Company received $1,500,000 in cash to be used for mineral expenditures. As at June 30, 2022, the Company incurred $1,406,344 in eligible expenditures and the remaining balance of $93,656 was incurred during the year ended June 30, 2023. As at December 31, 2023, Traction has not yet met the full exploration commitment.

To acquire the additional 20% interest in Hearty Bay Project, Traction will need to incur the following:

iv. Additional cash payments totalling $350,000.

v. Incur an additional $4,500,000 in exploration work on the Lazy Edward Property on or before the date that is three years following the date of the Lazy Edward Agreement.

The Company will retain a 2.0% NSR on the property.

During the year ended June 30, 2022, the consideration received was offset against the capitalized exploration and evaluation expenditures, to reduce the balance to $nil and the remainder of $2,826,852 was recognized as a recovery on mineral rights in the consolidated statement of loss and comprehensive loss.

During the year ended June 30, 2023, Traction terminated the Lazy Edward Agreement.

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

As at September 30, 2023

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	**Total**
	$	$	$	$	$	$	**$**
Acquisition costs							
Balance, beginning of period	-	13,548	38,995	53,961	38,017	15,574	**160,095**
Additions	-	-	-	-	-	-	**-**
Balance, end of period	-	13,548	38,995	53,961	38,017	15,574	**160,095**
Exploration costs							
Balance, beginning of year	-	21,417,947	1,218,529	1,387,203	594,111	4,984,220	**29,602,010**
Incurred during the year							
Drilling	-	7,745,827	-	-	21,698	-	**7,767,525**
Camp costs and exploration costs	-	676,294	-	-	-	-	**676,294**
Geological costs	-	90	-	-	-	-	**90**
Geophysics costs	-	168,755	-	-	9,730	-	**178,485**
Geology mapping and sampling	-	-	-	-	-	-	**-**
Land retention and permitting	-	1,537	(591)	779	665	179	**2,569**
Reporting and survey	-	2,580	-	5,424	997	860	**9,861**
Additions	-	8,595,083	(591)	6,203	33,090	1,039	**8,634,824**
Recovery of costs	-	-	-	-	-	-	**-**
Impairment of costs	-	-	-	-	(600,000)		**(600,000)**
Balance, end of year	-	30,013,030	1,217,938	1,393,406	27,201	4,985,259	37,636,834
Total	**-**	**30,026,578**	**1,256,933**	**1,447,367**	**65,218**	**5,000,833**	**37,796,929**

(Expressed in Canadian dollars)

8. Exploration and evaluation assets (continued)

As at June 30, 2023

	Clearwater West Property	Patterson Lake North Property	Wales Lake Property	Key Lake Area	Beaverlodge / Uranium City Area	North East Athabasca Basin Area	**Total**
	$	$	$	$	$	$	**$**
Acquisition costs							
Balance, beginning of year	-	13,472	29,947	53,534	36,545	15,574	**149,072**
Additions	-	76	9,048	427	1,472	-	**11,023**
Balance, end of year	-	13,548	38,995	53,961	38,017	15,574	**160,095**
Exploration costs							
Balance, beginning of year	93,228	9,457,727	1,208,908	955,235	698,452	1,900,769	**14,314,319**
Incurred during the year							
Drilling	616	10,977,100	-	32,194	443,178	2,721,321	**14,174,409**
Camp costs and exploration costs	-	864,987	-	-	28,000	271,228	**1,164,215**
Geological costs	-	15,119	-	-	79,816	4,968	**99,903**
Geophysics costs	-	77,321	-	377,012	1,368	82,236	**537,937**
Geology mapping and sampling	-	-	-	-	-	-	**-**
Land retention and permitting	487	7,926	7,152	5,240	3,695	1,383	**25,883**
Reporting and survey	156	17,767	-	12,893	1,567	10,668	**43,051**
General	-	-	2,469	4,629		106	**7,204**
Additions	1,259	11,960,220	9,621	431,968	557,624	3,091,910	**16,052,602**
Recovery of costs	(94,487)	-	-	-	(200,000)	-	**(294,487)**
Impairment of costs	-	-	-	-	(461,965)	(8,459)	**(470,424)**
Balance, end of year	-	21,417,947	1,218,529	1,387,203	594,111	4,984,220	29,602,010
Total	**-**	**21,431,495**	**1,257,524**	**1,441,164**	**632,128**	**4,999,794**	**29,762,105**

(Expressed in Canadian dollars)

9. Convertible debt

On October 18, 2023, the Company closed a $15,000,000 convertible debenture ("Debentures") with Denison Mines Corp. ("Denison").

The Debentures carry a 9% coupon (the "Interest"), payable quarterly, have a maturity date of October 18, 2028, and are convertible at Denison's option into common shares of the Company at a conversion price of $0.56 per share (the "Conversion Price").

The Company, at its sole discretion, may pay up to one-third of the Interest in common shares of the Company issued at a price per common share equal to the volume-weighted average trading price of the Company's common shares on the TSX Venture Exchange (the "TSXV") for the 20 trading days ending on the day prior to the date on which such payment of Interest is due.

The following table summarizes the accounting for the convertible note during the period ended December 31, 2023:

	Liability Component	Equity Component	Finder Fee Adjustment	Deferred Income Tax Expense
	$	$	$	$
Balance – June 30, 2023	**-**	**-**		
Face value of the loan	**15,000,000**	**-**	**-**	**-**
Discount	(5,492,875)	3,982,309	37,657	1,472,909
Loan – October 8, 2023 balance	**9,507,125**	**3,982,309**	**37,657**	**1,472,909**
Accretion adjustment	324,283	-	-	-
Interest portion	(273,517)	-	-	-
Balance – December 31, 2023	**9,557,891**	**76,271**	**37,657**	**1,472,909**

For accounting purposes, the convertible loan is separated into its liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue was calculated as the discounted cash flows of the loan assuming a 18% discount rate, which was the estimated rate for a similar loan without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the loan and the fair value of the liability component.

(Expressed in Canadian dollars)

10. Flow-though share premium liability

A summary of the changes in the Company's flow-though share premium liability is as follows:

Flow-Through Share Premium Liability		December 31, 2023		June 30, 2022
Opening balance	**$**	**2,415,671**	$	376,776
Flow-through share premium on issuance of flow-through common share units (Note 10)		2,886,598		5,780,547
Settlement of flow-through share premium liability on expenditures incurred		(4,811,547)		(3,741,652)
Ending balance	**$**	**490,722**	$	2,415,671

10. Share capital and other capital reserves

The Company is authorized to issue an unlimited number of common shares, without par value. All of the Company's issued shares are fully paid.

(a) *Share issuances*

September 12, 2023

The Company closed a private placement for gross proceeds of $20,000,000 comprising 41,237,113 charity flow-through shares of the Company (each, a "Charity FT Unit") at a price of $0.485 per share.

Each Charity FT Unit is comprised of one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.485 for a two year period. The Company paid a cash fee of $1,086,250 and incurred $78,580 in expenses in connection with this private placement.

The Company also issued 2,239,690 brokers' warrants which entitles the holder to purchase a one common share of the Company at a price of $0.485 per share at any time on or before September 12, 2025.

Gross proceeds from this private placement were allocated between shares and warrants using a pro-rata based on the fair value of shares and warrants on the date of issuance. A total of $15,441,000 was recorded in share capital in relation to the common shares and $4,559,000 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following assumptions: a volatility of 106.28%; risk-free interest rate of 4.58%; expected life of 2 years; and a dividend rate of 0%.

The fair value of the brokers' warrants was determined based on the closing trading price on September 12, 2023 and the fair value of warrants was determined using the Black-Scholes Option Pricing Model and $495,000 was recorded as share issuance costs using the following assumptions: a volatility of 106.28%; risk-free interest rate of 4.58%; expected life of 2 years; and a dividend rate of 0%.

10. Share capital and other capital reserves (continued)

May 26, 2023

On May 26, 2023, the Company closed a private placement for gross proceeds of $12,000,000 comprising:

- 4,255,319 flow-through units of the Company (each, a "FT Unit") at a price of $0.47 per FT Unit for gross proceeds of $2,000,000 from the sale of FT Units; and
- 21,276,596 FT Units to be sold to charitable buyers (each, a "Charity FT Unit") at a price of $0.47 for gross proceeds of $10,000,000 from the sale of Charity FT Units.

Each FT Unit issued pursuant to the offering is comprised of one common share of the Company and one-half common share purchase warrant. Each FT Unit is comprised of one common share of the Company to be issued as a "flow-through share" within the meaning of the Income Tax Act (Canada) (each, a "FT Share") and one-half common share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.47 at any time on or before May 26, 2026. The Company paid cash finders' fees of $712,500 and incurred $117,307 expenses in connection with this private placement which has been recorded as share issuance costs. The Company also issued 1,515,957 brokers' warrants which entitles the holder to purchase one common share of the Company at a price of $0.35 at any time on or before May 26, 2025.

Gross proceeds from this private placement were allocated between shares and warrants using a pro-rata based on the fair value of shares and warrants on the date of issuance. A total of $10,187,000 was recorded in share capital in relation to the common shares and $1,813,000 was recorded in other capital reserves in relation to the warrants. The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following assumptions: a volatility of 109.13%; risk-free interest rate of 3.94%; expected life of 3 years; and a dividend rate of 0%. A total of $125,322 was reclassified from unit issuance costs to other capital reserves for the proportionate share of warrants in the units issued. In addition, a value of $2,923,404 was attributed to the flow-through premium liability in connection with the flow-through and charity flow-through shares.

The fair value of the brokers' warrants was determined based on the closing trading price on May 26, 2023 and the fair value of warrants was determined using the Black-Scholes Option Pricing Model and $245,000 was recorded as share issuance costs using the following assumptions: a volatility of 116%; risk-free interest rate of 4.20%; expected life of 2 years; and a dividend rate of 0%.

(Expressed in Canadian dollars)

10. Share capital and other capital reserves

(b) Stock options and warrants

The Company has a stock option plan which allows the Board of Directors to grant stock options to employees, directors, officers, and consultants. The exercise price is determined by the Board of Directors provided the minimum exercise price is set at the Company's closing share price on the day before the grant date. The options can be granted for a maximum term of five years and vesting terms are determined by the Board of Directors at the date of grant. The common shares reserved for issuance cannot exceed 10% of the issued and outstanding common shares of the Company.

Stock option and warrant transactions are summarized as follows:

	Stock options		**Warrants**	
	Number outstanding	Weighted average exercise price	Number outstanding	Weighted average exercise price
		$		$
Outstanding, June 30, 2022	23,815,833	0.16	73,758,788	0.14
Granted	12,400,000	0.28	15,353,342	0.23
Expired	-	-	(657,500)	0.15
Exercised	(5,439,977)	0.14	(30,272,545)	0.12
Forfeited	(880,000)	0.16	-	-
Outstanding, June 30, 2023	**29,895,856**	**0.15**	**58,182,085**	**0.21**
Granted	12,765,000	0.41	22,858,247	0.49
Expired	-	-	(1,380,072)	0.25
Exercised	(5,814,166)	0.17	(41,448,670)	0.22
Forfeited	(733,333)	0.16	-	-
Outstanding, December 31, 2023	**36,113,357**	**0.28**	**38,211,590**	**0.47**

(Expressed in Canadian dollars)

10. Share capital and other capital reserves (continued)

(b) Stock options and warrants (continued)

As at December 31, 2023, stock options and warrants were outstanding as follows:

Stock Options			
Number outstanding	Exercise price	Number of vested options	Expiry date
	$		
1,180,000	0.12	1,180,000	March 15, 2024
4,483,333	0.12	3,487,037	September 2, 2026
4,640,017	0.16	3,608,902	October 12, 2026
600,000	0.19	466,667	October 18, 2024
600,000	0.19	466,667	October 18, 2026
3,970,006	0.20	3,328,334	March 8, 2027
7,875,001	0.33	2,666,667	April 6, 2028
12,765,000	0.41	4,255,000	December 15, 2028
36,113,357		**19,459,274**	

The weighted average remaining life of the stock options is 3.77 years.

Warrants			
Number outstanding	Exercise price	Number of vested warrants	Expiry date
	$		
1,071,428	0.42	1,071,428	December 21, 2024
12,765,958	0.47	12,765,958	May 26, 2026
1,515,957	0.35	1,515,957	May 26, 2025
20,618,557	0.49	20,618,557	September 12, 2025
2,239,690	0.49	2,239,690	September 12, 2025
38,211,590		**38,211,590**	

The weighted average remaining life of the warrants is 1.90 years.

(Expressed in Canadian dollars)

10. Share capital and other capital reserves (continued)

(c) Share-based compensation

All options are recorded at fair value using the Black-Scholes option pricing model. During the period ended December 31, 2023, 12,765,000 stock option were granted. Pursuant to the vesting schedule of options granted, during the period ended December 31, 2023 share-based compensation of $1,526,404 (December 31, 2022 – $8,152,007) was recognized in the statement of loss and comprehensive loss. During the year ended June 30, 2023, the Company granted 12,400,000 stock options. Pursuant to the vesting schedule of options granted, during the year ended June 30, 2023 share-based compensation of $2,090,955 (June 30, 2022 – $1,498,325) was recognized in the statement of loss and comprehensive loss. The weighted average Black-Scholes of the options are as the following assumptions:

	December 31, 2023	**June 30, 2023**
Discount rate	3.22%	2.44%
Expected life	5	5
Expected volatility	107.92%	111.41%
FV granted price	$0.32	$0.23

Subsequent to December 31, 2023, 10,000,000 options were granted to officers, directors and consultants.

(d) Warrants modification

On September 24, 2021, the Company received approval from the TSXV Exchange to extend the expiry dates of the warrants listed below. An incremental value of $2,634,100 was calculated relating to the warrants modifications using the Black-Scholes Option Pricing Model with expected life of .51-.55 years, risk-free interest rate of 0.49%, a dividend yield of 0% and historical volatility of 100.90%-101.97%.

- 49,775,000 share purchase warrants at an exercise price of $0.15 per share extended to March 28, 2022, which were schedule to expire on September 28, 2021.
- 1,170,000 share purchase warrants at an exercise price of $0.15 per share extended to April 2, 2022, which were schedule to expire on October 2, 2021.
- 15,130,000 share purchase warrants at an exercise price of $0.15 per share extended to April 12, 2022, which were schedule to expire on October 12, 2021.

(e) Restricted stock units

The Company has adopted a restricted share unit plan (the "RSU Plan"), which provides that the Board of Directors of the Company may, from time to time, grant to directors, officers, employees and consultants of the Company, non-transferable RSUs. The expiry date for each restricted share unit shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue. The number of shares that may be reserved for issuance shall not exceed 30,192,618 shares of the Company unless approved by disinterested shareholders of the Company at a duly held meeting but shall not exceed 10% of the issued and outstanding shares of the Company.

On December 12, 2022, the Company granted 30,127,618 RSUs to directors, officers, consultants and employees of the Company. Each RSU entitles the holder to receive one common share of the Company upon the vesting of such RSU. The RSUs will vest in three one-third tranches on January 1, 2023, January 1, 2024 and January 1, 2025. The fair value of these RSUs was determined to be $7,983,819 by reference to the fair value of the Company's common shares on the date of grant and will be recognized as an expense over the vesting period.

(Expressed in Canadian dollars)

10. Share capital and other capital reserves (continued)

(e) Restricted stock units (continued)

On December 12, 2022, the Company granted 65,000 RSUs to a consultant of the Company. Each RSU entitles the holder to receive one common share of the Company upon the vesting of such RSU. The RSUs will vest in two one-half tranches on January 1, 2023 and May 1 2023. The fair value of these RSUs was determined to be $17,225 by reference to the fair value of the Company's common shares on the date of grant and will be recognized as an expense over the vesting period.

On January 23, 2023, the Company granted 150,000 RSUs to an advisor of the Company. Each RSU entitles the holder to receive one common share of the Company upon the vesting of such RSU. The RSUs will vest in three one-third tranches on July 1, 2023, July 1, 2024 and July 1, 2025. The fair value of these RSUs was determined to be $48,750 by reference to the fair value of the Company's common shares on the date of grant and will be recognized as an expense over the vesting period.

On July 27, 2023, the Company granted 1,000,000 RSU to a key employee. Each RSU entitles the holder to receive one common share of the Company upon the vesting of such RSU. The RSUs will vest in three one-third tranches on July 27, 2024, July 27, 2025 and July 27, 2026. The fair value of these RSUs was determined to be $365,000 by reference to the fair value of the Company's common shares on the date of grant and will be recognized as an expense over the vesting period.

On December 15, 2023, the Company granted 12,590,000 RSU to officers, directors, employees and consultants. Each RSU entitles the holder to receive one common share of the Company upon the vesting of such RSU. The RSUs will vest in three one-third tranches on December 15, 2024, December 15, 2025 and December 15, 2026. The fair value of these RSUs was determined to be $5,665,500 by reference to the fair value of the Company's common shares on the date of grant and will be recognized as an expense over the vesting period.

Pursuant to the vesting schedule of RSUs granted during the period ended December 31, 2023 share-based compensation of $Nil was recognized in the consolidated statement of loss and comprehensive loss.

The continuity of RSUs are summarized below:

	Number of RSUs
Balance as at June 30, 2022	**-**
RSUs granted	30,342,618
Converted to shares	(4,465,833)
Cancelled	(1,633,334)
Balance as at June 30, 2023	**24,243,451**
RSUs granted	13,590,000
Converted to shares	(82,500)
Cancelled	(2,333,333)
Balance as at December 31, 2022	**35,417,618**

As at December 31, 2023, there were 1,599,206 RSUs vested and pending issuance.

(Expressed in Canadian dollars)

11. Supplemental disclosure with respect to cash flows

	December 31, 2023	June 30, 2023
	$	$
Cash	**43,748,525**	17,665,999
Cash equivalents	**57,500**	57,500
	43,806,025	17,723,499

There were no cash payments for income taxes during the three months ended December 31, 2023 and 2022.

12. Related party transactions

The Company has identified the Company's officers, directors, and senior management as its key management personnel.

	December 31, 2023	December 31, 2022
Compensation costs	**$**	$
Wages, consulting and directors fees paid or accrued to key management personnel and companies controlled by key management personnel	**990,483**	271,343
Office rent paid to a Company with common directors and officers	**-**	-
Share-based compensation pursuant to the vesting schedule of options and RSUs granted to key management personnel	**804,469**	5,298,804
	1,794,952	5,570,147
Exploration and evaluation expenditures	669,923	97,500
Total	**2,464,875**	**5,667,647**

Included in accounts payable at December 31, 2023 is $180,058 (June 30, 2023 - $59,091) for expenses due to key management personnel and companies controlled by key management personnel. Amounts were non-interest bearing, unsecured and due on demand.

These transactions were in the normal course of operations.

13. Segmented information

The Company primarily operates in one reportable operating segment being the acquisition and exploration of mineral properties. As at December 31, 2023 and June 30, 2023, all of the Company's assets were in Canada.

14. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue exploration and development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options, RSUs and warrants.

Changes in the equity accounts of the Company are disclosed in the statements of changes in equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares or debt or dispose of assets. The issuance of common shares or issuance of debt requires approval of the Board of Directors.

The Company reviews its capital management approach on an on-going basis and updates it as necessary depending on various factors, including capital deployment and general industry conditions. The Company anticipates continuing to access equity markets and the use of joint ventures to fund continued exploration and development of its exploration and evaluation assets and the future growth of the business.

15. Financial instruments and risk management

Financial instruments

International Financial Reporting Standards 13, Fair Value Measurement, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments consist of cash and cash equivalents, marketable securities, accounts payable and accrued liabilities and lease liability. For cash and cash equivalents and accounts payable and accrued liabilities, the carrying values are considered to be a reasonable approximation of fair value due to the short-term nature of these instruments.

At December 31, 2023 and June 30, 2022, the marketable securities are valued using quoted prices from an active market (Level 1).

The Company's financial instruments are exposed to a number of financial and market risks, including credit, liquidity and foreign exchange risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of its operations warrant such hedging activities.

15. Financial instruments and risk management (continued)

Risk management

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will not discharge its obligations, resulting in a financial loss to the Company. The Company has procedures in place to minimize its exposure to credit risk. Company management evaluates credit risk on an ongoing basis including counterparty credit rating and other counterparty concentrations as measured by amount and percentage.

The primary sources of credit risk for the Company arise from cash and marketable securities.

The Company has not suffered any credit losses in the past, nor does it expect to have any credit losses in the future. As at December 31, 2023, the Company has no significant financial assets that are past due or impaired due to credit risk defaults. The Company's maximum exposure to credit risk is limited to its cash and investment account balances.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations with respect to financial liabilities as they fall due (see Note 1). The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The Company frequently assesses its liquidity position by reviewing the timing of amounts due and the Company's current cash flow position to meet its obligations. The Company manages its liquidity risk by maintaining sufficient cash and cash equivalents and short-term investment balances to meet its anticipated operational needs.

The Company's accounts payable and accrued liabilities arose as a result of exploration and development of its exploration and evaluation assets and other corporate expenses. Payment terms on these liabilities are typically 30 to 60 days from receipt of invoice and do not generally bear interest.

(Expressed in Canadian dollars)

15. Financial instruments and risk management (continued)

(b) Liquidity risk (continued)

The following table summarizes the remaining contractual maturities of the Company's financial liabilities.

	Dates	**December 31 2023**	June 30 2023
		$	$
Accounts payable and accrued liabilities	< 6 months	**1,677,114**	1,715,361

Interest rate risk

1. From time-to-time, the Company invests excess cash in guaranteed investment certificates ("GICs") at fixed or floating rates of interest and cash equivalents are to be maintained in floating rates of interest in order to maintain liquidity, while achieving a satisfactory return. As at December 31, 2023, the Company was exposed to nominal interest rate risk. The Company manages risk by monitoring changes in interest rates in comparison to prevailing market rates.

Market risk

2. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk. The Company is exposed to other price risk on its marketable securities due to fluctuations in the current market prices and fluctuations in trading volumes of those securities. The Company's exposure to market risk is limited to the fair value of its marketable securities.

16. Tax Losses

The significant components of the Company's temporary differences, unused tax credits and unused tax losses are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences	$		$	
Share issue costs	1,598,000	2025 to 2027	1,208,000	2023 to 2026
Allowable Capital losses	1,103,000	No expiry date	-	No expiry date
Property and equipment	106,000	No expiry date	106,000	No expiry date
Right-of-Use Assets/Lease liabilty	14,000	No expiry date	-	No expiry date
Exploration and evaluation assets	(14,971,000)	No expiry date	(5,536,000)	No expiry date
Marketable Securities	1,864,000	No expiry date	3,124,000	No expiry date
Non-Capital losses	7,198,000	2040 to 2043	8,320,000	2034 to 2042

Tax attributes are subject to review, and potential adjustment, by tax authorities.

17. Commitments

During the year ended December 31, 2023 and through June 30, 2023, the Company entered into various consulting agreements with consultants and officers to provide various services. In the event of termination without cause or a change of control, the Company is committed to paying severance. This severance ranges from six months of consulting fees, with an additional one month of fees for each twelve months of service to two years of fees. In the event there is a change in control of the Company will be liable to cover $1,424,000 in termination fees.

18. Subsequent events

See Note 1, Note 8 and Note 10 for subsequent events disclosure.