

**ABASCA RESOURCES INC.**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED**  
**APRIL 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

*Audit. Tax. Advisory.*

## **Independent Auditor's Report**

To the Shareholders of Abasca Resources Inc.

### **Opinion**

We have audited the financial statements of Abasca Resources Inc. (the "Company"), which comprise the statement of financial position as at April 30, 2024, and the statement of loss and comprehensive loss, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

### **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 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 financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Emphasis of matter – restated comparative information**

We draw attention to Note 2 to the financial statements, which explains that certain comparative information for the year ended April 30, 2023 has been restated. Our opinion is not modified in respect of this matter.

The financial statements as at April 30, 2023 and May 1, 2022, and for the year ended April 30, 2023, excluding the adjustments that were applied to restate certain comparative information were audited by another auditor who expressed an unmodified opinion on those financial statements on August 2, 2023.

As part of our audit of the financial statements for the year ended April 30, 2024, we also audited the adjustments applied to restate certain comparative information presented. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review, or apply any procedures to the financial statements for the years ended April 30, 2023 and 2022. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

## **Basis of Presentation**

We draw attention to the fact that, as described in Note 2 in the financial statements, the KLS Project did not operate as a separate entity. The financial statements as at April 30, 2023 and May 1, 2022 and for the year ended April 30, 2023 are therefore not necessarily indicative of results that would have occurred if the KLS Project had been a separate stand-alone entity during the periods presented or of future results of the KLS Project. Our opinion is not modified in respect of this matter.

## **Material uncertainty related to going concern**

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss during the year ended April 30, 2024 and, as of that date, the Company had an accumulated deficit. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that material uncertainties exist that cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## **Key audit matters**

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

Except for the matter described in Material uncertainty related to going concern section, we have determined that there were no additional key audit matters to communicate in our report.

## **Other information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements**

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

In preparing the 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 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 financial statements**

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 risks 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 financial statements of the current period 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 of the audit resulting in this independent auditor's report is Jessica Di Rito.

**McGovern Hurley LLP**



**Chartered Professional Accountants  
Licensed Public Accountants**

Toronto, Ontario  
July 31, 2024

**ABASCA RESOURCES INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars)  
As at,

	<b>April 30 2024</b>	April 30 2023 <i>Restated note 2</i>	May 1 2022 <i>Restated note 2</i>
<b>ASSETS</b>			
Current			
Cash	\$ 705,619	\$ 1,530,460	\$ -
Amounts receivable and prepaid expenses (note 7)	163,464	157,521	-
	<b>869,083</b>	1,687,981	-
Property and equipment (note 6)	48,911	71,614	-
<b>TOTAL ASSETS</b>	<b>\$ 917,994</b>	\$ 1,759,595	\$ -
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities (note 11)	\$ 64,836	\$ 168,790	\$ -
Flow-through shares premium liability (note 12)	434,000	118,491	-
	<b>498,836</b>	287,281	-
<b>SHAREHOLDERS' EQUITY</b>			
Share capital (note 8)	8,832,378	7,733,924	-
Net parent investment	-	-	75,286
Reserves (notes 9 and 10)	2,162,417	1,907,152	-
Accumulated deficit	(10,575,637)	(8,168,762)	(75,286)
	<b>419,158</b>	1,472,314	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 917,994</b>	\$ 1,759,595	\$ -

Nature and continuance of operations (note 1)  
Commitments and contingencies (note 12)  
Subsequent events (note 14)

*Approved and authorized for issue on behalf  
of the Board of Directors on July 31, 2024*

\_\_\_\_\_  
"Denis Arsenault" Director

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"Dawn Zhou" Director

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

**ABASCA RESOURCES INC.**  
**STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE YEARS ENDED APRIL 30,**  
(Expressed in Canadian Dollars)

	<b>2024</b>	2023 <i>Restated</i> <i>note 2</i>
<b>EXPENSES</b>		
Exploration expenses (note 7)	\$ 2,770,067	\$ 1,721,355
General administrative	14,778	119,350
Investor relations and promotion	38,311	18,635
Management fees and salaries	93,719	183,662
Professional fees	71,239	63,177
Transfer agent and regulatory	26,647	6,030
Stock-based compensation (note 9)	-	983,500
<b>Loss before other (income) expense</b>	<b>3,014,761</b>	3,095,709
<b>Other (income) expense</b>		
Interest income	(53,395)	(32,593)
Flow-through shares premium (note 12)	(554,491)	(171,609)
Listing expenses (note 2)	-	5,201,969
<b>LOSS AND COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>\$ 2,406,875</b>	<b>\$ 8,093,476</b>
<b>LOSS PER SHARE (basic and diluted)</b>	<b>\$ 0.05</b>	<b>\$ 0.25</b>
Weighted average number of common shares outstanding basic and diluted	<b>51,637,369</b>	32,490,701

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

**ABASCA RESOURCES INC.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars)

	Number of Shares	Amount \$	Net Parent Investment \$	Stock Options \$	Warrants \$	Accumulated Deficit \$	Total \$
<b>Balances, April 30, 2023</b>	<b>46,137,369</b>	<b>7,733,924</b>	-	<b>1,177,365</b>	<b>729,787</b>	<b>(8,168,762)</b>	<b>1,472,314</b>
Issuance of common shares	7,000,000	2,250,000	-	-	-	-	2,250,000
Issue costs	-	(21,546)	-	-	(4,735)	-	(26,281)
Flow-through shares premium	-	(870,000)	-	-	-	-	(870,000)
Issuance of warrants	-	(260,000)	-	-	260,000	-	-
Loss and comprehensive loss for the year	-	-	-	-	-	(2,406,875)	(2,406,875)
<b>Balance, April 30, 2024</b>	<b>53,137,369</b>	<b>8,832,378</b>	-	<b>1,177,365</b>	<b>985,052</b>	<b>(10,575,637)</b>	<b>419,158</b>

	Number of Shares	Amount \$	Net Parent Investment \$	Stock Options \$	Warrants \$	Accumulated Deficit \$	Total \$
<b>Balances, April 30, 2022 Restated</b> (note 2)	-	-	<b>75,286</b>	-	-	<b>(75,286)</b>	-
Investment by Parent in the year	-	-	467,647	-	-	-	<b>467,647</b>
Shares issued to KLS Project shareholders	25,639,288	542,933	(542,933)	-	-	-	-
Consideration issued in arrangement to Abasca shareholders	12,819,644	4,577,978	-	193,865	-	-	4,771,843
Issuance of common shares	7,678,437	3,745,212	-	-	-	-	3,745,212
Issue costs - cash	-	(92,790)	-	-	(19,522)	-	(112,312)
Issue costs - Finders warrants	-	(36,001)	-	-	36,001	-	-
Flow-through shares premium	-	(290,100)	-	-	-	-	(290,100)
Issuance of warrants	-	(713,308)	-	-	713,308	-	-
Issuance of stock options	-	-	-	983,500	-	-	983,500
Loss and comprehensive loss for the year	-	-	-	-	-	(8,093,476)	(8,093,476)
<b>Balance, April 30, 2023 - Restated</b> (note 2)	<b>46,137,369</b>	<b>7,733,924</b>	-	<b>1,177,365</b>	<b>729,787</b>	<b>(8,168,762)</b>	<b>1,472,314</b>

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



**ABASCA RESOURCES INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED APRIL 30,**  
(Expressed in Canadian Dollars)

	<b>2024</b>	2023 <i>Restated</i> <i>(note 2)</i>
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Loss for the year	\$ (2,406,875)	\$ (8,093,476)
Items not affecting cash:		
Depreciation	22,703	6,511
Flow-through shares premium	(554,491)	(171,609)
Share-based compensation	-	983,500
Listing expenses	-	5,201,969
	<b>(2,938,663)</b>	<b>(2,073,105)</b>
Changes in non-cash working capital balances		
Accounts receivable and prepaid expenses	(5,943)	(141,670)
Accounts payable and accrued liabilities	(103,954)	(158,647)
<b>Cash used in operating activities</b>	<b>(3,048,560)</b>	<b>(2,373,422)</b>
<b>INVESTING ACTIVITIES</b>		
Cash acquired in the transaction	-	11,724
Purchase of property and equipment	-	(78,125)
Transaction costs incurred as part of the arrangement		(130,264)
<b>Cash used in investing activities</b>	<b>-</b>	<b>(196,665)</b>
<b>FINANCING ACTIVITIES</b>		
Shares issued for cash	2,250,000	3,745,212
Shares issuance costs	(26,281)	(112,312)
Investment by parent through the arrangement date	-	467,647
<b>Cash provided by financing activities</b>	<b>2,223,719</b>	<b>4,100,547</b>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>(824,841)</b>	<b>1,530,460</b>
<b>CASH, BEGINNING OF THE YEAR</b>	<b>1,530,460</b>	<b>-</b>
<b>CASH, END OF THE YEAR</b>	<b>\$ 705,619</b>	<b>\$ 1,530,460</b>
<b>SUPPLEMENTAL INFORMATION</b>		
Finders' warrants issued	\$ -	\$ 32,800
Consideration issued in arrangement	-	4,577,978
Shares issued in the arrangement	-	542,933
Warrants issued	260,000	713,308
Interest received	53,395	32,593

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

## **1. NATURE OF OPERATIONS**

Abasca Resources Inc. ("Abasca" or the "Company") was formed by way of an amalgamation on January 31, 2019 under the *Business Corporation Act* (British Columbia). The Company is an exploration stage company focused on the acquisition, exploration and development of mineral property interests in Saskatchewan, Canada. The address of the Company's corporate office and its principal place of business is suite 208, 4<sup>th</sup> Avenue North, Saskatoon, Saskatchewan. The Company's common shares are traded on the TSX Venture Exchange under the symbol ABA.

The financial statements were approved by the Audit Committee on July 31, 2024.

### **Arrangement**

On December 29, 2022 (the "Arrangement date"), Abasca and 101159623 Saskatchewan Ltd. ("Saskco") completed an arrangement whereby Saskco, the former owner of the Key Lake South Uranium Project ("KLS" or the "KLS Project"), received 25,639,288 common shares of Abasca for their 100% interest in the KLS Project (the "Arrangement") (note 7). The 25,639,288 common shares received by the former owner of the KLS Project comprised 66.7% of the issued and outstanding common shares of Abasca on the date of the Arrangement, and the management of the KLS Project continued as management of Abasca. As a result of the Arrangement, the ultimate parent company is Saskco. The Arrangement constitutes a "reverse takeover" under securities law. Pursuant to the Arrangement, Abasca became the owner of the KLS Project, but its control changed to the former owner of the KLS Project, Saskco, which resulted in the continuing as the ongoing reporting entity (combining Abasca results into the KLS Project from the Arrangement date) with comparative financial information only of the KLS Project under the reverse takeover accounting guidance of the International Financial Reporting Standards - Note 2). The equity component of the KLS Project includes net losses incurred and is referred to as "net parent investment". On recognition of the Arrangement the net parent investment was allocated to share capital (Note 2).

On the Arrangement date, the Company completed a concurrent financing (note 8).

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainty.

As on April 30, 2024, the Company has a cumulative deficit of \$10,575,637 (April 30, 2023 - \$8,168,762 (as restated – note 2), continuing losses and is not yet generating positive cash flows from operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue its operations as a going concern.

These financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all.

These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

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**ABASCA RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**APRIL 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

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## **2. RESTATEMENT AND REVERSE TAKEOVER TRANSACTION**

During the year ended April 30, 2024, the Company identified an error in the accounting for the Arrangement.

The 25,639,288 common shares of the Company received by the former owner of KLS comprised 66.7% of the issued and outstanding common shares of the Company on the date of the Arrangement, and the management of KLS continued as management of the Company. As a result of the Arrangement, the former owner of KLS became the controlling shareholder of the Company. The Arrangement therefore meets the definition of a reverse takeover transaction. The Company originally accounted for the Arrangement as an asset acquisition of the KLS Project in the financial statements for the year ended April 30, 2023.

On the Arrangement date, Abasca was not considered a business under IFRS 3, as Abasca did not have inputs and a substantive processes that could collectively contribute to the creation of outputs. As a result, the Company has accounted for the Arrangement in accordance with IFRS 2, *Share Based Payments*, as a reverse takeover, with KLS identified as the accounting acquirer and Abasca as the accounting acquiree. These financial statements are issued under the legal parent, Abasca Resources Inc., but are considered to be a continuation of the financial results of KLS.

At the date of the Arrangement, the Arrangement was recorded as follows in these restated financial statements:

<b>Fair value of consideration</b>	<b>\$</b>	
Common shares		4,577,978
Stock options		193,865
	<b>\$</b>	<b>4,771,843</b>
<b>Net assets (liabilities) acquired:</b>		
Cash	\$	11,724
Amounts receivable		15,851
Accounts payable and accrued liabilities		(327,437)
Net liabilities	<b>\$</b>	<b>(299,862)</b>
Fair value of consideration and net liabilities assumed		5,071,705
Other transaction costs	<b>\$</b>	<b>130,264</b>
<b>Listing expenses</b>	<b>\$</b>	<b>5,201,969</b>

The fair value of the deemed consideration to the former owners of Abasca totaled \$4,771,843 and comprised of 12,819,644 common shares and 680,000 stock options, that were outstanding at the time of closing the Arrangement. The options held by Abasca shareholders were fully vested at the date of the Arrangement, and as such the total fair value of \$193,865 has been included in the total consideration. See note 9.

The difference between the consideration paid to acquire Abasca and the fair value of Abasca's net assets (liabilities) was recorded as a listing expense in the statement of loss and comprehensive loss.

**ABASCA RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**APRIL 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

**2. RESTATEMENT AND REVERSE TAKEOVER TRANSACTION (Continued)**

The following tables summarize the effects of the adjustments described above as at and for the year ended April 30, 2022:

	As at April 30, 2022 (Previously reported)	Adjustments	As at May 1, 2022 (restated)
<b>Statement of Financial Position</b>			
Total current assets	102,758	(102,758)	-
Total assets	102,758	(102,758)	-
Total liabilities	5,462	(5,462)	-
Share capital	604,493	(604,493)	-
Net parent investment	-	75,286	75,286
Contributed surplus	122,500	(122,500)	-
Reserves	68,687	(68,687)	-
Accumulated Deficit	(698,384)	623,098	(75,286)

The following tables summarize the effects of the adjustments described above as at and for the year ended April 30, 2023:

	As at April 30, 2023 (Previously reported)	Adjustments	As at April 30, 2023 (restated)
<b>Statement of Financial Position</b>			
Total current assets	1,687,981	-	1,687,981
Total assets	1,759,595	-	1,759,595
Total liabilities	287,281	-	287,281
Share capital	5,894,172	1,839,752	7,733,924
Contributed surplus	122,500	(122,500)	-
Reserves	1,655,483	251,669	1,907,152
Accumulated Deficit	(6,199,841)	(1,968,921)	(8,168,762)
<b>Statement of loss and comprehensive loss</b>			
Exploration expenses	4,285,284	(2,563,929)	1,721,355
General administrative	2,965	116,385	119,350
Investor relations and promotion	21,543	(2,908)	18,635
Management fees and salaries	34,532	149,130	183,662
Professional fees	95,999	(32,822)	63,177
RTO Expenses	276,744	(276,744)	-
Transfer agent and regulatory	18,846	(12,816)	6,030
Loss before other items	5,719,413	(2,623,704)	3,095,709
Listing expense	-	5,201,969	5,201,969
Loss and comprehensive loss for the year	5,515,211	2,578,265	8,093,476
Weighted average number of common shares outstanding	23,955,980	8,534,721	32,490,701
Basic and diluted loss per share	0.23	0.02	0.25

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**ABASCA RESOURCES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**APRIL 30, 2024 AND 2023**  
(Expressed in Canadian Dollars)

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**2. RESTATEMENT AND REVERSE TAKEOVER TRANSACTION (Continued)**

**Statement of cash flows**

Cash used in operating activities	(2,124,970)	(248,452)	(2,373,422)
Cash used in investing activities	(78,125)	(118,540)	(196,665)
Cash provided from financing activities	3,632,900	467,647	4,100,547

**3. SIGNIFICANT ACCOUNTING POLICIES**

***Statement of compliance***

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) and the Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

***Basis of presentation***

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

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

These financial statements present the historical exploration and evaluation expenditures incurred by the KLS Project at April 30, 2022 and for the period May 1 to December 29, 2022.

The KLS Project balances at April 30, 2022 and for the period May 1 to December 29, 2022, have been prepared on an accrual basis except for cash flow information and are based on historical costs modified where applicable. The policies set out below were consistently applied to all years presented unless otherwise noted. The basis of preparation for the KLS Project balances are described below.

For the period May 1 to December 29, 2022, the statement of loss and comprehensive loss includes expenses of the KLS Project, on the basis that they are specifically identifiable and attributable to the KLS Project.

Management cautions readers of these financial statements, that the KLS Project results do not reflect what the financial position, loss and comprehensive loss, changes in deficiency and cash flows would have been had the KLS Project been a separate company.

***Functional and presentation currency***

These financial statements are presented in Canadian dollars, the functional and presentation currency of the Company. The functional currency is the currency of the primary economic environment in which an entity operates.

***Cash and cash equivalents***

Cash and cash equivalents in the statement of financial position comprise cash at banks, on hand and short-term money market investments with original maturities of 90 days or less which are readily convertible into a known amount of cash. The Company’s cash and cash equivalents are invested with major financial institutions in business accounts and are available on demand by the Company. As at April 30, 2024 and 2023, the Company had no cash equivalents.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Share-based payment transactions*

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date and recognized over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. Unexercised expired and modified stock option values are transferred to deficit.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the transaction is measured at the fair value of the equity instrument granted.

#### *Government grants*

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

#### *Income taxes*

Income tax on the profit or loss for the periods presented comprises current and deferred tax. 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 period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 financial position reporting 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.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Equity*

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Share capital, stock options, warrants and broker units are classified as equity. Incremental costs directly attributable to the issuance of shares, warrants and broker units are recognized as a deduction from equity and allocated between share capital and warrants. Expired stock options and warrants are transferred to deficit.

#### *Flow-through shares*

The Company finances some exploration expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. When the common shares are offered, the difference (“premium”) between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of comprehensive loss when the eligible expenditures are incurred. The amount recognized as a flow-through share related liability represents the difference between the fair value of the common shares and the amount the investor pays for the flow-through shares. The Company indemnifies the subscribers of flow-through shares for additional taxes payable by the subscribers if the Company does not meet its expenditure requirements.

#### *Warrants*

Upon the issuance of a unit of shares and warrants, the Company uses the relative fair value method using the Black-Scholes option pricing model in attributing value to each of the shares and warrants issued in a unit. Unexercised expired warrants are transferred to deficit.

#### *Loss per share*

The Company presents basic and diluted loss per share data 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. The diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants, finders’ warrants and stock options outstanding that may add to the total number of common shares. Diluted loss per share does not include the effect of stock options, warrants and finders’ warrants as they are anti-dilutive. See notes 9 and 10.

#### *Provisions*

A provision is recognized 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.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

The Company had no material provisions at April 30, 2024 and 2023.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Interest income*

Interest income is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### *Exploration and evaluation properties*

The acquisition costs of exploration and evaluation properties are expensed in the statements of loss in the year incurred, as permitted under IFRS 6, *Exploration for and Evaluation of Mineral Resources*.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

#### *Equipment*

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses.

The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

An asset's residual value, useful life and depreciation method are reviewed, and adjusted if appropriate, on an annual basis.

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.

Where equipment consists of major components with different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

Depreciation is recognized based on the cost of an item of equipment, less its estimated residual value, over its estimated useful life at the following rates:

Detail	Rate	Method
Exploration equipment	3 years	Straight-line



### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Restoration, rehabilitation and environmental obligations*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs may arise when environmental disturbance is caused by the exploration, development or ongoing production of a property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pretax rate that reflects the time value of money are used to calculate the net present value.

These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage that is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation and environmental costs as at April 30, 2024 and April 30, 2023 as the disturbance to date is minimal.

#### *Financial instruments*

Financial assets at amortized cost are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured using the effective interest method, less any impairment losses. The Company's cash and amounts receivable are subsequently measured at amortized cost.

A financial asset is classified as fair value through profit and loss ("FVTPL") if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated as FVTPL if the Company manages such investments and makes purchases and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Realized and unrealized gains and losses are reflected in the statement of loss. Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset. The Company does not currently have any financial assets measured at FVTPL.

Financial liabilities at amortized cost are recognized initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest and any transaction costs over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or (where appropriate) to the net carrying amount on initial recognition. Financial liabilities are de-recognized when the obligations are discharged, cancelled or expired. The Company's accounts payable and accrued liabilities is subsequently measured at amortized cost

Impairment of financial assets: Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been negatively impacted. Evidence of impairment could include:

significant financial difficulty of the issuer or counterparty; or  
default or delinquency in interest or principal payments; or  
the likelihood that the borrower will enter bankruptcy or financial re-organization.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Financial instruments (continued)*

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of amounts receivable, where the carrying amount is reduced through the use of a provision for expected credit losses. When an account receivable is considered uncollectible, it is written off against the provision for expected credit losses account. Changes in the carrying amount of the provision for expected credit losses are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through the statement of loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value: Financial instruments recorded at fair value on the statements of financial position are classified using 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 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;  
Level 2 - valuation techniques based on 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 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell or its value in use. In addition, long-lived assets that are not amortized are subject to a periodic impairment assessment. The Company evaluates impairment losses for potential reversals when events or circumstances warrant such consideration.

#### *Significant accounting judgments and estimates*

The preparation of financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) **Assets' carrying values and impairment charges**

In the determination of carrying values and impairment charges, management looks at the recoverable amount, being the higher of value in use and fair value less costs to sell in the case of non-financial assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### *Significant accounting judgments and estimates (continued)*

(ii) Income and other taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

(iii) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on comparable companies.

(iv) Share-price of concurrent financing

At December 29, 2022, the Company's shares were not actively traded. As a result, management estimated the Company's share price using the cyclical proration method based on the concurrent financing price. Under this method management makes assumptions and judgments which include estimating the future volatility of the stock price. Management has estimated the volatility of the Company's shares based on comparable companies as at December 29, 2022, the Company did not have historical trading volatility. Changes in the assumptions can materially affect the fair value estimate.

(v) Going Concern

As described in note 1, management uses its judgement in determining whether the Company is able to continue as a going concern.

(vi) Determination of the Acquirer and Acquisition Accounting

In identifying the acquirer of the Arrangement, the Company took into account the voting rights of all equity instruments, the intended corporate governance structure of the combined company, the intended composition of the board of the combined company and the size of each of the companies. No single factor was the sole determinant in the overall conclusion; rather all factors were considered. It was concluded that KLS Project is the acquirer for accounting purposes. The Company accounted for the Arrangement as a reverse takeover transaction. Significant judgement was required to determine that the application of this accounting treatment was appropriate for the transaction. These included, among others, the determination that Abasca was not considered a business under IFRS 3 Business Combinations ("IFRS 3") as Abasca did not have inputs and substantive processes that can collectively contribute to the creation of outputs prior to the Arrangement.

### **3. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

#### ***New and future accounting policies and standards***

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after May 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company will adopt these pronouncements as of their effective date and is currently assessing the impacts of adoption.

IAS 1 Presentation of Financial Statements ("IAS 1") and IFRS Practice Statement 2. In February 2021, the IASB issued 'Disclosure of Accounting Policies' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The amendments are effective for year ends beginning on or after January 1, 2023. The adoption had no material impact on the Company's financial statements.

IAS 8 - Accounting policies, changes in accounting estimates and errors ("IAS 8") . In February 2021, the IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023. The adoption had no material impact on the Company's financial statements.

IAS 12 – Income taxes. In May 2021, the IASB issued 'Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction' that clarifies how entities account for deferred tax on transactions such as leases and decommissioning obligations. The amendments are effective for year ends beginning on or after January 1, 2023. The adoption had no material impact on the Company's financial statements.

The Company has performed an assessment of new standards issued by the IASB that are not yet effective. The Company has assessed that the impact of adopting these accounting standards on its financial statements would not be significant.

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2024.

### **4. MANAGEMENT OF CAPITAL**

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

#### **4. MANAGEMENT OF CAPITAL (Continued)**

The Company considers its capital to consist of equity, comprising share capital, contributed surplus, reserves and deficit which at April 30, 2024 totalled \$419,158 (2023 - \$1,472,314). The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended April 30, 2024 and 2023.

The Company is not subject to any capital requirements imposed by a regulator or lending institution other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of April 30, 2024, the Company believes it is compliant with the policies of the TSXV.

#### **5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK**

##### Fair Value of Financial Instruments

The Company's financial assets include cash and accounts payable and accrued liabilities, all of which are measured at amortized cost.

The carrying value of cash, amounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity.

##### Financial risk management objectives and policies

The Company's financial instruments include cash, amounts receivable, and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### *(i) Currency risk*

The Company's expenses are denominated in Canadian dollars. The Company's corporate office is based in Canada and current exposure to exchange rate fluctuations is minimal.

The Company does not have any significant foreign currency denominated monetary liabilities. The principal business of the Company is the identification and evaluation of assets or a business and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval and acceptance by regulatory authorities.

##### *(ii) Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is not significant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

##### *(iii) Credit risk*

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high quality financial institution.

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**5. FINANCIAL INSTRUMENTS AND FINANCIAL RISK (Continued)**

(iv) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares as required. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at April 30, 2024, the Company had a cash balance of \$705,619 (2023 - \$1,530,460) to settle accounts payable and accrued liabilities of \$64,836 (2023 - \$168,790). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

**6. EQUIPMENT**

	<b>Exploration equipment</b>
<b>Cost</b>	
Balance April 30, 2022	-
Additions	78,125
Balance April 30, 2023 and 2024	<u>78,125</u>
<b>Depreciation</b>	
Balance April 30, 2022	-
Additions	(6,511)
Balance April 30, 2023	<u>(6,511)</u>
Additions	<u>(22,703)</u>
Balance April 30, 2024	<u>(29,214)</u>
Net book value, April 30, 2023	71,614
<b>Net book value, April 30, 2024</b>	<b>48,911</b>

**7. EXPLORATION AND EVALUATION PROPERTIES**

**Sage Property**

Pursuant to an option agreement dated November 30, 2017 and amended February 28, 2019 the Company has earned a 100% interest in the 3 mineral claims known as the Sage Property located in British Columbia, Canada. The Company has no intention of advancing the Sage property and will let the claims lapse.

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**7. EXPLORATION AND EVALUATION PROPERTIES (Continued)**

**Key Lake South (“KLS”) Uranium Project**

The Company owns a 100% interest in the Key Lake South Uranium Project. The following table sets out the exploration expenses for the years ended April 30, 2024 and 2023 for KLS:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
		<b>(As restated – note 2)</b>
Mineral property and staking costs	14,247	-
Drilling	2,558,477	1,660,030
Geology	194,049	55,325
Geophysics	20,350	-
Government assistance TMEI	(50,000)	-
Amortization	22,703	-
<b>Total</b>	<b>2,759,826</b>	<b>1,721,355</b>

The Saskatchewan Targeted Mineral Exploration Incentive (“TMEI”) supports the diversification of Saskatchewan's mineral sector by encouraging exploration for base metals, precious metals, and diamonds as well as other components such as airborne geophysical data and complementary ground-based geoscience investigations.

The TMEI provides up to \$50,000 financial assistance in the form of a grant to eligible exploration companies that undertake exploration drilling for uranium. For the year ended April 30, 2024, the Company was entitled to \$50,000 (2023 - \$nil) under the TMEI assistance program. The \$50,000 was included in amounts receivable and prepaid expenses as at April 30, 2024 and received subsequent to year end.

**General Exploration**

During the year ended April 30, 2024, the Company incurred \$10,241 (2023 - \$nil) in general exploration.

**8. SHARE CAPITAL**

a) Authorized: Unlimited number of common shares without par value.

b) Rights in shares: 1 vote per common share

c) Escrow shares:

As at April 30, 2024, there were 20,063,874 (April 30, 2023 – 30,095,810) common shares were held in escrow.

d) Issued and outstanding as at April 30, 2024: 53,137,369 common shares.

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**8. SHARE CAPITAL (Continued)**

	Number	Amount \$
	(As restated – note 2)	(As restated – note 2)
<b>Balance - April 30, 2022</b> <sup>(v)</sup>	-	-
Shares issued to KLS Project shareholders <sup>(vi)</sup>	25,639,288	542,933
Consideration issued in arrangement to Abasca Shareholders <sup>(vi)</sup>	12,819,644	4,577,978
Issuance of common shares <sup>(i)(ii)</sup>	7,678,437	3,745,212
Share issuance costs - cash <sup>(i) (ii)</sup>	-	(92,790)
Share issuance costs – broker warrants <sup>(i) (ii)</sup>	-	(36,001)
Flow-through shares premium	-	(290,100)
Warrants issued	-	(713,308)
<b>Balance – April 30, 2023</b>	<b>46,137,369</b>	<b>7,733,924</b>
<b>Balance - April 30, 2023</b>	<b>46,137,369</b>	<b>7,733,924</b>
Issuance of common shares (net of issue costs) <sup>(iii)(iv)</sup>	7,000,000	2,250,000
Share issuance costs - cash <sup>(iii)(iv)</sup>	-	(21,546)
Flow-through shares premium	-	(870,000)
Warrants issued	-	(260,000)
<b>Balance – April 30, 2024</b>	<b>53,137,369</b>	<b>8,832,378</b>

(i) On December 29, 2022, in conjunction with the Arrangement (note 2), the Company completed a non-brokered flow-through private placement and issued 5,797,800 flow-through common share units at a price of \$0.50 per unit for gross proceeds of \$2,898,900. Each flow-through unit consisted of one flow-through common share of the Company and one-half common share non flow-through purchase warrant (a “NFT Warrant”). Each full NFT Warrant entitles the holder to acquire one additional common share until December 29, 2024 at an exercise price of \$0.60 per common share.

The fair value of the warrants was estimated at \$538,655 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 121%, risk-free interest rate of 4.02%, expected life of 2 years and share price of \$0.36. The volatility was determined based on the Company’s peer group. The fair value per common share was determined to be \$0.36 based on the non flow-through unit financing closed concurrently. An amount of \$290,100 was allocated to flow-through shares premium.

Finder’s fees totaling \$87,512 were paid in cash and 175,024 finders’ warrants were issued under this private placement with similar terms as the NFT warrant. Total finders fees of \$87,512 were allocated to the shares and warrants as \$72,301 and \$15,211 respectively. The fair value of the finders’ warrants was estimated at \$33,142 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 121%, risk-free interest rate of 4.02%, expected life of 2 years and share price of \$0.36. The volatility was determined based on the Company’s peer group. Total finders’ warrants of \$33,142 were allocated to the shares and warrants as \$27,381 and \$5,761, respectively.

Insiders and corporations controlled by an insider of the Company acquired an aggregate of 3,840,000 units in the private placement for a total of \$1,920,000.

(ii) On December 29, 2022, in conjunction with the Arrangement (note 2), the Company issued 1,880,138 subscription receipts at a price of \$0.45 for gross proceeds of \$846,312. Each subscription receipt consisted of one common share of the Company and one-half common share purchase warrant with similar terms as the NFT Warrant.



## **8. SHARE CAPITAL (Continued)**

The fair value of the warrants was estimated at \$174,653 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 121%, risk-free interest rate of 4.02%, expected life of 2 years and share price of \$0.36. The volatility was determined based on the Company's peer group. The fair value per common share was determined to be \$0.36 based on the non flow-through units financing closed concurrently.

Finder's fees totaling \$24,800 were paid in cash and 55,111 finders' warrants were issued in relation to the subscription receipts with similar terms as the NFT warrant. Total finders fees of \$24,800 were allocated to the shares and warrants as \$20,489 and \$4,311 respectively. The fair value of the finders' warrants was estimated at \$10,435 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 121%, risk-free interest rate of 4.02%, expected life of 2 years and share price of \$0.36. The volatility was determined based on the Company's peer group. Total finders' warrants of \$10,435 were allocated to the shares and warrants as \$8,620 and \$1,815, respectively.

A corporation controlled by an insider of the Company acquired 200,000 subscription receipts for a total of \$90,000.

(iii) On June 21, 2023, the Company completed a non-brokered flow-through private placement and issued 2,000,000 units at price of \$0.50 per unit for gross proceeds of \$1,000,000.

Each flow-through unit was comprised of one common share of the Company and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of \$0.60 for a period of 24 months expiring June 21, 2025. The fair value of the warrants was estimated at \$60,000 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 126%, risk-free interest rate of 4.63%, expected life of 2 years and share price of \$0.16. Issue costs of \$2,081 were allocated to the warrants. The volatility was determined based on the Company's peer group. An amount of \$620,000 was allocated to flow-through shares premium.

A corporation controlled by a director of the Company subscribed for the entire 2,000,000 flow-through units.

(iv) On July 28, 2023, the Company completed a non-brokered flow-through private placement and issued 5,000,000 units at price of \$0.25 per unit for gross proceeds of \$1,250,000.

Each flow-through unit was comprised of one common share of the Company and one-half of a common share purchase warrant. Each whole warrant is exercisable to acquire one additional common share at a price of \$0.30 for a period of 24 months expiring July 28, 2025. The fair value of the warrants was estimated at \$200,000 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 126%, risk-free interest rate of 4.68%, expected life of 2 years and share price of \$0.16. The volatility was determined based on the Company's peer group. Issue costs of \$2,654 were allocated to the warrants. An amount of \$250,000 was allocated to flow-through shares premium.

Two directors subscribed for an aggregate 960,000 units and a corporation controlled by a director of the Company subscribed for 2,860,000 units for aggregate gross proceeds of \$955,000.

(v) The comparative periods relate to the KLS Project which was not an incorporated company and therefore there were no outstanding shares for the periods prior to the Arrangement on December 29, 2022.

(vi) Pursuant to the Arrangement, 12,819,644 common shares were issued to the shareholders of Abasca. The fair value of the common shares was determined to be \$0.36 per share based on the non flow-through unit financing completed concurrently with the Arrangement (see (i) and (ii)). Additionally, the Company issued 25,638,288 common shares, recognized at the historical cost base of the net parent investment in the KLS Project, at the date of the Arrangement.

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**9. STOCK OPTIONS**

On February 3, 2023, the Company adopted a new Stock Option Plan (the "Plan") for directors, officers and employees, consultants of the Company which replaced the previous fixed plan (maximum of 2,400,000 common shares put in place in June 2019). The maximum number of common shares that is issuable under the Plan was fixed at 10% of the number of common shares issued and outstanding. Options expire after a maximum period of ten years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the year ended April 30, 2024 and 2023:

	Number of Stock Options	Weighted Average Exercise Price \$
<b>Balance – April 30, 2022</b> <sup>(ii)</sup>	-	n/a
Stock options as at the date of the Arrangement <sup>(ii)</sup>	680,000	0.10
Granted <sup>(i)</sup>	3,500,000	0.50
<b>Balance April 30, 2023 and 2024</b>	<b>4,180,000</b>	<b>0.43</b>

<sup>(i)</sup> On February 3, 2023, the Company granted 3,500,000 stock options exercisable at \$0.50 for 5 years to directors, officers, employees and consultants of the Company. The grant date fair value of these options of \$983,500 was estimated using the Black Scholes valuation model with the following weighted average assumptions: share price - \$0.40, risk free interest rate – 3.05%, expected volatility – 95%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The volatility was determined based on the Company's peer group. The options vested immediately and the fair value was recorded as share-based payment on the statement of loss for the year ended April 30, 2023.

<sup>(ii)</sup> The comparative periods relate to the KLS Project which was not an incorporated company and therefore there were no outstanding stock options for the periods prior to the Arrangement on December 29, 2022. As at the date of the Arrangement, there were 680,000 stock options outstanding held by Abasca shareholders, which were retained as part of the Arrangement. Refer to note 2. The fair value of the stock options as at the date of the Arrangement was estimated at \$193,865 using the Black-Scholes option model pricing with the following assumptions: expected dividend yield of 0%, expected volatility of 121%, risk-free interest rate of 4.02%, expected life of 2.7 years and share price of \$0.36. The volatility was determined based on the Company's peer group. The fair value per common share was determined to be \$0.36 based on the non flow-through unit financing closed concurrently. (note 8)

At April 30, 2024, the following stock options were outstanding and exercisable:

Date of Grant	Options Outstanding <sup>(1)</sup>	Exercise Price (\$)	Grant Date Fair Value (\$)	Expiry Date	Weighted Average Remaining Contractual Life (years)
June 9, 2019	680,000	0.10	193,865	June 9, 2024	0.10
February 3, 2023	3,500,000	0.50	983,500	February 3, 2028	3.76
	<b>4,180,000</b>	<b>0.43</b>	<b>1,765,655</b>		<b>3.17</b>

<sup>(1)</sup> All options are exercisable.

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**10. WARRANTS**

The following summarizes the warrants and finders' warrants activity for the years ended April 30, 2024 and 2023:

	Number of Warrants	Grant Date Fair Value	Weighted Average Exercise Price
<b>Balance – April 30, 2022</b>	-	\$ -	\$ -
Issued in a private placement (note 8)	3,838,969	693,786	0.60
Finder's warrants issued (note 8)	230,135	36,001	0.60
<b>Balance – April 30, 2023</b>	<b>4,069,104</b>	<b>\$ 729,787</b>	<b>\$ 0.60</b>
<b>Balance – April 30, 2023</b>	<b>4,069,104</b>	<b>\$ 729,787</b>	<b>\$ 0.60</b>
Issued in a private placement (note 8)	3,500,000	255,265	0.39
<b>Balance – April 30, 2024</b>	<b>7,569,104</b>	<b>\$ 985,052</b>	<b>\$ 0.50</b>

As at April 30, 2024, the Company had warrants and finders' warrants outstanding as follows:

Date of Issue	Number of Warrants	Exercise Price (\$)	Fair Value (\$)	Expiry Date	Remaining Contractual Life (years)
December 29, 2022	4,069,104	0.60	729,787	December 29, 2024	0.67
June 21, 2023	1,000,000	0.60	57,919	June 21, 2025	1.14
July 28, 2023	2,500,000	0.30	197,346	July 28, 2025	1.24
		0.50			0.92

As at April 30, 2024, 1,212,000 (April 30, 2023 – 1,818,000) warrants were subject to escrow provisions ending on January 9, 2026.

**11. RELATED PARTY TRANSACTIONS**

a) *Remuneration of directors and officers was as follows:*

	Years ended April 30,	
	2024	2023
	(As restated – note 2)	
Fees, salaries and benefits	\$ 279,988	\$ 83,657
Share-based payments	-	800,850
	<b>\$ 279,988</b>	<b>\$ 884,507</b>

For the year ended April 30, 2024, the salaries and benefits amount above includes \$78,672 (2023 - \$27,657) for fees invoiced by a corporation controlled by the CFO of the Company for his services. Included in accounts payable and accrued liabilities at April 30, 2024 is \$1,000 (2023- \$1,000) to directors and \$5,978 (2023 - \$5,650) owed to the CFO. The amounts payable are unsecured, non-interest bearing and are due on demand.

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**11. RELATED PARTY TRANSACTIONS (Continued)**

*b) Private Placement and Subscription Receipts*

As part of the flow-through private placement completed on June 21, 2023, a corporation controlled by a director of the Company subscribed for 2,000,000 flow-through units for gross proceeds of \$1,000,000.

As part of the flow-through private placement completed on July 28, 2023, two directors subscribed for a total of 960,000 units and a corporation controlled by a director of the Company subscribed for 2,860,000 units for aggregate gross proceeds of \$955,000.

As part of the flow-through private placement completed on December 29, 2022, directors, officers and corporations controlled by a director of the Company acquired an aggregate of 3,840,000 units in the private placement for total gross proceeds of \$1,920,000.

As part of the subscription receipts issued on December 31, 2022, a corporation controlled by a director of the Company acquired 200,000 subscription receipts for a total of \$90,000.

*d) Professional Fees*

The following table provide details of expenses included in professional and listing fees for the years ended April 30, 2024 and 2023.

	2024 \$	2023 \$
		(As restated – note 2)
Professional fees - Accounting	nil	12,700
Legal and listing fees	36,009	380,098

Legal and listing expenses were incurred with a law firm in which a director is a partner and accounting fees were paid to a company controlled by the former Chief Financial Officer of the Company.

**12. COMMITMENTS AND CONTINGENCIES**

*Flow-through obligation*

As at April 30, 2024, the Company has to incur \$700,938 (2023 - \$1,184,055) in qualifying exploration expenditures by December 31, 2024 to meet its flow-through commitments. The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability.

	Flow-through funding and expenditure requirements \$	Flow-through premium liability \$
Balance, April 30, 2022	-	-
Flow-through funds raised and premium recorded as a liability	2,898,900	290,100
Flow-through expenditures incurred and reduction of liability	(1,714,845)	(171,609)
Balance, April 30, 2023	1,184,055	118,491
Flow-through funds raised and premium recorded as a liability	2,250,000	870,000
Flow-through expenditures incurred and reduction of liability	(2,733,117)	(554,491)
<b>Balance, April 30, 2024</b>	<b>700,938</b>	<b>434,000</b>

The flow-through agreements require the Company to renounce certain tax deductions for Canadian exploration expenditures incurred on the Company's mineral properties to flow-through participants. The Company indemnified the subscribers for any related tax amounts that become payable by the subscribers as a result of the Company not meeting its expenditure commitments.

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**12. COMMITMENTS AND CONTINGENCIES (Continued)**

*Management contracts*

The Company entered into agreements for the services of its key executives. Under the agreements, additional payments totaling \$225,000 are to be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements. The commitment upon termination of the agreement is \$15,000. The minimum commitment due within one year under the terms of the agreements is \$225,000.

*Environmental*

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**13. INCOME TAX**

*a) Provision for income taxes*

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	<b>2024</b>	<b>2023</b>
Canadian statutory income tax rate	27%	27%
	\$	\$
Income tax recovery at statutory rate	(2,375,875)	(8,093,476)
Expected income tax recovery based on statutory rate	(641,000)	(2,185,000)
Adjustment to expected income tax recovery:		
Share-based compensation	-	266,000
Share issuance costs	(7,000)	(30,000)
Flow-through renunciation	180,000	257,000
Expenses not deductible for tax purposes	-	1,477,000
Change in unrecorded deferred tax assets recognized	468,000	215,000
Deferred income tax provision (recovery)	-	-

*b) Deferred income tax*

Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	<b>2024</b>	<b>2023</b>
	\$	\$
Non-capital loss carry forwards	1,381,000	1,111,000
Shares issuance costs	37,000	62,000
Mineral property costs	4,389,000	2,906,000
Other temporary differences	7,000	-
	5,814,000	4,079,000

**13. INCOME TAX (Continued)**

The tax losses expire from 2038 to 2045. The remaining temporary differences do not expire under current legislation.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

**14. SUBSEQUENT EVENTS**

a) On June 9, 2024, 680,000 stock options at \$0.10 expired unexercised.

b) On June 27, 2024, the Company completed a non-brokered private placement private placement with aggregate gross proceeds of \$3,650,000 and issued 21,875,000 flow-through units of the Company at a price of \$0.16 per unit and 1,071,428 non flow-through units at a price of \$0.14 per unit. All units were comprised of one common share of the Company and one-half of one non-transferable common share purchase warrant with each full warrant entitling the holder thereof to purchase one common share at an exercise price of \$0.20 per warrant for a period of 24 months expiring on June 27, 2026. All securities issued in connection with this private placement have a four-month hold period expiring on October 28, 2024. Two insiders of the Company subscribed for an aggregate total of 15,481,250 flow-through units (312,500 and 15,168,750 respectively) for gross proceeds of \$2,477,000.

**END OF NOTES TO FINANCIAL STATEMENTS**