PULSAR HELIUM INC

Consolidated Financial Statements

For the year ended September 30, 2024

(Expressed in US dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
Pulsar Helium Inc.

Opinion

We have audited the accompanying consolidated financial statements of Pulsar Helium Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, cash flows, and shareholders' equity (deficiency) for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

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

Key Audit Matters

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

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

As described in Note 6 to the consolidated financial statements, the carrying amount of the Company's E&E Assets was $359,373 as of September 30, 2024. As more fully described in Notes 2 and 3 to the consolidated financial statements, management assesses E&E Assets for indicators of impairment at each reporting period.

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

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

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

January 27, 2025

Pulsar Helium Inc.

Consolidated Statements of Financial Position

(Expressed in US dollars)

	Note	September 30, 2024	September 30, 2023
ASSETS			
Current Assets			
Cash	*4*	$ 1,230,982	$ 1,207,846
Receivables		4,552	21,065
Prepaid expenses		110,378	110,035
		1,345,912	1,338,946
Equipment	*5*	237,711	-
Exploration and evaluation assets	*6*	359,373	345,978
		$ 1,942,996	$ 1,684,924
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current Liabilities			
Trade and other payables	*9*	$ 1,177,662	$ 347,664
		1,177,662	347,664
Warrant liability	*7*	3,798,355	730,670
		4,976,017	1,078,334
Shareholders' Equity (Deficiency)			
Share capital	*8*	16,363,734	3,345,969
Special Warrants	*8*	1,324,118	-
Reserves	*8*	2,433,083	67,865
Deficit		(23,153,956)	(2,807,244)
		(3,033,021)	606,590
		$ 1,942,996	$ 1,684,924
Nature of operations	*1*		
Subsequent events	*15*		

These consolidated financial statements are approved for issue by the Board of Directors of the Company on January 27, 2025.

They are signed on the Company's behalf by:

"Thomas Abraham-James", Director

"Doris Meyer", Director

Pulsar Helium Inc.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in US dollars)

	Note	Year ended September 30, 2024	2023
Expenses			
Administration		$ 188,961	$ 100,594
Consulting fees	*9*	599,174	349,893
Depreciation	*5*	26,999	-
Director fees	*9*	115,208	44,375
Exploration and evaluation expenditures	*6*	5,462,068	728,847
Foreign exchange		121,629	22,708
Marketing and promotion		896,236	763,652
Professional fees		303,627	433,055
Share-based compensation	*8 & 9*	2,532,820	-
Transfer agent and filing fees		114,730	27,793
Travel		231,409	129,638
		(10,592,861)	(2,600,555)
Listing fees	*15*	(933,542)	-
Gain on settlement of trade and other payables	*8*	4,130	-
Revaluation of warrant liability	*7*	(8,824,439)	290,148
Loss and comprehensive loss for the year		$ (20,346,712)	$ (2,310,407)
Basic and diluted loss per common share		$ (0.22)	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted		92,905,554	57,122,100

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

Pulsar Helium Inc.

Consolidated Statements of Cash Flows

(Expressed in US dollars)

	Year ended September 30, 2024	2023
OPERATING ACTIVITIES		
Loss for the year	$ (20,346,712)	$ (2,310,407)
Change in non-cash working capital items:		
Depreciation	26,999	-
Share-based compensation	2,532,820	-
Gain on settlement of trade and other payables	(4,130)	-
Revaluation of warrant liability	8,824,439	(290,148)
Special Warrants issued for marketing and promotion	-	92,495
Change in non-cash working capital items:		
Receivables	16,513	(20,649)
Prepaid expenses	(343)	(96,999)
Trade and other payables	994,570	205,240
Net cash used in operating activities	(7,955,844)	(2,420,468)
INVESTING ACTIVITIES		
Purchase of equipment	(264,710)	-
Exploration and evaluation assets	(13,395)	(206,000)
Net cash used in investing activities	(278,105)	(206,000)
FINANCING ACTIVITIES		
Private placement	3,178,307	-
Share issue costs	(96,136)	-
Exercise of warrants	3,850,796	-
Proceeds from Special Warrants	1,471,245	2,049,289
Special Warrants issuance costs	(147,127)	(29,713)
Proceeds from IPO	-	2,291,023
IPO issuance costs	-	(448,549)
Repayment of related party loan	-	(120,000)
Net cash provided by financing activities	8,257,085	3,742,050
Increase in cash for the year	23,136	1,115,582
Cash, beginning of the year	1,207,846	92,264
Cash, end of the year	$ 1,230,982	$ 1,207,846

Non-cash investing and financing activities (Note 13)

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

Pulsar Helium Inc.

Consolidated Statements of Shareholders’ Equity (Deficiency)

(Expressed in US dollars)

	Number of Shares	Share Capital	Special Warrants	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, September 30, 2023	74,140,288	$ 3,345,969	$ -	$ 67,865	$ (2,807,244)	$ 606,590
Private placement	18,500,000	2,074,319	-	-	-	2,074,319
Share issue costs	-	(96,136)	-	-	-	(96,136)
IPO issuance costs - broker warrants	-	(20,640)	-	20,640	-	-
Issuance of shares for trade and other payables	407,356	160,442	-	-	-	160,442
Exercise of warrants	11,949,174	10,800,043	-	(88,505)	-	10,711,538
Exercise of stock options	120,565	99,737	-	(99,737)	-	-
Special Warrants	-	-	1,471,245	-	-	1,471,245
Special Warrants issuance costs	-	-	(147,127)	-	-	(147,127)
Share-based compensation	-	-	-	2,532,820	-	2,532,820
Comprehensive loss for the year	-	-	-	-	(20,346,712)	(20,346,712)
Balance, September 30, 2024	105,117,383	$ 16,363,734	$ 1,324,118	$ 2,433,083	$ (23,153,956)	$ (3,033,021)

	Number of Shares	Share Capital	Special Warrants	Reserves	Deficit	Total Shareholders' Equity (Deficiency)
Balance, September 30, 2022	50,000,000	$ 465,882	$ -	$ -	$ (496,837)	$ (30,955)
Initial Public Offering ("IPO")	10,295,858	1,270,205	-	-	-	1,270,205
Finder's units	500,000	111,259	-	-	-	111,259
IPO issuance costs - units	-	(111,259)	-	-	-	(111,259)
IPO issuance costs - cash	-	(516,414)	-	-	-	(516,414)
IPO issuance costs - broker warrants	-	-	-	67,865	-	67,865
Special Warrants	-	-	2,141,784	-	-	2,141,784
Special Warrants issuance costs	-	-	(29,713)	-	-	(29,713)
Conversion of Special Warrants	13,258,802	2,112,071	(2,112,071)	-	-	-
Issuance of shares for trade and other payables	85,628	14,225	-	-	-	14,225
Comprehensive loss for the year	-	-	-	-	(2,310,407)	(2,310,407)
Balance, September 30, 2023	74,140,288	$ 3,345,969	$ -	$ 67,865	$ (2,807,244)	$ 606,590

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

1. NATURE OF OPERATIONS

Pulsar Helium Inc. (the "Company") is a publicly traded company incorporated under the laws of British Columbia, Canada on June 30, 2022. The Company's head office is located at Rua Frederico Arouca, nº 251, 2º frente, 2750-356, Cascais, Portugal. The Company's registered and records office is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

On August 2, 2023, the Company filed its final prospectus for the Company's initial public offering ("IPO") on the TSX Venture Exchange ("TSX-V"). The Company became a reporting issuer in all provinces in Canada except Quebec as a result of the filing of its final prospectus. On August 15, 2023, the Company completed its IPO through the issuance of 10,295,858 units at a price of C$0.30 per unit for gross proceeds of $2,291,023 (C$3,088,757) (Note 8). The Company's common shares commenced trading on the TSX-V in Canada on August 15, 2023 under the symbol PLSR.

On March 21, 2024, the Company's common shares commenced trading on the OTCQB Venture Market in the United States under the symbol PSRHF.

On October 18 2024, the Company's common shares commenced trading on the AIM market of the London Stock Exchange plc under the symbol PLSR (Note 15).

The Company is engaged in the identification, acquisition, exploration and, if warranted, development of helium exploration projects in the United States of America ("USA") and Greenland.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2024, the Company had working capital of $168,250. Subsequent to September 30, 2024, the Company completed two significant fundraisings for gross proceeds of £3,875,000 and $2,000,000 (Note 15). Management estimates that these funds will provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months.

Additional financing may be required by the Company to complete its long-term strategic objectives. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The policies applied in these consolidated financial statements are based on the IFRS Accounting Standards issued and outstanding as at the date the Board of Directors approved these consolidated financial statements for issue.

Basis of measurement

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.

Functional and presentation currency

These consolidated financial statements are presented in US dollars, which is the parent company's functional currency, as well as the functional currency of its three wholly owned subsidiaries, and the Portuguese branch operations.

Use of estimates and judgments

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

<u>Carrying value and recoverability of exploration and evaluation assets</u>

Management has determined that exploration and evaluation assets incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits, including whether economic quantities of helium reserves have been found in assessing economic and technical feasibility, other technical information, accessibility of facilities and existing permits.

<u>Warrant and option valuations</u>

The fair value of broker and share purchase warrants as well as stock options is calculated using the Black-Scholes Option Pricing Model. The option pricing model requires the input of highly speculative assumptions, including the expected future price volatility of the Company's shares. Changes in these assumptions can materially affect the fair value estimate.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Going concern assumption

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

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. Management has determined that the functional currency of the parent company as well as the functional currency of the Company's three wholly owned subsidiaries is the United States dollar.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries and branch operations, from the date control was acquired. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. All inter-company balances and transactions, and any income and expenses arising from inter-company transactions, are eliminated on consolidation.

For partially owned subsidiaries, the interest attributable to non-controlling shareholders is reflected in non-controlling interest. Adjustments to non-controlling interest are accounted for as transactions with owners and adjustments that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Name of subsidiary	Place of incorporation	Ownership interest at September 30, 2024 and 2023	Principal activity
Invenir Ltd.	UK	100%	Holding company
Skyfire Ltd.	UK	100%	Helium exploration company
Keewaydin Resources Inc.	USA	100%	Helium exploration company

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are included in profit and loss. The results and financial position of a subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated using exchange rates prevailing at the end of each reporting period;
- Income and expenses for each line item in the consolidated statement of profit and loss are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

Equipment

Equipment is recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is recognized in operations on a straight-line basis over the estimated useful lives of each part of an item of equipment. The depreciation rate for exploration equipment is 20% per annum on a straight-line basis.

An item of equipment is de-recognized 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets and expenditures

Upon acquiring the legal right to explore a property, all direct costs related to the acquisition of mineral property interests are capitalized as exploration and evaluation assets. Exploration and evaluation expenditures incurred prior to the determination of the feasibility of mining operations and a decision to proceed with development are charged to operations as incurred.

Development expenditures incurred subsequent to a development decision, and to increase or to extend the life of existing production, are capitalized and will be amortized on the unit-of-production method upon reaching production. When there is little prospect of further work on a property being carried out by the Company, the remaining deferred costs associated with that property are charged to operations during the period such determination is made.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount.

Restoration, rehabilitation and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the reclamation of exploration and evaluation assets and property, plant and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for an asset retirement obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized asset retirement costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional asset retirement costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are changed to profit or loss. The Company has no restoration, rehabilitation or environmental obligations.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Impairment

The Company reviews and evaluates its exploration and evaluation assets for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. Under IFRS 6, "Exploration for and evaluation of mineral resources", the Company initially assesses where facts and circumstances indicate that the carrying amount of a mineral property may exceed its fair value. Facts and circumstances which indicate that the Company should test for impairment include expiry of the exploration licence where renewal is not expected, substantive expenditure not planned for the foreseeable future, and poor resource results or data which adequately shows that it is not economically viable. When facts and circumstance indicate that the carrying amount exceeds the recoverable amount, the Company will then estimate the recoverable amount and write down any impairment.

Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses whether the carrying value can be recovered. If impairment is identified, assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (the cash generating unit "CGU"). The recoverable amount of an asset or CGU is the greater of its fair value less costs to disposal and its value in use. Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. The Company evaluates impairment for potential reversals when events or circumstances warrant such consideration.

Financial instruments

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVTOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVTOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Cash is classified as amortized cost.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial instruments (continued)

Impairment

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade and other payables are classified as other financial liabilities and carried on the statement of financial position at amortized cost. For the period presented, the Company has derivative liabilities associated with its share purchase warrants (Note 7).

Derivative financial instruments

The Company issues share purchase warrants exercisable in a currency other than the Company's functional currency and as a result, the Company's warrant liability is considered a derivative financial instrument. Derivative financial instruments are initially recognized at FVTPL. Transaction costs are recognized in profit or loss as incurred.

Share capital

The Company's common shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Share purchase warrants

The Company accounts for share purchase warrants issued as part of a unit offering financing using the relative fair value method. Under this method, the value of share purchase warrants issued is measured at fair value at the issue date using the Black-Scholes Option-Pricing Model and recorded as share capital if and when the share purchase warrants are exercised.

Share-based compensation

Stock options

The Company has a shareholder approved stock option plan that allows Company directors, employees, and consultants to acquire shares of the Company. The fair value of stock options granted is recognized as a share-based compensation expense 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. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the stock options is reclassified from share-based reserve to share capital.

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

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

Restricted Share Units, Performance Share Units, and Deferred Share Units

The Company also has a shareholder approved equity incentive plan which governs the granting of any restricted share unit (“RSU”), performance share unit (“PSU”) or deferred share unit (“DSU”) to directors, officers, employees and consultants of the Company.

RSUs, PSUs, and DSUs are equity settled share-based payments. The Company can award performance and non-performance based RSUs. RSUs, PSUs, and DSUs are measured at their intrinsic fair value on the date of grant based on the closing price of the Company's shares on the date prior to the grant and is recognised as share-based compensation expense over the vesting period on one year minimum to three years maximum with the responding credit to share reserves. The amount recognised for services as consideration for the RSUs, PSUs, and DSUs granted is based on the number of equity instruments that eventually vest. For performance based RSUs, an estimate is made of when the performance obligations are expected to be satisfied, and the expense is calculated over that period. Upon release of RSUs, PSUs and DSUs, the related share reserve is transferred to share capital.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Loss per share

The Company presents basic and diluted earnings (loss) per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated by dividing the profit or loss by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive stock options and warrants, if any, are used to repurchase common shares at the average market price during the period.

Income taxes

The Company's income tax is comprised of current and deferred tax. The Company follows the liability method of accounting for income taxes. Under this method, current income taxes are recognised as the estimated income taxes payable for the current period using tax rates enacted, or substantially enacted, at the end of the reporting period. Deferred income tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred income tax assets are recognised to the extent that the realization of the related tax benefit through future taxable profits is probable.

Deferred tax assets and liabilities are recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax assets are evaluated and where the Company considers that these are unlikely to be realised, the associated deferred tax asset is not recognised.

New accounting policy

The following amendments to existing standards have been adopted by the Company commencing October 1, 2023:

IAS 1, Presentation of Financial Statements

The amendments changed the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policies are material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The adoption of these amendments did not materially impact these consolidated financial statements of the Company.

(Expressed in US dollars)

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2024 and have not been applied in preparing these consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or noncurrent. The amendments also include clarifying the classification requirements for debt an entity might settle by converting it into equity. The Company has not early adopted this revised standard, and its adoption is not expected to have a material impact on the Company's consolidated financial statements.

On April 9, 2024, the IASB issued IFRS 18 "Presentation and Disclosure in the Financial Statements" ("IFRS 18") replacing IAS 1. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. Similarly, amendments to IAS 33 "Earnings per Share" were issued to permit disclosure of additional earnings per share figures using any other component of the statement of profit or loss, provided the numerator is a total or subtotal defined under IFRS 18. IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively, with early adoption permitted. The Company is currently assessing the impact of the standard on its financial statements.

4. CASH

	September 30, 2024	September 30, 2023
US dollar denominated deposits held in Canada	$ 899,939	$ 180,594
Canadian dollar denominated deposits held in Canada	320,911	1,022,818
Euro denominated deposits held in Portugal	7,080	-
British Pound denominated deposits held in Greenland	2,595	2,390
Danish Krone denominated deposits held in Greenland	457	2,044
Total	$ 1,230,982	$ 1,207,846

(Expressed in US dollars)

5. EQUIPMENT

	Exploration Equipment		
	USA	Greenland	Total
Cost			
As at September 30, 2023 and 2022	$ -	$ -	$ -
Additions	155,363	109,347	264,710
As at September 30, 2024	$ 155,363	$ 109,347	$ 264,710
Accumulated depreciation			
As at September 30, 2023 and 2022	$ -	$ -	$ -
Depreciation	14,242	12,757	26,999
As at September 30, 2024	$ 14,242	$ 12,757	$ 26,999
Carrying amounts			
As at September 30, 2023	$ -	$ -	$ -
As at September 30, 2024	$ 141,121	$ 96,590	$ 237,711

6. EXPLORATION AND EVALUATION ASSETS

	Topaz Project	Tunu Project	Total
	USA	Greenland	
As at September 30, 2022	$ 128,311	$ 11,667	$ 139,978
Additions	206,000	-	206,000
As at September 30, 2023	334,311	11,667	345,978
Additions	11,000	2,395	13,395
As at September 30, 2024	$ 345,311	$ 14,062	$ 359,373

Topaz Project, USA

In October 2021, the Company entered into a three-year option to lease non-hydrocarbon gases agreement (the “Topaz Option”) on 3,132 net acres in Minnesota, USA comprising the Topaz helium project. In consideration, the Company paid $78,311 on signing of the Topaz Option and agreed to pay $50,000 on each anniversary of the Topaz Option until October 2024 ($50,000 paid in September 2022 and $50,000 paid in September 2023).

In February 2023, the Company partially exercised the Topaz Option to lease 1,040 acres for a period of five years. In consideration, the Company paid $156,000 cash and agreed to pay a production royalty of 20% of the gross sales price of the product sold.

In October 2024, the Company exercised the remaining 2,092 acres on the Topaz Option for a period of five years (Note 15).

(Expressed in US dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Topaz Project, USA (continued)

In October 2023, the Company entered into a mineral lease agreement with a private mineral rights holder to expand the area of the Topaz project. In consideration, the Company paid $11,000. The lease is for an initial term of 20 years (extendable up to a maximum of 40 years, subject to conditions) and a retained production royalty of 3%.

A former director of a subsidiary of the Company holds a 0.5% royalty on the Topaz project. The Company has the right to repurchase half of the royalty (0.25%) upon payment of $100,000.

Tunu Project, Greenland

In October 2021, the Company was granted two exploration licences in Greenland known as the Tunu helium project.

Exploration expenditures

During the years ended September 30, 2024 and 2023, the Company incurred the following exploration and evaluation expenditures.

	Year ended September 30, 2024	Year ended September 30, 2023
Topaz Project		
Consulting fees	$ 560,247	$ 379,328
Drilling and completions	3,978,380	146,682
Geology and geophysics	734,975	85,032
Regulatory and permitting	109,791	76,518
Grants	(20,000)	-
	5,363,393	687,560
Tunu Project		
Consulting fees	71,909	35,542
Regulatory and permitting	26,766	5,745
	98,675	41,287
	$ 5,462,068	$ 728,847

(Expressed in US dollars)

7. WARRANT LIABILITY

	September 30, 2024	September 30, 2023
Balance, beginning of year	$ 730,670	$ -
Issuance of warrants	1,103,988	1,020,818
Exercise of warrants	(6,860,742)	-
Revaluation	8,824,439	(290,148)
Balance, end of year	$ 3,798,355	$ 730,670

Share purchase warrants are considered a derivative liability, as the currency denomination of the exercise price is different from the functional currency of the Company.

The warrant liability was revalued as at September 30, 2023 using the Black-Scholes option pricing model with the following assumptions: a stock price of C$0.25; a risk-free interest rate of 4.83%; an expected volatility of 100%; an expected life of 1.88 years; an exchange rate of 1.352; a forfeiture rate of zero; and an expected dividend of zero.

The warrant liability was revalued as at September 30, 2024 using the Black-Scholes option pricing model with the following assumptions: a stock price of C$0.52; a risk-free interest rate of 2.91%; an expected volatility of 100%; an expected life of 1.30 years; an exchange rate of 1.3499; a forfeiture rate of zero; and an expected dividend of zero.

8. SHARE CAPITAL AND RESERVES

Authorized

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

Issued and outstanding

During the year ended September 30, 2024, the Company completed the following:

- In January 2024, the Company completed a private placement through the issuance of 18,500,000 units at a price of C$0.23 per unit for gross proceeds of $3,178,307 (C$4,255,000). Each unit consisted of one common share and one share purchase warrant exercisable into one common share at an exercise price of C$0.36 until January 17, 2026.

  The share purchase warrants are considered derivatives and accordingly were fair valued at $1,103,988 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.22%; an expected volatility of 100%; an expected life of 2 years; an exchange rate of 1.3522; a forfeiture rate of zero; and an expected dividend of zero.

  The Company paid cash finder's fees of $20,128 and other share issue costs of $76,008.

8. SHARE CAPITAL AND RESERVES (continued)

Issued and outstanding (continued)

- In February 2024, the Company issued 285,715 common shares valued at $102,509 to settle director fees of $89,572 and accordingly recorded a loss on settlement of trade and other payables of $12,937.

- In August 2024, the Company issued 121,641 common shares valued at $57,933 to settle director fees of $75,000 and accordingly recorded a gain on settlement of trade and other payables of $17,067.

- In September 2024, the Company issued 120,565 common shares on the cashless exercise of 450,000 stock options for no proceeds. The Company recorded an allocation on exercise of stock options of $99,737 from reserves.

- During the year ended September 30, 2024, the Company issued 11,949,174 common shares on the exercise of warrants for gross proceeds of $3,850,796. The Company recorded an allocation on exercise of broker warrants of $88,505 from reserves and an allocation on exercise of share purchase warrants of $6,860,742 from warrant liability (Note 7).

During the year ended September 30, 2023, the Company completed the following:

- In January 2023, the Company issued 85,628 common shares valued at $14,225 to settle trade and other payables of $14,225.

- In April and May 2023, all of the 13,258,802 Special Warrants (as described below) were automatically converted into 13,258,802 common shares of the Company valued at $2,112,071.

- On August 15, 2023, the Company completed its IPO on the TSX-V through the issuance of 10,295,858 units at a price of C$0.30 per unit for gross proceeds of $2,291,023 (C$3,088,757). Each unit consisted of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at a price of C$0.45 until August 15, 2025, subject to certain acceleration rights.

  If the volume weighted average price (VWAP) of the Company's common shares on the TSX-V is equal to or greater than C$0.60 per share for a period of twenty five (25) consecutive trading days, the Company may elect to accelerate the expiry date of the share purchase warrants to a date that is 30 calendar days from the date when written notice of such new expiry date is sent by the Company to the holders of the share purchase warrants. On April 5, 2024, the Company elected to accelerate the expiry date of the share purchase warrants to May 6, 2024. Accordingly, all the outstanding share purchase warrants were exercised during the year ended September 30, 2024.

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVE (continued)

Issued and outstanding (continued)

The share purchase warrants are considered derivatives and accordingly were fair valued at $1,020,818 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.81%; an expected volatility of 100%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero.

The Company paid cash finder's fees of $124,938, issued 500,000 finder's units valued at $111,259, and issued 561,472 broker warrants valued at $67,865. The finder's units are the same terms as the private placement units and the broker warrants entitle the broker to purchase one common share at a price of C$0.30 until August 15, 2025 and are not subject to the acceleration rights disclosed above. The fair value of the broker warrants was determined using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.81%; an expected volatility of 100%; an expected life of 2 years; a forfeiture rate of zero; and an expected dividend of zero. The Company incurred other share issuance costs of $323,611.

Special Warrants

	Number of Shares	Special Warrants
Balance, September 30, 2022	-	$ -
Special Warrants - cash	12,373,665	2,049,289
Special Warrants - non-cash	551,110	92,495
Special Warrants to finders'	334,027	55,269
Special Warrants issuance costs	-	(55,269)
Special Warrants issuance costs - cash	-	(29,713)
Conversion of Special Warrants	(13,258,802)	(2,112,071)
Balance, September 30, 2023	-	-
Special Warrants - cash	4,500,000	1,471,245
Special Warrants issuance costs	-	(147,127)
Balance, September 30, 2024	4,500,000	$ 1,324,118

In August 2024, the Company issued 4,500,000 special warrants ("Special Warrants") at a price of £0.25 per Special Warrant for gross proceeds of $1,471,245 (£1,125,000). This investment in the Company was completed in conjunction with the Company's admission to trading on AIM (the "Cornerstone Investment") (Noted 15). The Company paid $147,127 (£112,500) cash in satisfaction of finder's fees. In October 2024, all of the Special Warrants were converted to common shares of the Company (Note 15).

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Special Warrants (continued)

In December 2022 and January 2023, the Company completed, in three tranches, a non-brokered private placement through the issuance of 12,373,665 Special Warrants at a price of C$0.225 per Special Warrant for gross proceeds of $2,049,289 (C$2,784,075). The Company also issued 400,000 Special Warrants to settle prepaid marketing and promotion expenses of $67,134 (C$90,000) and 151,110 Special Warrants to settle marketing and promotion expenses of $25,361 (C$34,000). The Company paid $29,713 cash and issued 334,027 Special Warrants valued at $55,269 in satisfaction of finder's fees on the private placement. In April and May 2023, all of the Special Warrants automatically converted to 13,258,802 common shares of the Company valued at $2,112,071.

Escrow shares

As at September 30, 2024, the Company had 46,426,025 common shares held in escrow, of which 9,285,205 will be released on each of February 15, 2025, August 15, 2025, February 15, 2026, August 15, 2026, and February 15, 2027.

Warrants

The continuity of warrants for the year ended September 30, 2024 is as follows:

Expiry date	Exercise price C$	Balance, September 30, 2023	Granted	Exercised	Expired	Balance, September 30, 2024
August 15, 2025	$ 0.45	10,795,858	-	(10,795,858)	-	-
August 15, 2025	$ 0.30	561,472	-	(561,472)	-	-
August 15, 2025	$ 0.45	-	159,236	(159,236)	-	-
January 17, 2026	$ 0.36	-	18,500,000	(432,608)	-	18,067,392
		11,357,330	18,659,236	(11,949,174)	-	18,067,392
Weighted average exercise price - C$		$ 0.44	$ 0.36	$ 0.44	$ -	$ 0.36

As at September 30, 2024, the weighted average remaining contractual life of the warrants outstanding was 1.30 years.

In January 2024, the Company issued 159,236 broker warrants exercisable at a price of C$0.45 until August 15, 2025 in relation to the Company's IPO on the TSX-V completed in August 2023. The broker warrants were valued at $20,640 using the Black-Scholes option pricing model with the following assumptions: a risk-free interest rate of 4.22%; an exchange rate of 1.3522; an expected volatility of 100%; an expected life of 2 years.

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Warrants (continued)

The continuity of warrants for the year ended September 30, 2023 is as follows:

Expiry date	Exercise price C$	Balance, September 30, 2022	Granted	Exercised	Expired	Balance, September 30, 2023
August 15, 2025	$ 0.45	-	10,795,858	-	-	10,795,858
August 15, 2025	$ 0.30	-	561,472	-	-	561,472
		-	11,357,330	-	-	11,357,330
Weighted average exercise price - C$		$ -	$ 0.44	$ -	$ -	$ 0.44

Share-based compensation

In November 2023, the Company's shareholders approved a stock option plan (the "Option Plan"). The Option Plan is a 10% "rolling" stock option plan which governs the granting of stock options to directors, officers, employees and consultants of the Company or a subsidiary of the Company for the purchase of up to 10% of the issued and outstanding common shares of the Company from time to time. The maximum term of stock options is ten years from the grant date. The exercise price and vesting terms are at the discretion of the directors.

In addition, the Company's shareholders approved an equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit (RSU), performance share unit (PSU) or deferred share unit (DSU) granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. The Company has reserved for issuance up to 7,414,028 common shares of the Company.

Stock options

The continuity of stock options for the year ended September 30, 2024 is as follows:

Expiry date	Exercise price C$	Balance, September 30, 2023	Granted	Exercised	Expired	Balance, September 30, 2024
February 1, 2029	$ 0.45	-	9,250,000	(450,000)	-	8,800,000
		-	9,250,000	(450,000)	-	8,800,000
Weighted average exercise price - C$		$ -	$ 0.45	$ 0.45	$ -	$ 0.45

As at September 30, 2024, all stock options were exercisable with a weighted average remaining contractual life of 4.34 years.

There were no stock options granted or outstanding during the year ended September 30, 2023.

(Expressed in US dollars)

8. SHARE CAPITAL AND RESERVES (continued)

Share-based compensation (continued)

Stock options (continued)

In February 2024, the Company granted 9,250,000 stock options to directors, officers, and consultants of the Company at a fair value of $2,050,154 or C$0.30 per option, all of which was recorded as share-based compensation for the year ended September 30, 2024. The fair value of the stock options granted was determined using the Black-Scholes option pricing model with the following assumptions: a share price of C$0.40, a risk-free interest rate of 3.34%; an expected volatility of 100%; an expected life of 5 years; an exchange rate of 1.3404, a forfeiture rate of zero; and an expected dividend of zero.

Performance Share Units ("PSUs")

The continuity of PSUs for the year ended September 30, 2024 is as follows:

Award date	Balance, September 30, 2023	Granted	Released	Forfeited	Balance, September 30, 2024
February 1, 2024	-	4,000,000	-	-	4,000,000
	-	4,000,000	-	-	4,000,000

There were no PSUs awarded or outstanding during the year ended September 30, 2023.

In February 2024, the Company awarded 4,000,000 PSUs to four key individuals, including 2,800,000 to two officers of the Company. The PSUs vest as to one-third each on the first, second and third anniversaries of the award date. The PSUs were valued at $1,193,674, using a share price of C$0.40 and an exchange rate of 1.3404. During the year ended September 30, 2024, $482,666 of the total amount was recorded as share-based compensation on the statement of loss.

(Expressed in US dollars)

9. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel

Key management includes members of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the years ended September 30, 2024 and 2023 were as follows:

	Year ended September 30, 2024	Year ended September 30, 2023
Consulting fees		
Chief Executive Officer	$ 243,414	$ 149,837
Golden Oak *	150,760	110,248
Executive Chair	75,000	37,500
	469,174	297,585
Director fees	115,208	44,375
Share-based compensation	1,745,267	-
	$ 2,329,649	$ 341,960

* Golden Oak Corporate Services Ltd. ("Golden Oak") is a consulting company controlled by the Chief Financial Officer and Corporate Secretary of the Company. Golden Oak provides the services of a Chief Financial Officer, Corporate Secretary, and accounting and administrative staff to the Company.

Related party balances

		September 30, 2024	September 30, 2023
Chief Executive Officer	Expenses	$ 100	$ 2,494
Golden Oak	Expenses	679	8,504
Executive Chair	Fees	31,250	37,500
Directors	Director Fees	38,750	44,375
Total		$ 70,779	$ 92,873

9. RELATED PARTY TRANSACTIONS (continued)

Director agreements

Effective January 1, 2023, the Company entered into a consulting agreement with the Executive Chair of the Company whereby the Company agreed to pay the Executive Chair an annual fee of $50,000 payable quarterly through the issuance of common shares of the Company within allowable limits of the TSX-V. Effective June 1, 2024, the annual fee was increased to $125,000 with $75,000 payable in cash and $50,000 payable through the issuance of common shares of the Company within allowable limits of the TSX-V. Effective January 1, 2025, the annual fees are payable quarterly solely in cash.

Effective January 1, 2023, the Company also entered into director services agreements with the independent directors of the Company whereby the Company agreed to pay the independent directors an annual fee of $25,000 with the chair of any committee being paid an additional $5,000. It was agreed that the fees would be settled through the issuance of common shares of the Company within allowable limits of the TSX-V. Effective June 1, 2024, the annual fee was increased to $35,000 with the chair of any committee being paid an additional $5,000. It was agreed that half the fees will be settled in cash and half will be settled through the issuance of common shares of the Company within allowable limits of the TSX-V. Effective January 1, 2025, these annual fees are payable quarterly solely in cash.

10. SEGMENTED INFORMATION

Operating segments are identified on the basis of internal reports that are regularly reviewed by the chief operating decision-maker to allocate resources to the segments and to assess their performance.

The chief operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments, has been defined as the Chief Executive Officer.

The Company operates in a single segment, being exploration and evaluation of helium.

All of the Company’s helium exploration and evaluation assets and equipment are located in the USA and Greenland.

(Expressed in US dollars)

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

Financial instruments are classified into one of the following categories: FVTPL; FVTOCI; or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

		September 30, 2024	September 30, 2023
Cash	Amortized cost	$ 1,230,982	$ 1,207,846
Trade and other payables	Amortized cost	(1,177,662)	(347,664)
Warrant liability	FVTPL	(3,798,355)	(730,670)

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

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and trade and other payables approximate their fair values due to their short-term nature. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost. The fair value of the Company's warrant liability is recorded at fair value using Level 3 of the fair value hierarchy. The carrying value of the warrant liability is determined using the Black-Scholes option pricing model.

11. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk Management

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

Credit Risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets, including cash and receivables. The Company limits the exposure to credit risk in its cash by only investing its cash with high credit quality financial institutions in business and savings accounts and guaranteed investment certificates which are available on demand by the Company for its programs.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that there is sufficient capital in order to meet short-term business requirements. The Company's cash is primarily on deposit in Canadian business accounts or guaranteed investment certificates which are available on demand.

Interest Rate Risk

The Company is exposed to interest rate risk to the extent that its cash balances bear variable rates of interest. The interest rate risk on cash is not considered significant.

Foreign Currency Risk

The Company's functional and presentation currency is the US dollar. Foreign currency risk arises from transactions denominated in currencies denominated in currencies other than US dollars, as some costs are denominated in Canadian dollars (C$), the Great British Pounds (£), and the Euro. As at September 30, 2024, the Company holds 27% of its cash in foreign currencies. The effect of a 10% change in the foreign exchange rate on balances in foreign currencies at September 30, 2024 would be $33,000.

12. MANAGEMENT OF CAPITAL

Capital is comprised of the Company's shareholders' equity (deficiency). The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the acquisition of exploration and evaluation assets and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The Company is not subject to externally imposed capital requirements.

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, issue debt, acquire or dispose of assets, or adjust the amount of cash.

In order to facilitate the management of its capital requirements, the Company prepares expenditure forecasts that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. In order to maximize ongoing exploration efforts, the Company does not pay out dividends.

There have been no changes to the Company's approach to capital management for the periods presented.

13. NON-CASH INVESTING AND FINANCING ACTIVITIES

During the year ended September 30, 2024, the Company:

- issued 407,356 common shares valued at $160,442 to settle trade and other payables of $164,572 (Note 8);
- recognized a derivative liability through the issuance of 18,500,000 share purchase warrants valued at $1,103,988 as part of the private placement (Note 8);
- issued 159,236 broker warrants valued at $20,640 (Note 8);
- recorded an allocation on exercise of stock options of $99,737 from reserves to share capital (Note 8);
- recorded an allocation on exercise of broker warrants of $88,505 from reserves to share capital (Note 8); and
- recorded an allocation on exercise of share purchase warrants of $6,860,742 from warrant liability to share capital (Note 8).

(Expressed in US dollars)

13. NON-CASH INVESTING AND FINANCING ACTIVITIES (continued)

During the year ended September 30, 2023, the Company:

- issued 85,628 common shares valued at $14,225 to settle trade and other payables of $14,225 (Note 8);
- issued 334,027 Special Warrants valued at $55,269 in satisfaction of finder's fees on the private placement (Note 8);
- issued 400,000 Special Warrants to settle prepaid marketing and promotion expenses of $67,134 and 151,110 Special Warrants to settle marketing and promotion expenses of $25,361 (Note 8);
- recognized a derivative liability through the issuance of 10,295,858 share purchase warrants valued at $1,020,818 as part of the IPO (Note 8);
- 500,000 finders' units valued at $111,259 in satisfaction of finder's fees on the IPO (Note 8); and
- issued 561,472 broker warrants valued at $67,865 (Note 8).

During the year ended September 30, 2024, the Company paid interest of $Nil (2023 - $Nil) in cash.

During the year ended September 30, 2024, the Company paid income tax of $Nil (2023 - $Nil) in cash.

14. INCOME TAXES

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	Year ended September 30,	
	2024	**2023**
Loss for the year	$ (20,346,712)	$ (2,310,407)
Expected income tax recovery	$ (5,453,000)	$ (624,000)
Impact of different foreign statutory tax rates on earnings of subsidiaries	3,638,000	(18,000)
Share issue costs	(241,000)	(121,000)
Adjustment to prior year' provision nersus statutory tax return	43,000	(21,000)
Change in unrecognized deductible temporary differences	2,013,000	784,000
Total	$ -	$ -

(Expressed in US dollars)

14. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets are as follows:

	September 30, 2024	September 30, 2023
Deferred tax assets		
Exploration and evaluation assets	$ 1,082,000	$ 165,000
Organizational and start-up costs	99,000	29,000
Share issue costs	265,000	97,000
Non-capital losses available for future periods	1,447,000	589,000
Total unrecognized deferred tax assets	$ 2,893,000	$ 880,000

Deferred tax assets have not been recognized in these consolidated financial statements as it is not probable that they will be realized.

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

	September 30, 2024	Expiry Date
Temporary differences		
Exploration and evaluation assets	$ 5,170,000	No expiry date
Organizational and start-up costs	474,000	No expiry date
Share issue costs	983,000	2025 to 2048
Non-capital losses available for future periods	5,713,000	See below
Canada	4,192,000	2042 to 2044
USA	1,227,000	No expiry date
Portugal	115,000	No expiry date
UK	179,000	No expiry date

Tax carry-forward balances which give rise to deferred tax assets are subject to review, and potential adjustment, by tax authorities.

15. SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the Company completed the following:

- On October 18, 2024, the Company's common shares commenced trading on the AIM market of the London Stock Exchange plc (the "Admission"). Concurrent with Admission, the Company completed a fundraising through the issuance of 15,500,000 common shares at a price of £0.25 for gross proceeds of £3,875,000 (the "Fundraising"). In addition, the Special Warrants issued in the Cornerstone Investment (Note 8) converted to 4,500,000 common shares. The Fundraising and Cornerstone Investment gross proceeds totalled £5,000,000.

  In connection with the Fundraising, the Company:
    - Paid cash finder's fees of £290,625;
    - Paid other cash share issue costs of £88,852;
    - issued 1,000,000 common shares; and
    - issued 1,612,500 share purchase warrants exercisable into one common share at a price of £0.25 until October 18, 2029.

  In connection with Admission, the Company:
    - issued 440,000 common shares;
    - issued 500,000 share purchase warrants exercisable into one common share at a price of £0.25 until October 18, 2026.

  During the year ended September 30, 2024, the Company paid or accrued listing fees associated with Admission of $933,542.

- In October 2024, the Company exercised the remaining 2,092 acres on the Topaz Option (Note 6) for a period of five years. In consideration, the Company paid $313,800 cash and agreed to pay a production royalty of 20% of the gross sales price of the product sold.

- In November 2024 and January 2025, the Company issued 747,434 common shares on the exercise of warrants for gross proceeds of C$269,076.

- On January 9, 2025, the Company completed the first tranche of a brokered private placement through the issuance of 5,263,160 common shares at a purchase price of $0.38 per share for gross proceeds of $2,000,000. In connection with the first tranche, the Company paid a cash finder's fees of $120,000.

15. SUBSEQUENT EVENTS (continued)

- In January 2025, the Company issued an advisor 282,335 compensation warrants of the Company entitling the holder to purchase up to 282,335 common shares of the Company at an exercise price of C$0.57 for a term of two years. In addition, the Company paid the advisor a cash advisory fee of $112,500. Notwithstanding the foregoing, if at any time prior to expiry date of the compensation warrants, the volume weighted average trading price of the common shares on the TSX-V is C$0.76 or greater for a period of 20 consecutive trading days, the Company may, within 10 business days of the occurrence of the event, accelerate the expiry date of the compensation warrants by giving notice to the holder, and in such case, the expiry date of the compensation warrants shall be the date specified by the Company in the warrant acceleration notice, provided such date shall not be less than 30 trading days following delivery of the warrant acceleration notice.