Atlas Salt Inc.

Financial Statements

For the Years Ended December 31, 2024 and 2023

ATLAS SALT INC.
December 31, 2024

Table of Contents

To the Shareholders of Atlas Salt Inc.:

Opinion

We have audited the financial statements of Atlas Salt Inc. (the "Company"), which comprise the statements of financial position as at December 31, 2024 and December 31, 2023, and the statements of net loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and December 31, 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 audits 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 audits of the 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 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 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.

Assessment of impairment indicators of mineral exploration and evaluation assets

Key Audit Matter Description

As described in Notes 4 and 8 to the financial statements, the total book value of mineral exploration and evaluation assets amounted to $11.782 million as at December 31, 2024. At the end of each reporting period, management assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made to determine the extent of the impairment, if any. No indicators of impairment were identified during the year.

We considered this a key audit matter due to the significance of the mineral exploration and evaluation assets, and the judgments by management in their assessment of indicators of impairment related to the mineral exploration and evaluation assets, and these have resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.

Audit Response

We responded to this matter by performing audit procedures relating to the assessment of impairment indicators of mineral exploration and evaluation assets. Our audit work in relation to this included, but was not restricted to, the following:

- Assessed the judgments made by management in determining the impairment indicators, which included the following:

  -Obtained and analyzed management's assessment of the indicators of impairment in accordance with IFRS 6 and discussed with management all facts and circumstances which could indicate an impairment of the asset balance. We also obtained a memo from management outlining the future plans for the properties and ensured that the memo addressed all properties and any potential impairment indicators in accordance with IFRS 6.

  - Obtained, for a sample of claims, by reference to a government registry, evidence to support the right to explore the area.

  - Read board of directors' resolutions and obtained budgets to evidence continued and planned substantive expenditures on further exploration and evaluation of resource properties are budgeted and the expected renewals of exploration rights.

  - Assessed the results of exploration and evaluation activities on the mineral exploration and evaluation assets and if facts and circumstances suggest that the carrying amount may exceed the recoverable amount based on evidence obtained in other areas of the audit.

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 audits 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 audits 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 on this other information, 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 Accounting Standards as issued by the International Accounting Standards Board, 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 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 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 the 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

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 on the audit resulting in this independent auditor's report is Walter-Armando Gomez Figueroa.

Montréal, Québec

MNP LLP [1]

April 28, 2025

[1] By CPA auditor, public accountancy permit No. A142237

Atlas Salt Inc.

Statement of Financial Position

As at December 31

(in Canadian Dollars)

	2024	2023
	$	$
Assets		
Current Assets		
Cash	**8,032,910**	12,192,483
Accounts receivable	**445,054**	175,238
Prepaid expenses	**134,871**	44,831
	8,612,835	12,412,552
Right of use asset (Note 5)	**18,360**	-
Capital assets (Note 6)	**740,640**	386,089
Investment in associate (Note 7)	**811,142**	1,413,113
Mineral exploration and evaluation (Note 8)	**11,782,322**	8,162,295
Total Assets	**21,965,299**	22,374,049
Liabilities		
Current		
Trade payables and accrued liabilities (Note 9)	**1,448,666**	354,114
Lease Liability (Note 5)	**18,532**	
Current portion of long-term debt (Note 10)	**10,360**	
Other liabilities	**5,671**	106,857
	1,483,229	460,971
Non-Current		
Asset retirement obligations (Note 11)	**125,303**	136,931
Lease Liability (Note 5)	**1,607**	
Long Term Debt (Note 10)	**89,640**	-
	216,550	136,931
Total Liabilities	**1,699,779**	597,902
Shareholders' Equity		
Share capital (Note 12)	**27,204,839**	25,591,855
Warrants (Note 12)	**2,678,079**	2,678,787
Contributed surplus	**5,564,649**	5,011,628
Deficit	**(15,182,047)**	(11,506,123)
Total Shareholders' Equity	**20,265,520**	21,776,147
Total Liabilities and Shareholders' Equity	**21,965,299**	22,374,049

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Patrick Laracy Director, Chief Executive Officer

Carson Noel Director, Chair of Audit Committee

Atlas Salt Inc.

Statements of Net Loss and Comprehensive Loss

Years Ended December 31

(in Canadian Dollars)

	2024	2023
	$	$
Expenses		
Management and subcontractor fees (Note 9)	**646,723**	332,621
Director's fees	**60,000**	50,000
Marketing and communications	**32,751**	1,751,506
Investor relations	**13,268**	326,000
Public company expenses	**301,265**	336,586
Office and other (Note 9)	**440,135**	425,749
Salaries and benefits	**367,288**	366,242
Conferences and travel	**193,341**	103,526
Share-based compensation (Note 13)	**1,375,010**	1,478,892
Right of use amortization (Note 5)	**15,536**	-
Depreciation (Note 6)	**26,915**	12,908
	3,472,231	5,184,226
Other Income (Expenses)		
Interest income	**400,161**	568,662
Interest on lease liability (Note 5)	**(1,267)**	-
Interest on long term debt (Note 10)	**(614)**	-
Loss from investment in associate (Note 7)	**(709,145)**	(587,632)
Gain on dilution (Note 7)	**107,173**	365,182
	(203,692)	346,212
Net and Comprehensive Loss	**(3,675,923)**	(4,838,013)
Net Loss per share (basic and diluted)	**(0.038)**	(0.052)
Weighted average number of common shares outstanding - basic and diluted	**95,719,819**	93,780,433

Atlas Salt Inc.

Statement of Changes in Shareholders' Equity

(in Canadian Dollars)	(Note 12) Share Capital $	(Note 12) Warrants $	(Note 13) Contributed Surplus $	Deficit $	Total Shareholders' Equity $
Balance, December 31, 2022	**18,124,018**	**251,047**	**3,104,680**	**(6,668,110)**	**14,811,635**
Net and comprehensive loss					
January 1, 2023 - December 31, 2023	-	-	-	(4,838,013)	(4,838,013)
Issuance of shares and warrants pursuant to private placement	7,755,526	2,244,474	-	-	10,000,000
Issuance of broker warrants pursuant to private placement	(433,533)	433,533	-	-	-
Return of common shares to treasury	(219,760)	-	(69,830)	-	(289,590)
Share issuance costs	(777,893)	-	-	-	(777,893)
Exercise of options	410,885	-	(175,885)	-	235,000
Exercise of warrants	732,612	(175,650)	-	-	556,962
Expiration of warrants	-	(74,617)	74,617	-	-
Share-based compensation	-	-	2,078,046	-	2,078,046
Balance, December 31, 2023	**25,591,855**	**2,678,787**	**5,011,628**	**(11,506,123)**	**21,776,147**
Net and comprehensive loss					
January 1, 2024 - December 31, 2024	-	-	-	(3,675,923)	(3,675,923)
Issuance of shares upon vesting of Performance Share Units and Restricted Share Units	1,527,684		(1,527,684)		-
Return of common shares to treasury	(78,183)	-	-	-	(78,183)
Exercise of options	156,525	-	(41,525)	-	115,000
Exercise of warrants	6,958	(708)	-	-	6,250
Share-based compensation	-	-	2,122,230	-	2,122,230
Balance, December 31, 2024	**27,204,839**	**2,678,079**	**5,564,649**	**(15,182,047)**	**20,265,520**

Atlas Salt Inc.
Statement of Cash Flows
Years Ended December 31
(in Canadian Dollars)

	2024	2023
	$	$
Operating Activities		
Net loss	**(3,675,923)**	(4,838,013)
Adjustment for non-cash items:		
Depreciation (Note 6)	**26,915**	12,908
Right of use amortization (Note 5)	**15,536**	-
Lease accretion (Note 5)	**1,267**	-
Loss on investment in associate (Note 7)	**709,145**	587,631
Dilution gain (Note 7)	**(107,173)**	(365,182)
Share-based compensation (Note 13)	**1,375,930**	1,478,892
	(1,654,304)	(3,123,764)
Changes in non-cash working capital		
Accounts receivable	**(269,817)**	304,057
Prepaid expenses	**(90,040)**	(16,644)
Accounts payable and accrued liabilities	**992,445**	(629,468)
Cash used in operating activities	**(1,021,715)**	(3,465,819)
Financing Activities		
Issuance of common shares and warrants (Note12)	**-**	10,000,000
Share issuance costs (Note 12)	**-**	(777,893)
Return of common shares to treasury	**(78,183)**	(289,590)
Exercise of options	**115,000**	235,000
Exercise of warrants	**6,250**	556,962
Long term debt (Note 10)	**100,000**	-
Cash from financing activities	**143,066**	9,724,479
Investing Activities		
Purchase of capital assets (Note 6)	**(381,465)**	(387,545)
Right of use Lease payments (Note 5)	**(15,024)**	-
Mineral exploration and evaluation assets	**(2,884,436)**	(3,345,999)
Incidential revenue (Note 6)	**-**	397,579
Cash used in investing activities	**(3,280,925)**	(3,335,965)
Net change in cash and cash equivalents for the year	**(4,159,573)**	2,922,695
Cash and cash equivalents, beginning of the year	**12,192,483**	9,269,788
Cash and cash equivalents, end of the year	**8,032,910**	12,192,483

1. NATURE OF OPERATIONS

Atlas Salt Inc. (the “Company”) is a mineral exploration company engaged in the evaluation and exploration of mineral properties in Newfoundland and Labrador. The Company’s principal asset is the Great Atlantic salt deposit project (the “Great Atlantic Salt Project”), located in the St. George’s Bay basin of western Newfoundland.

The Company was formed on June 15, 2011, under the Alberta Business Corporations Act and was listed on the TSX Venture Exchange on August 17, 2012 (TSX-V stock symbol “SALT”). Its business address is 100 New Gower Street, Suite 910, St. John’s, NL, A1C 6K3. In 2021, approval was gained for the corporate continuance of the Company from the Province of Alberta to the Province of British Columbia. On August 24, 2021, the Company changed its name from Red Moon Resources Inc. to Atlas Salt Inc. to reflect the Company’s core business anchored by the Great Atlantic Salt Project in western Newfoundland. The Company was listed on the OTCQB on June 30, 2022, trading under the stock symbol “REMRF”.

2. BASIS OF PRESENTATION

The Company prepares its financial statements in accordance with Canadian generally accepted accounting principles (“GAAP”) as set out in the Canadian Professional Accountants of Canada Handbook – Accounting – Part I (“CPA Canada Handbook”) which incorporates IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

A summary of the Company's material accounting policies under IFRS is presented in Note 4 to these financial statements.

These financial statements have been prepared on a historical cost basis.

The Company’s presentation currency and the functional currency of all of its operations is the Canadian dollar as this is the principal currency of the economic environment in which it operates. All the Company’s assets are located in Canada.

These financial statements were approved and authorized for issuance by the Board of Directors on April 28, 2025.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

Accounting standards effective this year

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 non-current 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 were effective for annual periods beginning on January 1, 2024 and did not have a material impact on the Company's financial statements.

Future applicable accounting standards

In April 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements which sets out the overall requirements for presentation and disclosures in the consolidated financial statements. The new standard replaces IAS 1 and although much of the substance of IAS 1 will carry over into the new standard, the new standard will require presentation of separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The new standard will also require disclosure and explanation of 'management-defined performance measures' in a separate note within the financial statements.

The new standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim consolidated financial statements, and requires retrospective application. The Company is currently assessing the impact of the new standard.

4. MATERIAL ACCOUNTING POLICIES

Material Management Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions regarding the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Material estimates and judgments made by management in the preparation of these financial statements are outlined below.

***Mineral Exploration and Evaluation Assets*: At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. No indications of impairment were identified at December 31, 2024.

Impairment of investment in associate**:** At the end of each reporting period, the Company considers whether there is any evidence of impairment in its investment in associates. When there is evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in an associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss in the period the reversal occurs. No indications of impairment were identified at December 31, 2024.

Asset Retirement Obligations**:** The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, timing of estimated cash flows and discount rates could affect the carrying amount of this provision.

Share-Based Compensation**:** Management is required to make certain estimates when determining the fair value of stock options and equity incentives issued, including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends, vesting period of performance share units and restricted share units and other relevant assumptions.

Going Concern: *When* preparing financial statements, management is required to make an assessment of the entity's ability to continue as a going concern. This assessment requires management to estimate the Company's ability to meet current obligations and commitments over the upcoming 12 months.

Share-Based Compensation

The Company has an equity settled share-based payment plan. The fair value of options is determined using the Black-Scholes option pricing model and is amortized to earnings or loss over the vesting period with a corresponding increase to contributed surplus. When options are exercised, the corresponding contributed surplus and the proceeds received by the

Company are credited to share capital. Forfeiture of stock options is estimated on issuance, and the number of stock options expected to vest is reviewed at least annually with any adjustment being recognized immediately.

A Performance Share Unit ("PSU"), a Deferred Share Unit ("DSU") and a Restricted Share Unit ("RSU") are equity instruments under the Equity Incentive Plan. PSUs, DSUs and RSUs represent cash or share-settled awards. The fair value of these equity instruments is based on the fair value of the underlying common share at grant date. For PSUs, the Company revises the estimated achievement date of the respective milestones at the end of each reporting period.

Compensation expense is recognized on a straight-line basis over the vesting period, which for a PSU is the expected time to certify achievement of the underlying performance goals and for a DSU and a RSU is the specified service period. Forfeitures are accounted for as they occur.

Income Taxes

Income tax expense is comprised of current and deferred income tax. Current tax and deferred tax are recognized in earnings or loss except to the extent that they relate to items recognized directly in the statements of changes in shareholders' equity.

Current tax expense comprises the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable entities, which intend to settle tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

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

Earnings (Loss) Per Share

Basic net earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per share is equivalent to basic earnings (loss) per share as the inclusion of outstanding options and warrants is anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits. Short-term deposits are cashable within a three month or less period.

Grants

Government grants received or receivable in respect of mineral exploration and evaluation assets are reflected as a reduction of the cost of the mineral exploration and evaluation asset.

Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary nor a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity, but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under this method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company's share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company's interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

The investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Management assesses indications of impairment at the end of each reporting period.

Mineral Exploration and Evaluation Assets

All costs directly associated with the exploration and evaluation of mineral properties are initially capitalized. Mineral exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, exploration and evaluation drilling, sampling, and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net loss as exploration and evaluation expense. When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to capital assets. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net loss as exploration and evaluation expense.

Share-based compensation is capitalized to mineral exploration and evaluation assets based on the percentage of time spent working on mining projects during each quarter when such time relates to performing the activities listed above.

Incidental revenue and cost recoveries relating to mineral exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation property to which the fees and payments relate, and any excess as other revenue on the statement of net loss and comprehensive loss.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Indicators of impairment include, but are not limited to:

- The right to explore in a specific area has expired or will expire in the near future without renewal;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- Exploration for and evaluation of mineral resources in the area have not led to the discovery of commercially viable quantities and the entity has decided to discontinue such activities in the area, and;
- Sufficient data exists to indicate that the carrying amount of the asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Capital Assets

Capital Assets are recorded at cost. Depreciation is based on the estimated useful life using the declining balance method. Land is not depreciated. The Company has three classes of capital assets which are depreciated using the following rates:

Buildings	4%
Office Furniture	20%
Computer Equipment	30%

(709) 739-9545
info@atlassalt.com
www.AtlasSalt.com

Atlas Salt Inc.
100 New Gower Street, Suite 910
St. John's, NL, Canada A1C 6K3

Asset Retirement Obligations

The Company recognizes a provision for retirement obligations associated with long-lived assets, which includes the abandonment and remediation costs required to return the property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is determined through a review of engineering studies, industry guidelines, and management estimates. Fair value is estimated using the present value of the estimated future cash outflows to remediate the abandoned assets at the asset's risk-free discount rate. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statements of loss and comprehensive loss. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. If the retirement obligation relates to an area still in the exploration and evaluation stage, the retirement obligation is capitalized to the exploration and evaluation asset. Subsequent to original measurement, accretion expense is also capitalized to the exploration and evaluation asset.

Impairment of Long-lived Assets

The carrying amount of the Company's long-lived assets is assessed at each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Assets are grouped at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating unit or "CGU"). A CGU may include certain aggregated long-lived assets. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount, with the impairment loss recognized in net loss for the reporting period. Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that this amount does not exceed the carrying amount that would have been recognized, net of depletion, depreciation, and amortization, had an impairment loss not been recognized in previous periods.

Share Issuance Costs

Share issuance costs are incremental costs directly associated with the issuance of common stock. These costs typically include fees paid to bankers or underwriters, lawyers, accountants, as well as other third parties. The share issuance costs are shown as a reduction of share capital.

Warrants

Share purchase warrants are issued together with shares as private placement units. The shares issued to raise capital are classified in equity in accordance with IAS 32. The fair value of the proceeds of the units is allocated to separate components of equity (share capital and warrants) using the relative fair value method. Subsequent modifications to an entire class of share purchase warrants classified as equity are not subsequently remeasured.

Financial Instruments

The Company classifies its financial instruments in the following measurement categories: fair value through profit and loss (FVTPL); fair value through other comprehensive income (FVOCI); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The accounting policies related to these financial assets and liabilities are as follows:

Amortized Cost and Effective Interest Rate: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Initial Recognition and Measurement: Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net earnings.

Classification and Subsequent Measurement: A financial asset is subsequently measured at:

- ***Amortized Cost:*** if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- ***Fair Value Through Other Comprehensive Income***: if it is held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- ***Fair Value Through Profit and Loss***: if it is neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Company classifies its financial assets using the following measurement categories:

- FVOCI; or
- Amortized Cost

All financial assets are carried at amortized cost. Liabilities carried at amortized cost will continue to be measured as outlined in measurement methods above.

Impairment of Financial Assets: Financial assets which are measured subsequent to initial recognition at amortized cost are assessed for indicators of impairment at the end of each reporting period. The amount of impairment loss, if any, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The Company's financial assets carried at amortized cost consist only of cash and accounts receivable.

The Company's exposure to credit risk on its cash balance is mitigated as cash deposits are held with major financial institutions with strong credit ratings.

A loss allowance provision, which reflects the Company's estimate of credit losses, is applied to reduce the carrying amount of trade receivables and due from related parties. Subsequent recoveries of amounts previously provided for are credited against the allowance.

5. RIGHT OF USE ASSET AND LEASE LIABILTIY

On October 18, 2023, the Company entered into a lease agreement for office space commencing on February 1, 2024, until January 31, 2026. The lease agreement provides for monthly base rent payments of $1,366 in the first year of the lease and monthly base rent payments of $1,614 in the second year.

In accordance with IFRS 16, the Company recognized a right-of-use asset and lease obligation in relation to its lease commitments. The lease liability has been recorded at the present value of the lease payments, discounted using the Company's incremental borrowing rate estimated at 10% per annum. The associated right-of-use asset is measured at the amount equal to the corresponding lease liability and subsequently depreciated.

Right-of-use asset	**December 31, 2024 $CAD**
Balance beginning of the year	**-**
Additions	**33,896**
Amortization	**(15,536)**
Balance end of the year	**18,360**

(709) 739-9545
info@atlassalt.com
www.AtlasSalt.com
Atlas Salt Inc.
100 New Gower Street, Suite 910
St. John's, NL, Canada A1C 6K3

Lease liability	**December 31, 2024 $CAD**
Balance beginning of the year	**-**
Additions	**33,896**
Lease accretion	**1,267**
Lease payments	**(15,024)**
Balance end of the year	**20,139**
Long-term portion	**(1,607)**
Short-term portion	**18,532**

Future undiscounted fixed lease payments are as follows:	
Fiscal Year 2025	**19,122**
Fiscal Year 2026	**1,614**
	20,736

6. CAPITAL ASSETS

December 31, 2024

	Opening Cost	Additions	Closing Cost	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
	$ CAD	$ CAD	$ CAD	$ CAD	$ CAD	$ CAD	$ CAD
Buildings	286,740	38,533	325,273	5,735	10,304	16,039	309,235
Land	71,685	301,433	373,118	-	-	-	373,118
Office Furniture	12,617	-	12,617	1,262	2,082	3,344	9,274
Computer equipment	35,075	41,499	76,574	13,031	14,530	27,561	49,013
Totals	406,117	381,465	787,582	20,028	26,915	46,945	740,640

December 31, 2023

	Opening Cost	Additions	Closing Costs	Opening Depreciation	Depreciation	Closing Accumulated Depreciation	Net Book Value
	$ CAD	**$ CAD**	**$ CAD**	**$ CAD**	**$ CAD**	**$ CAD**	**$ CAD**
Buildings	-	286,740	286,740	-	5,735	5,735	281,005
Land	-	71,685	71,685	-	-	-	71,685
Office Furniture	-	12,617	12,617	-	1,262	1,262	11,355
Computer equipment	18,572	16,503	35,075	7,120	5,911	13,031	22,044
Totals	18,572	387,545	406,117	7,120	12,908	20,028	386,089

7. INVESTMENT IN ASSOCIATE

	December 31, 2024 $CAD	December 31, 2023 $CAD
Investment in Triple Point Resources Ltd.	**811,142**	1,413,113

Triple Point Resources Ltd. (“Triple Point”)

Triple Point was incorporated on April 1, 2022, under the laws of the Province of British Columbia. Triple Point’s head office is in St. John’s, Newfoundland and Labrador. Triple Point is focused on large scale clean energy underground storage to advance the development of renewable energy solutions and accelerate the transition to net zero.

On September 22, 2022, Atlas Salt closed the Triple Point spin-out through a Plan of Arrangement. As of December 31, 2024, the Company's ownership was 27.25% (December 31, 2023 – 27.33%).

Management has determined that its investment in the common shares of Triple Point gives it significant influence over Triple Point. As a result, the Company applied the equity method of accounting for its investment in Triple Point.

The continuity of the Company's investment in Triple Point common shares is as follows:

	December 31, 2024 $CAD	December 31, 2023 $CAD
Balance beginning of the year	**1,413,113**	1,635,562
Share of net loss and comprehensive loss	**(709,145)**	(587,631)
Dilution gain	**107,173**	365,182
Investment in Triple Point	**811,142**	1,413,113

Summarized financial information of Triple Point for the years ended December 31, 2024, and December 31, 2023 is as follows:

	December 31, 2024 $CAD	December 31, 2023 $CAD
Statement of Financial Position		
Cash and cash equivalents	**252,293**	3,665,487
Other current assets	**129,066**	351,064
Non-current assets	**2,753,029**	1,376,621
Current liabilities	**32,730**	222,390
Non-current liabilities	**135,038**	-
Equity	**2,966,621**	5,170,782
Net loss and comprehensive loss	**Jan 1 – Dec 31, 2024**	**Jan 1 – Dec 31, 2023**
Interest Income	**92,196**	139,374
Net loss and comprehensive loss	**2,597,479**	1,031,228

Triple Point Resources had depreciation of $30,191 at December 31, 2024 (December 31, 2023 – $539). There was $nil interest expense (December 31, 2023 - $nil) and $nil income tax expense at December 31, 2024 (December 31, 2023 – $nil).

As at December 31, 2024, the Company did not identify any indications of impairment on this investment.

8. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 20 mineral licences (December 31, 2023 – 20) which consist of 321 claims (December 31, 2023 – 321 claims), which are active and in good standing with the Department of Industry, Energy and Technology in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. The Company has 3 mining leases (Ace Mining Lease #239, and Gypsum Waste Reclamation Mining Leases #241 and #242) registered with the Department of Department of Industry, Energy and Technology in the Province of

Newfoundland and Labrador on mineral licences 022132M, 027059M and 027060M situated near St. George's, western Newfoundland.

A summary of the costs of these licences is as follows:

December 31, 2024

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the year
	$ CAD	$ CAD	$ CAD	$ CAD	$ CAD
Mineral Exploration and Evaluation Assets	**8,162,295**	**3,620,027**	**-**	**-**	**11,782,322**

December 31, 2023

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the year
	$ CAD	$ CAD	$ CAD	$ CAD	$ CAD
Mineral Exploration and Evaluation Assets	4,622,510	3,937,364	-	(397,579)	8,162,295

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine which were netted against mineral exploration and evaluation assets. For the year ended December 31, 2024, additions to mineral exploration costs include share-based compensation of $747,220 (December 31, 2023 – $599,154).

During the year, no indicators of impairment have been identified related to the Company's mineral exploration and evaluation assets.

9. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc., which owns 29.79% (December 31, 2023 – 30.49%) of the Company's common shares, has significant influence over Atlas Salt Inc. The following transactions were carried out with Vulcan Minerals Inc.:

Expenditures reimbursed to Vulcan Minerals Inc. for expenditures paid by Vulcan Minerals Inc. on behalf of the Company:	December 31, 2024 $ CAD	December 31, 2023 $ CAD
Mineral exploration and evaluation assets	**26,857**	159,394

Royalty	**-**	11,790
General and administrative expenses	**31,914**	124,679
Rent paid to a corporation which is controlled by a Director of the Company	**12,000**	24,000
	70,771	319,863

A 3% Net Production Royalty of $nil as of December 31, 2024 ($11,790 – December 31, 2023) due to Vulcan Minerals on net proceeds from the Ace Gypsum mine production was incurred in the year.

Compensation for key management personnel, which includes the President and Chief Executive Officer, Chief Financial Officer and Directors, is as follows:

Paid/payable to members of key management and directors:	**December 31, 2024 CAD $**	**December 31, 2023 CAD $**
Directors' fees	**60,000**	-
Management and subcontractor fees	**747,525**	75,431
Compensation capitalized as mineral exploration and evaluation assets	**185,393**	62,159
Share-based compensation:		
General and administrative expenses	**1,300,187**	568,910
Mineral exploration and evaluation assets	**564,294**	41,021
	2,857,399	747,521

Accounts payable and accrued liabilities include $72,362 owing to related parties as at December 31, 2024 (December 31, 2023 – $34,911).

10. LONG TERM DEBT

The Company has a loan with the Business Development Bank of Canada (BDC) bearing interest at 8.40%, payable in two separate monthly payments of Principal and Interest. Principal payments consist of a one-time Principal payment of $2,060, then $1,660 monthly, beginning on July 23, 2025. Interest payments have been paid monthly since the loan's inception, and the loan matures on June 23, 2030. The loan is unsecured.

BDC Loan	**December 31, 2024 $CAD**
Balance beginning of the year	- -
Addition	**100,000**
Less: Current Portion	**(10,360)**
Balance end of the year	**89,640**

Future minimum long-term debt payments are as follows:	
Fiscal Year 2025	**10,360**
Fiscal Year 2026	**19,920**
Fiscal Year 2027	**19,920**
Fiscal Year 2028	**19,920**
Fiscal Year 2029	**19,920**
Fiscal Year 2030	**9,960**

11. ASSET RETIRMENT OBLIGATIONS

Upon termination of the Company's Ace Gypsum mine, the Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premisses to their original condition. The total discounted cash flows estimated to settle the Company's asset retirement obligations as at December 31, 2024, was $125,302 (December 31, 2023 – $136,931). The estimated future cash flows have been discounted using a risk-free rate of 2.92% (December 31, 2023 – 3.91%) and an inflation rate of 1.8% (December 31, 2023 – 3.4%). As of December 31, 2024, the Company had entered an agreement with an insurance company to provide a surety bond to the Newfoundland and Labrador government in compliance with its requirements under the approved site development plan, as submitted and reviewed by the government of Newfoundland and Labrador. As additional work and reclamation is completed on the property, the Company will increase or decrease this bond as required by the Newfoundland and Labrador government.

A reconciliation of the asset retirement obligation is provided below:

	December 31, 2024 $ CAD	December 31, 2023 $ CAD
Balance, beginning of the year	**136,931**	144,720
Provision Adjustment	**(11,629)**	(7,789)
Balance, end of the year	**125,302**	136,931

12. SHARE CAPITAL

Unlimited number of voting common shares.
Unlimited number of preferred shares, issuable in series.

Issued and Outstanding	**December 31, 2024**		**December 31, 2023**	
Common Shares	**Number of Common Shares**	**Share Capital $ CAD**	**Number of Common Shares**	**Share Capital $ CAD**
Balance, beginning of the year	**94,768,785**	**25,591,855**	87,615,638	18,124,018
Issued pursuant to private placements	-	-	5,000,000	7,755,526
Issuance of shares upon vesting of Performance Share Units and Restricted Share Units	**1,151,070**	**1,527,684**	-	-
Share issuance cost	**-**	**-**	-	(777,893)
Broker warrants	-	-	-	(433,533)
Return of common shares to treasury	**(127,738)**	**(78,183)**	(205,383)	(219,760)
Exercise of stock options	**1,150,000**	**156,525**	1,750,000	410,885
Exercise of warrants	**25,000**	**6,958**	608,530	732,612
Balance, end of the year	**96,967,117**	**27,204,839**	94,768,785	25,591,855

For the year ended December 31, 2024, there were 1,151,070 shares issued (2023 – nil), as a result of Performance Share Units and Restricted Share Units that vested (Note 13), 1,150,000 options exercised by related parties (2023 - 1,700,000) and nil warrants exercised by related parties (2023 – nil). The return of 127,738 common shares was a related party transaction in 2024. (December 31, 2023 – 219,760).

Private Placement

Pursuant to a private placement dated January 17, 2023, the Company issued 5,000,000 units at a price of $2.00 per unit for aggregate proceeds of $10,000,000 (less $2,750,757 attributed to the fair value of warrants). Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at a price of $2.40 for a period of two years.

The Company paid eligible finders a finder's fee comprising of a cash commission of 7% of the gross proceeds of the offering ($700,000) and non-transferable finder's warrants of 7% of the number of common shares (350,000 warrants). The finder's warrants entitle the holder to acquire one common share of the Company at a price of $2.40 for a period of two years.

Warrants

Issued and Outstanding	**December 31, 2024**		**December 31, 2023**	
Warrants	**Number of Warrants**	**Weighted Average Exercise Price $**	**Number of Warrants**	**Weighted Average Exercise Price $**
Balance, beginning of the year	**2,875,000**	**2.38**	832,725	0.88
Issued – Private Placement	-	**-**	2,500,000	2.40
Issued – Finders Warrants	-	**-**	350,000	2.40
Expired	**-**	**-**	(199,195)	0.86
Exercised	**(25,000)**	**0.25**	(608,530)	0.92
Balance, end of the year	**2,850,000**	**2.40**	2,875,000	2.38

	December 31, 2024 $ CAD	**December 31, 2023 $ CAD**
Balance, beginning of the year	**2,678,787**	251,047
Fair value of warrants issued due to private placement	**-**	2,244,474
Brokers warrants issued due to private placement	**-**	433,533
Transferred to share capital upon exercise of warrants	**(708)**	(175,650)
Expiry of warrants	**-**	(74,617)
Balance, end of the year	**2,678,079**	2,678,787

The weighted average fair value of the warrants issued during 2024 were estimated on the dates of issuance to be $nil (2023 – $1.24) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2024	2023
Expected volatility (%)	**-**	116
Risk-free interest rate (%)	**-**	3.72
Weighted-average expected life (years)	**-**	2.00
Fair value of share price on issue date	**-**	2.14
Dividend yield (%)	**-**	-

13. SHARE-BASED COMPENSATION

Stock Option Plan

The Company has a stock option plan under which directors, officers, management, consultants, and employees of the Company are eligible to receive stock options. The aggregate number of shares to be issued upon exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Company at the time of granting the options. The number of shares which may be reserved for issuance in any 12-month period to any one individual may not exceed 5% of the issued shares or 2% if the optionee is a consultant, and the number of shares which may be reserved for issuance in any 12-month period to all optionees engaged in investor relations activities may not exceed 2% in the aggregate of the issued shares on a yearly basis. Options may be exercisable over periods of up to ten years, as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the TSXV.

Stock Options

	December 31, 2024		**December 31, 2023**	
Summary of Stock Options Outstanding and Exercisable	**Number of Options**	**Weighted Avg Exercise Price $**	**Number of Options**	**Weighted Avg Exercise Price $**
Outstanding, beginning of the year	**5,825,000**	**0.77**	8,250,000	0.74
Issued	-	-	-	
Expired	**(802,738)**	**(1.53)**	(675,000)	(2.12)
Exercised	**(1,022,262)**	**(0.11)**	(1,750,000)	(0.13)
Outstanding, end of the year	**4,000,000**	**0.79**	5,825,000	0.77
Outstanding and exercisable, end of the year	**4,000,000**	**0.79**	5,825,000	0.77

The weighted average of the share price on the date of exercise of options in 2024 was $0.79 (2023 – $1.02).

The weighted average remaining contractual life of outstanding options is 2.71 years (December 31, 2023 – 3.30 years). The weighted average remaining contractual life of exercisable options is 2.71 years (December 31, 2023 – 3.30 years). There have been no stock options granted to date in 2024 or 2023.

The Company expensed share-based compensation related to options in the amount of $nil in the year ending December 31, 2024 (December 31, 2023 – $1,006,737) and $nil was capitalized to mineral exploration and evaluation assets (December 31, 2023 – $41,021).

Equity Incentive Plan

The Company has an equity incentive plan to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, employees, and consultants of the Company. The total number of shares reserved and available for grant and issuance, together with all the Company's other Security Based Compensation Arrangements, shall not exceed 10% (in aggregate) of the issued and outstanding shares of the Company. The aggregate number of awards granted to any one Participant in a 12-month period must not exceed 5% of the issued and outstanding shares or 2% for Consultants, calculated on the date an award is granted or issued to the participant, less the aggregate number of shares reserved for issuance to such person. The grant to Insiders (as a group), within a 12-month period of an aggregate number of awards must not exceed 10% of the issued and outstanding shares. Investor relations service providers may not receive any security-based compensation other than stock options.

Deferred Share Units (DSUs)

	December 31, 2024		**December 31, 2023**	
Summary of deferred share units (DSUs)	**Number of DSUs**	**Weighted Average Price at Date of Grant $**	**Number of DSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the year	-	**-**	-	-
Granted	**1,000,000**	**0.72**		
Outstanding, end of the year	**1,000,000**	**0.72**		

On January 5, 2024, the Company granted 150,000 DSUs to a director, with 50,000 vesting January 5, 2025, 50,000 vesting July 5, 2025, and 50,000 vesting January 5, 2026. The stock price on the date of the grant was $0.70.

On July 16, 2024, the Company granted 850,000 DSUs to directors, with 425,000 vesting July 16, 2025, and 425,000 vesting January 16, 2026. The stock price on the date of grant was $0.72.

The Company expensed share-based compensation related to DSUs in the amount of $330,833 for the year ending December 31, 2024 (December 31, 2023 – $nil). None of these expenses were capitalized to mineral exploration and evaluation assets.

Restricted Share Units (RSUs)

	December 31, 2024		December 31, 2023	
Summary of restricted share units (RSUs)	**Number of RSUs**	**Weighted Average Price at Date of Grant $**	**Number of RSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the year	**987,500**	**1.31**		
Granted	**72,000**	**0.70**	1,059,500	1.29
Forfeited	**-**	**-**	(72,000)	(1.01)
Vested and settled in shares	**(704,000)**	**1.32**		
Outstanding, end of the year	**355,500**	**1.16**	987,500	1.31

On July 26, 2023, the Company granted 800,000 RSUs to an officer, with 600,000 vesting July 26, 2024, and 200,000 vesting January 26, 2025. The stock price on the date of the grant was $1.36.

On August 28, 2023, the Company granted 90,000 RSUs to a consultant, with 50,000 vesting August 28, 2024, 20,000 vesting February 28, 2025, and 20,000 vesting August 28, 2025. The stock price on the date of the grant was $1.26.

On October 1, 2023, the Company granted 72,000 RSUs to a consultant, with 40,000 vesting October 1, 2024, 16,000 vesting April 1, 2025, and 16,000 vesting October 1, 2025. The stock price on the date of the grant was $1.01. These RSUs were forfeited on December 18, 2023.

On October 6, 2023, the Company granted 25,500 RSUs to a consultant, with 14,000 vesting October 6, 2024, 5,750 vesting April 6, 2025, and 5,750 vesting October 6, 2025. The stock price on the date of the grant was $0.92.

On October 10, 2023, the Company granted 72,000 RSUs to a consultant, with 40,000 vesting October 10, 2024, 16,000 vesting April 10, 2025, and 16,000 vesting October 10, 2025. The stock price on the date of the grant was $0.95.

On January 5, 2024, the Company granted 72,000 RSUs to an officer, with 40,000 vesting January 5, 2025, 16,000 vesting July 5, 2025, and 16,000 vesting January 5, 2026. The stock price on the date of the grant was $0.70.

The Company expensed share-based compensation related to RSUs in the amount of $477,191 for the year ending December 31, 2024 (December 31, 2023 – $213,036) and $354,674 was capitalized to mineral exploration and evaluation assets (December 31, 2023 – $252,016).

Performance Share Units (PSUs)

	December 31, 2024		**December 31, 2023**	
Summary of performance share units (PSUs)	**Number of PSUs**	**Weighted Average Price at Date of Grant $**	**Number of PSUs**	**Weighted Average Price at Date of Grant $**
Outstanding, beginning of the year	**1,737,500**	**1.31**	-	-
Granted	**128,000**	**0.70**	1,865,500	1.29
Forfeited	**-**	**-**	(128,000)	(1.01)
Exercised	**(447,070)**	**1.34**		
Outstanding, end of the year	**1,418,430**	**1.25**	1,737,500	1.31

On July 26, 2023, the Company granted 1,400,000 PSUs to a consultant. These PSUs are based on performance indicators to be achieved and could not vest prior to July 26, 2024. The stock price on the date of the grant was $1.36.

On August 28, 2023, the Company granted 160,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and could not vest prior to August 28, 2024. The stock price on the date of grant was $1.26.

On October 1, 2023, the Company granted 128,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and could not vest prior to October 1, 2024. The stock price on the date of the grant was $1.01.

On October 6, 2023, the Company granted 49,500 PSUs to a consultant. These PSUs are based on performance indicators achieved and could not vest prior to October 6, 2024. The stock price on the date of grant was $0.92.

On October 10, 2023, the Company granted 128,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and could not vest prior to October 10, 2024. The stock price on the date of the grant was $0.95. These PSUs were forfeited on December 18, 2023.

On January 5, 2024, the Company granted 128,000 PSUs to a consultant. These PSUs are based on performance indicators achieved and cannot vest prior to January 5, 2025. The stock price on the date of the grant was $0.70.

The Company expensed share-based compensation related to PSUs in the amount of $566,985 for the year ending December 31, 2024 (December 31, 2023 – $259,119) and $392,547 was capitalized to mineral exploration and evaluation assets (December 31, 2023 – $306,117). For the fiscal year 2024, there were 447,070 performance share units vested.

The performance milestones for all of the issued PSUs are tied to the advancements on the Great Atlantic Salt Project.

14. INCOME TAXES

Income Tax Rates
Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30% (2023 - 30%) to net loss before income taxes as follows:

	2024 $	2023 $
Expected income tax recovery	**(1,102,777)**	(1,451,404)
Change in unrecognized deferred tax asset	**1,115,962**	1,004,133
Permanent differences	**(13,185)**	3,603
Share based compensation costs	-	443,668
Deferred income tax expense	**-**	-

Deferred Income Tax (Liabilities) Assets
The Company's deferred income tax (liabilities) assets are as follows:

	2024 $	2023 $
Deferred income tax liabilities		
Exploration and evaluation assets	**(1,599,327)**	(1,346,781)
Capital assets	**(16,926)**	(12,358)
Investment in associates	**(71,484)**	(161,779)
	(1,687,737)	(1,520,919)
Deferred income tax assets		
Non-capital losses	**1,687,737**	1,520,919
	1,687,737	1,520,919
Net deferred income tax (liabilities) assets	**-**	-

The following deductible temporary differences have not been recognized in the financial statements.

	2024 $	2023 $

Non-capital losses carried forward	**8,976,540**	5,296,295
Share issuance costs	**844,351**	1,204,132
Other	**125,303**	136,931
	9,946,194	6,637,359

Non-Capital Losses

The Company has non-capital losses amounting to $14,602,331 (2023 - $10,366,026) which are available to reduce taxable income of future years. These tax assets are not recognized for accounting purposes and the non-capital losses expire as follows:

Year	$
2034	118,625
2035	150,364
2036	96,235
2037	83,668
2038	85,859
2039	-
2040	-
2041	1,316,311
2042	1,701,322
2043	6,831,073
2044	4,218,874
	14,602,331

The Company also has Canadian exploration expenses of $6,451,231 which may be deducted in determining taxable income of future years.

15. CAPITAL MANAGEMENT

The capital structure of the Company consists of equity comprising share capital, contributed surplus, warrants, and deficit. The Company's objective when managing capital is to safeguard its accumulated capital in order to maintain its ability to continue as a going concern and to fund exploration activities.

16. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Fair Values of Financial Instruments

The carrying amount of cash and cash equivalents, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The Company's debt is carried at its carrying amount which is reflective of fair value since the debt was assumed during the year and there have been no material changes in market interest rates. The Company does not have any other financial assets or liabilities.

The Company has exposure to credit risk, liquidity risk, market risk and commodity price risk. The source of risk exposure and how each is managed is outlined below:

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfil its payment obligation. The Company is exposed to credit risk on its cash and cash equivalents. Cash is maintained on deposit with a major Canadian chartered bank. The Company believes its credit risk with respect to cash and cash equivalents is not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of December 31, 2024 the Company had a cash balance of $8,032,910 and a positive working capital of $7,129,606.

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and commodity prices will affect the Company's net loss or the value of its financial instruments.

Commodity Price Risk

The recoverability of the Company's mineral exploration and evaluation assets is partially related to the market price of minerals and commodities. The Company does not hedge this exposure to fluctuations in commodity prices. The Company's ability to continue with its exploration programs is also indirectly subject to commodity prices.

17. SUBSEQUENT EVENT

On January 16, 2025, 1,425,000 outstanding warrants expired, with the remaining 1,425,000 warrants outstanding expiring on January 19, 2025.

On January 28, 2025, 200,000 RSUs vested and were granted to 4i Consulting Inc., a company controlled by Richard LaBelle.

On March 18, 2025, the Company ended its management services contract with 4i Consulting Inc. for the services of Richard LaBelle as CEO. Currently, the Chairman of the Board, Patrick Laracy, has taken on the executive management duties while recruitment of a new CEO is ongoing. As a result 1,000,000 performance share units (PSUs) have been forfeited.

On March 28, 2025, Marc Boissoneault, Director, resigned from the Board of Atlas Salt. Mr. Boissoneault surrendered the 200,000 deferred share units (DSUs) that were issued to him in 2024.

An additional 119,750 PSUs and RSUs vested subsequent to December 31, 2024, but have not yet been settled. The board has authorized the issuance of 119,750 shares to settle these PSUs and RSUs.

The number of outstanding shares as of April 28, 2025, is 97,167,117 which is a 200,000 increase from December 31, 2024, as a result of the settlement of 200,000 RSUs vesting on January 28, 2025.

(709) 739-9545
info@atlassalt.com
www.AtlasSalt.com
Atlas Salt Inc.
100 New Gower Street, Suite 910
St. John's, NL, Canada A1C 6K3

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Patrick Laracy
Interim Chief Executive Officer

Alasdair Federico
Chief Financial Officer

BOARD OF DIRECTORS

Patrick J. Laracy, Chairman

Bob Kelly

Fraser Edison

Carson Noel

Timothy Rowland Howe

EXCHANGE LISTING
TSX Venture – “SALT”

REGISTRAR AND TRANSFER AGENT
Computershare Trust Company of Canada

LEGAL COUNSEL
DLA Piper

AUDITORS
MNP LLP

HEAD OFFICE
100 New Gower Street, Suite 910
St. John’s, NL, A1C 6K3
Tel: (709) 739-9545
Website: www.atlassalt.com