

TRACTION URANIUM CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2025 and 2024

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Traction Uranium Corp. have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the three and nine months ended June 30, 2025, have not been reviewed or audited by the Company's independent auditors. All amounts are stated in Canadian Dollars unless otherwise stated.

Traction Uranium Corp.

Condensed Interim Statements of Financial Position

As at June 30, 2025 and September 30, 2024

In Canadian Dollars, unless noted (unaudited)

As at	Notes	June 30, 2025	September 30, 2024
		\$	\$
ASSETS			
Cash		472,070	722,647
Restricted cash	4	10,000	10,000
Accounts receivable		177,531	162,197
Prepaid expenses	5	9,600	3,542
TOTAL CURRENT ASSETS		666,001	898,386
Exploration and evaluation assets	6	2,768,559	2,927,934
TOTAL ASSETS		3,434,560	3,826,320
LIABILITIES			
Accounts payable and accrued liabilities		428,853	327,131
Flow-through premium liability		139,728	139,729
TOTAL LIABILITIES		568,582	466,860
SHAREHOLDERS' EQUITY			
Share capital	7	26,606,454	26,606,454
Reserves	7	1,950,301	1,950,301
Deficit		(25,690,777)	(25,197,295)
TOTAL SHAREHOLDERS' EQUITY		2,865,978	3,359,460
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,434,560	3,826,320

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

Going concern (Note 2) and Subsequent events (Note 9)

Approved on behalf of the Board of Directors:

"Paul Gorman" (signed), Director

"Lester Esteban" (signed), Director

Traction Uranium Corp.

Condensed Interim Statements of Net and Comprehensive Loss

For the Three and Nine Months Ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

For the Periods Ended June 30,	Notes	Three Months Ended		Nine Months Ended	
		2025	2024	2025	2024
		\$	\$	\$	\$
EXPENSES					
Consulting fees	8	105,000	71,750	194,625	260,500
Exploration and evaluation expense	6	-	174,594	-	1,836,827
Filing fees		3,993	4,900	38,884	52,101
Office and miscellaneous		6,055	9,340	27,338	39,811
Part XII.6 tax		-	-	-	64,019
Professional fees		10,815	960	23,260	72,795
Share-based compensation	7	-	-	-	490,000
Travel		-	-	-	2,503
TOTAL OPERATING EXPENSES		(125,863)	(261,544)	(334,107)	(2,818,556)
Impairment expense	6	-	-	(159,375)	(150,000)
NET AND COMPREHENSIVE LOSS		(125,863)	(261,544)	(493,482)	(2,968,556)
Loss per share, basic and diluted		(0.01)	(0.03)	(0.05)	(0.33)
Weighted average number of common shares outstanding – Basic and diluted		9,260,912	9,034,484	9,260,912	8,902,241

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

Traction Uranium Corp.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Nine Months ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

	Common Shares	Share Capital	Reserves	Deficit	Total Equity
	Number	\$	\$	\$	\$
Balance, September 30, 2023	8,320,165	25,308,281	2,011,702	(22,147,399)	5,172,584
Private placement – common shares	79,333	119,000	-	-	119,000
Private placement – flow-through shares	558,914	978,000	-	-	978,100
Shares issued for exploration and evaluation assets	25,000	33,750	-	-	33,750
Share issuance costs	-	(89,530)	23,704	-	(65,826)
Issuance – restricted share units	72,500	253,750	(253,750)	-	-
Share-based compensation	-	-	490,000	-	490,000
Net and comprehensive loss for the period	-	-	-	(2,968,556)	(2,968,556)
Balance, June 30, 2024	9,055,912	26,603,351	2,271,656	(25,115,955)	3,759,052
Balance, September 30, 2024	9,260,912	26,606,454	1,950,301	(25,197,295)	3,359,460
Net and comprehensive loss for the period	-	-	-	(493,482)	(493,482)
Balance, June 30, 2025	9,260,912	26,606,454	1,950,301	(25,690,777)	2,865,978

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

Traction Uranium Corp.

Condensed Interim Statements of Cash Flow

For the Nine Months Ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

For the Nine Months Ended June 30,	Notes	2025	2024
OPERATING ACTIVITIES			
Net and comprehensive loss for the period		(493,482)	(2,968,556)
Items not affecting cash:			
Share-based compensation	7	-	490,000
Impairment Expense	6	159,375	150,000
Net changes in non-cash working capital items:			
Accounts receivable		(15,334)	221,302
Prepaid expenses		(2,858)	21,547
Accounts payable and accrued liabilities		101,722	(10,684)
Cash used in operating activities		(250,577)	(2,096,391)
INVESTING ACTIVITIES			
Purchase of exploration and evaluation assets	6	-	(200,000)
Cash used in investing activities		-	(200,000)
FINANCING ACTIVITIES			
Proceeds from share issuances	7	-	1,097,100
Share issuance costs	7	-	(65,826)
Cash received from financing activities		-	1,031,274
Net change in cash		(250,577)	(1,265,117)
Cash, beginning of period		732,647	1,871,425
Cash, end of period		482,070	606,308
Supplemental Cash flow information			
Warrants issued for share issuance costs		-	23,704
Shares issued for purchase of exploration and evaluation assets		-	250,000
Interest paid		-	-
Taxes paid		50,000	64,019

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

Traction Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2025 and 2024
In Canadian Dollars, unless noted (unaudited)

1. NATURE OF OPERATIONS

Traction Uranium Corp. (the "Company") was incorporated under the *BC Business Corporations Act* on July 20, 2020. On November 4, 2021, the Company changed its name from "Traction Exploration Inc." to "Traction Uranium Corp.". On September 1, 2021, the Company's common shares began trading on the Canadian Securities Exchange ("CSE") under the symbol "TRAC".

The principal business of the Company is the acquisition, exploration and evaluation of resource properties. The Company's corporate office and principal place of business is 100 – 521 3rd Avenue SW, Calgary, AB T2P 3T3.

These condensed interim financial statements (the "financial statements") were approved by the Board of Directors on August 26, 2025.

2. GOING CONCERN

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. During the period ended June 30, 2025, the Company incurred a net loss of \$493,482 (2024 - \$2,968,556) and as at that date, has an accumulated deficit of \$25,690,777 (September 30, 2024 - \$25,197,295). The Company has incurred losses since inception and has no current source of operating revenue and is accordingly dependent upon the receipt of equity on terms which are acceptable.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. The Company will continue to require additional funding to maintain its ongoing exploration programs, property maintenance payments and operations and administration for the next fiscal year.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent regional conflicts and potential economic global challenges such as the risk of higher inflation and energy crisis, may create further uncertainty and risk with respect to the prospects of the Company's business.

These circumstances comprise a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. If for any reason the Company is unable to continue as a going concern, this could result in adjustments to the amounts and classifications of assets and liabilities in the Company's statement of financial position. These financial statements do not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

3. BASIS OF PRESENTATION

In these financial statements, unless otherwise indicated, all amounts are expressed in Canadian dollars, which is the Company's functional and presentation currency.

These financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements are condensed as they do not include all of the information required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited financial statements for the year ended September 30, 2024.

The financial statements have been prepared on a historical cost basis, except as detailed in the accounting policies disclosed in Note 4 of the Company's audited financial statements for the year ended September 30, 2024. All accounting policies, estimates and methods of computation followed in the preparation of these financial statements are consistent with those of the previous year.

Traction Uranium Corp.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2025 and 2024
In Canadian Dollars, unless noted (unaudited)

4. RESTRICTED CASH

As at June 30, 2025, the Company classified \$10,000 (September 30, 2024 - \$10,000) as restricted cash. This amount is held as collateral for the Company's corporate credit cards and is invested in GICs at a rate of prime less 0.50%, that auto-renew upon maturity.

5. PREPAID EXPENSES

As at June 30, 2025, the Company has \$6,400 (September 30, 2024 - \$3,542) in prepaid expenses and consists of the following:

	June 30, 2025	September 30, 2024
	\$	\$
Prepaid insurance	6,400	3,542
Total	6,400	3,542

6. EXPLORATION AND EVALUATION ASSETS AND EXPENSES

Staking costs, property option payments and other costs associated with acquiring exploration and evaluation assets are capitalized and classified as exploration and evaluation assets. Other expenditures (i.e. geological and geographical surveys, analysis, mapping, etc.) are expensed as they are incurred.

The following table summarizes the Company's exploration and evaluation assets by property at June 30, 2025 and September 30, 2024.

	Hearty Bay	Key Lake South	Grease River	Total
	\$	\$	\$	\$
Balance, September 30, 2023	2,618,559	150,000	75,625	2,844,184
Acquisition costs (cash)	150,000	-	50,000	200,000
Acquisition costs (shares)	-	-	33,750	33,750
Impairment expense	-	(150,000)	-	(150,000)
Balance, September 30, 2024	2,768,559	-	159,375	2,927,934
Impairment expense	-	-	(159,375)	(159,375)
Balance, June 30, 2025	2,768,559	-	-	2,768,559

The Company did not spend on exploration and evaluation expenses during the nine months ended June 30, 2025. The following table summarizes the Company's exploration and evaluation expenses by property and type of expense, for the nine months ended June 30, 2024:

	Hearty Bay	Key Lake South	Grease River	Total
	\$	\$	\$	\$
Drilling	-	-	-	-
Geophysics	1,425,288	5,224	396,315	1,826,827
Lab analysis	-	-	-	-
Land maintenance	-	-	-	-
Planning	-	-	-	-
Reporting and administration	3,333	3,333	3,334	10,000
Balance, June 30, 2024	1,428,621	8,557	399,648	1,836,827

Traction Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

a) Hearty Bay Property

On October 30, 2021 the Company entered into an option agreement with F3 Uranium Corp. ("F3") (an unrelated party) whereby the Company will be granted the right to earn and acquire up to a 70% interest in the Hearty Bay property in Saskatchewan (together the "Hearty Bay Option Agreement").

Pursuant to the Hearty Bay Option Agreement, the Company will acquire up to a 70% interest in the Hearty Bay property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures. On February 28, 2023, the Hearty Bay Option Agreement was amended, with the revised series of cash payments, issuances of common shares, and required exploration expenditures outlined in the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 50%			
Seven days after effective date of Dec 9, 2021 (met)	\$300,000	-	-
December 9, 2022 (met)	\$100,000	-	\$1,000,000
June 9, 2023 (met)	\$100,000	-	-
December 31, 2024 (cash payment – met)	\$150,000	-	\$2,000,000
Phase 2: Acquire Additional 20% (Total 70%)			
June 6, 2025	\$150,000	-	-
December 9, 2025	\$200,000	-	\$3,000,000

During the year ended September 30, 2024, the Hearty Bay option agreement and royalty agreement were transferred from F3 to F4 Uranium Corp. ("F4") by way of a plan of arrangement.

F4 will retain a 2% net smelter royalty ("NSR") on the property.

During the nine months ended June 30, 2025, the Company issued no common shares and paid \$nil in cash as part of the Hearty Bay Option Agreement (2024 – nil common shares and \$150,000 in cash).

As at June 30, 2025, the Company is in negotiations with F4 to extend the terms of the option agreement as detailed above, and is not in default of any milestones required by the original agreement.

b) Key Lake South Property

On August 15, 2022, the Company entered into a property option agreement with UGreenco Energy Corp. (the "Vendor") pursuant to which the Company has been granted the right to acquire up to a 75% interest in and to the Key Lake South Property, which consists of a series of mineral disposition parcels located in Athabasca Basin, North Saskatchewan, Canada (together the "Key Lake South Option Agreement").

Pursuant to the Key Lake South Option Agreement, the Company will acquire up to a 75% interest in the Key Lake South property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Traction Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 51%			
Seven days after effective date (met)	\$50,000	-	-
60 days after the effective date (met)	-	\$100,000	-
December 31, 2022 (met)	-	-	\$150,000
December 31, 2023	\$200,000	\$200,000	\$1,500,000
December 31, 2024	\$750,000	\$750,000	\$6,500,000
Phase 2: Acquire Additional 24% (Total 75%)			
December 31, 2025	\$750,000	\$750,000	\$6,500,000

During the year ended September 30, 2024, the Company did not issue the consideration payments outlined by the option agreement as the project was not further pursued. As a result, the agreement was terminated. Accordingly, the Company wrote off the acquisition costs of \$150,000 through the statement of loss and comprehensive loss.

c) Grease River

On February 3, 2023, the Company entered into an option agreement with Forum Energy Metals Corp. ("Forum"), whereby the Company will be granted the right to earn and acquire up to a 100% interest in the Grease River Property in Saskatchewan (together, the "Grease River Option Agreement").

Pursuant to the Grease River Option Agreement, the Company will acquire up to a 100% interest in the Grease River property, in consideration for completing a series of cash payments, issuances of common shares and incurring exploration expenditures in accordance with the following schedule:

Milestones	Cash Payments	Common Shares Issuances	Exploration Expenditures
Phase 1: Acquire 51%			
February 10, 2023 (Met)	\$25,000	-	-
March 1, 2023 (Met)	-	125,000	-
December 31, 2023 (Met)	\$50,000	250,000	\$500,000
December 31, 2024	\$75,000	500,000	\$1,000,000
December 31, 2025	\$100,000	750,000	\$1,500,000
Phase 2: Acquire Additional 19% (Total 70%)			
December 31, 2026	\$200,000	1,000,000	\$1,500,000
December 31, 2027	\$500,000	1,500,000	\$1,500,000
Phase 3: Acquire Additional 39% (Total 100%)			
December 31, 2028	\$1,000,000	3,000,000	\$3,000,000

During the nine months ended June 30, 2025, the Company issued no common shares and paid no amounts in cash as part of the Grease River Option Agreement (September 30, 2024 - 25,000 common shares and paid \$50,000 in cash).

On April 22, 2025, the Company announced that it had terminated the property option agreement with Forum. Accordingly, the Grease River property was impaired in accordance with Level 3 of the fair value hierarchy, and \$159,375 of impairment expense was recognized.

7. SHARE CAPITAL

A) Authorized and Issued Share Capital

The authorized share capital consists of an unlimited number of common shares without par value.

Traction Uranium Corp.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2025 and 2024
In Canadian Dollars, unless noted (unaudited)

On September 26, 2024, the Company consolidated its issued share capital on a ratio of 10 pre-consolidation common shares to 1 post-consolidation common share (the "Share Consolidation"). The current and comparative references to the common shares, weighted average number of common shares, loss per share, options, RSUs and warrants have been restated to give effect to this Share Consolidation.

Common shares issued and outstanding as at June 30, 2025 are 9,260,912 (September 30, 2024 – 9,260,912).

The Company did not have any common share transactions during the nine months ended June 30, 2025.

During the year ended September 30, 2024, the Company had the following common share transactions:

- (i) On November 14, 2023, the Company closed the first tranche of a non-brokered private placement for aggregate proceeds of \$747,100. The Company issued 79,333 units at a price of \$1.50, as well as 358,914 flow-through units at a price of \$1.75. Each non-flow-through and flow-through unit consist of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of \$2.00 for a period of two years from the date of issue. A residual value of \$21,912 was allocated to the warrants. Finders' fees of \$44,826 were paid and 26,295 finders' warrants fair valued at \$29,548 were issued in connection with the private placement. The Company also paid \$3,523 in cash for share issuance costs. A total of \$89,729 was allocated to the flow-through premium liability on the transaction.
- (ii) On November 24, 2023, the Company closed the second tranche of the non-brokered private placement discussed above for aggregate proceeds of \$350,000. The Company issued 200,000 flow-through units at a price of \$1.75. Each flow-through unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one share at a price of \$2.00 for a period of two years from the date of issue. A residual value of \$60,000 was allocated to the warrants. Finders' fees of \$21,000 were paid and 12,000 finders' warrants fair valued at \$10,889 were issued in connection with the private placement. A total of \$50,000 was allocated to the flow-through liability premium liability on the transaction.
- (iii) On January 8, 2024, the Company issued 25,000 common shares to Forum Energy Metals Corp. with a fair value of \$33,750 in connection to the Grease River Option Agreement (Note 6(c)).
- (iv) During the year-ended September 30, 2024, 277,500 restricted share units were converted into common shares of the Company and \$498,750 was transferred from reserves to share capital.

B) Stock Options

A summary of the Company's share purchase options ("options") at June 30, 2025 and September 30, 2024 is as follows:

	Number of Options	Exercise Price
Balance, September 30, 2023	187,500	\$3.90
Options – Expired	(65,000)	(\$5.00)
Balance, September 30, 2024	122,500	\$3.26
Options – Expired	(12,500)	(\$4.00)
Balance, June 30, 2025	110,000	\$3.17

The following is a summary of the stock options outstanding as at June 30, 2025:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
December 31, 2022	December 29, 2027	\$2.90	60,000
June 19, 2023	June 19, 2028	\$3.50	50,000
Total			110,000

During the nine months ended June 30, 2025, the Company recorded share-based compensation expense of \$nil (2024 - \$nil) pursuant to option vesting.

Traction Uranium Corp.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2025 and 2024
In Canadian Dollars, unless noted (unaudited)

C) Share Purchase Warrants

A summary of the movements in the Company's share purchase warrants ("warrants") at June 30, 2025 is as follows:

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2023	2,000,578	\$5.19
Granted	676,543	\$2.00
Expired	(1,018,393)	(\$5.64)
Balance, September 30, 2024	1,658,728	\$3.60
Expired	(982,185)	(\$2.80)
Balance, June 30, 2025	676,543	\$2.00

The following is a summary of the warrants at June 30, 2025:

Issue Date	Expiry Date	Exercise Price	Total Outstanding
November 14, 2023	November 14, 2025	\$2.00	464,543
November 24, 2023	November 24, 2025	\$2.00	212,000
Total			676,543

At June 30, 2025, the warrants have a weighted average remaining contractual life of 0.38 years (September 30, 2024 – 0.70 years).

D) Restricted Share Units

Effective March 22, 2023, the Company has amended and restated its equity incentive plan. Under the 2023 Equity Incentive Plan, the Board of Directors of the Company may, from time to time, grant directors, officers, employees and consultants of the Company, non-transferable RSUs. The expiry date for each restricted share unit shall be set by the Board of Directors at the time of issue. A vesting schedule may be imposed at the discretion of the Board of Directors at the time of issue.

A summary of the Company's restricted share units ("RSUs") at June 30, 2025 is as follows:

	RSUs	Fair Value
Balance, September 30, 2023	55,000	\$3.50
Granted	350,000	\$1.40
Exercised	(277,500)	\$1.80
Expired	(127,500)	\$1.45
Balance, September 30, 2024 and June 30, 2025	-	-

During the nine months ended June 30, 2025, the Company recorded share-based compensation expense of \$nil pursuant to RSUs vesting (2024 – \$490,000).

E) Escrow Shares

As at June 30, 2025, the Company has no common shares held in escrow (2024 – 345,000).

Traction Uranium Corp.
Notes to the Condensed Interim Financial Statements
For the Nine Months Ended June 30, 2025 and 2024
In Canadian Dollars, unless noted (unaudited)

8. RELATED PARTY TRANSACTIONS AND BALANCES

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

The aggregate value of transactions relating to key management personnel during the nine months ended June 30, 2025 and 2024 were as follows:

	June 30, 2025	June 30, 2024
	\$	\$
Consulting fees - CEO	45,000	69,000
Consulting fees - CFO	67,500	67,500
Director fees	-	58,500
Share-based compensation	-	420,000
Total	112,500	615,000

As at June 30, 2025, a \$110,250 balance (September 30, 2024 – \$86,900) was owing to key management personnel for fees and expenses incurred on behalf of the Company with these amounts all included in accounts payable. The amounts payable are non-interest bearing, are unsecured, and have no specific terms of repayment.

9. FLOW-THROUGH PREMIUM LIABILITY

A summary of changes in the Company's flow-through share premium liability as at June 30, 2025 and September 30, 2024 is as follows:

	June 30, 2025	September 30, 2024
	\$	\$
Opening balance	139,729	-
Flow-through share premium on issuance	-	139,729
Settlement of flow-through share premium liability	-	-
Ending Balance	139,729	139,729

As at June 30, 2025, the Company has \$2,263,729 (September 30, 2024 – \$2,263,729) remaining in committed flow-through proceeds to be expended.

10. RISK MANAGEMENT

A) Financial Risk Management

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

I. Credit Risk

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. Management's assessment of the Company's exposure to credit risk on its \$472,070 in cash (September 30, 2024 - \$722,647) is low as the Company's cash is held with major Canadian financial institutions. The accounts receivable relates to GST receivable from the Canadian Revenue Agency.

II. Liquidity Risk

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at June 30, 2025 the Company's working capital surplus is \$97,419 (September 30, 2024 - \$431,526), and it does not have any long-term monetary liabilities. The Company may seek additional financing through debt or equity

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Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2025 and 2024

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offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

The Company intends to seek additional financing to better manage its liquidity risk to ensure it will have sufficient liquidity to meet its current and future liabilities. All of the Company's accounts payable and accrued liabilities are due within 90 days of period end.

III. Market Risk

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

IV. Currency Risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company has limited exposure to these risks.

B) Fair Values

The carrying values of cash, accounts payable and accrued liabilities and loan payable approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2 – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

B) Capital Management

The Company considers its shareholders' equity as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to satisfy its capital obligations and ongoing operational expenses, and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company manages its capital structure and makes adjustments as necessary in light of economic conditions. The Company, upon approval from its Board of Directors, intends to balance its overall capital structure through new share issues or by undertaking other activities as deemed appropriate under the specific circumstances. To maintain its capital structure the Company may, from time to time, issue equity or debt, repay debt or sell assets.

The Company is not exposed to any externally imposed capital requirements. There has been no change in the Company's approach to capital management during the six-month period ending June 30, 2025.

11. SUBSEQUENT EVENTS

On August 5, 2025, the Company issued 400,000 common shares fair valued at \$136,000 in accordance with the Hearty Bay Option Agreement.

On August 6, 2025, the Company announced that it entered into debt settlement agreements with a director, an officer, and a consultant of the Company to settle an aggregate amount of \$283,400 through the issuance of 1,288,181 units at a deemed price of \$0.22 per unit. Each unit is comprised of one common share and one share purchase warrant.

Traction Uranium Corp.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended June 30, 2025 and 2024

In Canadian Dollars, unless noted (unaudited)

Each warrant will be convertible into one share at a price of \$0.285 for a period of two years. The settlement agreement is subject to the approval of the CSE and the units have yet to be issued.

On August 18, 2025, the Company announced the appointment of Paul Sparkes as a Director of the Company.