PULSAR
HELIUM INC

Consolidated Financial Statements

For the nine months ended September 30, 2022

For the years ended December 31, 2021 and 2020

(Expressed in US dollars)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Pulsar Helium Inc.

Opinion

We have audited the accompanying consolidated financial statements of Pulsar Helium Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2022, December 31, 2021 and 2020 and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficiency, and cash flows for the nine months ended September 30, 2022, the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2022, December 31, 2021 and 2020, and its financial performance and its cash flows for the nine months ended September 30, 2022, and the years ended December 31, 2021 and 2020, in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that as at September 30, 2022, the Company had a working capital deficiency of $170,933, and that management estimates that its working capital may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration. As stated in Note 1, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Davidson & Company LLP

Vancouver, Canada

Chartered Professional Accountants

July 31, 2023

Pulsar Helium Inc.

Consolidated Statement of Financial Position

(Expressed in US dollars)

	Note	September 30, 2022	December 31, 2021	December 31, 2020
ASSETS				
Current Assets				
Cash		$ 92,264	$ 31,354	$ 1,329
Receivables		416	-	-
Prepaid expenses		13,036	-	-
		105,716	31,354	1,329
Exploration and evaluation assets	6	139,978	78,311	-
		$ 245,694	$ 109,665	$ 1,329
LIABILITIES AND SHAREHOLDERS' DEFICIENCY				
Current Liabilities				
Trade and other payables	8	$ 156,649	$ 19,637	$ 16,750
Related party loan	8	120,000	120,000	-
		276,649	139,637	16,750
Shareholders' Deficiency				
Share capital	7	465,882	1,000	1,000
Deficit		(496,837)	(30,972)	(16,421)
		(30,955)	(29,972)	(15,421)
		$ 245,694	$ 109,665	$ 1,329

Nature of operations and going concern	1
Acquisition of Invenir and Skyfire	4
Acquisition of Keewaydin	5
Subsequent events	13

These consolidated financial statements are approved for issue by the Board of Directors of the Company on July 31, 2023.

They are signed on the Company's behalf by:

"Thomas Abraham-James", Director

"Neil Herbert", Director

Pulsar Helium Inc.

Consolidated Statement of Loss and Comprehensive Loss

(Expressed in US dollars)

	Note	Nine months ended September 30, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Expenses				
Administration		$ 13,196	$ 3,090	$ -
Consulting fees	*8*	9,989	-	-
Exploration and evaluation expenditures	*6*	247,012	-	-
Foreign exchange		22,766	-	-
Professional fees		121,076	11,461	5,700
Travel		34,450	-	-
		(448,489)	(14,551)	(5,700)
Gain on forgiveness of trade and other payables	*8*	11,000	-	-
Interest expense	*8*	(4,995)	-	-
Transaction costs	*5*	(23,381)	-	-
Loss and comprehensive loss for the period		$ (465,865)	$ (14,551)	$ (5,700)
Basic and diluted loss per common share		$ (0.07)	$ (14.55)	$ (5.70)
Basic and diluted weighted average number of common shares outstanding		6,959,707	1,000	1,000

Pulsar Helium Inc.
Consolidated Statement of Cash Flows
(Expressed in US dollars)

	Nine months ended September 30, 2022	Year ended December 31, 2021	Year ended December 31, 2020
OPERATING ACTIVITIES			
Loss for the period	$ (465,865)	$ (14,551)	$ (5,700)
Items not involving cash			
Shares issued for consulting fees	9,989	-	-
Shares issued for Interest expense	4,995		
Gain on forgiveness of trade and other payables	(11,000)	-	-
Transaction costs	23,381	-	-
Change in non-cash working capital items:			
Receivables	(374)	-	-
Prepaid expenses	(13,036)	-	-
Trade and other payables	57,907	2,887	5,700
Net cash used in operating activities	(394,003)	(11,664)	-
INVESTING ACTIVITIES			
Cash received on acquisition of Invenir and Skyfire, net	149,010	-	-
Net cash provided by investing activities	149,010	-	-
FINANCING ACTIVITIES			
Proceeds on private placement	305,903	-	-
Related party loan	-	41,689	-
Net cash provided by financing activities	305,903	41,689	-
Increase in cash for the period	60,910	30,025	-
Cash, beginning of the period	31,354	1,329	1,329
Cash, end of the period	$ 92,264	$ 31,354	$ 1,329
Non-cash investing and financing activities			
Shares issued on acquisition of Invenir and Skyfire	$ 144,955	$ -	$ -
Accrued exploration and evaluation assets	50,000	78,311	-
Supplementary information			
Interest paid	$ -	$ -	$ -
Income taxes paid	-	-	-

Pulsar Helium Inc.

Consolidated Statement of Shareholders' Deficiency

(Expressed in US dollars)

	Number of Shares	Share Capital	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2021	1,000	$ 1,000	$ (30,972)	$ (29,972)
Elimination of Keewaydin share capital	(1,000)	(1,000)	-	(1,000)
Shares issued for acquisition of Invenir	34,375,000	-	-	-
Shares issued for consulting fees	8,000,000	9,989	-	9,989
Shares issued for interest expense	4,000,000	4,995	-	4,995
Private placement	4,900,000	305,903	-	305,903
Elimination of Invenir shares	(51,275,000)	-	-	-
Shares issued on acquisition of Invenir and Skyfire	50,000,000	144,995	-	144,995
Comprehensive loss for the period	-	-	(465,865)	(465,865)
Balance, September 30, 2022	50,000,000	$ 465,882	$ (496,837)	$ (30,955)

	Number of Shares	Share Capital	Deficit	Total Shareholders' Deficiency
Balance, December 31, 2020	-	$ -	$ (16,421)	$ (16,421)
Incorporation shares	1,000	1,000	-	1,000
Comprehensive loss for the year	-	-	(14,551)	(14,551)
Balance, December 31, 2021	1,000	$ 1,000	$ (30,972)	$ (29,972)

1. NATURE OF OPERATIONS AND GOING CONCERN

Pulsar Helium Inc. (the "Company" or "Pulsar") was incorporated under the laws of British Columbia, Canada on June 30, 2022. The corporate office and registered and records office of the Company is located at Unit 1 – 15782 Marine Drive, White Rock, BC, Canada, V4B 1E6.

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

The Company is in the process of completing an Initial Public Offering ("IPO") and listing on the TSX Venture Exchange ("TSX-V").

On July 7, 2022, the Company changed its name from 1369886 B.C. Ltd. to Pulsar Holdings Inc. On October 24, 2022, the Company changed its name from Pulsar Holdings Inc. to Pulsar Helium Inc.

On August 23, 2022, the Company completed a reverse take-over transaction whereby the Company acquired 100% of the shares of Invenir Ltd. ("Invenir") and Skyfire Ltd. ("Skyfire") (Note 4). Invenir owns 100% of Keewaydin Resources Inc. ("Keewaydin") which Invenir acquired on February 7, 2022 through a reverse take-over transaction (Note 5).

Invenir was incorporated under the laws of the England and Wales on December 3, 2021. Skyfire was incorporated under the laws of the England and Wales on April 30, 2021. Keewaydin was originally formed as Keewaydin Resources LLC pursuant to the laws of the State of Minnesota on June 8, 2017 and converted to a business corporation on November 2, 2021.

Keewaydin has an option agreement on the Topaz helium project in the USA and Skyfire holds the Tunu helium project in Greenland (Note 6).

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2022, the Company had a working capital deficiency of $170,933. Subsequent to September 30, 2022, the Company completed a non-brokered private placement through the issuance of 12,924,775 special warrants for gross proceeds of $2,141,784 (Note 13). However, management estimates that its working capital and the subsequent financing may not provide the Company with sufficient financial resources to carry out currently planned operations and exploration through the next twelve months. Additional financing may be required by the Company to complete its strategic objectives and continue as a going concern. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's ability to raise funds.

2. BASIS OF PRESENTATION

Statement of compliance

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

Basis of measurement

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

Functional and presentation currency

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

Use of estimates and judgments

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

Carrying value and recoverability of exploration and evaluation assets

Management has determined that acquisition costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits.

2. BASIS OF PRESENTATION (continued)

Use of estimates and judgments (continued)

Determining if an acquisition is a business combination or an asset acquisition

Invenir and Keewaydin completed a reverse take-over transaction, prior to the Pulsar reverse take-over transaction, whereby Invenir acquired 100% of the shares of Keewaydin (Note 5). The Company determined that Keewaydin was the acquirer for accounting purposes, and that the acquisition should be accounted for as an asset acquisition. Management has determined that Invenir did not include all the necessary components of a business. Accordingly, the acquisition of Invenir has been recorded as an acquisition of Invenir's net assets, consisting of Invenir's working capital.

In addition, the Company completed a reverse take-over transaction whereby Pulsar acquired 100% of the shares of Invenir and Skyfire (Note 4). The Company has determined that consolidated Invenir is the acquirer for accounting purposes. As required by IFRS 3 Business Combinations ("IFRS 3"), the Company is required to determine whether the acquisition should be accounted for as a business combination or an asset acquisition. Under IFRS 3, the components of a business must include inputs, processes and outputs. Management has determined that Pulsar and Skyfire did not include all the necessary components of a business. Accordingly, the acquisition of Pulsar and Skyfire has been recorded as an acquisition of Pulsar and Skyfire's net assets pursuant to IFRS 2 Share-based payments ("IFRS 2").

Going concern assumption

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

Determination of functional currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

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

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

Foreign currency translation

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

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

Exploration and evaluation assets and expenditures

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Restoration, rehabilitation and environmental obligations

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

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

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

Impairment

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets

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

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

Impairment

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

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

Financial liabilities

Financial liabilities are designated as either: (i) FVTPL; or (ii) amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded. Trade and other payables and related party loan are classified as other financial liabilities and carried on the statement of financial position at amortized cost. For the period presented, the Company does not have any derivative financial liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

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

Share-based compensation

The Company does not yet have a stock option plan or equity incentive plan. However, once in place, these plans will allow Company directors, employees, and consultants to acquire shares of the Company. The fair value of options granted is recognized as a share-based compensation expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee. Consideration paid on the exercise of stock options is credited to share capital and the fair value of the options is reclassified from share-based reserve to share capital.

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

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

Loss per share

The Company presents basic and diluted earnings (loss) per share (“EPS”) data for its common shares. Basic EPS is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is calculated by dividing the profit or loss by the weighted average number of common shares outstanding assuming that the proceeds to be received on the exercise of dilutive share options and warrants, if any, are used to repurchase common shares at the average market price during the period. In the Company’s case, diluted loss per share is the same as basic loss per share, as the Company has no outstanding share options or warrants outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income taxes

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

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

New standards, interpretations and amendments not yet effective

There are no new standards that will have any significant effect on the Company.

(Expressed in US dollars)

4. ACQUISITION OF INVENIR AND SKYFIRE

On August 23, 2022, the Company completed a reverse take-over transaction whereby the Company acquired 100% of the shares of Invenir and Skyfire (companies had certain directors and shareholders in common). In consideration, the Company issued 33,333,333 common shares to the former Invenir shareholders and 16,666,667 common shares to the former Skyfire shareholders (Note 7).

Invenir owns 100% of Keewaydin, which has an option agreement on the Topaz helium project in the USA, and Skyfire holds the Tunu helium project in Greenland (Note 6).

On completion of the transaction, the former shareholders of Invenir own more shares of the Company than the former shareholders of Pulsar and the former shareholders of Skyfire. Accordingly, the transaction has been treated as a reverse take-over transaction with the accounts of Invenir being the continuing accounts of the Company and Pulsar and Skyfire being the companies acquired.

Pulsar and Skyfire did not meet the definition of a business under IFRS 3 and accordingly the Company has accounted for the transaction in accordance with IFRS 2 Share-based payments, and has recorded the purchase of Pulsar and Skyfire as an acquisition of net assets at fair value. It is management's judgment that the most appropriate indication of fair value of the consideration paid is the fair value of the net assets acquired, and accordingly the Company has valued the 50,000,000 common shares issued at $144,995.

The allocation of the cost of acquisition is summarized as follows:

Consideration		
Shares issued	$	144,995
Total	$	144,995

Net assets (liabilities) acquired		
Cash	$	149,010
Receivables		42
Exploration and evaluation assets (Note 6)		11,667
Trade and other payables		(15,724)
Total	$	144,995

(Expressed in US dollars)

5. ACQUISITION OF KEEWAYDIN

On February 7, 2022, Invenir and Keewaydin completed a reverse take-over transaction whereby Invenir acquired 100% of the shares of Keewaydin for no consideration. All of the Keewaydin shareholders were also shareholders of Invenir.

Pursuant to the transaction, a director of Keewaydin received a 0.5% royalty on the Topaz project (Note 6).

On completion of the transaction, Keewaydin is considered to have acquired Invenir by virtue of the fact that Keewaydin shareholders obtained control of Invenir. Accordingly, the transaction has been treated as a reverse take-over transaction with the accounts of Keewaydin being the continuing accounts of the Company and Invenir being the company acquired.

Invenir did not meet the definition of a business under IFRS 3 and accordingly the Company has accounted for the transaction in accordance with IFRS 2 Share-based payments and has recorded the purchase of Invenir as an acquisition of net assets at fair value.

On the date of acquisition, Invenir had no assets and trade and other payables of $23,381 which amount has been recorded as transaction costs on the statement of loss and comprehensive loss for the nine months ended September 30, 2022.

6. EXPLORATION AND EVALUATION ASSETS

	Topaz Project	Tunu Project	Total
	USA	Greenland	
As at December 31, 2020	$ -	$ -	$ -
Additions	78,311	-	78,311
As at December 31, 2021	78,311	-	78,311
Acquisition of Skyfire (Note 4)	-	11,667	11,667
Additions	50,000	-	50,000
As at September 30, 2022	$ 128,311	$ 11,667	$ 139,978

Topaz Project, USA

In October 2021, Keewaydin entered into an option to lease non-hydrocarbon gases agreement to acquire the Topaz helium project in Minnesota, USA. In consideration, Keewaydin agreed to pay $78,311 on signing of the option agreement and pay $50,000 on each anniversary of the option agreement until October 4, 2024.

(Expressed in US dollars)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Topaz Project, USA (continued)

A company controlled by a director of the Company paid the $78,311 option payment on the behalf of Keewaydin on signing (Note 8). In September 2022, a director of the Company paid the $50,000 anniversary payment due on the Topaz project (Note 8).

In February 2022, a director of Keewaydin received a 0.5% royalty on the Topaz project (Note 5). The Company has the right to repurchase half of the royalty (0.25%) upon payment of $100,000.

In February 2023, the Company exercised the option to acquire the Topaz project and entered into a lease agreement. In consideration, the Company paid $156,000 cash. In addition, the Company agreed to pay a production royalty of 20% of the gross sales price of the product sold.

Tunu Project, Greenland

In October 2021, Skyfire was granted two exploration licenses in Greenland known as the Tunu helium project. The Tunu project consists of a mineral exploration license, effective from November 22, 2021 until December 31, 2024, and a mineral prospecting license for areas in East Greenland, effective from November 22, 2021 until December 31, 2026.

During the nine months ended September 30, 2022 and the year ended December 31, 2021 and 2020, the Company incurred the following exploration and evaluation expenditures:

	Nine months ended September 30, 2022	Year ended December 31, 2021	Year ended December 31, 2020
Topaz Project			
Consulting fees	$ 80,830	$ -	$ -
Geology and Geophysics	107,353	-	-
Regulatory and permitting	20,940	-	-
	209,123	-	-
Tunu Project			
Consulting fees	32,000	-	-
Field expenses	5,889	-	-
	37,889	-	-
	$ 247,012	$ -	$ -

7. SHARE CAPITAL

Authorized

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

Issued and outstanding

During the nine months ended September 30, 2022, the Company completed the following:

- On April 29, 2022, the Company issued 8,000,000 shares for consulting fees of $9,989.
- On April 29, 2022, the Company issued 4,000,000 shares for interest expense of $4,995 (Note 8).
- On June 6, 2022, the Company issued 4,900,000 shares for proceeds of $305,903.
- On August 23, 2022, the Company issued 50,000,000 common shares valued at $144,995 to acquire Invenir and Skyfire (Note 4).

During the year ended December 31, 2021, the Company completed the following:

- On November 2, 2021, the Company issued 1,000 incorporation shares at a price of $1.00 for proceeds of $1,000. Keewaydin was originally formed as Keewaydin Resources LLC pursuant to the laws of the State of Minnesota on June 8, 2017 and converted to a business corporation on November 2, 2021.

Share-based compensation

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

In addition, the Company's Board of Directors approved an equity incentive plan (the "Equity Plan") which governs the granting of any restricted share unit (RSU), performance share unit (PSU) or deferred share unit (DSU) granted under the Equity Plan, to directors, officers, employees and consultants of the Company or a subsidiary of the Company. Pursuant to the Equity Plan, the Company may reserve for issuance up to 10% of the issued and outstanding common shares of the Company.

No stock options or equity instruments have been issued under the Option Plan or the Equity Plan.

8. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

During the nine months ended September 30, 2022, the Company recorded consulting fees of $9,989 (year ended December 31, 2021 - $Nil) to individuals and companies related to directors of the Company and its subsidiaries. These consulting fees were settled in shares of the Company (Note 7).

During the nine months ended September 30, 2022, the Company recorded interest expense of $4,995 (year ended December 31, 2021 - $Nil) related to a one-time interest payment on the $120,000 related party loan disclosed below. This interest expense was settled in shares of the Company (Note 7).

During the nine months ended September 30, 2022, a company controlled by two directors of the Company forgave an amount of $11,000 that was owing by the Company. Accordingly, the Company recorded a gain on forgiveness of trade and other payables of $11,000.

Related party balances

As at September 30, 2022, the Company owed $7,005 (December 31, 2021 - $19,312) for the reimbursement of expenditures, being $5,860 to the Chief Executive Officer and $1,145 to a company controlled by the Chief Financial Officer.

In September 2022, a director of the Company paid the $50,000 anniversary payment due on the Topaz project on behalf of Keewaydin (Note 6). This amount was included in trade and other payables as at September 30, 2022. This amount was repaid in January 2023.

In December 2021, a company controlled by a director of the Company loaned Keewaydin $41,689 and paid the $78,311 option payment due on the Topaz project on the behalf of Keewaydin (Note 6). These amounts total $120,000 and were unsecured and due February 28, 2023. This amount was recorded as related party loan as at September 30, 2022. This loan was repaid in January 2023.

9. SEGMENTED INFORMATION

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

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

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

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

(Expressed in US dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Financial Instruments

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

		September 30, 2022	December 31, 2021	December 31, 2020
Cash	Amortized cost	$ 92,264	$ 31,354	$ 1,329
Trade and other payables	Amortized cost	(156,649)	(19,637)	(16,750)
Related party loan	Amortized cost	(120,000)	(120,000)	-

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

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

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

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

The carrying values of cash, trade and other payables, and related party loan approximate their fair values due to their short-term nature. These consolidated financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Risk Management

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

Credit Risk

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

Liquidity Risk

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

Interest Rate Risk

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

Foreign Currency Risk

The Company's functional and presentation currency is the US dollar. Foreign currency risk arises from transactions denominated in currencies denominated in currencies other than US dollars, as some costs are denominated in Canadian dollars and Great British Pounds. Management believes the foreign exchange risk related to currency conversions are minimal and therefore, does not hedge its foreign exchange risk. The effect of a 10% change in the foreign exchange rate on balances in foreign currencies at September 30, 2022 would be $2,000.

(Expressed in US dollars)

11. MANAGEMENT OF CAPITAL

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

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets, or adjust the amount of cash.

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

12. INCOME TAXES

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

		Nine months ended September 30, 2022		Year ended December 31, 2021
Loss for the period	$	(465,865)	$	(14,551)
Expected income tax recovery	$	(126,000)	$	(4,000)
Impact of different foreign statutory tax rates on earnings of subsidiaries		33,000		-
Change in unrecognized deductible temporary differences		93,000		4,000
Total	$	-	$	-

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

		September 30, 2022		December 31, 2021
Deferred tax assets				
Exploration and evaluation assets	$	51,000	$	-
Non-capital losses available for future periods		45,000		3,000
Total unrecognized deferred tax assets	$	96,000	$	3,000

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

(Expressed in US dollars)

12. INCOME TAXES (continued)

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

		September 30, 2022	Expiry Date
Temporary differences			
Non-capital losses available for future periods	$	211,000	See below
Canada		57,000	2042
USA		39,000	2042
UK		115,000	2042

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

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2022, the Company completed the following:

- In December 2022 and January 2023, the Company completed, in three tranches, a non-brokered private placement through the issuance of 12,373,665 special warrants ("Special Warrants") at a price of C$0.225 per Special Warrant for gross proceeds of $2,049,288 (C$2,784,075). The Company also issued 400,000 Special Warrants to settle prepaid investor relations expenses of $67,134 (C$90,000) and 151,110 Special Warrants to settle investor relations expenses and $25,362 (C$34,000). The Company paid $29,713 cash and issued 334,027 Special Warrants valued at $55,269 in satisfaction of finder's fees on the private placement.

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

- In April and May 2023, all of the Special Warrants automatically converted to 13,258,802 common shares of the Company.