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# **Blue Sky Uranium Corp.**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE NINE MONTHS ENDED SEPTMEBER 30, 2023 AND 2022**

*(Unaudited - Expressed in Canadian Dollars)*

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**NOTICE OF NO AUDITOR REVIEW OF  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's external auditors have not performed a review of these condensed consolidated interim financial statements.

**Blue Sky Uranium Corp.**  
**Consolidated Interim Statements of Financial Position**  
(Unaudited - Expressed in Canadian Dollars)

	Note	September 30, 2023 \$	December 31, 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash		728,958	1,796,358
Accounts receivable		33,100	18,546
Prepaid expenses		34,565	91,299
<b>Total current assets</b>		<u>796,623</u>	<u>1,906,203</u>
<b>Non-current assets</b>			
Mineral property interests	3	<u>197,768</u>	<u>99,682</u>
<b>Total non-current assets</b>		<u>197,768</u>	<u>99,682</u>
<b>Total Assets</b>		<u>994,391</u>	<u>2,005,885</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	5	<u>1,021,809</u>	<u>898,572</u>
<b>Total Liabilities</b>		<u>1,021,809</u>	<u>898,572</u>
<b>SHAREHOLDERS' (DEFICIENCY) EQUITY</b>			
Share capital	4	41,243,331	40,286,362
Reserves	4	12,729,895	12,175,001
Share subscriptions received	13	18,750	-
Deficit		<u>(54,019,394)</u>	<u>(51,354,050)</u>
<b>Total shareholders' (deficiency) equity</b>		<u>(27,418)</u>	<u>1,107,313</u>
<b>Total Shareholders' (Deficiency) Equity and Liabilities</b>		<u>994,391</u>	<u>2,005,885</u>

**NATURE OF OPERATIONS AND GOING CONCERN (Note 1)**

**COMMITMENT (Note 9)**

**CONTINGENCY (Note 10)**

**SUBSEQUENT EVENTS (Note 13)**

These condensed consolidated interim financial statements are authorized for issue by the Board of Directors on November 20, 2023. They are signed on the Company's behalf by:

"Nikolaos Cacos" , Director

"David Terry" , Director

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

**Blue Sky Uranium Corp.**  
**Consolidated Interim Statements of Loss and Comprehensive Loss**  
(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended		Nine months ended	
		September 30,		September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
<b>Expenses</b>					
Accounting and audit		4,678	-	4,678	-
Corporate development and investor relations		207,724	179,254	566,750	905,856
Exploration	3	490,588	1,677,474	2,013,358	4,964,143
Management fees	5	28,200	28,200	84,600	84,600
Office and sundry	5	8,473	7,578	27,846	21,154
Professional fees	5	98,893	41,891	161,051	118,706
Rent, parking and storage		4,310	4,310	12,930	12,930
Salaries and employee benefits	5	70,720	59,085	214,246	177,255
Transfer agent and regulatory fees		24,273	36,554	54,073	67,268
Travel		-	-	8,924	-
<b>Loss from operating activities</b>		<b>937,859</b>	<b>2,034,346</b>	<b>3,148,456</b>	<b>6,351,912</b>
<b>Other (income) loss</b>					
Foreign exchange loss (gain)		7,170	42,578	163,456	(250,132)
Gain on sale of marketable securities		(240,492)	(553,305)	(638,770)	(1,688,386)
Interest income		(4,111)	(6,108)	(7,798)	(7,706)
<b>(Income) from other items</b>		<b>(237,433)</b>	<b>(516,835)</b>	<b>(483,112)</b>	<b>(1,946,224)</b>
<b>Loss and comprehensive loss for the period</b>		<b>700,426</b>	<b>1,517,511</b>	<b>2,665,344</b>	<b>4,405,688</b>
<b>Basic and diluted loss per common share (\$)</b>	6	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.02</b>

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

**Blue Sky Uranium Corp.**  
**Consolidated Interim Statements of Cash Flows**  
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended September 30,	
	2023	2022
	\$	\$
<b>Cash flows used in operating activities</b>		
Loss for the period	(2,665,344)	(4,405,688)
Change in non-cash working capital items:		
Increase in accounts receivable	(14,554)	(17,349)
Decrease in prepaid expenses	56,734	47,336
Increase in accounts payable and accrued liabilities	123,237	118,629
<b>Net cash used in operating activities</b>	<b>(2,499,927)</b>	<b>(4,257,072)</b>
<b>Cash flow used in investing activities</b>		
Expenditures on mineral property interests	(98,086)	(60,546)
<b>Net cash used in investing activities</b>	<b>(98,086)</b>	<b>(60,546)</b>
<b>Cash flows from financing activities</b>		
Issuance of common shares and warrants	1,600,000	2,100,000
Share issue costs	(88,137)	(91,205)
Warrants exercised	-	59,625
Subscriptions received	18,750	-
<b>Net cash from financing activities</b>	<b>1,530,613</b>	<b>2,068,420</b>
<b>Net decrease in cash</b>	<b>(1,067,400)</b>	<b>(2,249,198)</b>
Cash and cash equivalents at beginning of period	1,796,358	3,287,023
<b>Cash and cash equivalents at end of period</b>	<b>728,958</b>	<b>1,037,825</b>

**SUPPLEMENTARY CASH FLOW INFORMATION (Note 11)**

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

**Blue Sky Uranium Corp.**  
**Consolidated Statements of Changes in Equity (Deficiency)**  
*(Unaudited - Expressed in Canadian Dollars)*

	Share capital		Reserves				Accumulated Deficit	Total
	Number of Shares	Amount \$	Contributed Surplus \$	Equity Settled Share-based Payments \$	Warrants \$	Subscriptions received		
<b>Balance at December 31, 2021</b>	185,455,307	37,662,884	4,568,431	1,882,184	4,525,126	-	(45,781,624)	2,857,001
Private placements	14,000,000	1,462,532	-	-	637,468	-	-	2,100,000
Share issue costs	-	(91,205)	-	-	-	-	-	(91,205)
Agents' warrants granted	-	(36,984)	-	-	36,984	-	-	-
Warrants exercised	238,500	69,607	-	-	(9,982)	-	-	59,625
Warrants and agents' warrants expired	-	-	1,120	-	(1,120)	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(4,405,688)	(4,405,688)
<b>Balance at September 30, 2022</b>	199,693,807	39,066,834	4,569,551	1,882,184	5,188,476	-	(50,187,312)	519,733
Private placements	18,161,000	1,306,572	-	-	509,528	-	-	1,816,100
Share issue costs	-	(61,782)	-	-	-	-	-	(61,782)
Agents' warrants granted	-	(25,262)	-	-	25,262	-	-	-
Warrants exercised	-	-	-	-	-	-	-	-
Warrants and agents' warrants expired	-	-	310,962	-	(310,962)	-	-	-
Stock options expired	-	-	41,543	(41,543)	-	-	-	-
Comprehensive loss for the year	-	-	-	-	-	-	(1,166,738)	(1,166,738)
<b>Balance at December 31, 2022</b>	217,854,807	40,286,362	4,922,056	1,840,641	5,412,304	-	(51,354,050)	1,107,313
Private placements	21,333,333	1,093,453	-	-	506,547	18,750	-	1,618,750
Share issue costs	-	(88,137)	-	-	-	-	-	(88,137)
Agents' warrants granted	-	(48,347)	-	-	48,347	-	-	-
Warrants and agents' warrants expired	-	-	1,109,377	-	(1,109,377)	-	-	-
Stock options expired	-	-	722,873	(722,873)	-	-	-	-
Comprehensive loss for the period	-	-	-	-	-	-	(2,665,344)	(2,665,344)
<b>Balance at September 30, 2023</b>	239,188,140	41,243,331	6,754,306	1,117,768	4,857,821	18,750	(54,019,394)	(27,418)

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

## **Blue Sky Uranium Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

### **1. NATURE OF OPERATIONS AND GOING CONCERN**

The Company was incorporated under the Business Corporation Act of British Columbia on November 30, 2005 as Mulligan Capital Corp. On May 18, 2006, the Company received final receipts for a prospectus and became a reporting issuer in British Columbia and Alberta. On June 27, 2006 the Company completed its initial public offering and on June 28, 2006 the Company listed its common shares on the TSX Venture Exchange (the "TSX-V") as a capital pool company. On February 7, 2007, the Company completed its qualifying transaction and was upgraded to Tier II status on the TSX-V. The Company also changed its name to Blue Sky Uranium Corp. to reflect its business as a junior uranium exploration company. The address of the Company's registered office is Suite 312 – 837 West Hastings Street, Vancouver, BC, Canada V6C 3N6.

The Company is a natural resource company engaged in the acquisition and exploration of resource properties in Argentina. The Company's mineral property interests presently have no proven or probable reserves and, on the basis of information to date, it has not yet determined whether these properties contain economically recoverable resources. Consequently, the Company considers itself to be an exploration stage company.

The amounts shown as mineral property interests represent acquisition costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. The underlying value of the mineral property interests is entirely dependent on the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to advance the properties beyond the exploration stage, and future profitability of the properties.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to consolidated financial statements and to a going concern, which assume that the Company will realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Company has experienced recurring operating losses and has an accumulated deficit of \$54,019,394 and shareholders' deficiency of \$27,418 at September 30, 2023. In addition, the Company has a working capital deficiency of \$225,186 at September 30, 2023 and negative cash flow from operating activities of \$2,499,927. Working capital is defined as current assets less current liabilities and provides a measure of the Company's ability to settle liabilities that are due within one year with assets that are also expected to be converted into cash within one year. These factors create material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's continued operations, as intended, are dependent upon its ability to raise additional funding to meet its obligations and commitments and to attain profitable operations. Management's plan in this regard is to raise equity financing as required. There are no assurances that the Company will be successful in achieving these goals.

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 geopolitical events, including, the outbreaks of the coronavirus (COVID-19) pandemic, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

These condensed consolidated interim financial statements do not include adjustments to the amounts and classifications of assets and liabilities and reported expenses that might be necessary should the Company be unable to continue as a going concern, which could be material.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### *Statement of compliance*

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (“IAS 34”), as issued by the International Accounting Standards Board (“IASB”), and its interpretations, using accounting policies consistent with International Financial Reporting Standards (“IFRS”) and accordingly, certain information and note disclosure included in the annual consolidated financial statements prepared in accordance with IFRS have been omitted or condensed. These condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2022 audited annual consolidated financial statements.

#### *Basis of preparation*

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

#### *Basis of consolidation*

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries as follows:

	Place of Incorporation	Principal Activity
Blue Sky Uranium Holdings Corp.	BC, Canada	Holding company
Minera Cielo Azul S.A. (Argentina)	Argentina	Exploration company
Desarrollo de Inversiones S.A. (Argentina)	Argentina	Exploration company
Viento de Oro S.A. de C.V. (Mexico)	Mexico	Exploration company

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the consolidated financial statements.

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

#### *Significant Accounting Estimates and Judgments*

The preparation of these condensed consolidated interim 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 reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

## **Blue Sky Uranium Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

### **2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

These condensed consolidated interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

#### *Critical accounting judgments*

- i. Presentation of the consolidated financial statements which assumes that the Company will continue in operation for the foreseeable future, obtain additional financing as required, and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.
- ii. The analysis of the functional currency for each entity of the Company involves significant estimation and judgement by management. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- iii. The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment or a reversal of previously recorded impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

#### *Changes in Accounting Standards*

Amendments to IAS 1, Presentation of financial statements (effective January 1, 2023) provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is not expected to have any impact on the Company's consolidated financial statements.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 3. MINERAL PROPERTY INTERESTS

The schedules below summarize the acquisition costs and all exploration expenditures incurred to date for each mineral property interest that the Company holds title to and is continuing to explore as September 30, 2023:

#### Acquisition Costs

	Argentina		
	Ivana \$	Regalo \$	Total \$
Balance – December 31, 2021	54,830	25,000	79,830
Additions	60,546	-	60,546
Balance – September 30, 2022	115,376	25,000	140,376
Additions	(40,694)	-	(40,694)
Balance – December 31, 2022	74,682	25,000	99,682
Additions	98,086	-	98,086
Balance – September 30, 2023	172,768	25,000	197,768

#### *Ivana Property*

The Company owns a 100% interest in the 83,800 hectare (838 km<sup>2</sup>) Ivana uranium property in the San Jorge Basin, Province of Rio Negro, located in the Northern Patagonia region of Argentina. The Ivana property forms the southeastern portion of Amarillo Grande Project.

#### *Regalo Property*

The Company owns a 100% interest in the 23,300 hectare (233 km<sup>2</sup>) Regalo property located northwest of the Cerro Solo Uranium District in the province of Chubut

#### Exploration Expenditures

	Argentina		
	Amarillo Grande		Total \$
	Ivana \$	Other* \$	
Cumulative exploration costs			
December 31, 2022	19,736,674	7,465,398	27,202,072
Expenditures during the period:			
Assays	29,845	-	29,845
Geophysics	42,927	-	42,927
Office	95,723	1,378	97,101
Property maintenance payments	-	41,205	41,205
Salaries and contractors	1,211,311	11,008	1,222,319
Social and community	30,239	-	30,239
Statutory taxes	125,142	2,062	127,204
Supplies and equipment	299,408	-	299,408
Transportation	123,110	-	123,110
	1,957,705	55,653	2,013,358
Cumulative exploration costs			
September 30, 2023	21,694,379	7,521,051	29,215,430

\*Other includes Anit, Santa Barbara, and Sierra Colonia.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 3. MINERAL PROPERTY INTERESTS (continued)

	Argentina		
	Amarillo Grande		Total \$
	Ivana \$	Other* \$	
Cumulative exploration costs December 31, 2021	14,447,411	7,437,372	21,884,783
Expenditures during the period:			
Assays	77,847	-	77,847
Drilling (see also Note 5)	1,331,772	-	1,331,772
Geophysics	79,869	-	79,869
Metallurgy	5,780	-	5,780
Office	581,546	9,419	590,965
Property maintenance payments	-	16,306	16,306
Salaries and contractors	1,285,754	(2,289)	1,283,465
Social and community	35,639	-	35,639
Statutory taxes	573,698	2,062	575,760
Supplies and equipment	672,048	-	672,048
Transportation	294,692	-	294,692
	4,938,645	25,498	4,964,143
Cumulative exploration costs September 30, 2022	19,386,056	7,462,870	26,848,926

\*Other includes Anit, Santa Barbara, and Sierra Colonia.

### 4. SHARE CAPITAL AND RESERVES

#### *Authorized Share Capital*

The Company's authorized share capital comprises an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### *Details of Issues of Common Shares in 2023*

On July 12, 2023, the Company completed the second and final tranche of the non-brokered private placement announced on June 8, 2023. The Company issued 7,861,032 units in this tranche at a price of \$0.075 per unit for gross proceeds of \$589,577. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.12 per share for three years from the date of issue. Finder's fees paid were \$40,063 cash and 534,172 non-transferable warrants exercisable into common shares at \$0.075 for three years from the date of issue with a fair value of \$22,904. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.62%; expected stock price volatility – 92.2%; dividend yield – 0%; and expected warrant life – 2.62 years. See also Note 13.

On June 19, 2023, the Company completed the first tranche of the non-brokered private placement announced on June 8, 2023. The Company issued 13,472,301 units in this tranche at a price of \$0.075 per unit for gross proceeds of \$1,010,423. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.12 per share for three years from the date of issue. Finder's fees paid were \$48,074 cash and 594,318 non-transferable warrants exercisable into common shares at \$0.075 for three years from the date of issue with a fair value of \$25,443. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 4.57%; expected stock price volatility – 92.38%; dividend yield – 0%; and expected warrant life – 2.6 years.

## **Blue Sky Uranium Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

### **4. SHARE CAPITAL AND RESERVES (continued)**

#### *Details of Issues of Common Shares in 2022*

On December 20, 2022, the Company completed the second and final tranche of the non-brokered private placement announced on November 21, 2022 and increased on December 1, 2022. The Company issued 1,381,000 units in this tranche at a price of \$0.10 per unit for gross proceeds of \$138,100. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.20 per share for two years from the date of issue. Finder's fees paid were \$3,052 cash and 30,520 non-transferable warrants exercisable into common shares at \$0.20 for two years from the date of issue with a fair value of \$1,154. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.73%; expected stock price volatility – 92.23%; dividend yield – 0%; and expected warrant life – 2 years.

On December 2, 2022, the Company completed the first tranche of the non-brokered private placement announced on November 21, 2022 and increased on December 1, 2022. The Company issued 16,780,000 units in this tranche at a price of \$0.10 per unit for gross proceeds of \$1,678,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.20 per share for two years from the date of issue. Finder's fees paid were \$58,730 cash and 587,300 non-transferable warrants exercisable into common shares at \$0.20 for two years from the date of issue with a fair value of \$24,108. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.72%; expected stock price volatility – 92.56%; dividend yield – 0%; and expected warrant life – 2 years.

On June 22, 2022, the Company completed the third and final tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 2,261,000 units in this tranche at a price of \$0.15 per unit for gross proceeds of \$339,150. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.25 per share for three years from the date of issue. Finder's fees paid were \$20,275 cash and 135,170 non-transferable warrants exercisable into common shares at \$0.25 for three years from the date of issue with a fair value of \$6,581. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.22%; expected stock price volatility – 102.55%; dividend yield – 0%; and expected warrant life – 2.37 years.

On June 14, 2022, the Company completed the second tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 6,045,000 units in this tranche at a price of \$0.15 per unit for gross proceeds of \$906,750. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.25 per share for three years from the date of issue. Finder's fees paid were \$45,465 cash and 303,100 non-transferable warrants exercisable into common shares at \$0.25 for three years from the date of issue with a fair value of \$14,756. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 3.42%; expected stock price volatility – 102.31%; dividend yield – 0%; and expected warrant life – 2.37 years.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. SHARE CAPITAL AND RESERVES (continued)

On June 7, 2022, the Company completed the first tranche of the non-brokered private placement announced on May 24, 2022 and increased on June 8, 2022. The Company issued 5,694,000 units in this tranche at a price of \$0.15 per unit for gross proceeds of \$854,100. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.25 per share for three years from the date of issue. Finder's fees paid were \$25,465 cash and 169,097 non-transferable warrants exercisable into common shares at \$0.25 for three years from the date of issue with a fair value of \$15,647. Fair value of the warrants was calculated using the Black-Scholes pricing model and the following variables: risk-free interest rate – 2.99%; expected stock price volatility – 101.93%; dividend yield – 0%; and expected warrant life – 2.4 years.

#### *Share Purchase Option Compensation Plan*

The Company has a share purchase option plan (the "Plan") approved by the Company's shareholders that allows it to grant share purchase options, subject to regulatory terms and approval, to its officers, directors, employees and service providers for a maximum term of ten years. The Plan is based on the maximum number of eligible shares equaling a rolling percentage of 10% of the Company's outstanding common shares, calculated from time to time. If outstanding share purchase options are exercised or expire, and/or the number of issued and outstanding common shares of the Company increases, then the share purchase options available to grant under the Plan increase proportionately.

The exercise price of each share purchase option is set by the Board of Directors at the time of grant but cannot be less than the market price less allowable discounts in accordance with the policies of the TSX Venture Exchange. Share purchase options granted generally vest immediately, are subject to a four-month hold period and are generally exercisable for a period of five years.

#### *Options*

The continuity of share purchase options for the nine months ended September 30, 2023 is as follows:

Expiry date	Exercise Price	December 31, 2022	Granted	Expired/ Forfeited	September 30, 2023	Options Exercisable
January 23, 2023	\$0.30	4,070,000	-	(4,070,000)	-	-
January 29, 2026	\$0.25	11,750,000	-	-	11,750,000	11,750,000
		15,820,000	-	-	11,750,000	11,750,000
Weighted average exercise price (\$)		0.26	-	0.30	0.25	0.25
Weighted average contractual remaining life (years)		2.31	-	-	2.33	2.33

The continuity of share purchase options for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Expired/ Forfeited	September 30, 2022	Options Exercisable
January 23, 2023	\$0.30	4,170,000	-	-	4,170,000	4,170,000
January 29, 2026	\$0.25	12,000,000	-	-	12,000,000	12,000,000
		16,170,000	-	-	16,170,000	16,170,000
Weighted average exercise price (\$)		0.26	-	-	0.26	0.26
Weighted average contractual remaining life (years)		3.30	-	-	2.56	2.56

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. SHARE CAPITAL AND RESERVES (continued)

#### Warrants

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

Expiry date	Exercise Price	December 31, 2022	Granted	Exercised	Expired/ Cancelled	September 30, 2023
February 28, 2023	\$0.35	7,258,500	-	-	(7,258,500)	-
June 11, 2023	\$0.30	24,906,588	-	-	(24,906,588)	-
January 11, 2024	\$0.25	22,236,057	-	-	-	22,236,057
January 26, 2024	\$0.25	16,998,800	-	-	-	16,998,800
June 4, 2024	\$0.25	2,159,850	-	-	-	2,159,850
July 11, 2024	\$0.25	2,043,332	-	-	-	2,043,332
October 23, 2024	\$0.35	4,760,000	-	-	-	4,760,000
December 2, 2024	\$0.20	17,367,300	-	-	-	17,367,300
December 19, 2024	\$0.20	1,411,520	-	-	-	1,411,520
June 7, 2025	\$0.25	5,863,097	-	-	-	5,863,097
June 14, 2025	\$0.25	6,348,100	-	-	-	6,348,100
June 22, 2025	\$0.25	2,396,170	-	-	-	2,396,170
July 21, 2025	\$0.25	8,828,125	-	-	(214,375)	8,613,750
July 30, 2025	\$0.25	4,355,893	-	-	(91,893)	4,264,000
August 5, 2025	\$0.25	338,339	-	-	-	338,339
June 19, 2026	\$0.12	-	13,472,301	-	-	13,472,301
June 19, 2026	\$0.075	-	640,985	-	-	640,985
July 12, 2026	\$0.12	-	7,861,032	-	-	7,861,032
July 12, 2026	\$0.075	-	534,172	-	-	534,172
		127,271,671	22,508,490	-	(32,471,356)	117,308,805
Weighted average exercise price (\$)		0.25	0.12	-	0.31	0.21

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 4. SHARE CAPITAL AND RESERVES (continued)

The continuity of warrants for the nine months ended September 30, 2022 is as follows:

Expiry date	Exercise Price	December 31, 2021	Granted	Exercised	Expired/ Cancelled	September 30, 2022
December 19, 2022	\$0.30	5,940,064	-	-	-	5,940,064
February 28, 2023	\$0.35	7,258,500	-	-	-	7,258,500
June 4, 2023	\$0.25	2,289,012	-	(100,000)	(29,162)	2,159,850
June 11, 2023	\$0.30	24,906,588	-	-	-	24,906,588
July 11, 2023	\$0.25	2,043,332	-	-	-	2,043,332
July 21, 2023	\$0.25	8,928,125	-	(100,000)	-	8,828,125
July 30, 2023	\$0.25	4,355,893	-	-	-	4,355,893
August 5, 2023	\$0.25	338,339	-	-	-	338,339
January 11, 2024	\$0.25	21,274,557	-	(38,500)	-	21,236,057
January 26, 2024	\$0.25	17,998,800	-	-	-	17,998,800
October 23, 2024	\$0.35	4,760,000	-	-	-	4,760,000
June 7, 2025	\$0.25	-	5,863,097	-	-	5,863,097
June 14, 2025	\$0.25	-	6,348,100	-	-	6,348,100
June 22, 2025	\$0.25	-	2,396,170	-	-	2,396,170
		100,093,210	14,607,367	(238,500)	(29,162)	114,432,915
Weighted average exercise price (\$)		0.27	-	0.25	0.25	0.26

### 5. RELATED PARTY BALANCES AND TRANSACTIONS

*Grosso Group Management Ltd.*

On April 1, 2010, the Company entered into a Management Services Agreement (“Agreement”) with Grosso Group Management Ltd. (Grosso Group) to provide services and facilities to the Company. Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group’s costs including its staff and overhead costs among the member companies. The fee is reviewed and adjusted quarterly based on the level of services required. The Agreement expires on December 31, 2022 and is automatically renewed for a period of two years pursuant to the terms of the Agreement.

The Agreement contains termination and early termination fees in the event the services are terminated by the Company. The termination fee includes three months of compensation and any contractual obligations that Grosso Group undertook for the Company, up to a maximum of \$750,000. The early termination fees are the aggregate of the termination fee in addition to the lesser of the monthly fees calculated to the end of the term and the monthly fees calculated for eighteen months, up to a maximum of \$1,000,000.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 5. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

<b>Transactions</b>	Nine months ended September 30,	
	2023	2022
	\$	\$
Services rendered:		
Grosso Group Management Ltd.		
Management fees	84,600	84,600
Office & sundry	14,400	14,400
Total for services rendered	99,000	99,000

#### Key management personnel compensation

Key management personnel of the company are members of the Board of Directors, as well as the Executive Chairman, President and CEO, CFO and Vice President of Corporate Development.

<b>Transactions</b>	Nine months ended September 30,	
	2023	2022
	\$	\$
Consulting, salaries and professional fees to key management or their consulting corporations:		
President/CEO/Director Salaries and employee benefits	52,439	46,755
CFO Salaries and employee benefits	24,344	22,500
Directors/Consultants Salaries, employee benefits and professional fees	117,545	109,500
Total for services rendered	194,328	178,755

<b>Balances</b>	As at September 30,	
	2023	2022
	\$	\$
Amounts owed to related parties		
Payable to Golden Arrow Resources Corp. <sup>(1)</sup>	392,620	260,973
Payable to Oxbow International Marketing Ltd. <sup>(2)</sup>	619	392
Payable to Grosso Group Management Ltd. <sup>(2)</sup>	331,086	296,436
Total shared costs included in accounts payable	724,325	557,801

(1) A company related through common directors that receives reimbursement for shared office costs and overhead.

(2) A company owned by Joseph Grosso, who is also a director of Blue Sky Uranium Corporation.

Balances are unsecured, non-interest bearing and has no specific terms of repayment.

### 6. BASIC AND DILUTED LOSS PER SHARE

The calculation of basic and diluted loss per share for the nine months ended September 30, 2023 and 2022 was based on the following:

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 6. BASIC AND DILUTED LOSS PER SHARE (continued)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Loss attributable to common shareholders (\$)	700,426	1,517,511	2,665,344	4,405,688
Weighted average number of common shares outstanding	237,479,220	199,693,807	224,609,647	191,283,454

Diluted loss per share did not include the effect of 11,750,000 (September 30, 2022 – 16,170,000) share purchase options and 117,308,805 (September 30, 2022 – 114,432,915) common share purchase warrants as they are anti-dilutive.

### 7. MARKETABLE SECURITIES

From time to time, the Company may acquire and transfer marketable to facilitate intragroup funding transfers between the Canadian parent and its Argentine operating subsidiaries. The Company does not acquire marketable securities and engage in these transactions for speculative purposes. In this regard, under this strategy, the Company generally uses marketable securities of large and well-established companies with high trading volumes and low volatility. Nonetheless, as the process to acquire, transfer and ultimately sell the marketable securities occurs over several days, some fluctuations are unavoidable. As the marketable securities are acquired with the intention of a near term sale, they are considered financial instruments that are held for trading, all changes in the fair value of the instruments between acquisition and disposition are recognized through profit or loss. The subsequent disposition of these marketable securities in exchange for Argentine pesos gave rise to a gain as the amount received in Argentine peso exceeds the amount of Argentine peso the Company would have received from a direct foreign currency exchange.

As a result of having utilized this mechanism for intragroup funding for the nine months ended September 30, 2023, the Company realized a gain of \$638,770 (September 30, 2022 – \$1,688,386) from the favorable foreign currency impact.

### 8. OPERATING SEGMENTS

The Company is primarily involved in mineral exploration activities in Argentina. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating revenues for the nine months ended September 30, 2023.

The Company's total non-current assets are segmented geographically as follows:

	September 30, 2023	
	Argentina	Total
	\$	\$
Mineral property interests	197,768	197,768
	197,768	197,768

  

	December 31, 2022	
	Argentina	Total
	\$	\$
Mineral property interests	99,682	99,682
	99,682	99,682

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 9. COMMITMENT

#### *Management Services Agreement*

Grosso Group provides its member companies with administrative and management services. The member companies pay monthly fees to Grosso Group on a cost recovery basis. The fee is based upon a pro-rating of Grosso Group's costs including its staff and overhead costs among the member companies. The current fee is \$9,400 per month. This fee is reviewed and adjusted quarterly based on the level of services required.

The table below represents the Company's aggregate commitment to Grosso Group over the term of the Management Services Agreement.

	1 Year	2 Years	3 Years	4-5 Years	More than 5 Years
	\$	\$	\$	\$	\$
Management Services Agreement	28,200	112,800	-	-	-

The Company has a consulting agreement with its Chairman of the Board (the "Chairman Agreement"). The termination provisions of the Chairman Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Chairman would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$113,317 to the Chairman in the event of termination without cause or a change of control.

The Company has a consulting agreement with its President and CEO (the "CEO Agreement"). The termination provisions of the CEO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CEO would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$136,784 to the CEO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its CFO (the "CFO Agreement"). The termination provisions of the CFO Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the CFO would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$64,080 to the CFO in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Corporate Secretary (the "Corporate Secretary Agreement"). The termination provisions of the Corporate Secretary Agreement provide that a fee of 24 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Corporate Secretary would receive an amount equal to 24 months' compensation. As of September 30, 2023, the Company would have to pay \$76,896 to the Corporate Secretary in the event of termination without cause or a change of control.

The Company has a consulting agreement with its Controller (the "Controller Agreement"). The termination provisions of the Controller Agreement provide that a fee of 12 months' compensation be paid in the event of termination without cause. In the event of a change of control, or the sale of all or substantially all of the assets of the Company to a bona fide third party purchaser, the Controller would receive an amount equal to 12 months' compensation. As of September 30, 2023, the Company would have to pay \$36,000 to the Controller in the event of termination without cause or a change of control.

## Blue Sky Uranium Corp.

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)

### 10. CONTINGENCY

During 2021, the Company's wholly owned Argentine subsidiary, Minera Cielo Azul S.A. was named in a lawsuit (the "Lawsuit") introduced before the Supreme Court of the Province of Rio Negro by anti-mining, environmental activists (the "Plaintiffs") in Argentina who were asserting environmental protection rights, among other arguments against the Amarillo Grande project, comprised of Ivana, Anit and Santa Barbara projects. On January 12, 2022, the Company announced that the Lawsuit and a subsequent appeal filed before the same court had been dismissed. The Plaintiffs did not file any further appeals and therefore the ruling is considered final.

### 11. SUPPLEMENTARY CASH FLOW

	Nine months ended September 30,	
	2023	2022
	\$	\$
<b>Non-cash investing and financing activities:</b>		
Share issue cost – issuance of warrants to agents	48,347	36,984
Warrants exercised	-	9,982

### 12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

#### (a) Fair Values

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 Company's financial instruments consist of cash and cash equivalents, marketable securities, and accounts payable and accrued liabilities.

## **Blue Sky Uranium Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

### **12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)**

#### **(b) Financial Instrument Risk Exposure**

##### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company has reduced its credit risk by depositing its cash and short-term investments with financial institutions that operate globally. Therefore, the Company is not exposed to significant credit risk and the Company's overall credit risk has not changed significantly from the prior year.

##### *Liquidity risk*

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares and warrants to fund exploration programs and may require doing so again in the future. See Note 1 for further information.

##### *Market risk*

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

Financial instruments that impact the Company's net earnings or other comprehensive income due to currency fluctuations include: cash, and accounts payable all denominated in United States dollars and Argentinean pesos. A 10% change in US dollar and the Argentinean peso exchange rates relative to Canadian dollar would have insignificant impact on the Company's net loss:

- A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$1,000.
- A 10% change in the Argentinean peso exchange rate relative to the Canadian dollar would change the Company's net loss by approximately \$7,000.

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

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The fair value of cash and cash equivalents approximates its carrying value due to the immediate or short-term maturity of this financial instrument. Other current financial assets and liabilities are not exposed to interest rate risk because they are non-interest bearing or have prescribed interest rates.

#### **(c) Capital Management**

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirements on an ongoing basis, continue the development and exploration of its mineral properties and support any expansionary plans.

The capital structure of the Company consists of equity attributable to common shareholders, comprised of issued capital, reserves and deficit. The Company manages the capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the Company's assets.

## **Blue Sky Uranium Corp.**

Notes to the Condensed Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and 2022

*(Unaudited - Expressed in Canadian Dollars Unless Otherwise Noted)*

### **12. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)**

To effectively manage the entity's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company has historically relied on issuance of shares to develop its mineral projects and may require doing so again in the future. The Company is monitoring market conditions to secure funding at the lowest cost of capital. The Company is exposed to various funding and market risks which could curtail its access to funds. The Company is not subject to any external covenants. There were no changes in the Company's approach to capital management during the nine months ended September 30, 2023.

### **13. SUBSEQUENT EVENTS**

#### *Private Placement*

On October 4, 2023, the Company completed the first tranche of the non-brokered private placement announced on September 26, 2023. The Company issued 13,333,333 units in this tranche at a price of \$0.075 per unit for gross proceeds of \$1,000,000 that included \$18,750 in share subscriptions received prior to September 30, 2023. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.12 per share for three years from the date of issue. Finder's fees paid were \$64,922 cash and 865,620 non-transferable warrants exercisable into common shares at \$0.075 for three years from the date of issue.

On October 13, 2023, the Company completed the second and final tranche of the non-brokered private placement announced on September 26, 2023. The Company issued 7,133,333 units in this tranche at a price of \$0.075 per unit for gross proceeds of \$535,000. Each unit consisted of one common share and one transferable common share purchase warrant. Each warrant entitles the holder thereof to purchase one additional common share in the capital of the Company at \$0.12 per share for three years from the date of issue. Finder's fees paid were \$32,372 cash and 431,620 non-transferable warrants exercisable into common shares at \$0.075 for three years from the date of issue.