



**Atlas Salt Inc.**

**Interim Condensed Financial Statements**

For the Nine Months Ended September 30, 2022 and  
2021

## **Notice of No Auditor Review of Interim Financial Statements**

Under National Instrument 51-102, "Continuous Disclosure Obligations", part 4 subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Corporation's external auditors have not performed a review of these financial statements.

**ATLAS SALT INC.**  
September 30, 2022

**Table of Contents**

PAGE

Condensed Balance Sheets	1
Condensed Statements of Loss and Comprehensive Loss	2
Condensed Statements of Changes in Equity	3
Condensed Statements of Cash Flows	4
Notes to the Condensed Financial Statements	5

**ATLAS SALT INC.**  
**Condensed Balance Sheets**  
**(Unaudited)**  
**As at**

(in Canadian dollars)	September 30 2022	December 31 2021
	\$	\$
<b>Assets</b>		
Current assets		
Cash	10,084,066	8,804,146
Accounts receivable	333,754	236,788
Prepaid expenses	25,011	18,313
	<b>10,442,831</b>	9,059,247
Capital assets	6,024	7,773
Mineral exploration and evaluation (Note 5)	3,613,099	2,186,182
<b>Total Assets</b>	<b>14,061,954</b>	11,253,202
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	326,747	203,882
Flow through premium liability (Note 7)	-	79,410
	<b>326,747</b>	283,292
Investment in Associate (Note 4)	173,859	-
Asset retirement obligations (Note 6)	146,359	140,665
<b>Total Liabilities</b>	<b>646,965</b>	423,957
<b>Shareholders' Equity</b>		
Share capital (Note 7)	18,086,257	11,770,439
Warrants (Note 7)	267,198	1,278,448
Contributed surplus	1,608,090	1,520,467
Deficit	(6,546,556)	(3,740,109)
<b>Total Shareholders' Equity</b>	<b>13,414,989</b>	10,829,245
<b>Total Liabilities and Shareholders' Equity</b>	<b>14,061,954</b>	11,253,202

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Patrick J. Laracy Director

Carson Noel Director

See accompanying notes to the condensed financial statements

**ATLAS SALT INC.**  
**Condensed Statements of Loss and Comprehensive Loss**  
**(Unaudited)**

(in Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Income (Expenses)</b>				
Interest	51,846	7,736	82,872	11,423
Other income	-	-	79,410	-
Share-based compensation (Note 8)	(88,746)	(174,490)	(405,648)	(741,859)
Loss on disposal of mineral exploration and evaluation assets (Note 5)	(938,441)	-	(938,441)	-
Loss from equity accounted investment	(10,508)	-	(10,508)	-
Marketing and communications	(144,652)	63,711	(675,249)	(582,065)
Office and other (Note 9)	(57,922)	(157,576)	(139,324)	(177,972)
Management and subcontract fees (Note 9)	(54,559)	(65,623)	(300,530)	(133,379)
Investor relations	(71,142)	(51,000)	(133,217)	(51,000)
Transfer agent, regulatory and professional fees	(166,247)	(17,177)	(268,428)	(48,690)
Directors' fees	-	-	(50,000)	(25,000)
Depreciation	(584)	(350)	(1,749)	(1,051)
Conferences and travel	(18,024)	(22)	(45,635)	(22)
<b>Net and comprehensive loss</b>	<b>(1,498,979)</b>	<b>(394,791)</b>	<b>(2,806,447)</b>	<b>(1,749,615)</b>
Net loss per share - basic and diluted	\$ (0.018)	\$ (0.005)	\$ (0.035)	\$ (0.026)
Weighted-average number of common shares outstanding - basic and diluted	84,772,754	75,251,752	81,215,931	67,108,315

See accompanying notes to the condensed financial statements

**ATLAS SALT INC.**  
**Condensed Statements of Changes in Equity**  
**(Unaudited)**

(in Canadian dollars)

	(Note 7)	(Note 7)			Total Shareholders' Equity
	Share Capital	Warrants	Contributed Surplus	Deficit	
	\$	\$	\$	\$	\$
<b>Balance, December 31, 2020</b>	<b>2,839,083</b>	<b>36,121</b>	<b>505,756</b>	<b>(1,568,119)</b>	<b>1,812,841</b>
Net and comprehensive loss					
January 1, 2021 - September 30, 2021	-	-	-	(1,749,615)	(1,749,615)
Issuance of shares and warrants pursuant to private placement	5,972,486	2,477,502	-	-	8,449,988
Issuance of broker warrants pursuant to private placement	(364,391)	364,391	-	-	-
Share issuance costs	(587,479)	-	-	-	(587,479)
Exercise of options	16,660	-	(6,660)	-	10,000
Exercise of warrants	1,200,992	(477,402)	-	-	723,590
Share-based compensation	-	-	771,638	-	771,638
<b>Balance, September 30, 2021</b>	<b>9,077,351</b>	<b>2,400,612</b>	<b>1,270,734</b>	<b>(3,317,734)</b>	<b>9,430,963</b>
Net and comprehensive loss					
October 1, 2021 - December 31, 2021	-	-	-	(422,375)	(422,375)
Issuance of shares and warrants pursuant to private placement	(133,334)	-	-	-	(133,334)
Share issuance costs	133,334	-	-	-	133,334
Exercise of warrants	2,693,088	(1,122,164)	-	-	1,570,924
Share-based compensation	-	-	249,733	-	249,733
<b>Balance, December 31, 2021</b>	<b>11,770,439</b>	<b>1,278,448</b>	<b>1,520,467</b>	<b>(3,740,109)</b>	<b>10,829,245</b>
Net and comprehensive loss					
January 1, 2022 - September 30, 2022	-	-	-	(2,806,447)	(2,806,447)
Exercise of options	669,865	-	(324,865)	-	345,000
Exercise of warrants	5,645,953	(1,011,250)	-	-	4,634,703
Share-based compensation	-	-	412,488	-	412,488
<b>Balance, September 30, 2022</b>	<b>18,086,257</b>	<b>267,198</b>	<b>1,608,090</b>	<b>(6,546,556)</b>	<b>13,414,989</b>

See accompanying notes to the condensed financial statements

**ATLAS SALT INC.**  
**Condensed Statements of Cash Flows**  
**(Unaudited)**  
**Period Ended**

(in Canadian dollars)	September 30 2022	December 31 2021
	\$	\$
<b>Operating Activities</b>		
Net loss	(2,806,447)	(2,171,990)
Adjustment for non-cash item:		
Depreciation	1,749	1,402
Shares received for mineral exploration and evaluation assets	(670,000)	-
Shares distributed to shareholders on spin out of assets	1,187,351	-
Disposal of mineral exploration and evaluation assets	421,089	-
Loss on equity accounted investment	10,508	-
Share-based compensation	405,648	986,461
	<b>(1,450,102)</b>	<b>(1,184,127)</b>
Changes in non-cash working capital		
Accounts receivable	118,452	(57,579)
Prepaid expenses	(6,698)	(11,629)
Accounts payable and accrued liabilities	122,865	74,489
Flow-through share premium	(79,410)	79,410
	<b>(1,294,893)</b>	<b>(1,099,436)</b>
<b>Financing Activities</b>		
Issuance of common shares and warrants	-	8,449,988
Share issuance costs	-	(587,479)
Exercise of options	345,000	10,000
Exercise of warrants	4,634,703	2,294,514
	<b>4,979,703</b>	<b>10,167,023</b>
<b>Investing Activities</b>		
Purchase of capital assets	-	(9,000)
Mineral exploration and evaluation assets	(2,217,339)	(892,412)
Incidental revenue	166,449	354,885
Purchase of shares in investment	(354,000)	-
Deposits refunded	-	2,700
	<b>(2,404,890)</b>	<b>(543,827)</b>
Net change in cash for the period	<b>1,279,920</b>	<b>8,523,760</b>
Cash, beginning of period	<b>8,804,146</b>	<b>280,386</b>
<b>Cash, end of period</b>	<b>10,084,066</b>	<b>8,804,146</b>

See accompanying notes to the condensed financial statements

## **1. NATURE OF OPERATIONS**

Atlas Salt Inc. (the “Company”) is a junior mineral exploration company engaged in the acquisition, evaluation, exploration and production of mineral properties in Newfoundland and Labrador. The Company’s immediate objectives are to define and develop a high-quality industrial mineral project. The Company plans to ultimately develop properties as joint ventures, bring them into production, option, or lease properties to third parties, or sell the properties outright. As commercial viability of the Company’s projects has not yet been established, the Company is considered to be in the exploration stage.

The Company was formed on June 15, 2011 under the Alberta Business Corporations Act and was listed on the TSX Venture Exchange on August 17, 2012. Prior to its listing on the TSX Venture Exchange, the Company was inactive. Its registered address is 333 Duckworth Street, St. John’s, NL A1C 1G9. On September 1, 2021 the company changed its name from Red Moon Resources Inc. to Atlas Salt Inc. Atlas Salt Inc. reflects the company’s core business anchored by the Great Atlantic Salt Project in western Newfoundland. The Company’s common shares commenced trading under the new stock symbol “SALT” on September 1, 2021. The Company was listed on the OTCQB on June 30, 2022 trading under the stock symbol “REMRF”.

On July 30, 2021 the Company held its annual general meeting whereby approval was gained for the corporate continuance of the Company from the Province of Alberta to the Province of British Columbia. Regulatory approval of this continuance to British Columbia was obtained on August 10, 2021.

On March 11, 2020, the World Health Organization declared a pandemic following the emergence and rapid spread of a novel strain of coronavirus (“COVID-19”). The continued spread of COVID-19 and the actions being taken by governments, businesses and individuals may adversely impact the Company’s operations and its financial results. This has resulted in significant economic uncertainty, of which the potential impact on the Company’s future financial results is difficult to reliably measure.

## **2. BASIS OF PRESENTATION**

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

These unaudited interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of interim



**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

financial statements, including IAS 34, Interim Financial Reporting. The accounting policies used in preparing these unaudited interim condensed financial statements are consistent with those used in the preparation of the Company's annual financial statements. A summary of the Company's significant accounting policies under IFRS is presented in Note 4 to the year end financial statements.

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

The functional and presentation currency of the financial statements is Canadian dollars.

These condensed financial statements were approved and authorized for issuance by the Board of Directors on November 28, 2022.

### **3. NEW OR AMENDMENTS TO ACCOUNTING STANDARDS NOT YET ADOPTED**

For the period ended September 30, 2022, there have been no accounting pronouncements by the IASB that would have a material impact on the Company's financial results or position.

Amendments to IAS 16, Property, Plant and Equipment, will be effective for years beginning on or after January 1, 2023. The amendments discuss the proceeds before intended use.

Amendments to IAS 1, Presentation of Financial Statements, will be effective for years beginning with January 1, 2023. The amendments clarify how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances.

The Company is assessing whether there could be a material impact on its financial statements in the year of application.

### **4. INVESTMENT IN ASSOCIATE**

---

	<b>September 30</b>	<b>December 31</b>
	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Investment In Triple Point Resources Ltd.	<b>(173,859)</b>	-
	<b>(173,859)</b>	-

---

#### **Triple Point Resources Ltd. ("Triple Point")**

On September 22, 2022, Atlas Salt closed the Triple Point spin-out through a Plan of Arrangement. As part of the Arrangement, Atlas Salt distributed 23,747,026 common shares of Triple Point that it received under the Arrangement to holders of common shares

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of 12:01 a.m. on the Record Date received one share of Triple Point for every 3.68 shares owned of Atlas.

Atlas received 27,452,974 shares of Triple Point as a result of this spin-out. An equity investment of (\$163,351) was recorded based on the fair value of the shares held on that date. At that date the Company's ownership in Triple Point was 36.00%. Management has determined that its investment in the common shares of Triple Point along with some common directors, gives it significant influence over Triple Point. As a result, the Company applied the equity method of accounting for its investment in Triple Point.

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

	September 30 2022	December 31 2021
	\$	\$
Balance, beginning of year	-	-
Balance as of September 22, 2022	(163,351)	-
Share of income and comprehensive income	(10,508)	-
Investment in Triple Point	(173,859)	-

The fair value of the Company's investment in Triple Point as at September 30, 2022 was estimated to be (\$163,351) (December 31, 2021 - \$nil).

The following summarized financial information of Triple Point as at September 30, 2022 and December 31, 2021 and for the period ended September 30, 2022 and December 31, 2021, including fair value adjustments made at the time of recognition of the interest, is as follows:

	September 30 2022	December 31 2021
	\$	\$
<b>Balance Sheet</b>		
Current assets	3,019,145	-
Non-current assets	687,993	-
Current liabilities	129,103	-
Equity	3,578,035	-
<b>Net loss and comprehensive loss</b>		
<b>Period from September 22 - 30, 2022 (January 1 - December 31, 2021)</b>		
Income	-	-
Net loss and comprehensive loss	29,188	-

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

**5. MINERAL EXPLORATION AND EVALUATION ASSETS**

The Company has 20 mineral licences (December 31, 2021 – 30) which consist of 321 claims (December 31, 2021 – 869 claims), which are active and in good standing with the Department of Natural Resources in the Province of Newfoundland and Labrador. These licences are in the exploration and evaluation stage. The Company has 3 mining leases (Ace Mining Lease #239, and Gypsum Waste Reclamation Mining Leases #241 and #242) registered with the Department of Natural Resources in the Province of Newfoundland and Labrador on mineral licences 022132M, 027059M and 027060M situated near St. George’s, western Newfoundland.

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

	<b>September 30, 2022</b>				
	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Disposals / Refunds</b>	<b>Incidental Revenue</b>	<b>Balance, End of Period</b>
	\$	\$	\$	\$	\$
Property acquisition costs	1,150,922	34,030	(55,775)	-	1,129,177
Exploration costs	1,035,260	2,225,490	(394,961)	(381,867)	2,483,922
	<b>2,186,182</b>	<b>2,259,520</b>	<b>(450,736)</b>	<b>(381,867)</b>	<b>3,613,099</b>

	<b>December 31, 2021</b>				
	<b>Balance, Beginning of Year</b>	<b>Additions</b>	<b>Refunds</b>	<b>Incidental Revenue</b>	<b>Balance, End of Year</b>
	\$	\$	\$	\$	\$
Property acquisition costs	1,101,135	52,487	(2,700)	-	1,150,922
Exploration costs	595,288	886,070	-	(446,098)	1,035,260
	<b>1,696,423</b>	<b>938,557</b>	<b>(2,700)</b>	<b>(446,098)</b>	<b>2,186,182</b>

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine. Current year additions to mineral exploration costs include share-based compensation of \$6,840 (December 31, 2021 – \$34,909).

**Spin-Out of the Company’s Fischell’s Brook Salt Dome Property**

On September 22, 2022, Atlas Salt and Triple Point Resources Ltd. (“Triple Point”) announced that the spin-out of Triple Point through a Plan of Arrangement (the “Arrangement”) under the Business Corporations Act (British Columbia) had been

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

completed. The Arrangement was effective at 12:01 a.m. (Vancouver Time) on September 22, 2022 (The “Record Date”).

Pursuant to the Arrangement, Atlas Salt transferred ownership of the Fischell’s Brook Salt Dome and other mineral licenses prospective for salt domes to Triple Point in exchange for 20,000,000 common shares of Triple Point (13 licenses consisting of 904 claims). Atlas Salt also purchased an additional 17,700,000 common shares of Triple Point for cash proceeds of \$354,000 and received a further 13,500,000 common shares of Triple Point as a reimbursement of exploration expenditures on the Fischell’s Brook Property. These transactions resulted in a loss on the spin-out of \$938,441. Triple Point’s interest in the Fischell’s Brook Property is subject to a 3% net production royalty in favour of Vulcan Minerals Inc.

As part of the Arrangement, Atlas Salt distributed 23,747,026 common shares of Triple Point that it received under the Arrangement to holders of common shares of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of 12:01 a.m. on the Record Date received one share of Triple Point for every 3.68 shares owned of Atlas.

Triple Point has applied to list its common shares on the Canadian Securities Exchange (CSE) which is subject to Triple Point meeting all listing requirements.

## **6. ASSET RETIREMENT OBLIGATIONS**

Upon termination of the Company’s Ace Gypsum mine, the Company is required to satisfy certain asset retirement obligations including the removal of any equipment and the restoration of the land and premises to their original condition.

The total discounted cash flows estimated to settle its asset retirement obligations as at September 30, 2022 was \$146,359 (December 31, 2021 – \$140,665). The estimated future cash flows have been discounted using a risk-free rate of 3.76% (December 31, 2021 – 0.91%) and an inflation rate of 6.9% (December 31, 2021 – 4.8%). As at September 30, 2022, the Company had entered an agreement with an insurance company to provide a surety bond to the Newfoundland and Labrador government in compliance with its requirements under the approved site development plan, as submitted and reviewed by the government of Newfoundland and Labrador. As additional work and reclamation is completed on the property, the Company will increase or decrease this bond as required by the Newfoundland and Labrador government.

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

A reconciliation of the asset retirement obligation is provided below:

	September 30 2022	December 31 2021
	\$	\$
Balance, beginning of the year	140,665	129,430
Provisions incurred	5,694	11,235
<b>Balance, end of the period</b>	<b>146,359</b>	<b>140,665</b>

## 7. SHARE CAPITAL

### Authorized

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

### Issued and Outstanding

	September 30, 2022		December 31, 2021	
	Number	Share Capital	Number	Share Capital
<b>Common Shares</b>		\$		\$
Balance, beginning of the year	78,517,434	11,770,439	50,600,004	2,839,083
Issued pursuant to private placements	-	-	23,076,870	5,839,152
Share issuance cost	-	-	-	(454,145)
Broker warrants	-	-	-	(364,391)
Exercise of stock options	450,000	669,865	100,000	16,660
Exercise of warrants	8,627,624	5,645,953	4,740,560	3,894,080
<b>Balance, end of period</b>	<b>87,595,058</b>	<b>18,086,257</b>	<b>78,517,434</b>	<b>11,770,439</b>

### Private Placements

Pursuant to a private placement dated February 8, 2021 the company issued 7,000,000 units at a price of \$0.10 per unit for aggregate proceeds of \$700,000 (less \$141,570 attributed to the fair value of the warrants). Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at a price of \$0.17 for a period of two years subject to an acceleration clause. This acceleration clause states that in the event the closing price of the Company's Shares on the TSX Venture Exchange is \$0.30 or greater per share during any ten (10) consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

will expire at 4pm (Newfoundland Time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

Pursuant to a private placement dated March 25, 2021 the company issued 9,999,944 units at a price of \$0.35 per unit for aggregate proceeds of \$3,499,980 (less \$1,012,790 attributed to the fair value of the warrants). Each unit consisted of one common share and one-half common share purchase warrant. Each whole warrant to be exercisable at a price of \$0.55 per common share for a period of two years subject to an acceleration clause. This acceleration clause states that in the event the closing price of the company's shares on the TSX Venture Exchange is \$0.85 or greater per share during any ten consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants will expire at 4pm (Newfoundland Time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

Pursuant to a private placement dated May 28, 2021 the company issued 3,461,538 units at a price of \$0.65 per unit and 1,333,335 flow-through units at a price of \$0.75 per flow-through unit for aggregate proceeds of \$3,250,000 (less \$957,304 attributed to the fair value of the warrants). Each unit consisted of one common share and one-half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at a price of \$0.90 for a period of two years subject to an acceleration clause. This acceleration clause states that in the event the closing price of the Company's Shares on the TSX Venture Exchange is \$1.25 or greater per share during any ten (10) consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants will expire at 4pm (Newfoundland Time) of such accelerated expiry to the holders of the warrants. An amount of \$133,334 was allocated to the flow-through premium liability representing the obligation to deliver the tax deduction to the subscriber. As of December 31, 2021, the related obligation for the flow-through premium was fulfilled for shareholders. As of September 30, 2022, the Company incurred \$1,000,001 (December 31, 2021 - \$404,425) and the remaining expenses to be incurred in year 2 and renounced under the look-back rule are \$nil (December 31, 2021 - \$595,576) for a total of \$1,000,001. The flow through premium liability as of September 30, 2022 was \$nil (December 31, 2021 - \$79,410).

Pursuant to a private placement dated June 29, 2021 the company issued 1,282,053 units at a price of \$0.78 per unit for aggregate proceeds of \$1,000,000 (less \$365,838 attributed to the fair value of the warrants). Each unit consisted of one common share and one common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share of the Company at a price of \$1.05 for a period of two years subject to an acceleration clause. This acceleration clause states that in the event the closing price of the Company's Shares on the TSX Venture Exchange is \$1.50 or greater per share during any ten (10) consecutive trading day period at any time subsequent to four months and one day after the closing date, the warrants will expire at

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

4pm (Newfoundland Time) on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the warrants.

**Warrants**

A summary of warrants outstanding is as follows:

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>	<b>Number of Warrants</b>	<b>Weighted-Average Exercise Price</b>
		<b>\$</b>		<b>\$</b>
Outstanding, beginning of the year	<b>9,480,929</b>	<b>0.57</b>	1,275,000	0.25
Issued – Private Placement	-	-	12,946,489	0.57
Exercised	<b>(8,627,624)</b>	<b>0.54</b>	(4,740,560)	0.48
Outstanding, end of the period	<b>853,305</b>	<b>0.89</b>	9,480,929	0.57

	<b>September 30 2022</b>	<b>December 31 2021</b>
	<b>\$</b>	<b>\$</b>
Balance, beginning of the year	<b>1,278,448</b>	36,121
Fair value of warrants issued due to private placement	-	2,477,502
Brokers warrants issued due to private placement	-	364,391
Transferred to share capital upon exercise of warrants	<b>(1,011,250)</b>	(1,599,566)
<b>Balance, end of the period</b>	<b>267,198</b>	1,278,448

The weighted average fair value of the warrants issued during 2022 were estimated on the dates of issuance to be \$nil (2021 - \$0.4150) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	<b>2022</b>	<b>2021</b>
Expected volatility (%)	-	175
Risk-free interest rate (%)	-	0.26
Weighted-average expected life (years)	-	1.44
Dividend yield (%)	-	-

## **8. SHARE-BASED COMPENSATION**

### **Stock Option Plan**

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

### **Stock Options**

A summary of stock options outstanding and exercisable is as follows:

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
	<b>Number of Options</b>	<b>Weighted- Average Exercise Price</b>	<b>Number of Options</b>	<b>Weighted- Average Exercise Price</b>
		<b>\$</b>		<b>\$</b>
Outstanding, beginning of the year	<b>6,800,000</b>	<b>0.30</b>	5,000,000	0.10
Granted	<b>125,000</b>	<b>2.25</b>	2,400,000	0.66
Exercised	<b>(450,000)</b>	<b>(0.77)</b>	(100,000)	0.10
Expired	-	-	(500,000)	0.10
<b>Outstanding, end of the period</b>	<b>6,475,000</b>	<b>0.30</b>	6,800,000	0.30
<b>Outstanding and exercisable, end of the period</b>	<b>6,291,666</b>	<b>0.26</b>	5,500,000	0.18

On June 8, 2022, the Company granted 125,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$2.25 per share for a period of one year. 41,666 options vest on September 8, 2022, 41,667 vest on December 8, 2022 and the remaining 41,667 vest on March 8, 2023.

On April 9, 2021, the Company granted 1,700,000 stock options to Directors with each option entitling the holder to purchase one common share at \$0.50 per share for a period



**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

of five years. 850,000 options vested on the date of grant and the remaining 850,000 options vest on July 1, 2022.

On April 19, 2021, the Company granted 200,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$0.60 per share for a period of two years. These options vest quarterly on July 19, 2021, October 19, 2021, January 19, 2022, and April 19, 2022.

On June 15, 2021, the Company granted 200,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$0.80 per share for a period of two years. These options vest quarterly on September 15, 2021, December 15, 2021, March 15, 2022, and June 15, 2022.

On November 16, 2021, the Company granted 100,000 stock options to an advisory committee member with each option entitling the holder to purchase one common share at \$1.30 per share for a period of five years. 50,000 options vested on the date of grant and the remaining 50,000 vest on November 1, 2022.

On December 15, 2021, the Company granted 200,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$1.65 per share for a period of two years. These options vest quarterly on March 15, 2022, June 15, 2022, September 15, 2022 and December 15, 2022.

The weighted average remaining contractual life of outstanding options is 2.47 years (December 31, 2021 – 3.15 years). The weighted average remaining contractual life of exercisable options is 2.49 years (December 31, 2021 – 3.02 years). The weighted average fair value of stock options granted in the year was estimated on the dates of the grants to be \$0.81 (December 31, 2021 – \$0.59) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

---

	<b>September 30</b>	<b>December 31</b>
	<b>2022</b>	<b>2021</b>
Expected volatility (%)	<b>99</b>	166
Risk free interest rate (%)	<b>3.06</b>	0.40
Weighted-average expected life (years)	<b>1.00</b>	4.25
Dividend yield (%)	-	-

---

The Company expensed share-based compensation in the amount of \$405,648 in the period ended September 30, 2022 (December 31, 2021 - \$986,462) and \$6,840 was capitalized to mineral exploration and evaluation assets (December 31, 2021 - \$34,909).

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

---

**9. RELATED PARTY TRANSACTIONS**

Vulcan Minerals Inc., which owns 32.98% (December 31, 2021 – 36.80%) of the Company’s common shares, has significant influence over Atlas Salt Inc. since October 31, 2021 (before this date Vulcan Minerals had control over Atlas Salt). The following transactions were carried out with related parties:

	<b>September 30 2022</b>	<b>September 30 2021</b>
	<b>\$</b>	<b>\$</b>
Expenditures paid/payable to Vulcan Minerals Inc., associate of the Company reflected as:		
Mineral exploration and evaluation assets as parent	-	66,253
Mineral exploration and evaluation assets as associate	<b>73,640</b>	-
Royalty as parent	<b>11,341</b>	-
General and administrative expenses as parent	-	72,514
General and administrative expenses as associate	<b>60,786</b>	-
Rent paid to a corporation which is controlled by the CEO of the Company	<b>9,000</b>	9,000
	<b>154,767</b>	147,767

A 3% Net Production Royalty of \$11,341 as of September 30, 2022 (December 31, 2021 - \$15,539) due to Vulcan Minerals on net proceeds from the Ace Gypsum mine production was incurred in the period.

**ATLAS SALT INC.**  
**Notes to the Condensed Financial Statements**  
**September 30, 2022**

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

	September 30 2022	September 30 2021
	\$	\$
Management fees, salaries, and benefits for key management personnel paid/payable to parent and included in Note 9 above, and reflected as the following:		
General and administrative expenses as parent	-	133,379
General and administrative expenses as associate	<b>284,831</b>	-
Capitalized as mineral and exploration and evaluation assets as parent	-	18,185
Capitalized as mineral and exploration and evaluation assets as associate	<b>33,896</b>	-
Share-based compensation		
General and administrative expenses as parent	-	637,531
General and administrative expenses as associate	<b>98,224</b>	-
Mineral exploration and evaluation assets as parent	-	29,780
Mineral exploration and evaluation assets as associate	<b>6,840</b>	-
	<b>423,791</b>	818,875

Accounts payable and accrued liabilities include \$53,696 owing to a related company, Vulcan Minerals Inc. as at September 30, 2022 (December 31, 2021 - \$86,790) and \$nil owing to a corporation which is controlled by the CEO of the Company (December 31, 2021 - \$5,750).

## 10. SUBSEQUENT EVENTS

### Share Position

Subsequent to September 30, 2022 warrants exercised, options granted and exercised and the shares outstanding were as follows:

Outstanding Shares as of November 28, 2022:	87,615,638
Warrants Exercised October 1, 2022 to November 28, 2022:	20,580
Options Granted October 1, 2022 to November 28, 2022:	1,775,000
Options Exercised October 1, 2022 to November 28, 2022:	Nil

# **CORPORATE INFORMATION**

## **OFFICERS AND MANAGEMENT**

Patrick J. Laracy  
Chief Executive Officer and Chairman

Timothy Rowland Howe  
President

Gillian Russell  
Chief Financial Officer and Corporate  
Secretary

## **BOARD OF DIRECTORS**

Patrick J. Laracy

Fraser Edison

Carson Noel

Timothy Rowland Howe

John Anderson

## **EXCHANGE LISTING**

TSX Venture – “SALT”

## **LEGAL COUNSEL**

Morris McManus, Calgary, AB  
Morton Law, Vancouver, BC  
Cox & Palmer, St. John’s, NL

## **REGISTRAR AND TRANSFER AGENT**

Computershare Trust Company of  
Canada

## **AUDITORS**

PricewaterhouseCoopers LLP

## **BANKERS**

Scotiabank

## **HEAD OFFICE**

333 Duckworth Street  
St. John’s, NL, A1C 1G9  
Tel: (709) 754-3186  
Website: [www.atlassalt.com](http://www.atlassalt.com)