



Atlas Salt Inc.

Interim Condensed Financial Statements

For the Nine Months Ended
September 30, 2023 and 2022

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, 2023

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

(in Canadian dollars)	September 30 2023	December 31 2022
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	13,408,648	9,269,788
Accounts receivable	355,696	479,295
Prepaid expenses	26,364	28,187
	13,790,708	9,777,270
Capital assets	9,808	11,452
Investment in associate (Note 4)	1,466,825	1,635,562
Mineral exploration and evaluation (Note 5)	7,176,457	4,622,510
Total Assets	22,443,798	16,046,794
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 9)	410,343	1,090,439
	410,343	1,090,439
Asset retirement obligations (Note 6)	137,994	144,720
Total Liabilities	548,337	1,235,159
Shareholders' Equity		
Share capital (Note 7)	24,935,042	18,124,018
Warrants (Note 7)	3,319,960	251,047
Contributed surplus	4,013,962	3,104,680
Deficit	(10,373,503)	(6,668,110)
Total Shareholders' Equity	21,895,461	14,811,635
Total Liabilities and Shareholders' Equity	22,443,798	16,046,794

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Patrick J. Laracy _____ Director

Carson Noel _____ Director

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

(in Canadian dollars)	Three Months Ended September 30		Nine Months Ended September 30	
	2023	2022	2023	2022
	\$	\$	\$	\$
Income (Expenses)				
Interest	137,152	51,846	446,208	82,872
Gypsum revenue	266,940	-	298,822	-
Dilution (loss) gain (Note 4)	(97,384)	-	59,266	-
Other income	-	-	-	79,410
Marketing and communications	(60,866)	(144,652)	(1,715,327)	(635,562)
Loss on disposal of mineral properties and evaluation assets (Note 5)	-	(938,441)	-	(938,441)
Share-based compensation (Note 8)	(17,825)	(88,746)	(963,889)	(405,648)
Office and other (Note 9)	(137,907)	(57,922)	(631,951)	(152,011)
Management and subcontract fees (Note 9)	(146,624)	(54,559)	(304,190)	(300,530)
Investor relations	(87,000)	(71,142)	(263,500)	(160,217)
Loss from equity accounted investment (Note 4)	(116,167)	(10,508)	(228,003)	(10,508)
Transfer agent, regulatory and professional fees	(48,010)	(166,247)	(188,979)	(268,428)
Conferences and travel	(51,539)	(18,024)	(91,325)	(45,635)
Loss on return of common shares to treasury	-	-	(69,830)	-
Directors' fees	-	-	(50,000)	(50,000)
Depreciation	(977)	(584)	(2,695)	(1,749)
Net and comprehensive loss	(360,207)	(1,498,979)	(3,705,393)	(2,806,447)
Net loss per share - basic and diluted	\$ (0.004)	\$ (0.018)	\$ (0.040)	\$ (0.035)
Weighted-average number of common shares outstanding - basic and diluted	94,668,785	84,772,754	93,479,963	81,215,931

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'
	Share Capital	Warrants	Contributed Surplus	Deficit	Equity
	\$	\$	\$	\$	\$
Balance, December 31, 2021	11,770,439	1,278,448	1,520,467	(3,740,109)	10,829,245
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
Balance, September 30, 2022	18,086,257	267,198	1,608,090	(6,546,556)	13,414,989
Net and comprehensive loss					
October 1, 2022 - December 31, 2022	-	-	-	353,387	353,387
Distribution to shareholders	-	-	-	(474,941)	(474,941)
Exercise of options	-	-	-	-	-
Exercise of warrants	37,761	(16,151)	-	-	21,610
Share-based compensation	-	-	1,496,590	-	1,496,590
Balance, December 31, 2022	18,124,018	251,047	3,104,680	(6,668,110)	14,811,635
Net and comprehensive loss					
January 1, 2023 - September 30, 2023	-	-	-	(3,705,393)	(3,705,393)
Issuance of shares and warrants pursuant to private placement	7,249,243	2,750,757	-	-	10,000,000
Issuance of broker warrants pursuant to private placement	(568,423)	568,423	-	-	-
Return of common shares to treasury	(219,760)	-	-	-	(219,760)
Share issuance costs	(777,893)	-	-	-	(777,893)
Exercise of options	395,245	-	(170,245)	-	225,000
Exercise of warrants	732,612	(175,650)	-	-	556,962
Expiry of warrants	-	(74,617)	74,617	-	-
Share-based compensation	-	-	1,004,910	-	1,004,910
Balance, September 30, 2023	24,935,042	3,319,960	4,013,962	(10,373,503)	21,895,461

See accompanying notes to the condensed financial statements

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

(in Canadian dollars)	September 30 2023	December 31 2022
	\$	\$
Operating Activities		
Net loss	(3,705,393)	(2,453,060)
Adjustment for non-cash items:		
Depreciation	2,695	3,393
Gain on investment in associate	-	(739,049)
Shares received for mineral exploration and evaluation assets	-	(670,000)
Disposal of mineral exploration and evaluation assets	-	421,089
Dilution gain	(59,266)	(409,620)
Return of common shares to treasury	(219,760)	-
Loss on equity accounted investment	228,003	62,166
Share-based compensation	963,889	1,804,470
	(2,789,832)	(1,980,611)
Changes in non-cash working capital		
Accounts receivable	123,599	116,607
Prepaid expenses	1,823	(9,874)
Accounts payable and accrued liabilities	(680,096)	886,557
Flow-through share premium	-	(79,410)
	(3,344,506)	(1,066,731)
Financing Activities		
Issuance of common shares and warrants	10,000,000	-
Share issuance costs	(777,893)	-
Exercise of options	225,000	345,000
Exercise of warrants	556,962	4,656,313
	10,004,069	5,001,313
Investing Activities		
Purchase of capital assets	(1,051)	(7,072)
Mineral exploration and evaluation assets	(2,519,652)	(3,281,031)
Incidental revenue	-	173,163
Purchase of shares in investment in associate	-	(354,000)
Deposits refunded	-	-
	(2,520,703)	(3,468,940)
Net change in cash and cash equivalents for the year	4,138,860	465,642
Cash and cash equivalents, beginning of period	9,269,788	8,804,146
Cash and cash equivalents, end of period	13,408,648	9,269,788

See accompanying notes to the condensed financial statements

1. NATURE OF OPERATIONS

Atlas Salt Inc. (the “Company”) is a mineral exploration company engaged in the evaluation, exploration, development and production of mineral properties in Newfoundland and Labrador. The Company’s immediate objectives are to define and develop high-quality industrial mineral projects. 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.

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. Its business address is 100 New Gower Street, Suite 910, St. John’s, NL A1C 6K3. 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. In 2021 approval was gained for the corporate continuance of the Company from the Province of Alberta to the Province of British Columbia. The Company was listed on the OTCQB on June 30, 2022 trading under the stock symbol “REMRF”.

2. BASIS OF PRESENTATION

The Company prepares its financial statements 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 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 financial statements were approved and authorized for issuance by the Board of Directors on November 28, 2023.

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September 30, 2023

3. NEW OR AMENDMENTS TO ACCOUNTING STANDARDS NOT YET ADOPTED

For the period ended September 30, 2023, 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 1, Presentation of Financial Statements, are 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. There was no material impact on the Company's financial statements.

4. INVESTMENT IN ASSOCIATE

	September 30	December 31
	2023	2022
	\$	\$
Investment in Triple Point Resources Ltd.	1,466,825	1,635,562
	1,466,825	1,635,562

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 of Atlas Salt on a pro rata basis, such that Atlas Salt shareholders as of 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. At that date the Company's ownership in Triple Point was 36.00% resulting in the Company's share of the net fair value of Triple Point exceeding its cost. Accordingly, the initial investment was recorded at \$1,288,108 resulting in a gain on the spin-out of \$739,049 which was recorded in the statement of loss and comprehensive loss for December 31, 2022. As of September 30, 2023, the Company's ownership was diluted to 27.33% (December 31, 2022 - 28.83%), resulting in a dilution gain of \$59,266 (December 31, 2022 - \$409,620).

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. 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 reimbursement of exploration expenditures on the Fischell's Brook Property. These transactions resulted in a gain on the spin-out of \$248,911 for December 31, 2022. Triple Point's interest in the Fischell's Brook Property is subject to a 3% net production royalty in favour of Vulcan Minerals Inc.

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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 2023	December 31 2022
	\$	\$
Balance beginning of year	1,635,562	-
Initial investment	-	1,288,108
Share of income and comprehensive income	(228,003)	(62,166)
Dilution gain	59,266	409,620
Investment in Triple Point	1,466,825	1,635,562

The following summarized financial information of Triple Point as at September 30, 2023 and December 31, 2022 and for the periods ended September 30, 2023 and December 31, 2022, is as follows:

	September 30 2023	December 31 2022
	\$	\$
Balance Sheet		
Current assets	4,826,450	5,054,782
Non-current assets	805,115	703,993
Current liabilities	264,242	86,231
Equity	5,367,323	5,672,544
	January 1	September 22
Net loss and comprehensive loss	- September 30	- December
	2023	31, 2022
Income	-	-
Net loss and comprehensive loss	1,953,297	215,606

5. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 20 mineral licences (December 31, 2022 – 20) which consist of 321 claims (December 31, 2022 – 321 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

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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:

	September 30, 2023				
	Balance, Beginning of Year	Additions	Refunds	Incidental Revenue	Balance, End of Period
	\$	\$	\$	\$	\$
Mineral Exploration and Evaluation Assets	4,622,510	2,553,947	-	-	7,176,457

	December 31, 2022				
	Balance, Beginning of Year	Additions	Disposals / Refunds	Incidental Revenue	Balance, End of Year
	\$	\$	\$	\$	\$
Mineral Exploration and Evaluation Assets	2,186,182	3,389,341	(420,736)	(532,277)	4,622,510

The 2022 disposals relate to the spin-out of Triple Point as described in Note 4.

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine which were netted against mineral exploration and evaluation assets. Current year additions to mineral exploration costs include share-based compensation of \$41,021 (December 31, 2022 – \$104,608).

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

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 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

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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, 2023 was \$137,994 (December 31, 2022 – \$144,720). The estimated future cash flows have been discounted using a risk-free rate of 4.84% (December 31, 2022 – 4.07%) and an inflation rate of 3.8% (December 31, 2022 – 6.3%). As at September 30, 2023, the Company had entered an agreement with an insurance company to provide a surety bond to the Newfoundland and Labrador government in compliance with its requirements under the approved site development plan, as submitted and reviewed by the government of Newfoundland and Labrador. As additional work and reclamation is completed on the property, the Company will increase or decrease this bond as required by the Newfoundland and Labrador government.

A reconciliation of the asset retirement obligation is provided below:

	September 30 2023	December 31 2022
	\$	\$
Balance, beginning of the year	144,720	140,665
Provision adjustment	(6,726)	4,055
Balance, end of the period	137,994	144,720

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7. SHARE CAPITAL

Authorized

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

Issued and Outstanding

	September 30, 2023		December 31, 2022	
	Number	Share Capital	Number	Share Capital
Common Shares		\$		\$
Balance, beginning of year	87,615,638	18,124,018	78,517,434	11,770,439
Issued pursuant to private placements	5,000,000	7,249,243	-	-
Share issuance cost	-	(777,893)	-	-
Broker warrants	-	(568,423)	-	-
Return of common shares to treasury	(205,383)	(219,760)	-	-
Exercise of stock options	1,650,000	395,245	450,000	669,865
Exercise of warrants	608,530	732,612	8,648,204	5,683,714
Balance, end of period	94,668,785	24,935,042	87,615,638	18,124,018

Private Placement

Pursuant to a private placement dated January 17, 2023 the company issued 5,000,000 units at a price of \$2.00 per unit for aggregate proceeds of \$10,000,000 (less \$2,750,757 attributed to the fair value of 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 \$2.40 for a period of two years.

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Warrants

A summary of warrants outstanding is as follows:

	September 30, 2023		December 31, 2022	
	Number of Warrants	Weighted-Average Exercise Price	Number of Warrants	Weighted-Average Exercise Price
		\$		\$
Outstanding, beginning of the year	832,725	0.88	9,480,929	0.57
Issued – Private Placement	2,850,000	2.40	-	-
Expiry	(199,195)	0.86	-	-
Exercised	(608,530)	0.92	(8,648,204)	0.54
Outstanding, end of the period	2,875,000	2.38	832,725	0.88

	September 30 2023	December 31 2022
	\$	\$
Balance, beginning of the year	251,047	1,278,448
Fair value of warrants issued due to private placement	2,750,757	-
Brokers warrants issued due to private placement	568,423	-
Expiry of warrants	(74,617)	-
Transferred to share capital upon exercise of warrants	(175,650)	(1,027,401)
Balance, end of the period	3,319,960	251,047

The weighted average fair value of the warrants issued during 2023 were estimated on the dates of issuance to be \$1.624 (2022 - \$nil) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2023	2022
Expected volatility (%)	168	-
Risk-free interest rate (%)	3.72	-
Weighted-average expected life (years)	2.00	-
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:

	September 30, 2023		December 31, 2022	
	Number of Options	Weighted- Average Exercise Price	Number of Options	Weighted- Average Exercise Price
		\$		\$
Outstanding, beginning of the year	8,250,000	0.74	6,800,000	0.30
Granted	-	-	1,900,000	2.34
Expired	(125,000)	(2.25)	-	-
Exercised	(1,650,000)	(0.14)	(450,000)	(0.77)
Outstanding, end of the period	6,475,000	0.87	8,250,000	0.74
Outstanding and exercisable, end of the period	6,475,000	0.87	6,970,833	0.42

On November 22, 2022, the Company granted 800,000 stock options to directors with each option entitling the holder to purchase one common share at \$2.35 per share for a period of ten years. 400,000 options vested immediately and 400,000 vested on April 1, 2023.

On November 3, 2022, the Company granted 325,000 stock options to a director and an employee with each option entitling the holder to purchase one common share at \$2.35

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per share for a period of ten years. 162,500 options vested immediately and 162,500 vested on April 1, 2023.

On November 3, 2022, the Company granted 50,000 stock options to an employee with each option entitling the holder to purchase one common share at \$2.35 per share for a period of five years. 25,000 options vested immediately and 25,000 vested on April 1, 2023.

On November 3, 2022, the Company granted 250,000 stock options to a consultant with each option entitling the holder to purchase one common share at \$2.35 per share for a period of two years. 62,500 options vested on February 3, 2023, May 3, 2023, August 3, 2023 and November 3, 2023.

On November 3, 2022, the Company granted 350,000 stock options to consultants with each option entitling the holder to purchase one common share at \$2.35 per share for a period of one year. 87,500 options vested on February 3, 2023, May 3, 2023, August 3, 2023 and November 3, 2023.

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 vested on September 8, 2022, 41,667 vested on December 8, 2022 and the remaining 41,667 vested on March 8, 2023.

The weighted average remaining contractual life of outstanding options is 3.21 years (December 31, 2022 – 3.20 years). The weighted average remaining contractual life of exercisable options is 3.21 years (December 31, 2022 – 2.71 years). The weighted average fair value of stock options granted in the year was estimated on the dates of the grants to be \$nil (December 31, 202 – \$1.32) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	September 30 2023	December 31 2022
Expected volatility (%)	-	144
Risk free interest rate (%)	-	3.92
Weighted-average expected life (years)	-	6.57
Dividend yield (%)	-	-

The Company expensed share-based compensation in the amount of \$963,889 in the period ended September 30, 2023 (December 31, 2022 - \$1,804,470) and \$41,021 was capitalized to mineral exploration and evaluation assets (December 31, 2022 - \$104,608).

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Equity Incentive Plan

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

Restricted Share Units (RSUs)

A summary of restricted share units is as follows:

	September 30, 2023		December 31, 2022	
	Number of RSUs	Weighted-Average Price at Date of Grant	Number of RSUs	Weighted-Average Price
		\$		\$
Outstanding, beginning of the year	-	-	-	-
Granted (subject to TSX-V and Shareholder approval)	890,000	1.35	-	-
Outstanding, end of the period	890,000	1.35	-	-

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

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

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Performance Share Units (PSUs)

A summary of performance share units is as follows:

	September 30, 2023		December 31, 2022	
	Number of RSUs	Weighted-Average Price at Date of Grant	Number of RSUs	Weighted-Average Price
		\$		\$
Outstanding, beginning of the year	-	-	-	-
Granted (subject to TSX-V and Shareholder approval)	1,560,000	1.35	-	-
Outstanding, end of the period	1,560,000	1.35	-	-

On July 26, 2023, the Company granted 1,400,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to July 26, 2024. The stock price on the date of the grant was \$1.36.

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

9. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc., which owns 30.52% (December 31, 2022 – 32.97%) of the Company's common shares, has significant influence over Atlas Salt Inc. The following transactions were carried out with related parties:

	September 30 2023	December 31 2022
	\$	\$
Expenditures paid/payable to Vulcan Minerals Inc., associate of the Company reflected as:		
Mineral exploration and evaluation	150,866	226,359
Capital assets	-	7,072
Royalty	8,827	15,853
General and administrative expenses	95,828	111,957
Rent paid to a corporation which is controlled by a Director of the Company	18,000	12,000
	273,521	373,241

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A 3% Net Production Royalty of \$8,827 as of September 30, 2023 (December 31, 2022 - \$15,853) due to Vulcan Minerals on net proceeds from the Ace Gypsum mine production was incurred in the period.

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

	September 30	December 31
	2023	2022
	\$	\$
Management fees, salaries, and benefits for key management personnel paid/payable to associate and included in Note 9 above, and reflected as the following:		
General and administrative expenses	58,024	72,546
Capitalized as mineral and exploration and evaluation assets	62,159	143,754
Share-based compensation:		
General and administrative expenses	527,889	1,804,470
Mineral exploration and evaluation assets	41,021	104,608
	689,093	2,125,378

Accounts payable and accrued liabilities include \$42,338 owing to a related company, Vulcan Minerals Inc. as at September 30, 2023 (December 31, 2022 - \$117,807).

10. CAPITAL MANAGEMENT

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

11. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Fair Values of Financial Instruments

The carrying amount of cash, accounts payable and accrued liabilities, approximate their fair value due to their short-term nature. The Company does not have any other financial assets or liabilities.

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

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. As of September 30, 2023 the Company had a cash balance of \$13,408,648 and a positive working capital of \$13,380,365.

Market Risk

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

Commodity Price Risk

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

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

13. SUBSEQUENT EVENTS

Compensation Security Grant

Subject to TSX-V and Shareholder approval, the Company granted restricted share units ("RSUs") and performance share units ("PSUs") in the share capital of the Company to consultants and an officer of the Company. 169,500 RSUs and 305,500 PSUs were granted subsequent to September 30, 2023.

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Expired Options

On November 3, 2023 350,000 options with an exercise price of \$2.35 expired.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Richard LaBelle
Chief Executive Officer

Timothy Rowland Howe
President

Peter Newton
Chief Financial Officer

Alasdair Federico
VP Corporate Affairs

BOARD OF DIRECTORS

Patrick J. Laracy, Chairman

Richard LaBelle

Fraser Edison

Carson Noel

Timothy Rowland Howe

John Anderson

EXCHANGE LISTING

TSX Venture – “SALT”

LEGAL COUNSEL

DLA Piper, Calgary, AB
Cox & Palmer, St. John's, NL

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AUDITORS

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BANKERS

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