Atlas Salt Inc.

Financial Statements

For the Years Ended December 31, 2023 and 2022

ATLAS SALT INC.
December 31, 2023

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Independent Auditor's Report

To the Shareholders of Atlas Salt Inc.:

Opinion

We have audited the financial statements of Atlas Salt Inc. (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of net loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of impairment indicators of mineral exploration and evaluation assets

Key Audit Matter Description	*Audit Response*
As described in Notes 4 and 7 to the financial statements, the total book value of mineral exploration and evaluation assets amounted to $8.16 million as at December 31, 2023. At the end of each reporting period, management assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made to determine the extent of the impairment, if any. No indicators of impairment were identified during the year. We considered this a key audit matter due to the significance of the mineral exploration and evaluation assets, and the judgments by management in their assessment of indicators of impairment related to the mineral exploration and evaluation assets, and these have resulted in a high degree of subjectivity in performing procedures related to these judgments applied by management.	We responded to this matter by performing audit procedures relating to the assessment of impairment indicators of mineral exploration and evaluation assets. Our audit work in relation to this included, but was not restricted to, the following: • Assessed the judgments made by management in determining the impairment indicators, which included the following: -Obtained, for a sample of claims, by reference to a government registry, evidence to support the right to explore the area. - Read board of directors' resolutions and obtained budgets to evidence continued and planned substantive expenditures on further exploration and evaluation of resource properties are budgeted and the expected renewals of exploration rights. - Assessed the results of exploration and evaluation activities on the mineral exploration and evaluation assets and if facts and circumstances suggest that the carrying amount may exceed the recoverable amount based on evidence obtained in other areas of the audit.

Other Matter

The financial statements of Atlas Salt Inc. for the year ended December 31, 2022 were audited by PricewaterhouseCoopers LLP of St. John's, Newfoundland and Labrador, Canada, prior to its merger with MNP LLP. PricewaterhouseCoopers LLP expressed an unmodified opinion on those statements on April 26, 2023.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Walter-Armando Gomez Figueroa.

Montréal, Québec

MNP LLP [1]

April 23, 2024

[1] By CPA auditor, public accountancy permit no. A142237

MNP S.E.N.C.R.L./s.r.l./LLP

ATLAS SALT INC.
Statements of Financial Position
As at December 31

(in Canadian dollars)	**2023**	2022
	$	$
Assets		
Current assets		
Cash and cash equivalents	**12,192,483**	9,269,788
Accounts receivable	**175,238**	479,295
Prepaid expenses	**44,831**	28,187
	12,412,552	9,777,270
Capital assets (Note 5)	**386,089**	11,452
Investment in associate (Note 6)	**1,413,113**	1,635,562
Mineral exploration and evaluation (Note 7)	**8,162,295**	4,622,510
Total Assets	**22,374,049**	16,046,794
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 12)	**460,971**	1,090,439
	460,971	1,090,439
Asset retirement obligations (Note 8)	**136,931**	144,720
Total Liabilities	**597,902**	1,235,159
Shareholders' Equity		
Share capital (Note 10)	**25,591,855**	18,124,018
Warrants (Note 10)	**2,678,787**	251,047
Contributed surplus	**5,011,628**	3,104,680
Deficit	**(11,506,123)**	(6,668,110)
Total Shareholders' Equity	**21,776,147**	14,811,635
Total Liabilities and Shareholders' Equity	**22,374,049**	16,046,794

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Richard LaBelle **Director**

Carson Noel **Director**

ATLAS SALT INC.
Statements of Net Loss and Comprehensive Loss
Years Ended December 31

(in Canadian dollars)		2023		2022
		$		$
Expenses				
Marketing and communications		**(1,751,506)**		(793,412)
Share-based compensation (Note 11)		**(1,478,892)**		(1,804,470)
Office and other (Note 12)		**(425,945)**		(126,004)
Salaries and benefits		**(366,242)**		(107,999)
Transfer agent, regulatory and professional fees		**(336,586)**		(433,881)
Management and subcontract fees (Note 12)		**(332,621)**		(370,687)
Investor relations		**(326,000)**		(211,102)
Conferences and travel		**(103,526)**		(118,809)
Directors' fees		**(50,000)**		(50,000)
Depreciation		**(12,908)**		(3,393)
Loss from operations		**(5,184,226)**		(4,019,757)
Other income (expenses)				
Interest		**568,662**		151,873
Dilution gain (Note 6)		**365,182**		409,620
Gain on investment in associate (Note 6)		**-**		739,049
Gain on disposal of mineral exploration and evaluation assets (Note 6)		**-**		248,911
Other income		**-**		79,410
Loss from equity accounted investment (Note 6)		**(587,631)**		(62,166)
		346,213		1,566,697
Net loss and comprehensive loss		**(4,838,013)**		(2,453,060)
Net loss per share - basic and diluted	**$**	**(0.052)**	$	(0.030)
Weighted-average number of common shares outstanding - basic and diluted		**93,780,433**		82,827,260

See accompanying notes to the financial statements

ATLAS SALT INC.
Statements of Changes in Equity

(in Canadian dollars)	(Note 10) Share Capital	(Note 10) Warrants	(Note 11) Contributed Surplus	Deficit	Total Shareholders' Equity
	$	$	$	$	$
Balance, December 31, 2021	**11,770,439**	**1,278,448**	**1,520,467**	**(3,740,109)**	**10,829,245**
Net loss and comprehensive loss					
January 1, 2022 - December 31, 2022	-	-	-	(2,453,060)	(2,453,060)
Distribution to shareholders	-	-	-	(474,941)	(474,941)
Exercise of options	669,865	-	(324,865)	-	345,000
Exercise of warrants	5,683,714	(1,027,401)	-	-	4,656,313
Share-based compensation	-	-	1,909,078	-	1,909,078
Balance, December 31, 2022	**18,124,018**	**251,047**	**3,104,680**	**(6,668,110)**	**14,811,635**
Net loss and comprehensive loss					
January 1, 2023 - December 31, 2023	-	-	-	(4,838,013)	(4,838,013)
Issuance of shares and warrants pursuant to private placement	7,755,526	2,244,474	-	-	10,000,000
Issuance of broker warrants pursuant to private placement	(433,533)	433,533	-	-	-
Return of common shares to treasury	(219,760)	-	(69,830)	-	(289,590)
Share issuance costs	(777,893)	-	-	-	(777,893)
Exercise of options	410,885	-	(175,885)	-	235,000
Exercise of warrants	732,612	(175,650)	-	-	556,962
Expiry of warrants	-	(74,617)	74,617	-	-
Share-based compensation	-	-	2,078,046	-	2,078,046
Balance, December 31, 2023	**25,591,855**	**2,678,787**	**5,011,628**	**(11,506,123)**	**21,776,147**

See accompanying notes to the financial statements

ATLAS SALT INC.
Statements of Cash Flows
Years Ended December 31

(in Canadian dollars)	**2023**	2022
	$	$
Operating Activities		
Net loss	**(4,838,013)**	(2,453,060)
Adjustment for non-cash items:		
Depreciation (Note 5)	**12,908**	3,393
Gain on investment in associate (Note 6)	**-**	(739,049)
Shares received for mineral exploration and evaluation assets	**-**	(670,000)
Disposal of mineral exploration and evaluation assets	**-**	421,089
Dilution gain (Note 6)	**(365,182)**	(409,620)
Loss from equity accounted investment (Note 6)	**587,631**	62,166
Share-based compensation (Note 11)	**1,478,892**	1,804,470
	(3,123,764)	(1,980,611)
Changes in non-cash working capital		
Accounts receivable	**304,057**	116,607
Prepaid expenses	**(16,644)**	(9,874)
Accounts payable and accrued liabilities	**(629,468)**	886,557
Flow-through share premium	**-**	(79,410)
Cash used in operating activities	**(3,465,819)**	(1,066,731)
Financing Activities		
Issuance of common shares and warrants (Note 10)	**10,000,000**	-
Share issuance costs (Note 10)	**(777,893)**	-
Return of common shares to treasury	**(289,590)**	-
Exercise of options	**235,000**	345,000
Exercise of warrants	**556,962**	4,656,313
Cash from financing activities	**9,724,479**	5,001,313
Investing Activities		
Purchase of capital assets (Note 5)	**(387,545)**	(7,072)
Mineral exploration and evaluation assets	**(3,345,999)**	(3,281,031)
Incidental revenue (Note 7)	**397,579**	173,163
Purchase of shares in investment in associate (Note 6)	**-**	(354,000)
Cash used in investing activities	**(3,335,965)**	(3,468,940)
Net change in cash and cash equivalents for the year	**2,922,695**	465,642
Cash and cash equivalents, beginning of year	**9,269,788**	8,804,146
Cash and cash equivalents, end of year	**12,192,483**	9,269,788

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS

Atlas Salt Inc. (the “Company”) is a mineral exploration company engaged in the evaluation and exploration of mineral properties in Newfoundland and Labrador. The Company’s principal asset is the Great Atlantic salt deposit project (the “Great Atlantic Salt Project:), located in the St. George Basin of western Newfoundland.

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 (TSX-V stock symbol “SALT”). 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”), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

A summary of the Company’s material accounting policies under IFRS is presented in Note 4.

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

The functional and presentation currency of the financial statements is Canadian dollars. All the Company’s assets are located in Canada.

These financial statements were approved and authorized for issuance by the Board of Directors on April 23, 2024.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

Effective for the current year ending December 31, 2023

The following revised standards are effective for annual periods beginning on January 1, 2023, and had been adopted in the current period:

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023, with early application permitted. The Company adopted these amendments on January 1, 2023, and removed all the non-material accounting policies in these annual financial statements.

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification if unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early application permitted. The Company adopted these amendments on January 1, 2023, and determined there was no impact on its annual financial statements.

Amendments to IAS 12 Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:

    - Right-of-use assets and lease liabilities
    - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset

- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual periods beginning on or after January 1, 2023, with early application permitted. The Company adopted these amendments on January 1, 2023, and determined there was no impact on its annual financial statements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amount in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the standard with the following clarifications:

- A change in accounting estimate that results from new information or developments is not the correction of an error.
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after January 1, 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted

The Company adopted these amendments on January 1, 2023, and determined there was no impact on its annual financial statements.

4. MATERIAL ACCOUNTING POLICIES

Material Management Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make estimates, judgments, and assumptions regarding the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from the estimates. Material estimates and judgments made by management in the preparation of these financial statements are outlined below.

***Mineral Exploration and Evaluation Assets*:** At the end of each reporting period, the Company assesses each of its mineral resource properties to determine whether any indication of impairment exists. Judgment is required in determining whether indicators of impairment exist, including factors such as, the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets. No indications of impairment were identified at December 31, 2023.

Impairment of investment in associate**:** At the end of each reporting period, the Company considers whether there is any evidence of impairment in an associate. When there is evidence that an investment in an associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the period of impairment. When an impairment loss reverses in a subsequent period, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the consolidated statement of loss and comprehensive loss in the period the reversal occurs. No indications of impairment were identified at December 31, 2023.

Asset Retirement Obligations**:** The Company's exploration activities are subject to various laws and regulations governing the protection of the environment. The Company recognizes management's best estimate for asset retirement obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, timing of estimated cash flows and discount rates could affect the carrying amount of this provision.

Share-Based Compensation**:** Management is required to make certain estimates when determining the fair value of stock options, issued including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends, vesting period of performance share units and restricted share units and other relevant assumptions.

Going Concern: When preparing financial statements, management is required to make an assessment of the entity's ability to continue as a going concern. This assessment requires management to estimate the Company's ability to meet current obligations and commitments over the upcoming 12 months.

Share-Based Compensation

The Company has an equity settled share-based payment plan. The fair value of options is determined using the Black-Scholes option pricing model and is amortized to earnings or loss over the vesting period with a corresponding increase to contributed surplus. When options are exercised, the corresponding contributed surplus and the proceeds received by the Company are credited to share capital. Forfeiture of stock options is estimated on issuance, and the number of stock options expected to vest is reviewed at least annually with any adjustment being recognized immediately.

Performance Share Unit (“PSU”) and Restricted Share Unit (“RSU”) are equity instruments under the Equity Incentive Plans. PSUs and RSUs represent cash or share-settled awards. The fair value of these equity instruments is based on the fair value of the underlying common share at grant date. For PSUs, the Company revises the estimated achievement date of the respective milestones at the end of each reporting period.

Compensation expense is recognized on a straight-line basis over the vesting period, which for the PSU Plan is the expected time to certify achievement of the underlying performance goals and for the DSU and RSU Plans is at the time of grant. Forfeitures are accounted for as they occur.

Income Taxes

Income tax expense is comprised of current and deferred income tax. Current tax and deferred tax are recognized in earnings or loss except to the extent that they relate to items recognized directly in the statements of changes in equity.

Current tax expense comprises the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset tax liabilities and assets and they relate to income taxes levied by the same tax authority on either the same taxable entity, or on different taxable entities, which intend to settle tax liabilities and assets on a net basis or realize their tax assets and liabilities simultaneously.

A deferred tax asset is recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses, unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that all or part of the related tax benefit will be realized.

Earnings (Loss) Per Share

Basic net earnings (loss) per share is calculated by dividing net earnings (loss) by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per share is equivalent to basic earnings (loss) per share as the inclusion of outstanding options and warrants is anti-dilutive.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term deposits. Short-term deposits are cashable within a three month or less period.

Deposits

The Company makes deposits on mineral licences which are refundable when and if the Company incurs sufficient exploration expenditures within a specified time frame and files a related report with the appropriate government authorities. Should the Company not incur the applicable exploration expenditures, post a bond in lieu thereof or fail to submit the related exploration report within the applicable timeframe, the deposit becomes non-refundable and is added to mineral properties.

Grants

Government grants received or receivable in respect of mineral exploration and evaluation assets is reflected as a reduction of the cost of the mineral exploration and evaluation asset.

Investment in associate

An associate is an entity over which the Company has significant influence, and which is neither a subsidiary or a joint venture.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed to exist when the Company holds between 20% and 50% of the voting power of another entity, but can also arise where the Company holds less than 20% if it has the power to be actively involved and influential in policy decision affecting the entity.

An investment in associate is accounted for using the equity method. Under this method, investments in associates are carried in the statement of financial position at cost adjusted for post-acquisition changes in the Company’s share of net assets of the associate, less any impairment losses. Losses in an associate in excess of the Company’s interest in that associate are recognized only to the extent that the Company has incurred a legal or constructive obligation to make payments on behalf of the associate. Unrealized profits or losses on transactions between the Company and an associate are eliminated to the extent of the Company's interest therein.

The investment in an associate is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. Management assesses indications of impairment at the end of each reporting period.

Mineral Exploration and Evaluation Assets

All costs directly associated with the exploration and evaluation of mineral properties are initially capitalized. Mineral exploration and evaluation costs are those expenditures for an area where technical feasibility and commercial viability has not yet been determined. These costs include unproved property acquisition costs, geological and geophysical costs, exploration and evaluation drilling, sampling, and appraisals. Costs incurred prior to acquiring the legal rights to explore an area are charged directly to net loss as exploration and evaluation expense. When an area is determined to be technically feasible and commercially viable, the accumulated costs are transferred to property, plant and equipment. When an area is determined not to be technically feasible and commercially viable or the Company decides not to continue with its activity, the unrecoverable costs are charged to net loss as exploration and evaluation expense.

Share-based compensation is capitalized to mineral exploration and evaluation assets based on the percentage of time spent working on the project during each quarter when such time relates to performing the activities listed above.

Incidental revenue and cost recoveries relating to mineral exploration and evaluation assets are recorded first as a reduction of the specific exploration and evaluation property to which the fees and payments relate, and any excess as other revenue on the statement of net loss and comprehensive loss.

Capital Assets

Capital Assets are recorded at cost. Depreciation is based on the estimated useful life using the declining balance method. Land is not depreciated. The Company has three classes of capital assets which are depreciated using the following rates:

Buildings	4%
Office Furniture	20%
Computer Equipment	30%

Asset Retirement Obligations

The Company recognizes a provision for retirement obligations associated with long-lived assets, which includes the abandonment and remediation costs required to return the property to its original condition.

The Company recognizes the fair value of the liability for an asset retirement obligation in the period in which it is incurred and records a corresponding increase in the carrying value of the related long-lived asset. Fair value is determined through a review of engineering studies, industry guidelines, and management estimates. Fair value is estimated using the present value of the estimated future cash outflows to remediate the abandoned assets at the asset's risk-free discount rate. The liability is subsequently adjusted for the passage of time and is recognized as an accretion expense in the statements of loss and comprehensive loss. The liability is also adjusted due to revisions in either the timing or the amount of the original estimated cash flows associated with the liability. If the retirement obligation relates to an area still in the exploration and evaluation stage the retirement obligation is capitalized to the exploration and evaluation asset. Subsequent to original measurement, accretion expense is also capitalized to the exploration and evaluation asset.

Impairment of Long-lived Assets

The carrying amount of the Company's long-lived assets is assessed at each reporting period to determine whether there is any indication of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Assets are grouped at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets (cash generating unit or "CGU"). A CGU may include certain aggregated long-lived assets. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount, with the impairment loss recognized in net loss for the reporting period. Where an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount, but only to the extent that this amount does not exceed the carrying amount that would have been recognized, net of depletion, depreciation, and amortization, had an impairment loss not been recognized in previous periods.

Share Issuance Costs

Share issuance costs are incremental costs directly associated with the issuance of common stock. These costs typically include fees paid to bankers or underwriters, lawyers, accountants, as well as other third parties. The share issuance costs are shown as a reduction of share capital.

Warrants

Share purchase warrants are issued together with shares as private placement units. The shares issued to raise capital are classified in equity in accordance with IAS 32. The fair value of the proceeds of the units is allocated to separate components of equity (share capital and warrants) using the relative fair value method. Subsequent modifications to an entire class of share purchase warrants classified as equity are not subsequently remeasured.

Financial Instruments

The Company classifies its financial instruments in the following measurement categories: fair value through profit and loss (FVTPL); fair value through other comprehensive income (FVOCI); or amortized cost. Management determines the classification of its financial instruments at initial recognition.

The accounting policies related to these financial assets and liabilities are as follows:

Amortized Cost and Effective Interest Rate: The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Initial Recognition and Measurement: Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments, other than financial instruments at FVTPL are added to or deducted from the fair value of the financial instrument, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments at FVTPL are recognized immediately in net earnings.

Classification and Subsequent Measurement: A financial asset is subsequently measured at:

- ***Amortized Cost:*** if it is held for the purposes of collecting contractual cash flows with such cash flows solely comprising payments of principal and interest on the principal amount outstanding;
- ***Fair Value Through Other Comprehensive Income:*** if it is held for the purposes of collecting contractual cash flows and selling financial assets with such cash flows solely comprising payments of principal and interest on the principal amount outstanding; or irrevocably designated as such upon initial recognition; and
- ***Fair Value Through Profit and Loss:*** if it is neither classified as subsequently measured at amortized cost nor FVOCI; or irrevocably designated as such upon initial recognition if doing so eliminates or significantly reduces a measurement or recognition

inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Company classifies its financial assets using the following measurement categories:
- FVOCI; or
- Amortized Cost

All financial assets are carried at amortized cost.

Liabilities carried at amortized cost will continue to be measured as outlined in measurement methods above.

Impairment of Financial Assets: Financial assets which are measured subsequent to initial recognition at amortized cost are assessed for indicators of impairment at the end of each reporting period. The amount of the impairment loss, if any, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The Company's financial assets carried at amortized cost consist only of cash and accounts receivable.

The Company's exposure to credit risk on its cash balance is mitigated as cash deposits are held with major financial institutions with strong credit ratings.

A loss allowance provision, which reflects the Company's estimate of credit losses, is applied to reduce the carrying amount of trade receivables and due from related parties. Subsequent recoveries of amounts previously provided for are credited against the allowance.

5. CAPITAL ASSETS

December 31, 2023

	Opening Cost	Additions	Opening Depreciation	Depreciation	Net Book Value
Buildings	**-**	**286,740**	**-**	**5,735**	**281,005**
Land	**-**	**71,685**	**-**	**-**	**71,685**
Office Furniture	**-**	**12,617**	**-**	**1,262**	**11,355**
Computer Equipment – Server	**7,072**	**-**	**1,061**	**1,803**	**4,208**
Computer Equipment – Website / Computer	**11,500**	**16,503**	**6,059**	**4,108**	**17,836**
Total	**18,572**	**387,545**	**7,120**	**12,908**	**386,089**

December 31, 2022

	Opening Cost	Additions	Opening Depreciation	Depreciation	Net Book Value
Computer Equipment – Server	-	7,072	-	1,061	6,011
Computer Equipment – Website / Computer	11,500	-	3,727	2,332	5,441
Total	11,500	7,072	3,727	3,393	11,452

6. INVESTMENT IN ASSOCIATE

	December 31 2023	December 31 2022
	$	**$**
Investment in Triple Point Resources Ltd.	**1,413,113**	1,635,562
	1,413,113	1,635,562

Triple Point Resources Ltd. ("Triple Point")
Triple Point was incorporated on April 1, 2022 under the laws of the Province of British Columbia. Triple Point's head office is in St. John's, Newfoundland and Labrador.

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 (see details in paragraph below). 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 net loss and comprehensive loss for December 31, 2022. As of December 31, 2023, the Company's ownership was diluted to 27.33% (December 31, 2022 - 28.83%), resulting in a dilution gain of $365,182 (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. In 2022, Atlas redistributed to its shareholders a total of 23,747,026 common shares of Triple Point resulting in a total of 27,452,974 common shares held at 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.

Management has determined that its investment in the common shares of Triple Point along with one common director, 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:

	December 31 2023	**December 31 2022**
	$	**$**
Balance beginning of year	**1,635,562**	-
Initial investment	**-**	1,288,108
Share of net loss and comprehensive income	**(587,631)**	(62,166)
Dilution gain	**365,182**	409,620
Investment in Triple Point	**1,413,113**	1,635,562

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

	December 31 2023	**December 31 2022**
	$	**$**
Statement of Financial Position		
Cash and cash equivalents	**3,665,487**	5,014,739
Other current assets	**351,064**	40,043
Non-current assets	**1,376,621**	703,993
Current liabilities	**222,390**	86,231
Equity	**5,170,782**	5,672,544
Net loss and comprehensive loss	**January 1 - December 31 2023**	**September 22 – December 31, 2022**
Interest Income	**139,374**	-
Net loss and comprehensive loss	**1,031,228**	215,606

Triple Point had depreciation of $539 in 2023 (December 31, 2022 – $nil). There was $nil interest expense (December 31, 2022 - $nil) and $nil income tax expense in 2023 (December 31, 2022 – $nil).

As at December 31, 2023, the Company did not identify any indications of impairment on this investment.

7. 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 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:

December 31, 2023

	Balance, Beginning of Year	Additions	Refunds	Incidental Revenue	Balance, End Year
	$	$	$	$	$
Mineral Exploration and Evaluation Assets	**4,622,510**	**3,937,364**	**-**	**(397,579)**	**8,162,295**

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 6.

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine which are netted against mineral exploration and evaluation assets. Current year additions to mineral exploration costs include share-based compensation of $599,154 (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.

8. 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 December 31, 2023 was $136,931 (December 31, 2022 – $144,720). The estimated future cash flows have been discounted using a risk-free rate of 3.91% (December 31, 2022 – 4.07%) and an inflation rate of 3.4% (December 31, 2022 – 6.3%). As at December 31, 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:

	December 31 2023	December 31 2022
	$	$
Balance, beginning of the year	**144,720**	140,665
Provision adjustment	**(7,789)**	4,055
Balance, end of the year	**136,931**	144,720

9. INCOME TAXES

Deferred Income Taxes

The Company has an unrecorded deferred income tax asset as follows:

	2023	2022
	$	$
Share issuance costs	**(361,240)**	(105,865)
Non-capital loss carryforwards	**(1,588,889)**	(856,720)
Asset retirement obligations	**(41,079)**	(43,416)
Unrecognized deferred tax asset	**(1,991,208)**	(1,006,001)

Income Tax Rates

Income taxes differ from that which would be expected from applying the combined effective Canadian federal and provincial income tax rates of 30% (2022 - 30%) to (loss) before income taxes as follows:

	2023	2022
	$	$
Expected income tax recovery	**(1,451,404)**	(735,918)
Non-deductible share-based compensation	**443,668**	541,341
Change in unrecognized deferred tax asset	**1,004,133**	132,961
Permanent differences	**3,603**	61,616
Deferred income tax expense	**-**	-

Deferred Income Tax (Liabilities) Assets

The Company's deferred income tax (liabilities) assets are as follows:

	2023 $	2022 $
Deferred income tax liabilities		
Exploration and evaluation assets	**(1,346,781)**	(16,907)
Capital assets	**(12,358)**	(1,314)
Investment in associates	**(161,779)**	(192,643)
	(1,520,919)	(210,864)
Deferred income tax assets		
Non-capital losses	**1,520,919**	210,864
	1,520,919	210,864
Net deferred income tax (liabilities) assets	**-**	-

The following deductible temporary difference have not been recognized in the financial statements.

	2023 $	2022 $
Non-capital losses carried forward	**5,296,295**	2,855,734
Share issuance costs	**1,204,132**	352,882
Other	**136,931**	144,721
	6,637,359	3,353,337

Non-Capital Losses

The Company has non-capital losses amounting to $10,366,026 (2022 - $3,558,613) which are available to reduce taxable income of future years. These tax assets are not recognized for accounting purposes and the non-capital losses expire as follows:

Year	$
2034	118,625
2035	150,364
2036	96,235
2037	83,668
2038	85,859
2039	-
2040	-
2041	1,316,311
2042	1,701,322
2043	6,813,642
	10,366,026

The Company also has Canadian exploration expenses of $3,673,024 which may be deducted in determining taxable income of future years.

10. SHARE CAPITAL

Authorized

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

Issued and Outstanding

	December 31, 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**	**7,755,526**	-	-
Share issuance cost	**-**	**(777,893)**	-	-
Broker warrants	**-**	**(433,533)**	-	-
Return of common shares to treasury	**(205,383)**	**(219,760)**	-	-
Exercise of stock options	**1,750,000**	**410,885**	450,000	669,865
Exercise of warrants	**608,530**	**732,612**	8,648,204	5,683,714
Balance, end of year	**94,768,785**	**25,591,855**	87,615,638	18,124,018

The return of common shares to treasury was a related party transaction in 2023. During 2023, there were 1,700,000 (2022 – nil) options exercised by related parties and nil (2022 – 1,248,571) warrants exercised by related parties.

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 $2,244,474 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.

The Company paid eligible finders a finder’s fee comprising of a cash commission of 7% of the gross proceeds of the offering ($700,000) and non-transferable finder’s warrants of 7% of the number of common shares (350,000 warrants). The finder’s warrants entitle the holder to acquire one common share of the Company at a price of $2.40 for a period of two years.

Warrants

A summary of warrants outstanding is as follows:

	December 31, 2023		December 31, 2022	
	Number of Warrants	Weighted-Average Exercise Price	Number of Warrants	Weighted-Average Exercise Price
		$		$
Outstanding, beginning of year	**832,725**	**0.88**	9,480,929	0.57
Issued – Private Placement	**2,500,000**	**2.40**	-	-
Issued – Finders Warrants	**350,000**	**2.40**	-	-
Expired	**(199,195)**	**0.86**	-	-
Exercised	**(608,530)**	**0.92**	(8,648,204)	0.54
Outstanding, end of year	**2,875,000**	**2.38**	832,725	0.88

	December 31 2023	December 31 2022
	$	$
Balance, beginning of the year	**251,047**	1,278,448
Fair value of warrants issued due to private placement	**2,244,474**	-
Brokers warrants issued due to private placement	**433,533**	-
Expiry of warrants	**(74,617)**	-
Transferred to share capital upon exercise of warrants	**(175,650)**	(1,027,401)
Balance, end of the year	**2,678,787**	251,047

The weighted average fair value of the warrants issued during 2023 were estimated on the dates of issuance to be $1.24 (2022 - $nil) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2023	2022
Expected volatility (%)	**116**	-
Risk-free interest rate (%)	**3.72**	-
Weighted-average expected life (years)	**2.00**	-
Fair value of share price on date of issue	**2.14**	-
Dividend yield (%)	**-**	-

11. 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:

	December 31, 2023		**December 31, 2022**	
	Number of Options	**Weighted-Average Exercise Price**	**Number of Options**	**Weighted-Average Exercise Price**
		$		**$**
Outstanding, beginning of year	**8,250,000**	**0.74**	6,800,000	0.30
Granted	**-**	**-**	1,900,000	2.34
Expired	**(675,000)**	**(2.12)**	-	-
Exercised	**(1,750,000)**	**(0.13)**	(450,000)	(0.77)
Outstanding, end of year	**5,825,000**	**0.77**	8,250,000	0.74
Outstanding and exercisable, end of year	**5,825,000**	**0.77**	6,970,833	0.42

The weighted average of the share price on the date of exercise of options in 2023 was $1.02 (2022 - $3.43).

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 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 3.30 years (December 31, 2022 – 3.20 years). The weighted average remaining contractual life of exercisable options is 3.30 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, 2022 – $1.32) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	December 31 2023	**December 31 2022**
Expected volatility (%)	-	144
Risk free interest rate (%)	-	3.92
Weighted-average expected life (years)	-	6.57
Fair value of share price on date of issue	-	1.78
Dividend yield (%)	-	-

The expected volatility is based on the historical volatility of the Company.

The Company expensed share-based compensation related to options in the amount of $1,006,737 in the year ended December 31, 2023 (December 31, 2022 - $1,804,470) and

$41,021 was capitalized to mineral exploration and evaluation assets (December 31, 2022 - $104,608).

Equity Incentive Plan

The Company has an equity incentive plan 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:

	December 31, 2023		**December 31, 2022**	
	Number of RSUs	**Weighted-Average Price at Date of Grant**	**Number of RSUs**	**Weighted-Average Price**
		$		**$**
Outstanding, beginning of year	**-**	**-**	-	-
Granted	**1,059,500**	**1.29**	-	-
Forfeited	**(72,000)**	**(1.01)**	-	-
Outstanding, end of year	**987,500**	**1.31**	-	-
Outstanding and vested, end of year	**-**	**-**	-	-

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.

On October 1, 2023, the Company granted 72,000 RSUs to a former officer. 40,000 vesting October 1, 2024, 16,000 vesting April 1, 2025 and 16,000 vesting October 1, 2025. The stock price on the date of the grant was $1.01. These RSUs were forfeited on December 18, 2023.

On October 6, 2023, the Company granted 25,500 RSUs to a consultant. 14,000 vesting October 6, 2024, 5,750 vesting April 6, 2025 and 5,750 vesting October 6, 2025. The stock price on the date of the grant was $0.92.

On October 10, 2023, the Company granted 72,000 RSUs to an officer. 40,000 vesting October 10, 2024, 16,000 vesting April 10, 2025 and 16,000 vesting October 10, 2025. The stock price on the date of the grant was $0.95.

The Company expensed share-based compensation related to RSUs in the amount of $213,036 in the year ended December 31, 2023 (December 31, 2022 - $nil) and $252,016 was capitalized to mineral exploration and evaluation assets (December 31, 2022 - $nil).

Performance Share Units (PSUs)

A summary of performance share units is as follows:

	December 31, 2023		**December 31, 2022**	
	Number of PSUs	**Weighted-Average Price at Date of Grant**	**Number of PSUs**	**Weighted-Average Price**
		$		**$**
Outstanding, beginning of year	**-**	**-**	-	-
Granted	**1,865,500**	**1.29**	-	-
Forfeited	**(128,000)**	**(1.01)**	-	-
Outstanding, end of the year	**1,737,500**	**1.31**	-	-
Outstanding and vested, end of year	**-**	**-**	-	-

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.

On October 1, 2023, the Company granted 128,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to October 1, 2024. The stock price on the date of the grant was $1.01. These PSUs were forfeited on December 18, 2023.

On October 6, 2023, the Company granted 49,500 PSUs to a consultant. These PSUs are based on performance indicators achieved and cannot vest prior to October 6, 2024. The stock price on the date of grant was $0.92.

On October 10, 2023, the Company granted 128,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to October 10, 2024. The stock price on the date of the grant was $0.95.

The Company expensed share-based compensation related to PSUs in the amount of $259,119 in the year ended December 31, 2023 (December 31, 2022 - $nil) and $306,117 was capitalized to mineral exploration and evaluation assets (December 31, 2022 - $nil).

The performance milestones for all of the PSUs are tied to the Great Atlantic Salt Project.

12. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc., which owns 30.49% (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:

	December 31 2023	**December 31 2022**
	$	**$**
Expenditures paid/payable to Vulcan Minerals Inc., associate of the Company reflected as:		
Mineral exploration and evaluation assets	**159,394**	226,359
Capital assets	**-**	7,072
Royalty	**11,790**	15,853
General and administrative expenses	**124,679**	111,957
Rent paid to a corporation which is controlled by a Director of the Company	**24,000**	12,000
	319,863	373,241

A 3% Net Production Royalty of $11,790 as of December 31, 2023 (December 31, 2022 - $15,853) due to Vulcan Minerals on net proceeds from the Ace Gypsum mine production was incurred in the year.

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

	December 31 2023	December 31 2022
	$	**$**
Management fees, salaries, and benefits for key management personnel paid/payable to associate and reflected as the following:		
Salaries related to general and administration	**75,431**	72,546
Capitalized as mineral and exploration and evaluation assets	**62,159**	143,754
Share-based compensation:		
General and administrative expenses	**568,910**	1,432,520
Mineral exploration and evaluation assets	**41,021**	104,608
	747,521	1,753,428

Accounts payable and accrued liabilities include $34,911 owing to Vulcan Minerals Inc. as at December 31, 2023 (December 31, 2022 - $117,807).

13. 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.

14. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

Fair Values of Financial Instruments

The carrying amount of cash and cash equivalents, accounts receivable, 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.

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 cash equivalents 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 December 31, 2023 the Company had a cash balance of $12,192,483 and a positive working capital of $11,951,581.

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.

15. COMPARATIVE FIGURES

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

16. SUBSEQUENT EVENTS

Share Position

Subsequent to December 31, 2023 the following movement occurred:

Outstanding Shares as of April 23, 2024	95,216,047
Warrants Exercised	25,000
Options Exercised	422,262
Options Expired	802,738
DSUs Granted	150,000
PSUs Granted	128,000
RSUs Granted	72,000

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Richard LaBelle
Chief Executive Officer

Timothy Rowland Howe
President

Michael Psihogios
Chief Financial Officer

Alasdair Federico
VP Corporate Affairs

BOARD OF DIRECTORS

Patrick J. Laracy, Chairman

Richard LaBelle

Fraser Edison

Carson Noel

Timothy Rowland Howe

Marc Boissonneault

EXCHANGE LISTING

TSX Venture – "SALT"

LEGAL COUNSEL

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

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada

AUDITORS

MNP LLP

BANKERS

Scotiabank

HEAD OFFICE

100 New Gower Street, Suite 910
St. John's, NL, A1C 6K3
Tel: (709) 739-9545
Website: www.atlassalt.com