



Atlas Salt Inc.

Interim Condensed Financial Statements

For the Three Months Ended March 31, 2024 and 2023

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.

March 31, 2024

Table of Contents

Condensed Statement of Financial Position	4
Condensed Statements of Net Loss and Comprehensive Loss	5
Condensed Statements of Changes in Equity	6
Condensed Statements of Cash Flows	7
Notes to the Condensed Financial Statements	8

Atlas Salt Inc.
Condensed Statement of Financial Position
(Unaudited)

As At	Mar 31, 2024	Dec 31, 2023
(in Canadian Dollars)	\$	\$
Assets		
Current Assets		
Cash	11,291,543	12,192,483
Accounts receivable	135,901	175,238
Prepaid expenses	48,917	44,831
	11,476,361	12,412,552
Right of use asset	31,071	-
Capital assets (Note 5)	417,478	386,089
Investment in associate (Note 4)	1,316,371	1,413,113
Mineral exploration and evaluation (Note 6)	9,031,545	8,162,295
Total Assets	22,272,827	22,374,049
Liabilities		
Current liabilities		
Trade payables (Note 10)	367,493	354,115
Accrued and other liabilities (Note 1)	101,951	106,858
	469,444	460,972
Asset retirement obligations (Note 7)	124,899	136,931
Total Liabilities	594,343	597,902
Shareholders' Equity		
Share capital (Note 8)	25,617,154	25,591,855
Warrants (Note 8)	2,678,079	2,678,787
Contributed surplus	5,668,938	5,011,628
Deficit	(12,285,688)	(11,506,123)
Total Shareholders' Equity	21,678,484	21,776,147
Total Liabilities and Shareholders' Equity	22,272,827	22,374,049

Nature of operations (Note 1)

Approved on behalf of the Board of Directors

Richard LaBelle

Director, Chief Executive Officer

Carson Noel

Director, Chair of Audit Committee

Atlas Salt Inc.

**Condensed Statements of Net Loss and Comprehensive Loss
(Unaudited)**

For the period (in Canadian Dollars)	Three Months Ended	
	March 31	
	2024	2023
	\$	\$
Expenses		
Management and subcontractor fees	169,442	58,908
Marketing and communications	14,461	150,267
Investor relations	-	71,500
Public company expenses	39,302	68,727
Office and other (Note 10)	92,158	67,565
Salaries and benefits	86,844	41,155
Conferences and travel	40,291	26,018
Share-based compensation (Note 9)	344,001	681,616
Depreciation (Note 5)	12,935	859
	799,434	1,166,615
Other Income (Expenses)		
Interest income	116,611	146,883
Loss from investment in associate (Note 4)	(96,742)	(55,021)
Gain on dilution (Note 4)	-	57,013
	19,869	148,875
Net and Comprehensive Loss	(779,565)	(1,017,740)
Net Loss per share (basic and diluted)	(0.008)	(0.011)
Weighted average number of common shares outstanding basic and diluted	94,975,473	91,751,073

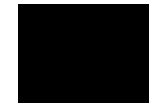
Atlas Salt Inc.

Condensed Statement of Changes in Equity

(Unaudited)

(in Canadian Dollars)

	(Note 8)	(Note 8)	Contributed Surplus	Deficit	Total Shareholders' Equity
	Share Capital	Warrants			
	\$	\$	\$	\$	\$
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 - March 31, 2023	-	-	-	(1,017,740)	(1,017,740)
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	-	-	-
Share issuance costs	(777,893)	-	-	-	(777,893)
Exercise of options	128,685	-	(63,685)	-	65,000
Exercise of warrants	111,322	(31,027)	-	-	80,295
Expiry of warrants	-	(5,064)	5,064	-	-
Share-based compensation	-	-	722,637	-	722,637
Balance, March 31, 2023	24,266,952	3,534,135	3,768,696	(7,685,850)	23,883,933
Net and comprehensive loss					
April 1, 2023 - December 31, 2023				(3,820,273)	(3,820,273)
Issuance of shares and warrants pursuant to private placement	506,283	(506,283)	-	-	-
Issuance of broker warrants pursuant to private placement	134,890	(134,890)	-	-	-
Return of common shares to treasury	(219,760)	-	(69,830)	-	(289,590)
Exercise of options	282,200	-	(112,200)	-	170,000
Exercise of warrants	621,290	(144,622)	-	-	476,668
Expiration of warrants	-	(69,553)	69,553	-	-
Share-based compensation	-	-	1,355,409	-	1,355,409
Balance, December 31, 2023	25,591,855	2,678,787	5,011,628	(11,506,123)	21,776,147
Net and comprehensive loss					
January 1, 2024 - March 31, 2024	-	-	-	(779,565)	(779,565)
Return of common shares to treasury	(78,183)	-	-	-	(78,183)
Exercise of options	96,525	-	(41,525)	-	55,000
Exercise of warrants	6,958	(708)	-	-	6,250
Share-based compensation	-	-	698,836	-	698,836
Balance, March 31, 2024	25,617,154	2,678,079	5,668,938	(12,285,688)	21,678,484



Atlas Salt Inc.
Condensed Statement of Cash Flows
(Unaudited)

(in Canadian Dollars)

Period ended	Mar 31, 2024 \$	Dec 31, 2023 \$
Operating Activities		
Net loss	(779,565)	(4,838,013)
Adjustment for non-cash items:		
Depreciation (Note 5)	12,935	12,908
Acquisition of right of use asset	(33,896)	-
Loss on investment in associate (Note 4)	96,742	587,631
Dilution gain (Note 4)	-	(365,182)
Share-based compensation (Note 9)	344,001	1,478,892
	<u>(359,783)</u>	<u>(3,123,764)</u>
Changes in non-cash working capital		
Accounts receivable	39,337	304,057
Prepaid expenses	(4,087)	(16,644)
Accounts payable and accrued liabilities	8,472	(629,468)
	<u>(316,061)</u>	<u>(3,465,819)</u>
Financing Activities		
Issuance of common shares and warrants (Note 8)	-	10,000,000
Share issuance costs (Note 8)	-	(777,893)
Return of common shares to treasury	(78,183)	(289,590)
Exercise of options	55,000	235,000
Exercise of warrants	6,250	556,962
	<u>(16,934)</u>	<u>9,724,479</u>
Investing Activities		
Purchase of capital assets (Note 5)	(41,499)	(387,545)
Mineral exploration and evaluation assets	(526,447)	(3,345,999)
Incidental revenue (Note 6)	-	397,579
	<u>(567,946)</u>	<u>(3,335,965)</u>
Net change in cash and cash equivalents for the period	(900,941)	2,922,695
Cash and cash equivalents, beginning of the period	12,192,483	9,269,788
Cash and cash equivalents, end of the period	<u>11,291,542</u>	<u>12,192,483</u>

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”).

These unaudited interim condensed financial statements have been prepared in accordance with IFRS, as issued by the IASB applicable to the preparation of interim financial statements, including IAS34, 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 material 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. All the Company’s assets are located in Canada.

These financial statements were approved and authorized for issuance by the Board of Directors on May 28, 2024.

3. NEW AND AMENDED IFRS STANDARDS AND INTERPRETATIONS

Effective for the period ending March 31, 2024.

The following revised standard is effective for annual periods beginning on January 1, 2019, and has been adopted in the current period:

Amendment to IAS 17: Transfer to IFRS 16, Recognition and Measurement of Leases

IFRS 16 establishes principles for recognizing, measuring, presenting, and disclosing leases. It applies to all leases except for those specified in paragraph IFRS 16.3. There are specific exemptions for short-term leases and low-value asset leases. The accounting principles set out by IFRS 16 differ considerably for lessees (customers) and lessors (providers).

At the commencement of a lease, a lessee recognizes the following:

- Right-of-use (RoU) asset representing its right to use the underlying leased asset throughout the lease term, and
- Lease liability representing its obligation to make lease payments.

The RoU asset is initially measured at cost, primarily comprising of an amount equivalent to the recognized lease liability, and any initial direct costs. The subsequent measurement involves applying depreciation and assessing impairment charges.

On the other hand, the lease liability is initially measured at the present value of lease payments. These primarily include fixed and certain variable lease payments. The subsequent measurement of the lease liability is impacted by the accumulation of interest, scheduled repayments, and remeasurements that reflect any lease reassessments or modifications.

The Company adopted these amendments on January 1, 2024, and determined there was no impact on its annual financial statements.

4. INVESTMENT IN ASSOCIATE

	March 31, 2024 \$CAD	December 31, 2023 \$CAD
Investment in Triple Point Resources Ltd.	1,316,371	1,413,113
	1,316,371	1,413,113

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 of March 31, 2024, the Company's ownership was 27.33%.

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:

	March 31, 2024 \$CAD	December 31, 2023 \$CAD
Balance beginning of the year	1,1413,113	1,635,562
Share of net loss can comprehensive income	(96,742)	(587,631)
Dilution gain	-	365,182
Investment in Triple Point	1,316,371	1,413,113

The following summarized financial information of Triple Point as at March 31, 2024 and December 31, 2023 and for the periods ended March 31, 2024 and 2023 is as follows:

	March 31, 2024 \$CAD	December 31, 2023 \$CAD
Statement of Financial Position		
Cash and cash equivalents	3,014,079	3,665,487
Other current assets	357,956	351,064
Non-current assets	1,845,082	1,376,621
Current liabilities	400,328	222,390
Equity	4,816,788	5,170,782
Net loss and comprehensive loss	Jan 1 – Mar 31, 2024	Jan 1 – Mar 31, 2023
Interest Income	41,931	-
Net loss and comprehensive loss	(353,994)	(201,328)

Triple Point had depreciation of \$6,844 at March 31, 2024 (March 31, 2023 – \$nil). There was \$nil interest expense (March 31, 2023 - \$nil) and \$nil income tax expense at March 31, 2024 (March 31, 2023 – \$nil).

As of the period ending March 31, 2024, the Company did not identify any indications of impairment on this investment.

5. CAPITAL ASSETS

March 31, 2024

	Opening Cost	Additions	Opening Depreciation	Depreciation	Net Book Value
	\$ CAD	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Buildings	286,740	-	5,735	2,810	278,195
Land	71,685	-	-	-	71,685
Office Furniture	12,617	-	1,262	568	10,788
Computer Server	23,575	41,499	5,340	2,924	56,810
Website	11,500	-	7,692	3,809	-
Totals	406,118	41,499	20,028	10,110	417,478

December 31, 2023

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

6. MINERAL EXPLORATION AND EVALUATION ASSETS

The Company has 20 mineral licences (December 31, 2023 – 20) which consist of 321 claims (December 31, 2032 – 321 claims), which are active and in good standing with the Department of Industry, Energy and Technology 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 Department of Industry, Energy and Technology 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:

March 31, 2024

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the period
	\$ CAD	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Mineral Exploration and Evaluation Assets	8,162,295	869,250	-	-	9,031,545

December 31, 2023

	Balance, beginning of the year	Additions	Refunds	Incidental Revenue	Balance, end of the year
	\$ CAD	\$ CAD	\$ CAD	\$ CAD	\$ CAD
Mineral Exploration and Evaluation Assets	4,622,510	3,937,364	-	(397,579)	8,162,295

Incidental revenue includes proceeds from the sale of gypsum from the Ace Gypsum mine which were netted against mineral exploration and evaluation assets. Current period ending March 31, 2024, additions to mineral exploration costs include share-based compensation of \$354,835 (December 31, 2023 – \$599,154).

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

7. 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 March 31, 2024 was \$124,899 (December 31, 2023 – \$136,931). The estimated future cash flows have been discounted using a risk-free rate of 4.20% (December 31, 2023 – 3.91%) and an inflation rate of 2.9% (December 31, 2023 – 3.4%). As of March 31, 2024, 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:

	March 31, 2024 \$ CAD	December 31, 2023 \$ CAD
Balance, beginning of the year	136,932	144,720
Provision Adjustment	(12,033)	(7,789)
Balance, end of the period	124,899	136,931

8. SHARE CAPITAL

Unlimited number of voting common shares.

Unlimited number of preferred shares, issuable in series.

Issued and Outstanding	March 31, 2024		December 31, 2023	
	Number of Common Shares	Share Capital \$ CAD	Number of Common Shares	Share Capital \$ CAD
Common Shares				
Balance, beginning of the year	94,768,785	25,591,855	87,615,638	18,124,018
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	(127,738)	(78,183)	(205,383)	(219,760)
Exercise of stock options	550,000	96,525	1,750,000	410,885
Exercise of warrants	25,000	6,958	608,530	732,612
Balance, end of the period	95,216,047	25,617,155	94,768,785	25,591,855

For the period ended March 31, 2024, there were 550,000 (2023 – 1,700,000) options exercised by related parties and nil (2023 – nil) warrants exercised by related parties. The return of common shares was a related party transaction in 2024. (December 31, 2023 – 219,760).

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 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

Issued and Outstanding Warrants	March 31, 2024		December 31, 2023	
	Number of Warrants	Weighted Average Exercise Price \$	Number of Warrants	Weighted Average Exercise Price \$
Balance, beginning of the year	2,875,000	2.38	832,725	0.88
Issued – Private Placement	-	-	2,500,000	2.40
Issued – Finders Warrants	-	-	350,000	2.40
Expired	-	-	(199,195)	0.86
Exercised	(25,000)	0.25	(608,530)	0.92
Balance, end of the period	2,850,000	2.40	2,875,000	2.38

	March 31, 2024 \$ CAD	December 31, 2023 \$ CAD
Balance, beginning of the period	2,678,787	251,047
Fair value of warrants issued due to private placement	-	2,244,474
Brokers warrants issued due to private placement	-	433,533
Transferred to share capital upon exercise of warrants	(708)	(175,650)
Expiry of warrants	-	(74,617)
Balance, end of the period	2,678,079	2,678,787

The weighted average fair value of the warrants issued during 2024 were estimated on the dates of issuance to be \$nil (2023 – \$1.24) using the Black-Scholes fair value option pricing model and the following weighted average assumptions:

	2024	2023
Expected volatility (%)	-	116
Risk-free interest rate (%)	-	3.72
Weighted-average expected life (years)	-	2.00
Fair value of share price on issue date	-	2.14
Dividend yield (%)	-	-

9. 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

Summary of Stock Options Outstanding and Exercisable	March 31, 2024		December 31, 2023	
	Number of Options	Weighted Avg Exercise Price \$	Number of Options	Weighted Avg Exercise Price \$
Outstanding, beginning of the year	5,825,000	0.77	8,250,000	0.74
Granted	-	-	-	-
Expired	(802,738)	1.53	(675,000)	(2.12)
Exercised	(422,262)	(0.11)	(1,750,000)	(0.13)
Outstanding, end of the period	4,600,000	0.70	5,825,000	0.77
Outstanding and exercisable, end of the period	4,600,000	0.70	5,825,000	0.77

The weighted average of the share price on the date of exercise of options in 2024 was \$0.62 (2023 - \$1.02).

The weighted average remaining contractual life of outstanding options is 3.11 years (December 31, 2023 – 3.30 years). The weighted average remaining contractual life of exercisable options is 3.11 years (December 31, 2023 – 3.30 years). There has been no stock options granted to date in 2024 or 2023 and therefore the weighted average fair value of stock options granted is estimated to be \$nil (December 31, 2023 – \$nil).

The Company expensed share-based compensation related to options in the amount of \$nil in the period ending March 31, 2024 (March 31, 2023 – \$681,616) and \$nil was capitalized to mineral exploration and evaluation assets (December 31, 2023 – \$41,021).

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.

Deferred Share Units (DSUs)

Summary of deferred share units (DSUs)	March 31, 2024		December 31, 2023	
	Number of DSUs	Weighted Average Price at Date of Grant \$	Number of DSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	-	-	-	-
Granted	150,000	0.70	-	-
Outstanding, end of the period	150,000	0.70	-	-
Outstanding and vested, end of the period	-	-	-	-

On January 5, 2024, the Company granted 150,000 DSUs to a director. 50,000 vesting January 5, 2025, 50,000 vesting July 5, 2025 and 50,000 vesting January 5, 2026. The stock price on the date of the grant was \$0.70.

The Company expensed share-based compensation related to DSUs in the amount of \$18,958 for the period ending March 31, 2024 (December 31, 2023 – \$nil). None of these expenses were capitalized to mineral exploration and evaluation assets.

Restricted Share Units (RSUs)

Summary of restricted share units (RSUs)	March 31, 2024		December 31, 2023	
	Number of RSUs	Weighted Average Price at Date of Grant \$	Number of RSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	987,500	1.31	-	-
Granted	72,000	0.70	1,059,500	1.29
Forfeited	-	-	(72,000)	(1.01)
Outstanding, end of the period	1,059,500	1.27	987,500	1.31
Outstanding and vested, end of the period	-	-	-	-

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 \$1.30.

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.

On January 5, 2024, the Company granted 72,000 RSUs to an officer. 40,000 vesting January 5, 2025, 16,000 vesting July 5, 2025 and 16,000 vesting January 5, 2026. The stock price on the date of the grant was \$0.70.

The Company expensed share-based compensation related to RSUs in the amount of \$140,980 for the period ending March 31, 2024 (March 31, 2023 – \$nil) and \$160,417 was capitalized to mineral exploration and evaluation assets (December 31, 2023 – \$252,016).

Performance Share Units (PSUs)

Summary of performance share units (PSUs)	March 31, 2024		December 31, 2023	
	Number of PSUs	Weighted Average Price at Date of Grant \$	Number of PSUs	Weighted Average Price at Date of Grant \$
Outstanding, beginning of the year	1,737,500	1.31	-	-
Granted	128,000	0.70	1,865,500	1.29
Forfeited	-	-	(128,000)	(1.01)
Outstanding, end of the period	1,865,500	1.27	1,737,500	1.31
Outstanding and vested, end of the period	-	-	-	-

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.

On January 5, 2024, the Company granted 128,000 PSUs to an officer. These PSUs are based on performance indicators achieved and cannot vest prior to January 5, 2025. The stock price on the date of the grant was \$0.70.

The Company expensed share-based compensation related to PSUs in the amount of \$184,063 for the period ending March 31, 2024 (March 31, 2023 – \$nil) and \$ 194,418 was capitalized to mineral exploration and evaluation assets (December 31, 2023 – \$306,117).

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

10. RELATED PARTY TRANSACTIONS

Vulcan Minerals Inc., which owns 30.34% (December 31, 2023 – 30.49%) of the Company’s common shares, has significant influence over Atlas Salt Inc. The following transactions were carried out with related parties:

Expenditures paid/payable to Vulcan Minerals Inc., associate of the Company reflected as:	March 31, 2024 \$ CAD	March 31, 2023 \$ CAD
Mineral exploration and evaluation assets	9,272	115,329
General and administrative expenses	23,271	37,849
Rent paid to a corporation which is controlled by a Director of the Company	6,000	6,000
	38,543	159,178

Compensation for key management personnel, which includes financial consulting and Directors, is as follows:

Management fees, salaries, and benefits for key management personnel paid/payable to associate and included in above is reflected as the following:	March 31, 2024 CAD \$	March 31, 2023 CAD \$
General and administrative expenses	23,271	55,309
Capitalized as mineral exploration and evaluation assets	-	52,858
Share-based compensation:		
General and administrative expenses	-	568,910
Mineral exploration and evaluation assets	-	41,021
	23,271	718,098

Accounts payable and accrued liabilities include \$37,424 owing to Vulcan Minerals Inc. as at March 31, 2024 (December 31, 2023 – \$34,911).

11. 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.

12. 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 March 31, 2024 the Company had a cash balance of \$11,291,543 and a positive working capital of \$ 11,006,917.

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.

13. COMPARATIVE FIGURES

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

14. SUBSEQUENT EVENT

On April 19, 2024, the Company announced that the NL Minister of Environmental and Climate Change, has released with conditions the proposed Great Atlantic Salt Project from the provincial environmental assessment process.

Number of outstanding shares as of May 28, 2024 is 95,216,047.

CORPORATE INFORMATION

OFFICERS AND MANAGEMENT

Richard LaBelle
Chief Executive Officer

Michael Psihogios
Chief Financial Officer

Alasdair Federico
VP Corporate Affairs

BOARD OF DIRECTORS

Patrick J. Laracy, Chairman

Richard LaBelle

Marc Boissonneault

Timothy Rowland Howe

Fraser Edison

Carson Noel

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