

**FATHOM NICKEL INC.**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**(Expressed in Canadian Dollars, unless otherwise stated)**

**FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**



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## Independent Auditor's Report

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To the Shareholders of Fathom Nickel Inc.

### Opinion

We have audited the consolidated financial statements of Fathom Nickel Inc. and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRS Accounting 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated 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.

### Material Uncertainty Related to Going Concern

We draw attention to Note 2.2 in the consolidated financial statements, which indicates that the Group had an accumulated deficit of \$9,570,578. As stated in Note 2.2, these events or conditions, along with other matters set forth in Note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.



### *Impairment Indicator Assessment of Exploration and Evaluation Assets*

#### *Description of the key audit matter*

Exploration and Evaluation Assets ("E&E Assets") are valued at \$17,724,505. Management must assess at each reporting date whether indicators of impairment exist. If such indicators are identified, an impairment test is required. This assessment involves significant judgment and was therefore a matter of most significance to our audit.

Please refer to Notes 3.7 and 3.8 to the consolidated financial statements for the Company's accounting policies relating to its E&E Assets and the determination of impairment. Note 3.2 details the critical judgments used in assessing whether or not E&E Assets are impaired.

#### *How the key audit matter was addressed in the audit*

Our audit procedures for this matter included, among others:

- Evaluated management's assessment of whether impairment indicators exist and obtained evidence regarding management's conclusion on indicators;
- For a sample of claims, we obtained evidence to support the right to explore the area and claim expiration dates;
- Evaluated management's assumptions related to continued and planned expenditures, which included evaluating the results of current-year exploration programs, inspecting board meeting minutes, and reviewing exploration budgets and approvals to evidence continued and planned exploration;
- Assessed whether there are facts and circumstances that could indicate that the carrying value of the exploration and evaluation assets may not be recoverable, based on evidence obtained in other areas of the audit; and
- Reviewed the disclosure in the consolidated financial statements, including disclosures related to significant judgments and estimates.

#### *Other Information*

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the 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 in this auditor's report. We have nothing to report in this regard.

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

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



In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 Justin Friesen.

*BDO Canada LLP*

Chartered Professional Accountants

Calgary, Alberta  
April 30, 2025

# FATHOM NICKEL INC.

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT

	<i>Note</i>	Year ended	
		Dec 31, 2024	Dec 31, 2023
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 314,973	\$ 3,295,508
Goods and services tax receivable		409,460	345,247
Deposits and prepaids		356,274	451,989
		<u>\$ 1,080,707</u>	<u>4,092,744</u>
<b>Non-current assets</b>			
Exploration and evaluations assets	6	\$ 17,724,505	\$ 14,201,956
Capital assets		7,375	9,421
		<u>17,731,880</u>	<u>14,211,377</u>
<b>Total assets</b>		<u>\$ 18,812,587</u>	<u>\$ 18,304,121</u>

## EQUITY AND LIABILITIES

### Current liabilities

Accounts payable and accrued liabilities		\$ 506,655	\$ 104,705
Flow through premium liability	10, 14	42,750	464,000
Funds held on account	15	69,575	130,014
<b>Total liabilities</b>		<u>618,980</u>	<u>698,719</u>

### Equity

Share capital	10	\$ 25,156,997	\$ 23,745,542
Contributed surplus	10	2,607,188	2,427,179
Deficit		(9,570,578)	(8,567,319)
		<u>18,193,607</u>	<u>17,605,402</u>
<b>Total equity and liabilities</b>		<u>\$ 18,812,587</u>	<u>\$ 18,304,121</u>

Basis of measurement and going concern	2.2
Commitments	14
Events after the reporting year	15

Approved on behalf of the Board on April 30, 2025:

Signed: "Ian Fraser"

Signed: "John Morgan"

# FATHOM NICKEL INC.

## CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023

	<i>Note</i>	2024	2023
<b>Expenses</b>			
Share based compensation	10, 13	\$ 126,000	\$ 401,550
Administrative consulting fees	13	181,650	180,000
Investor relations and capital markets consulting		519,113	989,713
Advertising and promotion		167,075	185,906
Legal and accounting		124,653	102,880
Insurance		44,117	83,457
Market making services		84,000	77,000
Exchange, transfer agent and commission fees		67,924	63,429
Travel		61,170	111,297
Depreciation		4,096	37,119
Telecommunications		14,581	19,720
Dues, fees and subscriptions		35,197	38,386
Shareholder communications		44,511	22,954
Interest on lease liability		-	7,061
Bank charges		3,035	3,871
Part XII.6 tax		-	22,679
Rent		9,810	22,889
Office supplies		3,847	9,840
Courier		-	783
Property investigations		-	29,600
<b>Operating loss</b>		<b>1,490,779</b>	2,410,134
Flow through premium renounced	10, 14	(464,000)	(274,000)
Gain on elimination of right of use asset	7	-	(33,605)
Rental income on sub-lease		-	(7,784)
Interest income		(23,520)	(39,905)
<b>Net loss and comprehensive loss</b>		<b>\$ 1,003,259</b>	\$ 2,054,840
<b>Net loss per share</b>	12	<b>\$ 0.01</b>	\$ 0.02
<b>Weighted average outstanding shares</b>	12	<b>138,926,570</b>	95,301,502

**FATHOM NICKEL INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**

	Note	Share Capital			Deficit	Total
		Common Shares	Amount	Contributed surplus		
Balance, December 31, 2022		82,873,060	\$ 18,131,836	\$ 1,884,620	\$ (6,512,479)	13,503,977
Fair value of options				401,550		401,550
Common shares issued for property acquisition	10	2,210,000	235,050	-	-	235,050
Common shares issued upon exercise of broker warrants		15,680	941	-	-	941
Flow-through units issued for cash, net of share issue costs	10	36,374,168	5,029,213	-	-	5,029,213
Non flow-through units issued for cash, net of share issue costs	10	8,054,095	953,511	-	-	953,511
Fair value of broker warrants	10	-	(141,009)	141,009	-	-
Unrenounced flow-through share premium	10	-	(464,000)	-	-	(464,000)
Loss and comprehensive loss	10	-	-	-	(2,054,840)	(2,054,840)
<b>Balance, December 31, 2023</b>		<b>129,527,003</b>	<b>\$ 23,745,542</b>	<b>\$ 2,427,179</b>	<b>\$ (8,567,319)</b>	<b>17,605,402</b>
Fair value of options				126,000		126,000
Common shares issued for property acquisition	10	500,000	15,000	-	-	15,000
Flow-through units issued for cash, net of share issue costs	10	8,550,000	321,000	-	-	321,000
Non flow-through units issued for cash, net of share issue costs	10	12,409,688	1,172,214	-	-	1,172,214
Fair value of broker warrants	10	-	(54,009)	54,009	-	-
Unrenounced flow-through share premium	10	-	(42,750)	-	-	(42,750)
Loss and comprehensive loss	10	-	-	-	(1,003,259)	(1,003,259)
<b>Balance, December 31, 2024</b>		<b>150,986,691</b>	<b>\$ 25,156,997</b>	<b>\$ 2,607,188</b>	<b>\$ (9,570,578)</b>	<b>18,193,607</b>

FATHOM NICKEL INC.

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023**

	2024	2023
<b>Cash flows from operating activities</b>		
Net loss for the year	\$ (1,003,259)	\$ (2,054,840)
Add back / Deduct non cash expenses		
Stock based compensation	126,000	401,550
Reversal of flow-through liability	(464,000)	(274,000)
Depreciation	4,096	37,119
Gain on elimination of right of use asset	-	(33,605)
Interest on lease liability	-	7,061
	<b>(1,337,163)</b>	<b>(1,916,715)</b>
Working capital changes		
Goods and services tax receivable	(64,213)	176,253
Interest receivable	-	4,450
Prepays and deposits	95,715	(244,515)
Accounts payable and accrued liabilities	401,950	(13,379)
Cash flows used in operating activities	<b>(903,711)</b>	<b>(1,993,906)</b>
<b>Cash flows from investing activities</b>		
Capital assets	(2,050)	-
Exploration and evaluation assets	(3,672,549)	(3,777,572)
Saskatchewan Targeted Mineral Exploration Incentive	150,000	50,000
Cash flows used in investing activities	<b>(3,524,599)</b>	<b>(3,727,572)</b>
<b>Cash flows from financing activities</b>		
Issue of common share units for cash, net of share issuance costs	1,493,214	5,983,665
Issue of common share units for property acquisition	15,000	-
Payments on lease obligations	-	(52,728)
Increase/(decrease) in funds held on account	(60,439)	130,014
Cash provided by financing activities	<b>1,447,775</b>	<b>6,060,951</b>
Net change in cash	<b>(2,980,535)</b>	<b>339,473</b>
Cash, beginning of the year	<b>3,295,508</b>	<b>2,956,035</b>
<b>Cash, end of the year</b>	<b>\$ 314,973</b>	<b>\$ 3,295,508</b>

**Supplemental cash flow information (Note 9)**

**1. REPORTING ENTITY**

Fathom Minerals Ltd. (“FML”) is an exploration stage company engaged in locating, acquiring and exploring for base and precious metals in Canada. FML was incorporated pursuant to the Business Corporations Act (Alberta) on April 27, 2012. On January 22, 2021, FML acquired 100% of Fathom Nickel Inc. (“FNI” or the “Company”), a privately-held Alberta corporation, in a reverse takeover (“RTO”) transaction. The RTO was effected by means of a share-for-share exchange under which the former shareholders of FML acquired control of FNI. (Note 6). On May 25, 2021 FNI commenced trading on the CNSX under the symbol FNI.

The annual audited consolidated financial statements (“annual financial statements”) as at and for the years ended December 31, 2024 and 2023 comprise all entities in which FNI has a controlling interest. The consolidated entity is referred to as the Company or Fathom Nickel Inc. Intercompany balances and transactions are eliminated on consolidation.

The Company’s registered head office is located at #104, 1240 Kensington Road NW, Calgary, Alberta T2N 3P7.

The consolidated financial statements were authorized for issue by the board of directors on April 30, 2025.

**2. BASIS OF PRESENTATION**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretation (collectively “IFRS Accounting Standards”). The Company has consistently applied IFRS Accounting Standards throughout these consolidated financial statements.

**2.2 Basis of measurement and going concern**

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

**Material Accounting Policy Information**

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Accounting Standards Practice Statement 2) effective January 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of material, rather than significant, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in certain instances in line with the amendments.

**Going Concern**

The Company’s ability to continue to operate and to meet its obligations as they come due is dependent upon its ability to obtain additional financing as necessary to locate and develop its properties or related opportunities with economic potential. The ultimate outcomes of these matters cannot presently be determined because they are contingent on future events.

# FATHOM NICKEL INC.

## Notes to Consolidated Financial Statements

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As at December 31, 2024, the Company has working capital of \$461,727, had not yet achieved profitable operations, had an accumulated deficit of \$9,570,578 and may incur further losses in the development of its business, all of which create material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The company's continued existence is dependent upon its ability to locate suitable properties containing economically viable reserves and the ability of the company to raise capital or alternative financing, if necessary. Although the company has been successful with raising capital in the past, there can be no assurance that the Company will be successful in future capital raises.

These audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than normal course of business and at amounts different from those in the accompanying Consolidated financial statements.

### 2.3 Functional and presentation currency

The financial statements are presented in Canadian dollars, which is the functional and presentation currency of FNI and all entities under its control.

## 3. MATERIAL ACCOUNTING POLICIES:

### 3.1 Financial instruments

Details of classifications of financial instruments are discussed below.

#### Recognition and initial measurement

**Financial assets** are initially measured at fair value, net of transaction costs, other than financial instruments classified as fair value through profit and loss ("FVTPL"). On initial recognition, financial assets are classified in the following measurement categories: amortized cost, FVTPL, or fair value through other comprehensive income ("FVOCI"). The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

**Financial liabilities**, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method.

i) Classification and Measurement: IFRS 9 requires the classification and measurement of financial assets based on their contractual cash flow characteristics and the Company's business model for the financial asset. All financial assets and financial liabilities, including derivatives, are recognized at fair value on the Statements of Financial Position when the Company becomes party to the contractual provisions of a financial instrument or non-financial derivative contract. Subsequent to initial recognition, financial assets must be classified and measured at either amortized cost, FVTPL, or at FVOCI.

**3. MATERIAL ACCOUNTING POLICIES (continued)**

**Classification and subsequent measurement**

Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing the financial assets, in which case all affected financial assets are reclassified on the first day of the reporting year following the change in the business model.

	<b><u>Classification</u></b>	<b><u>Subsequent Measurement</u></b>
Cash and cash equivalent Accounts payable and accrued liabilities	Amortized cost	Amortized cost, using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Market securities	FVTPL	Net gains and losses, including interest or dividend income are recognized in profit or loss.

**Financial instruments recorded at fair value:**

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Cash and cash equivalents are recorded at fair value based on a Level 1 designation. The balances recorded as current assets and current liabilities approximate their carrying amounts due to the short-term nature of these balances.

There were no changes to the fair value designations for the above financial instruments during the year.

Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a maturity of three months or less from the purchase date. As at December 31, 2024, the balance was comprised of cash in bank.

Common shares:

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and stock options are recognized as a deduction from equity, net of any tax effects.

### 3.2 Significant accounting estimates and judgments

The preparation of these financial statements in compliance with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates, which by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates:

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The fair value of stock options issued using the Black Scholes option pricing model;
- Management assumption of no material restoration, rehabilitation and environmental costs, based on the facts and circumstances that existed during the period. The Company is currently in the early exploration phase and has not yet engaged in activity that would require reclamation costs;
- The recoverability of deferred tax assets and liabilities; and
- The Company finances some exploration and evaluation expenses through the issuance of flow-through shares and flow-through special warrants. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference (“premium”) between the amounts recognized in common shares (equal to the quoted price on the date of issue) and the amount the investors pay for the shares is recognized as a flow-through share related liability. The flow-through share liability is reversed into the statement of loss and comprehensive loss as a recovery of deferred income taxes when the eligible expenditures are incurred.

Critical accounting judgments:

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assumptions made by management.

Management has determined that exploration and evaluation costs incurred which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities and existing permits in order to determine if there are indicators of impairment.

### 3.3 Income taxes

The Company uses the Asset and Liabilities method to determine income tax and deferred tax.

Income tax expense is comprised of current and deferred tax expense. Current tax expense is the

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

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expected tax payable or receivable on the taxable income or loss 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 assets and liabilities are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax cited purposes and are presented as non-current liabilities.

Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity. Income taxes are calculated using the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and for tax losses and other deductions carried forward.

Deferred income tax assets and liabilities are calculated using substantively enacted tax rates expected to apply when the asset is realized, or the liability is settled. An asset is recognized on the statement of financial position when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably. The effect on deferred tax assets and liabilities of changes in tax rates are recognized in income in the period in which the change is substantively enacted.

Deferred taxes are not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

**3.4 Flow-through shares**

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration programs. These shares transfer the tax deductibility of the qualifying resource expenditures to investors. On issuance, the Company splits the flow-through shares into: i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and ii) share capital (Note 10). When expenses are incurred, the Company derecognizes the liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The deferred tax liability will be reduced to the extent that deferred tax asset is available to offset. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures. The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

**3.6 Provisions**

A provision is recognized when the Company has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

**3. MATERIAL ACCOUNTING POLICIES (continued)**

The Company had no material provisions as at December 31, 2024 and 2023.

**3.7 Exploration and evaluation assets**

i) Pre-exploration costs

Pre-exploration costs are expensed in the year in which they were incurred. Pre-exploration costs are those incurred prior to obtaining the legal right to explore.

ii) Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation (“E&E”) expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

**3.8 Impairment of non-financial assets**

The Company reviews its tangible and intangible assets for indications of impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For non-financial assets such as property and equipment, or exploration and evaluation assets, the recoverable amount is the higher of an asset’s or cash-generating units (CGUs) value in use or its fair value less costs of disposal. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing whether an impairment loss should be recorded on an exploration and evaluation asset, management considers the following factors:

- The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- Substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area has not led to the discovery of potentially commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area.

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

- Sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full through successful development or a sale.

A number of assumptions are required in making valuation assessments including, mineral prices, continued activity in surrounding areas, thus increasing the likelihood of optioning or selling the asset, and the availability of future equity or other capital to further explore and develop the property. As the Company's properties are at the exploration and evaluation stage, they are not yet at the point where there are assessments of possible or probable reserves. Consequently, any valuation of the properties will necessarily require judgments and estimates. There are risks that: 1) the property(s) could have little or no value if exploration activities on the property(s) and in the surrounding area cease; 2) commodity prices will not be sufficient to make extraction, regardless of quantity, economic; 3) the Company will be unable to obtain sufficient future financing to continue exploration prior to the expiry of the mineral claims.

When impairment has occurred, the cumulative loss is recognized in the statement of comprehensive loss.

Impairment losses, other than goodwill impairment losses, may be reversed in subsequent periods, if the tests yield results greater than the carrying amount at the end of the period. Impairment losses may only be reversed to the extent they bring the carrying value up to the original cost, net of any amortization that would have been reported had no impairment been recognized in prior periods.

**3.9 Loss per share**

The calculation of basic loss per share is based on loss for the year divided by the weighted average number of common shares outstanding for the year. Diluted loss per share is equal to basic loss per share as the effect of potentially dilutive options and warrants would be anti-dilutive as the Company is in a loss position.

The Company had no comprehensive income or loss transactions, other than its net loss, presented in the Statements of Loss and Comprehensive Loss, nor has the Company accumulated other comprehensive income during the periods that have been presented.

**3.11 Share-based payments**

Where equity-settled share options are awarded to employees and consultants, the fair value (Note 10) of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, any unrecognized expense is recognized immediately. In addition, the incremental fair value of the options, measured as the difference between the fair value immediately before and after the modification, is charged to the statement of operations and comprehensive loss over the remaining vesting period.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity

**3. MATERIAL ACCOUNTING POLICIES (continued)**

instrument granted at the grant date. The grant date fair value is recognized in the profit or loss over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods and services received in the statement of operations and comprehensive loss, unless they are an expense directly related to the issuance of the shares. Options or warrants granted related to the issuance of shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by reference to the fair value of the equity instruments issued.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount previously recognized in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company accounts for the cancellation as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

**3.13 Government incentives**

The Company is entitled to the refundable Saskatchewan Targeted Mineral Exploration Incentive (“TMEI”) grant as a result of incurring qualifying mineral exploration expenses in Saskatchewan. These amounts are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured. Once recovered, these amounts are treated as a reduction to the carrying value of mineral properties.

**3.14 Changes to material accounting policies and recent accounting pronouncements**

- a) Changes in material accounting policies
  - i) IAS1 'Presentation of Financial Statements' - On January 1, 2024, the Company adopted amendments to IAS 1 which requires entities to classify liabilities as current or non-current based on rights that exist at the end of the reporting period. Such classification shall be unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. For liabilities that contain covenants, the amendments clarify that only covenants with which an entity is required to comply on or before the reporting date will affect the classification as current or non-current. The adoption of the amendments to IAS 1 did not affect the financial results or disclosures in the Company's consolidated financial statements.
  - ii) IFRS16 'Leases' -On January 1, 2024, the Company adopted amendments to IFRS16 which added subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease payments. The amendments require the seller-lessee to subsequently measure lease liabilities in such a way that it does not recognize any gain or loss relating to the right of use it retains. The adoption of the amendments to IFRS 16 did not affect the

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**3. MATERIAL ACCOUNTING POLICIES (continued)**

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financial results or disclosures in the Company's consolidated financial statements.

- iii) IAS 7 'Statement of Cash Flows' - On January 1, 2024, the Company adopted amendments to IAS 7 which required entities to (i) provide qualitative and quantitative information about their supplier finance arrangements and (ii) disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms, or the suppliers with early payment terms. The adoption of the amendments to IAS 7 did not affect the financial results or disclosures in the Company's consolidated financial statements.

b) Recent accounting pronouncements

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after January 1, 2025, and have not been early adopted in preparing these consolidated financial statements. We intend to adopt these standards and interpretations, if applicable, as at the required effective dates indicated below and are currently assessing the impact on our consolidated financial statements.

- i) IFRS 9 Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7")

IFRS 9 requires entities to recognize financial assets and liabilities when they become party to the contractual terms and to measure them initially at fair value, adjusted for directly attributable transaction costs where applicable. The standard is being clarified to provide better guidance on the derecognition of financial liabilities, which can impact bank reconciliation processes, especially during debt restructuring based on the timing of payments on financial liabilities as compared to the actual settlement of those debts. This clarification may result in a change in the derecognition timing of financial liabilities in situations where electronic payments are involved. These amendments are effective for annual periods beginning on or after January 1, 2026, with earlier adoption permitted.

- ii) IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statement. This standard aims to improve the consistency and clarity of financial statement presentation and disclosures by providing updated guidance on the structure and content of financial statements. Key changes include enhanced requirements for the presentation of financial performance, financial position, and cash flows, as well as additional disclosures to improve transparency and comparability. In addition, IFRS 18 requires entities to classify income and expenses into five categories, three of which are new: ie - operating, investing, and financing - and the income tax and discontinued operation categories. The new standard sets out detailed requirements for classifying income and expenses into each category. These amendments are effective for annual periods beginning on or after January 1, 2027, with earlier adoption permitted. IFRS 18 requires retroactive application with certain transition provisions.

- iii) Annual Improvements to IFRS Accounting Standards

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards - Volume 11, which contains amendments to Hedge Accounting by a First-time Adopter (Amendments to IFRS 1), Gain or Loss on Derecognition (Amendments to IFRS 7), Disclosure of Deferred Difference between Fair Value and Transaction Price (Amendments to Guidance on implementing IFRS 7), Determination of a 'De Facto Agent' (Amendments to IFRS 10), Derecognition of Lease Liabilities (Amendments to IFRS 9) and Cost Method (Amendments

**3. MATERIAL ACCOUNTING POLICIES (continued)**

to IAS 7). The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The extent of the impact of the amendments on the Company's consolidated financial statements has not yet been determined.

**4. DETERMINATION OF FAIR VALUES**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**4.1 Share-based payment transactions**

Share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Under this method, the fair value of the equity-settled share-based payment is measured on the date of grant using the Black-Scholes option pricing model, and is recognized as an expense or capitalized, depending on the nature of the grant, with a corresponding increase in equity, over the period that the employees earn the options.

Equity-settled, share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires the input of subjective assumptions, including the expected term of the option and stock price volatility.

**4.2 Flow-through shares**

The Company finances some exploration and evaluation expenses through the issuance of flow-through shares with flow-through special warrants. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference ("premium") between the amounts recognized in common shares and the amount the investors pay for the shares is recognized as a flow-through share related liability which is reversed into the statement of loss and comprehensive loss as a recovery of deferred income taxes when the eligible expenditures are incurred. The amount recognized as a flow-through share liability represents the difference between the quoted price of the common shares and the amount the investor pays for the flow-through shares, net of allocated issue costs.

**5. FINANCIAL RISK MANAGEMENT**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

**5. FINANCIAL RISK MANAGEMENT (continued)**

Overview

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- commodity price risk
- capital risk management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's other receivables, and cash and equivalents.

The Company considers this risk to be low.

*Cash and cash equivalents*

At times when the Company's cash position is positive, cash deposits are made with financial institutions having reasonable local credit ratings.

**(i) Liquidity risk**

Liquidity risk encompasses the risk that a company cannot meet its financial obligations in full. The Company's main sources of liquidity are its cash and cash equivalents. These funds are primarily used to operating cost, finance working capital, exploration expenditures, evaluation expenditures, and acquisitions.

The Company manages its liquidity risk by regularly monitoring its cash flows from operating activities and holding adequate amounts of cash and cash equivalents, include raising financing through issuance of shares or other third-party sources of financing, if and when needed.

Accounts payable and accrued liabilities are current financial instruments expected to be settled in the normal course of operations, under applicable vendor terms of between 30 and 90 days.

**(ii) Commodity price risk**

The value of the Company's exploration and evaluation assets are related to the price of nickel and other mineral commodities. Adverse changes in the price of nickel, copper and other base and precious metals can also significantly impair the economic viability of the Company's projects, along with the ability to obtain future financing.

Nickel and other mineral commodities prices historically have fluctuated widely and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial demand,

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**5. FINANCIAL RISK MANAGEMENT (continued)**

levels of worldwide production, short-term changes in supply and demand due to speculative hedging activities, macro-economic variables and certain other factors related specifically to nickel and other mineral commodities.

**(iii) Capital risk management**

The primary objective of managing the Company's capital is to ensure that there is sufficient capital available to support the funding and operating requirements of the Company in a way that optimizes the cost of capital, maximizes shareholders' returns, matches the current strategic business plan and ensures that the Company remains in a sound financial position.

There were no changes to the Company's approach to capital management during the year, as compared to the prior year.

**6. EXPLORATION AND EVALUATION ASSETS**

	2024	2023
E&E assets beginning of year	\$ 14,201,956	\$ 10,239,334
Acquisition cost and leases	17,160	398,984
Exploration (Note 13)	3,655,389	3,613,638
Saskatchewan TMEI payment	(150,000)	(50,000)
E&E assets end of year	\$ 17,724,505	\$ 14,201,956

**Albert Lake Exploration & Evaluation Asset**

	2024	2023
Balance beginning of year – Albert Lake Property	\$ 11,359,784	\$ 10,138,084
Acquisition cost and leases	(53,655)	-
Exploration (Note 13)	1,493,296	1,271,700
Saskatchewan TMEI payment	(150,000)	(50,000)
Balance end of year – Albert Lake Property	\$ 12,649,425	\$ 11,359,784

At year end, the Company's 100% owned Albert Lake Property was comprised of 31 contiguous mineral dispositions (totaling 90,460 hectares) issued by and registered with the Saskatchewan Ministry of Energy and Resources. The Albert Lake Property is located approximately 135 kilometers northwest of La Ronge in north central Saskatchewan.

The Company is required to incur annual minimum work program expenditures ranging between \$15.00 and \$25.00 per hectare in order to maintain title to the dispositions. Excess qualifying exploration expenditures can be carried forward indefinitely to be applied to future years' work requirements.

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**6. EXPLORATION AND EVALUATION ASSETS (continued)**

Based on available expenditures carried-forward from prior years, the minimum required expenditure for 2025 is \$nil.

The initial six mineral dispositions, totaling 10,439 hectares, were acquired from UraVan Minerals Inc. in April 2015 in exchange for the issuance of 2,000,000 common shares of the Company. This original 10,439 hectares was subject to a 2% net smelter return (“NSR”) royalty interest pertaining to any future commercial production from the associated mineral dispositions. However, in 2022, the Company purchased this UraVan NSR for a one-time payment of \$175,000.

On June 8, 2015, the Company acquired an additional 1,348 hectares in two mineral dispositions from an individual land consultant in exchange for the issuance of 500,000 common shares of the Company and a cash payment of \$5,000. The 1,348 hectares covered by the purchase agreement are subject to a 1% NSR royalty interest pertaining to any future commercial production from the associated mineral dispositions. The NSR can be acquired at any time, at the option of the Company, for cash payments totaling \$500,000.

The Company acquired 20 mineral dispositions directly through the staking system of the Saskatchewan Ministry of Energy and Resources during the period from 2016 through 2021.

In June 2022 the Company acquired 3 mineral dispositions totaling 315 hectares from a third party in exchange for the reimbursement of direct staking costs together with a 2% NSR. The NSR can be bought down to 1% for a cash payment of \$1,000,000 at the Company’s option.

The Saskatchewan Targeted Mineral Exploration Incentive (“TMEI”) provides for a 25% rebate on qualified eligible mineral exploration expenditures, up to an annual limit of \$150,000 (prior to 2024 the annual maximum limit was \$50,000). The Company qualified for the full \$50,000 TMEI rebate in 2023 and is expected to qualify for a rebate of approximately \$75,000 for 2024 (determined and payable in July 2025). TMEI rebates are recorded as a reduction to the exploration and evaluation asset at the either the Albert Lake or Gochager Lake projects, depending on where the exploration expenditures were incurred.

During the year ended December 31, 2024, the Company received a refund of \$53,655 related to a payment it had made in lieu of completing required exploration work in 2020. Subsequent to the Saskatchewan Ministry of Energy and Resources’ review and approval of spending per the Company’s exploration assessment report, the “payment in lieu” was refunded resulting in a (\$53,655) amount in Acquisition and lease costs in the year.

**Gochager Lake Exploration & Evaluation Asset**

	<b>Year ended</b>	<b>Year ended</b>
	<b>Dec. 31, 2024</b>	<b>Dec. 31, 2023</b>
Balance beginning of period – Gochager Lake Property	\$ 2,842,172	\$ 101,250
Acquisition cost and leases	70,815	393,015
Exploration	<b>2,162,093</b>	2,347,907
Balance end of year – Gochager Lake Property	<b>\$ 5,075,080</b>	\$ 2,842,172

6. **EXPLORATION AND EVALUATION ASSETS (continued)**

**Gochager Lake Property**

At year end, the Company's Gochager Lake Property was comprised of 36 contiguous mineral dispositions (totaling 23,109 hectares) issued by and registered with the Saskatchewan Ministry of Energy and Resources. The Gochager Lake Property is located approximately 90 kilometers northwest of La Ronge in north central Saskatchewan. For purposes of financial reporting the Gochager Lake Property includes the claims acquired in the original Gochager Option Agreement, the claims acquired in the Watts Lake acquisition and the contiguous claims acquired by direct staking with the Saskatchewan Ministry of Energy and Resources.

The Company is required to incur annual minimum work program expenditures ranging between \$15.00 and \$25.00 per hectare in order to maintain title to the dispositions. Excess qualifying exploration expenditures can be carried forward indefinitely to be applied to future years' work requirements. The Company is required to incur annual qualifying expenditures of approximately \$345,000 from 2025 onward in order to maintain all dispositions in good standing. However, based on available expenditures carried-forward from prior years, the minimum required expenditure for 2025 is \$nil.

**Original Gochager Lake Option Agreement**

On September 16, 2022, the Company entered into an Option Earn-In Agreement (the "Gochager Option") with a third-party vendor (the "Optionor") to earn an interest in the Gochager Lake Property ("Gochager") based on a combination of cash payments, share issuances and exploration expenditures over a four-year period.

Gochager is comprised of nine mineral dispositions totalling 4,696 hectares located in north-central Saskatchewan, approximately 75 km north of the town of La Ronge.

*Option Agreement Terms:*

Pursuant to the terms of the Gochager Option, the Company is required to issue the following common shares and complete the following cash payments to the Optionor, and incur the following exploration expenditures:

- (a) issue an aggregate of 920,000 common shares of the Company to the Optionor as follows:
  - (i) 150,000 on the date of the execution of the Gochager Option (the "Execution Date") or as soon as practicable thereafter (completed);
  - (ii) 170,000 on the first anniversary of the Execution Date;
  - (iii) 250,000 on the second anniversary of the Execution Date; and
  - (iv) 350,000 on the third anniversary of the Execution Date
  
- (b) pay an aggregate of \$94,000 in cash to the Optionor as follows:
  - (i) \$9,000 on the Execution Date of the Gochager Option or as soon as practicable thereafter;
  - (ii) \$15,000 on the first anniversary of the Execution Date;
  - (iii) \$30,000 on the second anniversary of the Execution Date; and
  - (iv) \$40,000 on the third anniversary of the Execution Date;
  
- (c) incur an aggregate of \$2,000,000 in exploration expenditures on Gochager as follows:
  - (i) \$125,000 by the first anniversary of the Execution Date;
  - (ii) \$250,000 cumulative by the second anniversary of the Execution Date;
  - (iii) \$400,000 cumulative by the third anniversary of the Execution Date;
  - (iv) \$2,000,000 cumulative by the fourth anniversary of the Execution Date.

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**6. EXPLORATION AND EVALUATION ASSETS (continued)**

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Earn-In Thresholds

Upon the Company satisfying each of the Earn-In Threshold Conditions below, the Company will have exercised the Option and acquired that percentage of an undivided right, title and interest in and to the Property at each respective threshold:

- a. A minimum of \$350,000 in exploration expenditures, plus the share and cash payments required to be paid by the first anniversary of the Execution Date shall result in the transfer of a 10% undivided legal and beneficial interest in and to Gochager;
- b. a minimum of \$750,000 in cumulative exploration expenditures, plus the share and cash payments required to be paid by the second anniversary of the Execution Date shall result in the transfer of an additional 25% undivided legal and beneficial interest in and to Gochager, for a cumulative ownership interest of the Company of 35%;
- c. a minimum of \$1,200,000 in cumulative exploration, plus the share and cash payments required to be paid by the third anniversary of the Execution Date shall result in the transfer of an additional 20% undivided legal and beneficial interest in and to Gochager, for a cumulative ownership interest of the Company of 55%;
- d. a minimum of \$1,600,000 in cumulative exploration expenditures shall result in the transfer of an additional 20% undivided legal and beneficial interest in and to Gochager, for a cumulative ownership interest of the Company of 75%; and
- e. a minimum of \$2,000,000 in cumulative exploration expenditures shall result in the transfer of an additional 25% undivided legal and beneficial interest in and to Gochager, for a cumulative ownership interest of the Company of 100%.

At its sole option, the Company can expedite its anniversary payments so as to earn the full 100% prior to the 4th anniversary provided all required payments (cash and shares) have been made and the required \$2,000,000 in exploration expenditures has been satisfied.

Upon the Company successfully exercising the Gochager Option and earning a 100% interest in Gochager, the Company shall grant to the optionor a 2.0% net smelter return royalty on the Property (the “**NSR**”). The Company shall have the right to purchase 1.0% of the Royalty from the optionor for \$1,000,000 at any time.

As at December 31, 2024, the Company had fulfilled its obligations under the Gochager Option related to the cash payments and share issuances for the Execution Date and the first and second anniversary requirements. However, at the request of the Optionor, the first and second anniversary payments and share issuances were amended as follows:

*First Anniversary* - the cash payment was reduced to \$5,000 and the share issuance was increased accordingly by 40,000 at an agreed upon price of \$0.25 per share, for a total of issuance of 210,000 shares. All other terms of the Gochager Option remain unchanged.

*Second Anniversary* - the cash payment was reduced to \$7,500 and the share issuance was increased accordingly by 250,000 at an agreed upon price of \$0.03 per share, for a total of issuance of 500,000 shares. All other terms of the Gochager Option remain unchanged.

As at December 31, 2024, the Company had fulfilled its exploration expenditure commitment for the full \$2,000,000. The Company will be required to make an additional cash payment of \$40,000 and issue 350,000 common shares to the Optionor to complete the earn-in. The Company has until September 16, 2025 to complete these cash payments and share issuance requirements.

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6. **EXPLORATION AND EVALUATION ASSETS (continued)**

**Watts Lake Mineral Claims**

On March 21, 2023, pursuant to an agreement with SKRR Exploration Inc., the Company acquired the Watts Lake Mineral Claims. The Watts Lake Mineral Claims encompass twenty-four (24) mineral claims totalling 13,708 hectares in the region of, and contiguous with, Gochager. Under the terms of the Acquisition Agreement, Fathom acquired a 100% interest in the Watts Lake Mineral Claims by making total cash payments of CAD\$150,000 and issuing 2,000,000 common shares of Fathom to SKRR. The Acquisition Agreement provides for a 2% net smelter return (“NSR”) royalty in favour of Edge Geological Consulting Inc., a company controlled by Ross McElroy. The NSR is subject to a buy down to 1% for CAD\$1,000,000.

**Friesen Lake Property**

The Company acquired 3 mineral dispositions, totalling 10,132 hectares, directly through the staking system of the Saskatchewan Ministry of Energy and Resources in June 2024 for a cost of \$4,838. The Company has until the second anniversary to complete the required exploration spend of \$15 per hectare.

7. **RIGHT OF USE ASSET**

	2024	2023
Balance, beginning of year	\$ -	\$ 224,080
Additions	-	-
Depreciation	-	(33,806)
Elimination of right of use asset	-	(190,274)
Balance end of year	\$ -	\$ -

Effective December 31, 2023, the lease of the Company’s head office space located at #730, 521 – 3<sup>rd</sup> Avenue SW, Calgary was cancelled by the landlord. As a result, the right of use asset and corresponding lease liability were de-recognized as at that date. The Company recognized a gain of \$33,605 related to the de-recognition of the right of use asset.

Depreciation for the right of use asset is recorded as a non-current asset on the consolidated statement of financial position. A lease liability of \$nil (2023 - \$nil) related to the right of use asset is recorded as lease obligation (current and non-current) in the consolidated statement of financial position. Lease payments of \$52,728 were recorded against the lease liability prior to the cancellation of the lease effective December 31, 2023.

8. **OFFICE SUBLEASE**

The Company entered into an agreement to sublease its office space located at #730, 521 – 3<sup>rd</sup> Avenue SW, Calgary effective July 1, 2023 through to the end of its head lease on December 31, 2027. Rent under the sublease was payable monthly in advance at a basic rent rate of \$4.50 per square foot, plus an additional rent equal to the square footage annual operating expenses (\$16.15 per square foot for fiscal 2023).

As a result of the cancellation of the Company’s head lease effective December 31, 2023 (see Note 7), the corresponding sublease was also cancelled effective on that date.

On November 8, 2023 the subtenant filed a Statement of Claim in the Court of King’s Bench, Alberta, naming Fathom as a defendant. The lawsuit claims damages of up to \$143,000 resulting from the cancellation of the sublease. (See Note 14).

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9. SUPPLEMENTAL CASH FLOW

Summary of non-cash investing activities for the year ended December 31, 2024 and 2023:

	Dec 31, 2024	Dec 31, 2023
Common shares issued for property (Note 6)	\$ 15,000	\$ 235,050

10. SHARE CAPITAL

Authorized: Unlimited number of common shares without a value

	Year ended December 31, 2024	Year ended Dec 31, 2023
<b>Authorized and issued</b>	Number of common shares	
Balance, beginning of the year	129,527,003	82,873,060
Issued for property acquisition (Note 7) (i), (ii)	500,000	2,210,000
Issued for cash upon exercise of broker warrants (iii)	-	15,680
Issued for cash pursuant to flow-through financings (iv),(v),(vii)	8,550,000	36,374,168
Issued for cash pursuant to non flow-through financing (iv),(v),(vii), (vii)	12,409,688	8,054,095
Balance, end of the year	150,986,691	129,527,003
Balance, beginning of the year	\$ 23,745,542	\$ 18,131,836
Issued for property acquisition (Note 7) (i),(ii)	15,000	235,050
Issued for cash upon exercise of broker warrants (iii)	-	941
Issued for cash pursuant to flow-through financings (iv),(v),(vii)	321,000	5,029,213
Issued for cash pursuant to non flow-through financing (iv),(v)	1,172,214	953,511
Flow-through share premium	(42,750)	(464,000)
Fair value of broker warrants	(54,009)	(141,009)
Balance, end of the year	\$ 25,156,997	\$ 23,745,542

- (i) Under the terms of the Gochager Option the first anniversary payment and share issuance was amended as follows: the cash payment was reduced to \$5,000 and the share issuance was increased accordingly by 40,000 at an agreed upon price of \$0.25 per share, for a total of issuance of 210,000 shares. (See Note 6). Under the terms of the Gochager Option the second anniversary payment and share issuance was amended as follows: the cash payment was reduced to \$7,500 and the share issuance was increased accordingly by 250,000 at an agreed upon price of \$0.03 per share, for a total of issuance of 500,000 shares. (See Note 6).
- (ii) Upon execution of Watts Lake Agreement on March 21, 2023, FNI issued 2,000,000 common shares at the market price of \$0.09 to SKRR Exploration Inc. See Note 6.
- (iii) During the year ended December 31, 2023, 15,680 broker warrants were exercised for a cash price of \$0.06 per warrant resulting in total proceeds of \$941.
- (iv) On May 30, 2023, FNI completed a non-brokered private placement of 5,266,000 flow through units (“**FT Unit**”) at a price \$0.155 per unit for gross proceeds of \$816,230. Each FT Unit consisted of one common share of the Company and one-half common share purchase warrant (“**FT warrant**”). Each whole FT warrant is exercisable into a common share of the Company at a price of \$0.23 for a period of two years from the date of issue.

On May 30, 2023, FNI completed a non-brokered private placement of 4,742,000 non flow-through

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**10. SHARE CAPITAL (continued)**

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units (“**Hard Dollar Unit**”) at a price \$0.135 per unit for gross proceeds of \$640,170. Each Hard Dollar Unit consisted of one common share of the Company and one common share purchase warrant (“**Hard Dollar warrant**”). Each Hard Dollar warrant is exercisable into a common share of the Company at a price of \$0.20 for a period of two years from the date of issue.

On June 12, 2023, FNI completed a non-brokered private placement of 7,894,737 special flow-through units (“**Special FT Unit**”) at a price \$0.19 per unit for gross proceeds of \$1,500,000. Each Special FT Unit consisted of one common share of the Company and one common share purchase warrant (“**Special FT warrant**”). Each Special FT warrant is exercisable into a common share of the Company at a price of \$0.20 for a period of two years from the date of issue.

The FT Units and the Special FT Units were bifurcated into its separate components. The fair value of the units were first allocated to the shares, based on the trading price on the date of issuance, then to warrants using a Black Scholes model, with the balance, if any, allocated to the flow through liability premium. No flow through premium was recognized.

In connection with the issuance of the flow through shares the Company paid \$63,945 in fees. The agents were also granted 439,800 broker warrants, exercisable at a price of \$0.155 per broker warrant into one common share of FNI for a period of two years from the date of the closing of the respective financings.

The fair value of the broker warrants issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk-free interest rate of 3%; (IV) an expected life of 2 years and (V) a broker warrant price of \$0.155. Expected volatility was based on comparable companies. This resulted in a fair value of \$0.09 per broker warrant for a total of \$40,431.

The total share issuance costs for the issuance of the flow through shares amounted to \$100,910, inclusive of the agent’s \$63,945 as noted above.

- (v) On December 22, 2023, FNI completed a non-brokered private placement of 23,213,431 flow through units (“**FT Unit**”) at a price \$0.13 per unit for gross proceeds of \$3,017,746. Each FT Unit consisted of one common share of the Company and one common share purchase warrant (“**FT warrant**”). Each whole FT warrant is exercisable into a common share of the Company at a price of \$0.20 for a period of two years from the date of issue.

On December 22, 2023, FNI completed a non-brokered private placement of 3,312,095 non flow-through units (“**Hard Dollar Unit**”) at a price \$0.11 per unit for gross proceeds of \$364,330. Each Hard Dollar Unit consisted of one common share of the Company and one common share purchase warrant (“**Hard Dollar warrant**”). Each Hard Dollar warrant is exercisable into a common share of the Company at a price of \$0.20 for a period of two years from the date of issue.

The flow-through premium liability associated with the issuance of the flow-through shares was calculated at \$0.02 per FT Unit, based on the difference between the selling price of \$0.13 and the Company’s closing market price on the date of issuance (\$0.11). This resulted in a flow-through premium liability of \$464,000.

In connection with the issuance of the flow through shares the Company paid \$224,563 in fees. The agents were also granted 1,571,879 broker warrants, exercisable at a price of \$0.13 per broker warrant into one common share of FNI for a period of two years from the date of the closing of the respective financings.

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10. **SHARE CAPITAL (continued)**

The fair value of the broker warrants issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 120%; (III) a risk-free interest rate of 4.755%; (IV) an expected life of 2 years and (V) a broker warrant price of \$0.13. Expected volatility was based on comparable companies. This resulted in a fair value of \$0.064 per broker warrant for a total of \$100,578.

The total share issuance costs for the issuance of the flow-through and non flow-through shares amounted to \$255,771, inclusive of the agent's \$224,563 as noted above.

- (vi) On February 16, 2024, FNI completed a non-brokered private placement of 10,808,974 non flow-through units ("**Hard Dollar Unit**") at a price \$0.11 per unit for gross proceeds of \$1,188,987. Each Hard Dollar Unit consisted of one common share of the Company and one common share purchase warrant ("**Hard Dollar warrant**"). Each Hard Dollar warrant is exercisable into a common share of the Company at a price of \$0.20 for a period of two years from the date of issue.

In connection with the issuance of the non-flow through shares the Company paid \$51,794 in fees. The agents were also granted 661,342 broker warrants, exercisable at a price of \$0.13 per broker warrant into one common share of FNI for a period of two years from the date of the closing of the respective financings.

The fair value of the broker warrants issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 120%; (III) a risk-free interest rate of 4.755%; (IV) an expected life of 2 years and (V) a broker warrant price of \$0.13. Expected volatility was based on comparable companies. This resulted in a fair value of \$0.068 per broker warrant for a total of \$45,391.

The total share issuance costs for the issuance of the flow-through and non flow-through shares amounted to \$72,875, inclusive of the agent's fees of \$51,794 as noted above.

- (vii) On December 23, 2024, FNI completed a non-brokered private placement of 8,550,000 flow through units ("**FT Unit**") at a price \$0.04 per unit for gross proceeds of \$342,000. Each FT Unit consisted of one common share of the Company and one-half of a common share purchase warrant ("**FT warrant**"). Each whole FT warrant is exercisable into a common share of the Company at a price of \$0.07 for a period of three years from the date of issue.

On December 23, 2024, FNI completed a non-brokered private placement of 1,600,714 non flow-through units ("**Hard Dollar Unit**") at a price \$0.035 per unit for gross proceeds of \$56,025. Each Hard Dollar Unit consisted of one common share of the Company and one-half of a common share purchase warrant ("**Hard Dollar warrant**"). Each Hard Dollar warrant is exercisable into a common share of the Company at a price of \$0.07 for a period of three years from the date of issue.

The flow-through premium liability associated with the issuance of the flow-through shares was calculated at \$0.005 per FT Unit, based on the difference between the selling price of \$0.04 and the selling price of the non flow-through unit (\$0.035). This resulted in a flow-through premium liability of \$42,750.

In connection with the issuance of the flow through shares the Company paid \$21,000 in fees. The agents were also granted 525,000 broker warrants, exercisable at a price of \$0.05 per broker warrant into one common share of FNI for a period of three years from the date of the closing of the respective financings.

The fair value of the broker warrants issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II)

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10. SHARE CAPITAL (continued)

expected volatility of 130%; (III) a risk-free interest rate of 3.35%; (IV) an expected life of 3 years and (V) a broker warrant price of \$0.05. Expected volatility was based on comparable companies. This resulted in a fair value of \$0.016 per broker warrant for a total of \$8,618.

**Stock option plan**

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is four years. Options vest immediately upon issuance. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended December, 2022 and December 2021:

	Number of Options Issued/(Cancelled)	Number of Options Vested	Weighted Average Exercise Price
Balance, December 31, 2022	3,225,000	3,225,000	\$ 0.52
Granted	5,000,000	-	0.09
Granted	535,000	178,333	0.27
Vested	-	1,666,667	
Cancelled	(2,300,000)	(2,300,000)	0.70
Balance, December 31, 2023	6,460,000	2,770,000	0.13
Granted	-	-	0.09
Granted	-	-	0.27
Vested	-	1,845,000	
Cancelled	-	-	-
Balance, December 31, 2024	6,460,000	4,615,000	0.13

The fair value of the options issued in 2023 were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions: (I) dividend yield of 0%; (II) expected volatility of 110%; (III) a risk-free interest rate of 1%; (IV) an expected life of 5 years and (V) a common share price of \$0.09. Expected volatility was based on comparable companies. This resulted in a fair value of \$0.067 per option for a total of \$498,226. The options vest 1/3 at the grant date and 1/3 on each of the first and second anniversaries of the grant date. \$401,550 in share based compensation was expensed the year ended December 31, 2023 based on options that vested during the year,

During 2021, the Company granted 115,000 restricted share units (RSUs) to officers of the Company. The RSUs vest 1/3 on 1<sup>st</sup> on the first anniversary, 1/3 on 2<sup>nd</sup> on the second anniversary, and 1/3 on 3<sup>rd</sup> on the third anniversary. During 2022, 55,000 RSUs were cancelled without exercise, leaving 60,000 unexercised RSUs outstanding.

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10. SHARE CAPITAL (continued)

Warrants

Share Purchase Warrants

	Dec. 31, 2024		Dec. 31, 2023	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Balance beginning of period	41,795,263	\$ 0.20	-	-
Issued	15,884,331	0.158	41,795,263	\$ 0.20
Exercised	-	-	-	-
Expired	-	-	-	-
Balance end of year	57,679,594	\$ 0.19	41,795,263	\$ 0.20

At December 31, 2024, the following warrants were outstanding:

Number of warrants	Exercise price	Expiry date
2,633,000	\$ 0.23	May 30, 2025
4,742,000	\$ 0.20	May 30, 2025
7,894,737	\$ 0.20	June 9, 2025
26,525,526	\$ 0.20	December 21, 2025
10,808,974	\$ 0.20	February 16, 2026
5,075,357	\$ 0.07	December 23, 2027
57,679,594		-

11. INCOME TAX

The provision for income taxes varies from the amount that would be computed by applying the expected tax rate to income (loss) before income taxes. The principled reasons for the differences between such “expected” income tax expense and the amount actually recorded are as follows:

	Dec 31, 2024	Dec 31, 2023
Loss before income taxes	\$ <u>(1,003,259)</u>	\$ <u>(1,584,376)</u>
Recovery based on statutory rate of 23.0% (2023 – 23.0%)	(230,750)	(364,407)
Net non-deductible expense	28,980	99,831

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Share issuance cost	(21,573)	(58,827)
Flow through liability	(9,835)	(242,790)
Tax effect on flow-through shares	21,094	998,939
Change in unrecognized deferred tax assets	212,084	(432,746)
Total income tax expense	\$ -	\$ -

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	Dec 31, 2024	Dec 31, 2023
Deferred income tax asset		
Property, plant and equipment	329	(613)
Share issuance cost	160,785	257,137
Undeducted non-capital losses	2,127,712	1,702,238
Flow through share liability	9,833	127,814
Mineral properties and exploration and evaluation assets	(1,754,402)	(1,754,402)
	544,257	332,174
Deferred tax assets not recognized	(544,257)	(332,174)
	\$ -	\$ -

As at December 31, 2024, the Company has estimated non-capital losses for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. A summary of these tax losses is provided below.

	Dec 31, 2024
2036	340,275
2037	130,544
2038	89,645
2039	76,543
2040	31,774
2041	2,329,967
2042	1,995,265
2043	2,408,137
2044	1,849,886
	\$ 9,252,037

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**12. EARNINGS/LOSS PER SHARE**

The calculation of basic loss per share for the year ended December 31, 2024 of \$0.01 (2023– \$0.02) was based on the loss attributable to shareholders of the Company of \$1,003,260 (2023 - \$2,054,840), and a weighted average number of common shares of 138,926,570 (2023 – 95,301,502).

**13. RELATED PARTIES**

The following related party transactions occurred and were charged in the financial statements during the years ended December 31, 2024 and 2023 as follows:

Consulting fees	Dec 31, 2024	Dec 31, 2023
Administrative and exploration-related consulting fees:		
Administrative consulting fees were charged by officers for corporate administrative and financial management services	\$ 181,650	\$ 180,000
Consulting fees were charged by officers for geological management of the Company’s exploration and evaluation asset (Note 7)	\$ 84,000	\$ 84,000
Legal fees charged by a law firm of which a director of the Company is a partner	\$ 41,533	\$ 97,485

Amounts accrued and paid as administrative consulting fees are expensed disclosed in the Statement of Loss as administrative consulting fees. Amounts accrued and paid as geological consulting fees are capitalized to the exploration and evaluation asset account (Note 7). Legal fees associated with equity financings are disclosed as a share issuance cost and recorded as a reduction to share capital. Legal fees on account of general corporate and other non-financing matters are expensed in the Statement of Loss as legal and accounting fees.

**Key management personnel and compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors and key management positions of CEO, President, CFO and Vice President, Exploration.

Key management compensation	Dec 31, 2024	Dec 31, 2023
Key management consulting fees	\$ 265,150	\$ 264,000
Share based compensation	\$ 126,000	\$ 401,550
	<u>\$ 391,150</u>	<u>\$ 665,550</u>

#### 14. COMMITMENTS AND CONTINGENCIES

The Company completed three flow-through financings during the year ended December 31, 2023 for total gross proceeds of \$5,333,976 (Note 10). The Company is therefore required to incur qualifying exploration expenditures on eligible Canadian exploration and development expenses totalling \$5,333,976 prior to December 31, 2024 in order to satisfy the spending commitment in respect of funds raised via these flow-through financings in 2023. Between June and December 2023, the Company incurred sufficient qualifying exploration expenditures to satisfy approximately \$1,920,000 spending requirements related to its 2023 obligation. Thus, the Company partially derecognized the 2023 cumulative flow-through premium of \$1,003,500, reducing it to \$555,715 at year end. Prior to December 31, 2024, the Company was required to incur approximately \$3.4 million in qualifying exploration expenditures on eligible Canadian exploration and development expenses to satisfy the remaining spending commitment in respect of funds raised via flow-through financings in 2023. The Company met this requirement by incurring in excess of \$3.5 million in qualifying exploration expenditures in 2024.

The Company completed a flow-through financing in December 2024 for total gross proceeds of \$342,000 (Note 10). The Company is therefore required to incur qualifying exploration expenditures on eligible Canadian exploration and development expenses totalling \$342,000 prior to December 31, 2024 in order to satisfy its spending commitment in respect of funds raised via flow-through financings in 2024.

As disclosed in Exploration and Evaluation Asset (Note 7), the Company is required to incur annual minimum work program expenditures ranging between \$15.00 and \$25.00 per hectare in order to maintain title to the mineral dispositions. Excess qualifying exploration expenditures can be carried forward indefinitely to be applied to future years' work requirements. At December 2024, all of the Company's mineral dispositions were in good standing and did not require any level of expenditure to remain in good standing through the end of 2025.

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware that any provision for such costs is required and is unable to determine the impact on its financial position of environmental laws, if any, and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

On November 8, 2023 a Statement of Claim was filed in the Court of King's Bench, Alberta, naming Fathom as a defendant over the termination of the sublease of its Calgary office space. (See Notes 7 and 8). The lawsuit that claims damages of up to \$143,000 resulting from the cancellation of the sublease. The Company's position is that the claim against it is without merit and any financial damages are the result of and the responsibility of the owner of the building. The maximum financial exposure to the Company in the event it is unsuccessful in defending the claim is estimated to be \$143,000.

**15. EVENTS AFTER THE REPORTING YEAR**

**Equity Financing**

On April 30, 2025 the Company completed a non-brokered offering of non flow-through units. Pursuant to the offering, the Company issued 35,902,500 non-flow through units (the “NFT Units”) at a price per NFT Unit of \$0.03 for gross proceeds of \$1,077,075. Each NFT Unit consists of one common share in the capital of the Company (a “Common Share“) and one transferable Common Share purchase warrant (a “Warrant“) that shall be exercisable into one Common Share for a period of 36 months from issuance at an exercise price of C\$0.05.

At December 31, 2024 had received \$69,575 from certain subscribers in advance of the closing of this April 30, 2025 financing. Funds received prior to yearend are recorded as a liability under Funds held on account.