



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
SIX MONTHS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, 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 condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Pure Energy Minerals Limited have been prepared by and are the responsibility of management. These condensed consolidated interim financial statements for the six months ended December 31, 2023 have not been reviewed or audited by the Company's independent auditors.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Notes	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
ASSETS			
CURRENT			
Cash		\$ 660,413	\$ 579,878
Goods and Services Tax receivable		3,906	2,324
Prepaid expenses and other receivables		39,037	41,629
		703,356	623,831
Reclamation bonds	4	60,252	60,316
Exploration and evaluation assets	4	35,225,197	34,907,268
TOTAL ASSETS		\$ 35,988,805	\$ 35,591,415
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	5	\$ 80,436	\$ 121,987
		80,436	121,987
Decommissioning liabilities	4	60,252	60,316
TOTAL LIABILITIES		140,688	182,303
SHAREHOLDERS' EQUITY			
Share capital	6	59,731,784	59,291,398
Reserves	6	3,295,404	2,910,183
Foreign currency translation reserve		37,983	42,185
Deficit		(27,217,054)	(26,834,654)
TOTAL SHAREHOLDERS' EQUITY		35,848,117	35,409,112
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 35,988,805	\$ 35,591,415

Nature of Business and Going Concern (Note 1)

These condensed consolidated Interim financial statements were approved for issue by the Board of Directors on February 28, 2024, and signed on its behalf by:

"Mary Little"
Director

"Joseph Mullin"
CEO

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the six months ended December 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended		Six Months Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
REVENUE	4	\$ 138,264	\$ 135,736	\$ 272,380	\$ 266,300
EXPENSES					
Bank charges and interest		174	196	276	300
Investor relations		1,299	4,001	1,539	6,128
Management fees and salaries	5	77,076	48,860	116,043	96,974
Office and rent		16,855	18,180	32,671	40,438
Professional fees	5	30,506	24,933	44,747	37,424
Share-based compensation	5, 6	420,608	161,991	441,914	161,991
Transfer agent and filing fees		9,358	18,036	15,953	30,205
Travel		-	-	-	1,770
		555,876	276,197	653,143	375,230
INCOME (LOSS) BEFORE OTHER ITEMS		(417,612)	(140,461)	(380,763)	(108,930)
OTHER ITEMS					
Foreign exchange gain (loss)		(2,201)	(353)	(1,866)	3,388
Gain on write-down of accounts payable		-	-	-	-
Bank interest income		69	64	229	72
TOTAL OTHER ITEMS		(2,132)	(289)	(1,637)	3,460
NET INCOME (LOSS) FOR THE PERIOD		(419,744)	(140,750)	(382,400)	(105,470)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that may be reclassified subsequently to income (loss) for the period					
Foreign currency translation adjustment		(26,074)	(12,700)	(4,202)	41,480
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		\$ (445,818)	\$ (153,450)	\$ (386,602)	\$ (63,990)
Earnings (loss) per share, basic and diluted		\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.00)
Weighted average number of common shares outstanding					
Basic					
Diluted		33,357,228	33,023,893	33,340,359	33,023,893

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Unaudited - Expressed in Canadian Dollars)

	Share Capital		Reserves	Foreign Currency Translation Reserve	Deficit	Total Shareholders' Equity
	Number of Common Shares without Par Value	Amount (\$)				
Balance, June 30, 2022	33,023,893	59,192,258	3,153,960	25,196	(27,149,766)	35,221,648
Reclassification of fair value of expired stock options	-	-	(313,274)	-	313,274	-
Share-based compensation	-	-	161,991	-	-	161,991
Net income and comprehensive income for the period	-	-	-	41,480	(105,470)	(63,990)
Balance, December 31, 2022	33,023,893	59,192,258	3,002,677	66,676	(26,941,962)	35,319,649
Shares issued on exercise of stock options	117,750	53,495	-	-	-	53,495
Reclassification of fair value on exercise of options	-	45,645	(45,645)	-	-	-
Reclassification of fair value of expired stock options	-	-	(347,650)	-	347,650	-
Share-based compensation	-	-	300,801	-	-	300,801
Net loss and comprehensive loss for the period	-	-	-	(24,491)	(240,342)	(264,833)
Balance, June 30, 2023	33,141,643	59,291,398	2,910,183	42,185	(26,834,654)	35,409,112
Shares issued for property	663,673	318,563	-	-	-	318,563
Shares issued on exercise of stock options	162,667	65,130	-	-	-	65,130
Shares issued for property	-	-	-	-	-	-
Reclassification of fair value on exercise of options	-	56,693	(56,963)	-	-	-
Share-based compensation	-	-	441,914	-	-	441,914
Net income and comprehensive income for the period	-	-	-	(4,202)	(382,400)	(386,602)
Balance, December 31, 2023	33,697,983	59,731,784	3,295,404	37,983	(27,217,054)	35,848,117

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Condensed Consolidated Interim Statements of Cash Flows

For the six months ended December 31, 2023 and 2022

(Unaudited - Expressed in Canadian Dollars)

Six Months Ended	December 31, 2023	December 31, 2022
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ (382,400)	\$ (105,470)
Items not involving cash		
Unrealized (gain) loss on foreign exchange	(2,877)	-
Share-based compensation	441,914	161,991
	56,637	56,521
Net changes in non-cash working capital items		
Goods and Services Tax receivable	(1,582)	(3,348)
Prepaid expenses	2,594	17,436
Accounts payable and accrued liabilities	(41,551)	138,310
Net cash provided by operating activities	16,098	208,919
INVESTING ACTIVITIES		
Exploration and evaluation expenditures	-	-
Net cash provided by (used in) investing activities	-	-
FINANCING ACTIVITY		
Proceeds from stock options exercised	65,130	-
Net cash provided by financing activities	65,130	-
Effect of exchange rate changes on cash	(693)	11,367
Change in cash during the period	80,535	220,286
Cash, beginning of the period	579,878	371,443
Cash, end of the period	\$ 660,413	\$ 591,729

Supplemental cash flow information (Note 10)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

1. NATURE OF BUSINESS AND GOING CONCERN

Pure Energy Minerals Limited ("Pure Energy" or the "Company") was incorporated on May 10, 2007 under the British Columbia *Business Corporations Act*. The Company's principal business activities are the acquisition, exploration and development of mineral properties. The Company is domiciled in Canada and is a reporting issuer in British Columbia and Alberta. Its common shares are publicly traded on the TSX Venture Exchange (the "Exchange") under the stock symbol "PE". In addition, the Company trades on the OTCQB trading platform in the United States ("US") under the trading symbol "PEMIF" and on the Börse Frankfurt (Stock Exchange) under the trading symbol "AHG". The address of its head office is 2820-200 Granville Street, Vancouver, British Columbia, Canada.

At December 31, 2023, the Company had not yet determined whether its properties contain ore reserves that are economically recoverable. The recoverability of amounts shown for mineral properties and related exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete development and upon future profitable production from the mineral properties or proceeds from the disposition of the mineral properties. Under the terms of an earn-in agreement dated May 1, 2019 (the "Transaction") with Schlumberger Technology Corporation ("SLB"), a subsidiary of SLB (formerly Schlumberger Limited), SLB is responsible for all costs associated with the Clayton Valley Project ("CV Project") and Pilot Plant (Note 4).

Recent geopolitical events, including, relations between NATO and the Russian Federation regarding the situation in Ukraine, the ongoing conflict in the Middle East and potential economic global challenges, such as the risk of higher inflation and interest rates, may create further uncertainty and risk with respect to the prospects of the Company's business.

For the six months ended December 31, 2023, the Company earned advance royalty revenue of \$272,380 (2022 - \$266,300), and incurred costs related to share-based compensation of \$441,914 (2022 - \$161,991), resulting in a net loss of \$382,400 (2022 - \$105,470). At December 31, 2023, the Company had a working capital surplus of \$622,920 (June 30, 2023 - \$501,844) and an accumulated deficit of \$27,217,054 (June 30, 2023 - \$26,834,654). The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

The above factors and the necessity that the Company raise sufficient funds to carry out its exploration and development plans is conditional, in part, on the continuation of its agreements and investor support. The material uncertainty raised by these events and conditions may cast significant doubt about the Company's ability to continue as a going concern. These condensed consolidated interim financial statements do not give effect to any adjustments, which would be necessary should the Company be unable to continue as a going concern. In such circumstances, the Company would be required to realize its assets and discharge its liabilities outside of the normal course of business, and the amounts realized could differ materially from those reflected in the accompanying consolidated financial statements.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of presentation

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

The accounting policies set out below have been applied consistently to all periods presented in these condensed consolidated interim financial statements.

c) Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and its 100% wholly owned subsidiaries, 0891884 B.C. Ltd., Esmeralda Minerals, LLC, 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC (collectively referred to as the "Company"). Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intercompany balances and transactions are eliminated on consolidation.

d) Significant accounting estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenue and expenses during the reporting period. These condensed consolidated interim financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated 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. Actual outcomes could differ from these estimates.

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the reporting date, which 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 the following.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (continued)

d) Significant accounting estimates and judgments (continued)

Critical accounting estimates

- *Stock-based compensation*

Share-based compensation is valued using the Black-Scholes option pricing model at the date of grant and expensed in profit or loss over the vesting period of each award. The Black-Scholes option pricing model utilizes subjective assumptions, such as expected price volatility and expected life of the option. Share-based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Critical accounting judgments

- *Impairment of exploration and evaluation asset*

The net carrying value of an exploration asset is reviewed regularly for conditions that suggest potential indications of impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future.

- *Functional currency*

The functional currency for the Company's subsidiaries, 0891884 B.C. Ltd. and Esmeralda Minerals, LLC, is the US dollar, which is the currency of the primary economic environment in which those entities operate. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

- *Income taxes*

Deferred tax assets and liabilities are determined based on differences between the consolidated financial statement carrying values of assets and liabilities and their respective income tax bases (temporary differences), and losses carried forward.

The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgment and make certain assumptions about the future performance of the Company. Management is required to assess whether it is probable that the Company will benefit from these prior losses and other deferred tax assets. Change in economic conditions, metal prices and other factors could result in revision to the estimates of the benefits to be realized or the timing of utilizing the losses.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies and methods of computation consistent with those applied in the Company's audited annual consolidated financial statements as at June 30, 2023 and for the fiscal year then ended.

4. EXPLORATION AND EVALUATION ASSETS

		Clayton Valley Claims
<hr/> Acquisition costs		
Balance, June 30, 2022	\$	20,486,049
Impact of foreign exchange		2,398
Balance, June 30, 2023		20,488,447
Share issued for property		318,563
Impact of foreign exchange		(95)
Balance, December 31, 2023	\$	20,806,915
<hr/> Exploration and evaluation		
Balance, June 30, 2022	\$	14,404,823
Impact of foreign exchange		13,998
Balance, June 30, 2023		14,418,821
Impact of foreign exchange		(539)
Balance, December 31, 2023	\$	14,418,282
Total, June 30, 2023	\$	34,907,268
Total, December 31, 2023	\$	35,225,197

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims****Schlumberger transaction**

The Company entered into an agreement with SLB on May 28, 2019 (the "Earn-In Agreement") for an earn-in option (the "Option") of, and if completed, the sale of the CV Project to SLB.

The Earn-In Agreement provides a three-year earn-in period (the "Option Period") commencing on the receipt of the final federal and state permits necessary for the construction of the Pilot Plant. SLB may exercise the Option at any time during the Option Period, provided that the Pilot Plant has become operational in accordance with prescribed specifications.

Concurrently, SLB undertook a private placement in the Company for US\$1,500,000 and converted convertible debt of US\$400,000 and interest of \$19,765. These transactions resulted in SLB holding 5,915,440 common shares, a 17.8% interest in Pure Energy at December 31, 2023 (June 30, 2023 - 17.8%).

During the Option Period, SLB will assume all project-related property, permitting and development costs, and will act as operator of the Project.

Upon exercise of the Option, the Company will be entitled to receive a 3% net smelter return royalty ("NSR") on minerals produced at the CV Project and an advance minimum royalty ("AMR") payment of US\$400,000 annually commencing January 1, 2021 for a period of five years or until the CV Project achieves commercial production. AMR payments are non-refundable but are recoverable from SLB against up to 60% of future NSR payments.

During the six months ended December 31, 2023, the Company recognized \$272,380 (US\$200,000) (2022 - \$266,300 (US\$200,000)) of royalty revenue related to the AMR payments outlined in the Earn-In Agreement.

GeoXplor Corp. ("GeoXplor") and Clayton Valley Lithium Inc. for the CV and DB claims in Clayton Valley, Esmeralda County, Nevada

On May 12, 2014, the Company entered into a definitive option agreement with GeoXplor to earn a 100% interest in the CV and DB claims in Clayton Valley, Esmeralda County, Nevada (the "Property"). Under the agreement, GeoXplor was the operator, and the Company had an option to earn a 100% interest for the following consideration:

Date	Cash Payment US\$	Expenditure Requirement US\$	Share Issuance
Effective date (paid/issued)	100,000	-	166,667
Within one year (paid/issued)	250,000	750,000	29,485
Within two years (paid/issued)	250,000	1,000,000	29,485
Within three years (superseded)	250,000	2,000,000	29,485
Within four years (superseded)	250,000	Pre-feasibility study or commercial production	29,485
Total	1,100,000	3,750,000	284,607

On May 10, 2017, the Company entered into a new option agreement with GeoXplor (described below under "GeoXplor-LiX consolidated agreement"). The new option agreement supersedes the original May 12, 2014 agreement. Once the earn-in is complete, GeoXplor will receive a 3% NSR royalty on commercial production, which may be purchased at a future date.

GeoXplor is a private company that holds the CV and DB mineral claims, subject to the option agreement described above. Prior to this new agreement, GeoXplor also provided contract exploration services to Pure Energy at the CV Project.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****Nevada Alaska Option and Lease Agreement for the CD and CE claims in Clayton Valley, Esmeralda County, Nevada**

On May 31, 2015 (the "Effective date"), the Company entered into an option and lease agreement whereby the Company acquired an exclusive lease and exploration license to conduct exploration and evaluation work on certain unpatented placer mining claims located in Esmeralda County, Nevada. Consideration for this acquisition is as follows:

Date	Cash Payment	Share Issuance
Effective date (paid/issued)	\$35,000	37,770
Within one year (paid/issued)	\$35,000	2,380
Within two years (paid/issued)	\$35,000	2,564
Within three years (paid/issued)	\$35,000	6,369
Within four years (paid by SLB, issued)	\$35,000	21,653
Within five years and each year thereafter ⁽¹⁾	US\$75,000	-

⁽¹⁾ SLB paid US\$75,000 on May 26, 2023, May 16, 2022 and May 28, 2021

The Company can acquire a 100% interest in the property by making a payment to the optionor of US\$500,000 or issuing shares of the Company of equal value. The optionor will retain a 3% NSR on the property.

GeoXplor-LiX consolidated agreement for NSP, PM, CV, DB, CVL and CVS claims in Clayton Valley, Esmeralda County

On May 10, 2017, the Company entered into an agreement to acquire Lithium X Energy Corp.'s ("Lithium X") subsidiaries holding certain Clayton Valley properties and property options and to consolidate the claims with the GeoXplor claims under a revised option agreement. The Transaction resulted in 100% acquisition of three subsidiaries, 1056625 B.C. Ltd., 1061582 B.C. Ltd. and LT Capital Holdings, LLC.

The Company issued 3,339,697 common shares at a fair value of \$12,022,909 and 337,048 share purchase warrants measured at a fair value of \$724,223. The fair value of the shares and warrants issued, along with the costs incurred to complete the Transaction, were capitalized in accordance with the Company's accounting policy over its evaluation and exploration assets. On acquisition, the Company also assumed and recognized decommissioning liability, measured at a fair value of \$81,381. The warrants expired unexercised during the year ended June 30, 2020.

In addition, Lithium X acquired 595,238 units of the Company for gross proceeds of \$2,000,000. Each unit consisted of one common share and one-half of one share purchase warrant. The warrants expired unexercised during the year ended June 30, 2020. As part of the agreement, the Company was assigned the obligation to pay a 2% NSR from the production of minerals and mineral ores that are extracted from the CVS and CVL claims to the original seller of such claims to Lithium X. On May 26, 2021, the Company entered into an agreement to purchase the 2% NSR. The purchase of the underlying royalty removes any future obligation by the Company for royalty payments on these properties. The purchase price consisted of 75,000 common shares of the Company, valued at \$89,250 and a cash payment of \$30,985 (US\$25,000). The Company was also required to reimburse the seller \$6,411 (US\$5,000) of legal expenses.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**Clayton Valley Claims (continued)****GeoXplor-LiX consolidated agreement for NSP, PM, CV, DB, CVL and CVS claims in Clayton Valley, Esmeralda County (continued)**

On May 10, 2017, the Company also entered into a new option agreement with GeoXplor, closing June 5, 2017. The option agreement superseded the May 12, 2014 agreement (CV and DB claims). Under the option agreement, the Company decreases its royalty obligations and assumes operatorship over an expanded group of optioned mineral claims. The agreement required the completion of a feasibility study by December 31, 2019 and the payment of US\$4,500,000 on or before July 1, 2021 (amended as per April 20, 2021 amending agreement below).

The Company entered into amending agreements with GeoXplor dated June 8, 2018, August 10, 2018, October 1, 2018 and April 20, 2021.

Total cash consideration of US\$1,037,500 was paid to GeoXplor between May 10, 2017 and May 30, 2019.

Total share consideration of 1,083,333 common shares was issued to GeoXplor between May 10, 2017 and December 31, 2018.

The fourth amending agreement dated April 20, 2021 provides a modified payment schedule and eliminates the feasibility requirement in exchange for a final investment decision by SLB.

Under the amending agreement total payments of US\$4,500,000 are required as follows: (paid by SLB)

- (2) US\$500,000 in value of the Company's shares on the signing of the fourth amending agreement (PE issued);
- (3) US\$250,000 of the Company's shares on or before June 30, 2021 (transferred from SLB's existing holdings);
- (4) US\$250,000 of the Company's shares on or before December 31, 2021 (transferred from SLB's existing holdings);
- (5) US\$500,000 on June 30, 2022 (paid by SLB);
- (6) US\$500,000 on December 31, 2022 (paid by SLB);
- (7) US\$500,000 on June 30, 2023 (paid by SLB);
- (8) US\$250,000 in value of the Company's shares on the earlier of the date of the final investment decision or December 31, 2023 (663,673 shares were issued the Company), and
- (9) US\$750,000 on December 31, 2023 or earlier at the discretion of SLB (paid by SLB).

The terms of the royalty obligation with GeoXplor are as follows:

- (i) A 3% royalty on all minerals produced and extracted from the GeoXplor property;
- (ii) Payment of an advance royalty of US\$250,000 on the fourth (paid subsequently by SLB) and fifth anniversaries of the May 10, 2017 option agreement (creditable against the production royalty in (i) above); and
- (iii) Payment of an advance royalty of US\$500,000 on each anniversary thereafter (creditable against the production royalty in (i) above).

The royalty can be purchased by the Company for US\$10,000,000 at any time after the eighth anniversary and prior to the ninth anniversary of the closing date.

Under the Bureau of Land Management of the United States (the "Bureau"), the Company is required to hold reclamation bonds that cover the estimated cost to reclaim the disturbed ground. As at December 31, 2023, the Company has recorded reclamation bonds of \$60,252 (June 30, 2023 - \$60,316) relating to its Clayton Valley claims. The total decommissioning liabilities have been estimated as the value of reclamation bond requirements, which total \$60,252 (June 30, 2023 - \$60,316) as at December 31, 2023. Management believes that the value of the reclamation bonds as calculated by the Bureau is an accurate representation of the cost to reclaim the limited ground disturbance.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)**NE Claims**

On November 8, 2017, the Company entered into an asset purchase agreement (the "Agreement") with Advantage Lithium Corp. ("Advantage") and Nevada Sunrise Gold Corporation ("Nevada Sunrise") (together, the "Vendors") to acquire the Clayton NE claim blocks (the "Acquired Claims") located in Esmeralda County, Nevada.

Pursuant to the Agreement, Pure Energy issued to the Vendors an aggregate 1,166,667 common shares (the "Consideration Shares") in total amount of \$3,395,000, with 816,667 Consideration Shares issued to Advantage and 350,000 Consideration Shares issued to Nevada Sunrise. In addition, in respect of certain of the Acquired Claims, the Company has agreed to assume a 3% gross overriding royalty granted in favour of a prior owner.

The Agreement required that the Vendors would not, directly or indirectly, sell or transfer any of the Consideration Shares.

5. RELATED PARTY TRANSACTIONS AND BALANCES

The Company's related parties consist of the directors, executive officers and companies owned in whole or in part by them.

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and senior officers.

Compensation of Key Management Personnel

For the six months ended:	December 31, 2023	December 31, 2022
Management fees and salaries	\$ 102,678	\$ 96,974
Share-based compensation – officers and management	49,701	34,445
Share-based compensation – directors	378,079	99,710
Share-based compensation – a company controlled by former CFO	12,435	10,878
Total	\$ 542,893	\$ 242,007

Other Related Parties

During the six months ended December 31, 2023, the Company incurred professional fees of \$37,264 (2022 - \$25,114) to a company controlled by a former officer of the Company.

Amounts Due to Related Parties

At December 31, 2023, accounts payable and accrued liabilities include \$40,269 (June 30, 2023 - \$60,043) owing to directors and officers of the Company and a company controlled by an officer or a former officer of the Company for accrued and unpaid management fees, salaries, expense reimbursements, accounting services and management services. These amounts are unsecured, non-interest-bearing and due on demand.

6. SHARE CAPITAL**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

6. SHARE CAPITAL (continued)

b) Issued and outstanding

During the six months ended December 31, 2023 the Company received \$65,130 related to the issuance of 162,667 shares from the exercise of stock options.

On December 22, 2023, the Company issued 663,673 shares related to the acquisition of the property the fourth amending agreement dated April 20, 2021 with a fair value of \$318,563.

During the year ended June 30, 2023 the Company received \$53,495 related to the issuance of 117,750 shares from the exercise of stock options.

c) Stock options

The Company grants incentive stock options as permitted pursuant to the Company's Stock Option Plan (the "Plan"), which complies with the rules and policies of the Exchange. Under the Plan, the exercise price of each option may not be less than the discounted market price (as defined). The aggregate number of common shares that may be subject to option at any one time may not exceed 10% of the issued common shares. The options are subject to vesting provisions as determined by the Board of Directors. The maximum term is 10 years.

On October 04, 2023, the Company issued 1,124,820 options to certain directors, officers, and employees of the Company. Each option is exercisable into one common shares at a price of \$0.83 per share and expires October 04, 2028. The value of the stock options was estimated to be \$808,243 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.83, exercise price of \$0.83, term of 5 years, cumulative volatility of 128.77%, risk-free rate of 4.33% and dividend yield of 0%.

On October 04, 2023, the Company issued 90,000 options to consultants of the Company. Each option is exercisable into one common shares at a price of \$0.83 per share and expires October 04, 2028. The value of the stock options was estimated to be \$32,942 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.83, exercise price of \$0.46, term of 5 years, cumulative volatility of 277.54%, risk-free rate of 3.17% and dividend yield of 0%.

On November 30, 2022, the Company issued 80,000 stock options to consultants of the Company. Each option is exercisable into one common shares at a price of \$0.53 per share and expires November 30, 2025. The value of the stock options was estimated to be \$76,955 using the Black-Scholes option pricing model using the following inputs: stock price of \$1.08, exercise price of \$0.53, term of 4.5 years, cumulative volatility of 126.57%, risk-free rate of 3.40% and dividend yield of 0%.

On November 30, 2022, the Company issued 800,000 stock options to directors and officers of the Company. Each option is exercisable into one common shares at a price of \$0.53 per share and expires November 30, 2025. The value of the stock options was estimated to be \$359,212 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.53, exercise price of \$0.53, term of 5 years, cumulative volatility of 124.14%, risk-free rate of 3.18% and dividend yield of 0%.

On January 17, 2023, the Company issued 25,000 stock options to officer of the Company. Each option is exercisable into one common shares at a price of \$0.53 per share and expires January 16, 2028. The value of the stock options was estimated to be \$8,851 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.43, exercise price of \$0.53, term of 5 years, cumulative volatility of 122.36%, risk-free rate of 2.93% and dividend yield of 0%.

On February 27, 2023, the Company issued 90,000 stock options to consultant of the Company. Each option is exercisable into one common shares at a price of \$0.54 per share and expires February 27, 2028. The value of the stock options was estimated to be \$115,619 using the Black-Scholes option pricing model using the following inputs: stock price of \$1.40, exercise price of \$0.54, term of 4.69 years, cumulative volatility of 131.26%, risk-free rate of 3.52% and dividend yield of 0%.

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Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars)***6. SHARE CAPITAL (continued)****c) Stock options (continued)**

On February 27, 2023, the Company issued 60,000 stock options to officer of the Company. Each option is exercisable into one common shares at a price of \$0.54 per share and expires February 27, 2028. The value of the stock options was estimated to be \$26,809 using the Black-Scholes option pricing model using the following inputs: stock price of \$0.53, exercise price of \$0.54, term of 5 years, cumulative volatility of 122.68%, risk-free rate of 3.57% and dividend yield of 0%.

The continuity of stock options for the six months ended December 31, 2023 and June 30, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, June 30, 2022	1,027,085	1.74
Expired/cancelled	(708,335)	(2.32)
Exercised	(117,750)	(0.45)
Granted	1,055,000	0.53
Balance, June 30, 2023	1,256,000	0.52
Exercised	(162,667)	(0.40)
Granted	1,214,820	(.83)
Balance, December 31, 2023	2,308,153	0.69
Fully vested and exercisable at December 31, 2023	985,833	0.54

A summary of the Company's options outstanding as at December 31, 2023 is as follows:

Expiry Date	Exercise Price (\$)	Options Outstanding	Weighted Average Remaining Life of Options (Years)	Options Exercisable
June 8, 2025	0.30	105,000	1.44	105,000
October 27, 2025	0.90	83,333	1.82	83,333
November 30, 2025	0.53	730,000	2.13	710,000
January 16, 2028	0.53	25,000	4.30	12,500
February 27, 2028	0.54	150,000	4.16	75,000
October 8, 2023	0.83	1,214,820	4.79	-
		2,308,153	2.52	985,833

d) Share-based compensation

During the six months ended December 31, 2023, the Company expensed \$441,914(2022 - \$161,991 relating to stock options vested.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars)***6. SHARE CAPITAL (continued)**

e) Warrants

A summary of the changes in the Company's warrants for the six months ended December 31, 2023 and the year ended June 30, 2023 is presented below.

	Agent Warrants		Financing Warrants	
	Number of Warrants	Weighted Average Exercise Price (\$)	Number of Warrants	Weighted Average Exercise Price (\$)
Balance, June 30, 2022	111,859	2.40	2,290,833	3.30
Exercised	(17,788)	(2.40)	-	-
Expired	(94,071)	(2.40)	(2,290,833)	(3.30)
Balance, June 30, 2023 and December 31, 2023	-	0.00	-	0.00

f) Reserves

As at December 31, 2023 and June 30, 2023, reserves consisted of the following:

	December 31, 2023	June 30, 2023
Loan forgiveness	\$ 2,449,536	\$ 2,449,536
Stock options	845,868	460,647
Total reserves	\$ 3,295,404	\$ 2,910,183

7. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the sourcing and exploration of mineral properties. The Company considers the items in shareholders' equity as capital, which amounted to \$35,848,117 at December 31, 2023 (June 30, 2023 - \$35,409,112). There has been no change to what the Company considers capital from the prior year. The Company does not have any externally imposed capital requirements to which it is subject.

The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue common shares, dispose of assets or adjust the amount of cash. There has been no change to how capital is managed from the prior year.

8. FINANCIAL INSTRUMENTS**Fair value**

As at December 31, 2023, the Company's financial instruments consist of cash, accrued receivable, reclamation bonds, accounts payable and accrued liabilities.

IFRS 13 *Fair Value Measurement* establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 13 prioritizes the inputs into three levels that may be used to measure fair value.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

8. FINANCIAL INSTRUMENTS (continued)**Fair value (continued)**

- Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.
- Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e., quoted prices for similar assets or liabilities).
- Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The accrued receivable, reclamation bonds, accounts payable and accrued liabilities all have carrying amounts that approximate their fair values, due to either the short-term nature of these instruments or the attached market rate of interest. The Company's cash is carried at fair value in accordance with Level 1 of the fair value hierarchy.

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The financial instrument that potentially subjects the Company to concentrations of credit risk consists principally of cash. To minimize the credit risk, the Company places its cash with high quality financial institutions. There has been no material change to the Company's credit risk during the period ended December 31, 2023.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due (see Note 1). The Company manages liquidity risk through the management of its capital structure, as outlined in Note 7. The Company is working diligently to seek financing to meet its cash needs.

The Company monitors its ability to meet its short-term exploration and administrative expenditure requirements by raising additional funds through share issuance when required. The Company's accounts payable and accrued liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at December 31, 2023, the Company had cash of \$660,413 (June 30, 2023 - \$579,878), to meet its current liabilities of \$80,436 (June 30, 2023 - \$121,987). There has been no material change to the Company's liquidity risk during the six months ended December 31, 2023.

Foreign exchange risk

The Company is exposed to currency fluctuations. From time to time, the Company has US dollar balances in cash, accrued receivable, reclamation bonds, accounts payable and accrued liabilities, and is therefore exposed to gains or losses on foreign exchange. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's profit or loss, financial position and/or cash flows. The Company has not hedged its exposure to currency fluctuations at December 31, 2023.

At December 31, 2023, the Company, through its wholly owned subsidiaries, had a foreign currency cash balance of US\$494,987 (June 30, 2023 - US\$392,560), reclamation bonds of US\$45,556 (June 30, 2023 - US\$45,556) and accounts payable and accrued liabilities of US\$34,487 (June 30, 2023 - US\$38,352). The Company is committed to certain property payments and exploration and evaluation expenditures that are denominated in US dollars. A 10% change in the Canadian dollar versus the US dollar would give rise to a gain/loss of approximately US\$46,050 (June 30, 2023 - US\$28,000) based on the Company's current net exposure. In practice, the actual results may differ from this sensitivity analysis, and the difference may be material. Management considers foreign exchange to be a significant risk and did not see a material change in that risk during the six months ended December 31, 2023.

PURE ENERGY MINERALS LIMITED

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended December 31, 2023 and 2022

*(Expressed in Canadian Dollars)***8. FINANCIAL INSTRUMENTS (continued)****Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The interest earned on cash balances approximates fair value rates, and the Company is not at a significant risk to fluctuating interest rates. At December 31, 2023, the Company did not hold any liabilities that are subject to interest.

Price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company's ability to raise capital to fund exploration and evaluation activities is subject to risks associated with fluctuations in the market price of lithium. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. There has been no material change to the Company's price risk during the six months ended December 31, 2023.

9. SEGMENT INFORMATION

The Company operates in one reportable segment, the exploration and development of unproven exploration and evaluation assets. The Company's primary exploration and evaluation assets are located in the US, and its corporate assets, comprising mainly cash, are located in Canada. The Company is in the exploration stage and has no reportable segment revenues from the sale of minerals or related operating results. The Company received advance royalty income of US\$400,000 per year in the US starting January 1, 2021.

The Corporation's total assets are segmented geographically as follows:

	Canada	US	Total
As at December 31, 2023			
Current assets	\$ 97,492	\$ 605,864	\$ 703,356
Reclamation bonds	-	60,252	60,252
Exploration and evaluation assets	750,000	34,475,197	35,225,197
	\$ 847,492	\$ 34,475,197	\$ 35,988,805
As at June 30, 2023			
Current assets	\$ 77,852	\$ 545,979	\$ 623,831
Reclamation bonds	-	60,316	60,316
Exploration and evaluation assets	750,000	34,157,268	34,907,268
	\$ 827,852	\$ 34,763,563	\$ 35,591,415

10. SUPPLEMENTAL CASH FLOW INFORMATION

	December 31, 2023	June 30, 2023
Non-cash Financing and Investing Activities		
Fair value of options and warrants expired/cancelled	\$ -	\$ 685,720
Fair value of options exercised	\$ 56,692	\$ 45,646

There were no cash flows for interest and income taxes during the six months ended December 31, 2023, and 2022.