

## FORM 5A

### **ANNUAL LISTING SUMMARY**

#### **Introduction**

The requirement to file this Form 5A does not apply to NV Issuers. NV Issuers must file a Form 51-102F2 Annual Information Form.

This Annual Listing Summary must be posted on or before the day on which the Issuer's annual financial statements are to be filed under the Securities Act. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies.

#### **General Instructions**

- (a) Prepare this Annual Listing Summary using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Listed Issuer Name:** American Future Fuel Corporation

**Website:** [www.americanfuturefuel.com](http://www.americanfuturefuel.com)

**Listing Statement Date:** May 24, 2022

**Description(s) of listed securities(symbol/type):** AMPS

**Brief Description of the Issuer's Business:**

American Future Fuel Corporation is a Canadian-based resource company focused on the strategic acquisition, exploration and development of alternative energy projects. The Company holds a 100% interest in the Ceboletta Uranium Project, located in Cibola County, New Mexico, USA, and situated within the Grants Mineral Belt, a prolific mineral belt responsible for approximately 37% of all Uranium produced in the United States of America. Future Fuel's Ceboletta Uranium project

is an advanced exploration project with an historical resource estimate of approximately 19,000,000 lbs. of uranium.		
<b>Description of additional (unlisted) securities outstanding:</b> Reserved for Issuance: 23,903,740 (662,963 options and 23,240,777 warrants)		
<b>Jurisdiction of Incorporation:</b> British Columbia		
<b>Fiscal Year End:</b> December 31		
<b>Date of Last Shareholders' Meeting and Date of Next Shareholders' Meeting (if scheduled):</b> Last Shareholder Meeting: February 28, 2024; Next Shareholders' Meeting: TBD		
<b>Financial Information as at:</b> December 31, 2023		
	Current	Previous
Cash	3,693,333	3,515,505
Current Assets	4,094,797	3,643,334
Non-current Assets	1,237,993	3,535,301
Current Liabilities	339,211	226,464
Non-current Liabilities	19,389	19,856
Shareholders' equity	4,974,190	6,932,315
Revenue	-	-
Net Income	(7,469,882)	(3,179,213)
Net Cash Flow from Operations	(2,774,952)	(3,259,935)

## SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in the Schedules. If the required details are included in Schedule A or B, provide specific reference to the page or note.

Fourth Quarter ended December 31, 2023. Audited consolidated financial statements of the Issuer for the years ended December 31, 2023, as filed with securities regulatory authorities, are attached to this Form 5A – Annual Summary as Schedule “A”.

### 1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as

affiliate, associate or related company without further clarifying details are not sufficient.

- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

With respect to related party transactions for information supplementary to that contained in the notes to the audited consolidated financial statements, which are attached hereto, please refer to page 13 of the Management's Discussion & Analysis for the years ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5A – Annual Summary as Schedule "B".

## 2. Summary of securities issued and options granted during the period.

Provide the following information for the Listed Issuer's fiscal year:

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
21-Dec-23	Units	LIFE Financing	12,777,777	\$0.27	\$3,450,000	Cash	No related parties.	255,555 Comon shares paid for administrative services

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
14-Sept-23	7,950,000	David Suda, CEO & Director Geoff Balderson, CFO Joel Shacker, Director	Consultants	\$0.38	14-Sept-28	\$0.38

(c) summary of RSUs granted during the period.

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
19-Oct-23	250,000	N/A	Consultant	N/A	20-Feb-24	\$0.28

### 3. Summary of securities as at the end of the reporting period.

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of securities outstanding for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

As at December 31, 2023, the authorized capital of the Issuer consisted of an unlimited number of common shares without par value, and without any special rights or restrictions of which 90,765,744 common shares were issued and outstanding. There is only one class of share and there are no dividends.

- (b) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

The Company has an equity incentive plan (the "Equity Plan") that permits the grant of stock options, RSUs, DSUs, and PSUs up to 20% of the issued and outstanding common shares of the Company to directors, officers, key employees, and consultants. The terms of the equity grants are subject to determination and approval by the Board of Directors.

Options: Options to purchase common shares in the capital of the Issuer are granted by the Issuer's Board of Directors to eligible persons pursuant to the Issuer's Stock Option Incentive Plan.

As at December 31, 2023, the following stock options were outstanding:

<u>Date of Grant</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Recorded Value</u>
September 14, 2023	7,700,000	\$0.38	September 14, 2028	\$2,227,673

As at December 31, 2023, the following compensation options were outstanding:

<u>Date of Grant</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Recorded Value</u>
December 21, 2023	662,963	\$0.27	December 21, 2026	\$103,000

As at December 31, 2023, the Company had nil outstanding RSUs outstanding.

As at December 31, 2023, the Company has the following warrants outstanding:

<u>Date of Grant</u>	<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>	<u>Recorded Value</u>
May 24, 2022	10,113,000	\$0.55	March 8, 2026	\$NIL
May 24, 2022	350,000	\$1.25	March 8, 2026	\$NIL
December 21, 2023	12,777,777	\$0.42	December 21, 2026	\$255,555

- (c) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

11,308,250 shares were placed into escrow. Under the escrow agreement, 20% of the shares were released on May 24, 2022, the listing date on the CSE, and an additional 20% will be released on each of the dates which are 6 months, 12 months, 18 months and 24 months following the initial release.

4. **List the names of the directors and officers and include the position(s) held and the date of appointment, as at the date this report is signed and filed.**

<b>Name</b>	<b>Position Held</b>	<b>Date of Appointment</b>
David Suda	CEO and Director	April 21, 2023
Geoff Balderson	CFO	May 24, 2022
Joel Shacker	Director	May 24, 2022
Michael Henrichsen	Director	September 25, 2023

## 5. Financial Resources

- a) State the business objectives that the Issuer expects to accomplish in the forthcoming 12-month period;

With respect to the Issuer's business objections for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to the Management's Discussion & Analysis for year-ended December 31, 2023, as filed with securities regulatory authorities, and attached to this Form 5A - Annual Listing Summary as Schedule B.

- b) Describe each significant event or milestone that must occur for the business objectives in (a) to be accomplished and state the specific time period in which each event is expected to occur and the costs related to each event;

- c) With respect to the Issuer's significant events or milestones for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to the Management's Discussion & Analysis for year-ended December 31, 2023, as filed with securities regulatory authorities, and attached to this Form 5A - Annual Listing Summary as Schedule B.

- c) Disclose the total funds available to the Issuer and the following breakdown of those funds:

- (i) the estimated consolidated working capital (deficiency) as of the most recent month end prior to filing the Listing Statement, and
- (ii) the total other funds, and the sources of such funds, available to be used to achieve the objectives and milestones set out in paragraphs (a) and (b); and
- (iii) describe in reasonable detail and, if appropriate, using tabular form, each of the principal purposes, with approximate amounts, for which the funds available described under the preceding paragraph will be used by the Issuer.

With respect to fund available to the Issuer for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the year-ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5A - Annual Listing Summary as Schedule B.

## 6. Status of Operations

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During the fiscal year, did the Listed Issuer

- (a) reduce or impair its principal operating assets; or
- (b) cease or substantively reduce its business operations with respect to its stated business objectives in the most recent Listing Statement?

Provide details:

With respect to the Status of Operations for the Issuer for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the year-ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5A - Annual Listing Summary as Schedule B.

## **7. Business Activity**

### **a) Activity for a mining or oil and gas Listed Issuer**

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, significant revenue from operations, or \$50,000 in exploration or development expenditures?

Provide details.

- (ii) If the response to (i) above is "no", for the three most recent fiscal years did the Listed Issuer have an aggregate of \$100,000 in exploration or development expenditures?

Provide details.

### **b) Activity for industry segments other than mining or oil & gas**

- (i) For the most recent fiscal year, did the Listed Issuer have positive cash flow, or \$100,000 in revenue from operations or \$100,000 in development expenditures?

Provide details.

- (ii) If the response to (i) above is "no", for the three most recent fiscal years, did the Listed Issuer have either \$200,000 in operating revenues or \$200,000 in expenditures directly related to the development of the business?

Provide details.

With respect to the Business Activity for the Issuer for information supplementary to that contained in the notes to the audited condensed consolidated financial statements, which are attached hereto, please refer to Management's Discussion & Analysis for the year-ended December 31, 2023, as filed with securities regulatory authorities and attached to this Form 5A - Annual Listing Summary as Schedule B.

## **SCHEDULE A: AUDITED ANNUAL FINANCIAL STATEMENTS**

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**AMERICAN FUTURE FUEL CORPORATION**  
(FORMERLY: FUTURE FUEL CORPORATION)

**CONSOLIDATED FINANCIAL STATEMENTS**

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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## Independent Auditors' Report

To the Shareholders of American Future Fuel Corporation

### Opinion

We have audited the consolidated financial statements of American Future Fuel Corporation (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023 and December 31, 2022 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

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, 2023 and December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

### 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 *Auditors' 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 1 to the consolidated financial statements which describes the material uncertainty 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. Other than the matter described in the Material Uncertainty Related to Going Concern section, we have determined there are no key audit matters to be communicated in our report.

### Other Information

Management is responsible for the other information. The other information comprises:

- 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 other information prior to the date of this auditors' 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 auditors' 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 as issued by the International Accounting Standards Board, 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.

### **Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' report is Diana Huang.



**Chartered Professional Accountants**  
**Vancouver, Canada**  
**March 28, 2024**

**AMERICAN FUTURE FUEL CORPORATION**  
(FORMERLY: FUTURE FUEL CORPORATION)  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
(Expressed in Canadian Dollars)

		December 31, 2023 \$	December 31, 2022 \$
	Notes		
<b>ASSETS</b>			
Current assets			
Cash		3,693,333	3,515,505
Amounts receivable		132,057	68,567
Prepaid expenses and deposits		269,407	59,262
		4,094,797	3,643,334
Non-current assets			
Equipment	7	124,164	50,379
Exploration and evaluation assets	5, 6	929,115	3,465,066
Reclamation bonds	8	184,714	19,856
Total assets		5,332,790	7,178,635
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued liabilities	9, 10	339,211	226,464
		339,211	226,464
Non-current liabilities			
Asset retirement obligations	5	19,389	19,856
Total liabilities		358,600	246,320
<b>Shareholders' Equity</b>			
Share capital	11	13,160,267	10,325,403
Contributed surplus	11	2,717,874	90,100
Accumulated other comprehensive loss		(23,208)	-
Deficit		(10,880,743)	(3,483,188)
Total shareholders' equity		4,974,190	6,932,315
Total liabilities and shareholders' equity		5,332,790	7,178,635

Nature of operations and going concern (Note 1)  
Subsequent events (Note 16)

Approved and authorized for issuance on behalf of the Board on March 28, 2024:

"David Suda"  
David Suda, Director

"Joel Shacker"  
Joel Shacker, Director

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

**AMERICAN FUTURE FUEL CORPORATION**

(FORMERLY: FUTURE FUEL CORPORATION)

**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

		December 31, 2023 \$	December 31, 2022 \$
	Notes		
<b>Expenses</b>			
Advertising and marketing		322,722	1,328,672
Management and consulting fees	10	592,436	549,780
Depreciation	7	18,147	-
Exploration expenditures	6	1,247,515	386,572
General and administrative		124,113	97,261
Impairment of mineral properties	6	2,513,568	-
Professional fees		233,610	239,017
Share-based compensation	10, 11	2,341,545	-
Transaction expense	5	-	464,336
Transfer agent and filing fees		45,875	110,175
Travel expenses		30,351	3,400
<b>Net loss for the year</b>		<b>(7,469,882)</b>	<b>(3,179,213)</b>
Exchange difference on translating foreign operations		(23,208)	-
<b>Comprehensive loss for the year</b>		<b>(7,493,090)</b>	<b>(3,179,213)</b>
Loss per share, basic and diluted		(0.10)	(0.05)
Weighted average number of shares outstanding, basic and diluted		78,089,490	62,267,164

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

# AMERICAN FUTURE FUEL CORPORATION

(FORMERLY: FUTURE FUEL CORPORATION)

## CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive loss	Total shareholders' equity
	Number of shares	Amount \$	\$	\$	\$	\$
<b>Balance, December 31, 2021</b>	<b>43,733,001</b>	<b>2,165,001</b>	-	<b>(303,975)</b>	-	<b>1,861,026</b>
Acquisition of Cibola Resources LLC	12,808,250	640,413	-	-	-	640,413
Elimination of Elephant shares upon RTO	(56,541,251)	-	-	-	-	-
Shares issued to shareholders of Elephant upon RTO	56,541,251	-	-	-	-	-
Shares and warrants of AMPS on RTO	2,256,999	112,850	100	-	-	112,950
Finders' shares	2,000,000	100,000	-	-	-	100,000
Concurrent financing upon RTO, net of issuance costs	10,314,060	4,791,500	90,000	-	-	4,881,500
Acquisition of 1344726 BC Ltd.	6,620,102	2,515,639	-	-	-	2,515,639
Net and comprehensive loss for the year	-	-	-	(3,179,213)	-	(3,179,213)
<b>Balance, December 31, 2022</b>	<b>77,732,412</b>	<b>10,325,403</b>	<b>90,100</b>	<b>(3,483,188)</b>	-	<b>6,932,315</b>
Private placement, net of issuance costs	13,033,332	2,834,864	358,556	-	-	3,193,420
Share-based compensation	-	-	2,341,545	-	-	2,341,545
Cancellation of stock options	-	-	(72,327)	72,327	-	-
Net and comprehensive loss for the year	-	-	-	(7,469,882)	(23,208)	(7,493,090)
<b>Balance, December 31, 2023</b>	<b>90,765,744</b>	<b>13,160,267</b>	<b>2,717,874</b>	<b>(10,880,743)</b>	<b>(23,208)</b>	<b>4,974,190</b>

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

**AMERICAN FUTURE FUEL CORPORATION**  
(FORMERLY: FUTURE FUEL CORPORATION)  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Expressed in Canadian Dollars)

	For the year ended December 31, 2023 \$	For the year ended December 31, 2022 \$
<b>OPERATING ACTIVITIES</b>		
Net loss for the year	(7,469,882)	(3,179,213)
Adjustments for items not involving cash:		
Depreciation	18,147	-
Foreign exchange	(17,442)	-
Impairment of mineral properties	2,513,568	-
Share-based compensation	2,341,545	-
Transaction expense	-	464,336
Changes in non-cash working capital:		
Amounts receivable	(63,490)	(56,558)
Prepaid expense and deposits	(210,145)	(39,262)
Accounts payable and accrued liabilities	112,747	(449,238)
Net cash used in operating activities	(2,774,952)	(3,259,935)
<b>INVESTING ACTIVITIES</b>		
Cash acquired on asset acquisitions	-	238,589
Purchase of equipment	(75,315)	(50,379)
Reclamation bond	(165,325)	-
Net cash provided by (used in) investing activities	(240,640)	188,210
<b>FINANCING ACTIVITIES</b>		
Proceeds from private placement, net of issuance costs	3,193,420	4,881,500
Net cash provided by financing activities	3,193,420	4,881,500
Change in cash	177,828	1,809,775
Cash, beginning of year	3,515,505	1,705,730
<b>Cash, end of year</b>	<b>3,693,333</b>	<b>3,515,505</b>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Cash paid for interest	-	-
Cash paid for income taxes	-	-
<b>Non-cash Investing and Financing Activities</b>		
Fair value of shares issued as consideration for Cibola	-	640,413
Fair value of shares issued as consideration for 1344726 BC Ltd.	-	2,515,639
Fair value of shares issued as consideration for RTO	-	212,850
Fair value of warrants assumed as consideration for RTO	-	100
Fair value of brokers' warrants issued for private placement	103,000	90,000
Fair value of options cancelled	72,327	-
Fair value of administration fees issued as issuance cost for private placement	63,889	100,530

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

# AMERICAN FUTURE FUEL CORPORATION

(FORMERLY: FUTURE FUEL CORPORATION)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND GOING CONCERN

American Future Fuel Corporation (formerly: Future Fuel Corporation) ("AMPS" or the "Company") was incorporated on June 14, 2021 in the Province of British Columbia and is the parent company of Elephant Capital Corp. ("Elephant"). The Company's head office is located at 800 - 1199 West Hastings Street, Vancouver, BC, V6E 3T5. The Company's registered and records office address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. Effective July 7, 2022, the Company changed its name from Future Fuel Corporation to American Future Fuel Corporation and trades under the trading symbol "AMPS" on the Canadian Securities Exchange ("CSE").

The Company's business is to acquire, explore, and develop interests in mining projects.

On September 27, 2022, the Company completed the acquisition of 1344726 B.C. Ltd., whose wholly owned subsidiary 1344726 Nevada Ltd. holds the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Counties in the State of New Mexico, commonly known as the Red Basin Uranium Project, pursuant to the share purchase agreement effective September 27, 2022. See Note 5 for more details.

On May 24, 2022, the Company acquired all the issued and outstanding shares of Elephant by way of reverse takeover (the "Acquisition"). Pursuant to the Acquisition, Elephant became a wholly owned subsidiary of AMPS for legal purposes and the Company changed its name from Evolving Gold Corp. to Future Fuel Corporation, which was changed to American Future Fuel Corporation on July 7, 2022. Upon closing of the transaction, the shareholders of Elephant had control of the Company and as a result, the transaction is considered a reverse acquisition of AMPS by Elephant.

For accounting purposes, Elephant is considered the acquirer and AMPS the acquiree; therefore, the Company and these consolidated financial statements are a continuation of the financial statements of Elephant. The net assets of AMPS at the date of the reverse acquisition are deemed to have been acquired by Elephant and these consolidated financial statements include the results of operations of AMPS from the date of acquisition, May 24, 2022. See Note 5 for additional details.

On May 20, 2022, Elephant completed the acquisition of Cibola Resources LLC, pursuant to the share purchase agreement effective August 27, 2021, with Encore Energy Corp. to attain rights to the Cebolleta Uranium Project, which comprises approximately 6,700 acres of mineral rights and 5,700 acres of surface rights located in west-central New Mexico. See Note 5 for additional details.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. As at December 31, 2023, the Company has not achieved profitable operations, has an accumulated deficit of \$10,880,743 (2022 - \$3,483,188), since inception and expects to incur further losses in the development of its business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting year.

The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment, and global market conditions. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties, complete sufficient public equity financing, and generate profitable operations in the future. The Company has no assurance that it will be successful in its efforts. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and the impact of these adjustments could be material. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations.

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**2. BASIS OF PRESENTATION**

**a) Statement of compliance**

These consolidated financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The consolidated financial statements were approved and authorized for issue by the Board of Directors on March 28, 2024.

**b) Basis of measurement**

These consolidated financial statements have been prepared on a historical basis, except for certain financial instruments that have been 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 consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries, except for American Future Fuel USA LLC, Cibola Resources LLC, Evolving Gold Corporation and Rattlesnake Mining Company (Wyoming) whose functional currency is the US dollar.

**c) Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries at the end of the reporting year:

	<b>Incorporated</b>	<b>Nature</b>	<b>Ownership December 31, 2023</b>	<b>Ownership December 31, 2022</b>
1344726 B.C. Ltd.	Canada	Inactive	100%	100%
1344726 Nevada Ltd.	Canada	Inactive	100%	100%
American Future Fuel USA LLC	USA	Mineral Exploration	100%	100%
Cibola Resources LLC	USA	Mineral Exploration	100%	100%
Elephant Capital Corp.	Canada	Mineral Exploration	100%	100%
Evolving Gold Corporation (“EVG US”)	USA	Inactive	100%	100%
Rattlesnake Mining Corporation	Canada	Inactive	100%	100%
Rattlesnake Mining Company (Wyoming)	USA	Inactive	100%	100%

These consolidated financial statements are a continuation of the financial statements of Elephant. The net assets of AMPS at the date of the reverse acquisition are deemed to have been acquired by Elephant and these consolidated financial statements include the results of operations of AMPS from the date of acquisition, May 24, 2022. The results of the wholly owned subsidiary will continue to be included in the consolidated financial statements of the Company until the date that the Company’s control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity to obtain benefits from its activities. Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies have been applied consistently throughout the year by the Company for the purposes of these financial statements:

**a) Financial instruments**

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and financial liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, and subsequently carried at amortized cost less any impairment using the effective interest method. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in profit or loss for the period and transaction costs are expensed in profit or loss.

The Company's financial instruments are classified as follows:

<b>Financial Assets / Liabilities</b>	<b>Classification and Measurement</b>
Cash	FVTPL
Reclamation bonds	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

*Fair value hierarchy*

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for assets or liabilities that are not based on observable market data.

As at December 31, 2023 and 2022, the Company's cash is measured at level 1 of the fair value hierarchy.

**b) Income taxes**

Income tax expense consisting of current and deferred tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

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

**b) Income taxes (continued)**

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

A deferred tax asset is recognized to the extent that it is probable that future taxable income will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

**c) Share capital**

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options, share purchase warrants and flow-through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

*Valuation of equity units issued in private placements*

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. Under this method, the proceeds are allocated first to share capital based on the fair value of the common shares at the time the units are priced, and any residual value is allocated to the warrants in contributed surplus. The fair value of the common shares will be based on the closing quoted bid price on the announcement date. Consideration received for the exercise of warrants is recorded in share capital and the related residual value in contributed surplus is transferred to share capital. For those warrants that expired, the recorded value is transferred to deficit.

**d) Earnings (loss) per share**

The Company presents basic earnings (loss) per share data for its common shares, calculated by dividing the income (loss) attributable to common shareholders of the Company by the weighted average number of shares outstanding during the period. The Company uses the treasury stock method for calculating diluted earnings (loss) per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

For the years ended December 31, 2023 and 2022, the Company's stock options, warrants and agent warrants were not included in the calculation of dilutive earnings (loss) per share as their inclusion was anti-dilutive.

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

**e) Share-based payments**

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model. The Company grants RSUs to acquire common shares of the Company to directors, officers, employees, and consultants. The fair value of RSUs is measured at grant date, using the closing quoted bid price on the issuance date.

For both employees and non-employees, the fair value of share-based payments is recognized as an expense with a corresponding increase in contributed surplus. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in share capital and the related share-based payment in contributed surplus is transferred to share capital. Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

**f) Exploration and evaluation assets**

Exploration and evaluation activities involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Costs incurred to acquire the legal right to explore a property, such as option payments or consideration issued for acquisitions, are capitalized. Costs directly related to exploration and evaluation expenditures are recognized and expensed in profit or loss. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment used during the exploration phase. Staking, tenure maintenance and tenure renewal costs are expensed in profit or loss.

Mineral property acquisition costs are recorded at cost. When shares are issued as part of mineral property acquisition costs, they are valued at the closing share price on the date of issuance unless the fair value of goods or services received is determinable. Once technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as "mines under construction". Exploration and evaluation assets are tested for impairment before the assets are transferred to development properties.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount, and at least annually. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Any excess in estimated recoveries is written off and expensed in profit or loss.

### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **f) Exploration and evaluation assets (continued)**

Under IFRS 6, *Exploration for and Evaluation of Mineral Resources*, one or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment:

- i. The period for which the entity 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.
- ii. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- iii. Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- iv. Sufficient data exist 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 from successful development or by sale.

#### **g) Asset Retirement Obligations**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by its exploration activities. The Company records the present value of the estimated future costs of legal and constructive obligations required to restore the exploration sites in the year in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and revegetation of the affected exploration sites. The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated costs is included in profit or loss. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability specific risks. Additional environmental disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the year in which they occur.

#### **h) Equipment**

Equipment is carried at cost, less accumulated depreciation, and accumulated impairment losses. The cost of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The major categories of equipment are depreciated on a straight-line basis using the estimated lives as follows:

Vehicles	5 years
Machinery & Equipment	5 years

The carrying amount of an item of equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of equipment is included in profit or loss when the item is derecognized.

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

**i) Foreign currency translation**

Transactions in foreign currencies are translated to the functional currencies using the exchange rate prevailing at the date of the transaction. At each reporting date, foreign currency denominated monetary assets and liabilities are translated at year-end exchange rates. Exchange differences arising from the transactions are recorded in profit or loss for the period.

The assets and liabilities of a foreign operation whose functional currency is not Canadian dollars, including goodwill and fair value adjustments arising from the acquisition, are translated into Canadian dollars at year-end exchange rates. Income and expenses, and cash flows of a foreign operation are translated in Canadian dollars using average exchange rates. Differences resulting from translating foreign operations are reported as translation differences in equity. When a foreign operation is disposed of, the translation differences previously recognized in other comprehensive income are reclassified to profit or loss.

**j) Recent Accounting Pronouncements:**

**New and amended IFRS that are effective for the current year:**

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2023.

**Amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 Making Material Judgments – Disclosure of Accounting Policies**

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

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events, or conditions, is immaterial and not required to be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events, or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events, or conditions, is material. The IASB has also developed guidance and examples to explain and demonstrate the application of the “four-step materiality process” described in IFRS Practice Statement 2.

The adoption of these amendments reduced the Company’s disclosure of its accounting policies.

### **3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)**

#### **j) Recent Accounting Pronouncements (continued):**

##### **New and amended IFRS that are effective for the current year (continued):**

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

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

The definition of a change in accounting estimates was deleted; however, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

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

The adoption of these amendments did not have a material impact on the Company's consolidated financial statements

##### **Future Changes in Accounting Policies Not Yet Effective as at December 31, 2023:**

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

##### Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current with Covenants

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In addition, the amendment requires entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments are applied on or after the first annual reporting period beginning on or after January 1, 2024, with early application permitted.

The amendment is not expected to have a material impact on the Company's consolidated financial statements.

#### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

##### *Significant accounting judgments*

The preparation of these consolidated 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 financial statements and the reported amounts of expenses during the reporting year. 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 year in which the estimate is revised and future year if the revision affects both current and future year. 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.

Management has made critical judgments in the process of applying accounting policies. The judgments with the most significant effect on the amounts recognized in the financial statements include:

- i. The assessment of the Company's ability to continue as a going concern and its ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances. The factors considered by management are disclosed in Note 1.
- ii. The determination of the acquirer in the Acquisition of Elephant by AMPS requires significant judgment assessing the relative voting rights, composition of the governing body, and composition of senior management of the combined entity, amongst other factors. The Company concluded Elephant to be the acquirer, and its acquisition of all of the outstanding shares of AMPS has been determined to be an asset acquisition as AMPS does not meet the definition of a business under IFRS 3, *Business Combinations*. As a result, the transaction has been accounted for as a reverse takeover by Elephant of AMPS' net assets in accordance with the guidance under IFRS 2, *Share-based Payment*.
- iii. Management determined that it was necessary to abandon the Red Basin Uranium Project during the year ended December 31, 2023, which is an impairment indicator; accordingly the capitalized E&EA costs were written off.

##### *Significant estimates*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the current and subsequent fiscal financial years:

- i. The fair value of the consideration paid to acquire Cibola and 134BC required significant estimates which impact the acquisition date value of the Ceboletta Project and the Red Basin Uranium Project. See note 5.

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## 5. ACQUISITIONS

### **Reverse Takeover by Elephant Capital Corp.**

As described in Note 1, on May 24, 2022, AMPS completed the acquisition of all issued and outstanding shares of Elephant pursuant to the share purchase agreement dated April 14, 2022. As a result of the transaction, the Company issued 56,541,251 common shares to Elephant shareholders. The Company also paid a finder's fee of 2,000,000 common shares to third parties who introduced the transaction to the Company valued at \$100,000, which is recognized as part of consideration paid.

The transaction constituted a reverse acquisition ("RTO") of AMPS and had been accounted for as a reverse acquisition transaction in accordance with the guidance provided under IFRS 2, *Share-based Payment* and IFRS 3, *Business Combinations*. As AMPS did not qualify as a business according to the definition in IFRS 3, this reverse acquisition was accounted for as an asset acquisition by the deemed issuance of shares and warrants of Elephant for the net assets of AMPS.

The consideration paid was determined as equity settled share-based payment under IFRS 2, at the fair value of the equity of Elephant retained by the shareholders of AMPS based on the fair value of Elephant's common shares on the date of closing of the RTO at \$0.05 per share. As a result of the transaction, the Company assumed 500,000 warrants, valued at \$100. The warrants were valued using the Black-Scholes Option Pricing model using the following assumptions: Risk free rate of 2.51%; Volatility of 100%; Stock Price of \$0.05; Exercise price of \$0.80; Dividend yield of NIL% and expected life of 0.72 years.

For accounting purposes, Elephant has been treated as the accounting parent company (legal subsidiary) and AMPS has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As Elephant was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The results of operations of AMPS are included in these consolidated financial statements from the date of the reverse acquisition of May 24, 2022.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

<b>Consideration paid:</b>		
Fair value of 2,256,999 common shares at \$0.05 per share	\$	112,850
Fair value of 2,000,000 common shares at \$0.05 per share (finders' fees)		100,000
Fair value of 500,000 warrants assumed		100
		<b>212,950</b>
<b>Net assets acquired (liabilities)</b>		
Cash		6,089
Amounts receivable		6,206
Reclamation bonds		18,803
Accounts payable and accrued liabilities		(263,681)
Asset retirement obligation		(18,803)
Total net assets		<b>(251,386)</b>
Transaction expense	\$	<b>464,336</b>

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**5. ACQUISITIONS (continued)**

**Acquisition of Cibola Resources LLC**

In June 2021, Elephant signed a letter of intent ("LOI") with Encore Energy Corp. ("Encore") to acquire an 100% interest in its subsidiary, Cibola Resources LLC ("Cibola") to attain the rights to a lease of a mineral property comprising of approximately 6,700 acres of mineral rights and 5,700 acres of surface rights located in west-central New Mexico, commonly referred to as the "Cebolletta Uranium Project". In August 2021, Elephant entered into a share purchase agreement (the "SPA") effective August 27, 2021, with Encore and its wholly owned subsidiary, Neutron Energy, Inc. (the "Vendor") to acquire an 100% interest in Cibola Resources LLC to attain rights to the Cebolletta Uranium Project.

On May 20, 2022, Elephant completed the acquisition of all of the issued and outstanding share capital of Cibola. In consideration for all of the shares of Cibola, Elephant issued consideration as follows:

- a) US \$250,000 cash; and
- b) 11,308,250 common shares of Elephant representing twenty percent (20%) of the outstanding share capital of Elephant immediately prior to the completion of a going public transaction to list on a qualifying exchange.

Elephant also paid finders' fees of 1,500,000 common shares to third parties who introduced the transaction to the Company valued at \$75,000, which is recognized as part of consideration paid.

At the date of acquisition, Elephant determined that Cibola did not constitute a business as defined under IFRS 3, *Business Combinations*, and the Cibola acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of Elephant at a price of \$0.05 per share.

The following table shows the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

<b>Consideration paid:</b>		
Cash	\$	311,085
Fair value of 11,308,250 common shares at \$0.05 per share		565,413
Fair value of 1,500,000 common shares at \$0.05 per share (finders' fees)		75,000
		<hr/> 951,498
<b>Net assets acquired (liabilities)</b>		
Exploration and evaluation asset		951,498
Total net assets	\$	<hr/> 951,498

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**5. ACQUISITIONS (continued)**

**Acquisition of 1344726 B.C. Ltd**

On September 27, 2022, the Company completed the acquisition of all issued and outstanding shares of 1344726 B.C. Ltd. ("134 BC"), pursuant to the share purchase agreement effective September 23, 2022, to attain the wholly owned subsidiary 1344726 Nevada Ltd. in order to acquire the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Counties in the State of New Mexico, commonly known as the Red Basin Uranium Project. As a result of the transaction, the Company issued 6,000,100 common shares to 134 BC shareholders. The Company also issued 500,000 common shares to third parties who introduced the transaction to the Company valued at \$190,000 and issued 120,002 common shares as administrative fees valued at \$45,601.

At the date of acquisition, the Company determined that 134 BC did not constitute a business as defined under IFRS 3, *Business Combinations*, and the 134 BC acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of the Company at a price of \$0.38 per share.

The following table shows the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

<b>Consideration paid:</b>		
Fair value of 6,000,100 common shares at \$0.38 per share	\$	2,280,038
Fair value of 620,002 common shares at \$0.38 per share (finders' and administration fees)		235,601
		<u>2,515,639</u>
<b>Net assets acquired (liabilities)</b>		
Cash (in trust)		232,500
Accrued liabilities		(230,429)
Exploration and evaluation asset		<u>2,513,568</u>
Total net assets	\$	<u>2,515,639</u>

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**6. EXPLORATION AND EVALUATION ASSETS**Acquisition Costs

During the year ended December 31, 2023, the Company incurred additions of exploration and evaluation assets in the amount of \$Nil (year ended December 31, 2022 - \$3,465,066). See table below for a breakdown of capitalized acquisition costs by property:

	Cebolleta Project (US) \$	Red Basin Uranium Project (US) \$	Total \$
<b>Acquisition costs:</b>			
Balance, December 31, 2021	-	-	-
Additions	951,498	2,513,568	3,465,066
Balance, December 31, 2022	951,498	2,513,568	3,465,066
Foreign exchange	(22,383)	-	(22,383)
Impairment	-	(2,513,568)	(2,513,568)
Balance, December 31, 2023	929,115	-	929,115
<b>Carrying amounts:</b>			
Balance, December 31, 2022	951,498	2,513,568	3,465,066
Balance, December 31, 2023	929,115	-	929,115

Exploration Expenditures

During the year ended December 31, 2023, the Company incurred exploration expenditures of \$1,247,515 (year ended December 31, 2022 - \$386,572) as follows:

	Cebolleta Project (US) \$	Red Basin Uranium Project (US) \$	Total \$
Analytical	160,998	-	160,998
Consulting	76,037	-	76,037
Drilling	395,055	-	395,055
Equipment Rentals	16,568	-	16,568
Geological	12,717	-	12,717
Salaries	224,112	-	224,112
Tenure and Acquisitions	265,545	-	265,545
Travel and Camp	96,449	-	96,449
Government Assist	34	-	34
<b>Total for the year ended December 31, 2023</b>	<b>1,247,515</b>	<b>-</b>	<b>1,247,515</b>

	Cebolleta Project (US) \$	Red Basin Uranium Project (US) \$	Total \$
Analytical	35,392	-	35,392
Consulting	80,430	-	80,430
Drilling	7,624	-	7,624
Geological and Geophysical	13,642	-	13,642
Tenure and Acquisitions	247,441	2,043	249,484
<b>Total for the year ended December 31, 2022</b>	<b>384,529</b>	<b>2,043</b>	<b>386,572</b>

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

Cebolleta Project

The Cebolleta property is held under the mining lease agreement between Neutron Energy, Inc. and La Merced del Pueblo de Cebolleta (the "Cebolleta Land Grant" or "CLG") dated March 11, 2007 to lease the Cebolleta property (the "Cebolleta Lease"), which is composed of surface and mineral rights situated in the eastern-most portion of Cibola County, New Mexico. Neutron Energy, Inc. subsequently assigned the Cebolleta Lease to Cibola Resources LLC in April 2007, and the Cebolleta Lease was affirmed by the New Mexico District Court in Cibola County that same month.

The Cebolleta Lease provides the Company with the right to explore for, mine, and process uranium deposits present on the Cebolleta project and was later amended in February 2012, January 2018, April 2021, and October 2023 extending the term of the lease to April 2029. The total cash consideration to be paid is as follows:

- Non-refundable cash payment of USD \$20,000 paid by January 30<sup>th</sup>, 2007 (Paid);
- Refundable cash payment of USD \$380,000 paid by February 21<sup>st</sup>, 2007 (Paid);
- Cash payment of USD \$2,600,000 paid by April 9<sup>th</sup>, 2007 (Paid);
- Cash payment of USD \$2,000,000 paid by October 9<sup>th</sup>, 2007 (Paid);
- Cash payment of USD \$500,000 paid by April 9<sup>th</sup>, 2017 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2021 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2022 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2023 (Paid);
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2024;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2025;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2026;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2027;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2028; and
- Cash payment of USD \$175,000 x (IPB published by the Bureau/Base IPD) paid by April 6<sup>th</sup>, 2029.

The lease agreement term has been extended to April 6, 2029, and for so long thereafter only if the Company can make the annual cash payments timely to indicate the good faith of operations. The Company will pay the lessor production royalties of 5.75% on uranium mined from the property and at the start of commercial operations, the lessee will make a production and resource bonus payment to the lessor, to be paid in cash or shares in the sole discretion of the Company, for a total value of \$4 million USD adjusted for inflation.

The Company takes full responsibility for any and all environmental and reclamation obligations for the Company's activities on, in and under the Property, and will comply with any applicable federal, state, and local laws and regulations, whether environmental, mining, reclamation or otherwise, implicated by the Company's activities.

Red Basin Uranium

The Red Basin Uranium Project is located in the Red Basin – Pie Town Mining District of Catron and McKinley counties of New Mexico and is comprised of 400 staked lode claims.

During the year ended December 31, 2023, the Company allowed the Red Basin Uranium claims to lapse and recognized an impairment on mineral properties of \$2,513,568.

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## 7. EQUIPMENT

The following is a summary of activities for the years ended December 31, 2023 and 2022:

	<b>Vehicles \$</b>	<b>Machinery &amp; Equipment \$</b>	<b>Total \$</b>
<b>COST</b>			
<b>Balance, December 31, 2021</b>	-	-	-
Additions	50,379	-	50,379
<b>Balance, December 31, 2022</b>	50,379	-	50,379
Additions	47,320	27,995	75,315
Foreign exchange	15,224	1,029	16,253
<b>Balance, December 31, 2023</b>	112,923	29,024	141,947
<b>ACCUMULATED DEPRECIATION*</b>			
<b>Balance, December 31, 2022 and 2021</b>	-	-	-
Additions	15,442	2,705	18,147
Foreign exchange	(310)	(54)	(364)
<b>Balance, December 31, 2023</b>	15,132	2,651	17,783
<b>Net book value, December 31, 2022</b>	50,379	-	50,379
<b>Net book value, December 31, 2023</b>	97,791	26,373	124,164

\* No depreciation was recognized for the year ended December 31, 2022, as the asset was acquired on December 23, 2022 and unused.

## 8. RECLAMATION BONDS

The Company continues to maintain reclamation bonds related to its former United States properties pending the release of funds as a result of property inspections by the appropriate regulators. The full repayment of the bonds may take up to three years, as the refund of the balance of the bond held depends upon the regrowth of native flora.

On July 18, 2023, the Company posted a bond of US \$125,000 (CAD \$165,325) with the Energy Minerals and Natural Resources Department for financial assurance for the operations and reclamations associated with the Cebolleta exploration project.

	<b>Total \$</b>
Balance, December 31, 2021	Nil
Assumed from RTO	19,856
Balance, December 31, 2022	19,856
Additions	165,325
Foreign exchange translation	(467)
<b>Balance, December 31, 2023</b>	<b>184,714</b>

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**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Accounts payable	250,489	176,464
Accrued liabilities	88,722	50,000
	<b>339,211</b>	<b>226,464</b>

**10. RELATED PARTY TRANSACTIONS**

Key Management Compensation

Key management personnel include those people who have 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 directors (executive and non-executive) and officers of the Company.

These amounts of key management compensation are included in the amounts shown on the consolidated statement of loss and comprehensive loss:

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
	<b>\$</b>	<b>\$</b>
Management and consulting fees, <i>incurred with the CEO, former CEO and a director</i>	217,167	120,000
Share-based compensation	439,749	-
	<b>656,916</b>	<b>120,000</b>

As at December 31, 2023, the Company has outstanding amounts payable to the CEO and former CEO of the Company of \$37,238 (December 31, 2022 - \$21,000) for outstanding fees. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

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**11. SHARE CAPITAL**

a) Authorized

Unlimited number of common shares without par value.

b) Issued

During the year ended December 31, 2023

On December 21, 2023, the Company closed a brokered private placement of 12,777,777 units at a price of \$0.27 per unit for gross proceeds of \$3,450,000. Each unit is comprised of one common share and one warrant, with each whole warrant exercisable at \$0.42 per share and with an expiry date of December 21, 2026. The warrants were valued at \$255,556 pursuant to the residual value method for accounting for warrants issued in a unit.

In accordance with the transaction, the Company paid \$179,000 in cash finder's fees and \$77,580 in broker legal fees. The Company issued 662,963 agent warrants with a fair value of \$103,000, with an exercise price of \$0.27, and an expiry date of December 21, 2026. The Company issued 255,555 common shares with a fair value of \$63,889 as administrative fees to a third party for their assistance in the transaction, recorded as share issue cost.

During the year ended December 31, 2022

On September 27, 2022, the Company completed the acquisition of 1344726 B.C. Ltd., whereby the Company acquired all the issued and outstanding common shares of 1344726 B.C. Ltd. by issuing 6,000,100 common shares. The Company also issued 500,000 common shares as finder's fees and 120,002 common shares as administrative service fees. See Note 5 for details.

On May 24, 2022, a reverse acquisition transaction was completed whereby the Company acquired all the issued and outstanding common shares of Elephant and issued 56,541,251 common shares of the Company to the shareholders of Elephant in exchange for 56,541,251 former Elephant shares. At the reverse acquisition date, AMPS shareholders held 2,256,999 common shares of the Company, which were valued at \$112,850 as part of the deemed consideration for the Acquisition. The Company also issued 2,000,000 common shares valued at \$100,000 as finders' fees. See Note 5 for details.

On May 24, 2022, the Company completed a concurrent non-brokered private placement of 10,113,000 subscription receipts at a price of \$0.50 per receipt for gross proceeds of \$5,056,500. Each subscription receipt is comprised of one common share and one warrant, which have an exercise price of \$1.25 and expire on March 8, 2026. The warrants have a fair value of \$Nil based on the residual value method.

In connection with the private placement, the Company paid \$175,000 in cash finders' fees and issued 350,000 agent warrants, which have an exercise price of \$1.25 and expire on March 8, 2026, valued at \$90,000. Additionally, the Company issued 201,060 common shares as administrative fees to third parties who assisted with facilitating the transaction, valued at \$100,530, recorded as share issue cost.

On May 20, 2022, Elephant issued 11,308,250 common shares to the shareholders of Cibola valued at \$565,413. Elephant also issued 1,500,000 common shares valued at \$75,000 as finders' fees.

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**11. SHARE CAPITAL (continued)**

c) Stock Options

The Company has an equity incentive plan to grant incentive equity instruments to directors, officers, employees and consultants. Under the plan, the aggregate number of common shares that may be subject to option at any one time may not exceed 20% of the issued common shares of the Company as of that date, including options granted prior to the adoption of the plan. The exercise price of these options is not less than the Company's closing market price on the day prior to the grant of the options. All options vest when granted unless otherwise specified by the Board of Directors.

Stock option transactions and the number of stock options outstanding are summarized as follows:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	Number of Stock Options	Weighted Average Exercise Price	Number of Stock Options	Weighted Average Exercise Price
Outstanding, beginning	-	\$ -	-	\$ -
Granted	7,950,000	\$ 0.38	-	\$ -
Cancelled	(250,000)	\$ 0.38	-	\$ -
Outstanding, ending	7,700,000	\$ 0.38	-	\$ -

The following stock options were outstanding and exercisable as at December 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
September 14, 2028	4.71	\$ 0.38	7,700,000

The fair value of stock options issued were calculated using the following weighted average assumptions:

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
Expected life (years)	5.00	-
Risk-free interest rate	3.96%	-
Annualized volatility*	100%	-
Stock price at issue date	0.38	-
Exercise price	0.38	-
Weighted average issue date fair value	0.29	-

\*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price.

On September 14, 2023, the Company granted 7,950,000 incentive stock options with an exercise price of \$0.38 and a fair value of \$2,300,000, which are fully vested upon grant.

On September 28, 2023, the Company cancelled 250,000 incentive stock options with an exercise price of \$0.38 and a fair value of \$72,327, which were granted on September 14, 2023.

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**11. SHARE CAPITAL (continued)**

d) Warrants

Warrant transactions and the number of warrants outstanding are summarized as follows:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	10,613,000	\$ 1.23	-	\$ -
Assumed from AMPS	-	\$ -	500,000	\$ 0.80
Granted	12,777,777	\$ 0.42	10,113,000	\$ 1.25
Expired	(500,000)	\$ 0.80	-	\$ -
Outstanding, ending	22,890,777	\$ 0.48	10,613,000	\$ 1.23

The following warrants were outstanding and exercisable as at December 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
March 8, 2026	2.19	\$ 0.55	10,113,000
December 21, 2026	2.98	\$ 0.42	12,777,777
	2.63	\$ 0.48	22,890,777

The warrants assumed from AMPS were valued at \$100 using the Black-Scholes Option Pricing model using the following assumptions: Risk free rate of 2.51%; Volatility of 100%; Stock Price of \$0.05; Exercise price of \$0.08; Dividend yield of NIL% and expected life of 0.72 years.

On October 5, 2023, the Company amended the exercise price of 10,113,000 outstanding warrants, with an expiration date of March 8, 2026, from \$1.25 to \$0.55 per warrant.

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**11. SHARE CAPITAL (continued)**

e) Agent Warrants

Agent warrant transactions and the number of agents warrants outstanding are summarized as follows:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning	350,000	\$ 1.25	-	\$ -
Granted	662,963	\$ 0.27	350,000	\$ 1.25
Outstanding, ending	1,012,963	\$ 0.61	350,000	\$ 1.25

The following agent warrants were outstanding and exercisable as at December 31, 2023:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	Outstanding and Exercisable
March 8, 2026	2.19	\$ 1.25	350,000
December 21, 2026	2.98	\$ 0.27	662,963
	2.70	\$ 0.61	1,012,963

The fair value of warrants issued was calculated using the following weighted average assumptions:

	<b>Year ended December 31, 2023</b>	<b>Year ended December 31, 2022</b>
Expected life (years)	3	4
Risk-free interest rate	3.73	2.58%
Annualized volatility*	100%	100%
Stock price at issue date	\$0.25	\$0.50
Exercise price	\$0.27	\$1.25
Weighted average issue date fair value	\$0.16	\$0.26

\*The share price volatility was determined based on the Company's historical volatility and comparable entities' historical volatility in share price.

f) Restricted Share Units ("RSUs")

The Company's equity incentive plan provides incentive restricted share units ("RSUs") to directors, officers, employees, and consultants. The restricted period of the RSUs may be subject to performance conditions to be achieved by the Company or a class of participants or a participant on an individual basis. The restricted period is determined by the Board of Directors.

On October 19, 2023, the Company issued 250,000 RSUs, under which the holder has the right to receive an aggregate of 250,000 common shares of the Company. The RSUs vest 100% on February 20, 2024. The fair value of RSUs is equal to \$70,000, of which \$41,545 has been recognized as share-based compensation.

## **12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, interest rate risk, and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The fair value of financial instruments, which include cash, reclamation bonds and accounts payable and accrued liabilities approximate their carrying values due to the nature of the maturity terms of these instruments.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its reclamation bonds. The Company's cash is held at a large Canadian financial institution. The Company's reclamation bonds are posted with a large Canadian financial institution designated by the Energy Minerals and Natural Resources Department.

b) Liquidity Risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at December 31, 2023, the Company has a working capital of \$3,755,586. The liquidity risk is low.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) 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 Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at December 31, 2023.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. The Company's exposure is limited to movements in its own share price.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. As at December 31, 2023, the Company had US\$215,209 held at a major financial institution, accounts payable denominated in USD of US\$8,000, and accounts payable denominated in EURO of \$2,486. A 10% fluctuation in the foreign exchange rate would result in a difference of \$27,000. The Company does not use any techniques to mitigate foreign currency risk.

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**13. CAPITAL MANAGEMENT**

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements.

There was no change to the Company's management of capital during the year ended December 31, 2023.

**14. SEGMENTED DISCLOSURE**

The Company has one operating segment: mineral exploration and development. The Company's reportable segments are summarized as follows:

	Canada \$	USA \$	Total \$
<b>Non-current assets</b>			
Balance, December 31, 2022	-	3,535,301	3,535,301
Balance, December 31, 2023	-	1,237,993	1,237,993

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**15. INCOME TAXES**

Income tax expense differs from the amount that would result from applying Canadian federal and provincial income tax rates to earnings before income taxes. A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Income (loss) before income taxes	\$ (7,469,882)	\$ (3,179,213)
Statutory income tax rate	27%	27%
Income tax benefit computed at statutory tax rate	\$ (2,017,000)	\$ (858,000)
Non-deductible items	1,313,000	48,000
Difference due to jurisdictional tax rate change	18,000	-
Unrecognized benefit of deferred income tax assets	686,000	810,000
Income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deductible temporary differences are presented below:

	<b>December 31, 2023</b>	<b>Expiry</b>	<b>December 31, 2022</b>	<b>Expiry</b>
Non-capital losses carried forward	\$ 4,094,000	2041-2043	\$ 2,667,000	2041-2042
Exploration and evaluation assets	1,897,000	No expiry	672,000	No expiry
Property, plant, and equipment	18,000	No expiry	-	No expiry
Share issuance costs	310,000	2024-2027	140,000	2023-2026
Total	\$ 6,319,000		\$ 3,479,000	

As at December 31, 2023, the Company has unrecognized deferred tax liabilities of \$257,000 (2022 - \$936,000) due to temporary differences arising on the initial recognition of the acquisition of the issued and outstanding shares of Cibola and 134 BC.

**16. SUBSEQUENT EVENTS**

On February 19, 2024, the Company issued 250,000 common shares pursuant to the vesting of 250,000 RSUs granted on October 19, 2023.

On March 19, 2024, the Company entered into a definitive agreement with Premier American Uranium Inc. ("PUR") whereby PUR will acquire 100% of the issued and outstanding common shares of the Company. Shareholders of the Company will receive 0.17 common shares of PUR for each 1 common share of the Company held.

## **SCHEDULE B: MANAGEMENT DISCUSSION AND ANALYSIS**

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**AMERICAN FUTURE FUEL CORPORATION**  
(FORMERLY: FUTURE FUEL CORPORATION)

**MANAGEMENT'S DISCUSSION & ANALYSIS**

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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# **AMERICAN FUTURE FUEL CORPORATION (FORMERLY: FUTURE FUEL CORPORATION)**

## **Management's Discussion & Analysis**

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") of American Future Fuel Corporation (formerly: Future Fuel Corporation) ("AMPS" or the "Company") should be read in conjunction with the audited consolidated financial statements and notes thereto for the years ended December 31, 2023 and 2022. The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Information contained herein is presented as of March 28, 2024, unless otherwise indicated. Additional information related to AMPS is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company's board of directors approved the release of this MD&A on March 28, 2024.

### **FORWARD LOOKING INFORMATION**

Certain statements and information contained herein may constitute "forward-looking statements" and "forward-looking information," respectively, under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "expect", "anticipate", "continue", "estimate", "may", "will", "should", "believe", "intends", "forecast", "plans", "guidance" and similar expressions are intended to identify forward-looking statements or information. The forward-looking statements are not historical facts, but reflect the current expectations of management of AMPS regarding future results or events and are based on information currently available to them. Certain material factors and assumptions were applied in providing these forward-looking statements.

Forward-looking statements regarding the Company are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of AMPS to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures and other costs. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. AMPS will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and are generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to, those contained in the Company's Filing Statement dated May 24, 2022 (the "Listing Statement") that is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

# **AMERICAN FUTURE FUEL CORPORATION (FORMERLY: FUTURE FUEL CORPORATION)**

## **Management's Discussion & Analysis**

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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### **CORPORATE OVERVIEW**

American Future Fuel Corporation (formerly: Future Fuel Corporation) ("AMPS" or the "Company") was incorporated on June 14, 2021 in the Province of British Columbia and is the parent company of Elephant Capital Corp. ("Elephant"). The Company's head office is located at 800 - 1199 West Hastings Street, Vancouver, BC, V6E 3T5. The Company's registered and records office address is 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. Effective July 7, 2022, the Company changed its name from Future Fuel Corporation to American Future Fuel Corporation and trades under the trading symbol "AMPS" on the Canadian Securities Exchange ("CSE").

The Company's business is to acquire, explore, and develop interests in mining projects.

On September 27, 2022, the Company completed the acquisition of 1344726 B.C. Ltd., whose wholly owned subsidiary 1344726 Nevada Ltd. holds the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Counties in the State of New Mexico, commonly known as the Red Basin Uranium Project, pursuant to the share purchase agreement effective September 27, 2022.

On May 24, 2022, the Company acquired all the issued and outstanding shares of Elephant by way of reverse takeover (the "Acquisition"). Pursuant to the Acquisition, Elephant became a wholly owned subsidiary of AMPS for legal purposes and the Company changed its name from Evolving Gold Corp. to Future Fuel Corporation, which was changed to American Future Fuel Corporation on July 7, 2022. Upon closing of the transaction, the shareholders of Elephant had control of the Company and as a result, the transaction is considered a reverse acquisition of AMPS by Elephant.

For accounting purposes, Elephant is considered the acquirer and AMPS the acquiree; therefore, the Company and these consolidated financial statements are a continuation of the financial statements of Elephant. The net assets of AMPS at the date of the reverse acquisition are deemed to have been acquired by Elephant and these consolidated financial statements include the results of operations of AMPS from the date of acquisition, May 24, 2022.

On May 20, 2022, Elephant completed the acquisition of Cibola Resources LLC ("Cibola"), pursuant to the share purchase agreement effective August 27, 2021, with Encore Energy Corp. ("Encore") to attain rights to the Cebolleta Uranium Project, which comprises approximately 6,700 acres of mineral rights and 5,700 acres of surface rights located in west-central New Mexico.

### **DESCRIPTION OF BUSINESS**

The Company is engaged in the exploration and development of mineral resources, currently focusing on projects in New Mexico. The Company's material property is the Cebolleta Uranium Property (the "Cebolleta Property") in Cibola County, New Mexico, USA.

As of the date of the report, the Company does not own any operating mines and has no operating income from mineral production. Funding for operations is raised primarily through public and private share offerings. It is not known whether the Company's mineral properties contain reserves that are economically recoverable. The recoverability of amounts recorded by the Company for mineral property interests and related deferred exploration costs are dependent upon the discovery of economically recoverable reserves, the ability to raise funding for continued exploration and development, the completion of property option expenditures and acquisition requirements, or from proceeds from disposition.

The consolidated financial statements have been prepared under a going concern assumption which contemplates the Company will continue in operation and realize its assets and discharge its liabilities in the normal course of operations. Should the going concern assumption not continue to be appropriate, adjustments to carrying values may be required. The Company's ability to meet its obligations and maintain its current operations is contingent upon successful completion of additional financing arrangements and ultimately upon the discovery of proven reserves and generating profitable operations.

## **AMERICAN FUTURE FUEL CORPORATION (FORMERLY: FUTURE FUEL CORPORATION)**

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For the years ended December 31, 2023 and 2022

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#### **DESCRIPTION OF BUSINESS (continued)**

Management expects to be successful in arranging sufficient funding to meet operating commitments for the ensuing year. However, the Company's future capital requirements will depend on many factors, including the costs of exploring and developing its resource properties, operating costs, the current capital market environment and global market conditions. For significant expenditures and resource property development, the Company will depend almost exclusively on outside capital. Such outside capital will include the issuance of additional equity shares. There can be no assurance that capital will be available, as necessary, to meet the Company's operating commitments and further exploration and development plans. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the future success of the business could be adversely affected.

American Future Fuel announced December 21, 2023 that it had closed its brokered private placement in which it issued 12,777,777 units of the Company at a price of C\$0.27 per Unit, for aggregate gross proceeds \$3,450,000, which reflects an exercise of the agent's option in full. Red Cloud Securities Inc. acted as agent and sole bookrunner under the Offering on behalf of a syndicate of agents that included Canaccord Genuity Corp. Each Unit consists of one common share of the Company and one common share purchase warrant. Each Warrant entitles the holder to purchase one common share of the Company at a price of C\$0.42 at any time on or before that December 21, 2026.

#### **MINERAL PROPERTY INTERESTS**

##### Cebolleta Property

The Cebolleta Property is in the northeastern corner of Cibola County in west central New Mexico, approximately 45 miles (75 km) west of the city of Albuquerque, NM. The Cebolleta Property encompasses 6,717 acres (2,718 hectares) of mineral rights and approximately 5,700 acres (2,307 hectares) of surface rights owned in fee by La Merced del Pueblo de Cebolleta (the "Cebolleta Land Grant"). Three tracts of land make up the Cebolleta Property and include the "South L Bar Tract" (1,917 acres) and the "St. Anthony Tracts" (4,800 acres). The Cebolleta Land Grant is a political subdivision of the State of New Mexico. It originally formed part of an expansive Spanish land grant that was made to certain individuals by the King of Spain when Mexico (and certain portions of New Mexico) was a Spanish colony. Under the Treaty of Guadalupe Hidalgo, which ended in the Mexican American War in 1848, the United States agreed to uphold private property within land grants in the territory ceded by Mexico to the United States. The legislation that admitted New Mexico as a State into the Union (enacted in 1912) contained further provisions recognizing and honoring the ownership rights of the Cebolleta Land Grant owners and their heirs. As a result of the federal legislation, the lands of the Cebolleta Land Grant are part of the United States; however, they are not subjected to land management practices of the United States government, such as the Bureau of Land Management.

On August 25, 2023, American Future Fuel Corporation announced the New Mexico Mining and Minerals Division issued the Company its first drilling permit at its 100% owned flagship Cebolleta Uranium Project located in the Grants Uranium Mineral Belt.

The Company engaged Mark Mathisen CPG. With SLR International Corporation, Denver, CO, an independent geological consultant to the Company, and a Qualified Person as defined in National Instrument 43-101. Mr. Mathisen's engagement was to oversee and provide third party oversight of the conversion drilling and data interpretation from the current Historical Resource to a 43-101 compliant Mineral Resource Estimate.

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#### **MINERAL PROPERTY INTERESTS (continued)**

##### Cebolleta Property (continued)

During the year, the Company completed its phase 1 drilling program at the Cebolleta Property in the Grants Uranium Mineral belt. The phase I drill program consisted of 26 drill holes averaging 336 feet (112 meters) deep for a total of 9,530 feet (2,904 meters). Radiometric equivalent  $U_3O_8$  grade (% e  $U_3O_8$ ) values closely match historical data from nearby holes completed by Sohio Western Mining Company ("Sohio") from over 50 years ago. The outstanding results presented are a testament to the quality of the Cebolleta deposit and Sohio's previous work that is the foundation of the 18.98M lbs  $U_3O_8$  historical resource that the Company is confident will be brought current as part of the next two phases of drilling.

The Cebolleta Property is held under the Cebolleta Lease, an agreement between the Cebolleta Land Grant and Neutron Energy Inc. ("NEI" or "Vendor"), a subsidiary of Encore. The lease was affirmed by the New Mexico District Court in April 2007 and provides NEI with the right to explore for, mine and process uranium deposits present on the Cebolleta Property and includes surface use and access rights. On August 27, 2021, Elephant Capital entered into a Share Purchase Agreement (the "Agreement") with Encore, NEI and Cibola. Under the terms and conditions of the Agreement, Elephant Capital agreed to purchase all the issued and outstanding share capital of Cibola (the "Corporation Interests") held by NEI, which includes the Cebolleta Uranium Property held under the Cebolleta Lease.

The Cebolleta Lease provides the Company with the right to explore for, mine, and process uranium deposits present on the Cebolleta project and was later amended in February 2012, January 2018, April 2021, and October 2023 extending the term of the lease to April 2029. The total cash consideration to be paid is as follows:

- Non-refundable cash payment of USD \$20,000 paid by January 30<sup>th</sup>, 2007 (Paid);
- Refundable cash payment of USD \$380,000 paid by February 21<sup>st</sup>, 2007 (Paid);
- Cash payment of USD \$2,600,000 paid by April 9<sup>th</sup>, 2007 (Paid);
- Cash payment of USD \$2,000,000 paid by October 9<sup>th</sup>, 2007 (Paid);
- Cash payment of USD \$500,000 paid by April 9<sup>th</sup>, 2017 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2021 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2022 (Paid);
- Cash payment of USD \$150,000 paid by April 9<sup>th</sup>, 2023 (Paid);
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2024;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2025;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2026;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2027;
- Cash payment of USD \$200,000 paid by April 6<sup>th</sup>, 2028; and
- Cash payment of USD \$175,000 x (IPB published by the Bureau/Base IPD) paid by April 6<sup>th</sup>, 2029.

The lease agreement term has been extended to April 6, 2029, and for so long thereafter only if the Company can make the annual cash payments timely to indicate the good faith of operations. The Company will pay the lessor production royalties of 5.75% on uranium mined from the property and at the start of commercial operations, the lessee will make a production and resource bonus payment to the lessor, to be paid in cash or shares in the sole discretion of the Company, for a total value of \$4 million USD adjusted for inflation.

##### Red Basin Uranium

The Red Basin Uranium Project is located in the Red Basin – Pie Town Mining District of Catron and McKinley counties of New Mexico and is comprised of 400 staked lode claims.

During the year ended December 31, 2023, the Company allowed the Red Basin Uranium claims to lapse and recognized an impairment on mineral properties of \$2,513,568.

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**SIGNIFICANT TRANSACTIONS**Reverse Takeover by Elephant Capital Corp.

On May 24, 2022, AMPS completed the acquisition of all issued and outstanding shares of Elephant pursuant to the share purchase agreement dated April 14, 2022. As a result of the transaction, the Company issued 56,541,251 common shares to Elephant shareholders. The Company also paid a finder's fee of 2,000,000 common shares to third parties who introduced the transaction to the Company valued at \$100,000, which is recognized as part of consideration paid.

The transaction constituted a reverse acquisition ("RTO") of AMPS and had been accounted for as a reverse acquisition transaction in accordance with the guidance provided under IFRS 2, *Share-based Payment* and IFRS 3, *Business Combinations*. As AMPS did not qualify as a business according to the definition in IFRS 3, this reverse acquisition was accounted for as an asset acquisition by the issuance of shares and warrants of the Company for the net assets of AMPS.

The consideration paid was determined as equity settled share-based payment under IFRS 2, at the fair value of the equity of Elephant retained by the shareholders of AMPS based on the fair value of Elephant's common shares on the date of closing of the RTO at \$0.05 per share. As a result of the transaction, the Company assumed 500,000 warrants, valued at \$100. The warrants were valued using the Black-Scholes Option Pricing model using the following assumptions: Risk free rate of 2.51%; Volatility of 100%; Stock Price of \$0.05; Exercise price of \$0.80; Dividend yield of NIL% and expected life of 0.72 years.

For accounting purposes, Elephant has been treated as the accounting parent company (legal subsidiary) and AMPS has been treated as the accounting subsidiary (legal parent) in these consolidated financial statements. As Elephant was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying value. The results of operations of AMPS are included in these consolidated financial statements from the date of the reverse acquisition of May 24, 2022.

The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the date of acquisition:

<b>Consideration paid:</b>		
Fair value of 2,256,999 common shares at \$0.05 per share	\$	112,850
Fair value of 2,000,000 common shares at \$0.05 per share (finders' fees)		100,000
Fair value of 500,000 warrants assumed		100
		212,950
<b>Net assets acquired (liabilities)</b>		
Cash		6,089
Amounts receivable		6,206
Reclamation bonds		18,803
Accounts payable and accrued liabilities		(263,681)
Asset retirement obligation		(18,803)
Total net assets		(251,386)
Transaction expense	\$	464,336

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**SIGNIFICANT TRANSACTIONS (continued)**Acquisition of Cibola Resources LLC

On May 20, 2022, Elephant completed the acquisition of all of the issued and outstanding share capital of Cibola. In consideration for all of the shares of Cibola, Elephant issued consideration as follows:

- a) US \$250,000 cash; and
- b) 11,308,250 common shares of Elephant representing twenty percent (20%) of the outstanding share capital of Elephant immediately prior to the completion of a going public transaction to list on a qualifying exchange.

Elephant also paid finders' fees of 1,500,000 common shares to third parties who introduced the transaction to Elephant valued at \$75,000, which is recognized as part of consideration paid.

At the date of acquisition, Elephant determined that Cibola did not constitute a business as defined under IFRS 3, *Business Combinations*, and the Cibola acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of Elephant at a price of \$0.05 per share.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

<b>Consideration paid:</b>		
Cash	\$	311,085
Fair value of 11,308,250 common shares at \$0.05 per share		565,413
Fair value of 1,500,000 common shares at \$0.05 per share (finders' fees)		75,000
		<b>951,498</b>
<b>Net assets acquired (liabilities)</b>		
Exploration and evaluation asset		951,498
Total net assets	\$	<b>951,498</b>

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**SIGNIFICANT TRANSACTIONS (continued)**Acquisition of 1344726 B.C. Ltd

On September 27, 2022, the Company completed the acquisition of all issued and outstanding shares of 1344726 B.C. Ltd. ("134 BC"), pursuant to the share purchase agreement effective September 23, 2022, to attain the wholly owned subsidiary 1344726 Nevada Ltd. in order to acquire the rights to a series of four hundred (400) mineral claims located in Catron and McKinley Counties in the State of New Mexico, commonly known as the Red Basin Uranium Project. As a result of the transaction, the Company issued 6,000,100 common shares to 134 BC shareholders. The Company also issued 500,000 common shares to third parties who introduced the transaction to the Company valued at \$190,000 and issued 120,002 common shares as administrative fees valued at \$45,601.

At the date of acquisition, the Company determined that 134 BC did not constitute a business as defined under IFRS 3, *Business Combinations*, and the 134 BC acquisition was accounted for as an asset acquisition. The consideration paid was determined as an equity share-based payment under IFRS 2, *Share-based Payment*, and recognized at the fair value of the common shares of the Company at a price of \$0.38 per share.

The following table shows the finalized allocation of the purchase price to the fair value of the assets acquired and liabilities assumed at the acquisition date:

<b>Consideration paid:</b>		
Fair value of 6,000,100 common shares at \$0.38 per share	\$	2,280,038
Fair value of 620,002 common shares at \$0.38 per share (finders' and administration fees)		235,601
		<u>2,515,639</u>
<b>Net assets acquired (liabilities)</b>		
Cash (in trust)		\$232,500
Accrued liabilities		(230,429)
Exploration and evaluation asset		2,513,568
Total net assets	\$	<u>2,515,639</u>

## **AMERICAN FUTURE FUEL CORPORATION (FORMERLY: FUTURE FUEL CORPORATION)**

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#### **SIGNIFICANT FINANCINGS**

During the year ended December 31, 2023, the Company issued the following shares for cash:

On December 21, 2023, the Company closed a brokered private placement of 12,777,777 units at a price of \$0.27 per unit for gross proceeds of \$3,450,000. Each unit is comprised of one common share and one warrant, with each whole warrant exercisable at \$0.42 per share and with an expiry date of December 21, 2026. The warrants were valued at \$255,556 pursuant to the residual value method for accounting for warrants issued in a unit.

In accordance with the transaction, the Company paid \$179,000 in cash finder's fees and \$77,580 in broker legal fees. The Company issued 662,963 agent warrants with a fair value of \$103,000, with an exercise price of \$0.27, and an expiry date of December 21, 2026. The Company issued 255,555 common shares with a fair value of \$63,889 as administrative fees to a third party for their assistance in the transaction recorded as share issue cost.

During the year ended December 31, 2022, the Company issued the following shares for cash:

On May 24, 2022, the Company completed a concurrent non-brokered private placement of 10,113,000 subscription receipts at a price of \$0.50 per receipt for gross proceeds of \$5,056,500. Each subscription receipt is comprised of one common share and one warrant, which have an exercise price of \$1.25 and expire on March 8, 2026. The warrants have a fair value of \$Nil based on the residual value method.

In connection with the private placement, the Company paid \$175,000 in cash finders' fees and issued 350,000 agent warrants, which have an exercise price of \$1.25 and expire on March 8, 2026, valued at \$90,000. Additionally, the Company issued 201,060 common shares as administrative fees to third parties who assisted with facilitating the transaction, valued at \$100,530, recorded as share issue cost.

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**SELECTED ANNUAL INFORMATION**

The table below sets out certain selected financial information regarding the operations of the Company for the period indicated. The selected financial information has been prepared in accordance with IFRS and should be read in conjunction with the Company's financial statements and related notes.

	<b>December 31, 2023 \$</b>	<b>December 31, 2022 \$</b>	<b>December 31, 2021 \$</b>
	(Audited)	(Audited)	(Audited)
Total revenues	-	-	-
Net and comprehensive loss for the period	(7,493,090)	(3,179,213)	(303,975)
Basic and diluted income (loss) per share	(0.10)	(0.05)	(0.02)
Total assets	5,332,790	7,178,635	2,042,618
Total long-term liabilities	19,389	19,856	-
Cash dividends	-	-	-

**SUMMARY OF QUARTERLY RESULTS**

The following tables set forth selected financial information of the Company for the eight most recently completed quarters:

**FOR THE THREE MONTHS ENDED**

	<b>December 31, 2023 \$</b>	<b>September 30, 2023 \$</b>	<b>June 30, 2023 \$</b>	<b>March 31, 2023 \$</b>
Revenues	-	-	-	-
Comprehensive loss for the period	(3,604,596)	(2,864,264)	(669,758)	(354,472)
Per Share – Basic and diluted	(0.05)	(0.04)	(0.01)	(0.00)

	<b>December 31, 2022 \$</b>	<b>September 30, 2022 \$</b>	<b>June 30, 2022 \$</b>	<b>March 31, 2022 \$</b>
Revenues	-	-	-	-
Comprehensive loss for the period	(263,067)	(573,691)	(2,123,189)	(219,266)
Per Share – Basic and diluted	(0.00)	(0.01)	(0.04)	(0.01)

The Company was incorporated on June 14, 2021, and the quarter ended June 30, 2021 was the Company's first fiscal quarter reported. During the three-month period ended June 30, 2022, the Company achieved a public listing through the reverse acquisition transaction described above and in the accompanying consolidated financial statements of the Company.

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#### **RESULTS OF OPERATIONS**

For the year ended December 31, 2023:

During the year ended December 31, 2023, the Company recorded a net loss of \$7,469,882 as compared to a net loss of \$3,179,213 for the comparable year ended December 31, 2022. Total expenses for the year amounted to \$7,469,882 as compared to \$3,179,213 for the comparable year ended December 31, 2022. The increase in overall expenditures can be attributed to the following:

- Advertising and marketing expenses have decreased to \$322,722 from \$1,328,672 as the Company has reduced the engagement of consultants for investor relations and digital marketing services. The decrease is attributed to the Company revised the allocation of funds from marketing efforts towards exploration expenditures.
- Consulting fees have increased to \$592,436 from \$549,780 as the Company has engaged consultants and executive management to provide advisory, management, and business development services.
- Exploration expenditures have increased to \$1,247,515 from \$386,572 for exploration activity performed on the Company's principal Cebolleta property. The Company has commenced a larger scale exploration program where analytical and assay work has been performed on the Cebolleta property whereby targets were identified and drilled.
- Impairment of mineral properties have increased to \$2,513,568 from \$NIL as the Company allowed all claims related to the Red Basin Uranium project to lapse to focus efforts on the Cebolleta property.
- Professional fees have decreased to \$233,610 from \$239,017 that are attributed to the fees paid to third party consultants for professional services and to assist the Company with research and advisory services, communications, and corporate development and legal fees, which has remained consistent year-over-year. Professional fees in the previous year were slightly higher due to legal fees incurred in accordance with the reverse takeover transaction between the Company and Elephant.
- Transfer agent and filing fees have decreased to \$45,875 from \$110,175 as the Company incurs public company costs to maintain its listing and file documents to maintain regulatory compliance. In the previous year, the Company incurred substantial fees associated with the filing statement to effect the reverse takeover transaction between the Company and Elephant.
- Share based compensation have increased to \$2,341,545 from \$Nil as the Company has engaged consultants and executive management to provide advisory, management, and business development services. After completing matters related to the reverse takeover acquisition in the previous year, management and the Board of Directors determined it was appropriate to issue equity instruments to motivate and incentivize individuals associated with the Company to promote operational success.

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#### **RESULTS OF OPERATIONS (continued)**

For the three months ended December 31, 2023:

During the three months ended December 31, 2023, the Company recorded a net loss of \$3,586,456 as compared to a net loss of \$263,067 for the comparable period ended December 31, 2022. Total expenses for the three months amounted to \$3,586,456 as compared to \$263,067 for the comparable period ended December 31, 2022. The increase in overall expenditures can be attributed to the following:

- Advertising and marketing expenses have decreased to \$117,243 from \$330,252 as the Company has reduced the engagement of consultants for investor relations and digital marketing services. The decrease is attributed to the Company revised the allocation of funds from marketing efforts towards exploration expenditures.
- Consulting fees have increased to \$181,224 from \$126,324 as the company has engaged consultants and executive management to provide advisory, management, and business development services.
- Exploration expenditures have increased to \$449,329 from \$25,200 for exploration activity performed on the Company's principal Cebolleta property. The Company has commenced a larger scale exploration program where analytical and assay work has been performed on the Cebolleta property whereby targets were identified and drilled.
- Impairment of mineral properties have increased to \$2,513,568 from \$NIL as the Company allowed all claims related to the Red Basin Uranium project to lapse to focus efforts on the Cebolleta property.
- Professional fees have increased to \$132,181 from \$79,200 that can be attributed to the fees paid to third party consultants for professional services and to assist the Company with research and advisory services, communications, and corporate development and legal fees. During the three months ended December 31, 2023, the Company incurred legal fees associated with the closing of the private placement and ongoing matters related to the mining and lease agreement.
- Transfer agent and filing fees have increased to \$5,700 from \$2,900 as the Company incurs public company costs to maintain its listing and file documents to maintain regulatory compliance. In the previous year, the Company incurred substantial fees associated with the filing statement to effect the reverse takeover transaction between the Company and Elephant.
- Share based compensation have increased to \$113,872 from \$Nil as the Company has engaged consultants and executive management to provide advisory, management, and business development services. After completing matters related to the reverse takeover acquisition in the previous year, management and the Board of Directors determined it was appropriate to issue equity instruments to motivate and incentivize individuals associated with the Company to promote operational success.

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#### **LIQUIDITY**

As at December 31, 2023, the Company had cash of \$3,693,333 and a working capital of \$3,755,586 compared to a cash balance of \$3,515,505 and a working capital of \$3,416,870 as at December 31, 2022. The increase in working capital was primarily a result of the Company completing financing from a private placement in the current year.

The Company believes that the current capital resources are not sufficient to satisfy its current liabilities and pay overhead expenses for the next twelve months and will need to seek additional financing to fund its operations and pursue future expansions. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects. As the Company is currently not able to generate sufficient cash from its operations to fund its operations, the Company will have to rely on issuing shares for cash or to settle debt, loans, and related party loans to fund ongoing operations and investments.

This MD&A has been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. As at December 31, 2023, the Company has accumulated losses of \$10,880,743 since inception and expects to incur further losses in the development of its business, all of which are material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations.

Although the Company has been successful in the past in raising funds to continue operations and management is intending to secure additional financing as may be required, there is no assurance it will be able to do so in the future.

#### **CAPITAL MANAGEMENT**

The Company considers its capital structure to include net residual equity of all assets, less liabilities. The Company's objectives when managing capital are to (i) maintain financial flexibility in order to preserve its ability to meet financial obligations and continue as a going concern; (ii) maintain a capital structure that allows the Company to pursue the development of its mineral properties; and (iii) optimize the use of its capital to provide an appropriate investment return to its shareholders commensurate with risk.

The Company's financial strategy is formulated and adapted according to market conditions in order to maintain a flexible capital structure that is consistent with its objectives and the risk characteristics of its underlying assets. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, or adjust the amount of cash. The Company is not subject to any externally imposed capital requirements.

There was no change to the Company's management of capital during the year ended December 31, 2023.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

#### **PROPOSED TRANSACTIONS**

None to report.

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**RELATED PARTY TRANSACTIONS**Key Management Compensation

Key management personnel include those people who have 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 directors (executive and non-executive) and officers of the Company.

These amounts of key management compensation are included in the amounts shown on the statement of loss and comprehensive loss:

	Year ended December 31, 2023 \$	Year ended December 31, 2022 \$
Consulting and management fees		
David Suda, CEO	166,667	-
Joel Shacker, Director	20,500	-
Wild Mountain Consulting Corp., a company owned by Luke Montaine, Former CEO	30,000	120,000
	217,167	120,000
Share-based compensation		
David Suda, CEO	144,654	-
Geoff Balderson, CFO	36,164	-
1156724 BC Ltd., a company owned by Joel Shacker, Director	41,950	-
Michael Henrichsen, Director	144,654	-
Stephen Goodman, Former Director	72,327	-
	439,749	-
	<b>656,916</b>	<b>120,000</b>

As at December 31, 2023, the Company has outstanding amounts payable to the CEO and former CEO of the Company of \$37,238 (December 31, 2022 - \$21,000) for outstanding fees. The balances are unsecured, non-interest bearing and have no specific terms for repayment.

**CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are disclosed in Note 4 of the financial statements.

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#### **FINANCIAL AND OTHER INSTRUMENTS**

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, interest rate risk and price risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The fair value of financial instruments, which include cash, reclamation bonds and accounts payable and accrued liabilities approximate their carrying values due to the nature of the maturity terms of these instruments.

a) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit risk the Company is exposed to is 100% of cash and its reclamation bonds. The Company's cash is held at a large Canadian financial institution. The Company's reclamation bonds are posted with a large Canadian financial institution designated by the Energy Minerals and Natural Resources Department.

b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure that it has sufficient liquidity available to meet its liabilities when due. The accounts payable and accrued liabilities are typically due in 30 days, which are settled using cash. As at December 31, 2023, the Company has a working capital of \$3,755,586. The liquidity risk is low.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's operations, income, or the value of the financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the returns. The Company is exposed to market risk as follows:

(i) 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 Company is not exposed to significant interest rate risk due to the short-term to maturity of its financial instruments. The Company had no interest rate swap or financial contracts in place as at December 31, 2023.

(ii) Price risk

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. The Company's exposure is limited to movements in its own share price.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign currency rates. As at December 31, 2023, the Company had US \$215,209 held at a major financial institution, accounts payable denominated in USD of US \$8,000, and accounts payable denominated in EURO of \$2,486. A 10% fluctuation in the foreign exchange rate would result in a difference of \$27,000. The Company does not use any techniques to mitigate foreign currency risk.

**AMERICAN FUTURE FUEL CORPORATION (FORMERLY: FUTURE FUEL CORPORATION)****Management's Discussion & Analysis**

For the years ended December 31, 2023 and 2022

(Expressed in Canadian Dollars)

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**SUBSEQUENT EVENTS**

On February 19, 2024, the Company issued 250,000 common shares pursuant to the vesting of 250,000 RSUs granted on October 19, 2023.

On March 19, 2024, the Company entered into a definitive agreement with Premier American Uranium Inc. ("PUR" or Premier American Uranium") whereby PUR will acquire 100% of the issued and outstanding common shares of the Company. Shareholders of the Company will receive 0.17 common shares of PUR for each 1 common share of the Company held.

**OUTSTANDING SHARE DATA**

	<b>December 31, 2022</b>	<b>December 31, 2023</b>	<b>March 28, 2024</b>
Common shares	77,732,412	90,765,744	91,015,744
Warrants	10,613,000	22,890,777	22,890,777
Stock options	7,950,000	7,700,000	7,700,000
Agent warrants	350,000	1,012,963	1,012,963
Restricted share units	-	250,000	-
Fully diluted shares	88,695,412	122,619,484	122,619,484

**OTHER**

Additional information and other publicly filed documents relating to the Company, including its press releases and quarterly and annual reports, are available on SEDAR+ and can be accessed at [www.sedarplus.ca](http://www.sedarplus.ca).

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Annual Listing Summary.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated March 28, 2024.

Geoff Balderson  
Name of Director or Senior Officer

/s/ Geoff Balderson  
Signature

CFO  
Official Capacity

<b>Issuer Details</b>		For Year Ended	Date of Report
Name of Issuer			YYYY/MM/DD
American Future Fuel Corporation		December 31, 2023	2024/03/28
Issuer Address			
800-1199 West Hastings Street			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
Vancouver, BC, V6E 3T5		-	236-521-0626
Contact Name		Contact Position	Contact Telephone No.
Geoff Balderson		CFO	236-521-0626
Contact Email Address		Web Site Address	
gb@amalficorp.ca		www.americanfuturefuel.com	