INFLECTION RESOURCES LTD.

(An exploration stage company)

FIRST QUARTER REPORT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

Notice of No Auditor Review of
Unaudited Condensed Consolidated Interim Financial Statements
For the Three Months Ended December 31, 2024

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of these unaudited condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed consolidated interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of Inflection Resources Ltd. (the "Company") for the three months ended December 31, 2024 (the "Interim Financial Statements") have been prepared by and are the responsibility of the Company's management. The Interim Financial Statements are stated in terms of Canadian dollars, unless otherwise indicated, and are prepared in accordance with International Accounting Standards 34 ("IAS 34") *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS").

The Company's independent auditor has not performed a review of these Interim Financial Statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of condensed consolidated interim financial statements by an entity's auditor.

INFLECTION RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Financial Position
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Notes		**December 31, 2024**		September 30, 2024
ASSETS					
Current Assets					
Cash and cash equivalents		**$**	**2,866,350**	$	3,072,983
Receivables			**69,606**		56,483
Prepaids			**47,023**		39,749
Total Current Assets			**2,982,979**		3,169,215
Non-Current Assets					
Refundable security deposits	6		**201,657**		255,847
Exploration and evaluation assets	7, 10		**6,608,187**		6,656,213
Total Non-Current Assets			**6,809,844**		6,912,060
Total Assets		**$**	**9,792,823**	$	10,081,275
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts payable and accrued liabilities	8, 10	**$**	**335,448**	$	510,856
Advance for exploration projects	7(a)		**196,330**		130,981
Derivative liability	7(a)		**33,450**		33,450
Total Liabilities			**565,228**		675,287
Shareholders' Equity					
Share capital	9(b)		**16,670,396**		16,670,396
Reserve for share-based payments	9(e)		**1,972,051**		1,972,051
Deficit			**(9,414,852)**		(9,236,459)
Total Shareholders' Equity			**9,227,595**		9,405,988
Total Liabilities and Shareholders' Equity		**$**	**9,792,823**	$	10,081,275
Nature of operations and going concern	1				
Subsequent events	12				

APPROVED ON BEHALF OF THE BOARD ON MARCH 3, 2025:

/s/ "Alistair Waddell"
DIRECTOR

/s/ "Cecil R. Bond"
DIRECTOR

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

INFLECTION RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars, except share amounts)

		Three months ended December 31,	
	Notes	**2024**	2023
Expenses:			
Accounting and audit		**$ (5,900)**	$ 1,773
Amortization	7	**3,891**	3,644
Office and sundry		**21,544**	14,790
Project generation		**1,278**	-
Regulatory		**9,415**	4,479
Salaries and benefits	10	**102,898**	106,768
Shareholder relations		**39,743**	63,776
Share-based payments	9(c), 10	**-**	11,582
Total expenses		**(172,869)**	(206,812)
Other income and expense items:			
Write off of mineral property		**(3,098)**	-
Derivative option cost	7(a)	**-**	(199)
Interest income		**25,809**	12,859
Foreign exchange (loss) gain		**(28,235)**	(6,343)
Net loss and comprehensive loss for the period		**$ (178,393)**	$ (200,495)
Basic and diluted loss per share		**$ -**	$ -
Weighted average number of common shares outstanding		**101,325,170**	95,069,898

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

INFLECTION RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars, except share amounts)

		Share Capital				Reserve for				
	Notes	Number of Shares		Amount		Share-Based Payments		Deficit		Total
Balance, September 30, 2023		95,057,670	$	15,724,411	$	1,535,278	$	(6,337,166)	$	10,922,523
Exercise of stock options	9(b) and (c)	325,000		63,336		(24,336)		-		39,000
Exercise of warrants	9(b) and (d)	5,942,500		891,375		-		-		891,375
Share issuance costs		-		(8,726)		-		-		(8,726)
Share-based payments	9(c)	-		-		461,109		-		461,109
Comprehensive loss for the year		-		-		-		(2,899,293)		(2,899,293)
Balance, September 30, 2024		101,325,170	$	16,670,396	$	1,972,051	$	(9,236,459)	$	9,405,988
Comprehensive loss for the period		-		-		-		(178,393)		(178,393)
Balance, December 31, 2024		101,325,170	$	16,670,396	$	1,972,051	$	(9,414,852)	$	9,227,595
Balance, September 30, 2023		95,057,670	$	15,724,411	$	1,535,278	$	(6,337,166)	$	10,922,523
Exercise of stock options		125,000		24,360		(9,360)		-		15,000
Share issuance costs		-		(6,169)		-		-		(6,169)
Share-based payments		-		-		11,582		-		11,582
Comprehensive loss for the period		-		-		-		(200,495)		(200,495)
Balance, December 31, 2023		95,182,670	$	15,742,602	$	1,537,500	$	(6,537,661)	$	10,742,441

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

INFLECTION RESOURCES LTD.
(An Exploration Stage Company)
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited – Prepared by Management)
(Expressed in Canadian dollars)

	Three months ended December 31, 2024	2023
Cash provided from (used by):		
Operations:		
Net loss for the period	**$ (178,393)**	$ (200,495)
Items not involving cash:		
Amortization	**3,891**	3,644
Share-based payments	**-**	11,582
Derivative option cost	**-**	199
Foreign exchange loss (gain)	**51,583**	(16,707)
	(122,919)	(201,777)
Changes in non-cash working capital items:		
Receivables	**(13,123)**	39,666
Prepaids and deposits	**(7,274)**	(25,844)
Accounts payable and accrued liabilities	**(175,408)**	(335,675)
Cash used by operating activities	**(318,724)**	(523,630)
Investing:		
Expenditures for exploration and evaluation assets	**(1,394,705)**	(2,334,582)
Recoveries from cash call from Farm In Agreement	**1,308,036**	1,956,234
Recoveries from management fee receipts from Farm In Agreement	**130,804**	196,823
Receivable for exploration projects from Farm In Agreement	**-**	(211,447)
Advance for exploration projects from Farm In Agreement	**65,349**	(208,433)
Receipt of government grants	**-**	130,445
Recovery (payment) of refundable security deposits	**54,190**	(8,865)
Cash provided from (used by) investing activities	**163,674**	(479,825)
Financing:		
Exercise of stock options	**-**	15,000
Share issuance costs	**-**	(6,169)
Cash provided from financing activities	**-**	8,831
Foreign exchange (loss) gain effects	**(51,583)**	16,707
Decrease in cash and cash equivalents	**(206,633)**	(977,917)
Cash and cash equivalents, beginning of period	**3,072,983**	2,826,239
Cash and cash equivalents, end of period	**$ 2,866,350**	$ 1,848,322
Cash and cash equivalents consist of:		
Cash	**$ 2,477,045**	$ 219,122
Restricted cash (AngloGold funds)	**359,514**	450
Restricted cash (Redeemable GIC)	**29,791**	1,628,750
	$ 2,866,350	$ 1,848,322

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

		Three months ended December 31,	
	Notes	**2024**	2023
Non-cash financing and investing activities:			
Fair value of stock options exercised	9(c)	**$ -**	$ 9,360

1. NATURE OF OPERATIONS AND GOING CONCERN

Inflection Resources Ltd. ("Inflection" or the "Company") was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on May 9, 2017, and its principal business activity is the exploration and evaluation of mineral properties located in New South Wales, Australia. The Company's head office and registered and records office address is Suite 1210, 1130 West Pender Street, Vancouver, British Columbia, Canada, V6E 4A4. The Company's common shares were listed for trading on the Canadian Securities Exchange on July 21, 2020.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue and has significant cash requirements to meet its administrative overhead, maintain and advance its exploration and evaluation assets, and to pay its debts and liabilities. The recoverability of amounts shown for exploration and evaluation properties is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets. The carrying value of the Company's exploration and evaluation assets may not reflect current or future values.

These unaudited condensed consolidated interim financial statements for the three months ended December 31, 2024 and 2023 (the "Interim 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 assets and discharge liabilities in the ordinary course of operations. For the three months ended December 31, 2024, the Company has not achieved profitable operations, had incurred a net loss of $178,393 (December 31, 2023 - $200,495), and as at December 31, 2024 had an accumulated deficit of $9.41 million (September 30, 2024 - $9.24 million). The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing; consequently, management continues to pursue various financing alternatives to fund operations and advance its business plan.

These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption was not appropriate for these Interim Financial Statements, adjustments would be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and the interpretations of the International Financial Reporting Standards Interpretations Committee. These Interim Financial Statements do not include all of the information and disclosures required for full and complete annual financial statements, and accordingly should be read in conjunction with the Company's audited consolidated financial statements for the year ended September 30, 2024. The Company has consistently applied the same accounting policies for all periods as presented.

Approval of the Interim Financial Statements

These Interim Financial Statements were approved by the Company's Board of Directors on March 3, 2025.

2. BASIS OF PRESENTATION

Basis of consolidation and presentation

The Interim Financial Statements incorporate the financial statements of the Company and its wholly-owned Australian subsidiary, Australian Consolidated Gold Holdings Pty Ltd. During the year ended September 30, 2024, the Company dissolved its dormant wholly-owned Australian subsidiaries, ACGH II Pty Ltd, and Romardo Copper (NSW) Pty Ltd ("Romardo Copper"). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Certain of the prior periods' comparative figures may have been reclassified to conform to the presentation adopted in the current period.

The Interim Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, the Interim Financial Statements have been prepared using the accrual basis of accounting except for cash flow information.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Foreign currency translation

The presentation currency of the Company is the Canadian dollar. The functional currency of the parent entity and each of its subsidiaries is the currency of the primary economic environment in which each entity operates. Management have determined that the Company and its Australian subsidiaries have a Canadian dollar functional currency. References to Australian dollars denoted as "AUD", and United States dollars as "USD".

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange gains and losses on translation are included in profit and loss.

The functional currency of the Company and its subsidiaries is the Canadian dollar, and accounts denominated in currencies other than the Canadian dollar have been translated as follows:

- monetary assets and liabilities at the exchange rate at the consolidated statement of financial position date;
- non-monetary assets and liabilities at the historical exchange rates, unless such items are carried at fair value, in which case they are translated at the date when the fair value was determined;
- shareholders' equity items at historical exchange rates; and
- revenue and expense items at the rate of exchange on the transaction date.

Exchange gains and losses are recorded in the statement of comprehensive loss in the period in which they occur.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Exploration and evaluation assets ("E&E")

Once the legal right to explore a property has been acquired, costs directly related to E&E expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling and assay costs and payments made to contractors during the exploration phase. Expenditures not directly attributable to E&E activities, including general and administrative overhead costs, are expensed in the period in which they occur. The costs are accumulated by exploration area and are not depleted pending determination of technical feasibility and commercial viability.

From time to time, the Company may acquire or dispose of properties pursuant to the terms of property option agreements. Due to the fact that mineral property purchase options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Property option payments are recorded as E&E assets or recoveries when the payments are made or received.

The Company also recognizes and capitalizes the cost of capital equipment directly related to its mineral exploration properties as a component of E&E assets. Where the estimated useful life of such equipment is estimated to be less than the expected period of time to the potential commencement of production from the E&E asset, the charges for depreciation are reflected in the statement of loss and comprehensive loss. Otherwise, charges for the depreciation of long-lived equipment used in exploration and evaluation activities are included in the cost of the E&E asset.

The carrying value of all categories of E&E assets are reviewed at least annually by management for indicators that the recoverable amount may be less than the carrying value. When a project is deemed to no longer have commercially viable prospects to the Company, E&E expenditures in respect of that project are deemed to be impaired. As a result, those E&E expenditures, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND RISKS

The preparation of the Interim Financial Statements requires management to make certain estimates, judgments and assumptions that affect the application of policies and reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period.

The Company bases its assumptions and estimates on parameters available when the financial statements were prepared, and to the extent possible, bases its estimates on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur; uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Although management used historical experience and its best knowledge of the amount, events, or actions to form the basis for judgements and estimates, actual results could differ from these estimates.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND RISKS (continued)

Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which has the most significant effect on the amounts recognized in the Interim Financial Statements.

i) Going concern assumption: In determining whether it is appropriate for the Company to be reported as a going concern, management exercises judgement, having undertaken appropriate enquiries and having considered the business activities, principal risks and uncertainties.

ii) Functional currency: Determination of functional currency involves certain judgments to determine the primary economic environment and the parent entity reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

iii) Accounting for mineral property interests: The Company capitalizes mineral property acquisition and exploration costs which are to be amortized when production is attained or the balance thereof written off should the property be disproven through exploration or abandoned. The type and amount of exploration property acquisition and transaction costs eligible for capitalization can involve judgement to determine whether or not particular expenditures benefit and enhance the mineral property interests.

    The carrying value of the Company's exploration and evaluation assets is then also reviewed by management at least annually, or whenever events or circumstances indicate that its carrying value may not be recovered. If impairment is determined to exist, a formal estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include: (i) provision for environmental rehabilitation; (ii) inputs used in the valuation of share-based payments; and (iii) the recognition of deferred tax assets.

The Company provides for such differences, where known, based on management's best estimate of the probable outcome of these matters.

Further information on management's judgments, estimates and assumptions and how they impact the various accounting policies are described in the relevant notes to these Interim Financial Statements

5. FINANCIAL RISKS AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The type of risk exposure and the way in which such exposure is managed is provided as follows:

5. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash is deposited in bank accounts held with major banks in Canada and Australia. The risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes and government grants.

Foreign Exchange Risk

The significant market risk to which the Company is exposed is foreign exchange risk. The results of the Company's operations are exposed to currency fluctuations. To date, the Company has raised funds entirely in Canadian dollars. The majority of the Company's mineral property expenditures are incurred in Australian dollars with a substantial portion being financed in Australian dollars by a third party (Note 7(a)). The fluctuation of the Canadian dollar in relation to the Australian dollar has an impact upon the financial results of the Company.

At December 31, 2024, the Company was exposed to currency risk for its Canadian dollar equivalent of financial assets and liabilities denominated in currencies other than Canadian dollars as follows:

	Stated in Canadian Dollars		
	Held in		Total
	Australian Dollars	United States Dollars	
Cash	$ 1,134,931	$ 2,133	$ 1,137,064
Accounts payable and accrued liabilities	(259,519)	-	(259,519)
Advance for exploration projects	(196,330)	-	(196,330)
Net financial assets, December 31, 2024	$ 679,082	$ 2,133	$ 681,215

Based upon the above net exposure as at December 31, 2024 and assuming all other variables remain constant, a 5% depreciation or appreciation of the Canadian dollar relative to the Australian and US dollars could result in a decrease/increase of approximately $34,100 in the Company's net losses.

The Company has not entered into any derivative contracts to manage foreign exchange risk at this time. A significant portion of the Company's cash balance may be held in AUD in any given period.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipated investing and financing activities. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements. The Company assessed its liquidity risk as high.

(Expressed in Canadian dollars)

5. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As the only interest-bearing financial instruments held by the Company consist of either higher-interest savings accounts, or short-term Guaranteed Investment Certificates held with major banks in Canada and Australia, the Company is not exposed to any significant interest rate risk.

Capital Management

The Company defines its capital as shareholders' equity. It manages its capital structure and makes adjustments to it based on the funds available to the Company in order to support future business opportunities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is dependent upon external equity financings. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The approach to capital management has not changed since the prior year, and the Company is not subject to externally imposed capital requirements.

6. REFUNDABLE SECURITY DEPOSITS

As at December 31, 2024, the Company's refundable security deposits, each representing a mineral property exploration license ("EL"), including permitted disturbance thereon, are held with either the Governments of New South Wales, as follows:

		NSW Property
Balance, September 30, 2023	$	251,361
Additions		4,486
Balance, September 30, 2024		255,847
Recoveries		(54,190)
Balance, December 31, 2024	$	201,657

Refundable security deposits consist of the basic security deposit required on issuance of each EL, as well as additional deposits for environmental related bonding amounts. Basic security deposits are each valued at AUD 10,000 ($8,915) per EL held. Environmental related bonding amounts are based on the respective EL size and levels of disturbance contemplated under the specific exploration permit. From time to time the Company may increase the bonding it has in place, or, pursuant to having completed requisite remediation, see funds returned.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ("E&E") ASSETS

The Company's exploration properties encompass the New South Wales ("NSW") property, and an optioned interest in the Carron Project in north Queensland which was terminated in fiscal 2024.

The carrying values of the Company's exploration and evaluation assets including cumulative expenditures incurred, net of recoveries and management fees, government grants and impairment charges, are as follows:

	Notes	NSW Property	Carron Project	Total
Acquisition Costs:				
Balance, September 30, 2024 and December 31, 2024		$ 525,413	$ 95,214	$ 620,627
Deferred Exploration Expenditures:				
Balance, September 30, 2023		7,068,180	1,100,032	8,168,212
Drilling and assays		4,992,576	319,213	5,311,789
Geological services	10	882,180	70,850	953,030
Claim maintenance fees		664,333	15,110	679,443
Administration and maintenance	10	175,333	1,674	177,007
Geophysics		194,221	-	194,221
Equipment		1,515	-	1,515
Depreciation of equipment		(15,003)	-	(15,003)
Foreign exchange		(2,412)	(265)	(2,677)
Recovery from government grants		(40,822)	(163,124)	(203,946)
Recovery from farm in agreement		(6,825,508)	-	(6,825,508)
Recovery from management fee receipts		(682,551)	-	(682,551)
Balance, September 30, 2024		6,412,042	1,343,490	7,755,532
Drilling and assays		831,518	-	831,518
Geological services	10	350,564	-	350,564
Claim maintenance fees		169,704	-	169,704
Administration and maintenance	10	41,824	-	41,824
Geophysics		1,095	-	1,095
Depreciation of equipment		(3,891)	-	(3,891)
Recovery from farm in agreement		(1,308,036)	-	(1,308,036)
Recovery from management fee receipts		(130,804)	-	(130,804)
Balance, December 31, 2024		6,364,016	1,343,490	7,707,506
Write-Off of Mineral Property Interests:				
Write-offs		(281,242)	(1,438,704)	(1,719,946)
Total write off, September 30, 2024 and December 31, 2024		(281,242)	(1,438,704)	(1,719,946)
Exploration and evaluation assets:				
Balance, September 30, 2024		$ 6,656,213	$ -	$ 6,656,213
Balance, December 31, 2024		$ 6,608,187	$ -	$ 6,608,187

7. EXPLORATION AND EVALUATION ("E&E") ASSETS (continued)

a) New South Wales Property (NSW Property) (continued)

The Company holds 100% interest in the NSW Property located in the Lachlan Fold Belt region of New South Wales, Australia (the "LF Belt"). The NSW Property includes (i) multiple ELs acquired by the Company in 2018 (the "Acquired NSW Licenses"), (ii) two ELs (the “Romardo Licenses”) acquired in February 2020, and (iii) several additional ELs staked by the Company directly. The Company has also recorded the value of certain depreciable vehicles and equipment in the carrying value of the NSW Property, reflective of the use of these assets, and the benefit to the project.

There is a 2% net smelter return royalty ("NSR") on the Acquired NSW Licenses payable on future production from the NSW Property, of which the Company may purchase 1% for AUD 3 million at any time. The Romardo Licenses are subject to a 2% NSR of which the Company may purchase 1% for AUD 2 million at any time, and the Company has the right of first refusal to purchase any royalty interest offered for sale by consideration payable in cash.

In addition, the Company has the following contingent payments payable, in cash or common shares, upon attainment of certain milestones at the Romardo Licenses:

(i) AUD 500,000 upon completion of a pre-feasibility study;
(ii) AUD 2 million upon completion of a feasibility study; and
(iii) AUD 6 million upon the Company’s decision to commence construction of a commercial mine.

A mineral exploration grant of $137,213 (AUD 145,000) was received in fiscal 2024, and was recorded as a reduction of exploration expenditures.

In June 2023, the Company signed a Definitive Farm-in Agreement (the “Farm In Agreement”) with AngloGold Ashanti Australia Limited (“AngloGold”) that outlines the terms under which AngloGold may earn into a number of the Company’s copper-gold projects in New South Wales, Australia. Summary highlights of the Farm In Agreement are as follows:

Phase I:

AngloGold has the option to fund up to AUD10 million on exploration expenditures across a wide range of different intrusive related exploration targets within a 36-month period following the execution of the Farm-in Agreement. AngloGold has committed to fund minimum expenditures of AUD6 million. If Phase I Expenditures of AUD10 million are not incurred within the required time frame, then the Farm-in Agreement shall terminate and no interest in any of the properties will be earned by AngloGold. The Company will receive a 10% management fee for being the operator of Phase I.

Upon completion of Phase I exploration expenditures of AUD10 million, AngloGold retains the option to convert the expenditures into common shares of the Company equal to a maximum of 9.9% of the then issued outstanding common shares of the Company, post share issuance, at the time of completion of Phase I. The deemed price of the shares shall be calculated using the 30-day VWAP and the number to be issued shall be capped at the Canadian dollar equivalent of AUD10 million.

If the number of shares issued equals less than 9.9% of the Company’s outstanding shares, then AngloGold shall retain the further option to purchase additional common shares from the treasury of the Company at a 10% premium to the 30-day VWAP, up to a combined maximum ownership interest of 9.9% of the then-outstanding common shares.

7. EXPLORATION AND EVALUATION ("E&E") ASSETS (continued)

a) New South Wales Project (NSW Property) (continued)

Phase II:

AngloGold may elect to earn an initial 51% interest in up to five Designated Projects individually by funding expenditures of AUD7 million on each project within 36 months. If AngloGold fails to complete the Phase II earn-in expenditure for a given Designated Project, the Company will retain 100% ownership with no interest earned by AngloGold.

Phase III:

AngloGold may elect to earn an additional 14% interest in each Designated Project individually, for a total 65% interest, by funding additional expenditures of AUD20 million per Designated Project within 24 months following completion of Phase II. If AngloGold initiates but does not complete Phase III, then its ownership interest in the Designated Project will revert to 49%, which the Company retains the right to purchase at a mutually agreed price or for fair value if a price cannot be mutually agreed within a specified period.

Phase IV:

AngloGold retains an additional right to earn a further 10% interest in each Designated Project, bringing its potential ownership interest to 75%, by completing the following:

- Delivering to the Company a Pre-Feasibility Study in accordance with the CIM Definition Standards on Mineral Resources and Ore Reserves based on a minimum 2,000,000 ounces of gold or gold-copper equivalent Measured and Indicated resources within 36 months after AngloGold provides notice to move to Phase IV; and,
- Granting to the Company a 2% NSR on the applicable Designated Project; provided, however, that if the applicable Designated Project has any existing underlying royalties, the Company will be granted a 1% NSR. AngloGold will have the right to buy back 0.5% of any 2% NSR and 0.25% of any 1% NSR in respect of all or a portion of the respective Designated Project for fair value at any time.

In May 2024, AngloGold elected to designate the Company's Duck Creek project as a Phase II project pursuant to the terms of the AngloGold Farm-in Agreement. The Company will continue to operate the Duck Creek Phase II exploration program for a 10% management fee, although AngloGold retains the right to take over as project manager at any time. AngloGold retains the right to designate four additional projects in addition to Duck Creek as Phase II projects upon completion of Phase I which continues with exploration programs at the Company's tenements.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ("E&E") ASSETS (continued)

a) New South Wales Project (NSW Property) (continued)

Cash call receipts, exploration expenditures and management fees earned for Phases I and II during the year ended September 30, 2024 and the three months ended December 31, 2024 along with the unspent funds at the end of each period are as follows:

	Phase I	Phase II	Total
Balance, September 30, 2023	$ 208,433	$ -	$ 208,433
Add:			
Cash call receipts	5,847,281	1,572,312	7,419,593
Less:			
Exploration expenditures	(5,484,461)	(1,341,047)	(6,825,508)
Management fees	(548,446)	(134,105)	(682,551)
Foreign exchange	7,102	3,912	11,014
Balance, September 30, 2024	29,909	101,072	130,981
Add:			
Cash call receipts	432,532	1,079,203	1,511,735
Less:			
Exploration expenditures	(385,993)	(922,043)	(1,308,036)
Management fees	(38,599)	(92,205)	(130,804)
Foreign exchange	(1,401)	(6,145)	(7,546)
Balance, December 31, 2024	$ 36,448	$ 159,882	$ 196,330

AngloGold's option to acquire a 9.9% interest in the Company upon the completion of Phase I was determined to be a derivative liability as it will be settled with a variable number of shares. The Geometric Brownian Motion simulation model was used to determine future shares prices of the Company and the Monte Carlo simulation to determine the fair value of the derivative liability. As at December 31, 2024 and September 30, 2024, the fair value of the option and the underlying assumptions are as follows; an increase or decrease of 10% in the expected volatility would not have a significant impact on the fair value of the liability:

	December 31, 2024	September 30, 2024
Fair value of option	$ 33,450	$ 33,450
Expected risk free interest rate	3.03%	3.03%
Expected stock price volatility	91.50%	91.50%
Expected option life in years	1.70	1.70

The Company recognized an impairment of $281,242 for a certain claim which the Company did not renew in year ended September 30, 2024.

(Expressed in Canadian dollars)

7. EXPLORATION AND EVALUATION ("E&E") ASSETS (continued)

b) Carron Project (Queensland)

On December 31, 2017, the Company took assignment of an Exploration Farm-In Agreement dated March 15, 2017, as subsequently amended (the "Carron Farm-In Agreement"). Pursuant to the Carron Farm-In Agreement, the Company had an option to earn up to a 100% participating interest to acquire, explore and develop an EL known as the Carron Project in Queensland, Australia.

The Company earned an initial 50% participating interest in the Carron Project further to an amending agreement dated November 22, 2019 which was then amended on October 19, 2023.

In December 2023, the Company received $163,124 in eligible grant funding through the Queensland Government's Collaborative Exploration Initiative. Funding was recovered under the grant by reimbursement of 100% of the cost of eligible expenditures to drill four specified holes at Carron, and was recorded as a reduction of exploration expenditures.

In the third quarter of fiscal 2024, the Company decided not to pursue the Carron project and wrote off $1.44 million in expenditures related to the project.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2024	September 30, 2024
Accounts payable	$ 211,777	$ 351,500
Accrued liabilities	123,671	159,356
	$ 335,448	$ 510,856

Included in accounts payable and accrued liabilities at December 31, 2024 is $14,959 (September 30, 2024 - $8,535) due to related parties (Note 10).

9. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Share Issued and Outstanding:

Issued and outstanding: as at December 31, 2024: 101,325,170 common shares
(September 30, 2024: 101,325,170 common shares).

(i) Year ended September 30, 2024

During the year ended September 30, 2024, warrants for 5,942,500 common shares with an exercise price of $0.15 per share were exercised for gross proceeds of $891,375. Also stock options for 325,000 common shares with an exercise price of $0.12 per share and fair value of $24,336 were exercised for gross proceeds of $39,000. Share issuance costs of $8,726 were incurred in fiscal 2024.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Stock Options

The Company has a stock option plan under which it is authorized to grant stock options of up to a maximum of 10% of the issued and outstanding common shares to executive officers, directors, employees and consultants enabling the holder to acquire common shares. Vesting provisions are at the discretion of the Board of Directors. In the absence of a vesting schedule, such stock options shall vest immediately.

During the year ended September 30, 2024, the following stock options were granted:

- On March 27, 2024, 2,950,000 stock options were granted to directors, officers, employees and certain consultants to the Company. The stock options have an exercise price of $0.20 per share, vest six months after the date of the grant, and expire on March 27, 2029; and
- On July 10, 2024, 200,000 stock options were granted to a consultant. The stock options have an exercise price of $0.20 per share and expiry date of July 10, 2027, and vest immediately on grant date.

The continuity of stock options for the three months ended December 31, 2024 is as follows:

	December 31, 2024	
	Number of Shares	Weighted average exercise price
Outstanding balance, beginning of the period	8,665,000	$0.20
Net changes	-	-
Outstanding balance, end of period	8,665,000	$0.20

The following table summarizes information about stock options outstanding and exercisable at December 31, 2024:

		Options Outstanding		Options Exercisable	
Expiry Date	Weighted Average Exercise Prices	Number Outstanding at Dec 31, 2024	Weighted Average Remaining Contractual Life (Number of Years)	Number Exercisable at Dec 31, 2024	Weighted Average Remaining Contractual Life (Number of Years)
March 10, 2025	$0.30	1,840,000	0.19	1,840,000	0.19
November 24, 2025	$0.40	100,000	0.90	100,000	0.90
March 8, 2026	$0.34	200,000	1.18	200,000	1.18
March 2, 2027	$0.12	1,650,000	2.17	1,650,000	2.17
December 31, 2027	$0.12	1,525,000	2.97	1,525,000	2.97
June 1, 2028	$0.22	200,000	3.42	200,000	3.42
March 27, 2029	$0.20	2,950,000	4.24	2,950,000	4.24
July 10, 2027	$0.20	200,000	2.52	200,000	2.52
	$0.20	8,665,000	2.59	8,665,000	2.59

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Stock Options (continued)

The Company applies the fair value method in accounting for its stock options applying the Black-Scholes Option Pricing Model using the following estimates for stock options awarded in the respective periods.

For the purposes of estimating the fair value of options using the Black-Scholes Option Pricing Model, certain assumptions are made such as expected dividend yield, volatility of the market price of the Company's shares, risk-free interest rates and expected average life of the stock options.

During the three months ended December 31, 2024, the Company recognized $Nil (December 31, 2023 - $11,582) in share-based payments for the stock options vested during the period. The value is captured in the equity reserves account until such time as the stock options are exercised, upon which the corresponding amount will be transferred to share capital.

d) Warrants

At December 31, 2024, the Company had outstanding warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at September 30, 2024	Issued	Exercised	Expired	Outstanding at December 31, 2024
$0.40	February 17, 2025 [2]	3,553,500	-	-	-	3,553,500
$0.40	February 17, 2025 [1], [2]	214,800	-	-	-	214,800
		3,768,300	-	-	-	3,768,300

[1] These finders fee warrants have a fair value of $27,536 which was recorded as share issuance costs and applied to share capital with a corresponding credit to reserve for share-based payments calculated using the Black-Scholes option pricing model with the following assumptions: volatility 123%, risk-free rate 4.90%, expected life 1.5 years, and expected dividend yield 0%.

[2] These warrants expired unexercised on their respective expiry date.

e) Reserve

The share based payment reserve account consists of amounts recognized as share-based compensation expense until such time as the stock options and warrants are exercised, upon which the corresponding amount will be transferred to share capital.

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS

In addition to the officers and directors of the Company ("key management personnel"), the Company's related parties include (i) its subsidiaries; (ii) OCP Holdings Ltd. as a reflection of its ownership interest in the Company as at December 31, 2024; and (iii) those legal entities which share certain common directors noted below to whom compensation is paid.

Key management personnel compensation is comprised of the following:

	Three months ended December 31,		Net balance payable	
	2024	2023	December 31, 2024	September 30, 2024
Key management compensation:				
Executive salaries and benefits [1]	$ 77,100	$ 76,600	$ -	$ -
Geological consulting [1]	62,965	61,171	26,318	20,635
Directors fees	35,475	39,000	41,162	39,001
Share-based payments	-	11,582	-	-
	$ 175,540	$ 188,353	$ 67,480	$ 59,636
Net office, sundry, rent and salary allocations reimbursed to companies sharing certain common directors [2]	$ 74,776	$ 28,358	$ 14,959	$ 8,535

(1) Includes key management compensation and geological consulting which are included in exploration and evaluation assets, employee remuneration and property investigation, if any (Note 7).
(2) These companies include Headwater Gold Inc., NewQuest Capital Inc. and Red Canyon Resources Ltd.

The above related party transactions are incurred in the normal course of business and on a cost recovery basis. Amounts payable to related parties are unsecured non-interest bearing and due in less than 90 days (Note 8).

11. SEGMENTED INFORMATION

Reportable segments are those operations whose operating results are reviewed by the chief operating decision maker, being the individual(s) at the Company making decisions about resources to be allocated to a particular segment, and assessing performance provided those operations pass certain quantitative thresholds.

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in Australia. Accordingly, the Company's operations are in two geographic and only one commercial segments. The Company is in the exploration stage and accordingly, has no reportable segment revenues. Mineral property interests and refundable security deposits are held in Australia, and cash is held in Canada and Australia.

(Expressed in Canadian dollars)

11. SEGMENTED INFORMATION (continued)

The net loss is distributed by geographic segment per the table below:

	Three months ended December 31,	
	2024	2023
Canada	$ (163,551)	$ (205,510)
Australia	(14,842)	5,015
	$ (178,393)	$ (200,495)

The Company's assets are distributed by geographic segment, as per the table below:

	December 31, 2024		
	Canada	Australia	Total
Current assets	$ 1,877,033	$ 1,105,946	$ 2,982,979
Refundable security deposits	-	201,657	201,657
Exploration and evaluation assets	-	6,608,187	6,608,187
Total assets	$ 1,877,033	$ 7,915,790	$ 9,792,823

	September 30, 2024		
	Canada	Australia	Total
Current assets	$ 2,057,045	$ 1,112,170	$ 3,169,215
Refundable security deposits	-	255,847	255,847
Exploration and evaluation assets	-	6,656,213	6,656,213
Total assets	$ 2,057,045	$ 8,024,230	$ 10,081,275

12. SUBSEQUENT EVENTS

Subsequent to December 31, 2024, funds of AUD 616,472 were received from AngloGold for Phases I and II.