INFLECTION RESOURCES LTD.

(An exploration stage company)

FIRST QUARTER REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2024 AND 2023

The Management's Discussion and Analysis of Financial Condition and Results of Operations (the "MD&A"), dated March 3, 2025 of Inflection Resources Ltd. (the "Company"), provides an analysis of, and should be read in conjunction with the accompanying unaudited condensed consolidated interim financial statements and related notes thereto for the three month periods ended December 31, 2024 and 2023 (the "Interim Financial Statements"), and other corporate filings available under the Company's profile on SEDAR+ at www.sedarplus.ca, including the consolidated financial statements of the Company for the years ended September 30, 2024 and 2023 (the "Annual Financial Statements").

Financial statement information presented herein was prepared using accounting policies in compliance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Company's reporting currency is the Canadian dollar ("$"), and all amounts in this MD&A are expressed in Canadian dollars, unless otherwise stated. Amounts in Australian dollars are expressed as "AUD". As at December 31, 2024, the indicative rate of exchange, per $1.00 as published by the Bank of Canada, was AUD 1.0958 (AUD 1.1110 at September 30, 2024). Amounts in United States dollars are expressed as "USD".

NOTES REGARDING FORWARD LOOKING STATEMENTS

Certain information contained or incorporated by reference in this MD&A, including any information as to our future financial or operating performance, constitutes "forward-looking statements". These statements are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well an indication of the Company's potential future performance. All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive risks, uncertainties, and contingencies. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of gold or other commodities; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Australia, Canada, and in other countries; business opportunities that may be presented to, or pursued by us; operating or technical difficulties in connection with mining or development activities; employee relations; litigation; the speculative nature of exploration and development, including the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and the risk of inadequate insurance, or inability to obtain insurance, to cover these risks. Many of these uncertainties and contingencies can affect our actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, us. Readers are cautioned that forward-looking statements are not guarantees of future performance, and they should not place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. These statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements; accordingly, readers are advised to consider such forward-looking statements in light of the risks as set forth below.

All of the forward-looking statements made in this MD&A are qualified by these cautionary statements, and we disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

Furthermore, the Company continually seeks to minimize its exposure to business risks, but by the nature of its business, activities, and size, will always have some risk. These risks are not always quantifiable due to their uncertain nature. Should one or more of these risks and uncertainties, or those described in this MD&A under the heading "Risks and Uncertainties" materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in forward-looking statements.

USE OF TERMS

Except as otherwise indicated by the context and for the purposes of this report only, references in this MD&A to "we," "us," "our," or "the Company", refer to Inflection Resources Ltd. (the "Company"), a British Columbia corporation.

Overview

The Company is a junior resource company engaged in the exploration and evaluation of mineral properties for gold and copper in New South Wales and previously in Queensland, Australia.

The Company was incorporated under the Business Corporations Act (British Columbia) on May 9, 2017 and is a reporting issuer in British Columbia, Alberta, and Ontario. The Company's common shares (the "Common Shares") trade on the Canadian Securities Exchange (the "CSE") under the symbol "AUCU", and are listed on the OTCQB under symbol "AUCUF".

The Interim Financial Statements include the accounts of the Company and its 100% wholly owned subsidiary in Australia: Australian Consolidated Gold Holdings Pty Ltd ACN 619 975 405 ("ACGH"). ACGH II Pty Ltd ACN 623 704 898 ("ACGHII") and Romardo Copper (NSW) Pty Ltd ACN 605 976 565 ("Romardo Copper") were dissolved in fiscal 2024. Inter-company balances and transactions are eliminated on consolidation.

Mr. Carl Swensson (FAusIMM) is the "Qualified Person" ("QP"), as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects, who reviewed and approved any technical information in this MD&A.

Highlights from fiscal 2024 and the first quarter of fiscal 2025 and recent developments

- In December 2023, exploration grant funding of AUD 145,500 under the Government of NSW's New Frontiers Exploration Program for expenditures at the NSW Property's Duck Creek target was received. Also exploration grant funding of AUD 181,818 was received for the drilling program for Carron project.
- In March 2024, Mr. Fraser MacCorquodale was appointed to the Board of Directors and Dr. Neil Adshead was appointed as an Advisor.
- In May 2024, AngloGold Ashanti Australia Limited ("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. AngloGold has requested that the Company 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 continues to retain the right to designate four additional projects in addition to Duck Creek upon completion of Phase I which continues with exploration programs on the Company's tenements.

Mineral Properties

The Company's mineral property interests encompass a large portfolio of exploration licenses and applications in New South Wales, and previously in Queensland Australia.

Expenditures directly attributable to the acquisition of mineral property interests have been capitalized; and staking costs, related land claims fees paid, and ongoing exploration expenditures, have also been capitalized. Exploration grants awarded are applied against the carrying value of the particular mineral property. Details of exploration and evaluation expenditures incurred by the Company at its mineral property interests are summarized in this MD&A under heading "*Selected Financial Information - Financial Position - Assets*".

The Company holds interests in, and has been actively working on, the following mineral resource projects:

a) New South Wales ("NSW") Property

The Company is targeting gold and copper-gold deposits in the interpreted northern extension of the Macquarie Arc, part of the Lachlan Fold Belt region of New South Wales, Australia (the "LFB"). The Macquarie Arc is widely considered Australia's premier porphyry gold-copper province, host to Newmont's Cadia Valley deposits, the Evolution Mining Northparkes and Cowal deposits and numerous active exploration prospects.

The NSW property is the Company's principal property, and as of the date of this MD&A consists of a large portfolio of 100% owned non-surveyed non-contiguous exploration licenses ("ELs") located in the LFB. Eleven of the ELs were acquired in 2018 (the "Acquired NSW licenses"); a further two ELs (the "Romardo Licenses") were acquired pursuant to the February 2020 acquisition of Romardo Copper. All other ELs were staked by the Company.

There is a 2% net smelter return royalty ("NSR") on the Acquired NSW licenses payable on production from these ELs, of which the Company may purchase 1% for AUD 3 million at any time. The two "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 at its discretion upon attainment of certain milestones relating to the two Romardo ELs:

i. AUD 500,000 payable in cash or common shares upon completion of a pre-feasibility study.
ii. AUD 2 million payable in cash or common shares upon completion of a feasibility study.
iii. AUD 6 million payable upon the Company's decision to commence construction of a commercial mine.

Definitive Farm-In Agreement with AngloGold Ashanti Australia Limited ("AngloGold")

In June 2023, the Company signed a Definitive Farm-in Agreement (the "AngloGold Farm-In Agreement") with 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 AngloGold Farm-In Agreement are as follows:

Phase I:

AngloGold will retain the right to sole fund up to AUD 10 million on exploration expenditures across a wide range of different intrusive related exploration targets within a 36-month period following the execution of the AngloGold Farm-In Agreement. AngloGold committed to fund minimum expenditures of AUD 6 million which was satisfied in February 2024. If Phase I expenditures of AUD 10 million are not incurred within the required time frame, then the AngloGold 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. As at December 31, 2024, cumulative cash calls for AUD 9.57 million have been received from AngloGold.

Upon completion of Phase I exploration expenditures of AUD 10 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 AUD 10 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.

Phase II:

AngloGold may elect to earn an initial 51% interest in up to five Designated Projects individually by sole funding expenditures of AUD 7 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 sole funding additional expenditures of AUD 20 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.

All expenditure timelines can be accelerated.

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. AngloGold has requested that the Company 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. As part of Phase II at Duck Creek, AngloGold retains the right to earn an initial 51% interest in the project by investing AUD 7 million in exploration expenditures. Upon completion of Phase II, AngloGold retains the additional right, as part of a Phase III program, to earn up to a 65% interest by investing a further AUD 20 million in expenditures. Upon completion of Phase III, AngloGold retains the right to earn up to a 75% interest by completing a pre-feasibility study with a minimum two-million-ounce gold or copper-gold equivalent resource (Measured & Indicated category) and granting a 2% or 1% net smelter return ("NSR") royalty to the Company. AngloGold retains the right to designate four additional projects in addition to Duck Creek upon completion of Phase I which continues with exploration programs for the Company's tenements. As at December 31, 2024, cumulative cash calls for AUD 2.94 million have been received from AngloGold for Phase II.

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

In July 2023, the Company initiated a drilling program with a budget of up to AUD 10 million which is funded by AngloGold for the Phase I exploration program, pursuant to the AngloGold Farm-In Agreement. This program includes a 10% management fee payable to the Company. Phase I drilling focused on eleven target areas: Duck Creek, Canonba, Longstowe, Canonba North, Whiskey Creek, Brewon, Wombat Creek, Boorooma, Warrawing, Minoru and Merri Merri.

In May 2024, Duck Creek target was designated as a Phase II project by AngloGold and drilling was mobilized in June 2024.

By the end of July 2024, the Company completed 9,180 metres of additional drilling comprising 17 holes, bringing the total to 22,486 metres and 47 holes completed under Phase I of the AngloGold Farm-In Agreement.

In February 2025, the Company initiated a large gravity survey across a number of its exploration licenses in northern New South Wales. The ground gravity survey extending over 1,020 km² will cover the majority of the Company's southern Exploration Licenses south of Duck Creek, inclusive of the Trangie and Myallmundi projects. The goal of the survey is to define areas of gravity low which may suggest intrusions at depth and assist with the ongoing drill targeting. Survey measurements will be collected on 1,000 x 1,000 m spaced points with more detailed readings taken on 500 x 500 m and 250 x 250 m over parts of the Myallmundi and Trangie projects. The survey is designed to join the previously completed surveys on the Duck Creek and Nyngan projects.

Trangie Project

In late 2024, the Company completed drilling at the Trangie project. Hole TRNDH023 intersected a significant zone of pyrite-chalcopyrite bearing quartz veinlets and wispy magnetite veins in biotite-actinolite altered andesites and volcaniclastic sediments, typical of a calc-potassic porphyry-proximal alteration zone. The hole reported the following assay results:

- *54.37m at 0.37 g/t Au and 0.07% Cu from 194.63m*
    - *including 17.24m at 0.45 g/t Au and 0.09% Cu from 194.63m*
    - *including 8.00m at 0.67 g/t Au and 0.11% Cu from 200.00m*
    - *including 2.00m at 1.28 g/t Au and 0.12% Cu from 200.00m*
    - *including 34.04m at 0.39 g/t Au and 0.07%Cu from 214.96m*
    - *including 7.52m at 0.67 g/t Au and 0.10% Cu from 238.48m*

- *35.47m at 0.40 g/t Au and 0.06% Cu from 259.53m*
    - *including 25.47m at 0.46 g/t Au and 0.06% Cu from 259.53m*

- *including 6.00m at 0.53 g/t Au and 0.06% Cu from 259.53m*

- *21.45m at 0.22 g/t Au and 0.04% Cu from 346.00m*
  - *including 12.00m at 0.34 g/t Au and 0.04% Cu from 346.00m*

Note: Composites calculated using a 0.1 g/t Au cut off with max 4m internal dilution.

The mineralisation within TRNDH023 is associated with porphyry-style chalcopyrite-pyrite-magnetite bearing quartz veins in biotite-altered andesitic volcanics. The style of mineralisation and alteration is considered highly encouraging for the potential discovery of better developed, higher grade mineralisation within the vicinity of this hole.

Duck Creek Project:

The Duck Creek project is considered by the Company to be prospective to potentially host large alkalic porphyry-related copper-gold style mineral systems. The principal 4.5 x 5.0 kilometre target area covers favourable magnetic and gravity features, which the Company interprets to be part of the prospective Macquarie Arc volcanic sequence. The broader target area comprises a large 10 x 15 kilometre gravity low embayment within the large regional magnetic high. The Company considers the geological setting highly analogous to Evolution's Northparkes mine located approximately 200 kilometres to the south. Specifically, the Company is drill testing high-amplitude, complex, curvilinear magnetic patterns very similar to those typical of the intrusion-related signatures of the Macquarie Arc mineralized districts. Furthermore, drilling has intersected strongly hydrothermally altered rocks distinctly characteristic to those adjacent to mineralized alkalic copper–gold systems.

Three separate geophysical surveys have been completed on the Duck Creek exploration license including Ambient Noise Tomography (ANT), an Induced Polarisation/Magnetotellurics (IP/MT) survey and a ground gravity study. The principal objective of these surveys was to enable the more accurate positioning of further drill holes, which when combined with geochemical data and alteration mapping collected from earlier drilling, would assist with vectors toward alkalic porphyry-related copper-gold mineralisation at depth. Multiple high priority targets have been identified from this survey which include zones of high seismic velocity, suggestive of intrusions at depths and zones of low seismic velocity suggestive of hydrothermal alteration in the basement sequence. These targets are also associated with large, previously unrecognised, regional-scale structures which may have influenced the emplacement of intrusions in the basement sequence.

In May 2024, AngloGold elected to designate Duck Creek as a Phase II project pursuant to the AngloGold Farm-In Agreement. The Duck Creek Phase II exploration program will initially comprise approximately eight deep holes testing a variety of step-out and geophysical targets, including those defined by the completed geophysical survey.

Four drill holes totalling 2,822 m were completed for Duck Creek under Phase II in fiscal 2024.

Drill holes DCKDH018, 019 and 020 were drilled to test ambient noise tomography (ANT) anomalies and hole DCKDH021 tested a separate large gravity anomaly.

Hole DCKDH020 intersected the strongest hydrothermal alteration of all holes at Duck Creek and the entire New South Wales exploration program, with large intervals of intense pyrite mineralization associated with a monzodiorite intrusion which coincides with a velocity high in the ANT data. Hole DCKDH020 intersected significant magnetite alteration and veinlets along with elevated arsenic geochemical values (>40ppm As), which are considered highly significant by the Company as similar levels of anomalism are reported in close proximity to other alkalic porphyry systems in New South Wales and elsewhere. Drill hole DCKDH020 was drilled to the east with a dip of -70° to a depth of 850m and tested an approximate 300m x 420m zone of elevated seismic velocity evident in the ANT data interpreted to represent an intrusion at depth. DCKDH020 intersected the strongest hydrothermal alteration of all holes at Duck Creek and the entire New South Wales program since inception. Assay results returned for the hole indicate a broad zone of elevated Cu (max 788ppm) with values generally increasing downhole. Intervals of elevated Au (max 0.051 ppm) and pathfinder elements including Mo (max 29.8ppm), As (max 212ppm) and Bi (max 16.2ppm) suggest fertile hydrothermal fluids.

Drill hole DCKDH018 was drilled to a depth of 740m to test a discreet, finger-like zone of elevated seismic velocity evident in the ANT data. The hole was drilled at a dip of -70º toward 295º and intersected basement at 431m which comprised an intercalated sequence of volcaniclastic sediments with andesites. The sequence exhibits weak chlorite alteration and does not satisfactorily explain the feature identified in the ANT data.

Drill hole DCKDH019 was drilled to a depth of 564m at a dip of -70º toward 264º to test a northeast trending zone of reduced seismic velocity evident in the ANT data. The ANT target was interpreted to be indicative of alteration associated with a large fault zone. The hole intersected basement at 398m which comprised volcaniclastic conglomerate and andesite intruded by monzonite intrusions.

Drill hole DCKDH021 was drilled to a depth of 666m at a dip of -70º toward 180º to test a northeast trending gravity low, interpreted to represent an intrusion at depth. The hole intersected basement rocks at 407m which comprise an intercalated sequence of volcaniclastic conglomerate with andesite, intruded by small monzonite dykes. The hole did not intersect a large intrusion as modelled, which would have explained the gravity low.

In late 2024, four step-out drill holes on the Duck Creek project totalling 3,124m were drilled in proximity to the previously reported drill hole DCKDH020 to follow-up on inner propylitic, porphyry-style alteration with highly anomalous arsenic (As) values. Hole DCKDH024 intersected the largest zone of inner propylitic alteration with magnetite veinlets and assay values of 231m of >25ppm As from 389.65 m and maximum gold values of 2.00m of 0.12 g/t Au. The expanded zone of alteration and geochemistry suggests a vector at depth to potential porphyry-style mineralisation between holes DCKDH024 and DCKDH020, although the target is still open in several directions.

Canonba

Three widely spaced holes were drilled into the Canonba targets totalling 1,845 metres to test three distinct magnetic anomalies over an approximate distance of 12.5 kilometres. Hole CANDH004 intercepted basement at 414 m and was drilled to a total depth of 802 m to test an approximate 500 x 900 m discrete aeromagnetic high located approximately 5 km north-northwest of the northern Duck Creek complex. Hole CANDH003 drilled to a depth of 489 m after intercepting basement at 416 m was also drilled to test a similar sized aeromagnetic high 4.5 km north-east of the Duck Creek project. Hole CANDH006 intercepted intercalated volcaniclastic sediments and lesser andesites with minor hematite-sericite alteration and cut by quartz-carbonate veins which are interpreted to be more distal to any potential mineral system.

Longstowe

Hole LONDH001 was drilled to a depth of 375 m after intercepting basement at 312 m to test an approximate 1,000 x 500 m zone of elevated aeromagnetic data suggestive of a possible porphyry at depth. The hole intersected altered volcanics cut by minor (1 to 2 veins/m) quartz veins with minor chalcopyrite. Hole LONDH002 located 620 m southwest of LONDH001 intercepted weak to moderately epidote altered conglomerate and minor sandstone. Assay results report best results of 2 m at 0.15% Cu and 0.02 g/t Au from 320 m.

Brewon

Two holes were drilled into a large approximately 3 x 3 km aeromagnetic low and an approximate 3.5 x 2.5 km aeromagnetic high. Hole BREDH001 drilled to a depth of 760 m to test the magnetic low intersected a granodiorite with minor magmatic breccia, which consists of a quartz-rich granite and hematite altered tonalite. Hole BREDH002 tested the magnetic high and intersected at 484 m a muscovite bearing granite with minor small pegmatite dykes which is interpreted to represent a peraluminous, S-type granite not typically associated with porphyry-related copper-gold mineralisation.

Boorooma

Two holes were drilled into discreet magnetic lows within a broader 10 x 20 km aeromagnetic high complex. Drill hole BOODH002 intersected minor quartz veins with albite-hematite alteration selvages in a diorite.

Hole BOODH001 intercepted 41.1 m of a magnetic hornblende diorite and rare carbonate veining was observed with weak hematite staining which contained minor pyrite.

Other target areas

Holes drilled in Canonba North, Whiskey Creek, Wombat Creek, Warrawing, Minoru and Merri Merri targets tested a wide variety of large geophysical features for the first time. Drilling in these targets generally returned little or no favourable alteration and therefore have been downgraded. Assay results for Whiskey Creek and Wombat Creek are of a low tenor and results for Canonba North, Warrawing, Minoru and Merri Merri are pending.

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

b) Carron gold project ("Carron")

Located approximately 400 kms west of Cairns in Northern Queensland, Carron comprised approximately 30 kms of northwest trending structures with a large number of high-priority drill targets along strike from the adjacent historic Croydon Goldfields ("Croydon"), one of Queensland's significant historical gold mining districts.

The Company's interest in Carron was held through a farm-in agreement (the "Carron Agreement") with Oakland Gold Pty Ltd. (the "Optionor"). The Carron Agreement, as amended, provided the Company with an option to earn up to a 100% interest in the property.

The Company earned an initial 50% interest (the "Initial Earn-in") in Carron further to an amending agreement, dated November 22, 2019 (the "Initial Earn-in Date"), whereby the Company and the Optionor agreed to recognize i) expenditures incurred as of September 30, 2019 of AUD 297,172 (plus GST of AUD 16,293), including the completion of an airborne magnetics survey, and (ii) the reimbursement to the Optionor of an amount of AUD 50,000 for costs incurred by the Optionor, as satisfying the Initial Earn-in.

A four hole, 1,055 metre drilling program was mobilized for the Carron project in October 2023. Drilling tested a variety of different aeromagnetic targets, three of which were interpreted to represent structures mostly defined by north and northwest trending magnetic lows which are considered to have the potential to host Croydon style vein mineralisation.

A portion of the drilling was funded by a AUD 181,818 grant awarded by the Government of Queensland as part of the Government's Collaborative Exploration Initiative. The grant was received in April 2024.

In the third quarter of fiscal 2024, the Company decided not to pursue the Carron project and accordingly wrote off the project.

SELECTED FINANCIAL INFORMATION

Management is responsible for, and the Board approved, the Interim Financial Statements. Except as noted, the Company followed the significant accounting policies presented in Note 3 - Significant Accounting Policies, contained in the Interim Financial Statements consistently throughout all periods summarized in this MD&A.

The Company operates in one segment – the exploration of mineral property interests. The Company has two geographic segments – the exploration activities occur in Australia, while head office, finance, marketing and administration activities occur in Canada.

<u>Selected Interim Financial Information</u>

The following tables and discussion provide selected financial information from, and should be read in conjunction with, the Interim Financial Statements:

	Three months ended December 31,	
	2024	2023
Total revenues	$ -	$ -
Net loss:		
(i) Total	$ (178,393)	$ (200,495)
(ii) Basic per share	$ -	$ -
(iii) Diluted per share	$ -	$ -
Total assets	$ 9,792,823	$ 11,345,252
Total long-term liabilities	$ -	$ -
Dividends per share	$ -	$ -

Because the Company is in the exploration stage, it did not earn any revenues or cash flows from operations and will not for the foreseeable future. The comparative net loss and comprehensive loss in each period illustrate the level and nature of exploration activity undertaken at the Company's mineral property interests which may vary based on results received, weather conditions, market factors and available financings.

Selected Statement of Comprehensive Loss data

The Company's operating expenses are summarised as follows:

	Three months ended December 31,	
	2024	2023
Expenses:		
Accounting and audit	**$ (5,900)**	$ 1,773
Amortization	**3,891**	3,644
Legal	**-**	-
Office and sundry	**21,544**	14,790
Project generation	**1,278**	-
Regulatory	**9,415**	4,479
Salaries and benefits	**102,898**	106,768
Shareholder relations	**39,743**	63,776
Share-based payments	**-**	11,582
Other (expense) income items:		
Write off of mineral property interest	**(3,098)**	-
Derivative option cost	**-**	(199)
Interest income	**25,809**	12,859
Foreign exchange (loss) gain	**(28,235)**	(6,343)

Discussion of results for the first quarter of fiscal 2025 – Three months ended December 31, 2024 and 2023

The Company incurred a net loss of $178,393 for the three months ended December 31, 2024 which is slightly lower that the net loss of $200,495 for the comparative period in fiscal 2024, with the former having similarly lower operating expenses. Net losses were impacted by different functional expense items. The higher net loss in the third quarter of fiscal 2024 was primarily attributable to the write off of $1.44 million for the Carron property and then the write-off of $281,242 in the fourth quarter of fiscal 2024 for a claim in the New South Wales project which was not renewed and no further exploration program was planned.

Accounting and audit recovery of $5,900 was recorded in the current quarter in fiscal 2025 whereas an expense of $1,773 was incurred in the comparative quarter in fiscal 2024. The recovery was attributable to estimated accounting and tax expenses for the dissolution of two inactive Australian wholly owned subsidiaries which were dissolved in fiscal 2024 being higher than actual expenses incurred, resulting in a recovery. Accounting services rendered for related to mineral property interests were accordingly charged to the exploration project. In July 2023, the Company mobilized the Phase I AUD 10 million exploration program for the AngloGold Farm-In Agreement and Phase II Duck Creek was mobilized in July 2024 in which both Phases I and II continued into fiscal 2025, resulting in Australia accounting fees being capitalized in mineral property exploration expenditures. Independent valuation fees were incurred in the second quarter of fiscal 2024 for the modelling and valuation of the embedded derivative for AngloGold's option to convert exploration expenditures into common shares of the Company equal to a maximum of 9.9% of the Company, which modelling and valuation were further updated at year end in fiscal 2024.

Amortization of capital assets were slightly higher for first quarter of fiscal 2025 (December 31, 2024 - $3,891 and December 31, 2023 - $3,644) from equipment acquisitions in fiscal 2024, resulting in increased amortization in subsequent periods.

Office and sundry expenses of $21,544 for the first quarter of fiscal 2025 were higher than the amount of $14,790 for the comparative period in fiscal 2024. Office and miscellaneous expenses consist of bank fees, computer and internet, D&O insurance, office supplies, telecommunications and office rent. Higher office rent charges resulted from office lease renewal at higher market rates and from expanded office facilities in May 2024 thereby contributing to higher expenses in subsequent periods. Office and sundry expenses tend to be more fixed.

Project generation expenses of $1,278 were incurred in first quarter of fiscal 2025 (December 31, 2023 - $Nil). Project generation activities involved identifying properties of merit and identifying which claims to stake to expand the Company's portfolio of land holdings. There were no project generation activities in first quarter of fiscal 2024. Project generation activities tend to be nominal as the Company's main focus has been Phases I and II exploration programs with AngloGold which continue into fiscal 2025.

Regulatory fees of $9,415 were incurred in the first quarter of fiscal 2025 which are higher than in the comparative quarter in fiscal 2024 (December 31, 2023 - $4,479). The fees were paid in connection with the Company's ongoing listing on the CSE, and related ongoing continuous disclosure requirements, listing maintenance costs and filing fees. Listing fees on the OTC QB increased for fiscal 2024 along with higher listing fees on the CSE from higher market capitalization. Accruals were also recognized for regulatory filing fees for the fourth quarters.

Salaries and benefits of $102,898 were incurred in the first quarter of fiscal 2025 which is slightly lower than the $106,768 in the first quarter of fiscal 2024 and reflect amounts earned by individuals employed directly by the Company that are not attributable to exploration activities. Conversely, technical personnel costs are allotted to exploration activities for each mineral project. Phase I of the AngloGold Farm-In Agreement was mobilized in July 2023 and continued into fiscal 2025, whereby salaries of technical personnel were allotted to the mineral projects. Phase II of the AngloGold Farm-In Agreement was implemented for the Duck Creek project in the third quarter of fiscal 2024 with the drill program mobilized in July 2024 and similarly continue into fiscal 2025.

Shareholder relations expenses of $39,743 were significantly lower in the first quarter of fiscal 2025 than the comparative quarter in fiscal 2024 (December 31, 2023 - $63,776). The AngloGold Farm-In Agreement and the mobilization and implementation of the Phase I of the exploration program for AUD 10 million in July 2023 were organic milestones for the Company in advancing the exploration potential of its mineral properties which remain ongoing, all of which necessitated greater market awareness. Participation at various conferences and marketing campaigns in the second quarter of fiscal 2024 resulted in expenses of $112,416, an increase of $48,773. Shareholder relations expenses in the remaining quarters of fiscal 2024 remained higher as the Company entered into Phase II for one of its mineral projects with AngloGold whereby the drilling program was mobilized in June 2024. The weaknesses and stagnancy in the capital markets contributed to reduction in shareholder relations activities in fiscal 2025.

Share based payments are for the granting and vesting of stock options. There were no stock options subject to vesting provisions and no stock option grant in the first quarter of fiscal 2025. Share based payments in the first quarter of fiscal 2024 were attributable to the 200,000 stock options granted on June 1, 2023 which fully vested in December 2023 resulting in share based payments of $11,582. In late March 2024 the Company granted 2,950,000 stock options which fully vest in six months resulting in the recognition of share based payments expense during the vesting quarters. The vesting provisions from the March 2024 stock option grant resulted in share based payments of $211,239 and $206,596 in the third and fourth quarters, respectively, of fiscal 2024. In July 2024, further 200,000 stock options were granted to a consultant with no vesting provisions, contributing to comparatively higher share-based payments in the fourth quarter of fiscal 2024.

In the third quarter of fiscal 2024, the Company decided not to purse the Carron property and accordingly wrote off the project resulting in write off of $1.44 million which contributed significantly to the net loss of $2.90 million in fiscal 2024. In the fourth quarter of fiscal 2024, an impairment of $281,242 was recognized for a mineral claim within the New South Wales project which was not renewed and no further exploration program was planned. The write off of $3,098 in the first quarter of fiscal 2025 was from ancillary expenses incurred for the Carron property. There were no mineral project write offs or impairments in first quarter of fiscal 2024.

The derivative option gain/loss is attributable to the value of the option held by AngloGold to acquire a 9.9% interest in the Company upon completion of Phase I of the AngloGold Farm-In Agreement. The derivative valuation liability decreased from $171,937 at September 30, 2023 to $33,450 at September 30, 2024 as the expected life of the derivative decreases resulting in a derivative option gain of $138,487 in the fourth quarter of fiscal 2024. A derivative option cost of $199 was recognized in the first quarter of fiscal 2024.

Interest and other income are earned from interest bearing savings account and GIC holdings and from rental truck charge out to Phases I and II exploration activities resulted in higher income of $25,809 in the first quarter for fiscal 2025 than for the comparative quarter in fiscal 2024 (December 31, 2023 - $12,859). Proceeds of $891,375 from the exercise of warrants in the fourth quarter of fiscal 2024 coupled with accumulation of management fees earned from Phases I and II provided excess cash to be invested in interest bearing instruments. The balance of cash or GICs held will vary period-to-period depending on the timing of financings, and the level and timing of exploration activities.

Foreign exchange fluctuations in the Canadian dollar relative to the Australian dollar would result in the recognition of foreign exchange gain (loss) (December 31, 2024 – foreign exchange loss of $28,235 and December 31, 2023 - foreign exchange loss of $6,343). The Company’s functional and reporting currencies are the CAD dollar. Depending on the volatility of the exchange rate from period-to-period, the impact on the statement of comprehensive loss could be significant.

Segment information

The Company undertakes administrative activities in Canada, and is engaged in the acquisition, exploration, and evaluation of certain mineral property interests in New South Wales and previously Queensland Australia. Accordingly, the Company’s operations are in one commercial and two geographic segments.

The Company is in the exploration stage and accordingly, has no reportable segment revenues. Net loss is distributed by geographic segment per the table below, for the periods ended:

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

Mineral property interests and refundable security deposits are held in Australia, and cash is held in Canada and Australia with the latter reflecting funds for Phase I and Phase II exploration received from AngloGold along with management fees earned by the Company. The Company's assets are distributed by geographic segment, as per the tables 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

Summary of Quarterly Results and First Quarter of Fiscal 2025

The following table sets out selected quarterly financial information derived from the Company's unaudited quarterly financial statements prepared by management.

	Dec 31, 2024	Sept 30, 2024	June 30, 2024	Mar 31, 2024
Total revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss for the period	(178,393)	(612,998)	(1,775,981)	(309,819)
Loss per share, basic and diluted	-	(0.01)	(0.02)	-
Total assets	9,792,823	10,081,275	10,003,688	12,036,418
Total long term liabilities	-	-	-	-
Dividends per share	-	-	-	-
	Dec 31, 2023	**Sept 30, 2023**	**June 30, 2023**	**Mar 31, 2023**
Total revenue	$ -	$ -	$ -	$ -
Net loss and comprehensive loss for the period	(200,495)	(556,486)	(237,699)	(370,712)
Loss per share, basic and diluted	-	(0.01)	-	(0.01)
Total assets	11,345,252	12,069,243	9,950,321	9,935,399
Total long term liabilities	-	-	-	-
Dividends per share	-	-	-	-

Because the Company is in the exploration stage, it does not earn any revenues nor realized any operating cash inflows. The Company's expenditures and cash requirements may fluctuate and lack a degree of comparability from period to period as a result of a number of factors including seasonal fluctuations, the write-off of capitalized amounts, tax recoveries and other factors that may affect the Company's activities. In addition, the non-cash flow related impacts from foreign exchange, and vesting of share-based payments may give rise to variability in results from one period to the next comparable period.

The Company's primary source of funding is through the issuance of share capital; accordingly, the Company's activity level and the size and scope of planned exploration projects may also fluctuate depending upon the availability of equity financing with favourable terms. When capital markets strengthen, and the Company is able to secure equity financing with favourable terms, the Company's activity levels and the size and scope of planned exploration may increase.

Since July 2023, certain mineral property expenditures were funded by the AUD 10 million Phase I exploration program of the AngloGold Farm-In Agreement. Phase II for Duck Creek project was funded by AngloGold since May 2024. The Company earns a 10% management fee which is applied as a recovery to exploration expenditures.

First quarter of fiscal 2025

The Company's comprehensive loss for the first quarter of 2024 reflects wages and salaries; professional fees, shareholder relations, general office and administrative costs, and regulatory costs to administer the Company generally incurred on an ongoing basis, net of any foreign exchange gains or losses arising on the relative appreciation or depreciation of the Canadian dollar compared to the Australian dollar over the period.

Financial position

The following select financial data is derived from the Interim Financial Statements.

	December 31, 2024	September 30, 2024
Total current assets	$ 2,982,979	$ 3,169,215
Total assets	9,792,823	10,081,275
Total current liabilities	565,228	675,287
Total liabilities	565,228	675,287
Total shareholders equity	9,227,595	9,405,988
Weighted average number of common shares outstanding	101,325,170	96,362,428
Basic and fully diluted loss per weighted average number of common shares for the period	-	(0.03)

<u>Assets</u>

Cash and cash equivalents

Cash and cash equivalents held at December 31, 2024 ($2.87 million) were slightly lower than at September 30, 2024 ($3.07 million). At December 31, 2024, restricted funds of $359,514 were held for the Phase I and Phase II AngloGold exploration programs whereas at September 30, 2024 restricted funds were at $447,899. During the three months ended December 31, 2024, funds of AUD 432,532 were received from AngloGold for Part I exploration program and funds of AUD 1.08 million for Phase II. During the year ended September 30, 2024, funds of AUD 6.52 million were received from AngloGold for Part I exploration program and funds of AUD 1.75 million for Phase II. During 2024 fiscal year, funds of AUD 145,000 were received for the government grant for Duck Creek drilling and for geophysics and AUD 181,800 for Carron drilling. Also proceeds of $891,375 from exercise of warrants and $39,000 from exercise of stock options were received during fiscal 2024.

Receivables, receivable for exploration projects, and prepaid expenses and deposits

The balance of receivables and prepaid expenses will fluctuate period over period depending on the level of activity in the Company. Other receivables are for recoverable amounts of GST, and prepaid expenses are generally held in connection with services paid for in advance or expenses which are allotted to future periods.

Exploration and evaluation assets:

Expenditures directly attributable to the acquisition of mineral property interests have been capitalized; staking costs, related land claims fees paid, and ongoing exploration expenditures, have also been capitalized. Exploration grants awarded (received or receivable) are applied against the carrying value of the particular mineral property as recoveries.

The value of the Company's exploration and evaluation assets, including cumulative expenditures incurred, net of Phase I and Phase II exploration receipts from AngloGold including management fees earned, impairment charges, depreciation and government grant benefits, are as follows:

	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	882,180	70,850	953,030
Claim maintenance fees	664,333	15,110	679,443
Administration and maintenance	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	350,564	-	350,564
Claim maintenance fees	169,704	-	169,704
Administration and maintenance	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

Exploration for NSW property was mobilized in July 2023 for the Phase I exploration program of the AngloGold Farm-In Agreement and in June 2024 for the Phase II Duck Creek exploration program. For the three months ended December 31, 2024, exploration expenditures of $1.31 million were incurred for Phase I and Phase II which were funded from cash calls from AngloGold. Management fees of $130,804 were recovered during the current quarter. For fiscal 2024, exploration expenditures of $6.83 million were incurred for Phase I and Phase II which were funded from cash calls from AngloGold. Also the Company earned a 10% management fee of $682,551 from Phase I and Phase II during fiscal 2024. Pro rata government grants of AUD 107,338 were recognized in fiscal 2023 which were fully received for AUD 145,500 in December 2023. In the fourth quarter of fiscal 2024, an impairment of $281,242 was recognized from the non-renewal of a claim and no further exploration programs were planned for that claim. Exploration for NSW property continues in fiscal 2025 under the Phases I and II of the AngloGold Farm-In Agreement.

Expenditures of $406,847 for the Carron property were incurred in fiscal 2024 for a drilling program which mobilized in October 2023 and completed in December 2023. The Company also earned a 70% interest in the property. A government grant of $162,134 which was approved by the government was received in April 2024. In the third quarter of fiscal 2024, the Company decided not to pursue the Carron project and accordingly wrote off the project for $1.44 million.

The Company has posted refundable security deposits, each representing a mineral property EL and permitted disturbance thereon, held with the Governments of New South Wales and previously with Queensland 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. Environmental related bonding amounts are based on the respective EL size and levels of disturbance contemplated under the specific exploration permit.

Liabilities

Current liabilities

The balances of payables and accruals are unsecured and will generally vary dependent upon the level of activity at the Company, and the timing at period end of invoices and when the invoices are actually paid. Invoices are generally paid within 30 days. The Company's liabilities at December 31, 2024 and September 30, 2024 include obligations due to service providers and vendors arising in the normal course of operations including certain period end accruals, if any.

Current liabilities of $335,448 as at December 31, 2024 were lower than the $510,856 at September 30, 2024. Phase I exploration activity decreased as the Phase I exploration threshold of AUD 10 million nears. In the fourth quarter for fiscal 2024, Phase I exploration activities were paused pending assay results. Cash calls from AngloGold in excess of exploration expenditures were $196,330 at December 31, 2024 which is higher than excess of $130,981 at September 30, 2024. In fiscal 2023, a derivative liability of $171,937 was recognized from the AngloGold's option to acquire 9.9% of the Company upon completion of Phase I of the AngloGold Farm-In Agreement but was reduced to $33,450 at September 30, 2024 as the derivative's expected life reduced.

Cash Flows

The Company is still considered to be in the exploration stage and as such does not earn any revenues or cash inflows from operations.

Total cash used in operating activities was $318,724 for the three months ended December 31, 2024 which is lower than the $523,630 for the comparative period in fiscal 2024 due to lower net losses, foreign exchange and reduction in operating payables.

Total cash flows provided from investing activities were $163,674 for the first quarter of fiscal 2025 in contrast to cash flows used by investing activities of $479,825 for the first quarter of fiscal 2024. The Company mobilized Phase I exploration program in July 2023 and Phase II in July 2024 both of which continued into fiscal 2025 pursuant to the AngloGold Farm-In Agreement in which the Company receives a 10% management fee for both phases. Monthly cash calls for the Phase I and Phase II exploration programs along with management fees earned of $130,804 resulted in net cash inflow from investing activities in the current quarter. In the first quarter of fiscal 2024, the Company mobilized and completed a drilling program for the Carron project which is a non AngloGold project, and incurred exploration expenditures of $378,348 which contributed to cash used by investing activities. Investing cash flows are also affected by cash paid or recovered for refundable security deposits.

Total cash flows provided by financing activities were $Nil for the first quarter of fiscal 2025 and $8,831 in the first quarter of fiscal 2024. Proceeds of $15,000 were received from the exercise of stock options in the prior quarter of fiscal 2024. Although it is generally foreseeable that there will likely be new capital raised by the Company in each successive period, the amount and terms of such financing will vary depending upon a number of circumstances, many of which are outside the control of the Company.

Going concern, liquidity, capital management, and contractual obligations

Going Concern and liquidity

The properties in which the Company currently holds an interest are in the exploration stage. The Company has not generated revenues or cash flows from operations since inception and does not expect to do so for the foreseeable future. As at December 31, 2024, the Company has approximately $2.42 million in working capital (September 30, 2024 - $2.49 million). The Company's financial liabilities of payables and accrued liabilities are generally payable within a 90-day period. In fiscal 2024, proceeds of $891,375 were received from the exercise of warrants.

The Interim Financial Statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future; and do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuation as a going concern depends on its ability to successfully raise financing through the issuance of debt or equity.

Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on acceptable terms, therefore giving rise to a material uncertainty, which may cast significant doubt as to whether the Company's cash resources and working capital will be sufficient to enable the Company to continue as a going concern for the 12-month period after the date of the Interim Financial Statements. A number of the circumstances that could impair management's ability to raise additional funds, or their ability to undertake transactions, are discussed in this MD&A under heading "*Risks and Uncertainties*". In particular, the Company's access to capital and its liquidity will be impacted by global macroeconomic trends, fluctuating commodity prices, and investor sentiment.

Consequently, management pursues various financing alternatives to fund operations and advance its business plans.

Capital Management

The Company manages its capital in order to meet short term business requirements, after taking into account cash flows from operations, expected capital expenditures and the Company's holdings of cash. To facilitate the management of its capital requirements, management prepare annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. On an ongoing basis, management evaluates and adjusts its planned level of activities, including planned exploration, development, permitting activities, and committed administrative costs, to ensure that adequate levels of working capital are maintained. The Company believes that this approach is reasonable, given its relative size and stage.

There may be circumstances where, for business reasons, funds may be re-allocated at the Company's discretion. While the Company remains focused on the continued exploration and advancement of its mineral property interests, management may (i) conclude to curtail certain operations; or (ii) should management enter into agreements in the future on new properties it may be necessary to make cash payments and complete work expenditure commitments under those agreements, which would change planned expenditures.

There are no known restrictions on the ability of the Company's affiliates to transfer or return funds amongst the group.

Contractual obligations

In addition to normal course operating contracts and agreements relating largely to exploration activities and for the retention of exploration personnel, the Company is also party to agreements to acquire mineral properties that are disclosed in the accompanying Interim Financial Statements, and in this MD&A.

In connection with a non-brokered private placement which closed on May 14, 2021 (the "2021 Private Placement"), the Company entered into an agreement providing Crescat Portfolio Management LLC ("Crescat") the right to purchase additional Inflection securities (the "Participation Right") up to its then proportional percentage. The Participation Right terminates on the date on which Crescat's ownership of common shares falls below 1% of the then outstanding common shares. The Company and Crescat also entered into a strategic shareholder agreement, dated July 20, 2022, whereby Crescat have agreed to share geologic and technical expertise with the Company from time to time.

Crescat participated in the fiscal 2022 financing, increasing its proportional percentage over that which it held prior to that financing, and again the fiscal 2023 financing which increased its proportional percentage.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the reported amounts of assets, liabilities, and expenses. A detailed presentation of all of the Company's material accounting policies and the estimates derived therefrom, along with discussion as to judgments and estimates made by management which might impact the financial information, and a summary of new accounting pronouncements, please refer to Note 3 of our disclosures in the Annual Financial Statements.

Related Party Transactions

In addition to the officers and directors of the Company, Inflection's related parties include (i) its subsidiaries; (ii) OCP Holdings Ltd. ("OCP"), as a reflection of its approximate 14.6% ownership interest in the Company at December 31, 2024; and (iii) those legal entities noted under the table below.

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.
(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.

Outstanding Securities

Common shares

The Company's authorized share capital consists of unlimited number of common shares without par value.

There were no changes in the Company's share capital for the three months ended December 31, 2024 are as follows:

	Number of Shares	Amount
Balance at September 30, 2023	95,057,670	$ 15,724,411
Issued:		
Exercise of stock options	325,000	63,336
Exercise of warrants	5,942,500	891,375
Share issue expenses	-	(8,726)
Balance at September 30, 2024 and December 31, 2024	101,325,170	$ 16,670,396

In fiscal 2024, stock options for 325,000 common shares were exercised for gross proceeds of $39,000 and warrants for 5.94 million common shares were exercised for gross proceeds of $891,375.

As at March 3, 2025, there were 101,325,170 common shares issued and outstanding.

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 is at the discretion of the Board of Directors. In the absence of a vesting schedule, such stock options shall vest immediately.

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

At March 3, 2025, stock options for 8,665,000 common shares remain outstanding, all of which are exercisable.

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.

At March 3, 2025, there were no outstanding warrants.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

Cash is carried at fair value using Level 1 fair value measurement. The carrying value of receivables and accounts payable approximate their fair value because of the short-term nature of these instruments.

The security deposits are refundable at a fixed amount in AUD and are carried at fair value using Level 1 fair value measurement, which is based on the Canadian dollar equivalent at the date of each statement of financial position.

Financial Risk Factors

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors is provided with updates from management as to changes in perceived risks, and is responsible for approving and monitoring risk management processes. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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. The majority of cash is deposited in bank accounts held with major banks in Canada and Australia. The risk is managed by using a major bank that is a high credit quality financial institution 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.

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 will be incurred in Australian dollars. The fluctuation of the Canadian dollar relation to the AUD will consequently have an impact upon the financial results of the Company.

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.

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 dollar could result in a decrease/increase of approximately $34,100 in the Company's net losses.

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.

Interest rate risk

Interest rate risk is the risk that fair value of 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, short-term Government Investment Certificates held with major bank in Canada, the Company is not exposed to interest rate risk.

Risks and Uncertainties

Exploration and mining companies face many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical.

The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income and must depend on equity financings as its main source of capital. Only the skills of its management and staff in mineral exploration and exploration financing serve to mitigate these risks and therefore are one of the main assets of the Company.

The following are the risk factors which the Company's management believes are most important in the context of the Company's business. It should be noted that this list is not exhaustive and that other risk factors may apply. An investment in the Company may not be suitable for all investors.

The Company has Limited History of Operations

The Company has limited history of operations and is in the early stages of exploration on its mining properties. The Company may experience higher costs than budgeted and delays which were not expected. The Company must also locate and retain qualified personnel to conduct exploration work. Further adverse changes in any one of such factors or the failure to locate and retain such personnel will have an additional adverse effect on the Company, its business and results of operations.

The Mining Industry is Speculative and of a Very High-Risk Nature

Mining activities are speculative by their nature and involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The Company's activities are in the exploration stage and such exploration is subject to the risk that previously reported inferred mineralization is not economic. If this occurs, the Company's existing resources may not be sufficient to support a profitable mining operation. The Company's activities are subject to a number of factors beyond its control including intense industry competition and changes in economic conditions, including some operating costs (such as electrical power). Its operations are subject to all the hazards normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to or loss of property and equipment and possible environmental damage. An adverse change in any one of such factors, hazards and risks would have a material adverse effect on the Company, its business and results of operations. This might result in the Company not meeting its business objectives.

The Company is Dependent on Various Key Personnel

The Company's success is dependent upon the performance of key personnel. The Company does not maintain life insurance for key personnel and the loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business and results of operations.

Title Matters

Title to and the area of mining claims may be disputed. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current state of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

Competition

The Company competes with many companies that have substantially greater financial and technical resources than the Company for the acquisition of mineral properties as well as for the recruitment and retention of qualified employees.

The Company's Activities might suffer Losses from or Liabilities for Risks which are not Insurable

The Company does not currently carry any form of political risk insurance, insurance for loss of or damage in respect of its equipment and property or any form of environmental liability insurance, since insurance is prohibitively expensive. The payment of any such liabilities would reduce the funds available to the Company. If the Company suffers damage to its equipment, it might be required to suspend operations or enter into costly interim compliance measures pending completion of a permanent remedy.

The Company is Subject to Substantial Environmental Requirements which Could Cause a Restriction or Suspension of our Operations

The current and anticipated future operations and exploration activities of the Company on its projects in Australia require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, State and local laws and regulations governing various elements of the extractive industry. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

As the Company is presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require Inflection to provide remedial actions to correct the negative effects. Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Conflicts of interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

Information Systems Security Threats

The Company's operations depend upon information technology systems which may be subject to disruption, damage or failure from different sources, including, without limitation, installation of malicious software, computer viruses, security breaches, cyber-attacks and defects in design.

Although to date, the Company has not experienced any material losses related to cyber-attacks or other information security breaches, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attacks, damage or unauthorized access remain a priority. As the threat landscape is ever-changing, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Weather Events

The Company is exposed to physical risks related to climate change including extreme weather events such as floods, longer wet or dry seasons, increased temperatures and drought, increased precipitation and snowfall and wildfires. Such events can temporarily slow or halt operations due to physical damage of assets, shortage of resources and route disruptions that may limit the transportation of materials and personnel. Additionally, regulations and taxes developed to regulate the transition to a low-carbon economy and energy efficiency may result in increased operation costs including environmental monitoring, increased reporting and other costs to comply with such regulations.

Additional disclosure for Venture Issuers without Significant Revenue

Additional disclosure concerning the Company's general and administrative expenses and mineral exploration property costs are provided in the statements of loss and comprehensive loss and notes to the Interim Financial Statements. These financial statements are available on the Company's SEDAR+ profile accessed through [www.sedarplus.ca.](http://www.sedarplus.ca)

Proposed Transactions

There are no proposed material transactions. However, as is typical of the mineral exploration and development industry, management of the Company continually review potential merger, acquisition, investment, joint venture transactions, and opportunities that could enhance shareholder value. The Company also notes that in order to satisfy its capital requirements and continue to undertake planned exploration programs it will be necessary to raise funds, likely through the issuance of common shares, or units including warrants, from time to time. There is no guarantee that any contemplated transaction will be concluded.

Off Balance Sheet Arrangements and Legal Matters

The Company has no off-balance sheet arrangements, and there are no material outstanding legal matters of which management is aware except as disclosed in its continuous disclosure filings.

Disclosure Controls and Procedures

Disclosure Controls and Procedures Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

CSE-listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a CSE issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Scientific and Technical Disclosure

The Company's mineral property interests are all early stage and do not contain any mineral resource estimates as defined by NI 43-101. The potential quantities and grades disclosed herein are conceptual in nature and there has been insufficient exploration to define a mineral resource for the targets disclosed herein. It is uncertain if further exploration will result in targets on any of Company's mineral property interests being delineated as a mineral resource.

The Company's exploration program is directed by Mr. Douglas Menzies (BSc, MAIG, RPGeo), the Company's Vice President Exploration. Carl Swensson (FAusIMM), a consultant to the Company is a "Qualified Person" ("QP") as defined in National Instrument 43-101 and has reviewed and approved the scientific and technical information contained in this MD&A.

Subsequent Events Not Otherwise Described Herein

With the exception of transactions and activities described in this MD&A and in the Interim Financial Statements and in the Company's other continuous disclosure filings, there were no undisclosed material subsequent events.

Board of Directors and Officers of the Company

As at the date of this report, the directors of the Company are Alistair Waddell (President and Chief Executive Officer), Wendell Zerb (Chair), Fraser MacCorquodale, Cecil R. Bond, Tero Kosonen, and Stuart Smith. Douglas Menzies is Vice President, Exploration, Sandra Wong is Corporate Secretary, and Philip Yee is Chief Financial Officer.

The Board has approved the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it, and links to it will be posted to the Company's website.

(signed) Alistair Waddell
Alistair Waddell

President and Chief Executive Officer