



Windfall Geotek Inc.

Condensed Interim Consolidated Financial Statements

For the Six Months Ended August 31, 2024 and 2023
(Unaudited – Expressed in Canadian Dollars)

Notice to Reader

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

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

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

Windfall Geotek Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Note	August 31, 2024	February 29, 2024
Current Assets			
Cash		\$ 126,232	\$ 331,383
Amounts receivable	4	19,836	21,021
Prepaid expenses		1,711	35,065
Marketable securities	7	269,570	634,538
Loan receivable	5	103,484	-
		<u>520,833</u>	<u>1,022,007</u>
Non-current assets			
Exploration and evaluation assets	8	1	1
		<u>1</u>	<u>1</u>
TOTAL ASSETS		\$ 520,834	\$ 1,022,008
Liabilities			
Accounts payable and accrued liabilities	9	\$ 83,218	\$ 90,445
		<u>83,218</u>	<u>90,445</u>
Equity			
Share capital	10	42,953,353	42,953,353
Contributed surplus	10	7,335,170	7,484,491
Warrants	10	-	60,356
Deficit		(49,850,907)	(49,566,637)
		<u>437,616</u>	<u>931,563</u>
TOTAL LIABILITIES AND EQUITY		\$ 520,834	\$ 1,022,008

Nature of operations (Note 1)

Events after the reporting period (Note 18)

Approved by the Board of Directors:

“David Beck”
Director

“Dorian Nichol”
Director

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

Windfall Geotek Inc.

Condensed Interim Consolidated Statements of Operations

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

	Note	Three months ended		Six months ended	
		August 31,		August 31,	
		2024	2023	2024	2023
Revenue					
AI services		\$ 25,000	\$ 5,000	\$ 125,000	\$ 247,500
Operating expenses					
Amortization and depreciation	6	-	(1,677)	-	(3,354)
Exploration and evaluation expenditures	8	-	(12,000)	-	(27,200)
General and administration	11 & 12	(294,349)	(270,779)	(502,545)	(603,624)
Share-based compensation	10 & 12	-	-	-	(2,186)
		(324,349)	(284,456)	(532,545)	(636,364)
Operating loss					
		(299,349)	(279,456)	(407,545)	(388,864)
Unrealized gain (loss) on marketable securities	7	534,417	(85,928)	619,017	(284,836)
(Loss) gain on sale of marketable securities	7	(682,484)	-	(708,903)	39,433
Gain on disposal of mining assets	8	-	-	-	146,447
Gain on CEBA loan	11	-	-	-	-
Interest income		3,484	-	3,484	-
		(144,583)	(85,928)	(86,402)	(98,956)
Net Loss and comprehensive loss for the period					
		\$ (443,932)	\$ (365,384)	\$ (493,947)	\$ (487,820)
Weighted average number of outstanding common shares					
Basic and diluted		134,095,628	133,536,612	134,095,628	133,595,628
(Loss) per share					
Basic and diluted		\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

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

Windfall Geotek Inc.
Condensed Interim Consolidated Statements of Changes in Equity
For the six months ended August 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	Number of Common Shares	Share Capital (Note 10)	Contributed Surplus (Note 10)	Warrants (Note 10)	Deficit	Total Equity
Balance, February 28, 2023	133,595,628	42,914,048	7,510,535	1,468,754	(49,466,114)	2,427,223
Expired warrants	-	-	-	(1,408,398)	1,408,398	-
Expired options	-	-	(5,342)	-	5,342	-
Share-based compensation	-	-	2,186	-	-	2,186
Net loss and comprehensive loss for the period	-	-	-	-	(487,820)	(487,820)
Balance, August 31, 2023	133,595,628	42,914,048	7,507,379	60,356	(48,540,194)	1,941,589
Options exercised	500,000	39,305	(14,305)	-	-	25,000
Expired options	-	-	(8,583)	-	8,583	-
Net loss and comprehensive loss for the period	-	-	-	-	(1,035,026)	(1,035,026)
Balance, February 29, 2024	134,095,628	42,953,353	7,484,491	60,356	(49,566,637)	931,563
Expired options	-	-	(149,321)	-	149,321	-
Expired warrants	-	-	-	(60,356)	60,356	-
Net loss and comprehensive loss for the period	-	-	-	-	(493,947)	(493,947)
Balance, August 31, 2024	134,095,628	\$ 42,953,353	\$ 7,335,170	\$ -	\$ (49,850,907)	\$ 437,616

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

Windfall Geotek Inc.
Condensed Interim Consolidated Statements of Cash Flows
For the six months ended August 31, 2024 and 2023
(Unaudited - Expressed in Canadian Dollars)

	<u>2024</u>	<u>2023</u>
Operating activities		
Net loss for the period	\$ (493,947)	\$ (487,820)
Items not affecting cash:		
Amortization and depreciation	-	3,354
Unrealized (gain) loss on marketable securities	(619,017)	284,836
Interest income	(3,484)	-
Gain on disposal of mining assets	-	(146,447)
Loss (gain) on sale of marketable securities	708,903	(39,433)
Share-based compensation	-	2,186
	<u>(407,545)</u>	<u>(383,324)</u>
Changes in working capital items:		
Amounts receivable	1,185	(116,716)
Prepaid expenses	33,354	(6,742)
Loan receivable	(100,000)	-
Accounts payable and accrued liabilities	(7,227)	(19,833)
Cash flows used in operating activities	<u>(480,233)</u>	<u>(526,615)</u>
Investing activities		
Proceeds received on disposition of marketable securities	275,082	60,933
Cash flows provided by investing activities	<u>275,082</u>	<u>60,933</u>
Net change in cash	(205,151)	(465,682)
Cash, beginning of period	<u>331,383</u>	<u>1,282,810</u>
Cash, end of period	<u>\$ 126,232</u>	<u>\$ 817,128</u>

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

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

1. Nature of Operations

Windfall Geotek Inc. ("Windfall" or the "Company") was incorporated under the Canada Business Corporations Act (Alberta) on February 23, 1996. The nature of operations involves the acquisition, exploration, and development of mineral resource properties. Windfall Geotek Inc. and its subsidiaries (hereinafter the "Company") are in the exploration stage and do not derive any revenue from the development of their properties. The Company also offers artificial intelligence software services to help clients identify high-potential targets. The Company is exploring a new business model through which it will advance its' projects using the Company's artificial intelligence software platform. This transition from pure service revenues to service revenues plus asset accumulation is part of the Company's strategy to maximize returns to investors.

The Company's common shares are listed on the TSX Venture Exchange ("TSX.V") (the "Exchange") under the symbol WIN. The Company obtained a listing on the OTCQB effective October 21, 2020 under the symbol WINKF.

The Company's office is located at 7005 Taschereau Boulevard Suite 265, Brossard, Quebec, Canada, J4Z 1A7.

The business of exploring for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish ore reserves, to develop metallurgical processes, to acquire construction and operating permits and to construct mining and processing facilities.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of operations of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, indigenous claims, and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, political uncertainty and currency exchange fluctuations and restrictions.

These consolidated financial statements have been prepared by management on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the six months ended August 31, 2024, the Company incurred a net loss of \$493,947 (2023 - \$487,820) and had an accumulated deficit of \$49,850,907 as at August 31, 2024 (February 29, 2024 - \$49,566,637). As at August 31, 2024, the Company had working capital of \$437,615 (February 29, 2024 - \$931,562). The continuing operations of the Company are dependent upon its ability to continue to raise adequate equity financing in the future and repay its liabilities arising from normal business operations as they become due. These material uncertainties may cast significant doubt about the Company's ability to continue as a going concern.

These consolidated financial statements were approved and authorized for issue by the board of directors on October 30, 2024.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION, AND CONSOLIDATION

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 – Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”) in effect on August 31, 2024 and the same accounting policies and methods of their application as the most recent annual financial statements for the Company. These condensed interim consolidated financial statements do not include all the disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audit financial statements for the year ended February 29, 2024.

In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ended February 29, 2024.

These condensed interim consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. The Company controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All significant inter-company balances and transactions have been eliminated upon consolidation.

The following companies have been consolidated within these consolidated financial statements:

Name of subsidiary	Place of incorporation	Ownership interest	Principal activity
Private Ontario Corp.	Ontario, Canada	100%	Holding company
Tropic Diamonds Inc.	Ontario, Canada	100%	Holding company
Ampanihy Resources S.A.R.L	Madagascar	100%	Holding company
SIMACT Alliance Copper Gold Inc.	Montreal, Canada	100%	Exploration company

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amount of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements and may require accounting adjustments based on future occurrences.

Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are noted below with further details of the assumptions contained in the relevant note.

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the six months ended August 31, 2024 are consistent with those applied and disclosed in Note 4 to the Company's audited consolidated financial statements for the year ended February 29, 2024.

a) Foreign currency translation

The functional currency of the Company and its subsidiaries is the Canadian dollar. Foreign currency transactions are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate in effect at the financial statement date. Exchange gains or losses arising from these translations are recognized in profit or loss for the reporting period.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

4. ACCOUNTS RECEIVABLE

	August 31, 2024	February 29, 2024
Trade receivables	\$ -	\$ -
GST/QST receivable	19,836	21,021
Balance, end of period	\$ 19,836	\$ 21,021

5. LOAN RECEIVABLE

During the six months ended August 31, 2024, the Company entered into two term loans with Catalyst Mines Ltd. The term loans earn interest at 10% per annum with \$60,000 maturing on March 25, 2025 and \$40,000 maturing on May 9, 2025. As at August 31, 2024, the Company has accrued interest income of \$3,484.

6. OFFICE EQUIPMENT

	August 31, 2024	February 29, 2024
Cost:		
Balance – Beginning of year	\$ 33,548	\$ 33,548
Additions during the year	-	-
Balance, end of year	33,548	33,548
Accumulated depreciation:		
Balance, beginning of year	(33,548)	(22,007)
Additions during the year	-	(11,541)
Balance, end of year	(33,548)	(33,548)
Net book value:		
Balance, beginning of year	-	11,541
Decrease during the year	-	(11,541)
Balance, end of year	\$ -	\$ -

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES

Marketable securities consist of equity securities of customers purchased by the Company or received as option payments, which the Company does not have control or significant influence over.

As at August 31, 2024 and February 29, 2024, the change in marketable securities is as follows:

	August 31, 2024	February 29, 2024
Balance, beginning of period	\$ 634,538	\$ 1,018,364
Received on the disposal of mining assets	-	146,447
Dispositions	(983,985)	(71,946)
Unrealized gain (loss) on marketable securities	619,017	(458,327)
Balance, end of period	\$ 269,570	\$ 634,538

As at August 31, 2024, the Company held the following marketable securities:

Company	Shares Held	Cost	Fair Value
Blue Thunder Mining Inc.	265,957	50,000	14,628
Catalyst Mines Inc. (private)	1,000,000	100,000	100,000
Dryden Gold Corp	80,000	20,000	13,600
Platinex Inc*	250,000	50,000	25,000
MacDonald Mines Exploration	300,000	120,000	12,000
S2 Minerals Inc.	526,315	78,947	36,842
QC Copper and Gold Corp.	500,000	67,500	67,500
		\$ 486,447	\$ 269,570

* On September 11, 2024, Platinex Inc. completed a 4:1 share consolidation.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES (continued)

- During the six months ended August 31, 2024, the Company disposed of 700,000 shares of Big Tree Carbon Inc. with a cost base of \$96,000, for total proceeds of \$9,930, realizing a loss on the sale of marketable securities of \$86,070.
- During the six months ended August 31, 2024, the Company disposed of 64,676 shares of Canadian Copper Inc. with a cost base of \$16,169, for total proceeds of \$4,306, realizing a loss on the sale of marketable securities of \$11,863.
- During the six months ended August 31, 2024, the Company disposed of 1,500,000 shares of BWR Exploration Inc. with a cost base of \$75,000, for total proceeds of \$12,885, realizing a loss on the sale of marketable securities of \$62,115.
- During the six months ended August 31, 2024, the Company disposed of 353,000 shares of Power Nickel Inc., with a cost base of \$35,300, for total proceeds of \$91,395, realizing a gain on the sale of marketable securities of \$56,095.
- During the six months ended August 31, 2024, the Company disposed of 110,000 shares of Flow Metals Corp. with a cost base of \$115,000, for total proceeds of \$6,120, realizing a loss on the sale of marketable securities of \$108,880.
- During the six months ended August 31, 2024, the Company disposed of 18,593 shares of Renegade Gold Inc. with a cost base of \$175,000, for total proceeds of \$4,279, realizing a loss on the sale of marketable securities of \$170,721.
- During the six months ended August 31, 2024, the Company disposed of 1,975,000 shares of Playfair Mining Ltd., with a cost base of \$98,750, for total proceeds of \$36,175, realizing a loss on the sale of marketable securities of \$62,575 .
- During the six months ended August 31, 2024, the Company disposed 1,027,000 shares of Puma Exploration Inc. with a cost base of \$184,004, for total proceeds of \$65,613, realizing a loss on the sale of marketable securities of \$118,391.
- During the six months ended August 31, 2024, the Company disposed of 232,143 shares of Nine Mile Metals Ltd. with a cost base of \$65,000, for total proceeds of \$24,919, realizing a loss on the sale of marketable securities of \$40,081.
- During the six months ended August 31, 2024, the Company disposed of 562,553 shares of Quebec Precious Metals Corporation with a cost base of \$123,762, for total proceeds of \$19,460, realizing a loss on the sale of marketable securities of \$104,302.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

7. MARKETABLE SECURITIES (continued)

As at February 29, 2024, the Company held the following marketable securities:

Company	Shares Held	Cost	Fair Value
Big Tree Carbon Inc	700,000	\$ 96,000	\$ 28,000
Blue Thunder Mining Inc.	265,957	50,000	17,287
Canadian Copper Inc	64,676	16,169	5,497
Catalyst Mines Inc. (private)	1,000,000	100,000	100,000
Dryden Gold Corp (private)	80,000	20,000	9,600
BWR Exploration Inc.	1,500,000	75,000	30,000
Power Nickel Inc.	353,000	35,300	77,660
Flow Metals Corp.	110,000	115,000	8,250
Renegade Gold Inc. *	18,593	175,000	4,648
Platinex Inc	1,000,000	50,000	35,000
Playfair Mining Ltd.	1,975,000	98,750	59,250
Puma Exploration Inc.	1,027,000	184,004	102,700
MacDonald Mines Exploration	300,000	120,000	21,000
Nine Mile Metals Ltd.	232,143	65,000	18,571
S2 Minerals Inc.	526,315	78,947	28,947
QC Copper and Gold Corp.	500,000	67,500	60,000
Quebec Precious Metals Corporation	562,553	123,762	28,128
		\$ 1,470,432	\$ 634,538

- During the year ended February 29, 2024, the Company disposed of 397,000 shares of Power Nickel Inc., with a cost base of \$39,700, for total proceeds of \$101,811, realizing a gain on the sale of marketable securities of \$62,111.
- During the year ended February 29, 2024, the Company disposed 173,000 shares of Puma Exploration Inc. with a cost base of \$30,996, for total proceeds of \$17,290, realizing a loss on the sale of marketable securities of \$13,706.
- During the year ended February 29, 2024, the Company disposed of 25,000 shares of Playfair Mining Ltd., with a cost base of \$1,250, for total proceeds of \$740, realizing a loss on the sale of marketable securities of \$510.

As at August 31, 2024 and February 29, 2024, the Company held the following share purchase warrants that are exercisable into one common share:

Company	Warrants	Exercise price	Expiry Date
Blue Thunder Mining Inc.	265,957	\$ 0.33	December 29, 2024
Dios Exploration Inc.	250,000	\$ 0.10	August 12, 2026

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

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(Unaudited - Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASSETS

The Company owns certain claims in the provinces of Ontario and Quebec, which includes the Sobeski Lake property that consists of certain mining claims covering an approximate area of 2,253 hectares in Red Lake, Ontario.

Properties Optioned and Sold

Marshall Lake

On March 17, 2022, the Company entered into a property option agreement with a private Canadian company ("Private-Co"), pursuant to which Private-Co was granted the option to earn up to an undivided 90% interest in certain claims comprising the Marshall Lake property. In order for Private-Co to acquire an undivided 90% interest in the claims, it must:

- Pay \$10,000 (received) in cash to the Company and incur \$75,000 in exploration expenditures within 30 days following the effective date of the option agreement whereafter the optionee shall have earned 20% legal interest in the property;
- On or before March 17, 2023, pay \$10,000 (received) in cash to the Company and incur an additional \$100,000 in exploration expenditures whereafter the optionee shall have earned 40% legal interest in the property; and
- On or before March 17, 2024, pay \$10,000 in cash to the Company and incur an additional \$150,000 in exploration expenditures whereafter the optionee shall have earned 90% legal interest in the property.

Upon exercise of the option, the Company shall become entitled to a 2% NSR.

During the year ended February 29, 2024, the Optionee provided notice to the Company that they would not be exercising their option to earn 90% of the claims.

Ontario Claims 1 – Burnt Bush

On August 17, 2022, the Company entered into a property option agreement with a private Canadian company ("the Optionee"), pursuant to which the Optionee was granted the option to earn up to a 100% interest in certain claims in the province of Ontario. In consideration for a series of payments to the Company consisting of cash and common shares along with exploration expenditures.

During the year ended February 29, 2024, the Optionee provided notice to the Company that they would not be exercising their option to earn 100% of the claims.

During the year ended February 29, 2024, the Optionee provided notice to the Company that they would not be exercising their option to earn 100% of the claims.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

8. EXPLORATION AND EVALUATION ASETS (continued)

Ontario Claims 2 – Barnett

On August 17, 2022, the Company entered into a property option agreement with the Optionee, pursuant to which the Optionee was granted the option to earn up to a 100% interest in certain claims in the province of Ontario. In consideration for a series of payments to the Company consisting of cash and common shares along with exploration expenditures.

Chapais

On March 3, 2023, the Company entered into a mining property acquisition agreement with QC Copper & Gold Inc. ("QC") whereby QC has acquired certain claims comprising the Chapais property by issuing 500,000 common shares of QC (\$67,500 – received) to the Company. The Company will retain a 2% net smelter royalty ("NSR"), which the purchaser can buy back 1% of the NSR for \$1,000,000.

Ring of Fire, Northern Ontario

On March 18, 2022, the Company sold claims in northern Ontario for total proceeds of \$300,000 cash (received) plus a 2% NSR. The purchaser can buy back 1% of the NSR for \$1,000,000. Pursuant to the original agreement, the Company is to receive additional compensation if the property is acquired by a public company within an allotted time frame. On April 17, 2023, the Company received 526,315 shares (\$78,947) of S2 Minerals Inc. ("S2") upon S2 acquiring the property.

New Brunswick

On January 11, 2023, the Company entered into an agreement to sell a New Brunswick mineral claim to Nine Mile Metals Ltd. for total consideration of \$65,000 payable in common shares (232,143 common shares - received) plus a 2% NSR. The purchaser can buy back 1% of the NSR for \$500,000.

Exploration and Evaluation Expenditures

During the three months ended August 31, 2024 and 2023, the Company incurred the following expenses relating to its mineral claims:

	August 31, 2024	August 31, 2023
Claim staking	\$ -	\$ 2,500
Geological consulting	-	24,700
	\$ -	\$ 27,200

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

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(Unaudited - Expressed in Canadian Dollars)

9. ACCOUNTS PAYABLE and ACCRUED LIABILITIES

	August 31, 2024	February 29, 2024
Accounts payable (Note 12)	\$ 68,218	\$ 24,945
Accrued liabilities	15,000	55,000
	<u>\$ 83,218</u>	<u>\$ 79,945</u>

10. SHARE CAPITAL

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued and outstanding

As at August 31, 2024, the issued share capital was comprised of 134,095,628 (February 29, 2024 – 134,095,628) common shares.

There were no share issuances during the six months ended August 31, 2024.

During the year ended February 29, 2024, the Company issued common shares as follows:

- On September 8, 2023, 500,000 options with an exercise price of \$0.05 were exercised for total proceeds of \$25,000. As a result, \$14,305 was allocated to share capital from contributed surplus in the third quarter ended November 30, 2023.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

10. SHARE CAPITAL (cont'd...)

c) Stock options

The Company has a stock option plan whereby the Board of Directors may grant to directors, officers, or consultants of the Company options to acquire common shares. The Board of Directors has the authority to determine the terms and conditions of the grant of options. The Board of Directors approved a “rolling” stock option plan (the “Plan”) reserving a maximum of 10% of the shares of the Company at the time of the stock option grant, with a vesting period allowed of zero up to 18 months, when the grant of option is made at market price, for the benefit of its directors, officers, employees, and consultants. The Plan provides that no single person may hold options representing more than 5% of the outstanding common shares. The number of stock options granted to a beneficiary and the vesting period are determined by the Board of Directors.

The exercise price of any option granted under the Plan is fixed by the Board of Directors at the time of the grant and cannot be less than the market price per common share the day before the grant. The term of an option will not exceed five years from the date of grant. Options are not transferable and can be exercised while the beneficiary remains a director, an officer, an employee, or consultant of the Company and between three and 12 months after the beneficiary has left.

The changes to the number of stock options granted by the Company and their weighted average exercise price are as follows:

	August 31, 2024		February 29, 2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Stock options				
Balance, beginning of year	8,020,000	\$ 0.10	8,860,000	\$ 0.10
Exercised	-	-	(500,000)	0.05
Expired	(650,000)	-	(340,000)	0.10
Balance, end of year	7,370,000	0.10	8,020,000	0.10
Options exercisable, end of year	7,340,000	\$ 0.10	7,990,000	\$ 0.10

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

10. SHARE CAPITAL (cont'd...)

c) Stock options (cont'd...)

As at August 31, 2024, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	Options	Options Exercisable	Weighted Average Life
July 7, 2025	0.09	1,100,000	1,100,000	2.07
March 23, 2026	0.10	2,500,000	2,500,000	2.78
March 29, 2026	0.10	900,000	900,000	2.79
May 11, 2026	0.30	90,000	60,000	2.91
December 22, 2026	0.095	900,000	900,000	3.51
February 1, 2027	0.085	250,000	250,000	3.62
October 4, 2027	\$ 0.075	1,630,000	1,630,000	4.28
		7,370,000	7,340,000	2.83

During the six months ended August 31, 2024, \$nil (2023 – \$2,186) has been recognized as share-based compensation in the consolidated statement of operations.

There were no stock options issued during the six months ended August 31, 2024 and 2023.

Windfall Geotek Inc.

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(Unaudited - Expressed in Canadian Dollars)

10. SHARE CAPITAL (cont'd...)

c) Warrants

As at August 31, 2024 and February 29, 2024, the following share purchase warrants were outstanding:

Expiry Date	Exercise Price	August 31, 2024	February 29, 2024
April 11, 2024	\$0.095	-	1,536,180
		-	1,536,260

On April 11, 2024, 1,536,260 warrants with an exercise price of \$0.095 expired unexercised.

Changes in the Company's warrants are as follows:

	Number of warrants	Weighted average exercise price
Balance, February 28, 2023	11,536,260	\$ 0.45
Expired	(10,000,000)	0.50
Balance, February 29, 2024	1,536,260	0.095
Expired	(1,536,180)	0.095
Balance, August 31, 2024	-	\$ -

The weighted average contractual life of all warrants outstanding as at August 31, 2024, is nil years (February 29, 2024 – 0.12 years).

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(Unaudited - Expressed in Canadian Dollars)

11. GENERAL AND ADMINISTRATION

	Three months August 31, 2024	Three months August 31, 2023	Six months August 31, 2024	Six months August 31, 2023
Consulting fees and salaries (Note 12)	\$ 170,425	\$ 206,211	\$ 329,707	\$ 479,198
Travel and promotion	-	3,559	8,670	3,766
Shareholder information	38,724	18,891	51,583	29,820
Professional fees	73,391	21,581	82,675	50,157
General & Administration	11,809	20,537	29,910	40,683
	\$ 294,349	\$ 270,779	\$ 502,545	\$ 603,624

12. RELATED PARTY TRANSACTIONS

Related party transactions are recorded at the exchange amount as agreed by the parties. Related party transactions not otherwise disclosed in the financial statements are:

	Three months August 31, 2024	Three months August 31, 2023	Six months August 31, 2024	Six months August 31, 2023
Consulting fees	\$ 48,000	\$ 45,000	\$ 66,000	\$ 90,000
Salaries and benefits	15,986	53,711	57,524	146,885
Share-based compensation	-	-	-	2,186
	\$ 63,986	\$ 98,711	\$ 123,524	\$ 239,071

Due to/from related parties

As at August 31, 2024, directors and key management personnel were owed \$nil (February 28, 2024 - \$nil).

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

13. SEGMENT INFORMATION

The Company has determined that it operates in two segments, being acquisition, exploration, and development of mineral properties for economically recoverable reserves in Canada and providing AI services. During the six months ended August 31, 2024, the Company's revenue relates to the providing of AI services to clients in the mineral exploration industry. All of the non-current assets are located in Canada.

14. MANAGEMENT OF CAPITAL

The Company's objective is to ensure the entity continues as a going concern as well as to achieve optimal returns for shareholders. Management adjusts the capital structure as necessary to support the acquisition, exploration, and development of its mineral properties and to further develop its AI services business. The Company's primary source of funds comes from revenues derived from the AI services business and through the issuance of share capital. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company defines its capital as equity. Capital requirements are driven by the Company's AI services business and exploration activities on its mineral properties. To effectively manage the Company's capital requirements, the Company has a planning and budgeting process in place to ensure that adequate funds are available to meet its strategic goals. The Company monitors actual expenses to budget on all exploration projects and overhead to manage costs, commitments, and exploration activities.

There have been no changes to the Company's approach to capital management during the six months ended August 31, 2024.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

For the six months ended August 31, 2024 and 2023

(Unaudited - Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS

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

Market Risk

Market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices or prevailing conditions. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk and are disclosed as follows:

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company holds no financial instruments that are denominated in a currency other than Canadian dollars. As at August 31, 2024 and 2023, the Company is not exposed to currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate because of changes in market risk. The Company's sensitivity to interest rates relative to its cash balances is currently immaterial. The Company also has no long-term debt with variable interest rates, so it has no negative exposure to changes in the market interest rate.

(iii) Price rate risk

The Company has no exposure to price risk with respect to equity prices as the Company is not listed. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. As at August 31, 2024 and 2023, the Company holds shares of publicly listed companies (Note 7) and is exposed to market risk from unfavourable or favourable changes in market conditions.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. The Company limits the exposure to credit risk by only investing its cash with high-credit quality financial institutions. Management believes that the credit risk related to its cash is negligible.

Windfall Geotek Inc.

Notes to the condensed interim consolidated financial statements

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(Unaudited - Expressed in Canadian Dollars)

15. FINANCIAL INSTRUMENTS (cont'd)

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At August 31, 2024, the Company has a cash balance of \$126,232 and a marketable securities balance of \$269,570 to settle current liabilities of \$83,218. The Company is exposed to liquidity risk and will require additional equity financings in the future if revenues cannot sustain operational cash flows.

Fair Value Measurements

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, and
- Level 3 – Inputs that are not based on observable market data.

As at August 31, 2024, the Company's financial instruments consist of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities. Marketable securities are accounted for as FVTPL with \$169,570 using level 1 inputs and \$100,000 using level 2 inputs. Accounts payable and accrued liabilities are classified as amortized cost. The fair value of cash, receivables, and accounts payable and accrued liabilities approximates its carrying value because of the short-term nature of the instruments.

16. EVENTS AFTER THE REPORTING PERIOD

There were no significant events after the reporting period.