

AJN RESOURCES INC.

Condensed Interim Consolidated Financial Statements

For the three months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended October 31, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of AJN Resources Inc. for the interim periods ended October 31, 2024 and 2023, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, Dale Matheson Carr-Hilton LaBonte LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

December 20, 2024

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	October 31, 2024	July 31, 2024
		\$	\$
ASSETS			
Current			
Cash		544,282	320,255
GST receivable		11,653	9,490
Prepaid expenses and deposits	6	41,886	50,562
		597,821	380,307
Reclamation bond	7(a)	19,142	19,142
Exploration and evaluation assets	7	708,200	455,698
Equipment	8	86,194	92,920
Total assets		1,411,357	948,067
LIABILITIES			
Current			
Accounts payable and accrued liabilities	11	498,038	553,474
Accrued interest payable	9	23,574	15,658
Convertible debenture	9	1,256,115	1,256,115
Loans payable	10(b),11	-	150,000
Subscription liabilities	10(b)	561,700	-
Total liabilities		2,339,427	1,975,247
SHAREHOLDERS' DEFICIENCY			
Share capital	10(b)	7,305,585	6,698,694
Units to be issued	10(b)	-	310,000
Reserves		3,774,282	3,430,929
Accumulated other comprehensive loss		(100,011)	(74,687)
Deficit		(11,907,926)	(11,392,116)
Total shareholders' deficiency		(928,070)	(1,027,180)
Total liabilities and shareholders' deficiency		1,411,357	948,067

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Klaus Eckhof"

Director

/s/ "Mark Gasson"

Director

AJN RESOURCES INC.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended	
	Note	2024	October 31,
		\$	2023
			\$
Operating expenses (income)			
Depreciation	8	7,307	7,264
Exploration expenses	7(e)	201,921	273,657
Filing fees		5,894	4,832
Management fees	10(c),11	139,708	120,000
Marketing expense (recovery)		(10,562)	90,262
Office and miscellaneous		10,941	15,303
Professional fees		64,989	31,493
Travel expenses		9,718	3,930
		429,916	546,741
Other income (expenses)			
Interest expense	9	(7,915)	(7,916)
Foreign exchange gain (loss)		22,557	(16,739)
Loss on debt settlement	10(b)	(100,536)	-
Net loss for the period		(515,810)	(571,396)
Other comprehensive income (loss)			
Translation of foreign operations to presentation currency		(25,324)	25,145
Comprehensive loss for the period		(541,134)	(546,251)
Net loss per share:			
Basic and diluted		(0.01)	(0.01)
Weighted average number of common shares:			
Basic and diluted		48,764,848	40,898,163

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	2024	October 31, 2023
	\$	\$
Operating activities		
Net loss for the period	(515,810)	(571,396)
Adjustments for:		
Depreciation	7,307	7,264
Interest expense	7,915	7,916
Unrealized foreign exchange loss	(29,686)	(703)
Loss on debt settlement	100,536	
Share-based compensation	19,708	-
Changes in non-cash working capital:		
GST receivable	(2,163)	(3,082)
Prepaid expenses and deposits	8,853	(22,622)
Accounts payable and accrued liabilities	(55,405)	(161,276)
Cash used in operating activities	(458,745)	(743,899)
Investing activities		
Investment in exploration and evaluation assets	(68,971)	(481,494)
Purchases of equipment	-	(104,753)
Cash used in investing activities	(68,971)	(586,247)
Financing activities		
Proceeds from private placement	190,000	2,081,395
Proceeds from units subscription	561,700	-
Cash provided by financing activities	751,700	2,081,395
Effect of exchange rate on changes in cash	43	9,038
Change in cash	224,027	760,287
Cash, beginning of period	320,255	1,171,941
Cash, end of period	544,282	1,932,228
Supplemental cash flow information:		
Cash income taxes paid	-	-
Cash interest paid	-	-
Non-cash investment in exploration and evaluation assets	180,000	-
Fair value of units issued to settle loans payable	250,536	-

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

AJN RESOURCES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares	Share capital	Units to be issued	Reserves	Accumulated other comprehensive loss	Deficit	Total shareholders' equity (deficiency)
	#	\$	\$	\$	\$	\$	\$
Balance, July 31, 2023 (Restated - Note 5)	28,795,500	4,777,780	1,109,985	1,265,596	(22,019)	(7,184,741)	(53,399)
Shares to be issued	13,415,000	2,184,634	(1,109,985)	1,169,116	-	-	2,243,765
Share issuance costs	-	(263,720)	-	101,350	-	-	(162,370)
Translation of foreign operations to presentation currency	-	-	-	-	25,145	-	25,145
Net loss for the period	-	-	-	-	-	(571,396)	(571,396)
Balance, October 31, 2023	42,210,500	6,698,694	-	2,536,062	3,126	(7,756,137)	1,481,745
Units to be issued	-	-	310,000	-	-	-	310,000
Share-based compensation	-	-	-	894,867	-	-	894,867
Translation of foreign operations to presentation currency	-	-	-	-	(77,813)	-	(77,813)
Net loss for the period	-	-	-	-	-	(3,635,979)	(3,635,979)
Balance, July 31, 2024	42,210,500	6,698,694	310,000	3,430,929	(74,687)	(11,392,116)	(1,027,180)
Units issued in private placement	5,000,000	284,391	(310,000)	215,609	-	-	190,000
Units issued in settlement of debt	1,500,000	142,500	-	108,036	-	-	250,536
Shares issued in acquisition of Kabunda South Project	2,000,000	180,000	-	-	-	-	180,000
Share-based compensation	-	-	-	19,708	-	-	19,708
Translation of foreign operations to presentation currency	-	-	-	-	(25,324)	-	(25,324)
Net loss for the period	-	-	-	-	-	(515,810)	(515,810)
Balance, October 31, 2024	50,710,500	7,305,585	-	3,774,282	(100,011)	(11,907,926)	(928,070)

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

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

AJN Resources Inc. (the "Company") was incorporated under the Business Corporations Act of British Columbia on September 1, 2016. On June 12, 2018, the Company listed its shares on the Canadian Securities Exchange ("CSE") under the symbol "AJN", and on the Frankfurt Stock Exchange under the symbol "5AT". The address of the Company's registered office and principal place of business is Suite 1400 - 1199 West Hastings Street, Vancouver, British Columbia, V6E 3T5, Canada.

The Company's primary business is the acquisition and exploration of mineral properties. The Company's mineral properties comprise the Salt Wells Lithium Property (the "Salt Wells Property") located in Nevada, USA, and potential exploration permits (the "Kabunda South Project" and the "Manono Northeast Project") located in the Manono Territory, Tanganyika Province of the Democratic Republic of the Congo ("DRC"). The Company's exploration and evaluation assets (Note 7) do not presently host any known mineral deposits nor, given the high degree of risk involved, can there be any assurance that its exploration activities will result in mineral deposits being located or, ultimately, a profitable mining operation in the future.

On February 8, 2022, the Company, through its wholly owned subsidiary AJN Resources Congo SASU ("AJN Congo"), entered into a memorandum of understanding (the "MoU") with the DRC to acquire a number of exploration permits in the Kilo Moto Gold Belt in North-East DRC. In connection with the MoU, the DRC has established a wholly owned subsidiary Congo Ressources SAU ("Congo Ressources") to acquire a 100% interest in certain claims in the area. AJN Congo will have the option to acquire Congo Ressources in exchange for common shares of the Company representing 60% of the fully diluted issued and outstanding common shares of the Company. As at October 31, 2024, the Company awaits the transfer of permits to Congo Ressources as per the MoU.

These condensed interim consolidated financial statements for the three months ended October 31, 2024 and 2023 (the "financial statements") have been prepared on a going concern basis, which assumes the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. During the three months ended October 31, 2024, the Company incurred a net loss of \$515,810 (2023 - \$571,396). As at October 31, 2024, the Company has current liabilities in excess of current assets of \$1,741,606 (July 31, 2024 - \$1,594,940), and accumulated deficit of \$11,907,926 (July 31, 2024 - \$11,392,116). The Company has no source of operating cash flows, and there is no assurance that sufficient funding (including adequate financing) will be available to conduct required exploration and development of its mineral property projects. These factors indicate a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements 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. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended July 31, 2024 and 2023 (the "Annual Financial Statements").

These financial statements were approved and authorized for issuance by the Company's Board of Directors on December 20, 2024.

b) Basis of presentation

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

AJN RESOURCES INC.

Notes to the Condensed Interim Consolidated Financial Statements For the three months ended October 31, 2024 and 2023

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

2. BASIS OF PREPARATION (continued)

c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company. The functional currency is the currency of the primary economic environment in which an entity operates. The functional currency of AJN Congo is the United States dollar. References to "USD" or "US\$" are to United States dollars, to "EUR" are to Euro, and to "AUD" are to Australian dollars.

d) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, AJN Congo, which is located in Kinshasa, DRC. Intercompany transactions and balances are eliminated upon consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases.

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the Annual Financial Statements.

Additionally, the Company assessed the impacts of the amendments to IAS 1 *Presentation of Financial Statements*, becoming effective after January 31, 2024, which clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments had no impact on the Company's financial statements.

On April 9, 2024, the IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements*. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027 and also applies to comparative information. IFRS 18 will replace IAS 1; many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it may change what an entity reports as its 'operating profit or loss'. Key new concepts introduced in IFRS 18 relate to: (i) the structure of the statement of profit or loss; (ii) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (iii) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements under IFRS Accounting Standards requires management to make judgements in applying its accounting policies and estimates that affect the reported amounts of assets and liabilities at the period end date and reported amounts of expenses during the reporting period. Such judgements and estimates are, by their nature, uncertain. Actual outcomes could differ from these estimates.

The impact of such judgements and estimates are pervasive throughout these financial statements and may require accounting adjustments based on future occurrences. These judgements and estimates are continuously evaluated and are based on management's experience and knowledge of the relevant facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and are accounted for prospectively.

In preparing these financial statements, the Company applied the same significant judgements in applying its accounting policies and is exposed to the same sources of estimation uncertainty as disclosed its Annual Financial Statements.

5. CHANGE IN ACCOUNTING POLICY

During the year ended July 31, 2024, the Company changed its policy under IFRS 6 - *Exploration for and Evaluation of Mineral Resources* ("IFRS 6"). The Company originally elected to capitalize both the acquisition costs and exploration and evaluation expenditures incurred on its exploration and evaluation properties. The Company has changed its policy under IFRS 6 to expense exploration and evaluation expenditures incurred on its properties as it felt that this policy provides superior presentation of costs incurred while the Company's mineral property interests are at a pre-feasibility stage of development.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

5. CHANGE IN ACCOUNTING POLICY (continued)

The Company has applied the change in accounting policy on a retrospective basis and has therefore restated its consolidated statement of financial position as at August 1, 2022 as follows:

	Previously reported	Effect of change	Restated
	\$	\$	\$
ASSETS			
Current			
Cash	1,241,905	-	1,241,905
Restricted cash	128,240	-	128,240
GST receivable	7,614	-	7,614
Prepaid expenses and deposits	86,893	-	86,893
	1,464,652	-	1,464,652
Reclamation bond	19,142	-	19,142
Exploration and evaluation assets ⁽¹⁾	162,994	(70,746)	92,248
Equipment	21,801	-	21,801
Total assets	1,668,589	(70,746)	1,597,843
LIABILITIES			
Current			
Accounts payable and accrued liabilities	138,015	-	138,015
Accrued interest payable	40,437	-	40,437
Convertible debenture	1,175,027	-	1,175,027
Total liabilities	1,353,479	-	1,353,479
SHAREHOLDERS' EQUITY			
Share capital	4,780,310	-	4,780,310
Reserves	1,265,596	-	1,265,596
Accumulated other comprehensive loss	(27,888)	-	(27,888)
Deficit ⁽¹⁾	(5,702,908)	(70,746)	(5,773,654)
Total shareholders' equity	315,110	(70,746)	244,364
Total liabilities and shareholders' equity	1,668,589	(70,746)	1,597,843

(1) Expensing of historical exploration and evaluation expenditures as incurred per change in accounting policy.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

5. CHANGE IN ACCOUNTING POLICY (continued)

The Company has applied the change in accounting policy on a retrospective basis and has therefore restated its statement of financial position as at July 31, 2023 as follows:

	Previously reported	Effect of change	Restated
	\$	\$	\$
ASSETS			
Current			
Cash	1,171,941	-	1,171,941
Restricted cash	131,770	-	131,770
GST receivable	15,140	-	15,140
Prepaid expenses and deposits	39,121	-	39,121
	1,357,972	-	1,357,972
Reclamation bond	19,142	-	19,142
Exploration and evaluation assets ⁽¹⁾	437,502	(70,746)	366,756
Equipment	14,495	-	14,495
Total assets	1,829,111	(70,746)	1,758,365
LIABILITIES			
Current			
Accounts payable and accrued liabilities	483,810	-	483,810
Accrued interest payable	71,839	-	71,839
Convertible debenture	1,256,115	-	1,256,115
Total liabilities	1,811,764	-	1,811,764
SHAREHOLDERS' EQUITY			
Share capital	4,777,780	-	4,777,780
Units to be issued	1,109,985	-	1,109,985
Reserves	1,265,596	-	1,265,596
Accumulated other comprehensive loss	(22,019)	-	(22,019)
Deficit ⁽¹⁾	(7,113,995)	(70,746)	(7,184,741)
Total shareholders' equity	17,347	(70,746)	(53,399)
Total liabilities and shareholders' equity	1,829,111	(70,746)	1,758,365

(1) Expensing of historical exploration and evaluation expenditures as incurred per change in accounting policy.

As no additional evaluation and exploration expenditures were capitalized in the evaluation and expenditure assets during the year ended July 31, 2023, the retrospective change in accounting policy did not impact the consolidated statements of loss and comprehensive loss and cash flows for that period.

6. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	October 31, 2024	July 31, 2024
	\$	\$
Prepaid expenses	32,856	41,532
Deposits	9,030	9,030
	41,886	50,562

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's exploration and evaluation assets is as follows:

	Salt Wells Property	Dabel Gold Project	Kabunda South Project	Manono Northeast Project	Total
	\$	\$	\$	\$	\$
Acquisition cost					
Balance, July 31, 2023	103,216	-	65,885	197,655	366,756
Additions	13,908	-	176,139	-	190,047
Write-down	(117,123)	-	-	-	(117,123)
Currency translation difference	-	-	6,538	9,480	16,018
Balance, July 31, 2024	1	-	248,562	207,135	455,698
Additions	-	68,971	180,000	-	248,971
Currency translation difference	-	-	1,926	1,605	3,531
Balance, October 31, 2024	1	68,971	430,488	208,740	708,200

a) Salt Wells Property

In 2017, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% interest in certain claims comprising the Salt Wells Property in Nevada, the USA. The Salt Wells Property is subject to a 4.5% net smelter return, 1.5% of which the Company has the right to buy back within 90 days of the property going into production for US\$500,000, and an additional 1.5% of which the Company has the right to buy back within 180 days of the property going into production for US\$1,250,000. Furthermore, a cash payment of US\$250,000 is payable upon the property attaining commercial production.

As at October 31, 2024 and July 31, 2024, the Company had a reclamation bond of \$19,142, which is a security deposit held by the Bureau of Land Management of Nevada.

During the year ended July 31, 2024, pursuant to the impairment assessment under IFRS 6, management concluded impairment indicators existed and recorded a write-down of evaluation and exploration assets of \$117,123 (2023 - \$nil).

b) Kabunda South ProjectMEK PR 15383

On December 30, 2022, the Company entered into a binding term sheet (the "Binding Term Sheet") with Mining Enterprise Katanga S.A.R.L.U. ("MEK") in which it can acquire a 75% interest in exploration permit PR 15383, located in the Manono territory, Tanganyika province of the DRC ("MEK PR 15383") in exchange for:

- A cash payment of US\$30,000 by December 30, 2022 (paid);
- A cash payment of US\$20,000 by April 30, 2023 (paid); and
- A cash payment of US\$80,000 (paid) and the issuance of 6,000,000 of the Company's common shares after the date that the Company has completed all technical, financial and legal due diligence. As at October 31, 2024, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15383.

MEK PR 15623

On October 15, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 4") which was later amended on August 29, 2024, with MEK to acquire a 75% indirect interest in an exploration permit, PR 15623, located in the Manono Territory, Haut-Katanga province of the DRC ("MEK PR 15623"). On August 29, 2024, the Company and MEK amended the Binding Term Sheet 4. A summary of the consideration for the acquisition is as follows:

- A cash payment of US\$30,000 by October 15, 2023 (paid);
- A cash payment of US\$20,000 by February 15, 2024 (paid); and
- An issuance of 2,000,000 of the Company's common shares on or before September 15, 2024 (issued; Note 10(b)); and
- An issuance of 5,000,000 of the Company's common shares on or before the date that is two months after the date that the Company completed all technical, financial and legal due diligence. As at October 31, 2024, the Company is carrying out necessary due diligence prior to issuing the agreed upon number of shares to acquire the interest in MEK PR 15623.

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

7. EXPLORATION AND EVALUATION ASSETS (continued)**c) Manono Northeast Project**Palm PR 15282

On June 2, 2023, the Company entered into a binding term sheet (the "Binding Term Sheet 2") with Palm Constellation S.A.R.L. in the DRC ("Palm"), to acquire a 70% indirect interest in an exploration permit PR 15282, located in the Manono territory, Tanganyika province of the DRC ("Palm PR 15282") in exchange for:

- A cash payment of US\$50,000 by June 12, 2023 (paid);
- A cash payment of US\$100,000 by July 29, 2023 (paid);
- A cash payment of US\$250,000 and the issuance of the number of shares that are equal to 10.5% of the Company's issued and outstanding common shares for the first 51% indirect interest ("First Option") after the date that the Company has completed all technical, financial and legal due diligence. As at October 31, 2024, the Company is carrying out necessary due diligence prior to exercising the First Option;
- A cash payment of US\$250,000 and the issuance of an additional 4,000,000 of the Company's common shares for a further 9% indirect interest after the exercise of the First Option and no later than six months thereafter ("Second Option"); and
- A cash payment of US\$5,000,000 for the remaining 10% indirect interest to increase the Company's holding to 70% indirect interest after the exercise of the Second Option and no later than six months thereafter, which is the maximum amount pursuant to the Binding Term Sheet 2.

d) Dabel Gold Project

On September 18, 2024, the Company entered into an agreement with Lord Purus Trading Limited (the "Acquisition Agreement") to acquire a 60% interest of the Dabel Gold project located in Nairobi, Kenya ("Dabel Gold Project") in exchange for:

- A cash payment of US\$50,000 by September 18, 2024 (paid);
- An issuance of 5,000,000 of the Company's common shares;
- A cash payment of US\$50,000 once the Company successfully raises \$1,000,000 funding in form of equity or debt;
- A cash payment of US\$250,000 by March 18, 2025;
- A cash payment of US\$500,000 by March 18, 2026;

Pursuant to the Acquisition Agreement, the Company will conduct a due diligence on the Dabel Gold Project. Upon the completion of the due diligence and subject to the Company's decision to proceed ("Commencement Date"), the Company will incorporate a new Kenyan subsidiary ("Newco") of which the Company will hold 60% issued and outstanding shares. In addition, the Company will issue 19.90% of its issued and outstanding share capital to Lord Purus Trading Limited.

In addition, the Company will have an option to acquire an additional 10% interest in the Dabel Gold Project by paying US\$10,000,000 and US\$15,000,000, respectively to Lord Purus Trading Limited within two and three years, respectively from the Commencement Date.

As at October 31, 2024, the Company is carrying out the due diligence on the Dabel Gold Project.

e) Exploration expenses

A summary of the Company's exploration expenses is as follows:

	Three months ended	
	2024	October 31, 2023
	\$	\$
Assaying and testing	41,218	10,464
Field work	1,366	77,473
Geological studies	42,191	103,028
Transportation and mobilization	80,393	65,389
Other general and administrative expenses	36,753	17,303
	201,921	273,657

AJN RESOURCES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended October 31, 2024 and 2023**

(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

8. EQUIPMENT

A summary of the Company's equipment is as follows:

	Computer equipment	Furniture and fixtures	Vehicle	Total
	\$	\$	\$	\$
Cost				
Balance, July 31, 2023	15,687	23,844	-	39,531
Additions	-	-	104,753	104,753
Currency translation differences	753	1,144	2,698	4,595
Balance, July 31, 2024	16,440	24,988	107,451	148,879
Currency translation differences	129	193	831	1,153
Balance, October 31, 2024	16,569	25,181	108,282	150,032
Accumulated depreciation				
Balance, July 31, 2023	9,936	15,100	-	25,036
Depreciation	3,236	4,918	21,100	29,254
Currency translation differences	528	804	337	1,669
Balance, July 31, 2024	13,700	20,822	21,437	55,959
Depreciation	813	1,236	5,258	7,307
Currency translation differences	122	184	266	572
Balance, October 31, 2024	14,635	22,242	26,961	63,838
Carrying amount				
Balance, July 31, 2024	2,740	4,166	86,014	92,920
Balance, October 31, 2024	1,934	2,939	81,321	86,194

9. CONVERTIBLE DEBENTURE

On April 17, 2020, the Company issued a convertible debenture for total proceeds of \$1,256,115, possessing a maturity date of April 17, 2023. The debenture bears interest at 2.5% per annum, payable annually, and is convertible into common shares at a conversion price of \$0.40 per share. Conversion is at the holder's discretion at any time during the term. Additionally, after two years from the issuance date, the Company has the right to convert the debentures into common shares if the closing price of its common shares on the CSE is equal to or greater than \$2.00 for 15 consecutive trading days. The debenture matured on April 17, 2023, without any conversion, and is now due on demand. As at October 31, the Company is in the process of negotiating with the holder to settle the convertible debenture.

During the three months ended October 31, 2024, the Company incurred interest expense of \$7,915 (2023 - \$7,916). As at October 31, 2024, principal on the convertible debenture balance was \$1,256,115 (July 31, 2024 - \$1,256,115) and accrued interest payable was \$23,574 (July 31, 2024 - \$15,658).

10. SHARE CAPITAL**a) Authorized share capital**

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

b) Share capital transactions

During the three months ended October 31, 2024, the Company had the following share capital transactions:

- On August 14, 2024, the Company completed a non-brokered private placement of 5,000,000 units at \$0.10 per unit for gross proceeds of \$500,000, of which \$310,000 had been received during the year ended July 31, 2024. Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.15 until August 15, 2028 (Note 10(d)). The gross proceeds were allocated using the relative fair value method and as a result, \$284,391 was allocated to share capital and \$215,609 was allocated to reserves.

AJN RESOURCES INC.

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(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (continued)

- On August 14, 2024, the Company settled a total of \$150,000 owed to two directors, which was included in loans payable as at July 31, 2024, through the issuance of 1,500,000 units. Each unit comprises one common share and one warrant, with the warrants having the same terms as those issued in the private placement. The total fair value of the issued units was \$250,536, comprising \$142,500 from shares and \$108,036 from warrants. As a result, the Company recognized \$100,536 loss on debt settlement.
- On September 13, 2024, the Company issued 2,000,000 common shares at a fair value of \$0.09 per share, which was the closing share price on the date of issuance, for aggregate fair value of \$180,000 to MEK pursuant to the terms under the Binding Term Sheet 4 (Note 7).
- During the three months ended October 31, 2024, the Company collected \$561,700 in subscription proceeds for the private placement completed on November 19, 2024 (Note 15). These subscription proceeds were recorded as a subscription liability as at October 31, 2024.

During the year ended July 31, 2024, the Company had the following share capital transactions:

- On August 14, 2023, the Company completed a non-brokered private placement of 13,415,000 units at \$0.25 per unit for gross proceeds of \$3,353,750, of which \$1,109,985 was received during the year ended July 31, 2023. Each unit comprises one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.30 until August 11, 2025 (Note 10(d)). The gross proceeds were allocated using the relative fair value method and as a result, \$2,184,634 was allocated to share capital and \$1,169,116 was allocated to reserves. In connection with the Private Placement, unit issuance costs totaled \$263,720, comprised of cash issuance costs of \$162,370 and the issuance of 626,100 warrants to finders with a fair value of \$101,350. The warrants are exercisable into common shares at a price of \$0.30 until August 11, 2025.
- During the year ended July 31, 2024, the Company collected \$310,000 in subscription proceeds for the private placement completed on August 14, 2024. These subscription proceeds were included as units to be issued on the consolidated statements of financial position as at July 31, 2024.

c) Stock options

The Company established an omnibus equity incentive compensation plan (the "Omnibus Plan"), whereby it may grant stock options, restricted share units, deferred share units and performance units to eligible employees, officers, directors and consultants with an exercise price, expiry date and vesting conditions determined by the Company's Board of Directors. The Omnibus Plan replaces the Company's stock option plan which only provided for the grant of stock options. The Omnibus Plan is a combination of the following:

- A rolling stock option plan permitting the grant of stock options to a number of outstanding stock options that does not exceed 15% of the issued and outstanding shares of the Company at the grant date of stock options; and
- A fixed plan for any other equity-based compensation arrangement under which the number of shares of the Company issued under the Omnibus Plan may not exceed 6,300,000 shares.

During the three months ended October 31, 2024, the Company had the following stock options transactions:

- On August 21, 2024, 400,000 options of the Company expired unexercised.
- On August 28, 2024, the Company issued an aggregate of 500,000 incentive stock options to two of its directors in accordance with the Omnibus Plan. The stock options are exercisable at \$0.15 per common share of the Company until August 28, 2026 and vested immediately.

During the year ended July 31, 2024, the Company had the following stock options transaction:

- On December 17, 2023, the Company issued an aggregate of 3,550,000 stock options to certain of its directors, officers and consultants in accordance with the Omnibus Plan. The stock options are exercisable at \$0.35 per common share of the Company until December 17, 2026 and vested immediately.

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(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

10. SHARE CAPITAL (continued)

A summary of the Company's stock option activity is as follows:

	Number of options outstanding	Weighted average exercise price
	#	\$
Balance, July 31, 2023	1,075,000	0.60
Granted	3,550,000	0.35
Balance, July 31, 2024	4,625,000	0.41
Expired	(400,000)	0.25
Granted	500,000	0.15
Balance, October 31, 2024	4,725,000	0.39

A summary of the Company's stock options outstanding and exercisable as at October 31, 2024 is as follows:

Expiry date	Weighted average exercise price	Number of options outstanding	Number of options exercisable	Weighted average remaining life
	\$	#	#	Years
February 24, 2025	0.80	675,000	675,000	0.32
December 17, 2026	0.35	3,550,000	3,550,000	2.13
August 23, 2026	0.15	500,000	500,000	1.81
	0.39	4,725,000	4,725,000	1.84

A summary of the Company's inputs used in the Black-Scholes Option Pricing Model for stock options granted during the three months ended October 31, 2024 is as follows:

Share price	\$0.15
Exercise price	\$0.15
Expected life	2.00 years
Risk-free interest rate	3.35%
Expected volatility	104.74%
Expected annual dividend yield	0.00%

The Company estimates expected volatility on the grant date based on a review of historical volatilities over a period equivalent to the expected life of the options being valued. The risk-free interest rate is determined on the grant date using the implied yields on Government of Canada zero-coupon bonds with a remaining term consistent with the expected life of the options. The fair value of the options granted during the three months ended October 31, 2024 was \$0.04 per option on the grant date.

During the three months ended October 31, 2024, the Company recognized share-based compensation expense of \$19,708 (2023 - \$nil) included in management fees pursuant to the grant of stock options.

d) Warrants

During the three months ended October 31, 2024, the Company had the following warrant transaction:

- On August 14, 2024, the Company issued 5,000,000 units in a private placement at \$0.10 per unit for gross proceeds of \$500,000. Each unit was comprised of one common share and one warrant for a total of 5,000,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.15 until August 15, 2028. The gross proceeds were allocated using the relative fair value method. As a result, \$284,391 was allocated to share capital and \$215,609 was allocated to reserves.
- On August 14, 2024, the Company settled a total of \$150,000 owed to two directors, which was included in loans payable as at July 31, 2024, through the issuance of 1,500,000 units (Note 10(b)), resulting in the issuance of 1,500,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.15 until August 15, 2028. These warrants have total fair value of \$108,036.

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10. SHARE CAPITAL (continued)

During the year ended July 31, 2024, the Company had the following warrant transactions:

- On August 14, 2023, pursuant to a private placement, the Company issued 13,415,000 units at \$0.25 per unit for gross proceeds of \$3,353,750. Each unit comprises one common share and one warrant for a total of 13,415,000 warrants. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.30 until August 11, 2025. The gross proceeds were allocated using the relative fair value method. As a result, \$2,184,634 was allocated to share capital and \$1,169,116 was allocated to reserves.
- On August 14, 2023, pursuant to a private placement, the Company issued 626,100 finders' warrants. Each finders' warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.30 until August 11, 2025, for a total fair value of \$101,350. The fair value of the finders' warrants was determined using the Black-Scholes Option Pricing Model.

A summary of the Company's warrant activity is as follows:

	Number of warrants outstanding	Weighted average exercise price
	#	\$
Balance, July 31, 2023	-	-
Granted	14,041,100	0.30
Balance, July 31, 2024	14,041,100	0.30
Granted	6,500,000	0.15
Balance, October 31, 2024	20,541,100	0.25

A summary of the Company's warrants outstanding as at October 31, 2024 is as follows:

Expiry date	Exercise price	Number of warrants outstanding	Weighted average remaining life
	\$	#	Years
August 11, 2025	0.30	14,041,100	0.78
August 15, 2028	0.15	6,500,000	3.79
	0.25	20,541,100	1.73

A summary of the Company's weighted average inputs used in the Black-Scholes Option Pricing Model for warrants granted during the three months ended October 31, 2024 is as follows:

Share price	\$0.10
Exercise price	\$0.15
Expected life	4.00 years
Risk-free interest rate	3.34%
Expected volatility	126.25%
Expected annual dividend yield	0.00%

The Company estimates expected volatility on the issuance date based on a review of historical volatilities over a period equivalent to the expected life of the warrants being valued. The risk-free interest rate is determined on the issuance date using the implied yields on Government of Canada zero-coupon bonds with a remaining term consistent with the expected life of the warrants. The fair value of the warrants issued during the three months ended October 31, 2024 was \$0.07 per warrant on the issuance date.

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11. RELATED PARTY TRANSACTIONS

Key management personnel are those who have the authority and responsibility for planning, directing, and controlling the Company.

A summary of the Company's related party transactions is as follows:

	Three months ended October 31,	
	2024	2023
	\$	\$
Management fees	120,000	120,000
Share-based management fees	19,708	-
	139,708	120,000

On July 11, 2024, the Company entered into loan agreements with its officers for a total principal amount of \$150,000. The loans payable was non-interest bearing and had a maturity date of July 11, 2025. On August 14, 2024, the Company settled the loans payable through the issuance of 1,500,000 units (Note 10(b)).

As at October 31, 2024, amounts due to related parties included in accounts payable and accrued liabilities were \$255,718 (July 31, 2024 - \$188,964). The amounts due to related parties are unsecured, non-interest bearing, and due on demand.

12. SEGMENTED INFORMATION

The Company's Chief Executive Officer has been identified as the Chief Operating Decision Maker ("CODM"), responsible for making strategic decisions and allocating resources across the Company's operating segments. The CODM determines reportable segments based on the availability of separate financial information, the nature of operations, and the geographic location of business activities. Two reportable segments have been identified: the United States exploration segment and the DRC exploration segment.

A summary of the Company's segmented financial performance for the three months ended October 31, 2024 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	\$	\$	\$	\$
Operating expenses	-	217,578	212,338	429,916
Other income (expenses):				
Interest expense	-	-	(7,915)	(7,915)
Foreign exchange gain (loss)	-	-	22,557	22,557
Loss on debt settlement	-	-	(100,536)	(100,536)
Net loss	-	(217,578)	(298,232)	(515,810)

A summary of the Company's segmented financial performance for the three months ended October 31, 2023 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	\$	\$	\$	\$
Operating expenses	-	508,267	38,474	546,741
Other income (expenses):				
Interest expense	-	-	(7,916)	(7,916)
Foreign exchange gain (loss)	-	-	(16,739)	(16,739)
Net loss	-	(508,267)	(63,129)	(571,396)

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(Unaudited - Expressed in Canadian dollars, unless otherwise noted)

12. SEGMENTED INFORMATION (continued)

A summary of the Company's segmented assets and liabilities as at October 31, 2024 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	\$	\$	\$	\$
Current assets	9,030	39,298	549,493	597,821
Non-current assets	19,142	545,422	248,972	813,536
Total assets	28,172	584,720	798,465	1,411,357
Total liabilities	-	(175,587)	(2,163,840)	(2,339,427)

A summary of the Company's segmented assets and liabilities as at July 31, 2024 is as follows:

	United States exploration segment	DRC exploration segment	Corporate	Total
	\$	\$	\$	\$
Current assets	9,030	46,419	324,858	380,307
Non-current assets	19,142	548,618	-	567,760
Total assets	28,172	595,037	324,858	948,067
Total liabilities	-	(308,552)	(1,666,695)	(1,975,247)

13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

As at October 31, 2024, the carrying values of cash, deposits, accounts payable and accrued liabilities, accrued interest payable, and convertible debenture approximate their respective fair values due to their short-term nature. These financial instruments are measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash and deposits. The risk exposure is limited because the Company places its cash in banks of high credit worthiness within Canada and legal counsel in the DRC, and its deposits are held with an established mining institution in Nevada, USA.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. The Company is exposed to liquidity risk through its accounts payable and accrued liabilities, accrued interest payable, convertible debenture, loans payable, and subscription liabilities. Management mitigates this risk by monitoring its cash position and issuing common shares or debt as required.

As at October 31, 2024, the Company's cash balance of \$544,282 (July 31, 2024 - \$320,255) is not sufficient to meet its current obligations related to its accounts payable and accrued liabilities balance of \$498,038 (July 31, 2024 - \$553,474), accrued interest payable balance of \$23,574 (July 31, 2024 - \$15,658), convertible debenture balance of \$1,256,115 (July 31, 2024 - \$1,256,115), loans payables of \$nil (July 31, 2024 - \$150,000), and subscription liabilities of \$561,700 (July 31, 2024 - \$nil). The Company's liquidity risk is high, and it will need to raise cash in the form of debt or equity in order to meet its current obligations and remain a going concern.

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13. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as its convertible debenture is payable at a fixed interest rate and no other liabilities are subjected to variable interest rates.

d) Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign exchange risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial instruments held in foreign currencies as at October 31, 2024, expressed in Canadian dollars, is as follows:

	USD
	\$
Cash	1,006

A 5% change in the foreign currencies against the Canadian dollar as at October 31, 2024 would result in an immaterial impact to foreign exchange gain or loss.

e) Geopolitical risk

Geopolitical risk is the risk that the fair value of financial instruments will fluctuate if there is a sudden and rapid destabilization of global financial conditions in response to future events, as government authorities may have limited resources to respond to the current or future crisis. Future crises may be precipitated by any number of factors outside the Company's control, including another pandemic, natural disasters, geopolitical instability, supply chain constraints or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the Company's ability to obtain equity or debt financing or make other suitable arrangements to operate and/or finance its projects. In the event of increased levels of volatility or a rapid destabilization of global economic conditions, the Company's results of operations and financial condition could be adversely affected.

14. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity and its convertible debenture. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations including corporate and administrative functions to support operations. The Company obtains funding primarily through issuing common shares and debt. Future financing is dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

15. SUBSEQUENT EVENT

On November 19, 2024, the Company completed a non-brokered private placement of 6,180,833 units at \$0.12 per unit for gross proceeds of \$741,700. Of the \$741,700 gross proceeds, \$561,700 was received during the three months ended October 31, 2024 (Note 10b)). Each unit comprises one common share and one warrant. Each warrant entitles the holder to purchase one common share of the Company at an exercise price of \$0.15 until November 20, 2026. Pursuant to the non-brokered private placement, the Company paid cash finder's fee of \$5,400 and issued 45,000 broker's warrants.