INFLECTION RESOURCES LTD.

An exploration stage company

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30, 2023 AND 2022

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Inflection Resources Ltd.

Opinion

We have audited the consolidated financial statements of Inflection Resources Ltd. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2023 and 2022, and the consolidated statements of comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which describes events or conditions that indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Barry Hartley.

DMCL.

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

January 30, 2024

Inflection Resources Ltd.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Note	September 30, 2023	September 30, 2022
ASSETS			
Current Assets			
Cash and cash equivalents		**$ 2,826,239**	$ 1,759,333
Receivables		**140,806**	21,271
Prepaids		**61,998**	43,576
Total Current Assets		**3,029,043**	1,824,180
Non-Current Assets			
Refundable security deposits	6	**251,361**	358,833
Exploration and evaluation assets	7, 10	**8,788,839**	8,320,471
Total Non-Current Assets		**9,040,200**	8,679,304
Total Assets		**$ 12,069,243**	$ 10,503,484
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities	8, 10	**$ 766,350**	$ 72,538
Advance for exploration projects	7(a)	**208,433**	-
Derivative liability	7(a)	**171,937**	-
Total Liabilities		**1,146,720**	72,538
Shareholders' Equity			
Share capital	9(b)	**15,724,411**	14,001,518
Reserve for share-based payments	9(c)	**1,535,278**	1,334,815
Deficit		**(6,337,166)**	(4,905,387)
Total Shareholders' Equity		**10,922,523**	10,430,946
Total Liabilities and Shareholders' Equity		**$ 12,069,243**	$ 10,503,484

Nature of operations and going concern – Note 1
Subsequent events – Note 13

APPROVED ON BEHALF OF THE BOARD ON JANUARY 30, 2024:

/s/ "Alistair Waddell" — DIRECTOR

/s/ "Cecil R. Bond" — DIRECTOR

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

Inflection Resources Ltd.
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Years ended September 30, 2023	2022
Expenses:			
Accounting and audit		**$ 107,507**	$ 67,690
Amortization	7	**14,006**	26,968
Legal		**13,240**	1,428
Office and sundry		**77,609**	96,876
Project generation		**-**	8,785
Regulatory		**41,729**	35,386
Salaries and benefits	10	**622,331**	555,421
Shareholder relations		**250,219**	201,923
Share-based payments	9(c), 10	**172,927**	121,550
Total expenses		**(1,299,568)**	(1,116,027)
Other income and expense items:			
Derivative option cost	7(a)	**(171,937)**	-
Interest income		**27,667**	8,471
Foreign exchange gain		**12,059**	37,719
Net loss and comprehensive loss for the year		**$ (1,431,779)**	$ (1,069,837)
Basic and diluted loss per share		**$ (0.02)**	$ (0.01)
Weighted average number of common shares outstanding		**88,645,843**	73,572,656

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

Inflection Resources Ltd.
Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except share amounts)

		Share Capital		Reserve for		
	Notes	Number of Shares	Amount	Share-Based Payments	Deficit	Total
Balance, September 30, 2021		71,270,670	$ 12,375,454	$ 1,213,265	$ (3,835,550)	$ 9,753,169
Private placement	9(b)(ii)	16,475,000	1,647,500	-	-	1,647,500
Share issuance costs	9(b)(ii)	-	(21,436)	-	-	(21,436)
Share-based payments	9(c)	-	-	121,550	-	121,550
Comprehensive loss for the year		-	-	-	(1,069,837)	(1,069,837)
Balance, September 30, 2022		87,745,670	14,001,518	1,334,815	(4,905,387)	10,430,946
Private placement	9	7,107,000	1,776,750	-	-	1,776,750
Share issuance costs	9(b)(i), (e)	-	(84,607)	27,536	-	(57,071)
Exercise of warrants	9(b)(i), (e)	205,000	30,750	-	-	30,750
Share-based payments	9(c)	-	-	172,927	-	172,927
Comprehensive loss for the year		-	-	-	(1,431,779)	(1,431,779)
Balance, September 30, 2023		95,057,670	$ 15,724,411	$ 1,535,278	$ (6,337,166)	$ 10,922,523

Share capital – Note 9

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

Inflection Resources Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Years ended September 30,	
	2023	2022
Cash provided from (used by):		
Operations:		
Net loss for the year	**$ (1,431,779)**	$ (1,069,837)
Items not involving cash:		
Amortization	**14,006**	26,968
Share-based payments	**172,927**	121,550
Derivative option cost	**171,937**	-
Unrealized foreign exchange gain	**6,230**	-
	(1,066,679)	(921,319)
Changes in non-cash working capital items:		
Receivables	**(17,181)**	40,932
Prepaids and deposits	**(18,422)**	32,258
Accounts payable and accrued liabilities	**693,812**	(160,925)
Cash used by operating activities	**(408,470)**	(1,009,054)
Investing:		
Expenditures for exploration and evaluation assets	**(2,681,824)**	(2,396,014)
Recoveries from cash call from Farm In Agreement	**1,906,451**	-
Recoveries from management fee receipts from Farm In Agreement	**190,645**	-
Advance for exploration projects from Farm In Agreement	**208,433**	-
Receipt of government grants	**-**	35,454
Recovery (payment) of refundable security deposits, net	**107,472**	(58,227)
Cash used by investing activities	**(268,823)**	(2,418,787)
Financing:		
Proceeds from private placement	**1,776,750**	1,647,500
Exercise of warrants	**30,750**	-
Share issuance costs	**(57,071)**	(21,436)
Cash provided from financing activities	**1,750,429**	1,626,064
Foreign exchange (gain) loss effects	**(6,230)**	22,813
Increase (decrease) in cash and cash equivalents	**1,066,906**	(1,778,964)
Cash and cash equivalents, beginning of year	**1,759,333**	3,538,297
Cash and cash equivalents, end of year	**$ 2,826,239**	$ 1,759,333
Cash and cash equivalents consist of:		
Cash	**$ 2,059,212**	$ 1,730,583
Restricted cash (AngloGold funds)	**738,277**	-
Restricted cash (Redeemable GIC)	**28,750**	28,750
	$ 2,826,239	$ 1,759,333

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

Inflection Resources Ltd.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

		Years ended September 30,	
	Notes	**2023**	2022
Non-cash financing and investing activities:			
Fair value of finders fee warrants	10(e)	**$ 27,536**	$ -

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

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These consolidated financial statements for the years ended September 30, 2023 and 2022 (the "Financial Statements") have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at September 30, 2023, the Company has not yet achieved profitable operations, had incurred a net loss of $1.43 million (2022 - $1.07 million), and has an accumulated deficit of $6.34 million (2022 - $4.91 million). The ability of the Company to continue as a going concern and meet its commitments as they become due, including exploration of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing; consequently, management continues to pursue various financing alternatives to fund operations and advance its business plan.

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

2. BASIS OF PRESENTATION

Statement of compliance

The Financial Statements, including comparatives, have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of consolidation and presentation

The Financial Statements incorporate the financial statements of the Company and its wholly-owned subsidiaries, Australian Consolidated Gold Holdings Pty Ltd, ACGH II Pty Ltd, and Romardo Copper (NSW) Pty Ltd ("Romardo Copper"), each of which is incorporated in Australia. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Certain comparative amounts have been reclassified in fiscal 2022 to conform with fiscal 2023.

The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit and loss, which are stated at their fair value. In addition, the Financial Statements have been prepared using the accrual basis of accounting except for cash flow information. The accounting policies set out in Note 3 have been applied consistently to all periods presented in these Financial Statements.

The Board of Directors of the Company (the "Board") authorized the Financial Statements on January 30, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Cash and cash equivalents

Cash equivalents include short term deposits with an original maturity of three months or less and are readily convertible into a known amount of cash. As of September 30, 2023, the Company held $28,750 (2022 - $28,750) in cash equivalents.

b. Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9, *Financial Instruments* ("IFRS 9"):

Financial assets / liabilities	Classification
Cash and cash equivalents	FVTPL
Receivables	Amortized cost
Accounts payable	Amortized cost
Advance for exploration projects	Amortized cost
Derivative liability	FVTPL

(i) *Measurement*

Financial assets and liabilities at amortized cost: initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities carried at FVTPL: initially recorded at fair value and transaction costs are expensed in the statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of comprehensive loss in the period in which they arise.

Debt investments at FVTOCI: subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in Other Comprehensive Income ("OCI"). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVTOCI: subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

b. Financial instruments (continued)

(ii) *Impairment of financial assets at amortized cost*

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company recognizes in the statements of comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iii) *Derecognition*

Financial assets: The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities: The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and/or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

(iv) Financial instrument disclosures – fair value hierarchy

The Company provides disclosures that enable users to evaluate (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed during the period and at the date of the statement of financial position, and how the entity manages these risks. The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

Level 1:	Unadjusted quoted prices in active markets for identical assets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2:	Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability
Level 3:	Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity)

Cash is measured using Level 1 inputs. The derivative liability is measured using Level 3 inputs.

c. Foreign currency translation

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

c. Foreign currency translation (continued)

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

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

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

d. Exploration and evaluation assets ("E&E")

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

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

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

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

e. Reclamation obligations

The Company records provisions for reclamation and remediation based on the best estimate of costs for reclamation activities that it is required to undertake, and the liability is recognized at fair value at the time such environmental disturbance occurs. The liability is accreted over time through periodic charges to the consolidated statements of comprehensive loss. In addition, the reclamation cost is capitalized as part of the mineral property's carrying value and, upon commercial production, will be amortized over the life of the related mineral property. The capitalized amount is depreciated on the same basis as the related asset. Reclamation costs are periodically adjusted to reflect changes in the estimated present value resulting from the passage of time and revisions to the estimates of either the timing or amount of the reclamation costs. Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation costs. Changes in reclamation estimates are reflected in profit or loss in the period an estimate is revised. Estimated reclamation obligations are based on when spending for an existing disturbance is expected to occur. The Company reviews, on an annual basis, unless otherwise deemed necessary, the reclamation obligation for each of its exploration properties.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

e. Reclamation obligations (continued)

Based on the level of disturbance, the nature and timing of reclamation activity, and potential reclamation activities, the Company has not accrued any provision for reclamation as at September 30, 2023.

f. Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The impairment loss is recognized in the profit or loss in the period the impairment is determined.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized in profit or loss.

g. Provisions and constructive obligations

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

h. Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. Common shares, share purchase warrants, stock options to purchase common shares, and compensation options awarded in connection with the Company's initial public offering ("IPO") on July 17, 2020, are classified as equity instruments. Incremental costs directly attributable to the issue of new common shares are recognized as a deduction from equity.

Proceeds received on the issuance of units, consisting of Common Shares and Warrants, are first allocated to the fair value of the common shares with any residual value then allocated to warrants. The fair value of the common shares is determined by the closing quoted bid price on the issue date. The balance, if any, is allocated to the attached warrants and recorded in reserves.

i. Share-based payments

Where equity-settled Options are awarded to employees, the fair value of the Options at the date of grant is recognized in profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of Options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the Options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of Options are modified before they vest, the increase in the fair value of the Options, measured before and after the modification, is also charged to the profit or loss over the remaining vesting period.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

i. Share-based payments (continued)

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of Common Shares. Amounts related to the issuance of Common Shares are recorded as a reduction of share capital. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

All equity-settled share-based payments are reflected in the reserve, until exercised. Upon exercise, Common Shares are issued from treasury and the amount reflected in reserves is credited to share capital, adjusted for any consideration paid. Where a grant of Options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest, except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

j. Income taxes

Provision for income taxes consists of current and deferred tax expense. Income tax expense is recognized in profit or loss except to the extent that it relates to a business combination or items recognized either in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for temporary differences associated with the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable income or loss and temporary differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k. Loss per share

Basic loss per Common Share is computed by dividing the net loss for the year by the weighted average number of Common Shares outstanding for the period. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue Common Shares were exercised or converted to Common Shares. The treasury stock method is used to determine the dilutive effect of Options, Agent Options, and other dilutive instruments. Under the treasury stock method, the weighted average number of Common Shares outstanding used in the calculation of the diluted per share amount assumes that the deemed proceeds received from the exercise of Options, Warrants and their equivalents would be used to repurchase Common Shares at the average market price during the period. When a loss is incurred during the period, basic and diluted loss per share are the same as the exercise of Options and Warrants is considered to be anti-dilutive.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

l. Comprehensive loss

Comprehensive loss includes net income or loss and other comprehensive income or loss. Other comprehensive income or loss may include holding gains and losses on available-for-sale securities, gains and losses on certain derivative instruments and foreign gains and losses from self-sustaining foreign operations.

m. New accounting standards issued but not yet effective

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES, AND RISKS

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

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

Judgments

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

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

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

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

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

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Provision for environmental rehabilitation

Due to uncertainties concerning environmental remediation, the ultimate cost to the Company of future site restoration could differ from the amounts provided. The estimate of the total provision for future site closure and reclamation costs is subject to change based on amendments to laws and regulations, changes in technology, price increases and changes in interest rates, and as new information concerning the Company's closure and reclamation obligations becomes available.

ii) Inputs used in the valuation of share-based payments and warrants

The assumptions used in the calculation of value of share-based payments are inherently uncertain. The resulting value calculated is not necessarily the value that the holder of the equity compensation could receive in an arm's length transaction, given that there is no market for the stock Options or the Warrants. Changes in these assumptions could materially affect the estimated fair values (Note 9(c) and (d)).

iii) Recognition of deferred tax assets.

The Company considers whether the realization of deferred tax assets is probable in determining whether or not to recognize these deferred tax assets (Note 12).

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

5. FINANCIAL RISKS AND CAPITAL MANAGEMENT

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

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. Cash is deposited in bank accounts held with major banks in Canada and Australia. The risk is managed by using 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 are incurred in Australian dollars. The fluctuation of the Canadian dollar in relation to the AUD will consequently have an impact upon the financial results of the Company.

5. FINANCIAL RISKS AND CAPITAL MANAGEMENT (continued)

Foreign Exchange Risk (continued)

At September 30, 2023 and 2022, 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	$ 905,630	$ 2,256	$ 907,886
Receivables	102,354	-	102,354
Accounts payable and accrued liabilities	(629,609)	-	(629,609)
Advance for exploration projects	(208,433)	-	(208,433)
Net financial assets, September 30, 2023	$ 169,942	$ 2,256	$ 172,198
Cash	$ 324,820	$ 11,626	$ 336,446
Receivables	-	-	-
Accounts payable and accrued liabilities	(46,450)	-	(46,450)
Net financial assets, September 30, 2022	$ 278,370	$ 11,626	$ 289,996

Based upon the above net exposure as at September 30, 2023 and assuming all other variables remain constant, a 10% (September 30, 2022 - 10%) depreciation or appreciation of the Canadian dollar relative to the Australian dollar could result in a decrease/increase of approximately $17,200 (September 30, 2022 - $29,000) in the Company's net losses.

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

Liquidity Risk

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

Interest Rate Risk

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

Capital Management

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

(Expressed in Canadian dollars)

6. REFUNDABLE SECURITY DEPOSITS

As at September 30, 2023 and 2022, the Company's refundable security deposits, each representing a mineral property exploration license ("EL"), including permitted disturbance thereon, are held with either the Governments of New South Wales, or of Queensland, as follows:

	NSW Project	AI Project	Total
Balance, September 30, 2021	$ 314,257	$ 9,162	$ 323,419
Additions (recoveries)	67,109	(8,882)	58,227
Foreign exchange	(22,533)	(280)	(22,813)
Balance, September 30, 2022	358,833	-	358,833
Additions (recoveries)	(107,472)	-	(107,472)
Balance, September 30, 2023	$ 251,361	$ -	$ 251,361

Refundable security deposits consist of the basic security deposit required on issuance of each EL, as well as additional deposits for environmental related bonding amounts. Basic security deposits are each valued at AUD 10,000 ($8,723) per EL held. Environmental related bonding amounts are based on the respective EL size and levels of disturbance contemplated under the specific exploration permit. From time to time the Company may increase the bonding it has in place, or, pursuant to having completed requisite remediation, see funds returned.

(Expressed in Canadian dollars)

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

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

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

	Note	NSW Project	Carron Project	Total
Acquisition Costs:				
Balance, September 30, 2021, 2022 and 2023		$ 525,413	$ 95,214	$ 620,627
Deferred Exploration Expenditures:				
Balance, September 30, 2021		4,843,776	522,476	5,366,252
Drilling and assays		887,315	197,666	1,084,981
Geological services	11	429,518	221,264	650,782
Claim maintenance fees		236,488	32,504	268,992
Administration and maintenance	11	222,445	61,712	284,157
Geophysics		95,470	11,632	107,102
Depreciation of equipment		(26,968)	-	(26,968)
Recovery from government grants		(29,208)	(6,246)	(35,454)
Balance, September 30, 2022		6,658,836	1,041,008	7,699,844
Drilling and assays		1,520,981	-	1,520,981
Geological services	11	593,555	37,569	631,124
Claim maintenance fees		249,608	11,418	261,026
Administration and maintenance	11	153,329	10,037	163,366
Geophysics		99,364	-	99,364
Depreciation of equipment		(14,006)	-	(14,006)
Recovery from government grants		(96,391)	-	(96,391)
Recovery from farm in agreement		(1,906,451)	-	(1,906,451)
Recovery from management fee receipts		(190,645)	-	(190,645)
Balance, September 30, 2023		$ 7,068,180	$ 1,100,032	$ 8,168,212
Exploration and evaluation assets:				
Balance, September 30, 2022		$ 7,184,249	$ 1,136,222	$ 8,320,471
Balance, September 30, 2023		$ 7,593,593	$ 1,195,246	$ 8,788,839

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

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

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

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

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

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

The Company has been approved for multiple grants from the Government of NSW's New Frontiers Cooperative Drilling Program (the "NFCDP Grants"), and New Frontiers Exploration Program ("2023 Grant Funding"), both administered by the Geological Survey of NSW and totalling AUD 327,320. As at September 30, 2023, the Company recognized $102,354 (September 30, 2022 - $Nil) from eligible exploration expenditures incurred in fiscal 2023 (Note 13). The amount recognized was recorded as a reduction of drilling costs.

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

Phase I:

AngloGold will fund up to AUD10,000,000 on exploration expenditures across a wide range of different intrusive related exploration targets within a 36-month period following the execution of the Farm-in Agreement. AngloGold has committed to fund minimum expenditures of AUD6,000,000. If Phase I Expenditures of AUD10,000,000 are not incurred within the required time frame, then the Farm-in Agreement shall terminate and no interest in any of the properties will be earned by AngloGold. The Company will receive a 10% management fee for being the operator of Phase I.

Upon completion of Phase I exploration expenditures of AUD10,000,000, AngloGold retains the option to convert the expenditures into common shares of the Company equal to a maximum of 9.9% of the then issued outstanding common shares of the Company, post share issuance, at the time of completion of Phase I. The deemed price of the shares shall be calculated using the 30-day VWAP and the number to be issued shall be capped at the Canadian dollar equivalent of AUD10,000,000.

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.

During the year ended September 30, 2023, funds of $2,305,529 were received from AngloGold (Note 13).

Phase II:

AngloGold may elect to earn an initial 51% interest in up to five Designated Projects individually by funding expenditures of AUD7,000,000 on each project within 36 months. If AngloGold fails to complete the Phase II earn-in expenditure for a given Designated Project, the Company will retain 100% ownership with no interest earned by AngloGold.

Phase III:

AngloGold may elect to earn an additional 14% interest in each Designated Project individually, for a total 65% interest, by funding additional expenditures of AUD20,000,000 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.

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

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

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.

Of the $2,305,529 received from AngloGold as at September 30, 2023, the Company has incurred exploration expenditures of $1,906,451 and management fee of $190,645 which have been recorded as a credit to the NSW Project. The remaining $208,433 has been recorded as an advance for exploration costs in liabilities.

AngloGold's option to acquire a 9.9% interest in the Company upon the completion of Phase 1 was determined to be a derivative liability as it will be settled with a variable number of shares. The Geometric Brownian Motion simulation model was used to determine future shares prices of the Company and the Monte Carlo simulation to determine the fair value of the derivative liability. As at September 30, 2023, the fair value of the option was estimated to be $171,937 using a volatility of 125.68%, risk free interest rate of 4.71% and expected life of 2.7 years. An increase or decrease of 10% in the expected volatility would not have a significant impact on the fair value of the liability.

b) Carron Project (Queensland)

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

The Company earned an initial 50% participating interest (the "Stage 1 Earn-in") in the Carron Project further to an amending agreement dated November 22, 2019 (the "Initial Earn-in Date") which was then amended on October 19, 2023 (the "Third Amendment").

The Carron Farm-In Agreement also provides for incremental farm-in levels by incurring additional expenditures at the discretion of the Company:

1. The Company may earn a further 20% interest to bring its participating interest to 70% if it elects within three years of the Initial Earn-in Date to incur a further AUD 1,000,000 in mineral exploration expenditures, with a substantial portion being the cost of drilling (the "Stage 2 Earn-in").

2. Following the Stage 2 Earn-in, the Company may elect at its sole discretion to complete a further earn-in as either:
   i) Acquire a further 30% interest to bring its interest to 100% by issuing a number of common shares to the Optionor based on a formula determined by an independent valuator; or
   ii) Acquire a further 20% interest to bring its participation interest to 90% by completing a feasibility study (the "Stage 3 Earn-in"). Should the Company achieve a Stage 3 Earn-in to a 90% interest, the Company shall enter into a royalty agreement with the Optionor. Within 60 days of the Stage 3 Earn-in Date, the Optionor may elect to contribute to expenditures in proportion to its 10% participating interest in a bankable feasibility study, and if the Optionor does not make such election, then its 10% interest shall be converted into a 2% NSR.

(Expressed in Canadian dollars)

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

b) Carron Project (Queensland) (continued)

The Third Amendment provides for the extension of the term for completion of the Stage 2 Earn-in to March 31, 2024, which expenditure commitment of AUD 1,000,000 was satisfied subsequent to the year ended September 30, 2023 (Note 13).

In aggregate through the year ended September 30, 2022, the Company recovered AUD 79,200 ($74,679) pursuant to a drilling grant from the State of Queensland. The amount received reduced the carrying value of the Carron Project. On March 14, 2023, the Company was awarded AUD 200,000 in eligible grant funding through the Queensland Government's Collaborative Exploration Initiative. Funding is recovered under the grant by reimbursement of 100% of the cost of eligible expenditures to drill four specified holes at Carron.

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	September 30, 2023	September 30, 2022
Accounts payable	$ 545,151	$ 35,677
Accrued liabilities	221,199	36,861
	$ 766,350	$ 72,538

Included in accounts payable and accrued liabilities at September 30, 2023 is $128,290 (September 30, 2022 - $18,401) due to related parties (Note 10).

9. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Share Issued and Outstanding:

Issued and outstanding: as at September 30, 2023: 95,057,670 common shares (September 30, 2022: 87,745,670 common shares).

Share capital transactions during the comparative periods were as follows:

(i) Year ended September 30, 2023

On August 17, 2023, the Company closed a non-brokered private placement (the "August 2023 Offering") for gross proceeds of $1,776,750 through the issuance of 7,107,000 units (the "Units") priced at $0.25 per Unit. Each Unit consisted of one Common Share and one-half of a Warrant, with each whole Warrant exercisable to acquire one Common Share at a price of $0.40 until February 17, 2025. Cash finders' fees of $57,071 and 214,800 finders' warrants exercisable at $0.40 per common share until February 17, 2025 with a fair value $27,536 were paid on a portion of the August 2023 Offering.

During the year ended September 30, 2023, 205,000 Warrants with an exercise price of $0.15 were exercised for gross proceeds of $30,750, and 205,000 Common Shares were issued.

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

b) Share Issued and Outstanding: (continued)

(ii) Year ended September 30, 2022

On August 10, 2022, the Company closed a non-brokered private placement financing (the "2022 Financing"), issuing 16,475,000 units of the Company at a price of $0.10 per unit, with each unit comprised of one Common Share and one Warrant. The Warrants issued in the 2022 Financing are exercisable at a price of $0.15 per Common Share, and valid for a period of 24-months from the date of issuance. The Company raised gross proceeds of $1,647,500 in the 2022 Financing, and paid share issue costs, including cash finders' fees of $21,436 in connection with the 2022 Financing.

c) Stock Options

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

During the year ended September 30, 2023, the following Options were granted:
- On December 21, 2022, 1,975,000 Options were granted to directors, officers, employees and certain consultants to the Company. The Options have an exercise price of $0.12 per share, vest six months after the date of the grant, and expire on December 21, 2027; and
- On June 1, 2023, 200,000 Options were granted to a newly appointed officer of the Company. The Options have an exercise price of $0.22 per share, vest six months after the date of the grant, and expire on June 1, 2028.

During the year ended September 30, 2022, the following stock options were granted:
- On March 2, 2022, 2,075,000 Options were granted to directors, officers, employees and certain consultants to the Company. The Options have an exercise price of $0.12 per share, vest six months after the date of the grant, and expire on March 2, 2027.

The continuity of Options for the years ended September 30, 2023 and 2022 is as follows:

	September 30, 2023		September 30, 2022	
	Number of Shares	Weighted average exercise price	Number of Shares	Weighted average exercise price
Outstanding balance, beginning of year	6,374,000	$0.22	4,794,000	$0.29
Granted	2,175,000	$0.13	2,075,000	$0.12
Forfeitures and cancellations	(199,000)	$0.16	(195,000)	$0.27
Expired	-	-	(300,000)	$0.55
Outstanding balance, end of year	8,350,000	$0.20	6,374,000	$0.22

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Stock Options (continued)

The following table summarizes information about stock options outstanding and exercisable at September 30, 2023 and 2022:

		Options Outstanding		Options Exercisable	
Expiry Date	Weighted Average Exercise Prices	Number Outstanding at Sept 30, 2023	Weighted Average Remaining Contractual Life (Number of Years)	Number Exercisable at Sept 30, 2023	Weighted Average Remaining Contractual Life (Number of Years)
March 21, 2024	$0.20	1,810,000	0.47	1,810,000	0.47
March 10, 2025	$0.30	1,840,000	1.44	1,840,000	1.44
October 1, 2025	$0.47	250,000	2.01	250,000	2.01
November 24, 2025	$0.40	100,000	2.15	100,000	2.15
March 8, 2026	$0.34	200,000	2.44	200,000	2.44
March 2, 2027	$0.12	1,975,000	3.42	1,975,000	3.42
December 31, 2027	$0.12	1,975,000	4.23	1,975,000	4.23
June 1, 2028	$0.22	200,000	4.67	-	-
	$0.20	8,350,000	2.49	8,150,000	2.43

		Options Outstanding		Options Exercisable	
Expiry Date	Weighted Average Exercise Prices	Number Outstanding at Sept 30, 2022	Weighted Average Remaining Contractual Life (Number of Years)	Number Exercisable at Sept 30, 2022	Weighted Average Remaining Contractual Life (Number of Years)
March 21, 2024	$0.20	1,909,000	1.47	1,909,000	1.47
March 10, 2025	$0.30	1,840,000	2.44	1,840,000	2.44
October 1, 2025	$0.47	250,000	3.01	250,000	3.01
November 24, 2025	$0.40	100,000	3.15	100,000	3.01
March 8, 2026	$0.34	200,000	3.44	200,000	3.15
March 2, 2027	$0.12	2,075,000	4.42	1,975,000	4.42
	$0.22	6,374,000	2.80	6,274,000	2.80

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

	September 30, 2023	September 30, 2022
Risk-free interest rate	3.06%	1.61%
Expected dividend yield	0%	0%
Expected stock price volatility	103.62%	90.00%
Expected option life in years	5.00	5.00

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

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

c) Stock Options (continued)

During the year ended September 30, 2023, the Company recognized $172,927 (September 30, 2022 - $121,550) in share-based compensation for the Options vested during the year. The value is captured in the equity reserves account until such time as the Options are exercised, upon which the corresponding amount will be transferred to share capital.

d) Warrants

At September 30, 2023, the Company had outstanding Warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at September 30, 2022	Issued	Exercised	Expired	Outstanding at September 30, 2023
$0.50	May 14, 2023	6,933,578	-	-	(6,933,578)	-
$0.15	August 10, 2024	16,475,000	-	(205,000)	-	16,270,000
$0.40	February 17, 2025	-	3,553,500	-	-	3,553,500
$0.40	February 17, 2025 (1)	-	214,800	-	-	214,800
		23,408,578	3,768,300	(205,000)	(6,933,578)	20,038,300

(1) These finders fee warrants have a fair value of $27,536 which was recorded as share issuance expense 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%.

At September 30, 2022, the Company had outstanding warrants as follows:

Exercise Prices	Expiry Dates	Outstanding at September 30, 2021	Issued	Exercised	Expired	Outstanding at September 30, 2022
$0.40	January 17, 2022	6,995,915	-	-	(6,995,915)	-
$0.30	June 19, 2022	9,225,456	-	-	(9,225,456)	-
$0.30	July 31, 2022	6,264,545	-	-	(6,264,545)	-
$0.50	May 14, 2023	6,933,578	-	-		6,933,578
$0.32	May 14, 2022	378,225	-	-	(378,225)	-
$0.15	August 10, 2024	-	16,475,000	-	-	16,475,000
		29,797,719	16,475,000	-	(22,864,141)	23,408,578

e) Agent Options

In connection with the closing of the Company's Initial Public Offering in 2020, the Company issued 1,120,000 non-transferable "Agent Options", each exercisable at a price of $0.25 to acquire one Common Share and one-half of one Warrant. The remaining 993,170 Agent Options expired unexercised on January 17, 2022.

f) Reserve

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

(Expressed in Canadian dollars)

9. SHARE CAPITAL (continued)

g) Escrowed Shares

As at September 30, 2023, no common shares were subject to a regulatory escrow (September 30, 2022 – 6,552,001), whereby 6,552,001 shares were released from escrow in fiscal 2023.

10. RELATED PARTY TRANSACTIONS

In addition to the officers and directors of the Company ("key management personnel"), the Company's related parties include (i) its subsidiaries; (ii) OCP Holdings Ltd. as a reflection of its approximate 16.81% ownership interest in the Company at September 30, 2023; and (iii) those legal entities which share certain common directors noted below to whom compensation is paid.

Key management personnel compensation is comprised of the following:

	Year ended September 30,		Net balance payable September 30,	
	2023	2022	2023	2022
Key management compensation:				
Executive salaries and benefits [1]	$ 366,300	$ 268,860	$ 50,500	$ -
Geological consulting [1]	220,912	212,753	23,903	17,222
Directors fees	156,000	159,075	43,737	-
Share-based payments	141,058	78,993		
	$ 884,270	$ 719,681	$ 118,140	$ 17,222
Net office, sundry, rent and salary allocations reimbursed to companies sharing certain common directors [2]	$ 88,358	$ 13,631	$ 10,150	$ 1,179

(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. Amounts payable to related parties are unsecured non-interest bearing and due in less than 90 days (Note 8).

11. SEGMENTED INFORMATION

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

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

(Expressed in Canadian dollars)

11. SEGMENTED INFORMATION (continued)

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

	Years ended September 30, 2023	2022
Canada	$ 1,370,623	$ 1,033,041
Australia	61,156	36,796
	$ 1,431,779	$ 1,069,837

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

September 30, 2023	Canada	Australia	Total
Current assets	$ 1,999,049	$ 1,029,994	$ 3,029,043
Refundable security deposits	-	251,361	251,361
Exploration and evaluation assets	-	8,788,839	8,788,839
Total assets	$ 1,999,049	$ 10,070,194	$ 12,069,243

September 30, 2022	Canada	Australia	Total
Current assets	$ 1,504,257	$ 319,923	$ 1,824,180
Refundable security deposits	-	358,833	358,833
Exploration and evaluation assets	-	8,320,471	8,320,471
Total assets	$ 1,504,257	$ 8,999,227	$ 10,503,484

12. INCOME TAXES

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	September 30, 2023	2022
Loss for the year	$ (1,431,779)	$ (1,069,837)
Canadian statutory tax rate	27.0%	27%
Income tax benefit computed at statutory rates	(386,580)	(288,856)
Permanent differences	138,674	43,206
Prior year true up	(77,376)	(27,541)
Change in unrecognized deferred income tax assets	325,282	273,191
	$ -	$ -

(Expressed in Canadian dollars)

12. INCOME TAXES (continued)

The significant components of deferred income tax assets and liabilities as at September 30, 2023 and 2022, after applying enacted income tax rates, are as follows:

	September 30, 2023	September 30, 2022
Net operating loss carry-forward	$ 1,344,938	$ 958,398
Share issuance costs	61,000	88,061
Exploration and evaluation assets	127,304	161,501
Unrecognized deferred income tax assets	(1,533,242)	(1,207,960)
Unrecognized deferred tax assets	$ -	$ -

The Company has net operating losses which may be carried forward to apply against future year taxable income, subject to the final determination by taxation authorities, expiring in the following years:

Year	Non-Capital Losses
2037	$ 693
2038	95,051
2039	401,652
2040	698,910
2041	1,262,222
2042	1,110,907
2043	1,411,818
	$ 4,981,253

13. SUBSEQUENT EVENTS

a) New South Wales Project

In December 2023, the Company received grants of AUD145,500 (Note 7).

Subsequent to the year ended September 30, 2023, funds of AUD2.39 million were received from AngloGold (Note 7).

b) Carron Project (Queensland)

The Third Amendment provides for the extension of the term for completion of the Stage 2 Earn-in to March 31, 2024, which expenditure commitment of AUD 1,000,000 was satisfied subsequent to the year ended September 30, 2023 (Note 7).

c) Share Capital

In December 2023, the Company issued 125,000 common shares from the exercise of Options with an exercise price of $0.12 for gross proceeds of $15,000.

d) Stock Options

In December 2023, 125,000 Options were exercised and 425,000 Options were cancelled.