ADYTON RESOURCES CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian dollars)

As at December 31, 2024

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Independent Auditor's Report

To the Shareholders of Adyton Resources Corporation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adyton Resources Corporation (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statements of financial position as at 31 December 2024, the consolidated statements of loss and comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cashflows for the year then ended, notes to the financial statements including a summary of material accounting policy information (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 Group as at December 31, 2024 and December 31, 2023 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 Group 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.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Impairment of exploration and evaluation expenditure ***Refer to Notes 4 & 10***	
The Group is involved in exploration and evaluation activities of gold and copper areas of interest. We consider the carrying value of the Exploration and Evaluation assets $13,603,660 (31 December 2023: $12,506,396) to be a key audit matter given the significance of the balance to the financial statements and judgements used regarding future exploration plans and tenure status in determining whether the assets should continue to be capitalised. IFRS 6 Exploration for and Evaluation of Mineral Resources requires the exploration and evaluation assets to be assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. As disclosed in Note 4(b) to the financial statements, management performed an assessment for impairment indicators at 31 December 2024 in accordance with the accounting policy described in the same note which required management to make certain judgements and assumptions as to future events and circumstances surrounding the continued tenure and ongoing exploration in the relevant areas of interest.	Our procedures included: • Understanding and evaluating the design and implementation of the control activities through which exploration and evaluation expenditure is incurred, recorded and assessed for impairment; • Obtaining an understanding of the status of ongoing exploration programs and future intentions for the areas of interest, including future budget spend and related work programs; • Enquiring of management and reviewed TSX announcements to ensure the Group had not decided to discontinue exploration and evaluation in its area of interest; • Evaluating and challenging the Directors' estimates and assumptions included in their assessment of potential indicators of impairment; • Considering whether the Group's right to explore was current by inspecting supporting documents such as license agreements; • Inspecting that, where license agreement renewals were pending at the balance sheet date, applications were submitted within the required timeframes and in line with the relevant legislation; and • Assessing the adequacy of the related disclosures made in Notes 4(b) & 10 of the financial statements.

Other Information

Management is responsible for the other information. The other information comprises 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 of the audit, or otherwise appears to be materially misstated.

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

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

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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 this financial report.

As part of an audit in accordance with the Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Group'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 report 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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 the those charged with governance, we determine those matters that were of most significance in the audit of the financial report 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 Jason Evans.

Pitcher Partners

PITCHER PARTNERS
CHARTERED PROFESSIONAL ACCOUNTANTS

J. Evans

JASON EVANS
Partner

Brisbane, Queensland
24 April 2025

(Expressed in Canadian dollars)

	Note	**As at December 31, 2024 C$**	As at December 31, 2023 C$
ASSETS			
Current Assets			
Cash and cash equivalents	19	**2,409,625**	158,871
Trade and other receivables	8	**53,512**	21,065
Prepayments	9	**49,208**	20,120
Other financial assets	19	**4,521,345**	-
		7,033,690	200,056
Non-current Assets			
Exploration and evaluation expenditure	10	**13,603,660**	12,506,396
Property, plant, and equipment	11	**156,854**	7,832
		13,760,514	12,514,228
TOTAL ASSETS		**20,794,204**	12,714,284
LIABILITIES			
Current Liabilities			
Trade and other payables	12	**604,167**	288,679
		604,167	288,679
TOTAL LIABILITIES		**604,167**	288,679
NET ASSETS		**20,190,037**	12,425,605
SHAREHOLDERS' EQUITY			
Issued capital	13	**28,664,661**	19,954,932
Other equity	13	**663,801**	-
Accumulated losses		**(10,866,147)**	(8,657,846)
Reserves	14	**1,727,722**	1,128,519
TOTAL SHAREHOLDERS' EQUITY		**20,190,037**	12,425,605

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

On behalf of the Board of Directors of Adyton Resources Corporation:

"Sinton Spence"
Director

"Timothy Crossley"
Director

ADYTON RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in Canadian dollars)

	Note	**Twelve months ended December 31, 2024 C$**	Twelve months ended December 31, 2023 C$
Other Income			
Interest income		**77,891**	-
		-	-
Listing and share registry expenses		**(72,138)**	(47,389)
Audit, legal and compliance expenses		**(256,126)**	(156,136)
Insurance		**(48,436)**	(40,856)
Foreign exchange loss		**(186,469)**	(159,351)
Director and key management personnel remuneration		**(241,296)**	(157,070)
Marketing and investor relations expenses		**(73,972)**	(7,209)
Office and administrative expenses		**(27,931)**	(12,801)
Travel expenses		**(83,559)**	(30,911)
Finance costs		**(3,968)**	(3,775)
Share based payments expense	**13(a)(b)(d)**	**(1,292,297)**	-
Impairment of exploration and evaluation expenditure	**10**	**-**	(27,755)
Loss before income tax		**(2,208,301)**	(643,253)
Income tax expense	**7**	**-**	-
Loss after income tax attributable to the owners of the parent		**(2,208,301)**	(643,253)
Other comprehensive loss			
Items that may be reclassified to income or loss in subsequent periods			
Exchange differences on translation to presentation currency		**(429,377)**	(135,431)
Comprehensive loss attributable to the owners of the parent		**(2,637,678)**	(778,684)
Basic and diluted loss per common share	**17**	**$(0.0109)**	$(0.0044)

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

ADYTON RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND DECEMBER 31, 2023
(Expressed in Canadian dollars)

	Share capital	Reserves	Accumulated losses	Total Shareholders' Equity
Balance – December 31, 2022	**19,345,782**	**1,263,950**	**(8,014,593)**	**12,595,139**
Loss for the year	-	-	(643,253)	(643,253)
Exchange differences on translation to presentation currency	-	(135,431)	-	(135,431)
Total comprehensive loss	**-**	**(135,431)**	**(643,253)**	**(778,684)**
Issued pursuant to financings	400,000	-	-	400,000
Issued as remuneration	209,150	-	-	209,150
Balance, December 31, 2023	**19,954,932**	**1,128,519**	**(8,657,846)**	**12,425,605**

	Share capital	Other equity	Reserves	Deficit	Total Shareholders' Equity
Balance – December 31, 2023	**19,954,932**	**-**	**1,128,519**	**(8,657,846)**	**12,425,605**
Loss for the year	-	-	-	(2,208,301)	(2,208,301)
Exchange differences on translation to presentation currency	-	-	(429,377)	-	(429,377)
Total comprehensive loss	**-**	**-**	**(429,377)**	**(2,208,301)**	**(2,637,678)**
Issued pursuant to financings	8,390,000	-	-	-	8,390,000
Non-participating equity contributions by EVIH under Fergusson Island Project Development Agreement (note 13(e))	-	663,801	-	-	663,801
Issued pursuant to debt settlement (note 13(a))	360,000	-	-	-	360,000
Issued for finders fees (note 13(c))	333,640	-	-	-	333,640
Share based payments	-	-	1,028,580	-	1,028,580
Capital raising costs	(373,911)	-	-	-	(373,911)
Balance, December 31, 2024	**28,664,661**	**663,801**	**1,727,722**	**(10,866,147)**	**20,190,037**

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

(Expressed in Canadian dollars)

	Note	For the year ended December 31, 2024 C$	2023 C$
Loss before income tax expense		**(2,208,301)**	(643,253)
Adjustments for:			
- Impairment and depreciation expense		**1,965**	31,129
- Share based payments		**1,292,297**	-
- Unrealised foreign exchange (gain)/loss		**(7,260)**	142,911
Total adjustments		**1,287,002**	174,040
Operating cash flows before changes in working capital		**(921,299)**	(469,213)
Changes in working capital:			
Increase in other receivables, prepayments and other financial assets		**(61,956)**	(16,129)
Increase in trade and other payables and provisions		**1,781**	87,578
Total changes in working capital		**(60,175)**	71,449
Net cash flows used in operating activities		**(981,474)**	(397,764)
Cash flow from investing activities			
Payments for exploration and evaluation expenditure		**(1,105,053)**	(44,293)
Payments for property, plant and equipment	11	**(156,530)**	-
Investments in other financial assets	19	**(4,521,345)**	-
Net cash used in investing activities		**(5,782,928)**	(44,293)
Cash flow from financing activities			
Cash from share issuance	13	**8,390,000**	400,000
Capital raising costs		**(40,271)**	-
Issue of other equity	13	**663,801**	-
Net cash provided by financing activities		**9,013,530**	400,000
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the period		**158,871**	200,296
Net increase/(decrease) in cash and cash equivalents		**2,249,128**	(42,057)
Foreign exchange difference on cash and cash equivalents		**1,626**	632
Cash and cash equivalents at end of the period	19	**2,409,625**	158,871

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

1. NATURE OF BUSINESS

Adyton Resources Corporation (the "Company" or "Adyton") was incorporated on March 8, 2018 under the laws of British Columbia. The Company's head office address is Level 7, 300 Adelaide Street, Brisbane QLD 4000. The Company's registered and records office is located at Suite 2700, 1133 Melville St, Vancouver, British Columbia, V6E 4E5. To date the Company has not earned operating revenue.

2. BASIS OF PRESENTATION

Approval of financial statements
The Board of Directors of Adyton Resources Corporation approved these consolidated financial statements on April 24, 2025.

Statement of compliance
These consolidated financial statements have been prepared in accordance 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 presentation
These consolidated financial statements comprise the consolidated financial statements of the Group consisting of Adyton Resources Corporation and its subsidiaries and have been prepared on a historical cost basis, except for financial instruments measured at their fair value. In addition, the financial statements have been prepared using the accrual basis of accounting except for cash flow information.

These consolidated financial statements of the Group are presented in Canadian dollars which is the functional currency of Adyton Resources Corporation.

The accounting policies adopted in the presentation of these financial statements are consistent with those disclosed in the Company's consolidated financial statements for the year ended December 31, 2023 except the adoption of all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for financial periods commencing on or after January 1, 2024. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group for the reporting period.

3. MATERIAL ACCOUNTING POLICIES

a) New and revised standards not yet adopted

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial period ended December 31, 2024 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

3. MATERIAL ACCOUNTING POLICIES (continued)

b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of the Company and its subsidiaries at year end and the results of the Company and its subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Intragroup balances and transactions, including income, expenses, and dividends, are eliminated in full. Income and losses resulting from intragroup transactions are eliminated in full.

The financial statements of the subsidiary are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

c) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements of the Group are presented in Canadian dollars, which is the Company’s functional currency. The functional currency of the Company’s subsidiaries is Australian dollars.

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in income or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency transaction reserve within equity in the consolidated financial statements.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Group companies

The results and financial position of the Company’s subsidiaries which have a functional currency of Australian dollars are translated into the presentation currency as follows:

3. MATERIAL ACCOUNTING POLICIES (continued)

c) Foreign currency (continued)

a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

b) income and expenses for each statement of income or loss and other comprehensive income or loss presented are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

c) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or borrowings repaid a proportionate share of such exchange differences are reclassified to income or loss as part of the gain or loss on sale, where applicable.

d) Income tax

Income tax on the income or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in income or loss except to the extent that they relate to items recognised outside income or loss, either in other comprehensive income or loss or directly in equity in which the tax is also recognised outside income or loss (either in other comprehensive income or loss or directly in equity respectively).

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable income or loss

Deferred income tax is provided on temporary differences arising on investment in subsidiaries except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

3. MATERIAL ACCOUNTING POLICIES (continued)

e) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and term deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

f) Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

g) Financial liabilities

Financial liabilities include trade and other payables. Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or loss when the liabilities are derecognised and through the amortisation process. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

h) Property plant and equipment

Property, plant, and equipment are stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

i) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Group has obtained legal rights to explore an area are expensed in income or loss.

Exploration and evaluation assets are only recognised if the rights to the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
(ii) activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

3. MATERIAL ACCOUNTING POLICIES (continued)

i) Exploration and evaluation expenditure (continued)

Exploration and evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash-generating unit shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the area of interest are demonstrable, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified from exploration and evaluation assets to property and development assets within property, plant, and equipment.

j) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors.

k) Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at grant date and is recognized over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact on the revision of the original estimates, if any, is recognized in income or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

The preparation of consolidated financial statements requires management to make estimates about, and apply assumptions or judgment to, future events and other matters that affect the reported amounts of the Group's assets, liabilities, revenues, expenses, and related disclosures. Assumptions, estimates, and judgments are based on historical experience, expectations, current trends, and other factors that management believes to be relevant at the time at which the consolidated financial statements are prepared.

(a) Key sources of estimation uncertainty

Shared based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Fair value of options is calculated using the Black Scholes or a binomial options pricing model, considering the terms and conditions upon which the options were granted. The assumptions used in these valuation models are set out in Note 13.

Where the vesting of share-based payments contains performance based and market-based milestones, in estimating the number and fair value of the equity instruments issued, the Group assesses the probability of the milestones being met, and therefore the probability of the instruments vesting. Management applies judgement to arrive at the probabilities that are applied to these instruments. These estimates will be adjusted over time to reflect actual performance and management's best estimates of the conditions being met.

(b) Critical accounting judgements

Going Concern

As at 31 December 2024 the Group had cash and cash equivalents and other financial assets of $6,930,970 (2023: $158,871), net current assets of $6,429,523 (2023: net current liabilities of $88,623) and net assets of $20,190,037 (2023: net assets of $12,425,605). The Group generated a loss after tax for the year ended 31 December 2024 of $2,208,301 (2023 loss: $643,253), net cash outflows from operating activities of $981,474 (2023: outflows of $397,764), net cash outflows from investing activities of $5,782,928 (2023: outflows of $44,293) and net cash inflows from financing activities of $9,013,530 (2023: $400,000).

During the year ended December 31, 2024 the Company executed the following transactions:

i. The Company settled accrued Director and management remuneration totalling $120,000 in relation to the year ended 31 December 2023 through the issuance of 4,000,000 common shares at a price of $0.03 per share (note 13(a)).

ii. The Company completed private placements to raise $1,500,000 by issuing 50,000,000 common shares at a price of $0.03 per share, and $6,890,000 by issuing 53,000,000 common shares at a price of $0.13 per share (note 13(a)).

iii. The Company entered into a binding Investment and Development Agreement ("IDA") with East Vision International Holdings PTE Ltd ("EVIH") with respect to a joint venture on its Fergusson Island gold project (note 13(e)).

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS (continued)

(b) Critical accounting judgements (continued)

Going Concern (continued)

The ability of the Group to continue as a going concern is principally dependent upon the following:

i. the ability of the Group to raise additional funding in the future; and
ii. the successful exploration and subsequent exploitation of the Group’s tenements.

Taking into consideration the $8,390,000 placements completed in April and October 2024, the joint venture entered into in relation to the Fergusson Island Projects, combined with the potential to attract farm-in partners for, or purchasers of the Feni Island Project and the ability of the Group to reduce or defer uncommitted expenditure, the directors have prepared the financial statements on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

Impairment of exploration and evaluation expenditure

At December 31, 2024, the carrying value of exploration and evaluation assets of the Group was $13,603,660 (2023: $12,506,396). Exploration and evaluation assets are assessed for impairment in accordance with the accounting policy disclosed in Note 3(i). The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of income or loss and other comprehensive income or loss.

As at December 31, 2024, mineral exploration licenses EL2096 for the Feni Island Project, and EL2549 and EL2546 for the Fergusson Island Projects, to which the exploration and evaluation assets of the Group relate, had expired and was under application for renewal. During the year ended December 31, 2024, the Group completed the Wardens hearings (“Hearings”) for the renewal of the exploration licenses related to the Fergusson Island (EL 2549) and Feni Island (EL 2096) projects. Subsequent to the year ended December 31, 2024, the Group completed the Hearing for the renewal of the exploration license related to the Fergusson Island (EL2546). The Hearings were well attended by local landowners and stakeholders who unanimously supported the continuation of Adyton’s exploration and development programs at each of the Fergusson Island and Feni Island projects.

The Group believes it has complied with all license conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the application for renewal of the exploration license not being granted in the ordinary course of business. The Group has determined that no impairment of the capitalised exploration and evaluation expenditure relating to this exploration license is necessary as it is considered that there is a reasonable basis to expect that the renewal application will be granted and that the Group is otherwise proceeding with exploration and development activities on the exploration license. Should the exploration license not be renewed, the relevant capitalised amount will be expensed in the statement of income or loss and other comprehensive income or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS (continued)

(b) Critical accounting judgements (continued)

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the recognition criteria set out in IAS12.

5. AUDITOR'S REMUNERATION

	December 31, 2024 $	December 31, 2023 $
Audit fees:		
- Auditor of the Company	**32,112**	25,000
	32,112	25,000
Non-audit fees		
- Auditor of the Company	**-**	-
	-	-

6. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

For management purposes, the Group is reported as a single business unit being Copper and Gold exploration.

(Expressed in Canadian dollars)

6. SEGMENT INFORMATION (continued)

The following tables present revenue and income information for the Group's operating segments for the year ended 31 December 2024 and 2023, respectively.

(i) Segment performance

Year December 31, 2024	Copper and Gold Exploration $
Total segment other income	77,891
Segment expenditure	(3,800,518)
Segment result	**(3,722,627)**
• Capitalised expenditure	1,514,326
• Impairment expense	-
Net income / (loss) before income tax	**(2,208,301)**
Year December 31, 2023	
Total segment other income	-
Segment expenditure	(678,712)
Segment result	**(678,712)**
• Capitalised expenditure	63,214
• Impairment expense	(27,755)
Net income / (loss) before income tax	**(643,253)**

(ii) Segment assets

The following table shows assets by geographical segment.

	Papua New Guinea $	Canada $	Australia $	Total $
December 31, 2024				
Segment assets	**13,961,509**	**309,704**	**6,522,991**	**20,794,204**
December 31, 2023				
Segment assets	12,536,101	38,613	139,570	12,714,284

7. TAX EXPENSE

	December 31, 2024 $	December 31, 2023 $
Tax expense attributable to income or loss of the Group is made up of:		
Current year income tax	**–**	–

(Expressed in Canadian dollars)

7. TAX EXPENSE (continued)

(a) Reconciliation of income tax expense to prima facie income tax

Loss before income tax	**(2,208,301)**	(643,253)
Tax calculated at a tax rate of 25% (2023: 25%)	**(552,075)**	(160,813)
Effect of tax rates in other jurisdictions	**(1,379)**	(208)
Effect of change in tax rates	**-**	-
Expenses not deductible for tax purposes	**259,181**	(2,583)
Temporary differences	**3,144**	(153)
Deferred tax assets not recognised	**291,129**	163,757
	-	-

(b) Deferred tax assets / liabilities comprise

Provisions	**-**	-
Prepayments	**(1,733)**	(5,030)
Tax losses available for offset against future taxable income	**1,606,416**	1,314,650
Net deferred tax assets	**1,604,683**	1,309,620
Deferred tax assets not recognised	**(1,604,683)**	(1,309,620)
	-	-

(c) Unrecognised deferred tax assets comprise:

Deferred tax assets have not been recognised in respect of the following items:

Temporary differences and tax losses at 25% (2023: 25%)	**1,604,683**	1,309,620

Tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable income will be available against which the Group can utilise the benefits from the deferred tax assets.

8. TRADE AND OTHER RECEIVABLES

	December 31, 2024 $	December 31, 2023 $
Trade and other receivables	**53,512**	21,065

Trade and other receivables comprise GST and VAT receivables that are expected to recover within twelve months.

(Expressed in Canadian dollars)

9. PREPAYMENTS

	December 31, 2024 **$**	December 31, 2023 $
Prepayments	**49,208**	20,120

Included in prepayments at December 31, 2024 is $5,000 paid to a director in advance for 2025 director fees (refer Note 16 for additional information in relation to related parties).

10. EXPLORATION AND EVALUATION EXPENDITURE

	December 31, 2024 **$**	December 31, 2023 $
Exploration and evaluation expenditure capitalised	**13,603,660**	12,506,396

Movements in exploration and evaluation assets during the financial period are summarised below:

	December 31, 2024 **$**	December 31, 2023 $
Balance at beginning of financial period	**12,506,396**	12,749,720
Exploration and evaluation expenditure capitalised during the financial period	**1,350,563**	63,214
Capitalized expenditure related to surrendered tenement	**-**	(27,755)
Effect of changes in exchange rates	**(253,299)**	(278,783)
Balance at end financial period	**13,603,660**	12,506,396

On May 2,2024, the Group entered into an Investment and Development Agreement ("IDA") with East Vision International Holdings PTE Ltd ("EVIH") for the development of the Fergusson Island Gold Project. Under the terms of the IDA, EVIH may acquire up to a 50% ownership interest in the Company's subsidiary MR Exploration PNG Pte Ltd. ("MRE") subject to EVIH providing funding of up to US$9.5 million for the development of the Fergusson Island Project.

Included in exploration and evaluation expenditure is $550,799 (2023: $521,290) relating to Papua New Guinea goods and services tax, for which the recovery and the timing of recovery is uncertain.

During the period impairment expense of $nil (2023: $27,755) was recognised in relation to tenements that were surrendered by the Company.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(Expressed in Canadian dollars)

11. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2024 $	December 31, 2023 $
Property, plant, and equipment – net book value	**156,854**	7,832

	December 31, 2024 $	December 31, 2023 $
Cost		
Balance at beginning of financial period	**74,817**	76,195
Additions	**156,530**	-
Disposals	**-**	(1,378)
Balance at end financial period	**231,347**	74,817

	December 31, 2024 $	December 31, 2023 $
Depreciation		
Balance at beginning of financial period	**(66,985)**	(45,394)
Depreciation for the period	**(7,508)**	(21,591)
Balance at end financial period	**(74,493)**	(66,985)

12. TRADE AND OTHER PAYABLES

	December 31, 2024 $	December 31, 2023 $
Trade and other payables	**604,167**	288,679
	604,167	288,679

Included in trade and other payables at December 31, 2024 are amounts due to the following related parties (refer Note 16 for additional information in relation to related parties):

- Accrued Director fees and KMP remuneration totalling $82,798 (2023: $181,525 that were partially equity settled to the value of $120,000 on 24 April 2024).
- Amounts totalling $17,059 (2023: $nil) owing to an officer for audit, legal and compliance expenses paid on behalf of the Group.
- Amounts totalling $1,115 (2023: $Nil) owing to Sinton Spence Chartered Accountants, a related party of Sinton Spence, a non-executive Director of the Company.
- Amounts totalling $30,346 (2023: $28,026) owing to Siecap Pty Ltd., a related party of David Irvine, a non-executive Director of the Company.

(Expressed in Canadian dollars)

13. SHARE CAPITAL

Authorised share capital comprises an unlimited number of common shares without par value.

(a) *Movements in issued capital*

The following reconcile the movements in share capital during the period.

	2024		2023	
	No. of shares	**C$**	**No. of shares**	**C$**
Balance at the beginning of the reporting period	**148,941,886**	**19,954,932**	124,758,886	19,345,782
Shares issued pursuant to financings	103,000,000	8,390,000	20,000,000	400,000
Capital costs pursuant to financings	-	(373,911)	-	-
Shares issued to settle debt	4,000,000	360,000	-	-
Shares issued as Finders Fees	4,000,000	333,640	-	-
Shares issued in lieu of remuneration	-	-	4,183,000	209,150
	259,941,886	**28,664,661**	148,941,886	19,954,932

Financings:

April 2024 Financing

On April 19, 2024, the Group closed a non-brokered private placement (the “April 2024 Financing”), raising $1,500,000 in gross proceeds through the issuance of 50,000,000 common shares (the “Shares”) at a price of $0.03 per Share.

In connection with the April 2024 Financing, the Group paid finders fees (the “Finders Fees”) consisting of 4,000,000 Shares and 4,000,000 common share purchase warrants (the “Finders Warrants”) to an arm’s length finder. Each Finders Warrant entitles the holder thereof to purchase one Share at an exercise price of $0.05 until April 20, 2026.

Certain officers, directors and other insiders of the Company purchased an aggregate of 6,250,000 Shares under the April 2024 Financing (refer Note 16).

October 2024 Financing

On October 3, 2024, the Group closed a non-brokered private placement (the “October 2024 Financing”), raising $6,890,000 in gross proceeds through the issuance of 53,000,000 common shares (the “Shares”) at a price of $0.13 per Share.

Debt Settlement:

On April 24, 2024 the Company issued 4,000,000 shares at a deemed price of $0.03 in settlement of C$120,000 of accrued liabilities for fees owed to management and directors of the Company (the “Debt Settlement”). At the time of settlement, the fair value of the Company’s shares was $0.09 per share. In accordance with IFRS 9, the difference between the fair value of the shares issued and the amount of debt settled resulted in the recognition of a non-cash share based payments expense of $240,000 in the Group’s Consolidated Statements of Loss and Comprehensive Loss for the year ended

(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(a) *Movements in issued capital* (continued)

Debt Settlement: (continued)

December 31, 2024. The Debt Settlement was reviewed and approved by disinterested members of the Board and completed in compliance with applicable securities laws and exchange policies. The consistent $0.03 price across the April 2024 financing, finder's fee, and Debt Settlement reflects the valuation used by the Group at the time of these transactions.

(b) Options on issue

The following share-based payment options over common shares were on issue:

	December 31, 2024 Number	December 31, 2023 Number
On issue at the beginning of the period	**10,237,944**	11,357,619
Options granted to Directors	**7,250,000**	-
Expiry of options issued to Directors	**(9,487,944)**	-
Expiry of options issued to Brokers	**-**	(1,119,675)
	8,000,000	10,237,944
Weighted Average Exercise Price	**$ 0.21**	$ 0.30
Weighted Average Remaining Contractual Life (in years)	**2.88**	4.13

On November 8, 2024, the Group granted 7,250,000 stock options under the Group's Amended and Restated Stock Option Plan (the "Option Plan"). Each option entitles the holder to acquire one common share at an exercise price of $0.20 for a three-year period expiring on November 8, 2027, subject to vesting requirements that the options only vest on the date on which the holder has been an officer, director or employee of the Group for 12 months (this condition is satisfied if the holder has been an officer, director or employee of the Group for 12 months before the Grant Date).

The fair value of the options granted during the year was estimated at the grant date using the Black Scholes or a binomial options pricing model, with the following weighted average assumptions:

Assumption	Value
Share price at grant date	$ 0.205
Exercise price	$ 0.20
Expected volatility	150.30%
Risk-free interest rate	3.05%
Expected life of options	3 years
Expected dividend yield	0%
Fair value per option granted	$ 0.1675

(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(b) Options on issue (continued)

The total share-based payment expense recognized during the year ended December 31, 2024, with respect to stock options, was $1,028,580 (2023: $nil), which has been recorded in share based payments expense in the Consolidated Statements of Loss and Comprehensive Loss.

(c) Warrants on issue

The following warrants over common shares were on issue:

	December 31, 2024 Number	December 31, 2023 Number
On issue at the beginning of the period	**-**	-
Warrants granted as Finders Fees	**4,000,000**	-
	4,000,000	-

In connection with the April 2024 Financing, the Group paid finders fees (the "Finders Fees") including 4,000,000 common share purchase warrants (the "Finders Warrants") to an arm's length finder. Each Finder Warrant entitles the holder thereof to purchase one Share at an exercise price of $0.05 until April 20, 2026. The issuance of the Finders Warrants are recorded to share capital and net against share based payments reserve.

The fair value of $333,640 for the warrants granted during the year was estimated at the grant date using the Black Scholes or a binomial options pricing model, with the following weighted average assumptions:

Assumption	Value
Share price at grant date	$ 0.09
Exercise price	$ 0.05
Expected volatility	229.80%
Risk-free interest rate	4.35%
Expected life of options	2 years
Expected dividend yield	0%
Fair value per option granted	$ 0.08341

(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(d) Restricted stock units

The following restricted stock units over common shares were on issue:

	December 31, 2024 Number	December 31, 2023 Number
On issue at the beginning of the period	**-**	-
Granted	**1,100,000**	-
	1,100,000	-

On November 8, 2024, the Group granted 1,100,000 (2023: nil) restricted share units under the Group's Amended and Restated Non-Option Omnibus Incentive Plan (the "Omnibus Plan"). Each RSU entitles the holder to a payment in the form of one common share or its cash equivalent in accordance with the provisions of the Omnibus Plan, subject to vesting requirements that the RSU's only vest on the date on which the holder has been an officer, director or employee of the Group for 12 months. The RSU's are also subject to performance criteria such that they will only vest following the date on which the 30 day VWAP of the common shares on the TSX Venture Exchange is at least $0.18, and are subject to a restriction period ending December 31, 2027.

The fair value of the restricted stock units granted during the year was estimated at the grant date using Black Scholes or a binomial options pricing model, with the following weighted average assumptions:

Assumption	**Value**
Share price at grant date	$ 0.205
Barrier price	$ 0.18
Expected volatility	150.30%
Risk-free interest rate	3.05%
Expected life of options	3 years
Expected dividend yield	0%
Fair value per option granted	$ 0.2019

The total share-based payment expense recognized during the year ended December 31, 2024, with respect to restricted stock units, was $23,717 (2023: $nil), which has been recorded in share based payments expense in the Consolidated Statements of Loss and Comprehensive Loss.

(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(e) Other equity

The following reconciles the movement in other equity during the period.

	December 31, 2024 C$	December 31, 2023 C$
Balance at the beginning of the period	**-**	-
Non-participating shares issued by subsidiary to third party	**663,801**	
	663,801	**-**

On May 2, 2024, the Group entered into a binding Investment and Development Agreement ("IDA") with East Vision International Holdings PTE. Ltd. ("EVIH") for the development of the Fergusson Island Gold Project (the "Fergusson Project"). Under the terms of the IDA, EVIH may acquire up to a 50% ownership interest in the Company's subsidiary MR Exploration PNG Pte. Ltd. ("MRE") subject to EVIH providing funding of up to US$9.5 million for the development of the Fergusson Project, allocated as follows:

- **Project expenditures:** US$8.5 million to fund the Fergusson Project-related expenditures
- **Direct payment to Adyton:** US$1.0 million, with US$500,000 received upon execution of the IDA and the remaining US$500,000 due within 90 days of obtaining a bulk sampling permit and constructing an experimental production line for the Fergusson Project. On receipt of the initial US$500,000, the Group issued 103,365,385 Class B preference shares (the "Class B shares") of MRE as part of EVIH's initial investment in MRE. The Class B shares exclude voting rights. EVIH retains ownership of all materials and equipment used in the project, including all samples and ores obtained during exploration until full conversion.

EVIH's acquisition of the 50% interest with the conversion of the Class B Shares into Class A shares (with voting rights) of MRE (the "Class A shares") and transfer of assets to MRE are contingent upon completion of the following specific project milestones within 2.5 years from the effective date:

1. **Statutory and Landowner Approvals:** Conversion of 20% of the Class B Shares to Class A Shares upon obtaining all necessary approvals for executing and completing the experimental production line, including bulk sampling and metallurgical trials.
2. **Feasibility Study Completion:** An additional 30% conversion upon completion of a feasibility study for a minimum 2 million ton ROM gold concentrate mining and processing operation.
3. **Licenses and Permits Acquisition:** The final 50% conversion upon granting of all necessary licenses, permits, and approvals required for the development of the mining operation.

Should the Initial Investment Amount of US$8.5 million be insufficient to complete the necessary activities as described above, EVIH may provide a shareholder loan to MRE, capped at US$2 million, to cover additional costs.

(Expressed in Canadian dollars)

13. SHARE CAPITAL (continued)

(e) Other equity (continued)

Upon satisfaction of all milestones and a decision to proceed with Project development, EVIH has agreed to finance the development through a loan to MRE at an interest rate of 8% per annum. Repayment will be prioritized through a 90% allocation of the Project's free cash flow until the loan and accrued interest are fully repaid.

If EVIH does not provide the required project financing, its ownership interest in MRE will be reduced to 10% through the issuance of additional Class A Shares to the Group.

Other Equity of $663,801 represents the non-refundable amount of US$500,000 received by the Group upon execution of the IDA.

(f) Capital management

Capital is comprised of the Group’s shareholders’ equity and any debt that it may issue. The Group’s objectives when managing capital are to maintain financial strength and to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain creditworthiness and to maximize returns for shareholders over the long term.

As the Group’s assets are in the exploration and evaluation phase, the Group is currently non-revenue generating. As such, a major focus of the Board and management is on ongoing cash flow forecasting and management of cash flows to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations.

14. RESERVES

	December 31, 2024 $	December 31, 2023 $
Share based payments reserve	**2,914,658**	1,886,078
Foreign currency translation reserve	**(1,215,159)**	(785,782)
Other reserves	**28,223**	28,223
	1,727,722	1,128,519

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record the cumulative effect of the translation of the financial statements of group companies that have a functional currency other than Canadian dollars into Canadian dollars which is the presentation currency for these consolidated financial statements.

(Expressed in Canadian dollars)

14. RESERVES (continued)

(a) *Foreign currency translation reserve* (continued)

	December 31, 2024 $	December 31, 2023 $
Balance at the beginning of the period	**(785,782)**	(650,351)
Translation of financial statements of group companies	**(429,377)**	(135,431)
Balance at the end of the period	**(1,215,159)**	(785,782)

(b) *Share based payments reserve*

The Share based payment reserve is used to record the fair value of share-based payments made by the Group. Refer to Note 13 for share-based payment transactions recognised during the period.

	December 31, 2024 $	December 31, 2023 $
Balance at the beginning of the period	**1,886,078**	1,886,078
Shared based payments issued during the period	**1,028,580**	-
Balance at the end of the period	**2,914,658**	1,886,078

15. SUBSIDIARIES

Set out below are the subsidiaries of Adyton Resources Corporation:

Name of entity	**Country of incorporation**	**Class of shares**	**2024 %**	**2023 %**
MR Exploration PNG Pte Limited ("MRE")*	Singapore	Ordinary	**100**	**100**
Adyton Exploration PNG Limited	Papua New Guinea	Ordinary	**100**	**100**
Fergusson Gameta Limited (formerly Ballygowan Limited)	Papua New Guinea	Ordinary	**100**	**100**
Fergusson Wapolu Limited (formerly Pacific Arc Aurum (Niugini) Limited)	Papua New Guinea	Ordinary	**100**	**100**
Adyton Resources (Australia) Pty Ltd	Australia	Ordinary	**100**	**100**
Adyton Resources Finance Company Ltd	Canada	Ordinary	**100**	**100**

*The Group has also issued 103,365,385 Class B shares of MRE to EVIH (refer note 13(e)

(Expressed in Canadian dollars)

16. RELATED PARTY TRANSACTIONS

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties.

The Group has identified the following as related parties:

i. Its directors as its key management personnel.
Mayur Resources Pte Limited and its related entities (Mayur). Mayur was formerly the parent entity of MRE and at December 31, 2024 owns 19.56% (2023: 42.75%) of the issued common shares of Adyton. Timothy Crossley who is a Director of the Company is also a Director of Mayur. The Company did not have any dealings with Mayur during the year.

ii. Sinton Spence Chartered Accountants (“SSCA”), a related entity of Mr Sinton Spence a Director of the Company provided accounting and taxation services to the Group’s Papua New Guinea subsidiaries on arm’s length commercial terms. The total value of services provided by SSCA during the financial year was $13,381 (2023: $1,103). Refer Note 12 for details of amounts owing to related parties as the period end.

iii. Siecap Pty Ltd (“Siecap”), a related entity of Mr David Irvine, a Director of the Company provided administrative support and consulting services to the Company on an arm’s length basis. The total value of services provided by Siecap during the financial year was $106,416 (2023: $42,284). Refer Note 12 for details of amounts owing to related parties as the period end.

(a) Transactions with key management personnel

Compensation recorded for key management personnel and companies related to them for the year ended December 31, 2024 was paid as follows:

	December 31, 2024 $	December 31, 2023 $
Short-term remuneration*	**355,404**	221,532
Share-based payments (refer Note 13)	**1,292,297**	-
	1,647,701	221,532

*Of the total short term remuneration of $355,404 (2023: $221,532), $114,108 (2023: $64,462) was capitalized to Exploration and evaluation expenditures, representing amounts attributable to key management personnel directly involved in exploration activities.

(Expressed in Canadian dollars)

17. BASIC AND DILUTED LOSS PER SHARE

The following reflects the operating loss after tax and number of shares used in the calculation of the basic and diluted loss per share.

	December 31, 2024	December 31, 2023
Basic and diluted loss per share (cents)	**(1.09)**	(0.44)
Loss attributable to shareholders	**$(2,208,301)**	$(643,253)
	Shares	**Shares**
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	**202,343,524**	146,540,598

18. FINANCIAL INSTRUMENTS

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

Market Risk

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

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is exposed to currency risk as it raises equity funds in C$ and utilises those funds to undertake exploration and evaluation activities on its mineral exploration projects in Papua New Guinea. Expenditure related to those exploration and evaluation activities is funded primarily in A$ and Papua New Guinea Kina (PGK).

The Group's exposure to currency risk as at December 31, 2024 and December 31, 2023 is summarised as follows:

December 31, 2024	C$ Denominated Balances $	A$ Denominated Balances $	PGK Denominated Balances $	Other Denominated Balances $	**TOTAL December 31, 2024 $**
Cash and cash equivalents	262,366	1,944,952	202,307	-	2,409,625
Trade and other receivables	3,208	35,996	14,308	-	53,512
Prepayments	6,933	42,275	-	-	49,208
Other financial assets	-	4,521,345	-	-	4,521,345
Total assets	**272,507**	**6,544,568**	**216,615**	**-**	**7,033,690**
Trade and other payables	143,833	85,088	349,203	26,043	604,167
Net exposure	**128,674**	**6,459,480**	**(132,588)**	**(26,043)**	**6,429,523**

(Expressed in Canadian dollars)

18. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

(i) Currency risk (continued)

December 31, 2023	C$ Denominated Balances $	A$ Denominated Balances $	PGK Denominated Balances $	Other Denominated Balances $	**TOTAL December, 2023 $**
Cash and cash equivalents	40	137,859	20,972	-	158,871
Trade and other receivables	751	17,419	2,895	-	21,065
Total assets	**791**	**155,278**	**23,867**	**-**	**179,936**
Trade and other payables	175,279	77,049	25,869	10,482	288,679
Net exposure	**(174,488)**	**78,229**	**(2,002)**	**(10,482)**	**(108,743)**

The following table details the Group's sensitivity to a 10% increase and decrease in the Canadian dollar against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. A negative number in the table represents a decrease in the operating income or loss before tax and reduction in equity where the Canadian dollar strengthens against the relevant currency. For a 10% strengthening of the Canadian dollar against the relevant currency, there would be a comparable impact on the loss or equity, and the balances below would be positive.

	31 December 2024 $	31 December 2023 $
Income / (loss) before tax and equity – CAD/AUD +10%	**645,948**	7,823
Income / (loss) before tax and equity – CAD/AUD-10%	**(645,948)**	(7,823)
Income / (loss) before tax and equity – CAD/PGK +10%	**(13,259)**	(200)
Income / (loss) before tax and equity – CAD/PGK -10%	**13,259**	200
Income / (loss) before tax and equity – CAD/Other +10%	**(2,604)**	(1,048)
Income / (loss) before tax and equity – CAD/Other -10%	**2,604**	1,048

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in market interest rates. The Group's sensitivity to interest rates relates to its cash and other financial asset balances as it has no debt with variable interest rates, so it has no negative exposure to changes in the market interest rate. At the end of the reporting period, if the interest rates had changed, as illustrated in the table below, with all other variables remaining constant, after-tax income or loss and equity would have been affected as follows:

(Expressed in Canadian dollars)

18. FINANCIAL INSTRUMENTS (continued)

Market Risk (continued)

(ii) Interest rate risk (continued)

	After-tax income / (loss) higher / (lower)		**Equity higher / (lower)**	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
	$	$	**$**	$
+1% (100bp) / (2023: +1%)	**69,310**	1,589	**69,579**	1,589
-1% (100bp) / (2023: -1%)	**(69,310)**	(1,589)	**(69,579)**	(1,589)

(iii) Price rate risk

The Company is exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Management closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company. Given the Company's limited market exposure at this time it has assessed there to be a low level of price rate risk.

Credit Risk

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

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due.

December 31, 2024	**< 1year** **$**	**Total contractual cash flows** **$**	**Carrying amount of liabilities** **$**
Financial liabilities			
Trade and other payables	604,167	604,167	604,167
	604,167	**604,167**	**604,167**

(Expressed in Canadian dollars)

18. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

December 31, 2023	< 1year $	Total contractual cash flows $	Carrying amount of liabilities $
Financial liabilities			
Trade and other payables	288,679	288,679	288,679
	288,679	**288,679**	**288,679**

Refer Note 4(b) for information regarding the Directors' assessment of the appropriateness of the going concern principle in the preparation of these financial statements.

On the basis of the above, the Directors are of the opinion the Group will be able to meet its debts as and when they fall due and realise its assets and settle its liabilities in the ordinary course of business.

The Company monitors its actual and forecast expenditure commitments against its available cash reserves. Where necessary, the Company seeks to raise additional capital or adjust its forecast expenditure profile with the objective of always having sufficient cash reserves available to meet forecast expenditure commitments for the succeeding twelve months.

19. CASH FLOW INFORMATION

Cash and cash equivalents	**31 December 2024 $**	31 December 2023 $
Cash and cash equivalents	**2,409,625**	158,871
	2,409,625	158,871

At December 31, 2024, the Group held cash equivalents, including a Term Deposit, with a market value of $2,409,625 (2023: $nil). The Term Deposit is held in $AUD maturing on January 15, 2025 at an interest rate of 5.02%.

At December 31, 2024, the Group held other financial assets, including Term Deposits, with a market value of $4,521,345 (2023: $nil). The Term Deposits are held in $AUD in various denominations maturing February 15, 2025 to April 15, 2025 at interest rates between 4.99% to 5.02%. At December 31, 2024, the Group earned interest from the Term Deposits held that had not yet been received of $61,280 (2023: $nil). This interest receivable has been classified to other financial assets and is measured at amortized cost.

20. COMMITMENTS

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

	31 December 2024 $	31 December 2023 $
Less than one year	**797,690**	402,666
Later than one year but less than five years	**-**	-
	797,690	402,666