FREEPORT
RESOURCES INC.

Consolidated Financial Statements
For the years ended January 31, 2025 and 2024

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Freeport Resources Inc.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Freeport Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2025 and 2024 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2025 and 2024 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

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 Consolidated 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 consolidated financial statements in Canada, and we have fulfilled our 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 in the consolidated financial statements, which indicates that the Company has an accumulated deficit and has experienced negative cash flows from operations. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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" but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 G. Cameron Dong.

De Visser Gray LLP

Chartered Professional Accountants

Vancouver, BC, Canada
June 2, 2025

FREEPORT RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

As at	Notes	January 31, 2025 $	January 31, 2024 $
ASSETS			
Current Assets			
Cash and cash equivalents		2,405,359	633,464
Amounts receivable	5	81,998	9,168
Prepaid expenses	6	118,663	135,549
Total assets		2,606,020	778,181
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Trade payables and accrued liabilities	4,7	123,367	116,389
Total Liabilities		123,367	116,389
Shareholders' equity			
Share capital	8	29,624,396	24,601,036
Share-based payment reserve	8	3,313,228	2,240,228
Accumulated other comprehensive loss		(71,401)	(29,859)
Deficit		(30,383,570)	(26,149,613)
Total shareholders' equity		2,482,653	661,792
Total liabilities and shareholders' equity		2,606,020	778,181

Nature and continuance of operations (Note 1)

Approved for issuance on behalf of the Board of Directors:

"Gord Friesen" Director   *"Allan Glowach"* Director

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

FREEPORT RESOURCES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Notes	Year Ended January 31 2025 $	Year Ended January 31 2024 $
EXPENSES			
Advertising and promotion		334,619	96,036
Audit and accounting	4	205,300	105,027
Consulting	4	1,539,184	1,059,416
Exploration and evaluation expenditures	3,4	469,148	375,131
Legal		42,429	16,353
Management fees	4	58,463	69,876
Office and general	4	211,679	156,184
Share-based payments	4,8	1,040,800	178,700
Stock exchange fees and licenses		68,663	28,596
Transfer agent fees		25,795	9,428
Travel		297,401	169,498
LOSS BEFORE OTHER ITEMS		(4,293,481)	(2,264,245)
OTHER ITEMS			
Interest income		59,793	-
Foreign exchange		(269)	(23,256)
LOSS FOR THE YEAR		(4,233,957)	(2,287,501)
Translation adjustment		(41,542)	(11,304)
COMPREHENSIVE LOSS FOR THE YEAR		(4,275,499)	(2,298,805)
LOSS PER COMMON SHARE – BASIC AND DILUTED		(0.02)	(0.02)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED		231,882,151	152,233,223

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

FREEPORT RESOURCES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Common shares						
	Number	Amount $	Share-based Payment Reserve $	Shares Subscribed $	Accumulated Other Comprehensive Loss (Translation Adjustment) $	Deficit $	Total $
Balance at January 31, 2023	97,237,375	21,765,804	2,061,528	646,667	(18,555)	(23,862,112)	593,332
Private placement	59,285,447	2,964,272	-	(646,667)	-	-	2,317,605
Share issuance costs - shares	804,000	40,200	-	-	-	-	40,200
Share issuance costs	-	(169,240)	-	-	-	-	(169,240)
Share-based payments	-	-	178,700	-	-	-	178,700
Foreign exchange adjustment	-	-	-	-	(11,304)	-	(11,304)
Net loss for the year	-	-	-	-	-	(2,287,501)	(2,287,501)
Balance at January 31, 2024	157,326,822	24,601,036	2,240,228	-	(29,859)	(26,149,613)	661,792
Private placements	105,356,867	5,274,331	-	-	-	-	5,274,331
Share issuance costs	-	(250,971)	32,200	-	-	-	(218,771)
Share-based payments	-	-	1,040,800	-	-	-	1,040,800
Foreign exchange adjustment	-	-	-	-	(41,542)	-	(41,542)
Net loss for the year	-	-	-	-	-	(4,233,957)	(4,233,957)
Balance at January 31, 2025	262,683,689	29,624,396	3,313,228	-	(71,401)	(30,383,570)	2,482,653

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

FREEPORT RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended January 31, 2025 $	Year Ended January 31, 2024 $
CASH FLOWS USED IN OPERATING ACTIVITIES		
Net loss	(4,233,957)	(2,287,501)
Adjustments for non-cash items:		
Share-based payments	1,040,800	178,700
Interest income received	(14,816)	-
Accrued interest income	(44,976)	-
Foreign exchange	(41,542)	(11,304)
Working capital adjustments:		
GST receivable	(27,854)	17,424
Prepaid expenses	16,886	(17,806)
Trade payables and accrued liabilities	6,978	(568,181)
Net cash used in operating activities	(3,298,481)	(2,688,668)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income received	14,816	-
Net cash provided by financing activities	14,816	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of common shares, net of cash share issuance costs	5,055,560	2,188,565
Net cash provided by financing activities	5,055,560	2,188,565
Change in cash	1,771,895	(500,103)
Cash and cash equivalents, beginning	633,464	1,133,567
Cash and cash equivalents, ending	2,405,359	633,464

Supplemental cash flow information:

During the year ended January 31, 2025, the Company issued 768,000 finder's warrants with a fair value of $32,200 for share issuance costs.

During the year ended January 31, 2024, the Company issued 804,000 units with a fair value of $40,200 for share issuance costs.

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

1. NATURE AND CONTINUANCE OF OPERATIONS

Freeport Resources Inc. (the "Company") is incorporated in British Columbia and is listed on the TSX Venture Exchange ("TSX-V") under the symbol "FRI" and listed on the OTCQB under the ticker symbol "FEERF". The Company is a Canadian junior mineral exploration company that controls an application for the renewal of an exploration license located in Papua New Guinea (PNG).

The Company's head office, principal address and registered and records office are located at Suite 250, 750 West Pender Street, Vancouver, BC V6C 2T7.

At January 31, 2025, the Company had not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets and related deferred exploration costs is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production from the exploration and evaluation assets or proceeds from the disposition of the exploration and evaluation asset.

These consolidated financial statements have been prepared with the going concern assumption, which assumes that the Company will continue in operation for the foreseeable future and, accordingly will be able to realize its assets and discharge its liabilities in the normal course of operations. At January 31, 2025, the Company had an accumulated deficit of $30,383,570 and expected to incur further losses, and required additional equity financing to continue developing its business and to meet its obligations. While the Company has been successful at raising additional equity financing in the past, there is no guarantee that it will continue to do so in the future, which results in a material uncertainty that casts significant doubt on the Company's ability to continue as a going concern.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs. These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. These adjustments could be material.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

The consolidated financial statements were authorized for issue on June 2, 2025 by the directors of the Company.

Statement of compliance

The consolidated financial statements of the Company, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted, the reporting currency of the Company.

Basis of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (continued)

The principal subsidiaries of the Company are as follows:

Name of subsidiary	Principal activity	Place of Incorporation	Ownership Interest January 31, 2025	Ownership Interest January 31, 2024
Quidum Resources Inc. ("Quidum")	Mineral property exploration	British Columbia	100%	100%
Highlands Pacific Resources Ltd. ("HPR")	Mineral property exploration	Papua New Guinea	100%	100%
Carpo Resources Inc. ("Carpo")	Mineral property exploration	British Columbia	100%	100%
Era Resources Inc. ("Era")	Mineral property exploration	Cayman Islands	100%	100%
Marengo Mining (Australia) Pty Limited ("Marengo")	Mineral property exploration	Australia	100%	100%
Yandera Mining Company Limited ("Yandera")	Mineral property exploration	Papua New Guinea	100%	100%
Yandera Mining Company (Holdings) Pty Limited ("Yandera Holdings")	Mineral property exploration	Australia	100%	100%

Significant estimates and assumptions

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting years include the recoverability of the carrying value of exploration and evaluation assets and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's consolidated financial statements include:

- The assessment of the Company's ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty;
- the classification / allocation of expenditures as exploration and evaluation expenditures or operating expenses;
- The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company are: the Canadian dollar (the Company, Quidum, HPR, Carpo), the United States dollar ("US") (Era), the Australian dollar ("AUD") (Marengo, Yandera Holdings) and the Papua New Guinean kina ("PGK") (Yandera); and
- Fair value of stock options, warrants and compensation options.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (continued)

Share-based payments

The Company operates a stock option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using a Black– Scholes option pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Exploration and evaluation expenditures

Exploration and evaluation property exploration costs, including option payments incurred in respect to earning a property interest, are expensed until the applicable property interests have reached a stage where their economic viability has been established.

Cost includes any cash consideration and advance royalties paid, and the fair market value of shares issued, if any, on the acquisition of exploration and evaluation property interests. Properties acquired under option agreements, whereby payments are made at the sole discretion of the Company, are recorded in the accounts when the payments are made.

Property option agreements are exercisable entirely at the option of the optionee. Therefore, option payments (or recoveries) are recorded when payment is made (or received) and are not accrued.

Although the Company has taken steps to verify title to the properties on which it is conducting its exploration activities, these procedures do not guarantee the property's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims and non-compliance with regulatory and environmental requirements. The property's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

Related party transactions

Parties are considered to be 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. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (continued)

Financial instruments

Financial assets

Financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. Equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income.

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.

Impairment of financial assets

IFRS 9 uses the expected credit loss ("ECL") model. The credit loss model groups receivables based on similar credit risk characteristics and days past due in order to estimate bad debts. The ECL model applies to the Company's receivables.

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities are designated as either: (i) fair value through profit or loss; or (ii) other financial liabilities. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

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.

Fair value

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:

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (continued)

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Impairment of assets

The carrying amount of the Company's assets is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years. Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax:

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to exploration and evaluation assets along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements. These changes are recorded directly to mining assets with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates.

Changes in the net present value, excluding changes in the Company's estimates of reclamation costs, are charged to profit or loss for the period.

The net present value of restoration costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred.

The costs of restoration projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company's accounting policy for exploration and evaluation assets.

At present, the Company has not identified any significant restoration and environmental obligations. Accordingly, no provision has been made.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company.

The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the entities' functional currency are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities of an entity that are denominated in foreign currencies are translated at the rate of exchange at the consolidated statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the consolidated statements of operations and comprehensive (loss) income.

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS

Ownership of mineral interests involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral interests. The Company has investigated ownership of its mineral interests and, to the best of its knowledge, such ownership interests are in good standing.

Yandera Copper Project

During the year ended January 31, 2022, the Company acquired all of the outstanding share capital of Carpo Resources Inc. ("Carpo"). Carpo was a privately held company that controlled Yandera, a corporation established under the laws of Papua New Guinea and which itself controls an application for the renewal of an exploration license located in Papua New Guinea, commonly known as the Yandera Copper Project. The seller retained a 1.5% net smelter return "NSR" on the first 20 years of production and the PNG government retains a 2% NSR on the property.

As at August 11, 2021, an application for the extension of the exploration license which had expired in November 2019 had been filed with the Minister of Mining for Papua New Guinea ("MPNG"). While the Company has certain rights to the Yandera Copper Project under the expired license, renewal of the license is subject to approval by the MPNG. The Company recorded $469,148 during the year ended January 31, 2025 (2024 - $375,131) to exploration and evaluation expenditures on the statement of comprehensive loss. During the year ended January 31, 2024, the Company received notification from the Papua New Guinea Mineral Resources Authority (the MRA) of the renewal of exploration license EL 1335, which covers the concession comprising the Yandera Copper Project. The renewal was granted with effect from November 20, 2019, for a term of two years ended November 19, 2021. In December 2023, the renewal was granted with effect from November 20, 2021 for a term of two years ended November 19, 2023, and a further renewal was granted for a term of two years from November 20, 2023 to November 19, 2025.

4. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors.

The following balances are owing to directors, officers and companies controlled by the directors and officers include in accounts payable and accrued liabilities:

	January 31, 2025 $	January 31, 2024 $
Due to a company controlled by a director and officer	-	5,250
Due to a company controlled by a director and officer	24,751	8,314
Due to a director and officer	3,150	3,150
	27,901	16,714

(Expressed in Canadian Dollars)

4. RELATED PARTY TRANSACTIONS (continued)

The Company had the following transactions with key management personnel during the year ended January 31, 2025 and 2024:

	2025 $	2024 $
Management fees	58,463	69,876
Consulting fees	61,725	60,464
Accounting fees	166,000	60,000
Office and general	-	8,519
Exploration and evaluation expenditures	101,636	106,296
Share-based payments	142,243	50,931
	530,067	356,086

5. AMOUNTS RECEIVABLE

The Company had the following amounts receivable as at January 31, 2025 and 2024:

	2025 $	2024 $
GST receivable	37,022	9,168
Interest income receivable	44,976	-
	81,998	9,168

6. PREPAID EXPENSES

The Company had the following prepaid expenses as at January 31, 2025 and 2024:

	2025 $	2024 $
Consulting fees	56,618	71,597
Filing fees	20,438	19,946
Insurance	23,524	25,979
Other	16,933	16,877
Rent	1,150	1,150
	118,663	135,549

7. TRADE PAYABLES AND ACCRUED LIABILITIES

	January 31, 2025 $	January 31, 2024 $
Trade payables	64,481	45,946
Accrued liabilities	58,886	70,443
	123,367	116,389

(Expressed in Canadian Dollars)

8. SHARE CAPITAL

Authorized share capital

Unlimited common shares without par value.

Issued share capital

During the year ended January 31, 2025:

The Company completed a private placement in five tranches for gross proceeds of $5,235,406 from the issuance of 104,708,117 units at $0.05 per unit. Each unit consists of one common share and one-half of one common share purchase warrant at an exercise price of $0.25 for a period of 24 months. Pursuant to the private placement, the Company paid $159,985 of cash finder's fees, issued 768,000 finder's warrants exercisable under the same terms as the private placement warrants with a fair value of $32,200, and paid a further $58,786 of cash share issuance costs.

The Company completed a private placement for gross proceeds of $38,925 from the issuance of 648,750 units at $0.06 per unit. Each unit consists of one common share and one-half of one common share purchase warrant at an exercise price of $0.25 for a period of 24 months. The Company incurred no share issue costs pursuant to this private placement.

During the year ended January 31, 2024:

The Company completed a private placement in four tranches for gross proceeds of $2,964,272 (of which $646,667 was received during the year ended January 31, 2023) from the issuance of 59,285,447 units at $0.05 per unit. Each unit consists of one common share and one-half of one common share purchase warrant at an exercise price of $0.10 for a period of 18 months. Pursuant to the private placement, the Company issued 804,000 finder's units under the same terms as the private placement units with a fair value of $40,200 and paid a further $129,040 of cash share issuance costs.

Stock options and warrants

<u>Stock options</u>

The Company has a stock option plan allowing for the granting of options to the Company's directors, officers, employees, consultants and other service providers. Under this plan, the exercise price shall be determined by the Board of Directors or its designated committee (collectively the "Committee") at the time the option is granted, provided the exercise price shall not be less than the market price less applicable discounts permitted by the TSX-V. The option period shall be determined by the Committee at the time of the grant and may be up to ten years from the date of the grant.

During the year end January 31, 2024, the Company granted 5,000,000 incentive stock options to certain directors, officers and consultants of the Company. The options vested immediately and are exercisable at a price of $0.05 until March 31, 2028.

During the year ended January 31, 2025, the Company granted 15,000,000 incentive stock options to certain directors, officers and consultants of the Company. The options vested immediately and are exercisable at a price of $0.10 until June 28, 2029.

The following table summarizes the continuity of stock options:

	Number of options	Weighted average exercise price $
Balance, January 31, 2023	5,200,000	0.24
Granted	5,000,000	0.05
Balance, January 31, 2024	10,200,000	0.15
Granted	15,000,000	0.10
Balance, January 31, 2025	25,200,000	0.12

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

As at January 31, 2025, the following options were outstanding:

Number of options outstanding	Exercise price $	Expiry date
3,000,000	0.20	August 23, 2025
2,200,000	0.29	November 6, 2025
5,000,000	0.05	March 31, 2028
15,000,000	0.10	June 28, 2029
25,200,000		

The share-based payments expense recognized during the year ended January 31, 2025 was $1,040,800 (year ended January 31, 2024 - $178,700) calculated using the Black-Scholes Option Pricing Model on the grant date using the following assumptions:

	Year ended January 31, 2025	Year ended January 31, 2024
Risk-free interest rate	3.51%	3.02%
Expected life (in years)	5	5
Expected volatility	162%	146%
Dividend rate	-	-

Warrants

	Number of Warrants	Weighted Average Exercise Price
Outstanding at January 31, 2023	39,145,504	$ 0.15
Granted	30,044,724	0.10
Outstanding at January 31, 2024	69,190,228	0.13
Granted	53,446,434	0.25
Expired	(30,044,724)	0.10
Outstanding at January 31, 2025	**92,591,938**	**$ 0.21**

Additional information regarding warrants outstanding as at January 31, 2025 is as follows:

Number of warrants outstanding	Exercise price $	Expiry date
32,478,000	0.10	June 4, 2025
6,667,504	0.40	August 10, 2025
12,084,000	0.25	April 10, 2026
8,157,609	0.25	April 29, 2026
9,662,500	0.25	May 17, 2026
15,100,500	0.25	May 31, 2026
8,117,450	0.25	June 28, 2026
324,375	0.25	September 27, 2026
92,591,938		

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

The fair value of the finder's warrants recognized during the year ended January 31, 2025 was $32,200 (year ended January 31, 2024 - $nil) calculated using the Black-Scholes Option Pricing Model on the grant date using the following assumptions:

	Year ended January 31, 2025	Year ended January 31, 2024
Risk-free interest rate	3.99% - 4.35%	-
Expected life (in years)	2	-
Expected volatility	165% - 169%	-
Dividend rate	-	-

9. CAPITAL MANAGEMENT

The Company manages its capital structure which consists of working and share capital, and makes adjustments to it depending on the funds available to the Company for acquisition, exploration and development of exploration and evaluation assets. 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 exploration and evaluation assets in which the Company currently has interests are in the exploration stage. As such, the Company is dependent on external financing to fund its activities. In order to carry out its planned exploration and pay for on-going general and administrative expenses, the Company will use existing working capital and expects to raise additional amounts through related parties or private placements as needed. The Company will continue to assess new exploration and evaluation assets and seeks to acquire additional interests if sufficient geologic or economic potential is established and adequate financial resources are available. Management reviews its capital management approach on an on-going basis and believes that this approach, given the small size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements and there were no significant changes in its approach to capital management during the year ended January 31, 2025.

10. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	January 31, 2025 $	January 31, 2024 $
Amortized cost:		
Cash	2,405,359	633,464
Interest income receivable	44,976	-

Financial liabilities included in the statement of financial position are as follows:

	January 31, 2025 $	January 31, 2024 $
Amortized cost:		
Trade payables and accrued liabilities	123,367	116,389

10. FINANCIAL INSTRUMENTS (continued)

Fair Value

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

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

As at January 31, 2025, the Company's financial instruments consist of cash, interest receivable, trade payables and amounts due to related parties. Cash and interest receivable are classified as amortized cost. Trade payables and due to related parties are also classified as amortized cost. The fair values of these financial instruments approximate their carrying values because of their short-term nature and/or the existence of market related interest rates on the instruments.

The Company's financial instruments are exposed to a number of risks that are summarized below:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada so there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. The Company's receivables consist mainly of tax credits receivable. The Company does not believe it is subject to significant credit risk.

Foreign currency risk

The Company is not exposed to significant foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in United States dollars ("US"), the Australian dollar ("AUD") and the Papua New Guinean kina ("PGK"). The Company does not use derivatives or other techniques to manage foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flow of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to interest rate risk relates to its ability to earn interest income on cash balances at variable rates. The fair value of the Company's cash account is relatively small and unaffected by changes in short term interest rates.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting processing place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company attempts to ensure there is sufficient access to funds to meet on-going business requirements, taking into account its current cash position and potential funding sources.

11. SEGMENTED INFORMATION

The Company has one operating segment, the exploration of mineral properties, and one geographical segment, with all current exploration activities being conducted in Papua New Guinea.

(Expressed in Canadian Dollars)

12. INCOME TAXES

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

	January 31, 2025 $	January 31, 2024 $
Net loss	(4,233,957)	(2,287,501)
Statutory tax rate	27%	27%
Expected recovery of income taxes computed at statutory tax rates	(1,153,000)	(618,000)
Adjustment to prior year provision versus statutory tax returns	-	-
Non-deductible expenditures	281,000	48,000
Impact of share issue costs	(59,000)	(46,000)
Impact of foreign exchange and other	(6,000)	65,000
Change in unrecognized deferred tax assets	937,000	551,000
Income tax recovery	-	-

The significant components of the Company's deferred tax assets that have not been included in the statement of financial position are as follows:

	January 31, 2025 $	January 31, 2024 $
Components of future tax assets and liabilities:		
Non-capital loss carry forwards	3,383,000	2,460,000
Resource property costs and expenditures	296,000	296,000
Share issuance costs	75,000	61,000
Other	89,000	89,000
Total deferred tax assets	3,843,000	2,906,000
Less: Unrecognized deferred tax assets	(3,843,000)	(2,906,000)
Net deferred tax asset	-	-

The Company has available Canadian non-capital losses of approximately $11,529,000 that expire between 2029 and 2045 and may be carried forward and applied against income for tax purposes.