INDIGO EXPLORATION INC.
(An Exploration Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2024 and 2023
(Expressed in Canadian dollars)

Charlton
+Company

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of:
Indigo Exploration Inc.

Opinion

We have audited the accompanying consolidated financial statements of Indigo Exploration Inc. (the "Company"), which comprise the consolidated statements of financial position as at September 30, 2024 and 2023, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS.

Basis for Opinion

We conducted our audits 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company incurred a loss of $518,343 during the year ended September 30, 2024, and, as of that date, the Company's total deficit was $12,276,850. 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 year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, prepared under the conditions mentioned above, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Assessment of Impairment of Exploration and Evaluation Assets

As described in Note 5 of the financial statements, the carrying amount of the Company's exploration and evaluation assets is $105,681 as at September 30, 2024, and includes $261,648 of impairment. As fully described in Note 5 to the consolidated financial statements, management assesses for indicators of impairment at each statement of financial position date.

The assessment of impairment indicators of exploration and evaluation assets is identified as a key audit matter due to significant judgment made by management, which in turn led to additional auditor judgment, subjectivity, and effort in performing procedures to evaluate audit evidence relating to the judgments made by management in this area that could give rise to the requirement to prepare an estimate of the recoverable amount of the exploration and evaluation assets.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. Our audit procedures included, among others:

- Evaluating management's assessment of impairment indicators
- Evaluating the intent for the exploration and evaluation assets through discussion and communication with management;
- Assessing compliance with agreements and expenditure requirements including reviewing option agreements; and
- Obtaining, on a test basis through government websites, confirmation of title to ensure mineral rights underlying the exploration and evaluation assets are in good standing.

Other Information

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis. 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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 year ended 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 Melyssa Charlton.

Charlton & Company

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC
January 28, 2025

INDIGO EXPLORATION INC.
Consolidated Statements of Financial Position
As at September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Notes	**September 30, 2024**	**September 30, 2023**
		$	**$**
ASSETS			
Current			
Cash		199,750	743,336
Taxes recoverable		2,682	7,400
Prepaid expenses		33,640	48,585
		236,072	799,321
Exploration and evaluation advances		-	20,000
Exploration and evaluation assets	**5**	105,681	162,935
Total assets		**341,753**	**982,256**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	**9**	43,838	171,998
Loans payable	**6**	30,000	30,000
Total liabilities		**73,838**	**201,998**
SHAREHOLDERS' EQUITY			
Share capital	**7**	11,038,223	11,032,223
Reserves	**7**	1,506,542	1,506,542
Deficit		(12,276,850)	(11,758,507)
Total shareholders' equity		**267,915**	**780,258**
Total liabilities and shareholders' equity		**341,753**	**982,256**

Nature and continuance of operations (Note 1)
Subsequent event (Note 6)

Approved by the Board of Directors

"Paul S. Cowley" Director　　　　*"Marino J. Sveinson"* Director

INDIGO EXPLORATION INC.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Notes	2024	2023
		$	**$**
Accounting and audit fees	**9**	72,638	66,557
Consulting fees		4,738	-
Filing fees		42,101	92,470
Foreign exchange loss/ (gain)		1,309	(352)
General exploration		-	26,469
Interest expense		762	9,443
Investor relations		16,039	521,997
Legal fees		13,163	20,924
Management and administration fees	**9**	72,000	52,000
Office and miscellaneous		28,627	62,482
Share-based compensation	**7, 9**	-	321,449
Travel and accommodation		5,318	-
		(256,695)	**(1,173,439)**
Write down of exploration and evaluation asset	**5**	(261,648)	-
Total loss and comprehensive loss		**(518,343)**	**(1,173,439)**
Loss per share			
- Basic and diluted		(0.01)	(0.02)
Weighted average number of shares outstanding			
- Basic and diluted		65,687,061	53,615,954

INDIGO EXPLORATION INC.
Consolidated Statements of Cash Flows
For the years ended September 30, 2024 and 2023
(Expressed in Canadian dollars)

	2024	**2023**
	$	**$**
Cash provided by (used in)		
Operating activities		
Loss for the year	(518,343)	(1,173,439)
Add items not involving cash:		
Interest expense	-	9,443
Share-based compensation	-	321,449
Write down of exploration and evaluation asset	261,648	-
Changes in non-cash working capital items:		
Taxes recoverable and other receivables	4,718	(6,689)
Prepaid and deposits	34,945	(48,585)
Accounts payable and accrued liabilities	(43,942)	(14,106)
Net cash used in operating activities	**(260,974)**	**(911,927)**
Investing activities		
Exploration and evaluation expenditures	(282,612)	(132,348)
Exploration and evaluation advances	-	(20,000)
Net cash used in investing activities	**(282,612)**	**(152,348)**
Financing activities		
Issuance of share capital, net of issue costs	-	590,703
Exercise of warrants	-	1,318,900
Shareholder loans	-	(167,096)
Net cash provided by financing activities	**-**	**1,742,507**
Change in cash for the year	(543,586)	678,232
Cash - beginning of year	743,336	65,104
Cash - end of year	**199,750**	**743,336**

Supplemental cash flow information (Note 11)

INDIGO EXPLORATION INC.
Consolidated Statements of Changes in Shareholders' Equity
As at September 30, 2024 and 2023
(Expressed in Canadian dollars)

	Common Shares	Share Capital	Reserves	Deficit	Total
	Number	$	$	$	$
Balance – September 30, 2022	**42,469,020**	**9,028,901**	**1,278,812**	**(10,585,068)**	**(277,355)**
Shares issued for private placement	10,000,000	600,000	-	-	600,000
Warrant exercises	13,189,000	1,412,619	(93,719)	-	1,318,900
Share issuance costs	-	(9,297)	-	-	(9,297)
Share-based compensation	-	-	321,449	-	321,449
Loss for the year	-	-	-	(1,173,439)	(1,173,439)
Balance – September 30, 2023	**65,658,020**	**11,032,223**	**1,506,542**	**(11,758,507)**	**780,258**
Shares issued for mineral property	200,000	6,000	-	-	6,000
Loss for the year	-	-	-	(518,343)	(518,343)
Balance – September 30, 2024	**65,858,020**	**11,038,223**	**1,506,542**	**(12,276,850)**	**267,915**

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

1 NATURE AND CONTINUANCE OF OPERATIONS

Indigo Exploration Inc. (the "Company") is in the business of the acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The Company is listed for trading on the TSX Venture Exchange under the symbol "IXI", the OTCQB under the symbol IXIXF, and the Frankfurt Stock Exchange under the symbol INEN. The Company is in the exploration stage and has claims in Wyoming, USA and one property located in Burkina Faso. The Company's corporate head office is located at Suite 1100 – 1199 West Hastings Street, Vancouver, British Columbia, Canada.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for the next twelve months. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material. During the year ended September 30, 2024, the Company incurred a loss of $518,343 (September 30, 2023 – $1,173,439). As at September 30, 2024, the Company had not yet achieved profitable operations, had a deficit of $12,276,850 (September 30, 2023 – $11,758,507) since inception, a working capital of $162,234 (September 30, 2023 – $597,323), and expects to incur further losses in the development of its business. These circumstances comprise a material uncertainty which cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary financing to explore its the mineral property interests and to meet its ongoing levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

2 BASIS OF PRESENTATION AND MATERIAL ACCOUNTING POLICY INFORMATION

Statement of compliance
These consolidated financial statements have been prepared in accordance with and using accounting policies in full compliance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standard ("IASB").

These consolidated financial statements were approved by the Board of Directors on January 28, 2025.

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

Principles of consolidation
These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. The results of the subsidiaries will continue to be included in the consolidated financial statements of the Company until the date that the Company's control over the subsidiaries ceases. Control exists when the Company has the power directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. As at September 30, 2024, the Company owned: 100% (September 30, 2023 – 100%) of Sanu Resources BF SARL, incorporated in Burkina Faso, West Africa; and 100% (September 30, 2023 – N/A) of the Drakensberg Resources LLC incorporated in Wyoming, USA.

Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

Material accounting policy information

The material accounting policies used in the preparation of these consolidated financial statements are as follows:

Foreign currencies
The consolidated financial statements of the Company and its subsidiary are prepared using their functional currencies. Functional currency is the currency of the primary economic environment in which an entity operates. The presentation currency of the Company is the Canadian dollar. The functional currency of the Company and its subsidiaries is the Canadian dollar. All amounts are rounded to the nearest dollar.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are charged to the profit or loss. Revenues and expenses are translated at the exchange rates approximating those in effect on the monthly average of the transactions. Exchange gains and losses arising on translation are included in profit or loss.

Cash and cash equivalents
Cash and cash equivalents include cash and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. As at September 30, 2024 and 2023, the Company did not have any cash equivalents. The Company places the majority of its cash with major financial institutions in Canada.

Exploration and evaluation assets
The Company records its interest in exploration and evaluation assets at cost less option payments received and other recoveries. Exploration and acquisition costs relating to these interests and projects are capitalized on the basis of specific claim blocks or areas of geological interest until the properties to which they relate. If economically recoverable reserves are developed, acquisition and exploration costs will be reclassified as mining assets and amortized over the useful life of the orebody following attainment of commercial production will be written-off if the property or project is abandoned.

Exploration costs that are not attributable to a specific property are charged to operations as general exploration expense. Exploration costs incurred prior to the Company acquiring the legal rights to a property are charged to operations as general exploration expense.

The Company is in the process of exploring its exploration and evaluation assets. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for properties represent costs incurred net of write-downs and recoveries, and are not intended to represent present or future values.

The ultimate recovery of such capitalized costs is dependent upon the development of economic ore reserves or the sale of mineral rights.

Although the Company has taken steps to verify title to exploration and evaluation assets in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's non-financial assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value-in-use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the income or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Decommissioning and restoration provisions

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized to the carrying amount of the asset, along with a corresponding liability as soon as the legal or constructive obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of facts such as the life and nature of the asset and the operating license conditions.

Discount rates using a pre-tax risk-free rate that reflects the time value of money are used to calculate the net present value.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in income or loss.

The operations of the Company may in the future be affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no known restoration, rehabilitation or environmental costs related to its exploration and evaluation assets.

Recognition, classification, and measurement of financial instruments

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes a party to the contractual provisions of the financial instrument.

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

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

Financial assets at FVTOCI
Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with both realized and unrealized gains and losses recognized in other comprehensive income (loss) in the period in which they arise. During the years ended September 30, 2024 and 2023 there were no financial assets elected to be carried at FVTOCI.

Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Interest income from these financial assets is included as finance income using the effective interest rate method.

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

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

Derecognition of financial assets and liabilities
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. Gains and losses on derecognition are generally recognized in profit or loss in the period in which they arise. However, gains and losses on derecognition of financial assets designated as FVTOCI are recorded in other comprehensive income (loss) in the period in which they arise.

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Share Capital
Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

Broker warrants and warrants
Warrants issued to agents or brokers in connection with a financing are recorded at fair value using the Black-Scholes option pricing model and charged to issue costs associated with the offering with an offsetting credit to reserves in equity attributable to shareholders.

Warrants included in units offered to subscribers in connection with financings are recorded using the residual value method. The residual value method first allocates the value to the more easily measurable component based on fair value and then the residual value, if any, to the less measurable component. The Company considers the fair value of common shares issued in a unit private placement to be the more easily measurable component. The value determined for the warrants is recorded to reserves in equity attributable to shareholders with an offsetting reduction in the value ascribed the shares issued in the units.

Proceeds of the exercise of these warrants are credited to share capital together with the corresponding amount, if any, of the original warrant charge included in reserves.

Share-based payments
The Company records all share-based payments at their fair value. 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 goods or services cannot be reliably measured.

The Company has established a stock option plan for the benefit of full-time and part-time employees, officers directors and consultants of the Company and its affiliates. The fair value of stock options is estimated using the Black-Scholes option pricing model.

The fair value of all stock options granted is recorded as a charge to operations or to exploration costs and a credit to reserves under the graded attribution method. The fair value, as adjusted for the expected level of vesting of the options and of stock options which vest immediately is recorded at the date of grant; the fair value, as adjusted for the expected level of vesting of the options and of options which vest in the future is recognized over the vesting period. Stock options granted to non-employees are measured at their fair value on the vesting date. Prior to the vesting date, the then-current fair value of stock options granted to consultants is recognized as share-based payment expense from the date of grant to the reporting date and credited to reserves.

Any consideration received on the exercise of stock options together with the related portion of reserves is credited to share capital.

Income tax
Income tax on the income or loss for the periods presented comprises current and deferred tax. Income tax is recognized in income or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

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

The Company does not provide for temporary differences relating to differences relating to investments in subsidiaries, associates, and joint ventures to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet reporting date applicable to the period of expected realization or settlement.

A deferred tax asset is recognized only to the extent that it is probable that future taxable incomes will be available against which the asset can be utilized.

Loss per share

Basic loss per share is calculated by dividing the net loss for the year available to common shareholders by the weighted average number of shares outstanding during the year. Diluted loss per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculation as the effect would be anti-dilutive. Basic and diluted loss per share are the same for the years presented.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to use judgement in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgements are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Judgements:

(i) The assumption that the Company is a going concern and will continue in operation for the foreseeable future and at least one year. The factors considered by management are disclosed in Note 1.

(ii) Judgement is required in determining whether an acquisition should be accounted for as a business combination or an asset acquisition. Judgement is used in assessing the inputs, processes, and outputs of the entity or net assets acquired (Note 5).

(iii) Title to exploration and evaluation assets 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 exploration and evaluation assets. Although the Company has taken steps to verify title to its exploration properties, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfer and title may be affected by undetected defects.

(iv) The functional currency of the parent company and its subsidiaries is the Canadian Dollar. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates. The determination of functional currency involves certain judgments to determine the primary economic environment and the Company reconsiders the functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

Estimates:

(i) The inputs in accounting for the fair value of the stock options in the statement of changes of shareholders equity (using the Black-Scholes option pricing model) including volatility, probable life of options granted, time of exercise of the options and forfeiture rate. These assumptions are made based on conditions prevalent on the date of issuance.

(ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts, and therefore do not necessarily provide certainty as to their recorded values.

(iii) The assessment of indicators of impairment and reversal of impairment for the exploration and evaluation assets and the related determination of the recoverable amount and write-down of the properties where applicable. During the year ended September 30, 2024, Management reviewed its exploration and evaluation assets and determined there were impairment indicators for its Lithium Brine projects located in Alberta, Canada. Management made an assessment of the net recoverable amount of properties, resulting in an impairment of $261,648 for Its Lithium Brine projects (Note 5).

4 NEW ACCOUNTING PRONOUNCEMENTS

Adoption of new accounting pronouncements

Amendments to IAS 1 and IFRS Practice Statement 2
The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023. The adoption of the amendment during the year ended September 30, 2024, did not have a significant impact on the Company's consolidated financial statements.

New accounting standards and interpretations issued but not yet adopted

Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current
In January 2020 and October 2022, the IASB issued amendments to clarify the requirements for classifying liabilities current or non-current. The amendments specify that the conditions that exist at the end of a reporting period are those that will be used to determine if a right to defer settlement of a liability exists. The amendments also clarify the situations that are considered a settlement of a liability. The amendments are effective January 1, 2024, with early adoption permitted, and the amendments are to be applied retrospectively. The Company is assessing the impact of the amendments to its consolidated financial statements.

IFRS 18 – Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements ("IFRS 18") to replace IAS 1 – Presentation of Financial Statements. This standard focuses on updates to the statement of profit or loss, including: (a) the structure of the statement of profit or loss; (b) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and (c) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. It will be effective for the annual reporting period beginning on or after January 1, 2027, and will be required to be applied retrospectively. The Company is currently assessing the effect of this new standard on its consolidated financial statements.

Apart from IAS 1 and IFRS 18, other new standards or amendments to existing standards issued but which have not yet been applied by the Company based on the effective date are not currently expected to have a material impact on the Company's consolidated financial statements.

(Expressed in Canadian dollars)

5 EXPLORATION AND EVALUATION ASSETS

	Hot Property, Wyoming USA	Lithium Brine, Alberta Canada	Total
	$	$	
Balance – September 30, 2022	**-**	**6,250**	**6,250**
Acquisition costs			
Cash	-	5,000	5,000
Exploration costs			
Assaying	-	24,050	24,050
Field	-	3,301	3,301
Geological consultants	-	90,344	90,344
Sampling	-	33,990	33,990
Total exploration costs	-	151,685	151,685
Balance – September 30, 2023	**-**	**162,935**	**162,935**
Acquisition costs			
Cash	20,000	-	20,000
Shares	6,000	-	6,000
Exploration costs			
Assaying	-	21,611	21,611
Field	9,359	2,343	11,702
Geological consultants	18,682	74,759	93,441
Licenses & Fees	43,568	-	43,568
Other	4,180	-	4,180
Staking	3,892	-	3,892
Total exploration costs	79,681	98,713	178,394
Write down	-	(261,648)	(261,648)
Balance – September 30, 2024	**105,681**	**-**	**105,681**

Hot Property – Wyoming, USA
The Hot Property in the Shirley Basin of Wyoming is comprised of 71 unpatented mineral claims.

On May 23, 2024, the Company entered into a Membership and Share Exchange Agreement (the “Agreement”) with Drakensberg Resources LLC (“Drakensberg”) and a private vendor (“Member of Drakensberg”), a limited liability company incorporated under the State of Arizona to acquire the Hot Property claims. Under the Agreement, the Company will issue 200,000 common shares (issued) and pay $20,000 (paid) to the Member of Drakensberg Resources LLC for a 100% interest in Drakensberg Resources LLC. The fair value of the common shares and cash paid for Drakensberg Resources LLC has been allocated to acquisition costs of this project.

On July 26, 2024, the Company received regulatory approval of transaction. The Company determined that Drakensberg did not meet the definition of a business under IFRS 3 Business Combinations. As the purchase of Drakensberg did not qualify as a business acquisition, the Company accounted for the transaction as an asset acquisition. As the fair value of the purchase price consideration paid was more reliably measurable than the assets acquired, the cost of the non-cash assets received was based on the fair value of the consideration given. The cost of the asset acquisition was allocated on a fair value basis to the net assets acquired.

Lithium Brine Project – Alberta, Canada
The Company was granted 18 metallic and industrial minerals permits in Fox Creek, Laduc and Grande Prairie areas of Alberta, Canada. The Company's venture into lithium brines has been discontinued as the Company allowed the Metallic and Industrial Minerals permits to expire on April 16, 2024. During the year ended September 30, 2024, the Company recorded a write down of $261,648 (2023 – $nil).

Hantoukoura Project – Burkina Faso, West Africa
The Company holds a 100% interest in the Hantoukoura (previously Kodyel). On March 2, 2017, the Kodyel permit area was re-permitted as the Hantoukoura permit of equal size and position as the Kodyel permit. On December 4, 2017, the Minister in charge of Mines in Burkina Faso suspended all activity on the permit in light of the security issues related to border issues between Niger and Burkina Faso. The length of the suspension period will be added back onto the length of the permit. As the Company was unable to confirm title to the property and there is no certainty if the suspension will be lifted, the property was written down to $Nil as at September 30, 2019. As at September 30, 2024 the suspension has not been lifted.

6 LOANS PAYABLE

On May 17, 2022, the Company received shareholder loans for total proceeds of $75,000. The loans were unsecured, bear interest of 10% per annum and due on demand. A total of $nil (September 30, 2023 – $7,500) of interest had been accrued during the year ended September 30, 2024. The accrued interest and the principal were repaid during the year ended September 30, 2023. As at September 30, 2024, there was $nil (September 30, 2023 – $nil) in principal and interest payable outstanding.

On May 13, 2022, the Company received shareholder loans for total proceeds of $75,000. The loans were unsecured, bear interest of 10% per annum and are due on demand at any time after 12 months from the date of advancement. A total of $nil (September 30, 2023 – $7,500) of interest had been accrued during the year ended September 30, 2024. The accrued interest and the principal were repaid during the year ended September 30, 2023. As at September 30, 2024, there was $nil (September 30, 2023 – $nil) in principal and interest payable outstanding.

On February 14, 2022, the Company received a $2,000 loan from a related party that is unsecured, bearing interest at a rate of 3.5% compounded annually and due on demand (Note 9). A total of $nil (September 30, 2023 – $96) of interest had been accrued during the year ended September 30, 2024. The accrued interest and the principal were repaid during the year ended September 30, 2023.As at September 30, 2024, there was $nil (September 30, 2023 – $nil) in principal and interest payable outstanding.

During April 2020, the Company received loans for total proceeds of $20,000. The loans are unsecured, non-interest bearing and due on demand. The Company received a further advance under the same terms on January 17, 2022, for $10,000. As at September 30, 2024, $30,000 (September 30, 2023 - $30,000) is still outstanding.

Subsequent to September 30, 2024, the Company received shareholder loans for gross proceeds of $170,000. The loans were unsecured, bear interest of 10% per annum and due 1 year from date of receipt. A total of 680,000 bonus shares were issued to the holders upon TSXV approval. The Company paid a total of $7,500 in cash finders' fee.

(Expressed in Canadian dollars)

7 SHARE CAPITAL

a) Authorized:

Unlimited common shares without par value.

b) Financing:

On August 8, 2024, the company issued 200,000 common shares to earn the 100% interest in a private limited liability Arizona company which holds the Hot Property claims (Note 5).

On February 27, 2023, the Company closed a non-brokered private placement of 10,000,000 units at a price of $0.06 per unit to raise total gross proceeds of $600,000. Each unit is comprised of one common share and one half warrant. Each whole warrant will entitle the holder thereof to purchase one common share for a period of two years at a price of $0.10. The Company incurred cash share issuance costs of $9,297 related to the private placement. The Company allocated $nil value to the warrants using the residual method.

During the year ended September 30, 2023, a total of 13,189,000 warrants were exercised at a price of $0.10 for aggregate gross proceeds of $1,318,900. The fair value of warrants exercised of $93,719 was reclassified to share capital from reserves.

c) Stock options:

The plan is in accordance with the policies of the Exchange under which it is authorized to grant options to directors, officers, employees and consultants to purchase shares of the Company. The exercise price is determined by the Board of Directors but shall be not less than the minimum price permitted by the Exchange. The options can be granted for a maximum term of 10 years and vesting terms are determined by the Board of Directors at the date of grant. The stock option plan limits the number of incentive stock options which may be granted to any one individual to not be more than 5% of the total issued shares of the Company in any 12-month period. The number of incentive stock options granted to any one consultant, or a person employed to provide investor relations activities in any 12-month period must not exceed 2% of the total issued shares of the Company.

The Company's stock options outstanding as at September 30, 2024 and 2023, and the changes for the years then ended is presented below:

	Number of options	Weighted average exercise price (per share)	Weighted average remaining life (years)
Balance September 30, 2022	-	-	-
Issued	3,100,000	$0.08	-
Balance September 30, 2023	**3,100,000**	**$0.08**	**4.39**
Balance September 30, 2024	**3,100,000**	**$0.08**	**3.39**

(Expressed in Canadian dollars)

As at September 30, 2024, the Company had the following options outstanding:

Expiry Date	**Exercise price**	**Remaining life (years)**	**Options outstanding and exercisable**
February 14, 2028	$0.0825	3.38	2,800,000
April 14, 2028	$0.0825	3.54	300,000
		3.39	3,100,000

During the year ended September 30, 2024, the Company did not issue stock options.

On February 14, 2023, the Company granted 2,800,000 stock options and recognized share-based payment compensation of $290,347. All options vested immediately upon issuance. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: share price – $0.11; exercise price – $0.0825; dividend yield – nil; volatility – 161%; risk-free interest rate – 3.43%; expected life of options (years) – 5 years; forfeiture rate – nil.

On April 14, 2023, the company granted 300,000 stock options and recognized share-based payment compensation of $31,102. All options vested immediately upon issuance. The fair value of the options was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions: share price – $0.11; exercise price – $0.0825; dividend yield – nil; volatility – 161%; risk-free interest rate – 3.24%; expected life of options (years) – 5 years; forfeiture rate – nil.

d) Warrants:

The Company's share purchase warrants outstanding as at September 30, 2024 and 2023, and the changes for the years then ended is presented below:

	Number of warrants	**Weighted average exercise price (per share)**	**Weighted average remaining life (years)**
Balance, September 30, 2022	18,247,333	$0.11	0.90
Issued	5,000,000	$0.10	-
Exercised	(13,189,000)	$0.10	-
Balance, September 30, 2023	**10,058,333**	**$0.13**	**1.01**
Expired	(5,058,333)	$0.15	**-**
Balance September 30, 2024	**5,000,000**	**$0.10**	**0.41**

As at September 30, 2024, the Company had the following warrants outstanding:

Expiry Date	**Exercise price**	**Remaining life (years)**	**Warrants outstanding**
February 27, 2025	$0.10	0.41	5,000,000

(Expressed in Canadian dollars)

8 INCOME TAXES

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax provision for the years ended September 30, 2024 and 2023, is as follows:

	2024	2023
	$	$
Loss for the year before income taxes	(518,343)	(1,173,439)
Expected income tax recovery (27%)	(140,000)	(317,000)
Add (deduct) reconciling items:		
Change in statutory, foreign tax, foreign exchange rates and other	(15,000)	6,000
Permanent differences	-	87,000
Adjustment to prior years provision versus statutory tax returns and expiry of non-capital losses	11,000	-
Change in unrecognized deductible temporary differences	144,000	224,000
Income tax expense (recovery)	-	-

The significant components of the Company's net deferred income tax assets and liabilities as at September 30, 2024 and 2023, are as follows:

	2024	2023
	$	$
Deferred income tax assets		
Non-capital losses carried forward	1,251,000	1,169,000
Capital assets	34,000	34,000
Undeducted financing cost	4,000	27,000
Exploration and evaluation assets and related exploration	915,000	823,000
Total unrecognized deferred income tax assets	2,204,000	2,053,000

The potential benefit of deferred tax assets arising from carry forward non-capital losses, capital losses and deductible temporary differences that are in excess of the deferred tax liabilities has not been recognized in these financial statements as it is not considered probable that sufficient future taxable profit in the same entity will allow the deferred tax asset to be recovered.

The significant components of the Company's non-capital losses in Canada that have not been included on the consolidated statement of financial position are as follows:

	2024	Expiry date	2023	Expiry date
Temporary Differences	$		$	
Non-capital losses available for future periods	4,628,000	2025 to 2044	4,354,000	2025 to 2043
Exploration and evaluation assets	3,376,000	No expiry date	3,009,000	No expiry date
Property and equipment	125,000	No expiry date	125,000	No expiry date
Share issue costs	14,000	2025 to 2027	99,000	2024 to 2027

At September 30, 2024, there were loss carry forwards in Burkina Faso of approximately $111,000 (September 30, 2023 – $112,000) which can be carried forward for four years from the calendar year the losses were incurred. During the year ended September 30, 2024, there were loss carry forwards in Burkina Faso of approximately $26,000 (September 30, 2023 – $20,000) that expired. During the year ended September 30, 2024, the effective tax rate in Burkina Faso is 27.5% (September 30, 2023 – 27.5%).

(Expressed in Canadian dollars)

9 RELATED PARTY TRANSACTIONS

Key management personnel are the persons responsible for the planning, directing, and controlling the activities of the Company and include both executive and non-executive directors, and entities controlled by such persons. The Company's key management personnel include all directors, officers and companies associated with them including the following:

- Buena Tierra Development Ltd. ("Buena Tierra"), a company owned by the President, Chief Executive Officer and a director of the Company.

- Whytecliff Resources Corp., a company owned by a director of the Company.

Compensation paid or payable to the directors, the Chief Executive Officer and the Chief Financial Officer for services provided during the year ended September 30, 2024 and 2023, was as follows:

	2024	2023
	$	$
Accounting fees	18,593	15,280
Exploration and evaluation asset	60,000	45,000
Management and administration fees(1)	72,000	52,000
Share-based compensation	-	259,237
	150,593	371,517

(1) The charge includes consulting fees to Buena Tierra with which the Company has an on-going agreement with.

As at September 30, 2024, accounts payable and accrued liabilities include an amount of $11,550 (September 30, 2023 – $22,790) due to officers and / or directors of the Company and/or companies they control or of which they were significant shareholders. These amounts are unsecured, non-interest bearing and due on demand.

On February 14, 2022, the Company received a $2,000 loan from a related party that is unsecured, bearing interest at a rate of 3.5% compounded annually and due on demand (Note 6). A total of $nil (September 30, 2023 – $96) of interest had been accrued during the year ended September 30, 2024. The accrued interest and the principal were repaid during the year ended September 30, 2023.As at September 30, 2024, there was $nil (September 30, 2023 – $nil) in principal and interest payable outstanding.

10 SEGMENTED INFORMATION

The Company's operations are limited to a single industry segment, being mineral exploration and development. Geographic segment information of the Company's assets is as follows:

	2024	2023
	$	$
Canada	235,766	981,802
Burkina Faso	306	454
USA	105,681	-
Total assets	341,753	982,256

(Expressed in Canadian dollars)

Geographic segmentation of the Company's loss during the years ended September 30, 2024 and 2023, is as follows:

	2024	**2023**
	$	**$**
Canada	493,406	1,126,652
Burkina Faso	24,909	46,787
USA	28	-
Loss and comprehensive loss	518,343	1,173,439

11 SUPPLEMENTAL CASH FLOW INFORMATION

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the consolidated statements of cash flow. The following transactions were excluded from the consolidated statements of cash flows as at September 30, 2024 and 2023:

	2024	**2023**
	$	**$**
Non-cash investing and financing transactions		
Exploration and evaluation assets included in accounts payable	5,250	89,468
Shares issued for acquisition of exploration and evaluation asset	6,000	-
Residual value of warrants transferred to share capital from reserves	-	93,719

During the year ended September 30, 2024, the Company paid $832 (September 30, 2023 – $15,096) in interest and $nil (September 30, 2023 - $nil) in taxes.

12 FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, accounts payable and accrued liabilities and loans payable. All are measured at amortized cost. As at September 30, 2024, the Company believes that the carrying values of financial instruments approximate their fair values because of their nature and relatively short maturity dates or durations.

<u>Fair value of financial instruments</u>

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– 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).

The carrying value of the Company's financial instruments carried at amortized cost approximates their fair value due to their short-term maturities.

(Expressed in Canadian dollars)

Discussions of risks associated with financial assets and liabilities are detailed below:

Foreign Exchange Risk

A portion of the Company's financial assets and liabilities is denominated in Central African Franc ("CFA") and United States Dollar ("USD") giving rise to risks from changes in the foreign exchange rate. The Company is exposed to currency exchange rate risk to the extent of its activities in the Burkina Faso and in the USA. The Company's currency risk is limited to its exposure denominated in CFA and USD. Based on this exposure as at September 30, 2024 and 2023, a change of 10% in the foreign exchange rates from Canadian dollar to the USD and CFA would not give rise to a significant change in net loss. The Company does not use derivative financial instruments to reduce its foreign exchange exposure.

The currencies of the Company's financial instruments were as follows:

	September 30, 2024		
	Canadian dollar	CFA	USD
	$	$	$
Cash	194,597	111	5,042
Accounts payable and accrued liabilities	(35,750)	(8,088)	-
Loans payable	(30,000)	-	-
Net exposure	128,847	(7,977)	5,042

	September 30, 2023		
	Canadian dollar	CFA	USD
	$	$	$
Cash	742,882	454	-
Accounts payable and accrued liabilities	(126,218)	(45,780)	-
Loans payable	(30,000)	-	-
Net exposure	586,664	(45,326)	-

Future changes in exchange rates are unlikely to have a material effect on the Company's business, financial condition and results of operations.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation. The Company's credit risk arises from cash held with banks and financial institutions. The Company's maximum exposure to credit risk is equal to the carrying value of its cash. The majority of the Company's cash is held with major financial institutions in Canada and accordingly, the Company's exposure to credit risk is considered to be limited.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk on its accounts payable and accrued liabilities. As at September 30, 2024, the Company's outstanding loans payable do not bear any interest. As a result, the Company's exposure to interest rate risk is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by maintaining sufficient cash to enable settlement of transactions within their repayment terms. Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained (Note 1).

13 MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern to pursue the development of its exploration and evaluation assets and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. In the management of capital, the Company includes the components of shareholders' equity as well as cash.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company is dependent on the capital markets as its primary source of operating capital and the Company's capital resources are largely determined by the strength of the junior resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. The Company is not subject to any capital requirements imposed by a regulator, other than continued listing requirements of the TSX Venture Exchange.