Kincora Copper Limited

(An Exploration Stage Company)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Expressed in Canadian Dollars

(Unaudited – Prepared by Management)

For the three-month periods ended March 31, 2025 and 2024

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with the standards established by and the Chartered Professional Accountants of Canada for a review of the interim financial statements by an entity's auditor.

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Financial Position

As at

(Figures in tables are expressed in thousands of Canadian dollars)

		March 31, 2025		December 31, 2024
		(Unaudited)		(Audited)
ASSETS				
Current				
Cash and cash equivalents	**$**	**1,650**	$	2,144
Receivables		**104**		131
Prepaids and deposits (Note 13)		**181**		137
Investment in shares (Note 6)		**161**		321
		2,096		2,733
Security deposits (Notes 7)		**180**		125
Investment in options (Note 6)		**140**		247
Equipment (Note 12)		**80**		43
Prepaid exploration cost (Note 7)		**179**		178
Exploration and evaluation assets (Note 7)		**14,845**		14,632
	$	**17,520**	$	17,958
LIABILITIES				
Current				
Accounts payable (Notes 8 and 10)	**$**	**583**	$	604
Accrued liabilities		**34**		68
		617		672
SHAREHOLDERS' EQUITY				
Share capital (Note 8)		**193,306**		192,920
Share-based payment reserve		**14,866**		14,866
Obligation to issue shares (Notes 8 and 10)		**324**		623
Foreign currency translation reserve		**(624)**		(732)
Deficit		**(190,969)**		(190,391)
		16,903		17,286
	$	**17,520**	$	17,958

Nature of Operations and Going Concern (Note 1)
Contingencies (Note 13)

Approved and authorized by the Board of Directors on May 14, 2025

"Jeremy Robinson"
Jeremy Robinson
Director

"Sam Spring"
Sam Spring
Director

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

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Loss and Comprehensive Loss
For the three-month periods ended March 31,

(Figures in tables are expressed in thousands of Canadian dollars, except per share amounts)
(Unaudited – Prepared by Management)

		2025		2024
Expenses				
Consultants (Note 10)	**$**	**61**	$	78
Corporate administrative and office services		**22**		58
Directors and audit committee fees (Note 10)		**49**		63
Foreign exchange loss (gain)		**(10)**		1
Insurance		**5**		8
Investor relations		**10**		9
Legal and accounting		**44**		27
Management fees (Note 10)		**75**		75
Transfer agent and filing fees		**39**		31
Travel		**12**		5
		(307)		(355)
Other items				
Unrealized loss on investment (Note 6)		**(271)**		-
Net loss for the period	**$**	**(578)**	$	(355)
Foreign currency translation		**108**		(106)
Comprehensive loss for the period	**$**	**(470)**	$	(461)
Loss per share – basic and diluted	**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding		**286,224**		247,174

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

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Cash Flows
For the three-month periods ended March 31,

(Figures in tables are expressed in thousands of Canadian dollars)
(Unaudited – Prepared by Management)

Cash provided by (used in):		**2025**		**2024**
Operating activities				
Loss for the period:	**$**	**(578)**	$	(355)
Items not affected by cash:				
Obligation to issue shares		**87**		92
Unrealized loss on investments		**271**		-
Changes in non-cash working capital items:				
Receivables		**27**		11
Prepaids and deposits		**(44)**		13
Accounts payable and accrued liabilities		**(55)**		(19)
Net cash used in operating activities		**(292)**		(258)
Investing activities				
Acquisition of equipment		**(62)**		(52)
Security deposits		**(59)**		-
Deferred exploration funding (Note 7)		**848**		-
Exploration and evaluation asset expenditures		**(972)**		(192)
Net cash provided by (used in) investing activities		**(245)**		(244)
Effect of foreign exchange on cash and cash equivalents		**43**		-
Change in cash and cash equivalents		**(494)**		(502)
Cash and cash equivalents – beginning of period		**2,144**		1,530
Cash and cash equivalents – end of period	**$**	**1,650**	$	1,028

Supplemental Disclosure of Cash Flow Information (Note 11)

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

Kincora Copper Limited

(An Exploration Stage Company)

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
For the three-month periods ended March 31, 2025 and 2024

(Figures in tables are expressed in thousands of Canadian dollars, except number of share amounts)

	Share capital (Number of shares)	Share capital $	Obligation to issue shares $	Share-based payment reserve $	Foreign currency translation reserve $	Deficit $	Total $
Balance, December 31, 2023	247,173,541	191,384	354	14,450	(850)	(187,835)	17,503
Shares for services to be issued	-	-	92	-	-	-	92
Net comprehensive loss for the period	-	-	-	-	(106)	(355)	(461)
Balance, March 31, 2024	**247,173,541**	**191,384**	**446**	**14,450**	**(956)**	**(188,190)**	**17,134**
Balance, December 31, 2024	284,551,569	192,920	623	14,866	(732)	(190,391)	17,286
Shares issued for services	7,169,335	386	(386)	-	-	-	-
Shares for services to be issued	-	-	87	-	-	-	87
Net comprehensive loss for the period	-	-	-	-	108	(578)	(470)
Balance, March 31, 2025	**291,720,904**	**193,306**	**324**	**14,866**	**(624)**	**(190,969)**	**16,903**

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

1. Nature of Operations and Going Concern

Kincora Copper Limited ("the Company" or "Kincora") was incorporated in British Columbia, Canada on September 24, 1983. The Company is engaged in the acquisition and exploration of exploration and evaluation assets. The Company's shares are listed on the TSX-Venture Exchange ("TSXV") and began trading on the Australian Securities Exchange ("ASX"), both under the symbol KCC.

The head office of the Company is located at Suite #400 - 837 West Hastings Street, Vancouver, British Columbia, Canada V6C 3N6 and the registered address and records office is located at 25th Floor, 700 West Georgia Street, Vancouver, British Columbia, Canada V7Y 1D3.

These interim condensed consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, no source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its exploration and evaluation assets projects. These factors indicate the existence of a material uncertainty that may cast a significant doubt on 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 financing necessary to continue operations, both at the listed company and project levels.

As at March 31, 2025, the Company has an accumulated deficit of $190,969,000, a net loss for the three-month period ended March 31, 2025 of $578,000, has current assets in excess of current liabilities of $1,479,000 and a cash balance of $1,650,000. During the year ended December 31, 2024, the Company closed the two tranche A$1.27 million non-brokered private placement via strategic investment by Fleet Space Technologies Pty Ltd ("Fleet Space"), a new shareholder and asset level partner for the Wongarbon porphyry project in NSW, directors and new investors participation.

In the last 12-24 months, Kincora has shifted its funding model towards a prospector/project generator exploration and funding model seeking asset level technical and funding partners for its large-scale earlier stage and/or non-core porphyry copper projects.

This has resulted in six asset level partnerships to date unlocking over A$110 million in potential multi-year partner funding for nine of our fourteen licenses whilst retaining ownership of the Company's more advanced projects that are strategically located near existing mining operations. Discussions and negotiations for further partnerships continue for these more advanced remaining 100% owned projects.

Following this pivot in funding model, field activities resumed in late 2024, resulting in over 7000m of drilling and over $3.5m of partner funded exploration activities, including approximately $1.5m of expenditure which Kincora receives a 10% management fee on from operating the earn-in and joint venture agreement with AngloGold Ashanti for the Northern Junee-Narromine Belt project.

Kincora's ambition is to be the operator for exploration budgets of over $10 million per annum for the porphyry portfolio providing sufficient project management fees for the Company to be self funding (covering corporate costs and maintenance of remaining wholly owned projects) and have partnerships with a diversified portfolio of industry leading producers/explorers.

1. Nature of Operations and Going Concern - *continued*

If the going concern assumption was not appropriate for these interim condensed consolidated financial statements, adjustments would be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications used. Such adjustments could be material.

2. Basis of Preparation

Statement of Compliance

These unaudited interim condensed consolidated financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting.

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

They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The significant accounting policies, as disclosed, have been applied consistently to all periods presented in these interim condensed consolidated financial statements. The interim condensed consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2024 prepared in accordance with IFRS applicable to annual consolidated financial statements.

Critical Accounting Estimates

The preparation of these interim condensed consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position based on capitalized acquisition and expenditure costs, facing review for impairment based on factors including the planned exploration budgets and activities, commodity prices, drill results of exploration programs, and strategic direction of the Company; and
- The inputs used in accounting for share-based compensation expense included in profit or loss calculated using the Black-Scholes Option Pricing Model

2. Basis of Preparation - *continued*

Critical Accounting Judgements

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and assumptions in many cases. When an indication of impairment loss or a reversal of an impairment loss exists, the recoverable amount of the individual asset or the cash-generating unit must be estimated.

In assessing impairment, the Company must make some estimates and assumptions regarding future circumstances, in particular, whether an economically viable extraction operation can be established, the probability that the expenses will be recovered from either future exploitation or sale of the property when the activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Company's capacity to obtain financial resources necessary to complete the evaluation and development and the renewal of permits. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of the expenditures is unlikely, the amounts capitalized are written-off in profit or loss in the period in which the new information becomes available.

Determination of Functional Currency

The determination of the Company's functional currency requires judgment. The Company also needs to assess whether the basis of determining the currency of the primary economic environment in which the entity operates is still applicable to the Company and any changes to such will be treated as a change in functional currency.

Contingencies

The Company applies judgement in determining the probability of outflow of resources arising from known or likely litigations or claims. If it becomes probable that the Company will be required to outlay cash or other resources in connection with a known or likely litigation or claim, a provision is recognised in the consolidated financial statements of the period in which the change in probability occurs.

Deferred tax

Income taxes and tax exposures recognized in the financial statements reflect management's best estimate of the outcome based on the facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates for past events, it recognizes a liability. The difference between the

2. Basis of Preparation - *continued*

Deferred tax - *continued*

expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference.

In addition, when the Company incurs losses that cannot be associated with current or past profit or loss, it assesses the probability of taxable profits being available in the future based on its budget forecasts. These forecasts are adjusted to take account of certain non-taxable income and expenses and specific rules on the use of unused tax credits and losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

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3. Material Accounting Policies

a) Basis of consolidation

The interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: BSG Investments Inc. ("BSGII"), which owns Kincora Group Ltd ("KGL") and its subsidiaries, Nadmin IBEX LLC ("Nadmin") and Golden Grouse IBEX LLC ("Golden Grouse"), Kincora Australia Limited and its subsidiary, Kincora Copper Australia Pty Ltd, Game Creek Company Limited ("Game Creek") and Samsul Mineração Ltda. ("Samsul"). Inter-company balances and transactions are eliminated on consolidation. BSGII, Game Creek, Kincora Australia Limited and KGL are British Virgin Island incorporated companies. Nadmin and Golden Grouse were incorporated in Mongolia. Samsul was incorporated in Brazil. Kincora Copper Australia Pty Ltd was incorporated in Australia in 2019.

b) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes or provides services similar to those performed by an employee. The fair value of stock options is measured on the date of grant, using the Black-Scholes Option Pricing Model, and is recognized over the vesting period. A corresponding increase in share-based payment reserve is recorded when stock options are expensed. When stock options are exercised, share capital is credited by the sum of the consideration paid and the related portion of share-based compensation previously recorded in share-based payment reserve. Share-based compensation arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity settled share-based payment transactions and measured at the fair value of goods or services received. If the fair value of the goods or services received cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

c) Cash and cash equivalents

Cash equivalents consist of highly liquid investments that are readily convertible into cash with maturities of three-months or less when purchased.

3. Material Accounting Policies – *continued*

d) Exploration and evaluation assets

Exploration and evaluation expenditures include the costs of acquiring exploration rights and licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. Exploration and evaluation expenditures are capitalized. Costs incurred before the Company has obtained the legal rights to explore an area are recognized in profit or loss. Government tax credits received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

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

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

e) 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 year. For all years presented, the loss attributable to common shareholders equals the reported loss attributable to owners of the Company. In calculating the diluted loss per share, the weighted average number of common shares outstanding 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. For the periods presented, this calculation proved to be anti-dilutive.

f) Equipment

Equipment is carried at cost less amortization and amounts written-off. The assets residual value, amortization methods and useful lives are reviewed, and adjusted, if appropriate, at each reporting date. Amortization is provided for over the estimated lives of the related assets based on annual rates as follows:

3. Material Accounting Policies – *continued*

f) Equipment – *continued*

Exploration equipment	10 Years - Straight-line
Computers	3 Years - Straight-line

g) Income taxes

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit 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 year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded 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 following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable loss; nor differences relating to investments in subsidiaries 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 reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

h) Functional and presentation currency

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries for the three-month periods ended March 31, 2025 and 2024 was the Australian Dollar. Prior to the year 2023, the functional currency of the Company and the Mongolian subsidiaries was CAD while the functional currency of Kincora Copper Australia Pty Ltd was the Australian Dollar. The acquisition of the RareX projects in Australia (completed in 2023) triggered the Company's main focus in Australia and capital raising in Australia to fund both the Australian and Mongolian projects. Hence, the Company assessed that the functional currency of the Company and its subsidiaries is the Australian Dollar starting in 2023. 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* ("IAS 21"). The Company's presentation currency is the Canadian dollar ("$").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of 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 carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in the statements of comprehensive loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. Material Accounting Policies – *continued*

h) Functional and presentation currency – *continued*

<u>Foreign operations</u>

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are recognized in other comprehensive income and recorded in the Company's foreign currency translation reserve in equity. These differences are recognized in the profit or loss in the period in which the operation is disposed.

i) Provision for environmental rehabilitation

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of exploration and evaluation assets and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future rehabilitation cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the assets along with a corresponding increase in the rehabilitation 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 rehabilitation asset is depreciated on the same basis as exploration and evaluation assets.

Under the legislative environments the Company may operate in, environmental bonds and prepayments can be required to support gaining operational and exploration approvals, and held until such work is completed and rehabilitation completed. Such payments are recorded as a prepayment until return and receipt to the Company. The Company's estimates of reclamation costs, environmental bonds and prepayments could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures.

These changes would be recorded directly to exploration and evaluation assets with a corresponding entry to the rehabilitation 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, would be charged to profit or loss for the period. At March 31, 2025 and December 31, 2024, the Company had no provisions for environmental rehabilitation.

j) Impairment of assets

The carrying amount of the Company's long-lived assets (which includes equipment and exploration and evaluation assets) is periodically reviewed, including following the reduction in any mineral tenure rights and 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

3. Material Accounting Policies – *continued*

j) Impairment of assets – *continued*

unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive loss.

The recoverable amount 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.

k) Financial instruments

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost.

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them 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 the Company has opted to measure them at FVTPL.

Financial assets/liabilities	**Classification**
Cash	FVTPL
Investment in shares	FVTPL
Investment in options	FVTPL
Receivables	Amortized cost
Accounts payable	Amortized cost

Measurement

Financial assets at FVTOCI
Elected investments in equity investments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).

3. Material Accounting Policies – *continued*

k) Financial instruments – *continued*

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.

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

Fair value measurement disclosure includes classification of financial instrument in a hierarchy comprising three levels reflecting the significance of the inputs used in making the measurements, described as follows:

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair values of the Company's cash and investment in shares constitutes a Level 1 fair value measurement. The fair value of the Company's investment in options constitutes a Level 2 fair value measurement. The fair value of the Company's receivables and accounts payable approximate the carrying value due to their short-term nature.

<u>Derecognition</u>

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
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 the statements of loss and comprehensive loss.

4. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to commence the development of its exploration and evaluation assets and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. As the Company is in the exploration stage, its principal source of funds is from the issuance of common shares. Further information relating to liquidity risk is disclosed in Note 5. In the management of capital, the Company includes the components of shareholders' equity. 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 the capital structure, the Company may attempt to issue new shares, enter into joint venture property arrangements, acquire or dispose of assets or adjust the amount of cash and cash equivalents. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to invest its cash in highly liquid short-term interest-bearing investments with maturities of three months or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company is uncertain as to whether its current capital resources will be sufficient to carry its exploration plans and operations through its current operating period and, accordingly, management is reviewing the timing and scope of current exploration plans and is also pursuing other financing alternatives to fund the Company's operations. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

5. Management of Financial Risk

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

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 periodically exposed to interest rate risk on its cash equivalents as these instruments are exposed to interest rate fluctuations on renewal. Management has assessed this risk as low.

Currency risk

Currency risk is the risk that the fair values of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's operations are focused on Australia and Mongolia, where many exploration and administrative expenses are incurred in the Australian Dollar, Mongolian Tugrik and the US Dollar. The Company's ability to advance funds to Mongolia is subject to changes in the valuation of the Tugrik and the US dollar as well as rules and regulations of the Mongolian government. Fluctuations in the value of the Australian Dollar, Tugrik and the US dollar may have positive and/or adverse effect on the operations and operating costs of the Company. Management seeks to limit foreign currency risk, primarily seeking to retain funds in Canada and Australia wiring funds as and when needed to foreign subsidiaries to meet operating expenditures, and believes this risk to be minimal.

5. Management of Financial Risk – *continued*

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 major banks in Canada and Australia, with more limited funds in Mongolia, where the Mongolian subsidiaries make monthly cash calls. As most of the Company's cash is held by two banks there is a concentration of credit risk, and, in Mongolia one of the two subsidiary's bank accounts, with balance of MNT208,673 ($114) has been frozen by the Mongolian Tax Authority as a result of an ongoing tax dispute. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies and looking to avoid holding more than one month's budgeted cash reserves in Mongolia (and noting the funding obligations for the Mongolian operation are now included in the agreement with Woomera). The Company has secondary exposure to credit risk on its receivables. This risk is minimal as receivables consist primarily of refundable goods and services taxes.

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 attempts to manage liquidity risk by maintaining sufficient cash and cash equivalent balances. Liquidity requirements are managed based on expected cash flows to ensure that there is sufficient capital in order to meet short-term obligations.

As at March 31, 2025, the Company had current assets in excess of current liabilities of $1,479,000 and a cash balance of $1,650,000 (December 31, 2024 - $2,144,000) to settle current liabilities of $617,000 (December 31, 2024 - $672,000). During the year ended December 31, 2024, the Company completed a two tranche $1,206,024 (A$1,273,025) non-brokered private placement via strategic investment by Fleet Space, an existing major shareholder (*The Bloomfield Group*), directors and new investors participation.

As with all exploration entities, the Company's access to financing is always uncertain. There can be no assurance of continued access to significant financing. Liquidity risk is assessed as high, both at the listed company and asset level.

6. Investments

As at December 31, 2024, the Company had investments consisting of 180,000,000 shares and 180,000,000 options with Orbminco Limited ("Orbminco") (formerly Woomera Mining Limited) received on October 1, 2024 as consideration for the earn-in agreement entered into by the Company and Orbminco (Note 7). The fair value of the 180,000,000 Orbminco shares was $502,000 (A$540,000) and the fair value of the Orbminco options was $383,000 (A$411,000) at issuance date. As at December 31, 2024, the fair value of the investment in shares was $321,000 and the fair value of the investment in options was $247,000. The Company recognized an unrealized loss on investments of $284,000 in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2024. As at March 31, 2025, the fair value of the investment in shares was $161,000 and the fair value of the investment in options was $140,000. The Company recognized an unrealized loss on investments of $271,000 in the consolidated statement of loss and comprehensive loss for the thre-month period ended March 31, 2025.

The continuity of the Company's investments in shares and options is as follows:

6. Investments – *continued*

Investment in Shares

In thousand $	Number of Shares		Fair Value
Balance, December 31, 2023	-	$	-
Additions	180,000,000		502
Change in market value	-		(163)
Foreign exchange translation	-		(18)
Balance, December 31, 2024	**180,000,000**	**$**	**321**
Change in market value	**-**		**(162)**
Foreign exchange translation	**-**		**2**
Balance, March 31, 2025	**180,000,000**	**$**	**161**

Investment in Options

In thousand $	Number of Options		Fair Value
Balance, December 31, 2023	-	$	-
Additions	180,000,000		383
Change in market value	-		(121)
Foreign exchange translation	-		(15)
Balance, December 31, 2024	**180,000,000**	**$**	**247**
Change in market value	**-**		**(109)**
Change in market value	**-**		**2**
Balance, March 31, 2025	**180,000,000**	**$**	**140**

7. Exploration and Evaluation Assets

For the three-month period ended March 31, 2025 (000's)

In thousand $		**Bronze Fox**		**Golden Grouse**		**Macquarie Arc**		**Total**
Exploration costs								
Amortization	$	10	$	15	$	-	$	**25**
Assaying		-		1		32		**33**
Camp		-		14		-		**14**
Drilling		-		-		411		**411**
Fuel		-		-		44		**44**
Geological/geophysics		-		-		139		**139**
Rental/utilities		-		4		50		**54**
Salaries/labor		10		39		163		**212**
Supplies/safety gear		-		-		16		**16**
Transportation/travel		-		-		49		**49**
Total current exploration costs	$	20	$	73	$	904	$	**997**
Total costs incurred during the year	$	20	$	73	$	904	$	**997**
Balance, opening		284		893		13,455		**14,632**
Deferred exploration funds received		(13)		(113)		(722)		**(848)**
Translation adjustment		(2)		(2)		68		**64**
Balance, ending	$	289	$	851	$	13,705	$	**14,845**

7. Exploration and Evaluation Assets – *continued*

For the three-month period ended March 31, 2025 (000's) – *continued*

Cumulative costs:								
Acquisition	$	36,624	$	1,094	$	1,973	$	**39,691**
Exploration		13,606		5,122		14,986		**33,714**
Exclusivity payment received		(325)		(51)		-		**(376)**
Deferred exploration received		(686)		(400)		(2,513)		**(3,599)**
Shares consideration received		(620)		(265)		-		**(885)**
Government grant received		-		-		(339)		**(339)**
Impairment		(48,498)		(4,766)		-		**(53,264)**
Translation adjustment		188		117		(402)		**(97)**
	$	289	$	851	$	13,705	$	**14,845**

For the year ended December 31, 2024 (000's)

In thousand $		**Bronze Fox**		**Golden Grouse**		**Macquarie Arc**		**Total**
Exploration costs								
Amortization	$	39	$	54	$	-	$	**93**
Assaying		-		-		17		**17**
Camp		1		191		2		**194**
Drilling		-		493		520		**1,013**
Fuel		-		-		49		**49**
Geological/geophysics		-		21		3		**24**
License/fees/taxes		-		-		2		**2**
Rental/utilities		1		9		135		**145**
Salaries/labor		66		158		412		**636**
Supplies/safety gear		-		-		12		**12**
Transportation/travel		-		-		110		**110**
Total current exploration costs	$	107	$	926	$	1,262	$	**2,295**
Total costs incurred during the year	$	107	$	926	$	1,262	$	**2,295**
Balance, opening		1,347		424		14,116		**15,887**
Exclusivity payment received		(67)		(24)		-		**(91)**
Deferred exploration funds received		(673)		(287)		(1,791)		**(2,751)**
Shares consideration received		(620)		(265)		-		**(885)**
Translation adjustment		190		119		(132)		**177**
Balance, ending	$	284	$	893	$	13,455	$	**14,632**

7. Exploration and Evaluation Assets – *continued*

For the year ended December 31, 2024 (000's) – *continued*

Cumulative costs:								
Acquisition	$	36,624	$	1,094	$	1,973	$	**39,691**
Exploration		13,586		5,049		14,082		**32,717**
Exclusivity payment received		(325)		(51)		-		**(376)**
Deferred exploration received		(673)		(287)		(1,791)		**(2,751)**
Shares consideration received		(620)		(265)		-		**(885)**
Government grant received		-		-		(339)		**(339)**
Impairment		(48,498)		(4,766)		-		**(53,264)**
Translation adjustment		190		119		(470)		**(161)**
	$	284	$	893	$	13,455	$	**14,632**

Exploration and evaluation assets – Mongolia – Nadmin

The Company originally acquired a 100% interest in the shares of KGL in consideration for $35,882,000 in cash, common shares and warrants. KGL indirectly holds title to the mining license of the Bronze Fox copper/gold project in Mongolia.

During the year ended December 31, 2020, the Company recorded total impairment loss of $30,455,000 relating to the write-off of exploration license, which included $742,000 write-off of the carrying value relating to the merger with IBEX subsidiaries in 2016.

During the year ended December 31, 2021, the Company assessed the property for impairment in relation to the then proposed definitive acquisition and joint venture agreement entered into by the Company with Resilience Mining Mongolia Pty. Ltd. ("RMM") on June 30, 2021, and recorded an impairment loss of $18,043,000. RMM failed to met its obligations under the definitive acquisition and joint venture agreement resulting in Kincora retaining 100% ownership of the assets.

Exploration and evaluation assets – Mongolia – Golden Grouse

On April 18, 2012, the Company acquired a 100% interest in Golden Grouse from Temujin Mining Corp. ("Temujin"), which held two mineral exploration licenses adjoining the Company's Bronze Fox project.

On October 28, 2016, the Company obtained seven mineral exploration licenses and two new license applications in mergers with IBEX Land Mongolia LLC ("IBEX Land") and IBEX Mongolia LLC ("IBEX"). The fair value in excess of the net assets of IBEX Land and IBEX was allocated to Bronze Fox ($742,000) and Golden Grouse ($1,094,000). As of December 31, 2019, all of the mineral exploration licenses associated with the IBEX transaction that was no longer being explored by the Company, were relinquished back to the Mongolian Government, and a write off of $3,185,000 was recorded.

During the year ended December 31, 2020, the Company recorded an impairment loss of $212,000 relating to the write-off of exploration license.

During the year ended December 31, 2021, the Company assessed the property for impairment in relation to the then proposed definitive acquisition and joint venture agreement entered by the Company with RMM on

7. Exploration and Evaluation Assets – *continued*

Exploration and evaluation assets – Mongolia – Golden Grouse – continued

June 30, 2021, and recorded an impairment loss of $1,154,000. RMM failed to met its obligations under the definitive acquisition and joint venture agreement resulting in Kincora retaining 100% ownership of the assets.

Exploration and evaluation assets – Mongolia – Earn-in and Joint Venture Agreement

On August 8, 2024, Kincora successfully completed a strategic review process for the Mongolian assets with a binding Earn-In Term Sheet with Orbminco Limited (formerly Woomera Mining Limited) (ASX: OB1, Orbminco). Orbminco is an arm's length and unrelated party to Kincora.

A definitive Earn-in and Joint Venture Agreement was subsequently executed in line with the Earn-In Term Sheet. Key terms comprise:

- Orbminco may earn a 80% equity interest in the asset holding subsidiaries by funding US$2 million ($2.9 million) in expenditure in an initial earn-in period of up to three years and has the right to earn a further 29% equity interest in the asset holding subsidiaries by funding a further US$2 million ($2.9 million) in expenditure within five years of the date of the Mongolia Agreement. This includes a minimum expenditure of US$0.5 million ($0.7 million) in the each of the first two years of the earn-in period. During the three-month period ended March 31, 2025, the Company received in advance funds from Orbminco of $126,255 (US$87,970) (year ended December 31, 2024 - US$514,691 ($960,000)) and recorded as proceeds against the evaluation and exploration asset in the consolidated statements of financial position.

- Upon earning and exercising the right for the 80% interest Orbminco can elect to:

  (i) purchase the remaining 20% equity interest in the subsidiaries from Kincora for a purchase price of US$10 million and a 1.0% net smelter royalty (NSR); or,

  (ii) enter into a shareholders' agreement where Orbminco free-carries Kincora until the point of a Final Investment Decision (FID) for project development (minimum threshold of a JORC 2012 compliant reserve of 1Moz gold equivalent).

- Orbminco completing a capital raising (satisfied August 2024).

- Orbminco has agreed to cover the holding costs and spend a minimum of US$500,000 ($719,000), including satisfying the minimum statutory field related commitments and drilling for the project between the date of its shareholder approval and December 31, 2024 (satisfied).

- If Orbminco withdraws from the earn-in prior to earning an 80% interest it must forfeit any equity interest it has obtained in the asset holding entities to Kincora.

During the year ended December 31, 2024, the Company received an exclusivity payment of $91,000 (A$100,000) from Orbminco to enable final due diligence and definitive legal agreements. The Company also received 180,000,000 shares and 180,000,000 options from Orbminco as consideration pursuant to the earn-in agreement. (Note 6).

7. **Exploration and Evaluation Assets** – *continued*

Exploration and evaluation assets – Australia – Joint Venture projects

On January 30, 2020, the Company entered into a binding memorandum of understanding ("MoU") and made a non-refundable option payment of A$25,000 to RareX Limited ("RareX") providing the exclusive right to acquire a 65% interest in six mineral leases and five projects in the LFB.

On March 19, 2020, the Company announced it had completed definitive agreements with RareX. The key commercial terms being:

- Issuing 4,983,333 shares, subject to a voluntary 12-month lockup and transfer of titles with the NSW regulator, resulting in RareX becoming a then 9.9% shareholder (issued on March 27, 2020);
- Payment of A$150,000 in cash to RareX upon closing as follows:
  - A$100,000 in cash consideration (paid on March 30, 2020); and,
  - A$50,000 in cash as reimbursement to RareX for outstanding holding costs and licence renewals (paid on March 30, 2020).
- The Company acquiring a 65% interest in the respective licences, becoming operator and sole financer of all further exploration until a positive scoping study or Preliminary Economic Assessment ("PEA").

On July 27, 2023, the Company executed a conditional agreement with RareX to acquire its carried 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin licenses. In consideration, the Company issued 40,000,000 Chess Depositary Interests ("CDIs") of Kincora and granted a 1% NSR for the vended licenses to RareX (the "RareX Transaction"). The consideration was issued by the Company on December 14, 2023 (Note 8).

On December 15, 2023, the Company completed the acquisition of RareX's interest in various projects to now have a 100% ownership of the entire NSW project portfolio. This was a key catalyst in the Company's pivot in fuding model to a project/prospector generator asset level funding model.

The Company held security deposits of $97,784 in relation to RareX claims as at March 31, 2025 (December 31, 2024 - $52,599).

The Company held security deposits of $179,928 as at March 31, 2025 (December 31, 2024 - $124,650).

During the year ended December 31, 2023, the Company received $155,000 (A$172,352) NSW government grants relating to completed drilling at the Nyngan and Trundle projects.

Exploration and evaluation assets – Australia – Exploration Alliance Agreement

On October 6, 2022, the Company announced the execution of an Exploration Alliance Agreement with Earth AI Pty. Ltd. ("Earth AI") covering the Cundumbul project.

Key terms of the Exploration Alliance Agreement:
The Exploration Alliance allows for a co-funding model and joint technical committee, whereby Earth AI will have day-to-day management and control of exploration activities and contribute up to A$4.5m of total exploration expenditure across the project over a two-year period with an option to extend for a further year (which was extended during 2024).

7. Exploration and Evaluation Assets – *continued*

Exploration and evaluation assets – Australia – Exploration Alliance Agreement – continued

Subject to a minimum of 1500 metres of diamond drilling (satisfied at the time of writing) and a Qualifying Drilling Intersection resulting in a new discovery (as defined within the Exploration Alliance Agreement, yet to be satisfied at the time of writing), Earth AI is entitled to a net smelter return royalty (Royalty) of up to 3% in connection with a to be agreed upon area surrounding the discovery (Area of Interest, size dependent on the extent of the newly discovered mineral system).

Kincora is under no obligation to explore, develop or mine the Cundumbul project during the period of the Exploration Alliance. However, upon Earth AI successfully drilling a Qualifying Drilling Intersection and having carried out a minimum of 1,500 metres of diamond drilling, whereafter the second anniversary of the Royalty Trigger Date if no mineral resource has been defined and the annual exploration expenditure in the Area of Interest falls below US$250,000, Earth AI will have the option to assume operational control and buy all of the Royalty Tenements that overlap with the Area of Interest under the Royalty Deed, for a cash purchase price equal to US$1,000,000 plus a 2% net smelter.

The Agreement will not affect the capital structure of the Company or ownership in the project. During the year ended December 31, 2024, Earth AI has commenced drilling (at their own cost) at the Cundumbul project with results and further drilling activities pending.

During the year Kincora signed a definitive multiple-phase Earn-in and Joint Venture Agreement with a wholly owned subsidiary of AngloGold Ashanti plc (AngloGold Ashanti) for the Northern Junee-Narromine Belt Project, comprising the Nyngan and Nevertire licenses.

The key terms of the Agreement with AngloGold Ashanti Australia Limited, covering the Nyngan (EL 8929) and Nevertire (EL 8960) projects, comprise:

- AngloGold may earn a 70% initial interest by incurring A$25 million in total expenditure on exploration in the initial earn-in period of up to seven years upon which a joint venture would be formed (Phase I). This includes a minimum expenditure of A$2 million within the first two years (Minimum Obligation). AngloGold is permitted to withdraw from the Agreement after satisfying the Minimum Obligation or payment of any shortfall.
- AngloGold can then earn an additional 10% interest (for a total interest of 80%) by completing a Pre-Feasibility Study (PFS) or by funding a further $25m of expenditure over an additional three years (Phase II).
- During the Minimum Obligation period, Kincora will operate and conduct all exploration activities as directed by an Exploration Management Committee that will comprise two members from each party, and be entitled to a 10% management fee.
- The Agreement is otherwise on terms that are customary for similar agreements and includes the agreed principal terms of the proposed joint venture agreement which will apply if AngloGold earns an interest in the NJNB tenements.
- All expenditure timelines under the Agreement can be accelerated.

During the three-month period ended March 31, 2025, the Company received funds from AngloGold of A$802,200 ($722,000) (year ended December 31, 2024 - A$2,009,251 ($1,791,000)) in advance funds from AngloGold which were recorded as proceeds against the evaluation and exploration asset in the consolidated statements of financial position. Subsequent to period end Kincora and AngloGold Ashanti materially expanded the scope fo the Agreement.

8. Share Capital

Authorized share capital: Unlimited Common shares without par value.

Share issuances:

a) On March 10, 2025, the Company issued 7,169,335 shares to certain officers, directors and consultants as payment for services provided to the Company in 2022, 2023 and the first half of 2024 totaling to $386,000.

b) On December 23, 2024, the Company completed a private placement of 33,500,658 shares, raising gross proceeds of A$1,273,025 ($1,206,024) in two tranches: first tranche, on October 21, 2024, the Company issued 12,576,031 shares for gross proceeds of A$477,889 ($452,737), with free-attaching 6,288,015 options (Note 8 – Stock options); and the second tranche, on December 18, 2024, the Company issued 20,924,627 shares for gross proceeds of A$795,136 ($753,287) with free-attaching 10,462,311 options (Note 8 – Stock options). The Company incurred share issuance cost of $57,237.

c) On December 19, 2024, the Company issued 3,877,370 shares for the exercise of performance rights that were granted on December 14, 2021.

Obligation to issue shares:
The Company has a share for services plan approved in 2019. Pursuant to the plan, the Company provides compensation to directors and officers in both shares and cash. The portion of compensation that will be paid by shares are recorded in obligation to issue shares and will be transferred to share capital upon issuance of the shares. During the three-month period ended March 31, 2025, the Company accrued fees of $87,445 (2024 - $91,750) to its officers and directors. As at March 31, 2025, the Company has a balance owing of $330,675 (December 31, 2024 - $629,230), with $324,425 (December 31, 2024 - $622,980) recorded in obligation to issue shares and the remaining in accounts payable.

Stock options:
The Company has an equity incentive plan in place under which it is authorized to grant options or performance rights to executive officers and directors, employees and consultants enabling them to acquire up to 20% of the issued and outstanding common stock of the Company, and the amount approved for the purposes of the ASX rules, being up to 7,000,000 performance rights. Under the plan, the exercise price of each option shall not be less than the discounted market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 10 years and vest as determined by the board of directors.

On September 27, 2023, the Company issued 20,300,000 free-attaching options pursuant to the private placement that closed in August 2023. Each option has an exercise price of A$0.075 (C$0.065) and expires 24 months from the date of issue. The fair value of the options was determined to be $nil using the residual method. The Company issued 7,500,000 broker options as share issuance cost. Each option has an exercise price of A$0.075 (C$0.065). The fair value of the broker options was $160,029, determined using the Black-Scholes Option Pricing Model.

On May 31, 2024, the Company granted an aggregate of 24,500,000 incentive stock options to certain board members, senior management and advisers of Kincora (the optionees). Each option is exercisable into one common share in the capital of the company at an exercise price of A$0.075 ($0.068) per common share with expiry of two years following the date of grant. The fair value of the options was $794,449, determined using the Black-Scholes Option Pricing Model.

(Expressed in Canadian Dollars)

8. Share Capital – *continued*

Stock options: – continued

The fair value was determined using the Black-Scholes Option Pricing Model using the following weighted average estimates:

	December 31, 2023	December 31, 2024
Expected dividend yield	0%	0%
Expected stock price volatility	122.11%	142%
Risk free rate	4.62%	4.25%
Forfeiture rate	0%	0%
Expected life of options	2 years	2 years

On October 21, 2024, the Company issued 6,288,015 free-attaching options pursuant to the first tranche of the private placement described in Note 8 – Share issuances (a). Each option has an exercise price of A$0.075 ($0.070) and expires 24 months from the date of issue. The amount assigned to the options was determined to be $nil using the residual method.

On December 18, 2024, the Company issued 10,462,311 free-attaching options pursuant to the second tranche of the private placement described in Note 8 – Share issuances (a). Each option has an exercise price of A$0.075 ($0.070) and expires 24 months from the date of issue. The fair value of the options was determined to be $125,547 using the residual method.

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

	Number of options	Weighted average exercise price
Balance outstanding – December 31, 2023	**47,385,081**	**$0.16**
Granted	24,500,000	0.05
Granted	16,750,325	0.07
Expired	(2,004,506)	0.48
Expired	(10,000,000)	0.29
Expired	(7,580,575)	0.28
Balance outstanding – December 31, 2024 and March 31, 2025	**69,050,325**	**$0.07**

The weighted average life of the stock options is 1.01 years.

The weighted average price for options granted during the three-month period ended March 31, 2025 is $0.069 (December 31, 2024 - $0.069).

8. Share Capital – *continued*

Stock options: – continued

As at March 31, 2025, the following stock options are outstanding and exercisable:

Number	Price per share	Expiry date	Options exercisable
27,800,000	$0.07	September 27, 2025	27,800,000
24,500,000	$0.07	May 31, 2026	24,500,000
6,288,015	$0.07	October 21, 2026	6,288,015
10,462,310	$0.07	December 18, 2026	10,462,310
69,050,325	**$0.07**		**69,050,325**

Warrants: As of March 31, 2025 and December 31, 2024, the Company had no outstanding warrants.

Performance rights:
In December 2021, the Company granted 5,520,449 performance rights to certain directors and officers of the Company, pursuant to the Company's new EIP. 4,535,385 of the performance rights are vesting two years from the issue date, 454,154 performance rights are vesting one year from the issue date, and 530,910 performance rights are vesting 1/3 each of the calendar years ended 2021, 2022, and 2023. Each performance right entitles the holder to receive one share of the Company on vesting. During the year ended December 31, 2024, 3,877,370 performance rights were exercised (Note 10). The remaining 1,643,079 performance rights have been cancelled during the year.

Reserves:
Share-based payment reserve represents the fair value of stock options or warrants until such time that the share-based instruments are exercised, at which time the corresponding amount will be transferred to share capital.

Exchange gains and losses arising from translation from the Company's functional currency to presentation currency are included in foreign currency translation reserve.

9. Segmented Information

The Company operates in two operating segments being the acquisition and exploration of exploration and evaluation assets in Mongolia and Australia. The Company's head office is located in Canada, and all of the Company's non-current assets are located in Mongolia and Australia as follows.

In thousand $	Mongolia	Australia	Total
Balance at March 31, 2025			
Mineral properties	$ 1,140	$ 13,705	$ 14,845
Equipment	$ 80	$ -	$ 80

9. Segmented Information – *continued*

In thousand $		Mongolia		Australia		Total
Balance at December 31, 2024						
Mineral properties	$	1,177	$	13,455	$	14,632
Equipment	$	43	$	-	$	43

10. Related Party Transactions

The Company incurred the following amounts for related party services:

a) During the three-month period ended March 31, 2025, the Company incurred $18,450 (2024 - $18,450) to a company with an officer in common for management and accounting services.

b) During the three-month period ended March 31, 2025, the Company incurred $75,000 (2024 - $75,000) to an officer and a company with an officer in common for management services.

c) During the three-month period ended March 31, 2025, the Company incurred director's fees and consulting fees of $61,500 (2024 - $80,500) to current directors and to a former director.

d) During the year ended December 31, 2024, the Company incurred consulting fees – geologists of $5,000 (2024 - $5,000) to a director of the Company.

e) At March 31, 2025, the Company owed $298,273 (December 31, 2024 - $568,243) in accrued directors' fees and management and accounting fees in accounts payable, which are non-interest bearing and due on demand, and obligation to issue shares (Note 8).

f) During the year ended December 31, 2024, the Company issued a total of 1,421,048 shares and 710,523 options to directors in connection with the private placement that was closed during the year (Note 8).

g) During the year ended December 31, 2024, the Company issued 3,877,370 shares to directors and officers for the exercise of performance rights (Note 8).

h) On March 10, 2025, the Company issued 7,169,335 shares to certain officers, directors and consultants as payment for services provided to the Company in 2022, 2023 and the first half of 2024 totaling to $386,000.

Compensation of key management personnel

In thousand $		**March 31, 2025**		March 31, 2024
Management, chairman, directors, and audit committee fees	**$**	**160**	$	179

11. Supplemental Disclosures of Cash Flow Information

Supplemental Disclosure of Non-Cash Financing and Investing Activities include *('000):*		**March 31, 2025**		March 31, 2024
Amortization capitalized to exploration and evaluation assets	**$**	**25**	$	21

12. Equipment

Net carrying costs at March 31, 2025 and December 31, 2024 are as follows ('000):

		Computers		Exploration Equipment		Total
Cost						
Balance as at December 31, 2023	$	25	$	1,314	$	1,339
Additions		-		92		92
Translation adjustment		-		(30)		(30)
Balance as at December 31, 2024		25		1,376		1,401
Additions		6		56		62
Balance as at March 31, 2025	$	31	$	1,432	$	1,463
Accumulated amortization and impairment						
Balance as at December 31, 2023	$	(25)	$	(1,240)	$	(1,265)
Additions		-		(93)		(93)
Balance as at December 31, 2024		(25)		(1,333)		(1,358)
Additions		-		(25)		(25)
Balance as at March 31, 2025	$	(25)	$	(1,358)	$	(1,383)
Net book value						
At December 31, 2024	$	-	$	43	$	43
At March 31, 2025	**$**	**6**	**$**	**74**	**$**	**80**

13. Contingencies

In the course of its business activities the Company has from time to time, been the subject of civil claims by third parties, including former employees and government agencies that could give rise to a liability to pay compensation, tax claims, damages or other cash costs. In addition, the Company may receive notices from regulatory and other governmental agencies responsible for the administration of regulations impacting on the Company's business affairs, in relation to the imposition or intended imposition of penalties, assessments and other orders that could potentially have an adverse effect or negatively impact on the Company's business and financial condition including in jurisdictions such as Mongolia and Brazil. Based upon historic experience with management of such claims, assessment and regulatory actions, the Company does not anticipate that the outcome of any such claims, assessments and regulatory actions, will have a materially adverse effect on the Company's business or financial condition.

Brazil

The Company's Brazilian subsidiary, Samsul, has been named as a defendant in a lawsuit filed by federal prosecutors in 2015 seeking indemnification in the amount of approximately 500,000 Brazilian Reals for violation of mining laws and regulations in Brazil. Samsul is one of two defendants in this lawsuit and furthermore, the Company was not in control of Samsul at the time these alleged violations occurred. In

13. Contingencies – *continued*

Brazil – *continued*

addition, Samsul is also named as the sole defendant in six tax claims filed by the Brazilian Mining Agency (ANM) and the Brazilian Environmental Protection Agency (IBAMA) initiated between 2005 and 2018 with an aggregate claim amount of approximately 180,000 Brazilian Reals. The Company plans to rigorously defend against these claims.

The Company does not expect the final outcome of these claims to have a material impact on the Company's consolidated financial statements, and as a result, no provision has been recorded as of December 31, 2024 and 2023.

Mongolia

During the year ended December 31, 2021, Golden Grouse received a tax act reassessment for $2.7 billion Tugriks (MNT), approximately $1 million from the Mongolian Tax Authority ("MTA").

The 2021 tax assessment comprises four items, of which the Company strongly refutes the merit of three including the very vast majority of the liability sought relating to a retrospective tax assessment of the 2016 merger with IBEX (the agreed liability owed is 16.2 million MNT, significantly less than the 100 million MNT deposit Kincora has had to place with the MTA to dispute the reassessment).

The 2016 IBEX merger required a prior tax assessment, which followed an audit of the IBEX entity's prior-year periods and the on-shore and off-shore agreements to the merger (IBEX and parent entities). The 2016 tax assessment was paid and relied upon by Mongolian government departments to facilitate the merger and was a condition precedent to close the merger with any adverse liability enabling both counterparties to withdraw from the merger (Note 7).

In the Company's view, the 2021 tax assessment's retrospective liability is not in line with the 2016 tax assessment and Mongolian law, and there is no basis for a different determination. The Company's view was supported by a First Instance Administrative Court, which ruled in-line with Kincora's and independent legal opinions' long-standing positions and the original 2016 tax assessment. The MTA has appealed the court's ruling, further extending the Mongolian judicial process which commenced in 2021. The MTA has already delayed the appeal date of their appeal of the First Instance Administrative Court's ruling with a hearing date expected shortly.

Kincora continues to pursue criminal charges against MTA officials relating to fraud and documents provided to the Mongolian courts. A police investigation is open at the time of writing.

The Company does not expect the final outcome of these proceedings to have a material impact on the Company's consolidated financial statements, and as a result, no provision has been recorded as of March 31, 2025 and December 31, 2024.

14. Subsequent Event

On April 14th, 2025, Kincora and AngloGold sign a major amendment to the existing Earn-in and Joint Venture Agreement for a second joint venture in the Northern Junee-Narromine Belt of the Macquarie Arc supporting total expenditures of up to $100 million and including five contigious projects (Nyngan South, Nevertire South and Mulla added to the Nyngan and Nevertire projects including in the original May 2024 agreeement).