



UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED FEBRUARY 28, 2025

(Expressed in Canadian Dollars)

NOTICE TO READER

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the unaudited condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

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

KORYX COPPER INC.
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Notes	February 28, 2025	August 31, 2024	August 31, 2023 (Restated-Note 13)
		\$	\$	\$
ASSETS				
Current				
Cash	6	14,979,108	2,272,081	71,632
GST receivable and other	7	181,186	99,568	79,081
Prepaid expenses	7	2,386,673	261,122	78,862
Total Current Assets		17,546,967	2,632,771	229,575
Property and equipment	4	473,865	217,609	12,258
Total Assets		18,020,832	2,850,380	241,833
LIABILITIES AND EQUITY				
Current				
Accounts payable and accrued liabilities	9	781,693	180,121	107,833
Other financial liabilities	8	21,992	-	-
Non-Current				
Other financial liabilities	8	144,736	-	-
Total Liabilities		948,421	180,121	107,833
Equity				
Share capital	5	40,733,781	22,071,428	15,964,196
Reserves	5	2,996,562	2,426,624	1,908,081
Accumulated other comprehensive loss		(36,199)	(21,273)	-
Deficit		(26,621,733)	(21,806,520)	(17,738,277)
Total Equity		17,072,411	2,670,259	134,000
Total Liabilities and Equity		18,020,832	2,850,380	241,833

Going Concern (Note 1)
Commitments (Notes 3, 12)
Change in accounting policy (Note 13)
Subsequent events (Note 14)

Approved on behalf of the Board of Directors:

/s/ Alan Friedman
Director

/s/ Heye Daun
Director

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

KORYX COPPER INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

	For the three months ended		For the six months ended	
	February		February	
	2025	Restated 2024	2025	Restated 2024
	\$	\$	\$	\$
EXPENSES				
Depreciation (Note 4)	15,522	12,998	26,281	12,998
Consulting fees	88,413	22,257	401,461	123,006
Exploration expenses (Notes 3, 13)	1,450,616	685,906	2,454,222	1,200,896
Management fees (Note 11)	15,000	87,000	85,000	174,000
Impairment expense (Note 7)	169,909	-	282,547	-
Legal, audit and accounting	213,089	37,612	265,136	55,673
Office and miscellaneous	182,358	150,768	356,826	291,215
Payroll costs (Note 11)	175,324	-	305,324	-
Regulatory and transfer agent fees	26,730	24,870	40,763	43,000
Shareholder information	3,915	3,468	10,232	7,260
Share-based compensation (Notes 5, 11)	354,399	32,518	710,579	190,796
Travel	15,205	10,176	22,004	19,812
Loss before other income	(2,710,480)	(1,067,573)	(4,960,375)	(2,118,656)
Other income				
Interest income	132,153	-	147,093	-
Foreign exchange (loss)/gain	-	-	(1,931)	-
Net loss for the period	(2,578,327)	(1,067,573)	(4,815,213)	(2,118,656)
Other comprehensive income				
Foreign currency translation	5,446	-	14,926	-
Total Comprehensive loss for the period	(2,572,881)	(1,067,573)	(4,830,139)	(2,118,656)
Loss per common share				
Basic and diluted	(0.04)	(0.03)	(0.08)	(0.05)
Weighted average number of common shares outstanding				
Basic and diluted	68,210,739	40,025,954	62,715,399	40,025,954

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

KORYX COPPER INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

	Number of shares	Share Capital Amount (\$)	Reserves (\$)	Accumulated other Comprehensive Income (loss) (\$)	Deficit (\$)	Total Equity (\$)
Balance, August 31, 2023 (Restated-Note 13)	33,874,980	\$ 15,964,196	\$ 1,908,081	\$ -	\$ (17,738,277)	\$ 134,000
Shares issuance – private placements	6,365,279	2,068,729	-	-	-	2,068,729
Share issue costs	-	(134,958)	-	-	-	(134,958)
Share issuance – Zambia Property acquisition	150,000	37,500	-	-	-	37,500
Share-based compensation	-	-	190,796	-	-	190,796
Net loss for the period	-	-	-	-	(2,118,656)	(2,118,656)
Balance, February 29, 2024 (Restated-Note 13)	40,390,259	\$ 17,935,467	\$ 2,098,877	\$ -	\$ (19,856,933)	\$ 177,411
Shares issuance – private placements	7,964,732	3,505,142	-	-	-	3,505,142
Share issuance – Finders fees	269,231	87,500	-	-	-	87,500
Warrant exercise	1,720,200	785,240	-	-	-	785,240
Finders warrant exercises	36,715	32,932	(21,000)	-	-	11,932
Finder warrant	-	(175,196)	175,196	-	-	-
Stock option exercises	60,000	34,343	(7,343)	-	-	27,000
Share-based compensation	-	-	180,894	-	-	180,894
Share issue costs	-	(134,000)	-	-	-	(134,000)
Foreign subsidiary translation adjustment	-	-	-	(21,273)	-	(21,273)
Net loss for the period	-	-	-	-	(1,949,587)	(1,949,587)
Balance, August 31, 2024	50,441,137	\$ 22,071,428	\$ 2,426,624	\$ (21,273)	\$ (21,806,520)	\$ 2,670,259

The Company completed a 5:1 consolidation of its share capital on June 12, 2024. These unaudited interim condensed consolidated financial statements are presented on a post-consolidation basis.

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

KORYX COPPER INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Expressed in Canadian Dollars)

	Number of shares	Share Capital Amount (\$)	Reserves (\$)	Accumulated other Comprehensive Income (loss) (\$)	Deficit (\$)	Total Equity (\$)
Balance, August 31, 2024	50,441,137	\$ 22,071,428	\$ 2,426,624	\$ (21,273)	\$ (21,806,520)	\$ 2,670,259
Shares issuance – private placements	16,335,778	17,969,356	-	-	-	17,969,356
Warrant exercises	2,518,180	1,238,890	-	-	-	1,238,890
Finder warrant exercises	6,000	4,500	(1,500)	-	-	3,000
Stock option exercises	540,000	386,141	(139,141)	-	-	247,000
Share issue costs	-	(936,534)	-	-	-	(936,534)
Share-based compensation	-	-	710,579	-	-	710,579
Foreign subsidiary translation adjustment	-	-	-	(14,926)	-	(14,926)
Net loss for the period	-	-	-	-	(4,815,213)	(4,815,213)
Balance, February 28, 2025	69,841,095	\$ 40,733,781	\$ 2,996,562	\$ (36,199)	\$ (26,621,733)	\$ 17,072,411

The Company completed a 5:1 consolidation of its share capital on June 12, 2024. These unaudited interim condensed consolidated financial statements are presented on a post-consolidation basis.

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

KORYX COPPER INC.**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

		For the six months ended February 28, 2025	For the six months ended February 29, 2024
		\$	Restated \$
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss for the period		(4,815,213)	(2,118,656)
Items not affecting cash:			
Depreciation	4	26,281	12,998
Share-based compensation	5	710,579	190,796
Shares issued for exploration & evaluation expenditures	13	-	37,500
Impairment expense	7	282,547	-
Interest expense		830	-
Foreign exchange movement		(26,729)	-
Changes in non-cash working capital items:			
Prepaid expenses	7	(2,115,403)	(152,242)
GST receivable and other	7	(374,313)	(375)
Accounts payable and accrued liabilities	9	601,573	110,085
Net cash used in operating activities		(5,709,848)	(1,919,894)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Acquisition of property and equipment	4	(269,568)	(78,492)
Net cash (used in) provided by investing activities		(269,568)	(78,492)
CASH FLOWS FROM FINANCING ACTIVITY			
Proceeds from private placement, net of issuance costs	5	17,032,821	1,933,771
Proceeds from the exercise of options and warrants	5	1,488,890	-
Proceeds from other financial liabilities	8	169,046	-
Repayments against financial liabilities	8	(4,314)	-
Net cash provided by financing activity		18,686,443	1,933,771
Change in cash during the period		12,707,027	(64,615)
Cash, beginning of the year		2,272,081	71,632
Cash, end of period		14,979,108	7,017

Supplemental Cash Flow and Non-Cash Operating, Investing and Financing Activities Disclosure

	\$	\$
Interest Income	147,093	-
Shares issued for mineral property acquisition	-	37,500

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

KORYX COPPER INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Koryx Copper Inc. (the “Company” or “Koryx”) is an exploration company incorporated on April 24, 1987 under the laws of British Columbia. The Company’s head office is located at Suite 1890 - 1075 West Georgia Street, Vancouver, BC, V6E 3C9 and is listed on the TSX Venture Exchange (“TSX-V”) under the symbol “KRY”. The Company is in the business of exploring and evaluating mineral properties located in Africa. On June 12, 2024, the Company completed a 5:1 consolidation of its share capital. As a result, all references to common shares, options, warrants and share prices have been adjusted retrospectively to reflect the change.

The Company’s consolidated financial statements have been prepared using IFRS® Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due, certain conditions and events may cast significant doubt on the validity of this assumption. The Company incurred net loss of \$4,815,213 for the period ended February 28, 2025 (February 28, 2024 restated - \$2,118,656) and as of that date, had an accumulated deficit of \$26,621,733 (February 29, 2024 restated - \$19,856,933). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern. See Note 14 for details on the Company’s subsequent events.

The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the future. These consolidated financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. MATERIAL ACCOUNTING POLICIES

(a) Statement of compliance

The Company applies International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of April 28, 2025, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual financial statements as at and for the year ended August 31, 2024, except as noted below. Any subsequent changes to IFRS that are given effect in the Company’s annual financial statements for the year ending August 31, 2024 could result in restatement of these unaudited condensed interim consolidated financial statements.

(b) Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these interim consolidated financial statements have been prepared using

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)**(b) Basis of preparation (continued)**

the accrual basis of accounting, except for cash flow information. The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements.

(c) Basis of consolidation

The consolidated financial statements include the accounts of the Company and the following entities:

Name	Jurisdiction	
Koryx Copper B.V.	Netherlands	wholly owned subsidiary of Koryx Copper Inc.
1054137 BC Ltd	Canada	wholly owned subsidiary of Koryx Copper B.V.
Deep South Mining (Pty) Ltd.	Namibia	wholly owned subsidiary of 1054137 BC Ltd.
Haib Minerals (Pty) Ltd.	Namibia	wholly owned subsidiary of Deep-South Mining (Pty) Ltd.
Kasanka Copper Limited	Zambia	*98% owned subsidiary of Koryx Copper Inc.(inactive)

*2% held by Mr. Nathan Sabao (refer to note 3)

A subsidiary is an entity that the Company controls, either directly or indirectly, where control is defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All inter-company transactions and balances including unrealized income and expenses arising from intercompany transactions are eliminated in preparing consolidated financial statements.

(d) Foreign currency transactions

The unaudited interim consolidated financial statements are presented in Canadian dollars which is the functional currency of Koryx Copper Inc and its subsidiaries with the exception of Haib Holdings (Pty) Ltd (formerly Deep-South Mining (Pty) Ltd) and Haib Minerals (Pty) Ltd where the functional currency is the Namibian Dollar (refer to note 2(m)).

Assets and liabilities of a subsidiary having a functional currency other than the Canadian dollar are translated at the rate of exchange at the reporting period date. Expenses are translated at average rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transaction are used. The resulting foreign currency translation adjustments are recognized in the other comprehensive loss included in the consolidated statements of operations and comprehensive loss.

Foreign currency transactions are translated into the functional currency using exchange rates prevailing at the date of the transactions. At the end of each reporting period, foreign currency denominated monetary assets and liabilities are translated to the functional currency using the prevailing rate of exchange at the reporting period date. Gains and losses on translation of monetary items are recognized in profit or loss.

(e) Exploration and Evaluation Expenditures (see note 13 for change in accounting policy)

Exploration and evaluation expenditures, including the costs of acquiring licenses, are expensed in the year in which they are incurred. Mineral property acquisition costs and exploration and evaluation expenditures are recorded at cost. When shares are issued as part of the mineral property acquisition costs, they are valued at the closing share price on the date of issuance. Payments related to a property acquired under an option agreement, where payments are made at the sole discretion of the Company, are recorded upon payment.

Once the technical feasibility and commercial viability of extracting the mineral resources has been determined, the property is considered to be a mine under development and development costs are capitalized to "mines under construction" on the consolidated statements of financial position.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)**(f) Property and equipment**

Property and equipment are recorded at cost less accumulated amortization and accumulated impairment losses. The cost of an item of property and equipment consists of the purchase price, any costs directly attributable to bringing the asset into operation and an initial estimate of any rehabilitation obligation. Amortization is recognized on a declining balance basis over their estimated useful lives at annual rates as stated below:

Item	Depreciation method	Average useful life
Mining Equipment	Straight line	20%
Office furniture and equipment	Straight line	20%
Motor vehicles	Straight line	20%
Site buildings	Straight line	10%

An item of property and equipment is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the statement of operations. The Company conducts an annual assessment of the residual balances, useful lives and amortization methods being used for property and equipment and any changes arising from the assessment are applied by the Company prospectively.

(g) Significant accounting judgments and estimates

The preparation of these unaudited interim condensed consolidated financial statements require management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated statement of financial position and the reported amounts of expenses during the reporting period. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities included in the preparation of these consolidated financial statements are discussed below:

Significant estimates

There are no significant areas requiring the use of estimates.

Significant judgments***Going Concern***

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgement based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

KORYX COPPER INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES (continued)

(g) Significant accounting judgments and estimates (continued)

The determination of the Company and its subsidiaries' functional currency

Prior to June 1, 2024, the functional currency of Haib Minerals (Pty) Ltd. and Deep-South Mining (Pty) Ltd. was the Canadian Dollar. In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", an entity's functional currency should reflect the underlying transactions, events and conditions relevant to the entity. Determination of the functional currency involves judgment to assess the primary economic environment in which the Company operates in, and this is re-evaluated for each entity or if conditions change. Based on management's evaluation, taking into consideration the currency that mainly influences the price for goods and services, labour and material, management determined that the functional currency of Haib Minerals (Pty) Ltd. and Deep-South Mining (Pty) Ltd. is the Namibian Dollar. The change in functional currency has been accounted for prospectively, with no impact of this change on prior year's comparative information. There was no change in the functional currency of Koryx Copper Inc. and its subsidiaries.

(h) New accounting standards adopted during the year

Deferred tax related to assets and liabilities arising from a single transaction (Amendments to IAS 12 Income Taxes)

These amendments clarify how companies account for deferred taxes on transactions, such as leases and decommissioning obligations, with a focus on reducing diversity in practice. They narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

These amendments to IAS 12 are effective for years beginning on or after January 1, 2023. These amendments have had no impact for the Company.

Amendments to IAS 8 – Definition of accounting estimates

IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8") was amended in February 2021. The IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates.

These amendments are effective for reporting periods beginning on or after January 1, 2023, and did not have a material impact on the Company.

Classification of liabilities as current or non-current (Amendments to IAS 1 Presentation of Financial Statements)

IAS 1 has been amended to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

These amendments to IAS 1 are effective for years beginning on or after January 1, 2024. These amendments are not expected to have an impact for the Company.

KORYX COPPER INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

(i) Accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements – IFRS 18 introduces three sets of new requirements to give investors more transparent and comparable information about companies' financial performance for better investment decisions.

- Three defined categories for income and expenses – operating, investing or financing – to improve the structure of the income statements, and require all companies to provide new defined subtotals, including operating profit;
- Requirement for companies to disclose explanations of management-defined performance measures (MPMs) that are related to the income statement; and
- Enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes.

This new standard is effective for reporting periods beginning on or after January 1, 2027. The Company will be evaluating the impact of the above amendments on its consolidated financial statements.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS & EXPENDITURESHaib Property, Namibia

The Company, through its wholly owned subsidiary, Haib Minerals (Pty) Ltd. (“Haib”), acquired an exclusive prospecting license for the Company’s Haib Copper Project in the south of Namibia. On May 5, 2017, the Company entered into a Share Purchase Agreement with Teck Namibia (Pty) Ltd. (“Teck”) to acquire the remaining 70% interest in Haib (the Company previously owned 30% of the interest) for a total consideration of \$3.212 million. Teck retains a 1.5% Net Smelter on the property, one-third of which can be purchased by the Company for a cash payment of \$2 million. Teck shall hold a pre-emptive right to participate in any financing of the Company as long as Teck holds over 5% of Koryx Copper’s outstanding common shares.

Teck shall be entitled to a production bonus payment that will be declared at the time the company takes the decision to start mine development. Half of the bonus shall be paid upon the decision to start mine development and the second half shall be paid upon commencement of commercial production. The bonus value is scaled with the value of the capital expenditures as follows:

(All amounts C\$ millions)

Development Expenditures	Cash Payment
\$0 - \$500	\$5.0
\$501 - \$600	\$6.7
\$601 - \$700	\$8.3
\$701 - \$800	\$10.0
\$801 - \$900	\$11.7
\$901 - \$1,000	\$13.3
\$1,001 and over	\$15.0

The renewal of the Exclusive Prospecting License 3140 (the “License”) covering the Haib Copper Project had been refused by the Minister of Mines and Energy of Namibia (the “Ministry”) in 2021. The Company vigorously contested this decision, using all legal means available to the Company under the Minerals (Prospecting and Mining) Act and other applicable laws international and Namibian.

On March 10, 2023, the High Court of Namibia rendered its judgment and reviewed and set aside the decision of the Minister not to renew the Haib Copper licence EPL 3140. As per the court verdict, the Ministry re-opened the application renewal procedure for the Haib Copper licence.

On July 7, 2023, the Ministry officially approved the renewal of the licence EPL 3140. The Licence is valid for a period two years from the date of renewal.

Zambian Copperbelt Properties, Zambia

On March 28, 2022, the Company entered a definitive earn-in agreement with World Class Minerals Venture Ltd (“WCMV”) of Zambia, with an effective date of March 14, 2022, to acquire up to 80% of the Large-Scale Exploration Licences LEL 23246, LEL 23247 and LEL 23248 held by WCMV, located in the centre of the Zambian Copperbelt.

Under the terms of the earn-in agreement the Company has earned the right to a 51% interest in the licenses after completing the following steps over a two-year period from the execution date:

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

3. EXPLORATION AND EVALUATION ASSETS & EXPENDITURES (continued)Zambian Copperbelt Properties, Zambia (continued)

Date for Completion	Cash	Common Shares to be issued (post-consolidation)	Minimum Exploration Expenditures to be Incurred
Upon signing the Exclusivity agreement	\$15,000 USD (paid)	Nil	\$Nil
Upon TSX-V approval	\$15,000 USD (paid)	100,000* (issued – fair value of \$25,000)	\$Nil
On or before the second anniversary of the Execution Date ⁽¹⁾	\$30,000 USD (paid)	50,000* (issued – fair value of \$12,500)	\$Nil
Total	\$60,000 USD	150,000*	\$Nil
⁽¹⁾ "Effective Date" means the date of the agreement, March 14, 2022.			

The Company can earn an additional 29% interest in the licenses by completing the following over a three-year period following the second anniversary of the execution date:

Date for Completion	Cash	Common Shares to be issued (post-consolidation)	Minimum Exploration Expenditures to be Incurred
On or before the third anniversary of the Execution Date ⁽¹⁾	\$30,000 USD (paid)	Nil	Not less than \$1,000,000
On or before the fourth anniversary of the Execution Date ⁽¹⁾	\$30,000 USD	200,000*	Not less than \$1,000,000
On or before the fifth anniversary of the Execution Date ⁽¹⁾	\$30,000 USD	Nil	Not less than \$1,000,000
Total	\$90,000 USD	200,000*	\$3,000,000
⁽¹⁾ "Effective Date" means the date of the agreement, March 14, 2022.			

*Restated on a post consolidation basis. During the 2024 financial year, the Company approved a share consolidation of one new share for every five shares in issue at the time of the share consolidation. The share consolidation was effective June 12, 2024.

The Company paid finder's fees for the transaction of 70,000 common shares in two stages: 60,000 common shares upon approval by the TSX-V with a fair value of \$15,000 and 10,000 shares to be issued on the third anniversary date of the approval.

In connection with the earn-in agreement, on March 14, 2022 the Company also entered a Mining Exploration Data Agreement whereby the Company will acquire all of the exploration data for the licences LEL 23246, LEL 23247 and LEL 23248 held by Mr. Nathan Sabao ("the geological consultant") as follows:

- the issuance of 100,000 common shares with a fair value of \$25,000 to the geological consultant upon approval by the TSX-V of the transaction (granted July 7, 2022);
- on the first anniversary of the transaction, the geological consultant was to transfer all the exploration data for projects in the Luapula region in Zambia to the Company in consideration for the issuance of an additional 100,000 common shares of the Company with a fair value of \$25,000 (granted October 6, 2023).
- In addition, on or before the 2nd anniversary date, 50,000 common shares pursuant to the definitive earn-in agreement above with a fair value of \$12,500 were issued.

During the year ended August 31, 2024, LEL 23247 expired and the Company did not renew this license.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

4. PROPERTY AND EQUIPMENT

	Office				Total
	Mining Equipment	Furniture and Equipment	Motor Vehicles	Site Buildings	
Cost	\$	\$	\$	\$	\$
Balance at August 31, 2023	23,501	342	-	-	23,843
Additions	10,052	1,573	118,746	27,444	157,815
Impairment reversal	-	-	-	63,591	63,591
Foreign exchange	(464)	(165)	(1,284)	(636)	(2,549)
Balance at August 31, 2024	33,089	1,750	117,462	90,399	242,700
Additions	11,711	337	202,511	55,009	269,568
Change in accounting policy	-	-	-	63,951	63,951
Foreign exchange	224	182	10,728	(1,011)	10,123
Balance at February 28, 2025	45,024	2,269	330,701	208,348	586,342
Accumulated depreciation					
Balance at August 31, 2023	11,243	342	-	-	11,585
Depreciation	675	136	16,543	2,525	19,879
Disposals	-	-	-	-	-
Foreign exchange	(232)	(83)	(5,740)	(318)	(6,373)
Balance at August 31, 2024	11,686	395	10,803	2,207	25,091
Depreciation	4,420	224	16,496	5,141	26,281
Disposals	-	-	-	-	-
Change in accounting policy	-	-	-	50,466	50,466
Foreign exchange	7,086	(151)	6,880	(3,176)	10,639
Balance at February 28, 2025	23,192	468	34,179	54,638	112,477
Carrying amounts – Net Book Value					
At August 31, 2024	21,403	1,355	106,659	88,192	217,609
At February 28, 2025	21,832	1,801	296,522	153,710	473,865

During the year ended August 31, 2024, management determined that due to the reinstatement of the Exclusive Prospecting License in the previous year (see note 3), conditions existed to reverse the original impairment that was recognized due the loss of the license. A gain on impairment reversal was recognized for a site building previously impaired in the amount of \$63,951 which was the estimated net book value based on the original impairment amount recorded in the year ended August 31, 2022 less accumulated amortization to the date of reversal.

KORYX COPPER INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

5. SHARE CAPITAL

(a) Authorized

Unlimited common shares without par value

(b) Issued and outstanding

For the period ended February 28, 2025

On November 15, 2024, the Company closed the non-brokered private placement comprising of 16,335,778 common shares at a price of \$1.10 per share for total gross proceeds of \$17,969,356.

For the non-brokered private placements, the Company paid a total of \$812,993 in aggregate cash finders fees for the 6 months period ended February 28, 2024.

During the period ended February 28, 2025 a total of 540,000 (post consolidation) stock options with expiry dates of October 14, 2024, December 17, 2024 and February 21, 2025 respectively were exercised resulting in a net total of 540,000 common shares being issued for gross proceeds of \$247,000. The fair value of the stock options exercised was \$139,141 using the Black Scholes pricing model. A total of 170,000 previously issued stock options expired during the period.

During the period ended February 28, 2025 a total of 2,518,180 warrants and 6,000 finders' warrants were exercised for proceeds of \$1,238,890 and \$3,000 respectively. The fair value of the finder warrants exercised was \$1,500 using the Black Scholes pricing model.

For the year ended August 31, 2024

On September 26, 2023, the Company closed the final tranche of a non-brokered private placement comprising of 6,365,319 (pre-consolidation 31,826,596) units at a price of \$0.33 (pre-consolidation \$0.065) per unit for total gross proceeds of \$2,068,729. Each unit comprises one common share and one-half share purchase warrant; each whole warrant is exercisable at \$0.50 (pre-consolidation \$0.10) per share expiring 24 months from the date of closing.

For the non-brokered private placement, the Company paid a total of \$123,207 in aggregate cash finder's fees, incurred a further \$58,251 in other share issuance related costs, and issued 379,061 (pre-consolidation 1,895,310) finder warrants. These warrants entitle the holder to purchase one share for \$0.33 (pre-consolidation \$0.065) for a period of 24 months from the date of closing. These warrants issued had a fair value of \$81,917 using the Black Scholes model with the following inputs:

i) exercise price: \$0.33; ii) share price: \$0.30; iii) term: 2 years; iv) volatility: 151%; v) discount rate: 4.92%. Expected volatility was based on the Company's historical prices. The value of these compensation warrants is included in reserves and share capital.

On October 6, 2023, the Company issued 100,000 (pre-consolidation 500,000) common shares of the Company pursuant to the mining exploration data agreement with a fair value of \$25,000 (Note 3) and 50,000 (pre-consolidation 250,000) common shares pursuant to the earn-in agreement (Note 3) with a fair value of \$12,500.

On March 28, 2024, the Company closed a non-brokered private placement comprising of 4,631,538 (pre-consolidation 23,157,692) units at a price of \$0.33 (pre-consolidation \$0.065) per unit for total gross proceeds of \$1,505,250. Each unit comprises one common share and one share purchase warrant; each warrant is exercisable at \$0.50 (pre-consolidation \$0.10) per share expiring 36 months from the date of closing.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(b) Issued and outstanding (continued)

For the non-brokered private placement, the Company issued a total of 269,231 (pre-consolidation 1,346,154) finder units comprising of one common share and one share purchase warrants with each warrant is

exercisable at \$0.50 (pre-consolidation \$0.10) per share expiring 36 months for the date of closing. These the common shares were valued at \$87,500 and the warrants issued had a fair value of \$93,279 using the Black Scholes model with the following inputs:

i) exercise price: \$0.50; ii) share price: \$0.40; iii) term: 3 years; iv) volatility: 176%; v) discount rate: 3.92%. Expected volatility was based on the Company's historical prices. The value of these compensation warrants is included in reserves and share capital.

On June 14, 2024, the Company closed a non-brokered private placement comprising of 3,333,154 (pre-consolidation 16,665,758) common shares at a price of \$0.60 (pre-consolidation \$0.12) per share for total gross proceeds of \$1,999,892.

For the year ended August 31, 2024, 1,720,200 share purchase warrants, 36,715 finder warrants, and 60,000 incentive stock options were exercised for total net proceeds of \$824,172, all on a post-consolidation basis.

For the period ended February 29, 2024

On September 26, 2023, the Company closed the final tranche of a non-brokered private placement comprising of 6,365,279 units at a price of \$0.325 per unit for total gross proceeds of \$2,068,729. Each unit comprises one common share and one-half share purchase warrant; each whole warrant is exercisable at \$0.10 per share expiring 24 months from the date of closing.

For the non-brokered private placements, the Company paid a total of \$123,207 in aggregate cash finder's fees and issued 379,062 finder warrants. These warrants entitle the holder to purchase one share for \$0.325 for a period of 24 months from the date of closing. Each security has a four-month hold period from the date of closing the placements.

On October 6, 2023, the Company issued 100,000 common shares of the Company pursuant to the mining exploration data agreement with a fair value of \$25,000 (Note 3) and 50,000 common shares pursuant to the earn-in agreement (Note 3) with a fair value of \$12,500.

For the year ended August 31, 2023

On September 28, 2022, the Company closed the final tranche of a non-brokered private placement comprising of 1,568,000 (pre-consolidation 7,840,000) units at a price of \$0.25 (pre-consolidation \$0.05) per unit for total gross proceeds of \$392,000. Each unit comprises one common share and one-half share purchase warrant; each whole warrant is exercisable at \$0.50 (pre-consolidation \$0.10) per share expiring 36 months from the date of closing. The Company recognized a residual amount of \$78,400 relating to the warrant issued in connection with the financing.

On February 14, 2023, the Company closed the final tranche of a non-brokered private placement comprising of 2,780,000 (pre-consolidation 13,900,000) units at a price of \$0.25 (pre-consolidation \$0.05) per unit for total gross proceeds of \$695,000. Each unit comprises one common share and one-half share purchase warrant; each whole warrant is exercisable at \$0.50 (pre-consolidation \$0.10) per share expiring 36 months from the date of closing.

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KORYX COPPER INC.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(b) Issued and outstanding (continued)

For the non-brokered private placements, the Company paid a total of \$20,220 in aggregate cash finder's fees and issued 80,880 (pre-consolidation 404,400) finder warrants. These warrants entitle the holder to purchase one share for \$0.50 (pre-consolidation \$0.10) for a period of three years from the date of closing. These warrants issued had a fair value of \$20,827 using the Black Scholes model with the following inputs:

i) exercise price: \$0.50; ii) share price: \$0.25; iii) term: 3 years; iv) volatility: 181%; v) discount rate: 3.89%. Expected volatility was based on the Company's historical prices. The value of these compensation warrants is included in reserves and share capital. The Company also incurred other share issuance cost for \$14,275.

(c) Omnibus Equity Incentive Plan

The Company's Omnibus Equity Incentive Plan ("Plan") includes stock options ("Options"), restricted share units ("RSUs"), deferred share units ("DSUs") and other share-based awards. The Plan received shareholder approval at the Company's AGM held on February 27, 2024. The maximum number of Common Shares reserved for issuance under the Share Compensation Plan shall be no more than 10% of the Company's issued and outstanding share capital at the time of any RSU, Option, or DSU award or grant.

The maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan to any one Participant (as such term is defined in the Plan) in any 12-month period shall not exceed 5% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to the Participant. The exercise price of each Option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV).

Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director, officer and/or consultant of the Company. Unless otherwise stated in the option agreement, options vest when granted.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)**(c) Omnibus Equity Incentive Plan (continued)***Stock Options:*

The following table summarizes the Company's stock option activities for the following periods:

	Post-consolidation Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Options outstanding, August 31, 2023	2,240,000	\$0.65	1.09
Granted	1,280,000	\$0.47	
Forfeited	(20,000)	\$0.40	
Expired	(920,000)	\$0.90	
Exercised	(60,000)	\$0.45	
Options outstanding, August 31, 2024	2,520,000	\$0.47	1.21
Expired	(170,000)	\$0.40	
Exercised	(540,000)	\$0.46	
Options outstanding, February 28, 2025	1,810,000	\$0.48	1.28
Options exercisable, February 28, 2025	1,520,000	\$0.48	1.11

The weighted average share price of options exercised, as at the date of exercise, during the six month period ended February 28, 2024 was \$0.46 (pre-consolidation \$0.09), (August 30, 2024 - \$0.45, pre-consolidation \$0.09).

As at February 28, 2025, the Company had stock options outstanding as follows:

Post-consolidation	Number of Options	Exercise Price	Expiry Date	Grant Date	Vesting Term
	100,000	\$1.00	*June 2, 2025	June 2, 2021	1/3 rd every 6 months
	240,000	\$0.40	June 10, 2025	June 10, 2020	1/4 th every 6 months
	150,000	\$0.40	June 10, 2025	June 10, 2020	Fully vested on grant
	70,000	\$0.40	June 29, 2025	June 29, 2022	1/4 th every 6 months
	120,000	\$0.40	September 1, 2025	September 1, 2022	1/6 th every 6 months
	50,000	\$0.50	September 11, 2025	September 11, 2020	1/4 th every 6 months
	750,000	\$0.40	November 29, 2026	November 29, 2023	Fully vested on grant
	40,000	\$0.40	January 15, 2027	January 15, 2024	Fully vested on grant
	40,000	\$0.40	February 6, 2027	February 6, 2024	Fully vested on grant
	250,000	\$0.70	August 8, 2027	August 8, 2024	1/2 vested after 12 months 1/4 vests every 6 months after
	1,810,000				

* During the year ended August 31, 2024, expiry date was extended from June 2, 2024 to June 2, 2025.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)

(c) Omnibus Equity Incentive Plan (continued)

Stock Options (continued)

When the Company issues stock options, it records a share-based compensation in the year or period in which the options are granted and/or vested. The expense is estimated using the following assumptions:

- The stock price volatility is based on the Company's historical prices.
- The risk-free interest rate is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the expected life of the stock options.
- The Company used historical data to estimate option exercise, forfeiture and employee termination within the valuation model.
- The Company has not paid and does not anticipate paying dividends on its common shares. Companies are required to utilize an estimated forfeiture rate when calculating the expense for the reporting period.
- Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the share-based compensation recorded in the accompanying consolidated statements of operations.

During the year ended August 31, 2024, the Company granted 1,030,000 (pre-consolidation 5,150,000) incentive stock options with a fair value of \$223,255. The options have no vesting terms. The fair value of the options was determined utilizing Black Scholes Option Pricing Model with the following weighted average inputs:

Risk-free rate: 4.05%, Expected Life: 2.56 years, Volatility: 167%, and Fair Value \$0.32.

The Company, in addition granted 250,000 post consolidation incentive stock options with a fair value of \$139,991 of which \$6,980 has been recognized as at August 31, 2024. The options vest 50% after 12 months and 25% every 6 months thereafter. The fair value of the options was determined utilizing Black Scholes Option Pricing Model with the following weighted average inputs.

Risk-free rate: 3.4%, Expected Life: 3 years, Volatility: 144.58%, and Fair Value \$0.56. During the year ended August 31, 2024,

During the year ended August 31, 2024, the Company extended 100,000 stock options that were previously granted to a third party. The options were originally set to expire on June 2, 2024 and were extended to June 2, 2025. The incremental fair value of the extended options was \$47,989 which was recognized as stock-based compensation expense and was determined utilizing Black Scholes Option Pricing Model with the following weighted average inputs:

Risk-free rate: 4.28%, Expected Life: 1 years, Volatility: 134,000%, and Fair Value \$0.56

During the six months period ended February 28, 2025, the Company recognized \$47,903 relating to current period vesting of stock options (for the year ended August 31, 2024: \$280,343).

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KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)**(c) Omnibus Equity Incentive Plan (continued)***Restricted Share Units*

Under the Plan, RSUs are granted to employees, directors, officers and consultants as approved by the Company's Board of Directors. Each RSU represents a unit with the underlying value equal to the value of one common share of the Company, vests over a specified period of service in accordance with the Plan and can be equity or cash settled at the discretion of the Company.

A summary of the Company's RSU transactions for the three months ended February 28, 2025 is as follows:

	Post-consolidation Number of RSUs		Weighted Average Value at Date of Grant
Balance, August 31, 2023	-	\$	-
Granted ⁽¹⁾	2,395,000		0.72
Balance, August 31, 2024	2,395,000	\$	0.72
Granted	-		-
Balance, February 28, 2025	2,395,000	\$	0.72

(1) 120,000 RSUs granted on August 8, 2024 vesting 100% one year from August 8, 2024. 2,275,000 RSU's granted on August 8, 2024. Vesting ½ after 12 months, ¼ after 18 months and ¼ after 24 months.

For the six months period ended February 28, 2025, Nil RSUs were issued, Nil RSUs were forfeited, Nil RSUs were settled in cash and Nil RSUs were settled through the issuance of shares.

For the six months period ended February 28, 2025, \$662,676 (for the year August 31, 2024 – \$91,347) of share-based compensation expense relating to the vesting of RSUs was recorded by the Company in the statements of operations and comprehensive loss.

(d) Warrants

The following table summarizes the Company's warrant activities:

	Post-consolidation Number of Warrants	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Warrants outstanding and exercisable, August 31, 2023	10,467,687	\$0.75	0.94
Issued	7,814,198	\$0.50	
Expired	(6,022,888)	\$0.75	
Exercised	(1,720,200)	\$0.46	
Warrants outstanding and exercisable, August 31, 2024	10,538,797	\$0.50	1.72
Issued	-	-	
Expired	(100,000)	\$0.45	
Exercised	(2,518,180)	\$0.49	
Warrants outstanding and exercisable, February 28, 2025	7,920,617	\$0.50	1.48

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued),**(d) Warrants (continued)**

As at February 28, 2025, the Company has warrants outstanding as follows:

Post-consolidation Number of Warrants	Exercise Price	Expiry Date
269,600	\$0.45	April 2, 2025
83,000	\$0.50	September 6, 2025
784,000	\$0.50	September 20, 2025
1,166,479	\$0.50	September 21, 2025
300,000	\$0.50	January 26, 2026
686,000	\$0.50	February 14, 2026
4,631,538	\$0.50	March 28, 2027
7,920,617		

⁽¹⁾100% of these warrants have been exercised by the warrant holders prior to the expiry date**(e) Compensation Warrants**

The following table summarizes the Company's finder warrant activities:

	Number of Finder Warrants	Weighted Average Exercise Price
Warrants outstanding and exercisable, August 31, 2023	342,800	\$0.70
Issued	648,292	\$0.40
Expired	(261,919)	\$0.75
Exercised	(36,715)	\$0.33
Warrants outstanding and exercisable, August 31, 2024	692,458	\$0.41
Exercised	(6,000)	\$0.50
Warrants outstanding and exercisable, February 28, 2025	686,458	\$0.41

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

5. SHARE CAPITAL (continued)**(e) Compensation Warrants (continued)**

As at February 28, 2025 the Company has finder warrants outstanding are as follows:

Number of Finder Warrants	Exercise Price	Expiry Date
74,880	\$0.50	February 14, 2026
20,353	\$0.33	September 6, 2025
321,994	\$0.33	September 21, 2025
269,231	\$0.50	March 28, 2027
686,458		

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

	Level	February 28, 2025	August 31, 2024
		\$	\$
Cash	1	14,979,108	2,272,081

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. As at February 28, 2025, the fair values of the Company's financial instruments are not materially different from their carrying values due to the short-term nature of these instruments.

Cash held in short-term GIC's and deposit accounts is held in both Canadian and Namibian Dollar. An amount of NAD 4,650,000 (\$362,282) is pledged to secure facilities with Wesbank, a division of FirstRand Bank Limited in South Africa and First National Bank of Namibia.

Management of Industry and Financial Risks

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations.

The Company's financial instruments are exposed to certain financial risks, which include the following:

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies.

Liquidity risk

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

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

6. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**Management of Industry and Financial Risks (continued)**

As at February 28, 2025, the Company had working capital of \$16,743,282 (August 31, 2024 - \$2,452,650). This included cash of \$14,979,108 (August 31, 2024 - \$2,272,081) available to meet short-term business requirements and current liabilities of \$803,685 (August 31, 2024 - \$180,121). The Company will require additional financing in the future to meet its obligations. The Company's accounts payable and accrued liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Market Risk

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

Currency Risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk relating to its related party balances.

Price Risk

The Company is exposed to price risk with respect to equity prices. Price risk as it relates to the Company is defined as the potential adverse impact on the Company's ability to raise financing due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

7. SALES TAX RECEIVABLES AND PREPAYMENTS

	February 28, 2025	August 31, 2024
	\$	\$
Sales tax receivables	167,705	89,420
Prepayments	2,386,673	261,122
Other	13,481	10,148
Total	2,567,859	360,690

As at February 28, 2025, Value Added Taxation amounting to \$680,296 (August 31, 2024: \$229,792) has been fully impaired. The impairment for the six months ended February 28, 2025 amounting to \$282,547 is included in the Consolidated Statements of Operations and Comprehensive Loss. Due to delays in securing refunds from the authorities in Namibia for value added taxation claims, the Company will continue to impair all such claims until such time that the recovery of the claims is virtually certain. The Company continuously monitors the recoverability status of the value added taxation claims submitted for refund.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

7. SALES TAX RECEIVABLES AND PREPAYMENTS (continued)

Prepayments include funds that the Company has made towards service contracts with third party drilling contractors. These funds are intended to secure drilling rig availability, mobilisation and associated services necessary to carry out the planned drilling operations throughout the current fiscal and/or calendar year.

8. OTHER FINANCIAL LIABILITIES

Summary of First National Bank leases:	February 28, 2025	August 31, 2024
	\$	\$
Balance at the beginning of the period/year		-
Additions	169,046	-
Finance charges	830	-
Finance lease instalments	(4,314)	-
Effects of exchange rate movements	1,166	-
Balance at the end of the period/year	166,728	-

The finance leases are subject to interest at rates between 12% and 12.75% (2024: Nil) per annum and are repayable in 48 monthly instalments.

Split between non-current and current portions	February 28, 2025	August 31, 2024
	\$	\$
Non-current liabilities	144,736	-
Current liabilities	21,992	-
Total	166,728	-

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Financial instruments	February 28, 2025	February 29, 2024
	\$	\$
Trade payables	738,613	135,121
Accrued expenses	43,080	45,000
	781,693	180,121

10. CAPITAL MANAGEMENT

The Company defines capital that it manages as cash and equity, comprising issued common shares and reserves.

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of exploration and evaluation assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient economic potential and if it has adequate financial resources to do so.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

10. CAPITAL MANAGEMENT (continued)

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions. There was no change to the Company's capital management approach during the year.

11. RELATED PARTY TRANSACTIONS

The key management personnel of the Company are the directors and officers of the Company. Compensation and expenses paid to key management for the following periods were as follows:

	February 28, 2025	February 29, 2024
	\$	\$
Management fees	193,000	90,397
Share-based compensation	343,567	-
	536,567	90,397

Key management compensation

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer, the Chairman and Directors. For the period ended February 28, 2025, total key management compensation was \$536,567 (February 29, 2024 - \$90,397), which includes management fees and salaries of \$193,000 (February 29, 2024 - \$78,397), directors fees of \$nil (February 29, 2024 - \$12,000) and share-based compensation of \$343,567 (February 29, 2024 - \$nil).

During the period under review, related parties acquired 276,200 common shares in the private placement that closed on November 15, 2024 for a consideration of \$303,820.

12. COMMITMENTS

On February 25, 2019, the Company signed an off-take agreement with a third party ("the Buyer"). The buyer agreed to purchase 5,320,000 units in the Company's March 5, 2019 private placement for gross proceeds of \$532,000. The placement was closed at a premium of 30% to then share price. The Buyer holds the right to buy 20,000 metric tonnes per annum of the expected production of copper cathodes produced at the Haib Copper Project representing 20% of the expected eventual production. During fiscal year end 2020, in consideration for an additional investment of \$65,000, the Buyer has been granted the right to buy an additional 2% (2,000 metric tonnes) of the copper cathode eventual production at the Haib Copper Project.

13. CHANGE IN ACCOUNTING POLICY

Effective June 1, 2024, the Company changed its accounting policy for its exploration and evaluation expenditures and the related acquisition costs to recognise these costs in the consolidated statement of operations in the period incurred, as permitted under IFRS 6 Exploration for and Evaluation of Mineral Resources.

The previous accounting policy was to capitalise direct exploration and evaluation expenditures and the related acquisition costs on the Company's consolidated statement of financial position. Costs not directly attributed to exploration and evaluation activities, including general administrative overheads costs, were expensed in the year in which they occurred.

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

13. CHANGE IN ACCOUNTING POLICY (continued)*Consolidated Statement of financial position*

As at August 31, 2023	As previously reported	Effect of change in Accounting Policy	As Restated under the new policy
	\$	\$	\$
Exploration and evaluation assets	703,363	(703,763)	-
Deficit	(17,034,514)	(703,763)	(17,738,277)
As at February 29, 2024			
Exploration and evaluation assets	1,904,660	(1,904,660)	-
Deficit	(17,952,274)	(1,904,660)	(19,856,933)

Consolidated Statement of operations and comprehensive loss

For the year ended August 31, 2023	As previously reported	Effect of change in Accounting Policy	As Restated under the new policy
	\$	\$	\$
Exploration and evaluation expenditures	-	398,260	398,260
Net loss for the year	(1,410,524)	(398,260)	(1,808,784)
Basic and diluted loss per share	(0.01)	-	(0.06)
For the six months ended February 28, 2024			
	\$	\$	\$
Exploration and evaluation expenditures	-	1,200,896	1,200,896
Net loss for the year	(917,760)	(1,200,896)	(2,118,656)
Basic and diluted loss per share	(0.02)	-	(0.05)

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

13. CHANGE IN ACCOUNTING POLICY (continued)*Consolidated Statement of operations and comprehensive loss (continued)*

For the three months ended February 29, 2024	As previously reported	Effect of change in Accounting Policy	As Restated under the new policy
	\$	\$	\$
Exploration and evaluation expenditures	-	685,906	685,906
Net loss for the period	(381,667)	(685,906)	(1,067,573)
Basic and diluted loss per share	(0.00)	-	(0.03)

Consolidated Statement of cash flows

For the year ended August 31, 2023	As previously reported	Effect of change in Accounting Policy	As Restated under the new policy
	\$	\$	\$
Net loss for the year	(1,410,524)	(398,260)	(1,808,784)
Amortization	226	-	226
Share-based compensation	55,897	-	55,897
Gain on sale of vehicle	(24,588)	-	(24,588)
Prepaid expenses	(48,497)	-	(48,497)
GST receivable and other	(21,251)	-	(21,251)
Accounts payable and accrued liabilities	13,276	(12,972)	304
Net cash used in operations	(1,435,461)	(411,232)	(1,846,693)
Cash flows in investing activities			
Proceeds from sale of equipment	69,060	-	69,060
Exploration and evaluation assets	(411,232)	411,232	-
Net cash provided by/(used in) investment activities	(342,172)	411,232	69,060

KORYX COPPER INC.**NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars)

13. CHANGE IN ACCOUNTING POLICY (continued)*Consolidated Statement of cash flows (continued)*

For the six months ended February 29, 2024	As previously reported	Effect of change in Accounting Policy	As Restated under the new policy
	\$	\$	\$
Net loss for the year	(917,760)	(1,200,896)	(2,118,656)
Depreciation	-	12,998	12,998
Share-based compensation	190,796	-	190,796
Shares issued for exploration & evaluation expenditures	-	37,500	37,500
Prepaid expenses	(152,242)	-	(152,242)
GST receivable and other	(375)	-	(375)
Accounts payable and accrued liabilities	110,085	-	110,085
Net cash used in operations	(769,496)	(1,150,398)	(1,919,894)
Cash flows in investing activities			
Exploration and evaluation assets	(1,150,398)	1,150,398	-
Acquisition of equipment	(78,492)	-	(78,492)
Net cash provided by/(used in) investment activities	(1,228,890)	1,150,398	(78,492)

14. SUBSEQUENT EVENTS

- Exercise of stock options: From March 1, 2025 and the date of this report, 40,000 stock options have been exercised raising gross proceeds of \$16,000.
- Exercise of common share purchase warrants: From March 1, 2025 and the date of this report, 277,600 warrants have been exercised raising gross proceeds of \$125,320.
- RSU Issuance: On April 8, 2025, the Company announced that it had approved the grant of up to an aggregate of 2,750,000 restricted share units (each, an "RSU") to certain key executives, officers, consultants and directors of the Company pursuant to the Company's Omnibus Plan, of which 50% of the RSUs will vest 12 months from the date of issuance, and then one-quarter each after 18 and 24 months. Each RSU represents the right to receive, once vested, one common share in the capital of the Company for every RSU held, or the cash equivalent thereof based on the fair market value of the shares of the Company calculated in accordance with the terms of the Omnibus Plan. The grant of RSUs is subject to disinterested shareholder approval of the Company's new Omnibus Plan at the AGM on May 22, 2025.