



ANNUAL REPORT

YEAR ENDING 31 DECEMBER 2024

ABN 45 612 912 393

ASX:**AAM** | TSXV:**AUM**

Corporate Directory

Directors

Justin Osborne

Non-Executive Chair

Sam Pazuki

Chief Executive Officer / Managing Director

Dr Nicole Adshead-Bell

Non-Executive Director

Kerry Sparkes

Non-Executive Director

Carol Marinkovich

Executive Director & Company Secretary

Registered Office and Principal Place of Business

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Canadian Office

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Edmonton, AB, Canada, T5J 3R8

Share Register

Australia

Automic Registry Services
Level 5, 126 Philip Street
Sydney NSW 2000

Canada

Odyssey Trust Company
Stock Exchange Tower
1230 – 300 5th Avenue SW
Calgary, AB, Canada, T2P 3C4

Auditor

Grant Thornton Audit Pty Ltd

Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000

Stock Exchange Listings

AuMEGA Metals Limited shares are listed on the Australia Securities Exchange (ASX: AAM), the Toronto Stock Exchange (TSX-V:AUM) and OTCQB in the United States (OTCQB: AUMMF).

Website

<https://aumegametals.com/>

Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's Website:

<https://aumegametals.com/corporate-governance/>

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Chair's Letter to Shareholders

Dear AuMEGA Metals Shareholders,

It is my great pleasure to present the AuMEGA Metals Limited (ASX: AAM) 2024 Annual Report, highlighting a year of both significant progress and strategic achievement. With every additional drillhole and surface sample collected, we continue to develop and refine our understanding of the geology and mineralisation on our extensive tenement holding, bringing us closer to that major gold discovery we are all striving for.

Throughout 2024, we reinforced our position as a leader in Greenfields gold exploration across our wholly owned Cape Ray Shear Zone (CRSZ) and Hermitage projects in southwestern Newfoundland, Canada.

- One of the year's most promising developments has been identifying the potential at Bunker Hill.



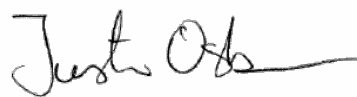
Our innovative introduction of reverse circulation (RC) drilling for bottom-of-hole (BOH) and basal till testing has provided a cost-effective means of assessing in situ material beneath the extensive till cover— an approach similar to techniques that have historically led to world-class discoveries under cover such as Rupert Resource's Ikkari in Finland, DeGrey Mining's Hemi and Gold Road's Gruyere deposits in Australia.

One of the year's most promising developments has been identifying the potential at Bunker Hill, a structurally complex and unique geometric anomaly within the CRSZ corridor. Geophysical surveys support recent interpretations of this domain being highly prospective for hosting the large dilation zones which are considered key sites to focus mineralised fluid flow and gold deposits. Our winter drilling campaign is now underway, targeting the Bunker Hill area as a priority.

Beyond exploration, our corporate milestones underscore the market's confidence in our strategy and vision. We successfully raised C\$16 million in well-subscribed financing to accelerate our growth initiatives. Additionally, our rebranding from Matador Mining to AuMEGA Metals and listing on the TSX-V marked a significant step in expanding our global footprint.

Looking ahead, we remain committed to unlocking the full potential of our assets and delivering sustainable value to shareholders. Thank you for your continued support – we are excited about the opportunities that lie ahead.

Yours Faithfully,



Justin Osborne
Non-Executive Chair



Managing Director and CEO Letter to Shareholders

Dear Owners and other Stakeholders

I am excited to update you on our progress and strategic direction in Newfoundland and Labrador, a jurisdiction with exceptional mineral potential with limited historic exploration. Our mission remains clear: to deliver long-term value by making meaningful mineral discoveries.

When I joined AuMEGA as Managing Director in May 2022, a strategic reset was necessary to navigate financial headwinds, align with investor appetite for large-scale projects, and fully grasp the potential of this underexplored belt. We were among the first in Newfoundland to venture into more remote and challenging terrains – areas with significant overburden and minimal historic exploration.

Today, my conviction in AuMEGA's opportunity has only strengthened. While many hesitate to take on the financial and technical risks of Greenfields exploration, our resolve – supported by our shareholders – has enabled us to push forward. Our focus on areas like Bunker Hill underscores our belief that we are in the early stages of a new, world-class mining district. We are positioned well with the largest land package on the largest known gold structure in the province.

This optimism is shared by the strong backing we have received from major global institutions, which have funded our operations over the past two years. Additionally, B2Gold's continued financial and in-kind support has reinforced confidence in our exploration program. Over this time, we have deliberately employed a disciplined, methodical exploration approach – laying the groundwork for an exciting phase of discovery in 2025.

In 2024, our geological knowledge of the project portfolio expanded substantially. By leveraging smart exploration techniques and a highly skilled team, we have refined our ability to uncover hidden potential. Using RC drilling, allows us to see beneath the till cover with greater accuracy and efficiency.

We are leaders in Greenfields exploration in Newfoundland. Our world-class, nimble team of geologists, supported by an engaged and experienced Board, has a track record of major discoveries. We remain committed to responsible exploration, maximizing shareholder value, and making investment decisions based on disciplined, risk-adjusted returns.

We deeply appreciate our shareholders who have entrusted us with their hard-earned capital. Equally, we value our dedicated workforce, the First Nations groups of Newfoundland, the Government of Newfoundland and Labrador – who have fostered a pro-business and pro-investment environment – and the local communities we aim to support. Our goal is not only to build a successful mining company but also to contribute lasting socio-economic benefits for future generations.

With a talented and determined team, we look forward to an exciting year ahead to hopefully bring us closer to discovering Newfoundland's next major deposit.

Thank you for your continued trust and support.

Yours Sincerely,



Sam Pazuki
Managing Director and
Chief Executive Officer

■ Our focus on areas like Bunker Hill underscores our belief that we are in the early stages of a new, world-class mining district.



AuMEGA's Cape Ray Shear Zone hosts several dozen high potential targets along with its existing defined gold Mineral Resource.



Corporate Overview

Company Profile

AuMEGA Metals Ltd (ASX: AAM | TSXV: AUM | OTCQB: AUMMF) is using best-in-class exploration to explore on its district scale land package that spans 110 kilometers along the Cape Ray Shear Zone, a significant under-explored geological feature recognised as Newfoundland, Canada's largest identified gold structure. This zone currently hosts Calibre Mining's Valentine Gold Project, which is the region's largest gold deposit (+5 million ounces), along with AuMEGA's expanding Mineral Resource.

The Company is supported by a diverse shareholder registry of prominent global institutional investors, and strategic investment from B2Gold Corp, a leading, multi-million-ounce a year gold producer.

Additionally, AuMEGA holds a 27-kilometre stretch of the highly prospective Hermitage Flexure and has also secured an Option Agreement for the Blue Cove Copper Project in southeastern Newfoundland, which exhibits strong potential for copper and other base metals.

AuMEGA's Cape Ray Shear Zone hosts several dozen high potential targets along with its existing defined gold Mineral Resource of 6.1 million tonnes of ore grading an average of 2.25 g/t, totalling 450,000 ounces of Indicated Resources, and 3.4 million tonnes of ore grading an average of 1.44 g/t, totalling 160,000 ounces in Inferred Resources¹.

AuMEGA acknowledges the financial support of the Junior Exploration Assistance Program, Department of Industry, Energy and Technology, Provincial Government of Newfoundland and Labrador, Canada.

1 News release dated 30 May 2023

Corporate Strategy

At AuMEGA Metals, our strategy is clear: drive long-term shareholder value by making significant gold discoveries in Newfoundland's underexplored gold districts.

To achieve this, we are committed to prudent, long-term decision-making, ensuring every step we take is backed by rigorous technical analysis, innovative geological thinking, and commercial acumen. We prioritize measured, risk-based decisions, focusing on what we can control while managing the inherent uncertainties of the exploration industry.

Our strategy is built on five key pillars.

High-Impact Exploration

Advancing Greenfields exploration through a systematic, data-driven approach, ensuring every decision is guided by commercial discipline and risk-adjusted return-on-investment metrics.

Delivering Multi-Million-Ounce Discoveries

Targeting large-scale gold deposits using cutting-edge exploration techniques to accelerate resource growth and unlock long-term value.

Optimizing Corporate & Capital Structure

Strengthening the company's financial position, enhancing capital flexibility, and expanding access to new capital markets to support sustainable growth.

Strategic Regional Consolidation

Taking a disciplined approach to acquiring and integrating high-potential assets, building a dominant land position in Newfoundland's most prospective gold districts.

Building Strong Partnerships

Engaging with institutional investors, government bodies, and local communities while fostering strategic industry partnerships to drive project development and long-term success.

For personal use only

Finally, we are strengthening partnerships across the industry. Engaging with institutional investors, government bodies, and local communities ensures strong stakeholder alignment, while strategic industry partnerships help drive project development and long-term success.

At AuMEGA, we are not just exploring – we are building a company positioned for lasting success in Newfoundland's next major gold district. With the right strategy, the right assets, and the right team, we are set to deliver meaningful value to shareholders



Financial Overview

The Company announced the successful raising of approximately C\$16 million^{2,3,4} (before costs) through an oversubscribed financing to institutional, professional and sophisticated investors. The equity raising was completed in two tranches through three components:

- C\$10.2 million premium flow through (or charity flow through) placement to Canadian investors priced at C\$0.068 (A\$0.074) per New Share;
- C\$2.1 million traditional flow through placement to Canadian investors priced at C\$0.06 (A\$0.065) per New Share, and
- C\$4.0 million traditional “hard dollar” placement to sophisticated, professional and institutional investors priced at C\$0.050 (A\$0.054) per New Share.
- Directors and officers also subscribed for C\$0.07 million at the same price as the hard dollar placement.

The Company closed the 2024 calendar year with a cash balance of C\$15.7 million.

² News release dated 22 October 2024

³ News release dated 4 November 2024

⁴ News release dated 10 December 2024

Other

During the reporting period, the Company rebranded from Matador Mining Limited to AuMEGA Metals Limited to better align with its strategic vision as a premier mineral exploration company. As part of this transition, the Company also listed its shares on the TSX Venture Exchange (TSX-V), enhancing accessibility to Canadian investors. Consequently, the Company's stock exchange codes were updated to:

- ASX: AAM
- TSX-V: AUM
- OTCQB: AUMMF

In September 2024, Rick Greenwood was appointed as Vice President of Exploration. A Professional Geologist from Newfoundland, Rick brings over 20 years of Canadian gold exploration experience, most recently serving as Exploration Manager for Kinross Gold, a major global gold producer. Before joining Kinross, Rick was part of the Great Bear Resources ("Great Bear") exploration team in Ontario, contributing to one of Canada's most significant gold discoveries of the past decade. During his tenure at Great Bear, the company's market capitalization grew from C\$5 million to C\$1.8 billion, culminating in its acquisition by Kinross in 2021.

Throughout 2024, AuMEGA Metals made significant advancements in gold exploration and drilling across its wholly owned CRSZ and Hermitage gold belts, reinforcing its position as a leading exploration company in Newfoundland.

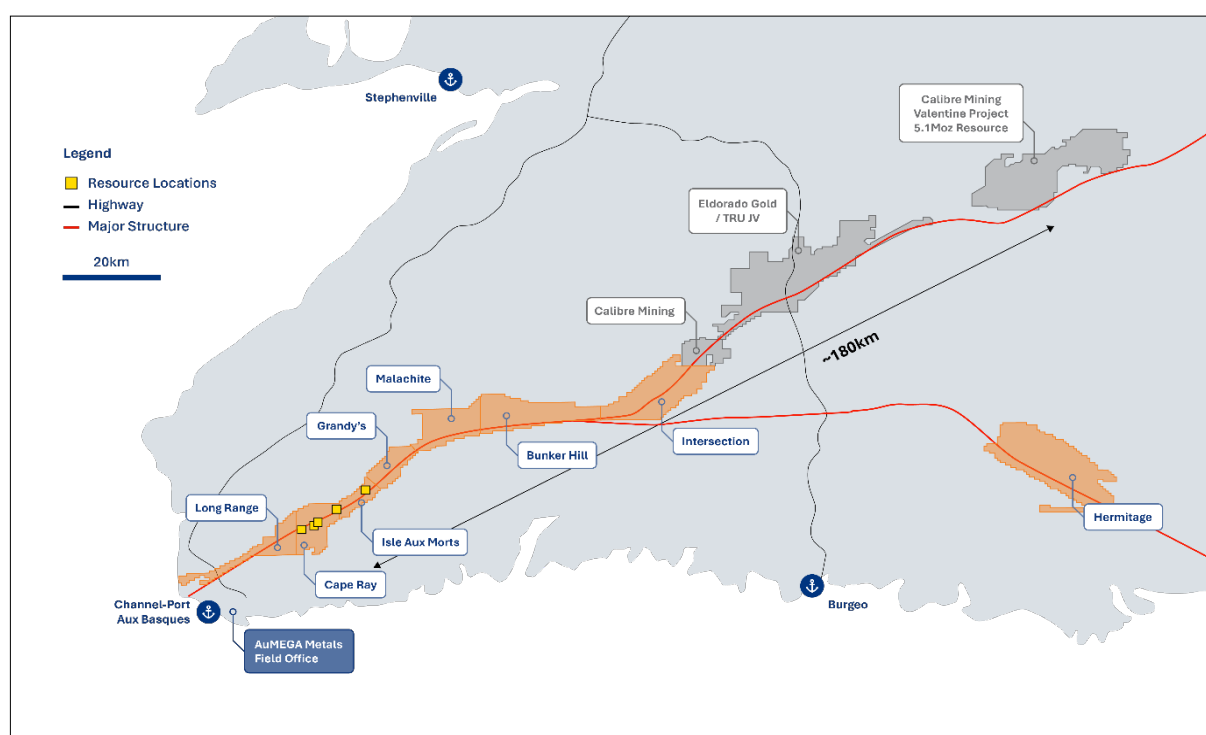


Figure 1: General overview of AuMEGA's greenfield target areas

The key projects focused on during the reporting period were Hermitage, Bunker Hill, Malachite, Intersection and Central Zone.

Review of Operations

The Company has undertaken several exploration activities across multiple projects in the portfolio. The Company remains focused on the key priority projects with Bunker Hill being the highest followed by Cape Ray and then Hermitage.



Bunker Hill Project

The Bunker Hill Project is situated along a distinct east-west trending segment of the Cape Ray Shear Zone (CRSZ) (Figure 2). This structural orientation is anomalous compared to the dominant northeast-southwest geological trend observed across most of Newfoundland. The presence of this structurally oblique zone is considered highly prospective, as it may have facilitated the development of dilation zones, which are critical for mineralizing fluid ingress and deposit formation.

The Company has also confirmed the presence of two large-scale intrusive units within the project area:

- Cape Ray Fault Gabbro
- Nitty Gritty Granite

Initial prospecting of the Nitty Gritty Granite returned positive indications of potentially economic mineralization, with key highlights⁵ including:

- Sample MR002477 (outcrop) contained 17.2% copper, 16.9 g/t silver, 0.41 g/t gold, 167 ppm bismuth and 5.37 ppm tellurium; and
- Sample MR002478 (outcrop) contained 12.4% copper, 19.1 g/t silver, 0.56 g/t gold, 1119 ppm bismuth and 9.98 ppm tellurium.

Many of the historic high-grade copper samples collected at Bunker Hill, along with the recently acquired high-grade copper samples, are located within or adjacent to the Nitty Gritty Granite. These mineralized samples, which include chalcocite-malachite (MR002477) and chalcopyrite-bornite (MR002478), are also enriched in gold, silver, tellurium, and bismuth, indicating a strong geochemical association with precious and pathfinder metals.

In 2024, the Company extended its high-resolution airborne geophysical survey, originally initiated over Malachite, to include the Bunker Hill area. This expanded survey collected a comprehensive dataset comprising magnetic, very low frequency electromagnetic (VLF-EM), and radiometric data⁶, enhancing the geological understanding of the project area.

The Bunker Hill airborne survey covered 3,142 line-kilometres along a 25-kilometre strike length, encompassing approximately 170 km². Data acquisition was conducted with 60-metre line spacing and a sensor height of 30 metres, ensuring high-resolution geophysical imaging to support further exploration targeting.

⁵ News release dated 24 Sep 2024

⁶ News release dated 15 October 2024

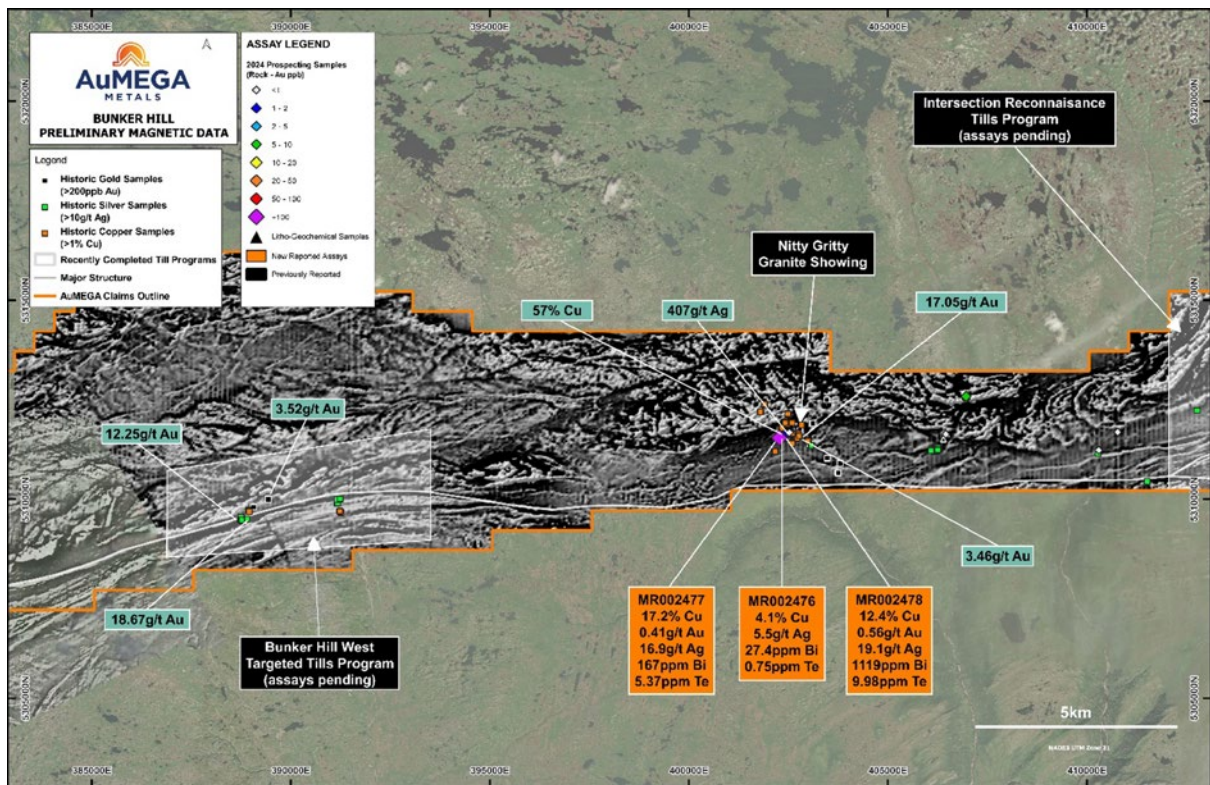


Figure 2: Bunker Hill b/w high-resolution airborne magnetic survey

Bunker Hill has been further validated as a high-priority Greenfields exploration target for the Company, with preliminary data from the airborne geophysical survey revealing significant structural complexity. The project area is structurally unique within the CRSZ corridor anomaly, owing to its east-west orientation, and geophysical interpretations indicate that the Bunker Hill structural domain is highly prospective for the development of large dilation zones, which are permissive for mineralizing fluid infiltration.

The preservation of the thickened Billiards Brook Formation, a geological equivalent of the Windsor Point Group – the host to the Central Zone, Isle aux Morts, and Big Pond Deposits – is considered a key indicator of prospectivity⁷. Additionally, anomalous intrusive units, such as the Nitty Gritty Granite, have been emplaced within the sedimentary package and subsequently entrained within the CRSZ. Recent outcrop sampling from the Nitty Gritty Granite area returned grades of up to 17% copper and 19.1 g/t silver, further reinforcing the area's exploration potential.

These intrusive units act as brittle hosts within a ductile host, fragmenting within the shear zone and facilitating the influx of mineralizing fluids. The geological setting exhibits notable similarities to Calibre Mining's Valentine Project deposits, located 80 kilometres northeast along the same structural trend.

The area is also characterized by large, complex fault mosaics, including major second- and third-order splays, which cut across historically mapped iron-rich Cape Ray Fault Gabbro and the Nitty Gritty Granite—both of which are considered highly favourable for gold mineralization. One such example is the Bunker Hill West Target (Figure 2), where historical prospecting and mapping identified a mafic unit that is crosscut by a major second-order structure, spatially correlated with gold mineralization. Assay results from this target include samples grading up to 18.9 g/t gold⁸.

⁷ News release dated 30 May 2023

⁸ News releases dated 22 March 2023 and 24 September 2024

Additionally, the Billiards Brook Formation, which is analogous to the favourable Windsor Point Group, has been mapped to thicknesses exceeding two kilometres, making it the thickest known occurrence outside of the Central Zone, located nearly 50 kilometres southwest.

During the Canadian fall of 2024, the Company completed a limited till sampling program over the Bunker Hill West area, located on the eastern edge of the Malachite Project—the site of the Company's large-scale 2021 geochemistry survey⁹. The survey grid was established with 400-metre line spacing and 100-metre station intervals, targeting a cluster of historical high-grade outcrop samples, which previously returned grades of 18.67 g/t gold and 12.25 g/t gold¹⁰.

The till survey results yielded peak gold values of 148 ppb and 94 ppb. Notably, a large, multi-station gold anomaly was detected 270 metres from a historic high-grade outcrop and float sample, proximal to a major fault structure trending northeast through the CRSZ.

Interpretation of the October 2024 airborne magnetic survey revealed a dominant north-northwest-striking structure, which is truncated by the CRSZ near the intersection of a major second-order fault and the historic gold showing¹¹. This structure coincides with till samples returning 148 ppb and 35 ppb gold, located approximately 850 metres south of the CRSZ.

These till samples also returned anomalous silver and lead values, correlating with high-grade gold-bearing outcrop. Key highlights¹² include:

- Silver: Peak assay of 35.3 g/t
- Lead: Peak assay of 4.2%

The gold-silver-lead geochemical association observed in both outcrop samples and till anomalies, coupled with the convergence of multiple structural features, highlights this zone as a high-priority drill target for 2025.

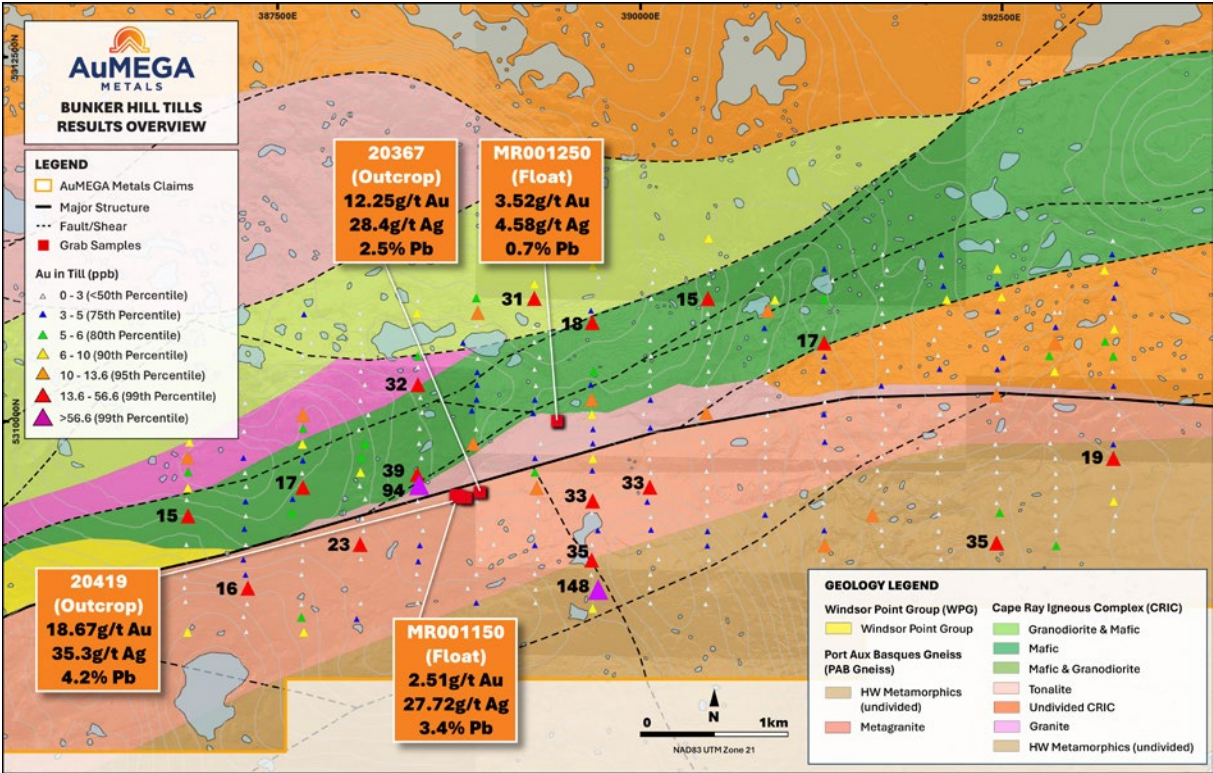


Figure 3: Bunker Hill Till and Historic Prospecting Results

9 News releases dated 20 April 2022 & 8 June 2022
10 News releases dated 24 September 2024 & 22 March 2023
11 News release dated 15 October 2024
12 News release dated 22 March 2023

Cape Ray Project

The total Mineral Resource¹³ for the Central Zone at Cape Ray is estimated at 9.7 million tonnes grading 1.96 g/t Au, containing 610,000 ounces of gold across Indicated and Inferred Resources (Table 1).

During the reporting period, the Company conducted a diamond drilling program targeting new exploration opportunities within the Central Zone area. The program focused on at-depth extensions, new footwall targets, and along-strike mineralization. A total of eight diamond drillholes, comprising 1,900 metres, were completed.

Assay results from two drillholes, which tested conceptual ore shoots at depth within the Central Zone, returned significant gold intercepts well below the known mineral resource¹⁴.

As part of the 2023 Mineral Resource Estimate update, a geological analysis of the resource corridor was conducted, including the generation of longitudinal projections through the Central Zone deposits. This study highlighted the potential for down-plunge extensions across all mineralized zones. In particular, dominant plunges within the 41 and 04 zones suggest that both deposits remain open at depth.

Notably, high-grade shoots within these zones appear to plunge towards each other, with their projected intersection point previously untested until this recent drilling campaign. In response, the Company targeted these areas with two deep drillholes, including the deepest hole ever drilled at Central Zone. Both holes successfully intersected significant gold mineralization below the Indicated Mineral Resource, with the mineralized zones between the existing resource and the new drill intercepts remaining open and untested, presenting further resource expansion potential.

The significant intercepts included:

- CRD381 at Zone 04 delivered gold intercept of 3.62 g/t Au over seven metres from 522 metres including 19.7 g/t gold and 1.6% copper over one metre
- Drillhole CRD380 at Zone 41 delivered gold intercepts of 1.94 g/t over 7.5 metres from 301 metres and 5.74 g/t over one metre from 381.75 metres at the top contact of the WGHG

Both ore shoots remain open at depth, further reinforcing the potential for resource expansion at Central Zone.

¹³ News release dated 30 May 2023

¹⁴ News release dated 11 September 2024

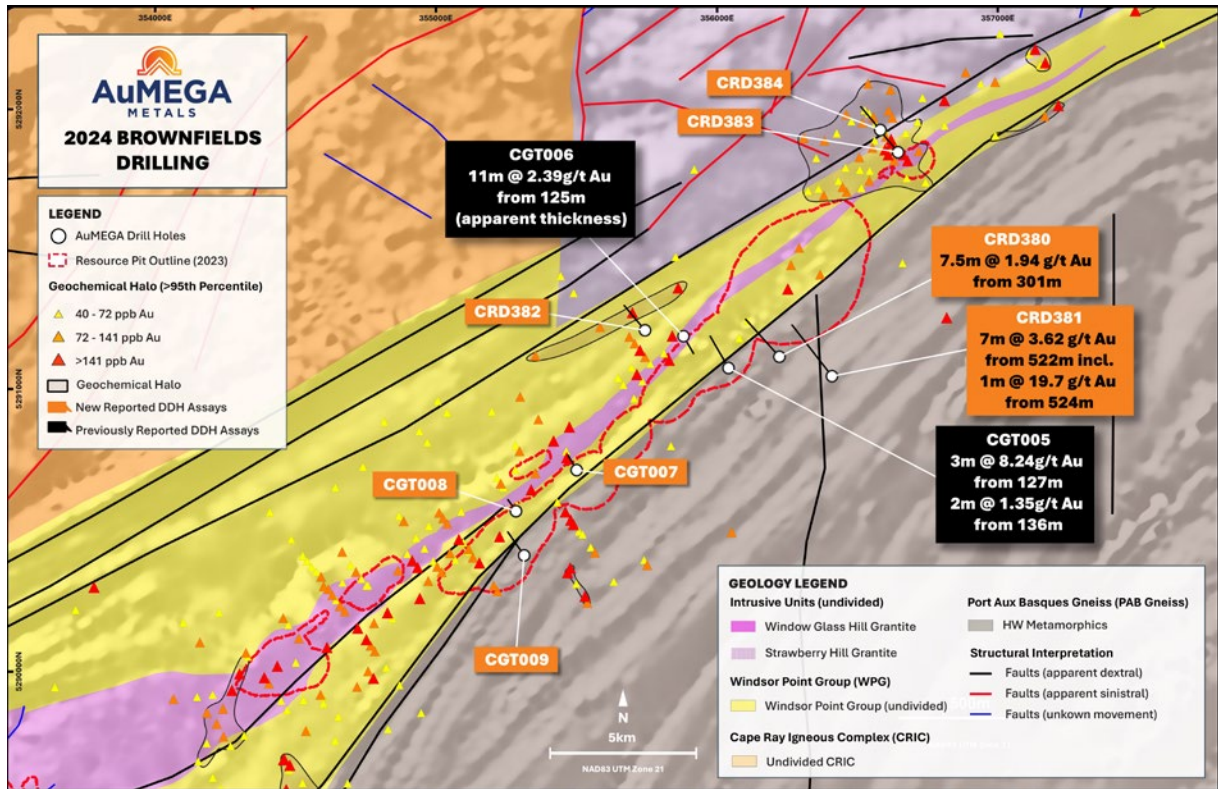


Figure 4: Overview of Phase One diamond drilling at Central Zone

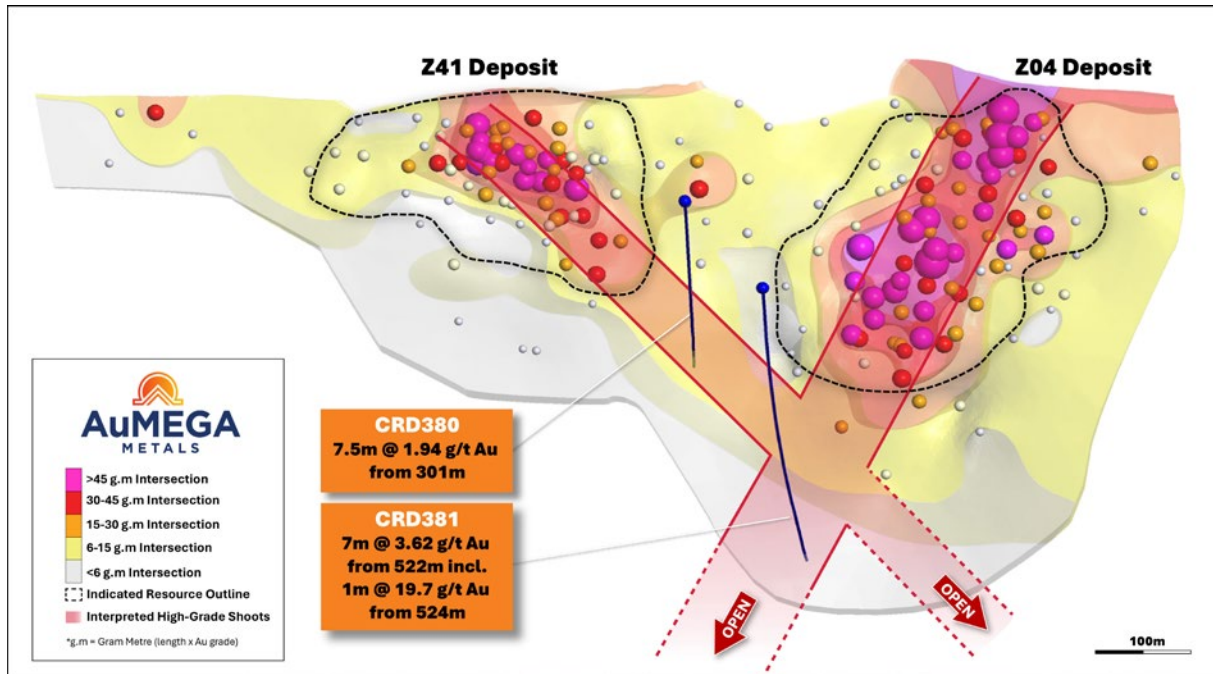


Figure 5: Long Section at Z41 & Z04 deposits displaying the gold mineralisation extended down plunge at Central Zone (long section plane is orientated 50 degrees towards the southeast, looking towards the northwest)

Table 1: 2023 Mineral Resource Estimate

2023 Mineral Resource Estimate				
	Cut-off Grade	Tonnes	Grade	Contained Metal
	g/t Au	Mt	g/t Au	koz Au
OPEN PIT – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	0.30	4.2	2.82	377
Window Glass Hill	0.30	4.5	0.96	140
Isle Aux Morts	0.30	0.5	2.35	35
Big Pond	0.30	0.1	3.01	9
TOTAL OPEN PIT	0.30	9.3	1.88	560
UNDERGROUND – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
Central Zone	2.00	0.4	3.8	49
TOTAL UNDERGROUND	2.00	0.4	3.8	49
OVERALL – TOTAL INDICATED & INFERRED MINERAL RESOURCES				
TOTAL RESOURCE		9.7	1.96	610

Mineral Resource Notes

- Mineral Resources are reported using a cut-off grade of 0.30 g/t gold for open pit and 2.00 g/t gold for underground and a gold price of US\$1750/oz based on the assumptions presented in Appendix 1 – Section 3 – Mining Factors or Assumptions (see announcement 22 February 2023).
- The open pit Mineral Resource is constrained using an optimised pit that has been generated using Lerchs Grossman algorithm with parameters outlines in Appendix 1 – Section 3 – Mining Factors or Assumptions (see announcement 22 February 2023).
- The underground Mineral Resources are constrained using a 2.00 g/t gold grade shell below the optimised pit based on the assumptions summarised in Appendix 1 – Section 3 – Mining Factors or Assumptions.
- The Mineral Resource Statement for the Cape Ray Gold Project has been prepared by Travor Rabb, P.Geo. who is a Competent Person as defined by JORC (2012).
- Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
- The Mineral Resources for the Cape Ray Gold Project has been prepared in accordance with JORC (2012).
- The number of metric tonnes and contained gold ounces are rounded to the nearest thousand. Any discrepancies in the totals are due to rounding.
- Mineral Resources for the Cape Ray Gold Project have an effective date of 22 February 2023.

Hermitage Project

The Hermitage Project¹⁵¹⁶ is characterized by a significant anomalous antimony geochemical signature, first identified through a lake sediment sampling program conducted by the Government of Newfoundland and Labrador in the late 1980s. This anomaly is particularly high in amplitude, with Hermitage hosting seven of the top ten recorded lake sediment antimony values on the island of Newfoundland. Notably, the dataset's single highest recorded antimony anomaly, 22.1 ppm Sb, is located within the Hermitage Project area (Figure 6).

The antimony geochemical signature at Hermitage is more pronounced than the equivalent anomaly surrounding the inactive Beaver Brook Antimony Mine, located 160 kilometres north within the same geological domain. Furthermore, the antimony-arsenic-gold association at Hermitage is geochemically analogous to turbidite-hosted gold deposits such as Fosterville in Victoria, Australia, and NewFound Gold's Queensway Project, situated along the same geological structure northeast of Hermitage.

The Company's Hermitage property spans 27 kilometres of continuous strike along a major crustal-scale suture zone, the Hermitage Flexure, which represents the boundary between the Dunnage and Gander zones. Regionally, the Dunnage Zone hosts volcanic packages with interbedded turbidite sequences, which are considered highly prospective for gold mineralization both in Newfoundland and globally, including within the Bendigo Terrane of Victoria, Australia, home to Agnico Eagle's prolific Fosterville Gold Mine.

The structural framework of Newfoundland is largely defined by northeast-southwest trending faults, which run perpendicular to the inferred direction of continental collision and terrane accretion. However, the Hermitage Flexure is a notable exception, with its oblique structural orientation suggesting it may have accommodated strike-slip movement, leading to the development of contractional and extensional structural sites. These extensional environments facilitated the formation of sedimentary basins, in which the Hermitage host rocks were deposited. Over time, these structurally anomalous rocks have undergone deformation, faulting, and folding, with localized dilation providing favorable conditions for the formation of large-scale orogenic gold deposits.

The Company's exploration efforts at Hermitage have focused on three distinct geological areas, each defined by unique geological characteristics, pathfinder geochemistry, and mineralization styles. Notably, each of these exploration blocks contains multi-gram bedrock gold showings spanning much of the strike extent of the property, reinforcing the area's high prospectivity for gold mineralization.

15 The Company is cross-referencing location of these veins relative to previous/historic sampling to determine gold potential

16 News release dated 5 September 2024

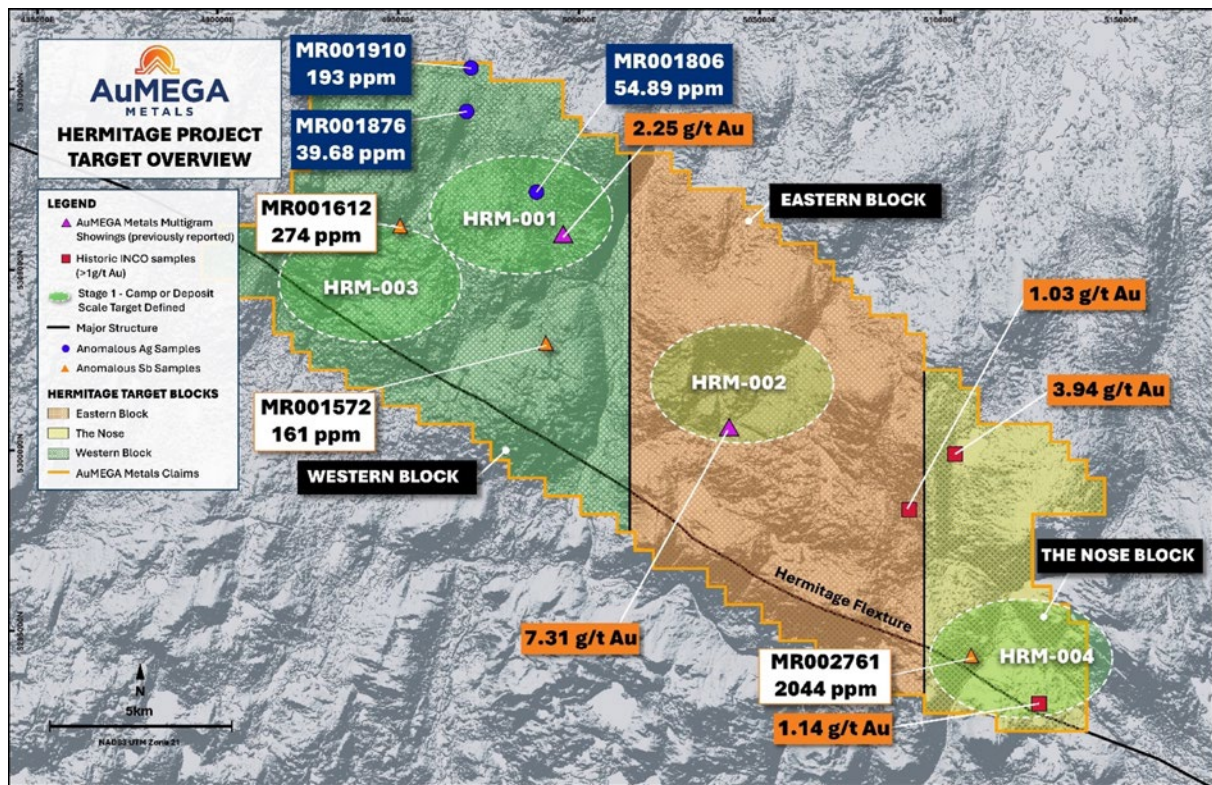


Figure 6: Overview of the Hermitage Project displaying the project's target blocks and key gold showings

In 2024, the Company completed a high-resolution airborne magnetic survey, the results of which were released in early 2025.¹⁷ The airborne magnetic survey consisted of 4,756 line-kilometres over 27 kilometres of strike flown across Hermitage for a total of approximate 234 km² of coverage. Data was acquired at 50 metre line spacing with a sensor height of 30 metres.

The imagery from the airborne geophysical survey has revealed major structural boundaries and broad scale deformation features further confirming Hermitage as a high-priority Greenfields target for the Company. The project area is structurally unique within the geological framework of the province trending, northwest-southeast along the Hermitage flexure compared with most other structures oriented in the exact opposite direction.

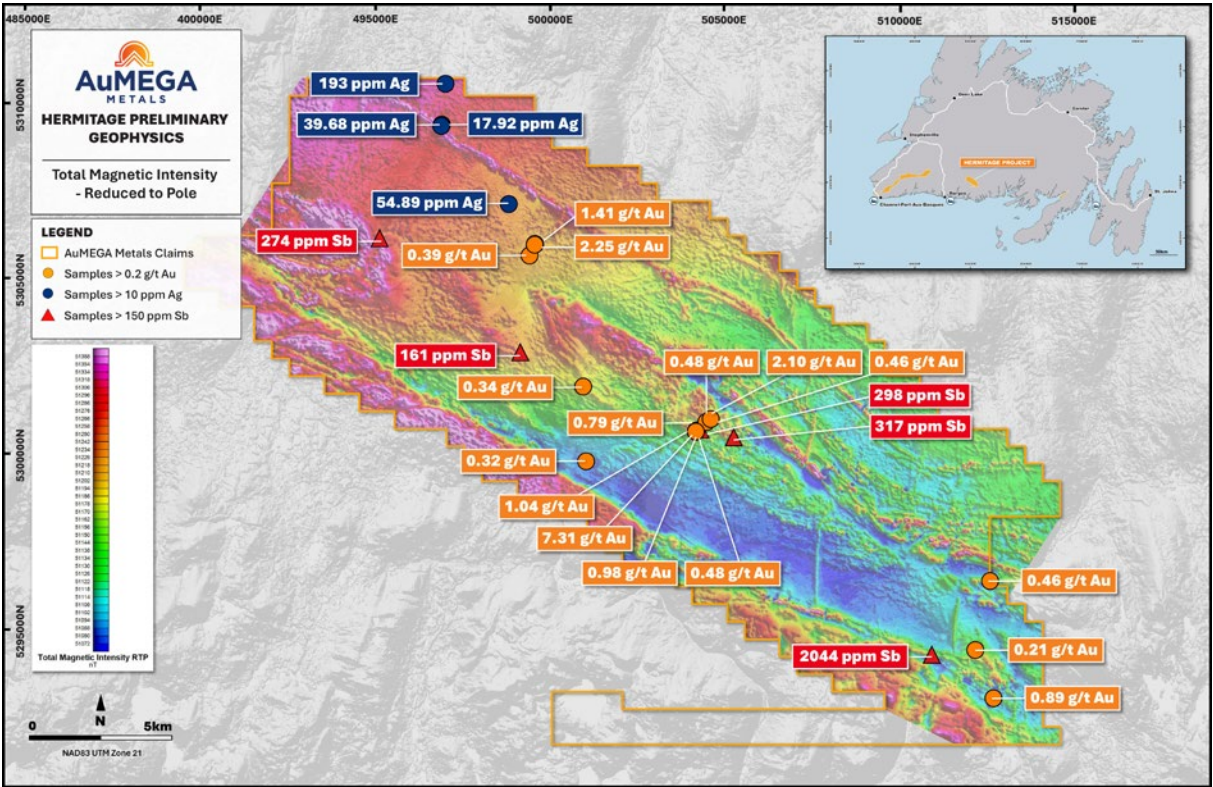
The geophysics demonstrates that the Hermitage structural domain is favourable to host large dilation zones permitting mineralising fluids in a favourable geological host, as demonstrated along this same provincial suture zone northeast at Newfound Gold's (TSXV: NFG) Queensway Project.

Anomalous to high-grade gold-antimony-silver mineralisation has been identified in quartz and quartz-carbonate veins hosted in a mix of sediments and volcanics across 27 kilometres of the Project. The Company had previously prospected the central area of Hermitage along stream beds as there is limited outcrop. Extensive late, syn to post deformation sheeted and extensional quartz-carbonate veining has been noted in the limited outcrop across a regional area with minimal exposure.

¹⁷ News release 4 February 2025

These stream bed outcroppings are where most of the high-grade samples have been collected. It has yielded numerous gold values with peak sample grading 7.31 g/t, up to 2,044 ppm stibnite samples, and up to 193 g/t silver samples.¹⁸

The Company has identified key areas as primary targets for follow up diamond drilling and additional prospecting as the stream beds also appear to be highlighted in the magnetic geophysical response as northeast-southwest trending faults to the overall stratigraphy. Many of the highlights encountered within this area display multiple phases of deformation and veining events. Given the limited exposure and early success with minimal field time, the prospectivity of additional mineralisation hiding under cover is very encouraging.



18 News releases dated 18 May 2023, 13 Sep 2023 and 13 Nov 2023

Malachite Project

The Malachite Project is located approximately 30 kilometres northeast of the Cape Ray mineral resource area.

During the reporting period, exploration at Malachite was conducted in two phases. In the winter field season, the Company completed its maiden RC drill program, achieving approximately 80% completion of the planned campaign before operations were curtailed due to persistent adverse weather conditions¹⁹. Notably, the entire drill program for the high-priority O-2 target was successfully completed before the program was paused. In total, 157 RC drillholes were completed.

The reconnaissance-style RC drill program was designed to systematically evaluate a large, prospective area within the Malachite Project, with the goal of identifying gold and pathfinder element anomalies in both bedrock and glacial till. This methodology is analogous to Australian-style rotary air blast (RAB) and air core drilling and Scandinavian base-of-till drilling, techniques that have been instrumental in several major global discoveries. The RC drill rig demonstrated exceptional productivity, exceeding the Company's initial expectations in terms of efficiency and output.

The results from the program identified a large gold-bearing zone with associated hydrothermal alteration extending over 1.2 kilometres along strike at the O-2 target²⁰. Additionally, a widespread zone of basal till gold anomalism was detected, indicating a high-priority drill target. The convergence of gold and pathfinder element anomalies in bedrock, coupled with multi-gram gold values from prospecting samples, strongly suggests the presence of significant mineralized fluid flow and underscores the potential for large, undercover gold deposits within the Malachite Project.

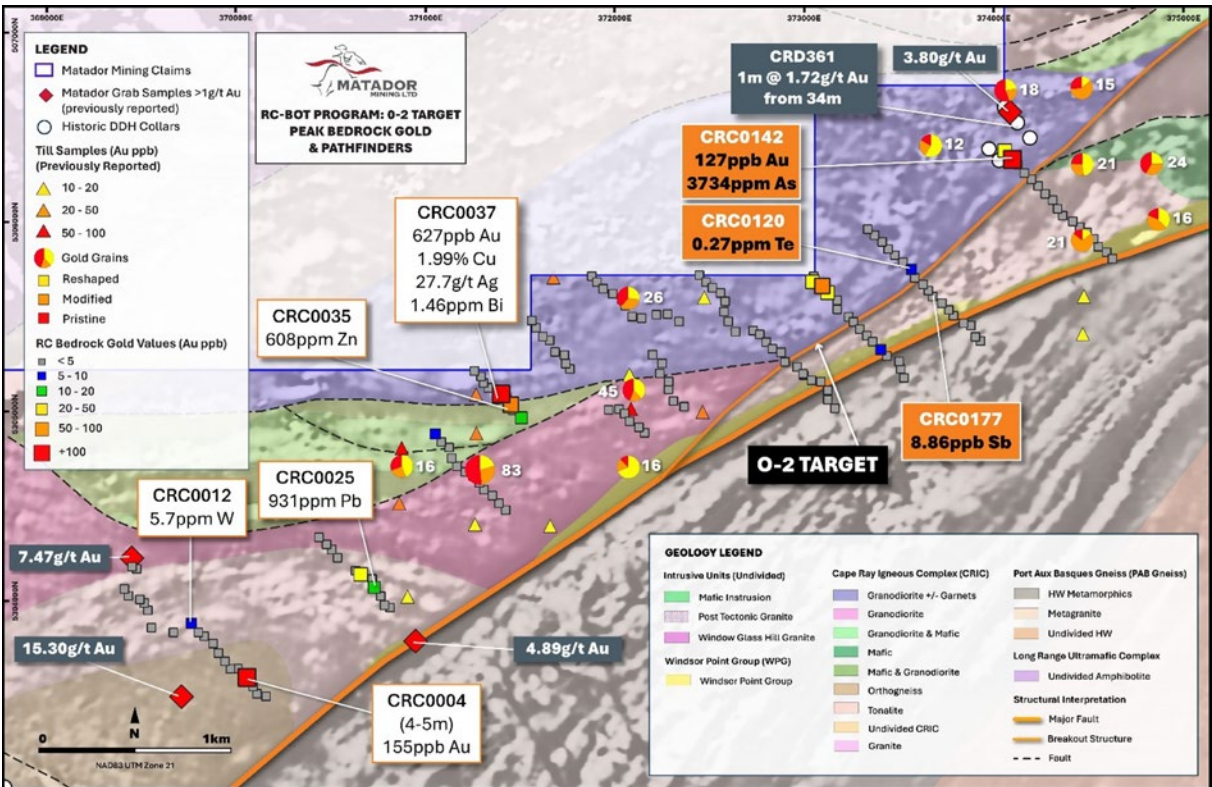


Figure 8: RC bottom-of-hole program at Malachite

¹⁹ News released date 16 April 2024

²⁰ News release dated 28 May 2024

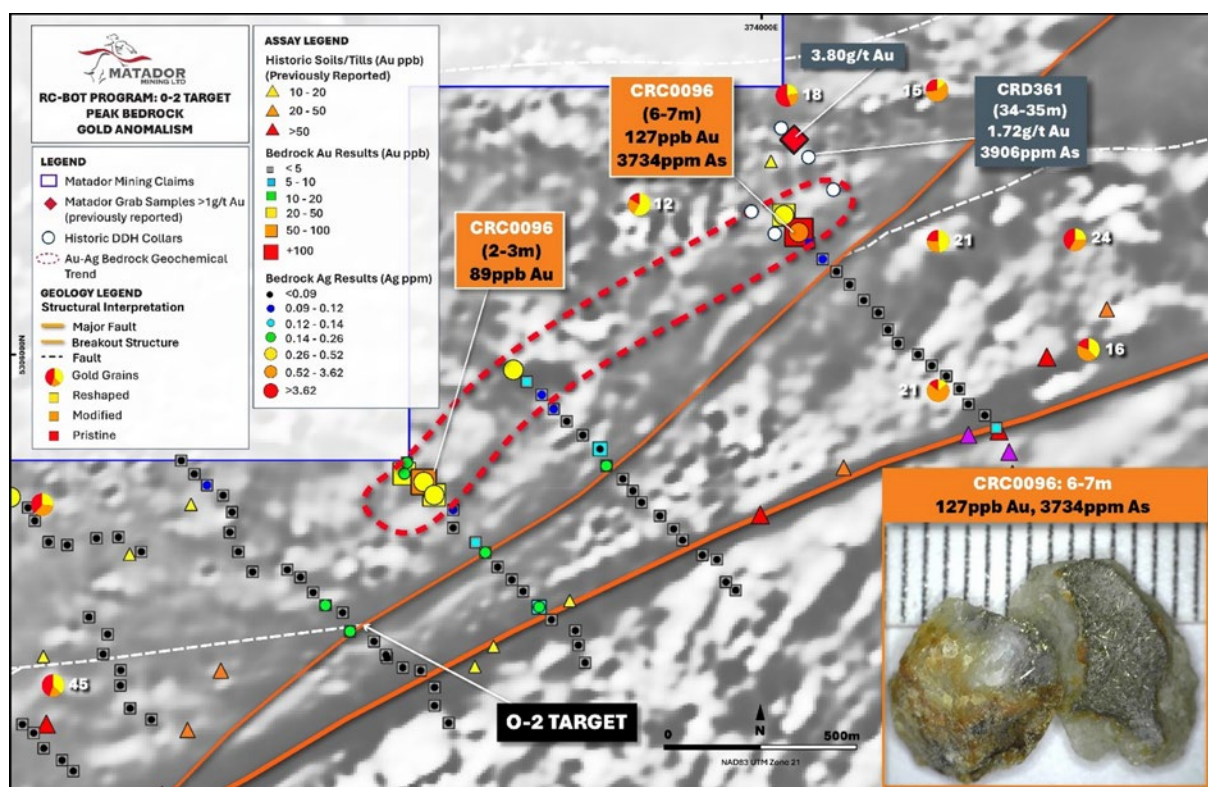


Figure 9: Newly identified gold and silver trend MAL RC04

The RC drilling program has proven to be a cost-effective and highly efficient exploration targeting tool, enabling the rapid evaluation of large areas and accelerating the progression toward advanced target generation. Given its success, the Company plans to expand the use of RC drilling in future exploration campaigns.

During the 2024 summer field season, the Company conducted a small, reconnaissance-style diamond drill program to test geochemical targets along three interpreted splays identified in the 2024 winter RC BOH survey²¹. This program comprised five drillholes, totaling approximately 1,100 metres²².

Drillholes CRD385 and CRD386 were designed to test a major east-west striking splay off the Cape Ray Shear Zone (CRSZ), identified as a potentially gold-bearing structure during the winter RC BOH program. These scissor holes were positioned to test for primary mineralization below an RC BOH hole that returned values of 0.63 g/t gold, 1.99% copper, and 27.7 g/t silver over 0.9 metres.

Results from CRD385 included 0.33 g/t gold, 3.93 g/t silver, 2,157 ppm lead, and 873 ppm zinc over 0.91 metres. Mineralization was associated with shearing near the contact of a granodiorite and mafic intrusive unit, with chlorite alteration observed along the structure.

All other drillholes intersected significant brittle and ductile structural features, accompanied by hydrothermal alteration assemblages and discrete polymetallic veining. However, no economically significant mineralization was encountered in these holes.

The Malachite area is characterized by significant structural complexity, and exploration to date—including limited diamond drilling—has confirmed the presence of gold and copper, along with clear evidence of hydrothermal fluid activity and large geochemical anomalies. While Malachite continues to demonstrate strong discovery potential, a larger and more systematic drill program will be required to adequately test the numerous structures in the area.

²¹ News releases dated 23 April 2024 & 28 May 2024

²² News release dated 22 November 2024

In the near term, advanced exploration efforts will be prioritized at Bunker Hill, where significantly higher gold and copper values in outcrop have been recorded, along with multiple discrete high-priority targets.

Intersection Project

During the Canadian summer of 2024, the Company conducted an initial coarse reconnaissance till survey over the Intersection Project, situated in the far northeast corner of its Cape Ray Shear Zone (CRSZ) mineral licenses. This area is adjacent to Calibre Mining's recently staked ground along the CRSZ and Eldorado Gold's newly announced joint venture²³.

Till sampling is a well-established exploration technique for identifying major mineral deposits, particularly in regions covered by significant overburden. A notable recent example of its effectiveness is the exploration success of Rupert Resources (TSX: RUP) in Finland, where reconnaissance till surveys were followed by RC bottom-of-hole drilling, ultimately leading to the discovery of the Ikkari deposit, which hosts over 4 million ounces of gold²⁴.

The Company's till survey at Intersection was conducted on a grid with 800-metre line spacing and 100-metre station intervals. Results from the survey suggest the presence of large, buried mineralized systems. The Company's hypothesis is further supported by highly anomalous gold, silver, copper, and other pathfinder elements detected across multiple stations and grid lines, despite the coarse sampling resolution. Additionally, these anomalous sample points correspond with prospective lithological domains and structural trends, reinforcing the potential for significant mineralization within the project area.

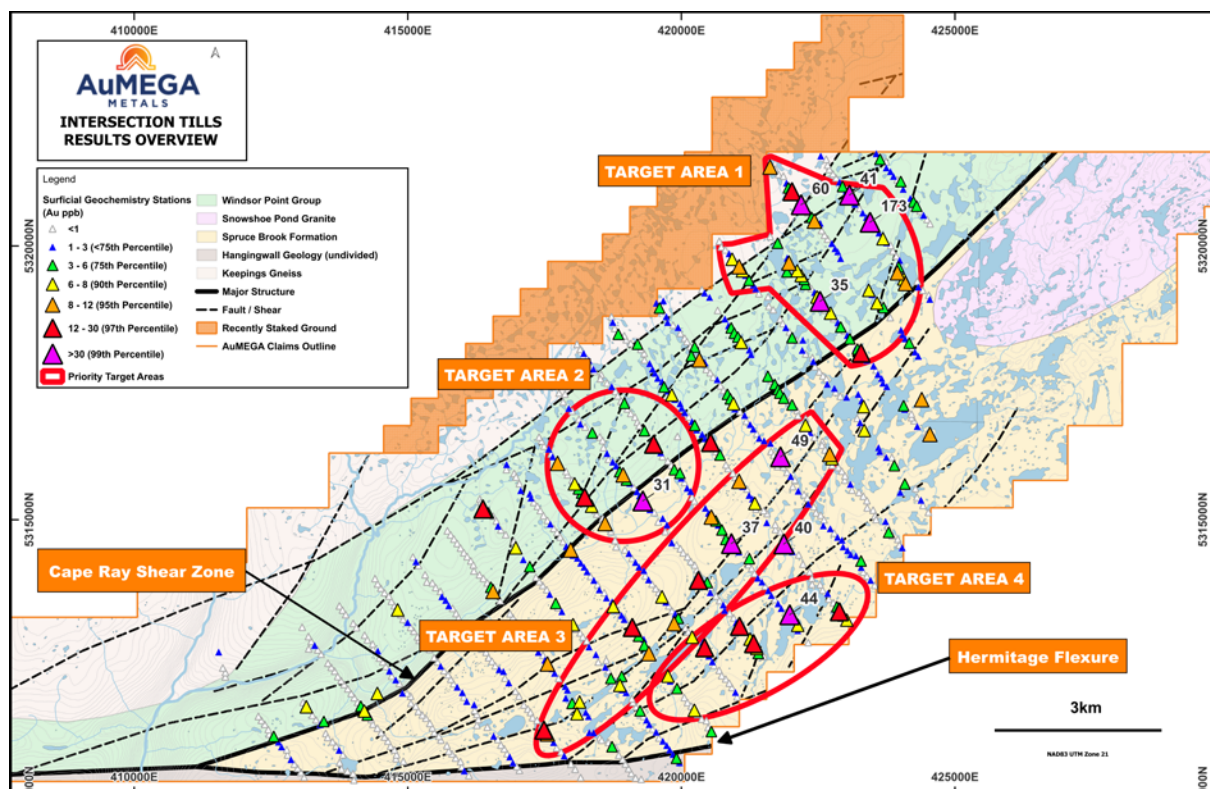


Figure 10: Intersection reconnaissance till results with solid geology

²³ News release dated 30 October 2024

²⁴ <https://rupertresources.com/ikkari-discovery/>

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Target Area 1 represents the largest zone of elevated gold concentrations and is located adjacent to several significant second- and third-order structures within the favorable Windsor Point Group—the host rock for the Company's high-grade Central Zone Mineral Resource²⁵. This structurally complex area extends over a strike length of two kilometers and a width of 1.5 kilometers, containing the highest concentration of gold in till and an elevated suite of pathfinder elements at Intersection. Till anomalism within this area ranges from 35 to 173 ppb gold across strike and includes a peak silver value of 5.82 g/t, with coincident bismuth and copper anomalism ranking in the 99th percentile of the survey. In response to these highly encouraging results, the Company has expanded its land position by staking additional licenses adjacent to the northern boundary of the property (Figure 10).

Target Area 2 exhibits a similar structural setting to Target Area 1, containing a distinct cluster of gold-in-till anomalies with a peak gold value of 31 ppb. These anomalous tills occur over an area that appears to host several prospective splays off the Cape Ray Shear Zone (CRSZ), indicating further exploration potential.

Target Areas 3 and 4 are defined by a series of northeast- (Target Area 3) and east-northeast-trending (Target Area 4) second- and third-order splays propagating from the eastward-trending Gunflap Hills Fault (part of the Hermitage Flexure). These structures have returned coincident anomalous gold-in-till signatures, with values reaching up to 49 ppb gold, extending over seven kilometers and four kilometers along strike, respectively. The Company is currently evaluating the potential for gold mineralization within this unit, as historical exploration in the area was primarily focused on base metals.

Overall, the Company has observed a consistent geochemical association of gold with silver, bismuth, and copper. This association was initially recognized during the Bunker Hill prospecting program earlier in the summer and further reinforces the strategic significance of Intersection as a key component of the Company's district-scale portfolio.

2025 Exploration Program

Bunker Hill Exploration Program

The integration of historical and recent exploration results at Bunker Hill has led to the identification of two high-priority target areas, which will be the focus of an inaugural drilling program commencing in the first quarter of 2025. This program will incorporate a combination of diamond drilling and reverse circulation BOH drilling, representing the most extensive winter drill campaign undertaken by the Company to date.

In January 2025, the Company mobilized equipment along a 30-kilometre logging road and a 15-kilometre winter access trail to establish a central fly camp. However, adverse weather conditions have impacted the program, delaying the commencement of drilling and affecting overall progress.

The Company initially planned for approximately 10,000 metres of drilling at Bunker Hill in 2025, with a significant portion scheduled for the winter season. Not all metres of these metres will be drilled in the first quarter due to the weather impacts on operations. Any metres not completed during the winter campaign is expected to be deferred in the year as conditions permit.

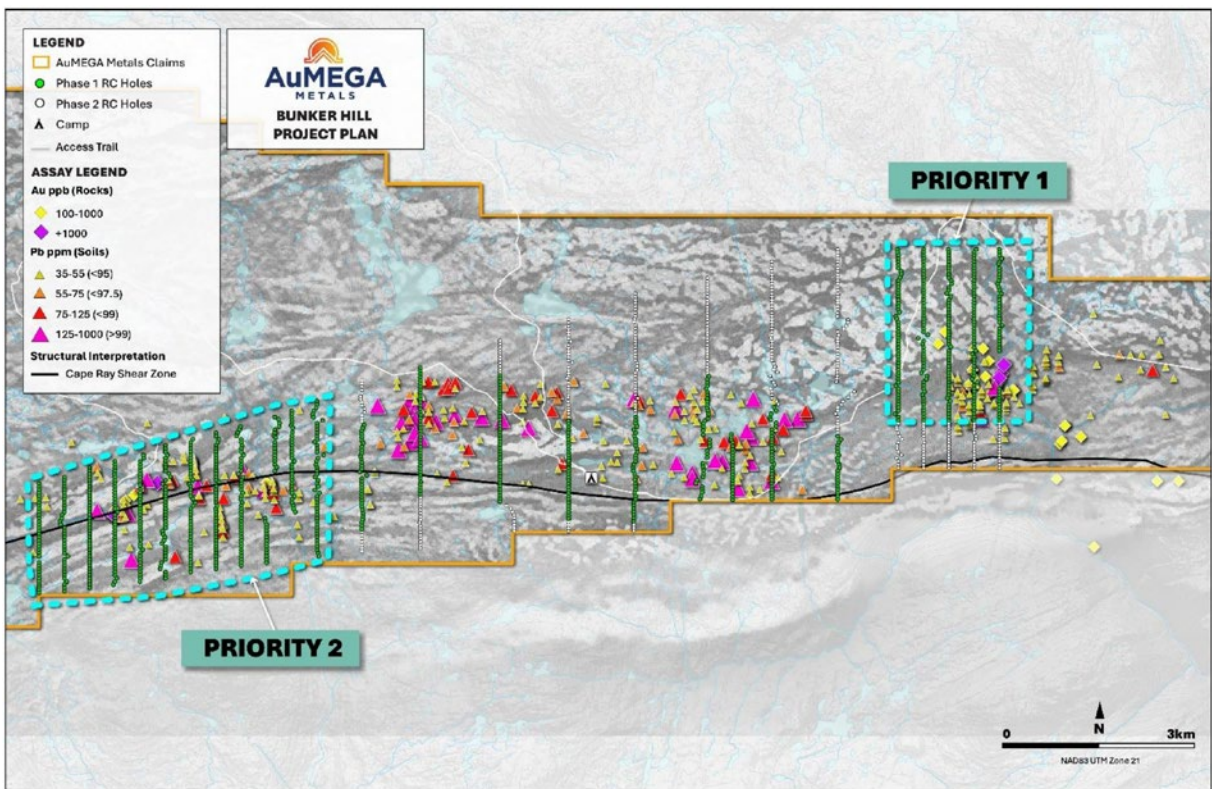


Figure 11: Bunker Hill Exploration Priorities

Cape Ray 2025 Exploration Program

In 2025, the Company's exploration program will focus on advancing several newly identified targets within the Cape Ray Project, situated outside the Company's currently defined mineral resource areas. These target areas have been identified through a comprehensive data analysis and limited exploration activities conducted over the past two years.

The Cape Ray Project hosts most the Company's mineral resources, with the largest deposits located at Central Zone and Window Glass Hill.

As part of its 2025 exploration activities at Cape Ray, the Company will conduct a Time Domain Electromagnetic (TDEM) airborne geophysical survey in the first quarter of the year. The primary objective of this survey is to identify graphitic schists within the resource corridor, as previous Company analyses suggest a strong association between gold mineralization and graphitic sedimentary sequences in this region. Additionally, the Company will undertake prospecting and sampling in previously unexplored areas to the west and south of the Big Pond deposit.

The exploration program also includes approximately 5,000 metres of diamond drilling, targeting newly identified prospects within Cape Ray. This drilling will focus on areas along strike of the Central Zone deposits, which have undergone minimal historical exploration. Drilling operations are expected to commence in mid-2025, with the scope of work subject to adjustment based on ongoing exploration results.

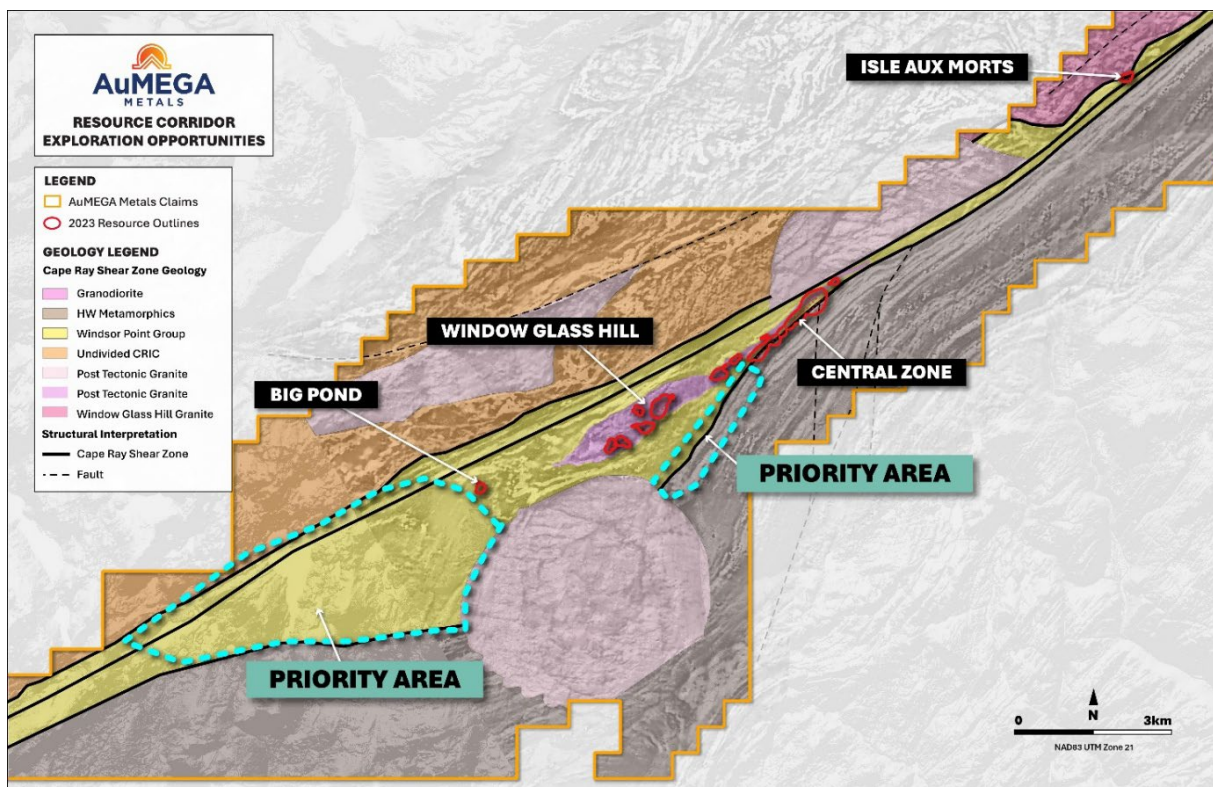


Figure 12: Cape Ray Exploration Priorities

Hermitage 2025 Exploration Program

For 2025, the Company is planning geological mapping and prospecting activities that will be based on the results of the geophysical survey. The Company is also expecting to deploy an inaugural diamond drill program at Hermitage to conduct up to 3,000 metres of drilling scheduled for the second half of 2025. The amount of drilling will be based on results and can be scaled up or down and will also be weather dependent given additional logistical support is required for such activities here.

Environment and Social

Environment

The Company remains committed to meeting or exceeding its environment requirements through progressive rehabilitation and completion of outstanding environmental programs. The Company delivered another strong year of environmental performance as measured by its key performance indicators.

Social

Throughout the year, the Company engaged with key stakeholders in Newfoundland including, but not limited to, local community stakeholders, the provincial regulator and government officials, and First Nations. These engagements included in-person and virtual meetings.



An aerial photograph of a vast, snow-covered mining landscape. In the foreground and middle ground, several large pieces of heavy machinery, including bulldozers and trucks, are visible, leaving deep tracks in the snow. The terrain is rugged and mountainous in the background. A dark blue rectangular box with white text is positioned in the upper right corner.

Directors' Report

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of AuMEGA Metals Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2024.

Principal activities

The principal activities of the Group are mineral exploration. No significant change in the nature of these activities occurred during the year.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$4,210,685 (31 December 2023: \$6,630,286).

Capital raising

The Company announced the successful raising of approximately C\$16 million (before costs) through a well subscribed financing to institutional, professional and sophisticated investors. The equity raising was completed in two tranches through three components:

- C\$10.2 million premium flow through (or charity flow through) placement to Canadian investors priced at C\$0.068 (A\$0.074) per New Share
- C\$2.1 million traditional flow through placement to Canadian investors priced at C\$0.06 (A\$0.065) per New Share, and
- C\$3.7 million traditional "hard dollar" placement to sophisticated, professional and institutional investors priced at C\$0.050 (A\$0.054) per New Share.
- Directors and officers also subscribed for C\$0.07 million at the same price as the hard dollar placement.

TSX-V listing and name change

During the reporting period, the Company changed its name from Matador Mining Limited to AuMEGA Metals Limited to better reflect the Company's strategic focus as a premier mineral exploration company. The Company also listed its shares on the TSX Venture Exchange to provide improved access for Canadian investors to a Canadian focused company. The Company's stock exchange codes changed to ASX: AAM, TSX-V: AUM and OTCQB: AUMMF.

Personnel changes

In September, Rick Greenwood was appointed as Vice President of Exploration, replacing Crispin Pike. Rick is a Professional Geologist from Newfoundland with over 20 years of Canadian gold exploration experience, most recently as Exploration Manager for Kinross Gold, a major global gold producer. Prior to joining Kinross, Rick was with Great Bear Resources ("Great Bear") in Ontario and a key member of the Great Bear discovery team which is one of the largest gold discoveries made in Canada over the past decade. During Rick's tenure at Great Bear, the company grew from a market capitalisation of C\$5 million to C\$1.8 billion when it finally was sold to Kinross in 2021.

Business risks

The following represent the material business risks.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Financing risks

The Group may require financing in the future to continue to develop its business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares, control of the Group may change, and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments, and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Group.

Community and stakeholder relations

The Group's relationships with the community in which it operates are critical to ensure the future success of its existing operations. The future success of the Group is reliant on a healthy relationship with local communities in which the Group operates. While the Group is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Group's business, financial position and operations.

The Group's exploration properties may never be brought into production

The exploration for, and development of, mineral deposits involves a high degree of risk. Few properties which are explored are ultimately developed into producing mines. To mitigate this risk, the Group will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, the Group will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. However, there can be no guarantee that the studies will confirm the technical and economic viability of the Group's mineral properties or that the properties will be successfully brought into production.

Sovereign risks

The Group will be subject to the risks associated in operating in a foreign country. These risks include ability to obtain key approvals on a timely basis, economic, social or political instability or change, changes of law affecting foreign ownership, taxation, working conditions, rates of exchange, exchange control, exploration licensing, export duties, repatriation of income or return of capital, environmental protection and labour relations.

The Group and its advisers will undertake all reasonable due diligence in assessing and managing the risks associated with mineral exploration and production in Newfoundland, Canada. However, any future material adverse changes in government policies or legislation in foreign jurisdictions in which the Group may have projects is outside the control of the Company. Such changes may affect the foreign ownership, exploration, development or activities of companies involved in mining exploration and production and in turn may affect the viability and profitability of the Group.

Governmental approvals

Exploration and mining activities are dependent upon the grant of appropriate licences, concessions, leases, permits and regulatory consents, which may be withdrawn or made subject to limitations. The maintaining of tenements, obtaining renewals, or getting tenement granted often depends on the Company being successful in obtaining statutory approvals for the proposed activities and that the licences concessions, leases, permits or regulatory consents the Group hold will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Title to Properties

The acquisition of title to mineral properties is a very detailed and time-consuming process. The Group's claims may be affected by undetected defects in title, such as the reduction in size of the claims and other third-party claims affecting the Group's interests. Mineral claims sometimes contain claims or transfer histories which examiners cannot verify.

A successful claim that the Group does not have title to any one of its mineral properties could cause the Group to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property, or the Group might be required to compensate other persons. Also, in any such case, the investigation and resolution of title issues would divert management's time from ongoing exploration and development programs. Although the Group believes it has taken reasonable measures to ensure proper title to its properties, there is no guarantee that title to its properties will not be challenged or impaired.

Maintenance of the Group's interests in its claims is subject to ongoing compliance with the terms governing its claims. The Group is required to make certain payments and actions in order to keep its claims in good standing. If the Group defaults with respect to making payments or completing assessment work as required, the Group may lose its rights to the properties underlying its claims.

The claims do not grant a right to enter upon or use the surface of the mineral properties. Additional amounts may have to be paid to surface rights owners in connection with any development of mining activity.

Environmental

The Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Group from being able to develop potentially economically viable mineral deposits.

The Group may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment, particularly if mine development proceeds. Failure to obtain such approvals will prevent the Group from undertaking its desired activities. The Group is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Group's cost of doing business or affect its operations in any area.

Environmental laws and policies are under constant legislative scrutiny and regulation. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Group to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Group's business, financial condition and results of operations.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

On 3 January 2025, the Company announced the adoption of an amended and restated equity incentive plan (the "Omnibus Plan") which has a 10% rolling stock option component and a fixed share unit (being Restricted Share Units, Performance Share Units, Deferred Share Units or Stock Appreciation Rights) component reserving an aggregate of 65,732,263 shares for issuance (in both cases subject to the maximum placement capacity of 70,000,000 shares).

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Group will continue to advance its exploration activity in Newfoundland, with a focus on focused on growing its two properties, Cape Ray Shear Zone and Hermitage.

There are no significant changes in the nature or size of operations expected.

Environmental regulation

The consolidated entity is subject to significant environmental regulation in respect of its mineral exploration activities. These obligations are regulated under relevant government authorities in Canada.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Compliance with environmental obligations is monitored by the Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 31 December 2024.

Information on directors

Name:

Justin Osborne BSc (Hons), MAICD, FAusIMM, FSEG

Title:

Non-executive Chair

Experience and expertise:

Mr Osborne has over 30 years' experience as an exploration geologist and is a Fellow of the Australasian Institute of Mining and Metallurgy and holds a Bachelor of Science, Honours (First Class) from La Trobe University of Victoria. In addition to his role at AuMEGA, Mr Osborne was an Executive Director at Gold Road Resources Ltd (GOR.ASX) and played a pivotal role in the rapid and effective resource development of the world class Gruyere Gold deposit (6.6 million ounces of gold) which currently produces approximately 300,000 ounces of gold per annum. He has also previously held senior positions on the exploration executive team of Gold Fields Ltd, including Vice President Development Strategy – Growth and International Projects, and General Manager Near Mine Exploration covering all international mining operations.

Other current directorships:

Hamelin Gold Ltd – Non-executive Director (ASX)
Astral Resources NL – Non-executive Director (ASX)
IGO Ltd - Non executive Director (ASX)

Former directorships (last 3 years):

Nil

Interests in shares:

1,790,870

Interests in equity incentives:

824,175

Name:

Mr Sam Pazuki P.Eng, M.Fin

Title:

Managing Director and Chief Executive Officer

Experience and expertise:

Mr Pazuki is based in Toronto and has over 20 years of mining industry experience in senior leadership positions. He joined AuMEGA as Managing Director and Chief Executive Officer after nearly ten years with dual-listed OceanaGold Corporation (ASX: OGC; TSX: OGC) where he led the Investor Relations and Corporate Development functions most recently as Senior Vice President, Corporate Development. Prior to OceanaGold, Mr. Pazuki advised major mining companies, including BHP Billiton, as a management consultant within Ernst & Young's Advisory Services practice in Toronto, and was part of a team that helped establish a Climate Change and Sustainability practice for the firm. Mr. Pazuki is a member of the Professional Engineers of Ontario and has a Bachelor's Degree in Engineering and a Masters of Finance.

Other current directorships:

Nil

Former directorships (last 3 years):

Nil

Interests in shares:

5,325,223

Interests in equity incentives:

36,509,527

Name:

Mrs Carol Marinkovich AGIA, ACG(CS)

Title:

Executive Director

Experience and expertise:

Mrs Marinkovich has over 25 years' experience in the mining industry. She has extensive experience in Company Secretary and Corporate Governance Practices both within Australia and internationally working with companies in the ASX200, ASX300 and for other listed and unlisted junior explorers. Mrs Marinkovich is a Member of the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators in London.

Other current directorships:

Nil

Former directorships (last 3 years):

Nil

Interests in shares:

324,503

Interests in equity incentives:

4,205,885

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Name:	Mr Kerry Sparkes M.Sc, P.Geo
Title:	Non-executive Director
Experience and expertise:	Mr. Sparkes has over 30 years experience in the mineral exploration business as both an exploration geologist and executive. His career has included the exploration, delineation and development of two major Canadian deposits, both of which were the subject of takeovers. Mr. Sparkes is currently President of Sparrowhawk Consulting, having recently retired after seven years as Vice President Geology for Franco-Nevada Corporation. Previous positions included Vice President Exploration, at Rainy River Resources Ltd., Vice President Exploration, at Messina Minerals Inc., Senior Geologist at Voisey's Bay Nickel Co. Ltd., Exploration Manager of Archean Resources Ltd. as well as President of Sparkes Consulting Inc.
Other current directorships:	Mr. Sparkes has previously held a number of board seats, including the board of directors of Sphinx Resources Ltd., Knight Metals Ltd., and was a founder and director of Orla Mining Ltd. Mr. Sparkes currently sits as a director of Aurion Resources Ltd and Prime Mining Corp. He received both his undergraduate and graduate degrees from the Memorial University of Newfoundland and started his career as an exploration geologist for Noranda Exploration Company Ltd. Aurion Resources Ltd – Non-executive Director (TSX) Prime Mining Corp - Non-executive Director (PRYM – TSXV) Fokus Mining Corporation (TSXV)
Former directorships (last 3 years):	Nil
Interests in shares:	200,000
Interests in equity incentives:	412,088

Name:	Dr Nicole Adshead-Bell PhD
Title:	Non-executive Director
Experience and expertise:	Dr Adshead-Bell is an experienced mining executive and non-executive director with a successful career spanning over 29 years. She was most recently the CEO and Managing Director of Beadell Resources Ltd, an ASX-listed company prior to its acquisition by TSX/NYSE American listed Great Panther Mining Ltd in March 2019. Prior to this, Dr Adshead-Bell was Director of Mining Research at Sun Valley Gold LLC, a global precious metals fund and Managing Director, Investment Banking at Haywood Securities Inc. In addition to her position at Matador, Dr Adshead-Bell is President of Cupel Advisory Corporation, a company she established to focus on investments in the natural resources sector and provide strategic advisory, due diligence and research services to issuers and natural resources equity and debt funds.
Other current directorships:	Altius Minerals Corporation (TSX) – Non-executive Director Dundee Precious Metals (TSX) – Non-executive Director
Former directorships (last 3 years):	Hot Chilli Limited (ASX/TSX) – Non-executive Chair (Until March 2025) Bravo Mining Corp (TSX) – Lead Director (Until July 2023)
Interests in shares:	1,601,739
Interests in equity incentives:	Nil

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Mrs Carol Marinkovich AGIA, ACG(CS)

Experience and qualifications included in table above.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Justin Osborne	6	6	1	1	3	3
Mr Sam Pazuki	6	6	-	-	-	-
Mrs Carol Marinkovich	6	6	-	-	-	-
Mr Kerry Sparkes	6	6	1	1	3	3
Dr Nicole Adshead-Bell	5	6	1	1	3	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- Rewards reflect the competitive global market in which the Group operates;
- Rewards to executives are linked to creating value for shareholders;
- Remuneration arrangements are equitable and facilitate the development of senior management across the Group;
- Where appropriate, senior managers receive a component of their remuneration in equity to align their interests with those of the shareholders; and
- Long-term incentives are used to ensure that remuneration of KMP reflects the Group's performance, with particular emphasis on the Group's growth and the consequence of the Group's performance on shareholder wealth.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Non-executive directors remuneration

Shareholders approve the maximum aggregate remuneration for non-executive Directors. The maximum aggregate remuneration approved for non-executive Directors is currently \$500,000.

It is recognised that non-executive Director remuneration is ideally structured to exclude equity-based remuneration. Whilst the Company remains small and is not generating income, it is in shareholders' interests to remunerate Directors with equity incentives rather than primarily with cash salaries or fees.

Executive remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board ensures that executive reward satisfies the following key criteria for good corporate governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholder's value relative to the entire market and the increase compared to the consolidated entity's direct competitors.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Use of remuneration consultants

During the previous financial year, the Group, engaged PCI Compensation Consulting, remuneration consultants, to review its existing remuneration policies and to benchmark executive remuneration. PCI Compensation Consulting is finalised and they have been paid \$40,000 to date for these services.

These consultants performed the following:

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

- finalised changes to the remuneration structure;
- performed stock option calculations; and
- facilitated the implementation of health insurance.

An agreed set of protocols were put in place to ensure that the remuneration recommendations would be free from undue influence from KMP. This included ensuring that those KMP impacted by the recommendations were not present when the recommendations were approved by the Board. The Board is also required to make inquiries of the consultant's processes at the conclusion of the engagement to ensure that they are satisfied that any recommendations made have been free from undue influence. The Board is satisfied that these protocols were followed and as such there was no undue influence.

Voting and comments made at the company's 31 December 2023 Annual General Meeting ('AGM')

At the 30 May 2024 AGM, 93.58% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2023. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits		Post-employment benefits	Share-based payments	
	Cash salary and fees	Cash bonus	Super-annuation	Equity-settled	Total
	\$	\$	\$	\$	\$
2024					
<i>Non-Executive Directors:</i>					
Justin Osborne	73,578	-	8,278	26,046	107,902
Carol Marinkovich*	49,052	14,040	5,518	58,501	127,111
Kerry Sparkes	54,203	-	-	13,374	67,577
Nicole Adshead-Bell	54,203	-	-	-	54,203
<i>Executive Directors:</i>					
Sam Pazuki	330,000	52,813	32,339	759,289	1,174,441
<i>Other Key Management Personnel:</i>					
Rick Greenwood (VP of Exploration)**	52,500	18,200	-	-	70,700
Crispin Pike (VP of Exploration)**	148,500	26,325	-	12,163	186,988
	762,036	111,378	46,135	869,373	1,788,922

* During the period there was \$114,230 paid to GCM Corporate Services Pty Ltd for Company Secretarial services, a Company controlled by Carol Marinkovich.

** Rick Greenwood commenced on 1 October 2024 & Crispin Pike ceased employment on 30 September 2024

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Short-term benefits		Post-employment benefits	Share-based payments	Termination benefits ***	Total
	Cash salary and fees	Cash bonus	Super-annuation	Equity-settled		
2023	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Justin Osborne	72,987	-	7,846	64,396	-	145,229
Carol Marinkovich *	40,548	14,347	4,379	33,603	-	92,877
Kerry Sparkes	53,889	-	-	32,553	-	86,442
Nicole Adshead-Bell	54,735	-	-	3,567	-	58,302
<i>Executive Directors:</i>						
Sam Pazuki	385,000	93,844	38,500	214,736	-	732,080
<i>Other Key Management Personnel:</i>						
Crispin Pike (VP of Exploration)	180,000	-	-	5,568	-	185,568
Warren Potma (Chief Geologist)	162,527	-	11,762	-	61,782	236,071
David Gurvey (CFO)**	31,580	-	-	-	-	31,580
	981,266	108,191	62,487	354,423	61,782	1,568,149

* Appointed 1 March 2023.

During the period there was \$97,891 paid to GCM Corporate Services Pty Ltd for Company Secretarial services, a Company controlled by Carol Marinkovich.

** Both Warren and David resigned 31 March 2023.

*** Warren Potma received good leaver status and termination benefits relating to vesting of options.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk	
	2024	2023	2024	2023
<i>Non-Executive Directors:</i>				
Justin Osborne	76%	56%	24%	44%
Carol Marinkovich	43%	48%	57%	52%
Kerry Sparkes	80%	62%	20%	38%
Nicole Adshead-Bell	100%	94%	-	6%
<i>Executive Directors:</i>				
Sam Pazuki	31%	58%	69%	42%
<i>Other Key Management Personnel:</i>				
Rick Greenwood	74%	-	26%	-
Crispin Pike	79%	97%	21%	3%

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Sam Pazuki
Title:	Managing Director & Chief Executive Officer
Term of agreement:	No fixed term
Details:	Base salary per annum: \$325,000 Retirement Savings Plan: 10% of base salary Termination Conditions: 6 months notice
Name:	Rick Greenwood
Title:	Vice President of Exploration
Term of agreement:	No fixed term
Details:	Base salary per annum: \$210,000 Termination Conditions: 6 months notice
Name:	Crispin Pike (Resigned 3 September 2024)
Title:	Vice President of Exploration
Term of agreement:	No fixed term
Details:	Base salary per annum: \$195,000 Termination Conditions: 3 months notice

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2024 (31 December 2023 nil).

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Name	Type	Grant Date	Number of options issued	Fair value	Exercise price	Expiry date	Vesting Date	Total fair value of options	Options expense in 2024	Options vested during the period
Carol Marinkovich	2023 LTI Options	15/12/2023	146,991	0.03	0.12	1/01/2030	1/01/2024	4,588	-	146,991
Carol Marinkovich	2023 LTI Options	15/12/2023	146,991	0.03	0.12	1/01/2030	1/01/2025	4,588	4,576	-
Carol Marinkovich	2023 LTI Options	15/12/2023	146,991	0.03	0.12	1/01/2030	1/01/2026	4,588	2,343	-
Carol Marinkovich	2023 LTI Performance Rights	15/12/2023	120,233	0.08	-	31/12/2030	31/12/2025	9,171	4,690	-
Carol Marinkovich	2023 LTI Performance Rights	15/12/2023	120,233	0.07	-	31/12/2030	31/12/2025	8,657	-	-
Carol Marinkovich	2023 STI ZEPO'S	15/12/2023	39,076	0.05	-	31/12/2028	15/12/2023	1,761	-	-
Carol Marinkovich	2023 STI ZEPO'S	15/12/2023	213,839	0.05	-	31/12/2028	15/12/2023	9,637	-	-
Carol Marinkovich	2024 LTI Options	15/12/2023	279,225	0.02	0.04	1/01/2031	1/01/2025	5,397	5,383	-
Carol Marinkovich	2024 LTI Options	15/12/2023	279,225	0.02	0.04	1/01/2031	1/01/2026	5,397	2,756	-
Carol Marinkovich	2024 LTI Options	15/12/2023	279,225	0.02	0.04	1/01/2031	1/01/2027	5,397	1,852	-
Carol Marinkovich	2024 LTI Performance Rights	15/12/2023	274,152	0.09	-	31/12/2031	31/12/2026	24,895	8,552	-
Carol Marinkovich	2024 LTI Performance Rights	15/12/2023	274,152	0.07	-	31/12/2031	31/12/2026	19,739	-	-
Carol Marinkovich	2024 STI ZEPO'S	15/12/2023	1,315,932	0.05	-	31/12/2029	31/12/2024	59,217	12,959	1,315,932
Carol Marinkovich	NED Options	31/05/2023	189,873	0.07	-	1/03/2029	1/03/2024	13,291	2,948	189,873
Carol Marinkovich	NED Options	31/05/2023	189,873	0.07	-	1/03/2029	1/03/2025	13,291	7,601	-
Carol Marinkovich	NED Options	31/05/2023	189,874	0.07	-	1/03/2029	1/03/2026	13,291	4,840	-
Crispin Pike	2023 STI ZEPO'S	5/02/2024	392,365	0.03	-	31/12/2028	5/02/2024	12,163	12,163	392,365
Justin Osborne	Incentive options	9/12/2022	274,725	0.13	-	1/08/2029	1/08/2023	35,440	-	-
Justin Osborne	Incentive options	9/12/2022	274,725	0.13	-	1/08/2029	1/08/2024	35,440	12,619	274,725
Justin Osborne	Incentive options	9/12/2022	274,725	0.13	-	1/08/2029	1/08/2025	35,440	13,427	-
Kerry Sparkes	Incentive options	9/12/2022	137,363	0.13	-	1/09/2029	1/09/2023	17,720	-	-
Kerry Sparkes	Incentive options	9/12/2022	137,363	0.13	-	1/09/2029	1/09/2024	17,720	6,869	137,363
Kerry Sparkes	Incentive options	9/12/2022	137,362	0.13	-	1/09/2029	1/09/2025	17,720	6,505	-
Sam Pazuki	2023 LTI Options	15/12/2023	1,442,185	0.03	0.12	1/01/2030	1/01/2024	45,016	-	1,442,185
Sam Pazuki	2023 LTI Options	15/12/2023	1,442,185	0.03	0.12	1/01/2030	1/01/2025	45,016	44,898	-
Sam Pazuki	2023 LTI Options	15/12/2023	1,442,185	0.03	0.12	1/01/2030	1/01/2026	45,016	22,989	-
Sam Pazuki	2023 LTI Performance Rights	15/12/2023	1,179,654	0.08	-	31/12/2030	31/12/2025	89,985	46,016	-
Sam Pazuki	2023 LTI Performance Rights	15/12/2023	1,179,654	0.07	-	31/12/2030	31/12/2025	84,935	-	-
Sam Pazuki	2023 STI ZEPO'S	15/12/2023	255,592	0.05	-	31/12/2028	15/12/2023	11,518	-	-

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Name	Type	Grant Date	Number of options issued	Fair value	Exercise price	Expiry date	Vesting Date	Total fair value of options	Options expense in 2024	Options vested during the period
Sam Pazuki	2023 STI ZEPO'S	15/12/2023		0.05	-	31/12/2028	15/12/2023			
	2024 LTI	15/12/2023	1,398,709	0.02	0.04	1/01/2031	1/01/2025	63,033	-	-
Sam Pazuki	Options		1,665,101					32,185	32,101	-
Sam Pazuki	2024 LTI	15/12/2023		0.02	0.04	1/01/2031	1/01/2026	32,185	16,437	-
	Options		1,665,101					32,185	11,047	-
Sam Pazuki	2024 LTI	15/12/2023		0.02	0.04	1/01/2031	1/01/2027	32,185		-
	Options		1,665,101					32,185		-
Sam Pazuki	2024 LTI	15/12/2023		0.09	-	31/12/2031	31/12/2026			-
	Performance Rights		1,634,854					148,457	50,999	-
Sam Pazuki	2024 LTI	15/12/2023		0.07	-	31/12/2031	31/12/2026			-
	Performance Rights		1,634,854					117,710	-	-
Sam Pazuki	2024 STI ZEPO'S	15/12/2023		0.05	-	31/12/2029	31/12/2024			
	Incentive options		5,449,514					245,228	48,744	5,449,514
Sam Pazuki	options	1/05/2022		0.06	0.26	1/05/2029	1/05/2023	54,083	-	-
Sam Pazuki	Incentive options	1/05/2022		0.08	0.26	1/05/2029	1/05/2024			
	options		916,667					70,583	11,780	916,667
Sam Pazuki	Incentive options	1/05/2022		0.09	0.26	1/05/2029	1/05/2025			
	options		916,666					80,667	26,938	-
Sam Pazuki	In-Lieu of CEO Salary Options	30/05/2024		0.05	0.05	30/05/2030	31/12/2024			
	Options		6,679,569					326,361	326,361	6,679,569
Sam Pazuki	In-Lieu of CEO Salary Options	30/05/2024		0.05	0.05	30/05/2030	31/12/2025			
	Options		6,679,569					326,361	120,979	-
			43,998,340					2,225,072	869,372	16,945,184

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Name	Type	Grant Date	Number of options issued	Fair value	Exercise price	Expiry date	Vesting Date	Total fair value of options	Options expense in 2023	Options vested during the year
Carol Marinkovich	NED Options	31/05/2023	189,873	0.070	-	1/03/2029	1/03/2024	13,291	10,343	-
Carol Marinkovich	NED Options	31/05/2023	189,873	0.070	-	1/03/2029	1/03/2025	13,291	4,444	-
Carol Marinkovich	NED Options	31/05/2023	189,874	0.070	-	1/03/2029	1/03/2026	13,291	2,830	-
Crispin Pike	ESS STI	13/08/2021	80,201	0.383	-	1/02/2023	13/08/2021	30,717	(5,183)	-
Crispin Pike	ESS STI	1/07/2021	45,150	0.426	-	1/07/2024	30/06/2022	19,234	(3,168)	-
Crispin Pike	ESS LTI	1/07/2021	258,000	0.426	-	1/07/2026	30/06/2024	27,477	(16,016)	-
Crispin Pike	Retention options	18/02/2022	45,000	0.284	-	18/02/2027	1/07/2023	12,780	12,780	45,000
Crispin Pike	Retention options	18/02/2022	45,000	0.284	-	18/02/2027	1/07/2024	12,780	10,073	-
Crispin Pike	Retention options	18/02/2022	45,000	0.284	-	18/02/2027	1/07/2025	12,780	7,082	-
Justin Osborne	NED Options	18/11/2020	60,000	0.349	-	18/11/2023	2/02/2023	20,940	(1,714)	60,000
Justin Osborne	Incentive options	9/12/2022	274,725	0.129	-	1/08/2029	1/08/2023	35,440	31,556	274,725
Justin Osborne	Incentive options	9/12/2022	274,725	0.129	-	1/08/2029	1/08/2024	35,440	21,302	-
Justin Osborne	Incentive options	9/12/2022	274,725	0.129	-	1/08/2029	1/08/2025	35,440	13,253	-
Kerry Sparkes	Incentive options	9/12/2022	137,363	0.129	-	1/09/2029	1/09/2023	17,720	16,004	137,363
Kerry Sparkes	Incentive options	9/12/2022	137,363	0.129	-	1/09/2029	1/09/2024	17,720	10,129	-
Kerry Sparkes	Incentive options	9/12/2022	137,362	0.129	-	1/09/2029	1/09/2025	17,720	6,420	-
Nicole Adshead-Bell	NED Options	18/11/2020	60,000	0.349	-	18/11/2023	5/10/2023	20,940	3,567	60,000
Sam Pazuki	Incentive options	1/05/2022	916,667	0.059	0.26	1/05/2029	1/05/2023	54,083	19,952	916,667
Sam Pazuki	Incentive options	1/05/2022	916,667	0.077	0.26	1/05/2029	1/05/2024	70,583	41,761	-
Sam Pazuki	Incentive options	1/05/2022	916,666	0.088	0.26	1/05/2029	1/05/2025	80,667	33,456	-
Warren Potma	ESS LTI	21/08/2020	450,000	0.420	-	1/07/2025	1/07/2023	189,000	10,662	450,000
Warren Potma	Retention options	18/02/2022	60,000	0.284	-	18/02/2027	1/07/2023	17,040	17,040	60,000
Warren Potma	Retention options	18/02/2022	60,000	0.284	-	18/02/2027	1/07/2024	17,040	17,040	-
Warren Potma	Retention options	18/02/2022	60,000	0.284	-	18/02/2027	1/07/2025	17,040	17,040	-
Sam Pazuki	2023 ESS STI*	15/12/2023	1,654,300	0.045	-	31/12/2027	1/01/2024	74,551	74,551	-
Carol Marinkovich	2023 ESS STI*	15/12/2023	252,915	0.045	-	31/12/2027	1/01/2024	11,398	11,398	-
Sam Pazuki	2023 ESS LTI*	15/12/2023	4,326,556	0.031	0.11	31/12/2028	1/01/2024	135,047	45,016	-
Carol Marinkovich	2023 ESS LTI*	15/12/2023	440,972	0.031	0.11	31/12/2028	1/01/2024	13,761	4,587	-
			12,498,977					1,037,211	416,205	2,003,755

* These options were not issued as at 31 December 2023 and were subsequently approved at the Company's AGM on 30 May 2024.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Vesting Conditions – ESS STI

The vesting conditions include:

- Zero fatalities, life changing events and zero major environmental incidents;
- Annual independent safety audit completed with no significant issues identified;
- Increased mineral resource base;
- New discoveries;
- Increasing institutional holding on the register; and
- Social & community engagement.

Vesting Conditions – ESS LTI

The vesting conditions include:

- Share price growth over the period between specific price targets;
- Identification of new Greenfield mineralised zone(s) to support material increase in mineral resource;
- Environmental assessment completed and submitted to regulators; and
- Completion of a scoping study that demonstrated the economic viability of the Cape Ray Project.

Vesting Conditions – 2023 & 2024 ESS STI

The vesting conditions include:

- Share price growth over the period between specific price targets;
- Enhanced shareholder register with institutional investors;
- Strengthen balance sheet through raising capital;
- Health and safety - year on year improvements with no major incidents;
- Finance and execution - Deliver activities within budget; and
- Advance exploration activities that generate shareholder value.

Vesting Conditions – 2023 & 2024 ESS LTI

The LTI options vest as to 33.3% on the first anniversary, 33.3% on the second anniversary and 33.3% on the third anniversary.

Vesting Conditions – LTIP Performance Rights (2023 & 2024)

The vesting conditions include:

- Relative share price performance: AuMEGA share price performance relative to the Company's peer group over a three year period; and
- Health & Safety and Environment: Demonstrate robust health, safety and environmental practices and performance over a three year period.

Vesting Conditions – Incentive Options & Retention Options

The incentive options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 31 December 2024.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Additional information

	December 2024	December 2023	6 months ended December 2022	June 2022	June 2021
Loss after income tax attributable to shareholders	(4,210,685)	(6,630,286)	(1,889,766)	(5,054,251)	(4,702,660)
Share price at financial year end - A\$	0.042	0.047	0.115	0.135	0.450
Movement in share price for the year- A\$	(0.005)	(0.068)	(0.020)	(0.315)	0.150
Basic loss per share	(0.76)	(1.29)	(0.76)	(2.35)	(2.79)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Justin Osborne	1,690,870	-	100,000	-	1,790,870
Sam Pazuki	2,270,922	1,654,301	1,400,000	-	5,325,223
Carol Marinkovich	324,503	-	-	-	324,503
Kerry Sparkes	-	-	200,000	-	200,000
Nicole Adshead-Bell	1,201,739	-	400,000	-	1,601,739
Rick Greenwood	-	-	166,666	-	166,666
Crispin Pike	80,201	554,213	-	(634,414)	-
	5,568,235	2,208,514	2,266,666	(634,414)	9,409,001

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Justin Osborne	824,175	-	-	-	824,175
Sam Pazuki	8,730,856	29,432,972	(1,654,301)	-	36,509,527
Carol Marinkovich	1,263,507	2,942,378	-	-	4,205,885
Kerry Sparkes	412,088	-	-	-	412,088
Nicole Adshead-Bell	-	-	-	-	-
Rick Greenwood	-	-	-	-	-
Crispin Pike	357,949	6,855,221	(554,213)	(6,658,957)	-
	11,588,575	39,230,571	(2,208,514)	(6,658,957)	41,951,675

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Justin Osborne	549,450	-	549,450
Sam Pazuki	5,449,514	9,955,088	15,404,602
Carol Marinkovich	1,758,720	146,991	1,905,711
Kerry Sparkes	274,726	-	274,726
Nicole Adshead-Bell	-	-	-
Rick Greenwood	-	-	-
	8,032,410	10,102,079	18,134,489

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of AuMEGA Metals Ltd under option at the date of this report are as follows:

Expiry date	Exercise price	Number under option
01/05/2029	\$0.26	2,750,000
01/08/2029	\$0.00	824,175
01/09/2029	\$0.00	412,088
18/2/2027	\$0.00	60,000
01/03/2029	\$0.00	569,620
22/12/2030	\$0.05	1,792,810
26/04/2031	\$0.04	1,507,113
01/01/2027	\$0.00	57,200
01/01/2027	\$0.00	362,974
01/01/2030	\$0.14	6,019,982
01/01/2029	\$0.00	11,966,823
01/01/2031	\$0.05	8,017,262
01/01/2030	\$0.05	13,359,138
01/01/2030	\$0.00	923,440
01/01/2031	\$0.00	2,359,308
01/01/2031	\$0.00	1,978,042
01/01/2032	\$0.00	3,269,709
		56,229,684

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2024

Shares issued on the exercise of options

The following ordinary shares of AuMEGA Metals Ltd were issued during the year ended 31 December 2024 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
15/07/2019	\$0.00	17,787
1/07/2021	\$0.00	173,600
20/06/2022	\$0.00	12,250
18/02/2023	\$0.00	45,000
15/12/2023	\$0.00	1,654,301
5/02/2024	\$0.00	1,193,623
		3,096,561

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Grant Thornton Audit Pty Ltd

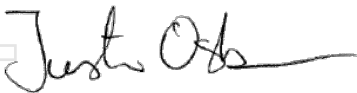
There are no officers of the company who are former partners of Grant Thornton Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Justin Osborne
Non-executive Chair

27 March 2025

Grant Thornton Audit Pty Ltd
Level 43 Central Park
152-158 St Georges Terrace
Perth WA 6000
PO Box 7757
Cloisters Square
Perth WA 6850
T +61 8 9480 2000

Auditor's Independence Declaration

To the Directors of AuMEGA Metals Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of AuMEGA Metals Limited for the year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



L A Stella
Partner – Audit & Assurance
Perth, 27 March 2025

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2024

Expenses			
Administration expenses	5	(1,396,714)	(1,634,281)
Consultants and management expenses	6	(869,762)	(1,063,786)
Depreciation and amortisation		(134,324)	(138,926)
Share based payment expense	7	(1,031,787)	(408,501)
Business development costs		(475,712)	(379,866)
Write off of exploration and evaluation assets		(445,378)	(2,857,705)
Operating loss		(4,353,677)	(6,483,065)
Other income	8	1,636,974	169,073
Loss before income tax expense		(2,716,703)	(6,313,992)
Income tax expense	9	(1,493,982)	(316,294)
Loss after income tax expense for the year attributable to the owners of AuMEGA Metals Ltd	21	(4,210,685)	(6,630,286)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of AuMEGA Metals Ltd		(4,210,685)	(6,630,286)
		Cents	Cents
Basic loss per share	32	(0.76)	(1.29)
Diluted loss per share	32	(0.76)	(1.29)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	10	15,726,784	8,951,529
Other receivables	11	947,502	309,809
Other current assets	13	631,162	540,757
Total current assets		17,305,448	9,802,095
Non-current assets			
Property, plant and equipment	14	140,532	209,028
Right-of-use assets	12	83,008	114,136
Exploration and evaluation assets	15	49,068,715	43,514,245
Total non-current assets		49,292,255	43,837,409
Total assets		66,597,703	53,639,504
Liabilities			
Current liabilities			
Trade and other payables	16	3,929,147	1,597,659
Lease liabilities	17	35,067	22,829
Provisions		120,786	89,873
Total current liabilities		4,085,000	1,710,361
Non-current liabilities			
Lease liabilities	17	24,266	70,035
Deferred tax	18	8,313,754	6,827,812
Total non-current liabilities		8,338,020	6,897,847
Total liabilities		12,423,020	8,608,208
Net assets		54,174,683	45,031,296
Equity			
Issued capital	19	80,102,012	67,574,722
Reserves	20	958,432	543,095
Accumulated losses	21	(26,885,761)	(23,086,521)
Total equity		54,174,683	45,031,296

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024

Consolidated	Issued capital \$	Option Reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2023	60,674,189	1,381,655	(463,244)	(17,164,095)	44,428,505
Loss after income tax expense for the year	-	-	-	(6,630,286)	(6,630,286)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(6,630,286)	(6,630,286)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	408,501	-	-	408,501
Expiry of Employee Share Scheme options	-	(707,860)	-	707,860	-
Ordinary shares issued	3,357,045	-	-	-	3,357,045
Flow through share raise premium	(1,003,057)	-	-	-	(1,003,057)
Ordinary shares issued	400,000	-	-	-	400,000
Ordinary shares issued	510,839	-	-	-	510,839
Ordinary shares issued	3,769,661	-	-	-	3,769,661
Share issue costs	(214,037)	-	-	-	(214,037)
Exercise of Employee Share Scheme options	80,082	(80,082)	-	-	-
Options issued for tenement acquisition	-	4,125	-	-	4,125
Balance at 31 December 2023	67,574,722	1,006,339	(463,244)	(23,086,521)	45,031,296

Consolidated	Issued capital \$	Option Reserves \$	Foreign currency translation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 January 2024	67,574,722	1,006,339	(463,244)	(23,086,521)	45,031,296
Loss after income tax expense for the year	-	-	-	(4,210,685)	(4,210,685)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(4,210,685)	(4,210,685)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	1,031,787	-	-	1,031,787
Ordinary shares issued	16,441,427	-	-	-	16,441,427
Flow through Premium	(3,081,699)	-	-	-	(3,081,699)
Share issue costs	(1,037,443)	-	-	-	(1,037,443)
Expiry of Employee Share Scheme options	-	(411,445)	-	411,445	-
Exercise of Employee Share Scheme options	205,005	(205,005)	-	-	-
Balance at 31 December 2024	80,102,012	1,421,676	(463,244)	(26,885,761)	54,174,683

The above statement of changes in equity should be read in conjunction with the accompanying notes

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2024

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST/HST)		(2,554,537)	(2,813,661)
Receipts from Government grants		153,900	108,750
Interest received		204,825	29,436
Interest and other finance costs paid		(6,354)	(8,173)
Net cash used in operating activities	31	(2,202,166)	(2,683,648)
Cash flows from investing activities			
Payments for property, plant and equipment		(24,819)	(20,562)
Payments for exploration and evaluation assets		(6,225,006)	(4,573,105)
Refunds for security deposits		38,400	124,072
Net cash used in investing activities		(6,211,425)	(4,469,595)
Cash flows from financing activities			
Proceeds from issue of shares	19	16,174,453	8,037,545
Proceeds for shares issued after year end		-	262,472
Share issue transaction costs		(854,410)	(214,037)
Repayment of lease liabilities	17	(33,531)	(54,891)
Net cash from financing activities		15,286,512	8,031,089
Net increase in cash and cash equivalents		6,872,921	877,846
Cash and cash equivalents at the beginning of the financial year		8,951,529	8,326,388
Effects of exchange rate changes on cash and cash equivalents		(97,666)	(252,705)
Cash and cash equivalents at the end of the financial year	10	15,726,784	8,951,529

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 1. General information

The financial statements cover AuMEGA Metals Ltd as a consolidated entity consisting of AuMEGA Metals Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Canadian dollars, which is AuMEGA Metals Ltd's functional and presentation currency.

The Company is engaged primarily in gold exploration, focused on growing its two properties, Cape Ray Shear Zone and Hermitage, located in Newfoundland, Canada.

AuMEGA Metals Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Australia

24 Hasler Road
Osborne Park WA 6017

Canada

10060 Jasper Ave, Tower 1, Suite 2020
Edmonton, AB
Canada, T5J 3R8

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

AuMEGA Metals Limited shares are listed on the Australia Securities Exchange (ASX: AAM), the Toronto Stock Exchange (TSX-V:AUM) and OTCQB in the United States (OTCQB: AUMMF).

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 March 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Financial report prepared on a going concern basis

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the year ended 31 December 2024, the Group incurred a loss after income tax expense of \$4,210,685 (31 December 2023: \$6,630,286), net operating cash outflows of \$2,202,166 (31 December 2023: \$2,683,648) and year-end cash and cash equivalents balance of \$15,726,784 (31 December 2023: \$8,951,529).

The Group's cashflow forecasts for the 12 months ending 31 March 2026 indicate that the Group will be in a position to meet its committed operational and administrative expenditure and thus continue to operate as a going concern. The Group also has the ability to curtail discretionary spending should it be required and institute cost saving measures to further reduce corporate and administrative costs. In the Directors' opinion there are therefore reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 2. Material accounting policy information (continued)

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AuMEGA Metals Ltd ('company' or 'parent entity') as at 31 December 2024 and the results of all subsidiaries for the year then ended. AuMEGA Metals Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Company has identified its operating segment based on the internal reports that are reviewed and used by the CODM in assessing performance and determining the allocation of resources. For the current reporting period, the Company's sole activity was mineral exploration and resource development wholly within Canada, which is its only reportable segment.

Foreign currency translation

The financial statements are presented in Canadian dollars, which is AuMEGA Metals Ltd's functional and presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 2. Material accounting policy information (continued)

Foreign currency transactions

Foreign currency transactions are translated into Canadian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Canadian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Canadian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 2. Material accounting policy information (continued)

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Plant and equipment	20% per annum
Motor vehicles	20% per annum
Computer equipment	25% per annum

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Exploration and evaluation assets

Exploration and evaluation expenditure in relation to each separate area of interest is recognised as an exploration and evaluation asset in the year in which it is incurred where the following conditions are satisfied.

The rights to tenure of the area of interest are current; and at least one of the following conditions is also met:

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

Note 2. Material accounting policy information (continued)

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of an area the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The determination as to whether there are any indicators to require capitalised exploration and evaluation expenditure to be assessed for impairment, involves a number of judgments including whether the Group has tenure, whether it will be able to perform ongoing expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. The Group performed an assessment of the impairment indicators at period end, taking into account the following factors:

- The Group still has the right to explore the tenements;
- To date there have been no adverse findings reported or identified from technical studies undertaken that would affect the Group or the exploration and evaluation expenditure assets of the Group; and
- Substantial further expenditure is forecast at 31 December 2024 and beyond, to continue to advance development for the tenements held by the Group.

As a result of considering these factors, management did not identify any impairment indicators.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Material accounting policy information (continued)

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

Option fair value is measured by use of either the Black-Scholes option pricing model or Monte-Carlo simulation model, depending on the requirements of the accounting standard. The number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 2. Material accounting policy information (continued)

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Loss per share

Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to the owners of AuMEGA Metals Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

As the Group has made a loss for the period ended December 31, 2024, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share. These options could potentially dilute basic earnings per share in the future.

Flow through shares

Flow-through shares may be issued to finance a portion of an exploration program. A flow-through share agreement transfers the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company divides the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognised as a liability, and ii) issued capital. Upon expenses being incurred, the Company derecognises the liability and the premium is recognised as other income. The exploration spend also gives rise to a deferred tax liability which is recognised as the difference between the carrying value and tax base of the qualifying expenditure for the amount of the tax reduction renounced to the investors.

Goods and Services Tax ('GST') and Harmonised Sales Tax ('HST')

Revenues, expenses and assets are recognised net of the amount of associated GST/HST, unless the GST/HST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/HST receivable or payable. The net amount of GST/HST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/HST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/HST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2024. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Note 2. Material accounting policy information (continued)

AASB 18 (IAS 18) Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 101/IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes option pricing model or Monte-Carlo simulation model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of exploration and evaluation assets

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment on a regular basis or whenever impairment indicators are present. When information becomes available suggesting that the recovery of expenditure which had previously been capitalised is unlikely or that the Group no longer holds tenure, the asset is tested to determine the recoverable amount and assess whether this is below carrying amount. If the recoverable amount is below the carrying amount, then the asset is impaired.

Note 4. Operating segments

The Company's operations are in one reportable business segment, being the exploration for gold. The Company operates in one geographical segment, being Canada.

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the Chief Operating Decision Makers ('CODM') is on at least a monthly basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 5. Administration expenses

	Consolidated	
	2024	2023
	\$	\$
Administration fees	288,849	316,328
Audit, taxation and accounting fees	253,408	165,202
Occupancy	4,721	25,213
Investor relations	264,736	239,055
Compliance	123,706	119,012
Other expenses	73,266	64,646
Net unrealised foreign exchange loss	87,506	137,279
TSX-V listing and redomiciliation costs *	300,522	567,546
	1,396,714	1,634,281

* The Company was evaluating opportunities that were presented to expand access to additional capital markets, mainly through a listing on the TSX Venture Exchange ("TSXV"). One option under consideration was a reverse take-over of a Canadian shell company. Ongoing work identified that the Reverse Take Over ("RTO") process presents unnecessary challenges and complexities that may impede a successful transaction. As such, the Company will not proceed with an RTO, however the Company successfully listed on the TSXV in June 2024 via a direct listing.

Note 6. Consultants and management expenses

	Consolidated	
	2024	2023
	\$	\$
Directors' fees and salaries	664,531	747,617
Salaries, wages and company secretarial fees	154,088	210,121
Other consultants and management expenses	51,143	106,048
	869,762	1,063,786

Note 7. Share based payments expense

	Consolidated	
	2024	2023
	\$	\$
Share based payments expense	1,031,787	408,501

Refer to note 20 'Reserves'.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 8. Other income

	Consolidated	
	2024	2023
	\$	\$
Flowthrough premium recognised	1,278,248	76,337
Government grants	153,900	63,300
Interest income	204,826	29,436
	1,636,974	169,073

Note 9. Income tax expense

	Consolidated	
	2024	2023
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,716,703)	(6,313,992)
Tax at the statutory tax rate of 30%	(815,011)	(1,894,198)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	120,886	979,862
Effect of tax rate differences between Australia and Canada	5,005	(37,454)
Temporary difference arising on exploration and evaluation assets on relinquishment of qualifying expenditure to investors	1,485,942	208,062
Deferred tax balances not recognised	697,160	1,060,022
Income tax expense	1,493,982	316,294

	Consolidated	
	2024	2023
	\$	\$
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Tax losses - in Australia	4,154,282	3,371,106
Total deferred tax assets not recognised	4,154,282	3,371,106

The above potential tax benefit, arising from tax losses in Australia has not been recognised in the consolidated statement of financial position as the recovery of this benefit is uncertain.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 10. Cash and cash equivalents

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Cash at bank	1,633,525	4,950,500
Cash on deposit	14,093,259	3,500,000
Cash - held in trust	-	501,029
	15,726,784	8,951,529

Note 11. Other receivables

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
GST/HST receivable	947,502	309,809

Note 12. Right-of-use assets

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Motor vehicles - right-of-use	155,640	155,640
Less: Accumulated depreciation	(72,632)	(41,504)
	83,008	114,136

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Motor Vehicles	Total
	\$	\$
Consolidated		
Balance at 1 January 2023	145,264	145,264
Depreciation expense	(31,128)	(31,128)
Balance at 31 December 2023	114,136	114,136
Depreciation expense	(31,128)	(31,128)
Balance at 31 December 2024	83,008	83,008

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 13. Other current assets

	Consolidated	
	2024	2023
	\$	\$
<i>Current assets</i>		
Prepayments	140,342	102,311
Security deposits	490,820	438,446
	631,162	540,757

Note 14. Property, plant and equipment

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	330,167	321,575
Less: Accumulated depreciation	(260,674)	(193,415)
	69,493	128,160
Motor vehicles - at cost	127,516	115,016
Less: Accumulated depreciation	(80,147)	(57,842)
	47,369	57,174
Computer equipment - at cost	79,460	65,853
Less: Accumulated depreciation	(55,790)	(42,159)
	23,670	23,694
	140,532	209,028

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant & Equipment \$	Motor Vehicles \$	Computer Equipment \$	Total \$
Consolidated				
Balance at 1 January 2023	201,593	78,374	32,297	312,264
Additions	-	-	4,562	4,562
Exchange differences	402	7,388	(7,790)	-
Depreciation expense	(73,835)	(28,588)	(5,375)	(107,798)
Balance at 31 December 2023	128,160	57,174	23,694	209,028
Additions	8,592	12,500	13,607	34,699
Depreciation expense	(67,259)	(22,305)	(13,631)	(103,195)
Balance at 31 December 2024	69,493	47,369	23,670	140,532

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 15. Exploration and evaluation

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current assets</i>		
Exploration and evaluation - at cost	49,068,715	43,514,245

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	\$	Total \$
Balance at 1 January 2023	42,349,364	42,349,364
Additions	4,018,461	4,018,461
Additions through issue of options	4,125	4,125
Write off of assets *	(2,857,705)	(2,857,705)
Balance at 31 December 2023	43,514,245	43,514,245
Additions	5,999,848	5,999,848
Write off of assets *	(445,378)	(445,378)
Balance at 31 December 2024	49,068,715	49,068,715

* Write off during the current and prior year relates to mining tenements which have been allowed to lapse as they are not part of the Group's core tenements.

These properties are subject to Net Smelter Return royalties ranging from 0.25% to 4%.

Note 16. Trade and other payables

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Trade payables	637,739	35,063
Accrued expenses	363,386	173,728
Funds received for shares to be issued	-	262,472
Other payables	121,514	123,339
Flow through share premium liability	2,806,508	1,003,057
	3,929,147	1,597,659

Refer to note 23 for further information on financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 17. Lease liabilities

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Lease liability	35,067	22,829
<i>Non-current liabilities</i>		
Lease liability	24,266	70,035
	59,333	92,864

The following are the amounts recognised in profit or loss:

	Consolidated	
	2024	2023
	\$	\$
Depreciation expense of right-of-use assets	31,128	31,128
Interest expense on lease liabilities	3,483	4,952
	34,611	36,080

The consolidated entity had total cash outflows for leases of 31 December 2024: \$33,531 (31 December 2023: \$51,891).

Note 18. Deferred tax

	Consolidated	
	2024	2023
	\$	\$
<i>Non-current liabilities</i>		
Deferred tax liability	8,313,754	6,827,812
<i>Movements:</i>		
Opening balance	6,827,812	6,511,519
Temporary difference arising on exploration and evaluation assets on relinquishment of qualifying expenditure to investors less current year tax losses	1,485,942	316,293
Closing balance	8,313,754	6,827,812

Note 19. Issued capital

	Consolidated			
	2024	2023	2024	2023
	Shares	Shares	\$	\$
Ordinary shares - fully paid	787,012,709	513,100,106	80,102,012	67,574,722

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 19. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2023	315,210,834		60,674,189
Exercise Options	20/01/2023	8,000	\$0.42	3,360
Options Exercised	20/06/2023	80,201	\$0.38	30,717
Options Exercised	20/06/2023	60,000	\$0.35	20,940
Shares issued for tenement acquisition	28/08/2023	75,000	\$0.60	4,126
Options Exercised	06/10/2023	60,000	\$0.35	20,940
Flow-through Securities	01/11/2023	67,778,733	\$0.05	3,357,045
Flow-through Securities	03/11/2023	10,996,563	\$0.04	400,000
Issued Shares - Share purchase plan	08/12/2023	93,187,500	\$0.04	3,331,844
Flow-through Securities	18/12/2023	13,531,384	\$0.04	510,839
Placement Securities	21/12/2023	12,111,891	\$0.04	437,816
Flow through share raise premium				(1,003,057)
Transaction costs				(214,037)
Balance	31 December 2023	513,100,106		67,574,722
Ordinary shares issued	4/01/2024	11,527,375	\$0.04	415,757
Options exercised	5/02/2024	33,600	\$0.43	14,314
Options exercised	24/05/2024	17,787	\$0.28	5,052
Options exercised	24/05/2024	33,600	\$0.43	14,314
Options exercised	12/06/2024	45,000	\$0.28	12,780
Options exercised	12/06/2024	45,150	\$0.43	19,234
Options exercised	12/06/2024	71,698	\$0.03	2,223
Options exercised	12/06/2024	392,365	\$0.03	12,163
Options exercised	12/06/2024	41,492	\$0.03	1,286
Options exercised	12/06/2024	227,063	\$0.03	7,039
Options exercised	28/06/2024	12,250	\$0.14	1,666
Options exercised	28/06/2024	61,250	\$0.43	26,093
Options exercised	28/06/2024	225,586	\$0.03	6,993
Options exercised	2/08/2024	235,419	\$0.03	7,298
Ordinary shares issued	26/08/2024	100,000	\$0.05	4,500
TSX-V Charity flow through	31/10/2024	76,200,000	\$0.07	5,200,650
ASX Charity flow through	01/11/2024	45,693,630	\$0.07	3,097,106
ASX hard dollar	01/11/2024	9,259,259	\$0.05	458,502
TSX-V Charity flow through	06/12/2024	28,500,000	\$0.07	1,945,125
TSX-V Traditional flow through	06/12/2024	34,299,667	\$0.06	2,057,980
TSX-V hard dollar	09/12/2024	43,900,000	\$0.05	2,195,000
ASX hard dollar	10/12/2024	21,336,111	\$0.05	1,066,806
Options exercised	30/12/2024	1,654,301	\$0.05	74,551
Flow through share raise premium				(3,081,699)
Transaction costs				(1,037,443)
Balance	31 December 2024	787,012,709		80,102,012

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 19. Issued capital (continued)

Share buy-back

There is no current on-market share buy-back (31 December 2023: nil)

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 31 December 2023 Annual Report.

Note 20. Reserves

	Consolidated	
	2024	2023
	\$	\$
Foreign currency reserve	(463,244)	(463,244)
Options reserve	1,421,676	1,006,339
	958,432	543,095

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Canadian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Option reserve

The option reserve records items recognised as expenses on the valuation of share options.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency translation reserve \$	Options reserve \$	Total \$
Consolidated			
Balance at 1 January 2023	(463,244)	1,381,655	918,411
Share based payments	-	408,501	408,501
Options expired	-	(787,942)	(787,942)
Options issued as part of tenement acquisition	-	4,125	4,125
Balance at 31 December 2023	(463,244)	1,006,339	543,095
Share based payments	-	1,031,787	1,031,787
Expiry of Employee Share Scheme options	-	(411,445)	(411,445)
Exercise of Employee Share Scheme options	-	(205,005)	(205,005)
Balance at 31 December 2024	(463,244)	1,421,676	958,432

Consolidated
2024 2023

Movement in Unlisted Options

Opening balance	15,976,317	10,111,012
Granted	53,307,538	9,352,173
Exercised	(3,096,561)	(208,201)
Expired	(9,957,611)	(3,278,667)
	56,229,683	15,976,317

Share Option Plan

On December 4, 2024, the shareholders of AuMEGA approved, the Omnibus Plan, replacing its Employee Securities Incentive Plan (the "Predecessor Plan"). The purpose of the Omnibus Plan is to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants of the Company and its affiliates (the "Participants"); (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Ordinary Shares as long-term investments.

The Omnibus Plan permits the grant of stock options ("Options"), restricted share units ("RSUs"), performance share units ("PSUs"), deferred share units ("DSUs"), and stock appreciation rights ("SARs") (individually, or collectively, an "Award") to eligible Participants. The maximum number of Ordinary Shares issuable from treasury pursuant to Options granted under the Omnibus Plan and the Predecessor Plan shall not exceed 10% of the total outstanding Ordinary Shares from time to time. In addition, the maximum number of Ordinary Shares issuable pursuant to any "Share Units" (being RSUs, PSUs, DSUs or SARs) granted under the Omnibus Plan and any other security-based compensation arrangements of the Company, including the Predecessor Plan, shall not exceed 65,732,263 Ordinary Shares. For greater certainty, the aggregate number of Ordinary Shares available for issuance pursuant to the settlement of Options shall not exceed 10% of the Company's outstanding share capital.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

The Omnibus Plan with respect to the Options is a “rolling plan” and as a result, any and all increases in the number of issued and outstanding Ordinary Shares will result in an increase to the number of Options for issuance under the Omnibus Plan. Shares in respect of which Options have not been exercised and are no longer subject to being purchased pursuant to the terms of any Options shall be available for further Options under the Omnibus Plan. For so long as the Company is listed on the TSXV and the ASX or on another exchange that requires the Company to fix the number of Ordinary Shares to be issued in settlement of Share Units, the maximum number of Ordinary Shares available for issuance pursuant to the settlement of Share Units shall be 65,732,263 Shares. For greater certainty, the aggregate number of Shares available for issuance pursuant to settlement of Share Units shall not exceed 65,732,263 Shares reserved for the Share Units less the number of outstanding Share Units and number of Share Units redeemed for Ordinary Shares.

The following table represents the Company’s outstanding balance of options as at 31 December 2024:

Grant date	Vesting date	Expiry date	Exercise price	Number of options	Options lapsed / forfeited	Options exercised	On issue	Vested
15/07/2019	1/07/2022	15/07/2024	-	17,787	-	(17,787)	-	-
20/07/2021	1/07/2023	1/07/2025	-	214,667	(214,667)	-	-	-
21/08/2020	1/07/2023	1/07/2025	-	667,000	(667,000)	-	-	-
1/05/2022	1/05/2023	1/05/2029	0.26	916,667	-	-	916,667	916,667
1/05/2022	1/05/2024	1/05/2029	0.26	916,667	-	-	916,667	916,667
1/05/2022	1/05/2025	1/05/2029	0.26	916,667	-	-	916,667	-
9/12/2022	1/08/2023	1/08/2029	-	274,725	-	-	274,725	274,725
9/12/2022	1/08/2024	1/08/2029	-	274,725	-	-	274,725	274,725
9/12/2022	1/08/2025	1/08/2029	-	274,724	-	-	274,724	-
9/12/2022	1/09/2023	1/09/2029	-	137,363	-	-	137,363	137,363
9/12/2022	1/09/2024	1/09/2029	-	137,363	-	-	137,363	137,363
9/12/2022	1/09/2025	1/09/2029	-	137,362	-	-	137,362	-
1/07/2021	30/06/2022	1/07/2024	-	173,600	-	(173,600)	-	-
20/06/2022	30/06/2022	1/07/2024	-	12,250	-	(12,250)	-	-
1/07/2021	30/06/2024	1/07/2026	-	1,524,577	(1,524,577)	-	-	-
20/06/2022	30/06/2024	1/07/2026	-	28,000	(28,000)	-	-	-
18/02/2023	1/07/2023	18/02/2027	-	45,000	-	(45,000)	-	-
18/02/2023	1/07/2024	18/02/2027	-	45,000	(45,000)	-	-	-
18/02/2023	1/07/2025	18/02/2027	-	45,000	(45,000)	-	-	-
18/02/2023	1/07/2023	18/02/2027	-	60,000	-	-	60,000	-
18/02/2023	1/07/2024	18/02/2027	-	60,000	(60,000)	-	-	-
18/02/2023	1/07/2025	18/02/2027	-	60,000	(60,000)	-	-	-
31/05/2023	1/03/2024	1/03/2029	-	189,873	-	-	189,873	189,873
31/05/2023	1/03/2025	1/03/2029	-	189,873	-	-	189,873	-
31/05/2023	1/03/2026	1/03/2029	-	189,874	-	-	189,874	-
15/12/2023	31/01/2024	31/01/2029	-	1,907,215	-	(1,654,301)	252,914	252,914
15/12/2023	31/01/2024	1/01/2029	-	4,767,528	-	-	4,767,528	-
22/12/2023	22/12/2023	22/12/2028	0.04	1,792,810	-	-	1,792,810	1,792,810
5/02/2024	5/02/2024	31/01/2029	-	1,360,882	-	(1,193,623)	167,259	167,259
5/02/2024	31/12/2024	31/12/2029	-	14,622,833	(2,656,010)	-	11,966,823	1,684,740
5/02/2024	1/01/2024	1/01/2030	0.12	619,765	(202,281)	-	417,484	417,484
5/02/2024	1/01/2025	1/01/2030	0.12	619,765	(202,281)	-	417,484	-
5/02/2024	1/01/2026	1/01/2030	0.12	619,765	(202,281)	-	417,484	-
5/02/2024	1/01/2025	1/01/2031	0.04	3,543,397	(870,976)	-	2,672,421	-
5/02/2024	1/01/2026	1/01/2031	0.04	3,543,397	(870,976)	-	2,672,421	-
5/02/2024	1/01/2027	1/01/2031	0.04	3,543,397	(870,976)	-	2,672,421	-
5/02/2024	31/12/2025	31/12/2030	-	1,806,832	(165,458)	-	1,641,374	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

Grant date	Vesting date	Expiry date	Exercise price	Number of options	Options lapsed / forfeited	Options exercised	On issue	Vested
5/02/2024	31/12/2025	31/12/2030	-	1,806,832	(165,458)	-	1,641,374	-
5/02/2024	31/12/2026	31/12/2031	-	3,177,211	(553,335)	-	2,623,876	-
5/02/2024	31/12/2026	31/12/2031	-	3,177,211	(553,335)	-	2,623,876	-
24/04/2024	24/04/2024	24/04/2031	0.04	1,507,113	-	-	1,507,113	1,507,113
30/05/2024	31/12/2024	30/05/2030	0.05	6,679,569	-	-	6,679,569	6,679,569
30/05/2024	31/12/2025	30/05/2030	0.05	6,679,569	-	-	6,679,569	-
				69,283,855	(9,957,611)	(3,096,561)	56,229,683	15,349,272

Advisory options issued during the year ended 31 December 2024

	Advisory options
Fair value of option	\$0.05
Exercise price	\$0.04
Grant date	24/04/2024
Vesting date	24/04/2024
Expiry date	24/04/2031
Number of options	1,507,113
Expense of life of option	\$82,786
Expense during the year	\$82,786
Expected volatility (%)	70.00%
Risk-free interest rate (%)	3.83%
Expected life of options (years)	1
Model used	Black-Scholes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

2022 STIP options issued during the year ended 31 December 2024

	2022 STIP options tranche one	2022 STIP options tranche two
Fair value of option	\$0.05	\$0.03
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	15/12/2023	5/02/2024
Expiry date	31/12/2028	31/12/2028
Number of options	294,668	166,167
Expense of life of option	\$13,279	\$5,151
Expense during the year	\$nil	\$5,151
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	1	1
Model used	Black-Scholes	Black-Scholes

2023 STIP options issued during the year ended 31 December 2024

	2023 STIP options tranche one	2023 STIP options tranche two
Fair value of option	\$0.05	\$0.03
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	15/12/2023	5/02/2024
Expiry date	31/12/2028	31/12/2028
Number of options	1,612,548	1,194,715
Expense of life of option	\$72,669	\$37,036
Expense during the year	\$nil	\$24,873
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	1	1
Model used	Black-Scholes	Black-Scholes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

2024 STIP options issued during the year ended 31 December 2024

	2024 STIP options tranche one	2024 STIP options tranche two
Fair value of option	\$0.05	\$0.03
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	31/12/2024	31/12/2024
Expiry date	31/12/2029	31/12/2029
Number of options	6,765,446	7,857,387
Expense of life of option	\$61,703	\$50,889
Expense during the year	\$61,703	\$9,720
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	2	2
Model used	Black-Scholes	Black-Scholes

Vesting Conditions – STIP Options (2022, 2023 & 2024)

The vesting conditions include:

- Relative share price performance: AuMEGA share price performance relative to the Company's peer group;
- Strengthen Balance Sheet: Finance ongoing needs of business;
- Advance Canadian Listing: Increased mineral resource base;
- Health & Safety and Environment: Demonstrate robust health, safety and environmental practices and performance;
- Finance & Execution: Operate efficiently and effectively within the financial and operational parameters approved; and
- Deliver Operational Success: Advance multiple projects through the Matador Pipeline within approved Budget constraints.

2023 LTIP options issued during the year ended 31 December 2024

	2023 LTIP options tranche one	2023 LTIP options tranche two	2023 LTIP options tranche three
Fair value of option	\$0.03	\$0.03	\$0.03
Exercise price	\$0.12	\$0.12	\$0.12
Grant date	15/12/2023	15/12/2023	15/12/2023
Vesting date	1/01/2024	1/01/2025	1/01/2026
Expiry date	1/01/2030	1/01/2030	1/01/2030
Number of options	1,589,176	1,589,176	1,589,176
Expense of life of option	\$49,604	\$49,604	\$49,604
Expense during the year	\$nil	\$49,474	\$25,332
Expected volatility (%)	70.00%	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%	3.83%
Expected life of options (years)	1	2	3
Model used	Black-Scholes	Black-Scholes	Black-Scholes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

2023 LTIP options issued during the year ended 31 December 2024

	2023 LTIP options tranche one	2023 LTIP options tranche two	2023 LTIP options tranche three
Fair value of option	\$0.01	\$0.01	\$0.01
Exercise price	\$0.12	\$0.12	\$0.12
Grant date	5/02/2024	5/02/2024	5/02/2024
Vesting date	1/01/2024	1/01/2025	1/01/2026
Expiry date	1/01/2030	1/01/2030	1/01/2030
Number of options	619,765	619,765	619,765
Expense of life of option	\$8,354	\$8,354	\$8,354
Expense during the year	\$5,627	\$5,610	\$2,668
Expected volatility (%)	70.00%	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%	3.83%
Expected life of options (years)	1	2	3
Model used	Black-Scholes	Black-Scholes	Black-Scholes

2024 LTIP options issued during the year ended 31 December 2024

	2024 LTIP options tranche one	2024 LTIP options tranche two	2024 LTIP options tranche three
Fair value of option	\$0.02	\$0.02	\$0.02
Exercise price	\$0.04	\$0.04	\$0.04
Grant date *	5/02/2024	5/02/2024	5/02/2024
Vesting date	1/01/2025	1/01/2026	1/01/2027
Expiry date	1/01/2031	1/01/2031	1/01/2031
Number of options	2,672,421	2,672,421	2,672,421
Expense of life of option	\$51,656	\$51,656	\$51,656
Expense during the year	\$51,515	\$25,866	\$17,276
Expected volatility (%)	70.00%	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%	3.83%
Expected life of options (years)	1	2	3
Model used	Black-Scholes	Black-Scholes	Black-Scholes

* Options issued to KMP grant date was 15 December 2023

Vesting Conditions – LTIP Options (2023 & 2024)

The incentive options vest as to 33.3% on the first anniversary of the date of appointment of the relevant appointment, 33.3% on the second anniversary of the date of appointment and 33.3% on the third anniversary of the date of appointment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

2023 LTIP performance rights issued during the year ended 31 December 2024

	LTIP performance rights tranche one	LTIP performance rights tranche two
Fair value of performance right	\$0.08	\$0.03
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	31/12/2025	31/12/2025
Expiry date	31/12/2030	31/12/2030
Number of performance rights	1,299,887	506,945
Expense during the life of the performance right	\$99,156	\$10,294
Expense during the year	\$50,707	\$4,888
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.99%	3.60%
Expected life of performance rights (years)	2	2
Model used	Monte Carlo	Monte Carlo

2024 LTIP performance rights issued during the year ended 31 December 2024

	LTIP performance rights tranche one	LTIP performance rights tranche two
Fair value of performance right	\$0.09	\$0.04
Exercise price	nil	nil
Grant date	15/12/2023	5/02/2024
Vesting date	31/12/2026	31/12/2026
Expiry date	31/12/2031	31/12/2031
Number of performance rights	1,909,007	1,268,204
Expense during the life of the performance right	\$173,352	\$26,247
Expense during the year	\$59,551	\$8,171
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.99%	3.60%
Expected life of performance rights (years)	3	3
Model used	Monte Carlo	Monte Carlo

Vesting Conditions – LTIP Performance Rights (2023 & 2024)

The vesting conditions include:

- Relative share price performance: AuMEGA share price performance relative to the Company's peer group over a three year period; and
- Health & Safety and Environment: Demonstrate robust health, safety and environmental practices and performance over a three year period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 20. Reserves (continued)

CEO options issued during the year 31 December 2024

	CEO Options tranche one	CEO Options tranche two
Fair value of option	\$0.05	\$0.05
Exercise price	\$0.05	\$0.05
Grant date	30/05/2024	30/05/2024
Vesting date	31/12/2024	31/12/2025
Expiry date	30/05/2030	30/05/2030
Number of options	6,679,569	6,679,569
Expense of life of option	\$326,361	\$326,361
Expense during the year	\$326,361	\$120,979
Expected volatility (%)	70.00%	70.00%
Risk-free interest rate (%)	3.83%	3.83%
Expected life of options (years)	1	2
Model used	Black-Scholes	Black-Scholes

Total share-based payment expense recognised during the year was \$1,031,787 (31 December 2023: \$408,501).

The weighted average exercise price of options outstanding at the end of the financial year was \$0.05 (2023: \$0.15). The weighted average fair value of options granted during the year was \$0.04 (2023: \$0.04). The weighted average remaining contractual life of options outstanding at the end of the financial year was 5.27 years (2023: 4.74 years)

Note 21. Accumulated losses

	Consolidated	
	2024	2023
	\$	\$
Accumulated losses at the beginning of the financial year	(23,086,521)	(17,164,095)
Loss after income tax expense for the year	(4,210,685)	(6,630,286)
Transfer from options reserve	411,445	707,860
Accumulated losses at the end of the financial year	(26,885,761)	(23,086,521)

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 23. Financial instruments

Financial risk management objectives

The consolidated entity's principal financial assets comprise cash and other receivables. The consolidated entity's principal financial liabilities comprise trade creditors. The main purpose of these financial instruments is to manage cash flow and assist the consolidated entity in its daily operational requirements.

The consolidated entity is exposed to interest rate risk, liquidity risk and credit risk in respect to the financial instruments that it held at the end of the financial year.

This note presents information about the consolidated entity's exposure to each of the above risks

The Board has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established by the Board to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Market risk

Foreign currency risk

The consolidated entity operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Australian Dollar.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2024	2023	2024	2023
Consolidated	\$	\$	\$	\$
Australian dollars - Trade & other payables	-	-	37,312	33,545
Australian dollars - Cash at bank	4,522,539	3,139,755	-	-
	4,522,539	3,139,755	37,312	33,545

Consolidated - 2024	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Australian dollars	10%	448,523	448,523	(10%)	(448,523)	(448,523)

Consolidated - 2023	% change	AUD strengthened		% change	AUD weakened	
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
Australian Dollars	10%	310,621	310,621	(10%)	(310,621)	(310,621)

Price risk

The consolidated entity is not exposed to any significant price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 23. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates.

	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Consolidated - 2024						
Cash and cash equivalents	100	<u>157,268</u>	<u>157,268</u>	(100)	<u>(157,268)</u>	<u>(157,268)</u>
	Basis points increase			Basis points decrease		
	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Consolidated - 2023						
Cash and cash equivalents	100	<u>89,515</u>	<u>89,515</u>	(100)	<u>(89,515)</u>	<u>(89,515)</u>

Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has adopted the policy of only dealing with credit worthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. Banks and financial institutions are chosen only if they are independently rated parties with a minimum rating of 'A'.

At 31 December 2024, the consolidated entity has significant funds on deposit with Royal Bank of Canada ("RBC"). RBC is one of Canada's largest banks, and among the largest in the world based on market capitalisation with a Moody's rating of AA.

Liquidity risk

Liquidity risk is the risk that the consolidated entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The consolidated entity's approach to managing liquidity is to ensure that it will have sufficient cash to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities or other fund-raising initiatives.

The Board frequently reviews budget variance analyses that include working capital projections to monitor working capital requirements and optimise cash utilisation.

The consolidated entity continuously monitors forecast and actual cash flows and the maturity profiles of financial assets and financial liabilities to manage its liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 23. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2024						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	945,172	-	-	-	945,172
Total non-derivatives		945,172	-	-	-	945,172
	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	594,000	-	-	-	594,000
Total non-derivatives		594,000	-	-	-	594,000

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Key management personnel ('KMP') disclosures

During the periods ended 31 December 2024 and 2023, the following amounts were incurred with respect to the key management and directors of the Company:

Compensation

The aggregate compensation made to directors and other members of KMP of the consolidated entity is set out below:

	Consolidated	
	2024	2023
	\$	\$
Short-term employee benefits	873,414	1,089,457
Post-employment benefits	46,135	62,487
Termination benefits	-	61,782
Share-based payments	869,373	354,423
	1,788,922	1,568,149

The consolidated entity's only related entities are the KMP. KMP are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the company, and unrelated firms:

	Consolidated	
	2024	2023
	\$	\$
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	65,000	-
Audit services - Ernst & Young		
Audit or review of the financial statements (2024 costs are associated with audits related to TSX-V listing)	120,000	75,000

Note 26. Commitments

(a) Exploration minimum expenditure

The consolidated entity must meet tenement expenditure commitments to maintain its tenements in good standing. These commitments are not provided for in the financial statements and are as follows:

	Consolidated	
	2024	2023
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,396,006	791,285
One to five years	12,569	528,333
More than five years	291,374	267,391
	1,699,949	1,587,009

(b) Flow-through financings

Historically, the Company has entered into flow-through private placements ("FT Placements") to fund exploration activities, the most recent being the 2024 FT Placements. Canadian tax rules require the Company to spend flow-through funds on "Canadian exploration expenses" (as defined in the Income Tax Act (Canada)) by the end of the calendar year following the year in which they were raised.

The Company indemnified the subscribers of flow-through shares from any tax consequences should the Company, notwithstanding its plans, fail to meet its commitments under the flow-through subscription agreements.

In 2023, the Company completed a Flow-Through Offering for \$4,279,000, thus committing to spend this amount by 31 December 2024 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures").

The premium on the \$4,279,000 Flow-Through Offering amounted to \$1,003,000. At 31 December 2024, the Company has expended all of the 2023 FT Private Placement amount of \$4,279,000 on Resource Expenditures.

During 2024, the Company completed a Flow-Through Offering for \$12,296,000, thus committing to spend this amount by 31 December 2025 on "Canadian exploration expenses" which qualify as "flow-through mining expenditures", as these terms are defined in the Income Tax Act (Canada) ("Resource Expenditures").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 26. Commitments (continued)

The premium on the \$12,296,000 Flow-Through Offering amounted to \$3,082,000. At 31 December 2024, the Company has expended \$1,029,000 of the 2024 FT Private Placement amount of \$3,082,000 on Resource Expenditures. The Company has until 31 December 2025 to spend the remaining outstanding balance of approximately \$2,807,000 on Resource Expenditures.

The Company may be subject to interest on flow-through proceeds ("Part XII.6 tax") renounced under the look-back rules in respect of prior years, and penalties, in accordance with regulations in the Income Tax Act (Canada), if it is determined that flow-through proceeds were not properly or timely spent on Canadian exploration expenses. Any Part XII.6 tax is expensed as incurred, as an operating expense.

Note 27. Related party transactions

Parent entity

AuMEGA Metals Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 29.

Key management personnel

Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties

During the current year there was \$114,230 (31 December 2023: \$98,891) paid to GCM Corporate Services Pty Ltd for Company Secretarial services, a Company controlled by Carol Marinkovich (Executive Director).

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2024	2023
	\$	\$
Loss after income tax	(4,210,685)	(6,630,286)
Total comprehensive loss	(4,210,685)	(6,630,286)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 28. Parent entity information (continued)

Statement of financial position

	Parent	
	2024	2023
	\$	\$
Total current assets	17,305,448	9,802,095
Total assets	66,597,703	53,639,504
Total current liabilities	4,085,000	1,710,361
Total liabilities	12,423,020	8,608,208
Equity		
Issued capital	80,102,012	67,574,722
Foreign currency reserve	(463,244)	(463,244)
Options reserve	1,421,676	1,006,339
Accumulated losses	(26,885,761)	(23,086,521)
Total equity	54,174,683	45,031,296

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2024 and 31 December 2023.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2024 and 31 December 2023.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2024 and 31 December 2023.

Material accounting policy information

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024	2023
		%	%
Matador Canada Pty Ltd	Australia	100%	100%
Cape Ray Mining Limited	Nova Scotia, Canada	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 30. Events after the reporting period

On 3 January 2025, the Company announced the adoption of an amended and restated equity incentive plan (the “Omnibus Plan”) which has a 10% rolling stock option component and a fixed share unit (being Restricted Share Units, Performance Share Units, Deferred Share Units or Stock Appreciation Rights) component reserving an aggregate of 65,732,263 shares for issuance (in both cases subject to the maximum placement capacity of 70,000,000 shares).

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax expense for the year	(4,210,685)	(6,630,286)
Adjustments for:		
Depreciation and amortisation	134,324	138,926
Share-based payments	1,031,787	408,501
Settlement of flow through share liability	(1,278,248)	(76,337)
Movement in deferred tax liability	1,493,982	316,294
Net exchange differences	97,668	252,637
Write off of exploration and evaluation assets	445,378	2,857,705
Change in operating assets and liabilities:		
Increase in other receivables	(1,500)	(2,136)
Decrease/(increase) in prepayments	(38,028)	3,081
Increase in trade and other payables	80,552	35,160
Increase/(decrease) in other provisions	42,604	12,807
Net cash used in operating activities	<u>(2,202,166)</u>	<u>(2,683,648)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2024

Note 32. Loss per share

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax attributable to the owners of AuMEGA Metals Ltd	(4,210,685)	(6,630,286)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	555,413,213	513,100,106
Weighted average number of ordinary shares used in calculating diluted earnings per share	555,413,213	513,100,106
	Cents	Cents
Basic loss per share	(0.76)	(1.29)
Diluted loss per share	(0.76)	(1.29)

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital held	Country of incorporation	Australian resident of foreign resident (for tax purposes)	Foreign tax jurisdiction(s) of foreign residents
AuMEGA Metals Ltd Cape Ray Mining Limited	Company	n/a	100%	Australia	Australian	N/A
Matador Canada Pty Ltd	Company	n/a	100%	Canada	Foreign	Canada
	Company	n/a	100%	Australia	Australian	N/A

DIRECTORS' DECLARATION

FOR THE PERIOD ENDED 31 DECEMBER 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Justin Osborne
Non-executive Chair

27 March 2025

Independent Auditor's Report

To the Members of AuMEGA Metals Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of AuMEGA Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- c complying with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) and the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (including Independence Standards) (IESBA Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Exploration and Evaluation Assets – Note 15	
At 31 December 2024 the carrying value of Exploration and Evaluation Assets was \$49,068,715.	Our procedures included, amongst others:
In accordance with AASB/IFRS 6 “ <i>Exploration for and Evaluation of Mineral Resources</i> ”, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.	• obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • testing tenement acquisitions during the period by agreeing and recalculating the fair value of consideration paid.
The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.	• assessing management’s area of interest considerations against AASB/IFRS 6; • conducting a detailed analysis of management’s assessment of trigger events prepared in accordance with AASB/IFRS 6 including: ◦ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; ◦ enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management’s budgeted expenditure; and ◦ understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; and
This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	• assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 31 December 2024, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards, International Financial Reporting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards and International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 35 to 46 of the Directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of AuMEGA Metals Limited, for the year ended 31 December 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



Lorenzo Stella
Partner – Audit & Assurance

Perth, 27 March 2025

SHAREHOLDER INFORMATION

AuMEGA Metals Ltd

(Formerly known as Matador Mining Ltd)

Shareholder information

The shareholder information set out below was applicable as at 18 March 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	55	0.01
1,001 to 5,000	319	0.15
5,001 to 10,000	229	0.30
10,001 to 100,000	779	5.58
100,001 and over	413	93.96
	1,795	100.00
Holding less than a marketable parcel	2,951,956	-

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
1) J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	62,270,787	7.91
2) HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	49,127,910	6.24
3) CITICORP NOMINEES PTY LIMITED	47,759,447	6.07
4) BNP PARIBAS NOMS PTY LTD	39,119,697	4.97
5) CANADIAN REGISTER CONTROL A/C	31,951,399	4.06
6) B2GOLD CORP	31,010,290	3.94
7) HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED (GSCO CUSTOMERS A/C)	25,069,846	3.19
8) EQUITY TRUSTEES LIMITED (LOWELL RESOURCES FUND A/C)	20,155,704	2.56
9) BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	18,838,501	2.39
10) PRECIOUS CAPITAL GLOBAL MINING AND METALS FUND	11,111,111	1.41
11) WINDHAGER HOLDING AG	5,124,783	0.65
12) BUCKINGHAM INVESTMENT FINANCIAL SERVICES PTY LTD (CAMPBELL S/F A/C)	4,838,690	0.61
13) MR COLIN WEEKES	4,814,498	0.61
14) CITICORP NOMINEES PTY LIMITED (170839 MURRAY SUPE A/C)	4,559,785	0.58
15) HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,176,034	0.53
16) MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED (NO 1 ACCOUNT)	4,000,000	0.51
17) GARBUTT INVESTMENT PTY LTD (S+J GARBUTT INVESTMENT A/C)	4,000,000	0.51
18) BILPIN NOMINEES PTY LTD	3,593,043	0.46
19) RONSIDE PTY LTD (THE IRONSIDE SUPER FUND A/C)	3,200,000	0.41
20) BILPIN NOMINEES PTY LTD	3,046,120	0.39
	377,767,645	48.00

SHAREHOLDER INFORMATION

FOR THE PERIOD ENDED 31 DECEMBER 2024

Unquoted equity securities

Number on issue

UNLISTED OPTIONS @ \$0.26 EXPIRING 01/05/2029	2,750,000
UNLISTED OPTIONS @ NIL EXP 01/08/2029	824,175
UNLISTED OPTIONS @ NIL EXP 01/09/2029	412,088
UNLISTED OPTIONS @ NIL EXP 18/2/2027	60,000
UNLISTED OPTIONS @ NIL EXP 01/03/2029	569,620
UNLISTED OPTIONS @ \$0.045 EXP 22/12/2030	1,792,810
UNLISTED OPTIONS @ \$0.044 EXP 26/04/2031	1,507,113
UNL OPT 2022 STI @ \$0 EXP 01/01/2027	57,200
UNL OPT 2023 STI @ \$0 EXP 01/01/2027	362,974
UNL OPT 2023 LTI @ \$0.136 EXP 01/01/2030	6,019,982
UNL OPT 2024 STI @ \$0 EXP 01/01/2029	11,966,823
UNL OPT 2024 LTI @ \$0.05 EXP 01/01/2031	8,017,262
UNL OPT 23 CEO In-Lieu @ \$0.05	13,359,138
PERF RIGHTS 2023 LTI EXP 01/01/2030	923,440
PERF RIGHTS 2023 CEO LTI EXP 01/01/2031	2,359,308
PERF RIGHTS 2024 LTI EXP 01/01/2031	1,978,042
PERF RIGHTS 2024 CEO LTI EXP 01/01/2032	3,269,709

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Franklin Resources Inc, and its affiliates	43,529,330	5.53
Waratah Special Opportunities Limited Partnership with Waratah Capital Advisors Ltd	42,000,000	5.34
B2GOLD CORP	31,010,290	3.94

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

TENEMENT LISTING

Tenement Interests

Holder	Licence No.	Project Name	No. of Claims	Area (km2)	Comments
Cape Ray Mining Limited	025560M	Cape Ray	20	5.00	
Cape Ray Mining Limited	025855M	Long Range	32	8.00	Royalty (d)
Cape Ray Mining Limited	025856M	Long Range	11	2.75	Royalty (d)
Cape Ray Mining Limited	025857M	Long Range	5	1.25	Royalty (d)
Cape Ray Mining Limited	025858M	Long Range	30	7.50	Royalty (d)
Cape Ray Mining Limited	026125M	Bunker Hill	190	47.50	
Cape Ray Mining Limited	030881M	Intersection	255	63.75	
Cape Ray Mining Limited	030884M	Intersection	255	63.75	
Cape Ray Mining Limited	030996M	Malachite	205	51.25	
Cape Ray Mining Limited	030997M	Long Range	60	15.00	Royalty (d)
Cape Ray Mining Limited	031557M	Long Range	154	38.5	
Cape Ray Mining Limited	031558M	Cape Ray	96	24	
Cape Ray Mining Limited	031559M	Grandy's	32	8	
Cape Ray Mining Limited	031562M	Grandy's	37	9.25	
Cape Ray Mining Limited	032060M	Cape Ray	81	20.25	Royalties (a) (b) (c)
Cape Ray Mining Limited	032061M	Cape Ray	76	19	Royalties (a) (b) (c)
Cape Ray Mining Limited	032062M	Isle aux Morts	72	18	Royalties (a) (b) (c)
Cape Ray Mining Limited	032764M	Hermitage	256	64	
Cape Ray Mining Limited	032770M	Hermitage	252	63	
Cape Ray Mining Limited	032818M	Hermitage	95	23.75	
Cape Ray Mining Limited	032941M	Malachite	256	64	
Cape Ray Mining Limited	033080M	Bunker Hill	190	47.5	
Cape Ray Mining Limited	033110M	Hermitage	183	45.75	
Cape Ray Mining Limited	035822M	Bunker Hill	38	9.5	
Cape Ray Mining Limited	032256M	Hermitage	12	3	Royalty (e)
Cape Ray Mining Limited	036567M	Hermitage	44	11	
Cape Ray Mining Limited	036749M	Hermitage	10	2.5	
Cape Ray Mining Limited	032774M	Hermitage	8	2	Royalty (e)
Cape Ray Mining Limited	036866M	Blue Cove	20	5	Royalty (f)
Cape Ray Mining Limited	036879M	Blue Cove	10	2.5	Royalty (f)
Cape Ray Mining Limited	037158M	Blue Cove	22	5.5	Royalty (f)
Cape Ray Mining Limited	037159M	Blue Cove	8	2	Royalty (f)
Cape Ray Mining Limited	037160M	Blue Cove	18	4.5	Royalty (f)
Cape Ray Mining Limited	037478M	Intersection	104	26	
Cape Ray Mining Limited	037525M	Hermitage	10	2.5	
Spencer Vatcher	037526M	Hermitage	4	1	
Cape Ray Mining Limited	037529M	Hermitage	4	1	
Spencer Vatcher	037774M	Blue cove	30	7.5	
Spencer Vatcher	037775M	Blue cove	13	3.25	
Spencer Vatcher	037776M	Blue Cove	11	2.75	
Spencer Vatcher	037777M	Blue Cove	7	1.75	
Spencer Vatcher	037778M	Blue Cove	13	3.25	
Spencer Vatcher	037790M	Blue Cove	39	9.75	
Cape Ray Mining Limited	038327M	Hermitage	56	14	
Cape Ray Mining Limited	038337M	Isle aux Morts	49	12.25	
Cape Ray Mining Limited	038374M	Intersection	62	15.5	
Cape Ray Mining Limited	037301M	Koorae	12	3	Royalty (g)

TENEMENT LISTING

FOR THE PERIOD ENDED 31 DECEMBER 2024

The Crown holds all surface rights in the Project area. None of the property or adjacent areas are encumbered in any way. The area is not in an environmentally or archeologically sensitive zone and there are no Aboriginal land claims or entitlements in this region of the province. There has been no commercial production at the property as of the time of this report.

Royalty Schedule legend:

- (a) 1.75% Net Smelter Return (“NSR”) royalty held by Alexander J. Turpin pursuant to the terms of an agreement dated 25 June 2002, as amended 27 February 2003 and 11 April 2008. The agreement between Alexander J. Turpin, Cornerstone Resources Inc., and Cornerstone Capital Resources Inc., of which 1.0% NSR can be repurchased or \$1,000,000 reducing such royalty to a 0.75% NSR. The agreement which royalty applies to Licences 14479M, 17072M, 9338M, 9339M and 9340M covering 229 claims, all as described in the foregoing agreements.
- (b) 0.25% NSR royalty held by Cornerstone Capital Resources Inc. and Cornerstone Resources Inc. (collectively the “Royalty Holder”) pursuant to the terms of an agreement dated 19 December 2012, as amended 26 June 2013, between the Royalty Holders and Benton, which royalty applies to Licence 017072M, as described in the foregoing agreement.
- (c) Sliding scale NSR royalty held by Tenacity Gold Mining Company Ltd. pursuant to the terms of an agreement dated 7 October 2013 with Benton Resources Inc.:
 - 3% NSR when the quarterly average gold price is less than US\$2,000 per ounce (no buy-down right).
 - 4% NSR when the quarterly average gold price is equal to or greater than US\$3,000 per ounce with the right to buy-down the royalty from 5% to 4% for CAD \$500,000; On Licences 7833M, 8273M, 9839M and 9939M as described in Schedule C of the foregoing agreement.
- (d) 1.0% NSR royalty held by Benton Resources Inc pursuant to the terms of the sale agreement between Benton and AuMEGA of which 0.5% NSR can be repurchased for \$1,000,000 reducing such royalty to a 0.5% NSR. The agreement which the royalty applies to covers licences 025854M, 025855M, 025858M, 025856M and 025857M covering 131 claims.
- (e) 1.0% NSR royalty pursuant to an option agreement with Roland and Eddie Quinlan (50% each) with an option to repurchase 0.5% of the royalty at a later date for a sum of C\$500,000. The Company retained a First Right of Refusal on the sale of the royalty
- (f) 1.0% NSR royalty pursuant to an option agreement with Wayde and Myrtle Guinchard with an option to repurchase 0.5% of the royalty at a later date for a sum of C\$500,000. The Company retained a First Right of Refusal on the sale of the royalty.
- (g) 1.0% NSR royalty pursuant to an option agreement with Wayde Guinchard with an option to repurchase 0.5% of the royalty at a later date for a sum of C\$500,000. The Company retained a First Right of Refusal on the sale of the royalty.

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