



(the “Company”)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2025 AND 2024

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

Regulus Resources Inc.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
As at

	March 31, 2025	September 30, 2024
ASSETS		
Current		
Cash and cash equivalents	\$ 11,110,775	\$ 13,347,664
Receivables	149,285	119,938
Prepaid expenses and deposits	170,929	103,532
Due from related party (Note 6)	42,424	29,727
	<u>11,473,413</u>	<u>13,600,861</u>
Long-term investments	702,250	502,250
Property and equipment	841,209	581,088
Exploration and evaluation assets (Note 4)	<u>60,973,871</u>	<u>54,811,319</u>
	\$ 73,990,743	\$ 69,495,518
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities (Notes 6)	\$ 1,074,452	\$ 546,135
Decommissioning liability	360,476	356,000
	<u>1,434,928</u>	<u>902,135</u>
Equity		
Capital stock (Note 5)	137,937,764	137,937,764
Accumulated other comprehensive loss	(1,177,306)	(5,516,450)
Share compensation reserve (Note 5)	21,069,375	20,278,315
Deficit	<u>(85,274,018)</u>	<u>(84,106,246)</u>
	<u>72,555,815</u>	<u>68,593,383</u>
	\$ 73,990,743	\$ 69,495,518

Nature and continuance of operations (Note 1)

Approved by the Board:

Director:

”John Black”

John Black

Director:

“Mark Wayne”

Mark Wayne

Regulus Resources Inc.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Three months Ended March 31, 2025	Three months Ended March 31, 2024	Six months Ended March 31, 2025	Six months Ended March 31, 2024
EXPENSES				
Accounting and audit	\$ 72,630	\$ 31,560	\$ 152,541	\$ 113,456
Amortization	25,364	26,418	50,729	44,381
Bank charges and interest	17,911	1,628	35,822	7,011
Insurance	3,548	5,191	8,185	11,515
Investor relations and shareholder information	143,071	70,205	213,228	122,530
Legal (Note 6)	19,603	13,464	36,312	73,786
Management fees (Note 6)	202,208	188,131	397,275	385,333
Office and administration	74,917	147,781	257,148	281,815
Share-based compensation (Notes 5, 6)	319,981	671,952	791,060	958,098
Transfer agent and listing fees	66,904	74,105	78,039	83,025
Travel	12,021	13,864	46,752	28,238
	(958,158)	(1,244,299)	(2,067,091)	(2,109,188)
OTHER ITEMS				
Gain on foreign exchange	356,799	330,980	727,884	227,673
Write-off of receivables	(65,684)	(55,028)	(119,290)	(176,503)
Interest income	136,245	216,207	290,725	430,073
LOSS FOR THE PERIOD	(530,798)	(752,140)	(1,167,772)	(1,627,945)
Items that may be reclassified subsequently to profit and loss:				
Change in fair market value of long-term investment	440,000	62,250	200,000	(6,750)
Items that will not be reclassified subsequently to profit and loss:				
Translation adjustment	(324,806)	1,156,224	4,139,144	(218,727)
Comprehensive income (loss) for the period	\$(415,604)	\$ 466,334	\$ 3,171,372	\$ (1,853,422)
Loss per common share – basic and diluted	\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	124,658,818	124,517,015	124,658,818	124,514,273

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

Regulus Resources Inc.**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Accumulated Other Comprehensive Loss	Share Compensation Reserve	Deficit	Total
Balance, September 30, 2023	124,508,818	\$ 137,721,097	\$ (5,612,177)	\$ 17,873,116	\$ (79,894,554)	\$ 70,087,482
Share issued on exercise of options	150,000	205,859	-	(60,859)	-	145,000
Share-based compensation	-	-	-	958,098	-	958,098
Fair value adjustment to long-term investment	-	-	(6,750)	-	-	(6,750)
Foreign exchange adjustment	-	-	(218,727)	-	-	(218,727)
Loss for the period	-	-	-	-	(1,627,945)	(1,627,945)
Balance, March 31, 2024	124,658,818	\$ 137,926,956	\$ (5,837,654)	\$ 18,770,355	\$ (81,522,499)	\$ 69,337,158
Balance, September 30, 2024	124,658,818	\$ 137,937,764	\$ (5,516,450)	\$ 20,278,315	\$ (84,106,246)	\$ 68,593,383
Share-based compensation	-	-	-	791,060	-	791,060
Fair value adjustment to long-term investment	-	-	200,000	-	-	200,000
Foreign exchange adjustment	-	-	4,139,144	-	-	4,139,144
Loss for the period	-	-	-	-	(1,167,772)	(1,167,772)
Balance, March 31, 2025	124,658,818	\$ 137,937,764	\$ (1,177,306)	\$ 21,069,375	\$ (85,274,018)	\$ 72,555,815

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

Regulus Resources Inc.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the Six Months Ended March 31,

	2025	2024
Cash Flows from Operating Activities		
Loss for the period	\$ (1,167,772)	\$ (1,627,945)
Items not affecting cash:		
Amortization	50,729	44,381
Share-based compensation	791,060	958,098
Write-off of receivables	119,290	176,503
Unrealized foreign exchange	-	(227,673)
Changes in non-cash working capital items:		
Receivables	(145,299)	(181,282)
Prepaid expenses and deposits	(67,275)	4,027
Accounts payable and accrued liabilities	182,435	(214,077)
Due from related party	(12,697)	(20,262)
Net cash and cash equivalents used in operating activities	<u>(249,529)</u>	<u>(1,088,230)</u>
Cash Flows from Investing Activities		
Acquisition of property and equipment	-	(1,179)
Lease payments	-	(34,397)
Exploration and evaluation assets	(1,981,170)	(1,459,437)
Decommissioning liability payments	-	(129,199)
Net cash and cash equivalents used in investing activities	<u>(1,981,170)</u>	<u>(1,624,212)</u>
Cash Flows from Financing Activities		
Share issued on exercise of options	-	145,000
Net cash provided by financing activities	<u>-</u>	<u>145,000</u>
Effect of foreign exchange on cash and cash equivalents	<u>(6,190)</u>	<u>42,055</u>
Change in cash and cash equivalents for the period	<u>(2,236,889)</u>	<u>(2,525,387)</u>
Cash and cash equivalents, beginning	<u>13,347,664</u>	<u>18,423,544</u>
Cash and cash equivalents, ending	<u>\$ 11,110,775</u>	<u>\$ 15,898,157</u>

Supplemental disclosures with respect to cash flows (Note 7)

Regulus Resources Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For the Six Months Ended March 31, 2025 and 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Regulus Resources Inc. (“**Regulus**” or the “**Company**”) is a mineral exploration company formed on December 16, 2010.

The Company is domiciled and incorporated in Canada, and its registered and records office is located at 15th Floor, Bankers Court, 850 - 2nd St SW Calgary, Alberta T2P 0R8.

The Company owns interests in multiple mineral titles and claims in Peru. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves and confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements and to complete the development of properties, and upon future profitable production or proceeds from the disposition thereof. At the date of these interim condensed consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage. As at March 31, 2025 the Company had working capital of \$10,038,485 (September 30, 2024 - \$12,698,726). Management believes that the Company has sufficient working capital to maintain its operations and activities for the next fiscal year.

At the date of these interim condensed consolidated financial statements, the Company has not been able to identify a known body of commercial grade ore on any of its exploration and evaluation assets. The ability of the Company to realize the costs it has incurred to date on these exploration and evaluation assets is dependent upon the Company being able to identify a commercial ore body, to finance its exploration costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the exploration and evaluation assets. To date, the Company has not earned revenues and is considered to be in the exploration stage.

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events, including, relations between NATO and the Russian Federation regarding the situation in Ukraine, the ongoing conflict in the Middle East and potential economic global challenges, such as the risk of higher inflation and interest rates, may create further uncertainty and risk with respect to the prospects of the Company’s business.

These interim condensed consolidated financial statements were authorized by the audit committee and approved by the board of directors of the Company on May 30, 2025.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements, including comparatives have been prepared using accounting policies consistent with IFRS Accounting Standards (“**IFRS**”) and as issued by the International Accounting Standards Board (“**IASB**”).

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments which have the most significant effect on the amounts recognized in the interim condensed consolidated financial statements:

Functional currencies

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its subsidiaries was determined by conducting an analysis of the consideration factors identified in IAS 21, the Effects of Changes in Foreign Exchange Rates. The functional currency of each entity is disclosed below under “Foreign Exchange”.

2. BASIS OF PREPARATION (cont'd...)

Impairment of exploration and evaluation assets

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations. Determining whether to test for impairment of exploration and evaluation assets requires management's judgment, and consideration of whether the period for which the Company has the right to explore in the specific area has expired or will expire in the near future, and is not expected to be renewed; substantive expenditure on further exploration and evaluation of mineral resources in a specific area is neither budgeted nor planned; exploration for and evaluation of mineral resources in a specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; or sufficient data exists to indicate that, although a development in a specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Estimates

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

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or disposition of the mineral properties. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could affect management's assessment of the overall viability of its properties or to the likelihood of generating future cash flows necessary to recover the carrying value of the Company's exploration and evaluation assets.

To the extent that any of management's assumptions change there could be a significant effect on the Company's future financial position, operating results and cash flows.

Fair value of stock options and warrants

Determining the fair value of warrants and stock options requires judgments related to the choice of a pricing model, the estimation of stock price volatility, the expected forfeiture rate and the expected term of the underlying instruments. Any changes in the estimates or inputs utilized to determine fair value could result in a significant effect on the Company's future operating results or on other components of shareholders' equity.

Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development or commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets and deferred income tax provisions or recoveries could be affected.

Decommissioning costs

Upon retirement of the Company's exploration and evaluation assets, decommissioning costs will be incurred by the Company. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the corresponding expense are affected by estimates with respect to the costs and timing of decommissioning.

Regulus Resources Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For the Six Months Ended March 31, 2025 and 2024

2. BASIS OF PREPARATION (cont'd...)

Basis of consolidation

These interim condensed consolidated financial statements include the financial statements of the Company and the entities controlled by the Company (Note 6). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances have been eliminated.

Foreign exchange

The functional currency is the currency of the primary economic environment in which the entity operates and is determined for each entity within the Company. The functional currency for the entities within the Company are: the Canadian dollar for the parent and the United States dollar (“US\$”) for Southern Legacy Minerals Inc., Regulus Resources Peru S.A.C., KoriAnta S.A.C., Anta Norte S.A.C., SMRL El Sinchao de Cajamarca and Centaurus Holding S.A.C. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the audited annual consolidated financial statements as at September 30, 2024. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the year ended September 30, 2024

4. EXPLORATION AND EVALUATION ASSETS

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mining properties. The Company has investigated title to its exploration and evaluation assets and, to the best of its knowledge, title to its property is in good standing.

The exploration and evaluation assets in which the Company has an interest are located in Peru therefore, the Company is relying on title opinions by legal counsel who are basing such opinions on the laws of Peru.

Regulus Resources Inc.
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)
(Expressed in Canadian Dollars)
For the Six Months Ended March 31, 2025 and 2024

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

	AntaKori, Peru
Balance, September 30, 2023	\$ 51,723,583
Additions:	
Change in estimates related to decommissioning liability	93,600
Field operations	1,782,513
Labour	1,081,407
Third party services	136,439
	<u>3,093,959</u>
Foreign exchange movement	(6,223)
Balance, September 30, 2024	\$ 54,811,319
Additions:	
Field operations	1,384,784
Labour	621,399
Third party services	71,355
	<u>2,077,538</u>
Foreign exchange movement	4,085,014
Balance, March 31, 2025	\$ 60,973,871

AntaKori Project, Peru

The Company has acquired the AntaKori project through the execution of option agreements between its 100% owned subsidiary, Regulus Resources Peru S.A.C. (“**Regulus Peru**”), and various land owners. Option payments in the amount of US\$7,460,062 were completed by the year ended September 30, 2017, with no payments remaining.

During the year ended September 30, 2017, the Company finalized the execution of a definitive agreement (the “**Colquirummi DA**”) with Compañía Minera Colquirrumi S.A. (“**Colquirrumi**”), which holds mineral concessions immediately adjacent to, and inter-fingering with the Company’s AntaKori project. The Colquirummi DA allowed the Company to earn-in to a 70% interest in ground held by Colquirrumi by completing 7,500 m of drilling within 3 years from obtaining necessary permits to drill. The Company received the drilling permits in Q4-2019. The agreement assigned certain mining concessions to the Company’s Peruvian subsidiary, Anta Norte S.A.C., to allow for exploration work to be performed on those claims by the Company during the term of the agreement. Upon notification that the Company had completed 7,500 m of drilling and elected to obtain a 70% interest in the property, Colquirrumi had a one-time option (the “**Claw-back Option**”) to claw-back to a 70% interest in the property (leaving 30% to the Company) by paying the Company the sum of US\$9,000,000. During the year ended September 30, 2023, the Company notified Colquirrumi that it had completed the 7,500 m of drilling and Colquirummi decided not to exercise its Claw-back Option, leaving the Company with a 70% interest in the property. During the year ended September 30, 2024, the Company executed a further agreement with Colquirrumi (the “**Second Colquirummi Agreement**”) to acquire the remaining 30% interest in the property in exchange for granting Colquirummi a 2% net smelter return royalty (“**NSR**”) (the “**Colquirummi NSR**”), of which 0.5% can be repurchased within 10 years in exchange for US\$1,000,000. The Second Colquirummi Agreement replaced the Colquirummi DA.

In addition to the Colquirummi NSR, the Company is subject to paying NSRs ranging from 0.1875% - 2% to underlying holders of the AntaKori claims. As at September 30, 2024, accounts payable include \$nil (2024 - \$nil) relating to these royalties.

During the year ended September 30, 2024, the Company executed a collaboration agreement (the “**Coimolache MOU**”) with Compañía Minera Coimolache S.A. (“**Coimolache**”) to evaluate the viability of an integrated Coimolache Sulphides/AntaKori copper-gold project.

The evaluation will consist of a mineral resource estimate (“**MRE**”) with the option, upon mutual agreement of the parties following the completion of the MRE, to complete a preliminary economic assessment. Costs of the evaluation program will be split with the Company paying 50% and Coimolache paying 50%.

Regulus Resources Inc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For the Six Months Ended March 31, 2025 and 2024

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)

Osisko Partnership

During the year ended September 30, 2021, the Company closed a previously announced strategic partnership whereby it agreed to grant certain rights to Osisko Gold Royalties Ltd. ("**Osisko**") in exchange for an upfront cash payment (the "**Upfront Payment**") of US\$12,500,000 (\$16,198,751). These rights include the following: (i) in the event Regulus acquires any existing royalties within the current AntaKori project area or within a 1 km area of interest surrounding the project on claims owned 100% by Regulus, Osisko has the option to acquire 50% of the acquired royalty by paying 75% of the Company's purchase price for the royalty; (ii) Osisko will have a right of first refusal on all future royalty or stream transactions in relation to claims on the AntaKori project where the Company has 100% ownership, or on any additional claims the Company might acquire with 100% ownership within the area of interest described above; and (iii) should the Company receive a royalty or stream as consideration for the sale of AntaKori, Osisko will have a right of first refusal should the Company later choose to sell that royalty or stream. Under the Osisko agreement, Osisko elected to acquire 50% of a royalty on the Mina Volare claim of the AntaKori project, which represents a 1.5% or 3% NSR, depending on location royalty, for 75% of the Company's purchase price for the royalty, with Osisko's acquisition cost for the royalty included in the Upfront Payment. The Company has retired the remaining 50% of the royalty. As such, the Royalty on the Mina Volare claim is now reduced to a 0.75% or 1.5%, depending on location, in favour of Osisko. In addition, the Company issued Osisko 5,500,000 warrants having a term of three years and an exercise price equal to \$2.25 per share. The Company recorded a fair value of \$1,177,236 for the 5,500,000 warrants to share compensation reserve, and the residual value of the remaining consideration to \$15,021,515 to exploration and evaluation assets. The warrants were valued using the Black-Scholes pricing model with the following assumptions: term of 3 years; expected volatility of 62.33%; risk-free rate of 0.30%; and expected dividends of Nil. These warrants expired December 1, 2023.

During the year ended September 30, 2023, the Company and Osisko amended the agreement for additional royalties whereby the Company received a \$6,903,000 (US\$ 5,000,000) investment from Osisko Gold Royalties in exchange for an NSR ranging from 0.125% to 1.5% on certain claims of the Company's AntaKori project as well as a right held by to buy back a 1% NSR from a third party on certain claims of AntaKori.

The parties agreed that the obligations of the Company would be secured by the following:

- a) a pledge of all the shares in the capital of Regulus Resources Peru S.A.C. ("**Regulus Peru**");
- b) an assignment by the Company and Southern Legacy Minerals, Inc. of all intercompany loans and other amounts owing by Regulus Peru; and
- c) a fiduciary trust or first mortgage in respect of the royalty and any surface rights or other rights relating thereto. The trust or mortgage is expected to be created in fiscal 2025, at which time the share pledge referred to above will terminate.

Gold Fields Option Agreement

During the year ended September 30, 2021, the Company entered into an option agreement whereby the Company can earn up to a 60% interest in certain claims from Gold Fields La Cima S.A., a subsidiary company of Gold Fields Ltd (the "**GF Claims**").

The terms of the option agreement are summarized as follows:

- The Company can earn a 60% interest in the GF Claims by incurring US\$3,500,000 in exploration expenditures over a 3-year term, including completing at least 2,500 m of diamond drilling and producing a 43-101 resource estimate incorporating the GF Claims. Upon completion, the Company and Gold Fields will form a joint venture with the Company having a 60% interest and Gold Fields a 40% interest. The 3-year term commences on the earlier of the date on which the Company receives all necessary drill program permits or within 2 years of the date of assignment of the concessions. The concessions were assigned on December 14, 2022 and the 3 year term commenced on December 14, 2024.
- Upon formation of the joint venture, Gold Fields will have a 60-day window to decide if they wish to acquire an additional 20% interest in the joint venture (the "**Claw Back Right**"), bringing their total interest to 60% and the Company's position to 40%, in exchange for:
 - A cash payment of US\$7,500,000 to be paid to the Company.
 - Sole funding US\$5,000,000 in exploration commitments over a 5-year period.
- Upon finalizing the ownership structure of the joint venture, both parties will be required to fund their respective portions towards future exploration activities, and standard dilution policies will apply.
 - Any party that dilutes below a 10% interest in the joint venture will effectively relinquish their pro rata ownership and will maintain a 1.5% Net Smelter Return Royalty ("**NSR**") interest, 0.5% of which can be bought back by the other party for US\$2,500,000 within 60 days of the announcement of commercial production on the property.

Regulus Resources Inc.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

(Expressed in Canadian Dollars)

For the Six Months Ended March 31, 2025 and 2024

4. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Gold Fields Option Agreement (cont'd...)**

- If Gold Fields exercises its Claw Back Right, the Company will maintain a right to expand a mining operation from its existing claims onto the GF Claims (the “**Development Right**”) subject to the general principle that it does not interfere with current or planned mining activities of the joint venture at the time.
 - Upon exercising the Development Right, the Company would pay the joint venture a 5% NSR (effectively a 3% NSR payable to Gold Fields, and a 2% NSR payable to the Company) for any minerals processed from the GF Claims.
 - In addition, the Company would be responsible for all development costs, all operating costs, and all environmental and closure costs (closure costs and environmental costs for any stand-alone mining operation on the GF claims, would be paid by the joint venture).

The Development Right will also be available to the Company if Gold Fields does not exercise its Claw-Back Right, with a 5% NSR payable by the Company to the joint venture (effectively 2% NSR payable to Gold Fields and 3% NSR payable to the Company) on any minerals processed from the GF Claims, and the Company will be responsible for all development costs, all operating costs and all environmental and closure costs.

Fireweed

The Company holds a 0.5% NSR on the Fireweed project located in central British Columbia, Canada. The royalty will increase to 1.5% upon the pay out of an underlying 2% NSR to a third party, which is capped at \$5,000,000.

5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE

Authorized: unlimited common shares without par value. All issued shares are fully paid.

Treasury shares: recorded at cost.

There were no share transactions for the period ended March 31, 2025.

During the year ended September 30, 2024, the Company issued 150,000 shares for total proceeds of \$145,000 on the exercise of options.

Stock Options

The Company has a stock option plan (the “**Plan**”) for directors, officers, employees and consultants of the Company and its subsidiaries. The number of common shares subject to the stock options granted under the Plan is limited to 10% of the issued and outstanding common shares of the Company. The Plan provides for a maximum term of five years for stock options and sets the most favorable vesting terms as one-third of the total stock options granted on the day of the grant and on each of the first and second anniversaries of the date of grant.

The following table summarized movements in stock options outstanding for the period ended March 31, 2025:

	Number of Options	Weighted Average Exercise Price
Balance, September 30, 2023	11,375,000	\$ 1.28
Options granted	5,475,000	0.92
Options Exercised	(150,000)	0.97
Options expired/forfeited	(5,425,000)	1.61
Balance, September 30, 2024 and March 31, 2025	11,275,000	0.95
Number of options currently exercisable	8,537,500	\$ 0.97

Regulus Resources Inc.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

(Unaudited – Prepared by Management)

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5. CAPITAL STOCK AND SHARE COMPENSATION RESERVE (cont'd...)**Share-based Compensation**

The Company recognizes compensation expense for all stock options granted and vested using the fair value based method of accounting. During the period ended March 31, 2025, the Company recognized \$791,060 (2024 - \$958,098) in share-based compensation expense with respect to options granted and vested during the period.

The following table summarizes information about stock options outstanding at March 31, 2025:

Exercise Price	Number Outstanding	Number Exercisable	Expiry Date
\$ 0.86	1,450,000	1,450,000	June 29, 2025
1.49	200,000	200,000	October 19, 2025
0.89	200,000	200,000	April 13, 2026
0.76	100,000	100,000	July 22, 2027
1.02	3,850,000	3,850,000	February 6, 2028
0.93	50,000	25,000	January 23, 2029
0.92	5,225,000	2,612,500	February 6, 2029
0.92	200,000	100,000	March 4, 2029
	11,275,000	8,537,500	

The following weighted average assumptions were used for the Black-Scholes valuation of stock options granted:

	Period ended March 31, 2025	Year ended September 30, 2024
Risk-free interest rate	-	3.53%
Expected life of grant	-	5 years
Volatility	-	68.01%
Dividend	-	0.00%
Weighted average fair value per option	-	\$0.57

Warrants

The following table summarizes movements in warrants outstanding.

	Number of Warrants	Weighted Average Exercise Price
Balance, September 30, 2023	5,500,000	\$ 2.25
Warrants expired/forfeited	(5,500,000)	2.25
Balance September 30, 2024 and March 31, 2025	-	\$ -

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6. RELATED PARTY TRANSACTIONS

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed in the following table:

Name of Subsidiary	Country of Incorporation	Proportion of Ownership Interest	Principal Activity
Southern Legacy Minerals Inc.	USA	100%	Holding company
Regulus Resources Peru S.A.C.	Peru	100%	Mineral exploration
KoriAnta S.A.C.	Peru	100%	Holding company
Anta Norte S.A.C.	Peru	99.90%	Mineral exploration
Centaurus Holding S.A.C.	Peru	100%	Holding company

During the period ended March 31, 2025, the Company entered into the following transactions with key management personnel and related parties.

- a) Double Black Diamond Resources LLC. (“DBD Resources”) is a private company controlled by Mr. John Black, CEO and a director of the Company. For the period ended March 31, 2025, DBD Resources was paid \$124,827 (2024 - \$118,335). Amounts paid to DBD Resources are classified as management fees expense in the condensed consolidated interim statements of profit and loss.

At March 31, 2025, the Company owed \$Nil (September 30, 2024 – \$nil) to DBD Resources.

- b) For the period ended March 31, 2025, Mr. Fernando Pickmann, President, COO and a director of the Company, was paid \$124,827 in consulting fees (2024 – \$118,335). Amounts paid to Mr. Pickmann are classified as management fees in the condensed consolidated interim statements of profit and loss. A law firm at which Mr. Pickmann was a partner was also paid or accrued \$17,317 (2024 - \$54,950) for legal services. Legal fees paid to Mr. Pickmann’s law firm are classified as legal expenses in the interim condensed consolidated statements of profit and loss.

At March 31, 2025, the Company owed \$Nil (September 30, 2024 – \$Nil) to Mr. Pickmann and owed \$nil (September 30, 2024 – \$970) to the law firm at which Mr. Pickmann was a partner.

- c) Unicus Funds Ltd. (“Unicus”) is a private company controlled by Mr. Mark Wayne, CFO and a director of the Company. For the period ended March 31, 2025, Unicus was paid \$40,625 (2024 – \$37,500). Amounts paid to Unicus are classified as management fees expense in the interim condensed consolidated statements of profit and loss.

At March 31, 2025, the Company owed \$Nil (September 30, 2024 – \$ Nil) to Unicus.

- d) K.B. Heather & Socios Limitada (The Rock Doctor Limitada) (“K.B. Heather”) is a private company controlled by Dr. Kevin B. Heather, Chief Geological Officer of the Company. For the period ended March 31, 2025, K.B. Heather was paid \$106,995 (2024 – \$101,430). Amounts paid to K.B. Heather are classified as management fees in the interim condensed consolidated statements of profit and loss.

At March 31, 2025, the Company owed \$Nil (September 30, 2024 – \$Nil) to K.B. Heather.

- e) At March 31, 2025, the Company was owed \$42,424 (September 30, 2024 – \$29,727) from Aldebaran Resources Inc., a company with common directors and management.

- f) The Company holds 1,000,000 common shares (September 30, 2024 – 2,000,000 common shares) of Highway 50 Gold Corp. (“HWY”), a company with a director in common, included within long term investments. HWY consolidated its share capital on a 2:1 basis in February 2025.

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

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6. RELATED PARTY TRANSACTIONS (cont'd...)

The remuneration of directors and other members of key management personnel during the period ended March 31, 2025 and 2024 are as follows:

	Fees and Bonus	Share-based Benefits	Total
Period ended March 31, 2025			
Chief Executive Officer	\$ 124,827	\$ 116,906	\$ 241,733
Chief Geological Officer	106,995	115,911	222,906
Chief Financial Officer	40,625	115,911	156,536
Chief Operating Officer	124,827	115,911	240,738
Non-executive directors	-	64,454	64,454
	<u>\$ 397,274</u>	<u>\$ 529,093</u>	<u>\$ 926,367</u>
Period ended March 31, 2024			
Chief Executive Officer	\$ 118,335	\$ 135,479	\$ 253,814
Chief Geological Officer	101,430	130,214	231,644
Chief Financial Officer	37,500	130,214	167,714
Chief Operating Officer	118,335	130,214	248,549
Non-executive directors	-	88,205	88,205
	<u>\$ 375,600</u>	<u>\$ 614,326</u>	<u>\$ 989,926</u>

7. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

Other than disclosed elsewhere in these interim condensed consolidated financial statements, the significant non-cash transactions for the period ended March 31, 2025 and 2024 included:

- a) \$360,365 (2024 - \$581,029) in accounts payable and accrued liabilities related to exploration and evaluation assets.
- b) \$200,000 increase (2024 - \$6,750 decrease) in fair value of long-term investment.

8. SEGMENTED INFORMATION

The Company operates under one segment, that being the exploration and development of exploration and evaluation assets. Geographical information is as follows:

	Total Assets	Property and Equipment	Exploration and Evaluation Assets	Other Assets
March 31, 2025				
Canada	\$ 12,059,755	\$ -	\$ -	\$ 12,059,755
Peru	61,930,988	841,209	60,973,871	115,908
	<u>\$ 73,990,743</u>	<u>\$ 841,209</u>	<u>\$ 60,973,871</u>	<u>\$ 12,175,663</u>
September 30, 2024				
Canada	\$ 13,842,236	\$ -	\$ -	\$ 13,842,236
Peru	55,653,282	581,088	54,811,319	260,875
	<u>\$ 69,495,518</u>	<u>\$ 581,088</u>	<u>\$ 54,811,319</u>	<u>\$ 14,103,111</u>

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8. SEGMENTED INFORMATION (cont'd...)

	2025	2024
Loss for the period ended March 31		
Canada	\$ 760,695	\$ 1,374,325
Peru	407,077	253,620
	\$ 1,167,772	\$ 1,627,945

9. FINANCIAL AND CAPITAL RISK MANAGEMENT

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's cash and cash equivalents, receivables, due from related parties, and accounts payable and accrued liabilities approximate carrying value, which is the amount recorded on the interim condensed consolidated statements of financial position. The Company's long-term investments, under the fair value hierarchy, are based on level one quoted prices in active markets for identical assets or liabilities.

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The Company's cash is held at large Canadian financial institutions in interest-bearing accounts. The Company has no investment in asset backed commercial paper.

The Company's receivables consist mainly of tax credits and advances receivable. The Company does not believe it is subject to significant credit risk.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2025, the Company had a cash balance of \$11,110,775 to settle current liabilities of \$1,434,928. Management believes that it has sufficient funds to meet its current liabilities as they become due.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices.

a) Interest rate risk

The Company has cash balances. The interest earned on the cash balances approximates fair value rates, and the Company is not at significant risk to fluctuating interest rates.

b) Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, receivables and accounts payable and accrued liabilities that are denominated in US\$, the Chilean peso ("C-Peso") and the Peruvian nuevo sol ("PEN"). A 10% fluctuation in the US\$, PEN against the Canadian dollar would affect accumulated other comprehensive loss for the period by approximately \$1,010,000.

9. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

c) Price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. The Company currently maintains investments in certain publicly listed companies. There can be no assurance that the Company can exit these positions if required resulting in proceeds, which approximate the carrying amount of these investments. A 10% fluctuation in market prices would not have a significant affect on comprehensive (loss) income.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its exploration and evaluation assets, acquire additional mineral property interests and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and investments. The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the period ended March 31, 2025.