

Rex Resources Corp.

Condensed Interim Consolidated Financial Statements

**For the three months ended December 31, 2024
(unaudited)**

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NOTICE OF NO AUDITOR REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited interim 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 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.

REX RESOURCES CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars - Unaudited)

As at	Note	December 31, 2024	September 30, 2024
ASSETS		\$	\$
Current assets			
Cash		26,389	12,297
Amounts receivable		6,149	3,492
Prepaid expense		10,500	14,500
		43,038	30,289
Exploration and evaluation assets	4	540,986	520,986
TOTAL ASSETS		584,024	551,275
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	4, 6	103,488	226,522
SHAREHOLDERS' EQUITY			
Share capital	5	1,910,555	1,695,555
Reserves	5	288,342	288,342
Accumulated deficit		(1,718,361)	(1,659,144)
		480,536	324,753
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		584,024	551,275

Nature of operations and going concern (Note 1)

Subsequent events (Notes 4, 10)

*The accompanying notes are integral to these condensed interim consolidated financial statements.***Approved on Behalf of the Board of Directors on February 24, 2025.**/s/ Craig Taylor

Director

/s/ Anthony Zelen

Director

REX RESOURCES CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars)

		Share Capital				
		Number of Class A Common Shares	Amount	Reserves	Accumulated Deficit	Total
	Note		\$	\$	\$	\$
Balance, September 30, 2023		14,469,285	1,255,601	180,048	(1,327,723)	107,926
Net loss for the period		-	-	-	(45,455)	(45,455)
Balance, December 31, 2023		14,469,285	1,255,601	180,048	(1,373,178)	62,471
Balance, September 30, 2024		22,119,285	1,695,555	288,342	(1,659,144)	324,753
Private placement funds	5	1,900,000	190,000	-	-	190,000
Private placement funds received in advance	5	-	25,000	-	-	25,000
Net loss for the year		-	-	-	(59,217)	(59,217)
Balance, December 31, 2024		22,119,285	1,695,555	288,342	(1,718,361)	480,536

The accompanying notes are integral to these condensed interim consolidated financial statements.

REX RESOURCES CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars - Unaudited)

		For the three months ended December 31, 2024	For the three months ended December 31, 2023
	Note	\$	\$
EXPENSES			
Consulting	6	32,700	15,000
Marketing and advertising		7,154	-
Office and administrative		3,649	11,007
Professional fees		8,529	17,905
Regulatory		7,185	1,543
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		(59,217)	(45,455)
Weighted Average Number of Shares Outstanding		23,379,068	13,751,477
Basic and Diluted Loss Per Share		(0.02)	(0.00)

The accompanying notes are integral to these condensed interim consolidated financial statements.

REX RESOURCES CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars - Unaudited)

	For the three months ended December 31, 2024	For the three months ended December 31, 2023
	\$	\$
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES		
Net loss for the period	(59,217)	(45,455)
Changes in non-cash working capital items:		
Amounts receivable	(2,657)	(1,801)
Prepaid expense	4,000	-
Accounts payable and accrued liabilities	(123,034)	24,573
	(180,908)	(22,683)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Exploration and evaluation expenditures	(20,000)	-
	(20,000)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement funds net of finder fee	190,000	-
Private placement funds received in advance	25,000	-
	215,000	-
Net decrease in cash	14,092	(22,683)
Cash, beginning of the period	12,297	32,024
Cash, end of the period	26,389	9,341
Supplemental information:		
Interest paid	-	-
Income taxes paid	-	-

The accompanying notes are integral to these condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Rex Resources Corp. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on July 29, 2020. On June 2, 2021, the Company completed its initial public offering ("IPO") and commenced trading on the TSX Venture Exchange ("TSXV") on June 4, 2021 under the trading symbol "OWN". The Company is primarily engaged in mineral exploration activities in British Columbia, Canada. The head office and the principal address of the Company are located at 1570 – 505 Burrard Street, Vancouver, BC, Canada V7X 1M5.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. During the three months ended December 31, 2024, the Company had a net loss of \$59,217 (2024 - \$45,455 net loss), and as of that date, an accumulated deficit of \$1,718,361 (2024 - \$1,659,144), had not advanced its mineral properties to commercial production, and is not able to finance day to day activities through operations. As at December 31, 2024, the Company had a working capital deficiency of \$60,450 (2024 - working capital deficiency of \$196,233). The Company's continuation as a going concern is dependent upon results from its mineral property exploration activities, its ability to attain profitable operations, generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. 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. Geopolitical events and potential economic global challenges such as the risk of the higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business. These uncertainties may cast a significant doubt on the ability of the Company to continue operations as a going concern. Management intends to finance operating costs over the next twelve months with its proceeds from its initial public offering of its shares, loans from directors and companies controlled by directors and/or additional private placement of common shares. These consolidated financial statements do not include any adjustments that might result from this uncertainty. Such adjustments could be material.

2. BASIS OF PRESENTATION

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB. The same accounting policies and methods of computation are followed in these unaudited condensed interim financial statements as compared with the most recent annual financial statements as at and for the year ended September 30, 2024. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending September 30, 2025 could result in the restatement of these condensed interim financial statements.

The consolidated financial statements were authorized for issue by the Board of Directors on February 24, 2025.

2. BASIS OF PRESENTATION (Continued)

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, 1414447 B.C. Ltd. Control occurs when the Company is exposed to, or has the right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All inter-company transactions and balances have been eliminated in the consolidated financial statement presentation. The Company owns 100% (2024 – 100%) of 1414447 B.C. Ltd., which is the registered tenure holder of the Company's mineral interests in its Rex Property.

Significant estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and judgments concerning the future. The Company's management reviews these estimates and judgments on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

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

Ability to continue as a going-concern

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events (as discussed in Note 1), whose subsequent changes could materially impact the validity of such an assessment.

Recoverability of the carrying value of exploration and evaluation assets

Assets or cash-generating units ("CGUs") are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's exploration and evaluation assets.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of exploration and evaluation assets may exceed its recoverable amount. The retention of regulatory permits and licenses, the Company's ability to obtain financing for exploration and development activities and its future plans on the exploration and evaluation assets, current and future metal prices, and market sentiment are all factors considered by the Company.

In respect of the carrying value of exploration and evaluation assets recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded as there are future exploration plans and there are no indications that the value of the assets have declined more than its carrying amount.

3. MATERIAL ACCOUNTING POLICIES

Exploration and evaluation assets

The Company may hold interests in mineral property interests in various forms, including prospecting licenses, exploration and exploitation concessions, mineral leases and surface rights, and property options. The Company capitalizes payments made in the process of acquiring legal title to these properties. Given the uncertainties surrounding the fair value of the Company's mineral properties, share-based acquisition payments were valued at the fair value of the instruments issued. Exploration and evaluation expenditures incurred on properties prior to obtaining legal rights to explore the specific area are charged to operations as incurred.

Exploration and evaluation assets are assessed for impairment if:

- (i) sufficient data exists to determine technical feasibility and commercial viability, and
- (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Facts and circumstances as defined in *IFRS 6, Exploration for and Evaluation of Mineral Resources*, are as follows:

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

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit, which is the lowest group of assets in which the asset belongs for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets. Each of the Company's exploration and evaluation assets is considered to be a cash-generating unit.

An impairment loss is reversed if there is indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Government assistance

The Company is eligible for refundable tax credits on qualified resource expenditures incurred in the province of British Columbia, other than flow-through shares financings. This credit is recorded as a government grant against exploration and evaluation assets when there is reasonable assurance that the amounts claimed qualify and the amounts will be received. If the exploration and evaluation assets were previously impaired, this credit is recorded in property investigation expense (recovery).

3. MATERIAL ACCOUNTING POLICIES (continued)

Restoration and environmental obligations

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations associated with the retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future restoration cost estimates arising from the decommissioning of plant and other site preparation work is capitalized to the related asset along with a corresponding increase in the restoration provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of restoration costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the restoration provision. The Company's estimates are reviewed annually for changes in regulatory requirements, discount rates, effects of inflation and changes in estimates. At this stage, the Company's potential obligations for restoration and environmental costs are determined to be immaterial.

Share-based payments

The Company may grant stock options to buy common shares of the Company through a stock option plan. The Company accounts for share-based payments using the fair value method. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to reserves. The fair value of options is determined using the Black-Scholes option pricing model which incorporates all market vesting conditions. Expected volatility in the Black-Scholes option pricing model was based on the historical stock price of the Company.

The Company may grant stock options that are subject to various vesting terms. Under IFRS, the fair value of each instalment of the award is considered a separate grant based on the vesting period with the fair value of each instalment determined separately and recognized as compensation expense over the term of its respective vesting period. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

All equity-settled share-based payments are reflected in reserves until exercised. Upon exercise, shares are issued from treasury and the amount reflected in reserves is credited to share capital along with any consideration paid. Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. On expiration of options, the previously recognized amount is left in the reserves.

3. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments

The Company recognizes a financial asset or liability when it becomes a party to the contractual provisions of the financial instrument. A financial asset is initially measured at fair value and in the case of a financial asset not at fair value through profit or loss ("FVTPL"), the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are subsequently measured at amortized cost, fair value through other comprehensive income ("FVTOCI") or FVTPL. A financial liability is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. The Company's cash is measured at FVTPL and amounts receivable and accounts payable and accrued liabilities are subsequently measured at amortized cost.

Flow-through shares and units

The Company may from time-to-time issue flow-through common shares and units to finance a significant portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. At the time of closing a financing involving flow-through shares, the Company allocates proceeds received first to common shares based on the market trading price of the common shares at the time the flow-through shares are issued, and any excess is allocated to flow-through premium liability.

At the time of closing a financing involving flow-through units consisting of common shares and warrants, the Company allocates proceeds received as follows: (i) share capital – the market trading price of the common share; (ii) flow-through share premium – equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as a liability; and (iii) warrant reserve – any excess.

Upon expenses being incurred, the Company derecognizes the liability and credits other income when the entity renounces the tax benefits to the shareholders. Costs incurred in connection with the issuance of flow-through shares reduce the flow-through liability on a pro-rata basis.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company's period is disclosed separately as flow-through expenditure commitments. The Company is also subject to a Part XII.6 tax on unspent flow-through proceeds, renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financial expense until paid.

Share capital

Agent's warrants issued as purchase consideration in non-monetary transactions are recorded at fair value determined by management using the Black-Scholes option pricing model. The fair value of the shares issued as consideration for exploration and evaluation assets is based on the trading price of those shares on the TSX Venture Exchange on the date of issuance of shares as determined by the Board of Directors. Proceeds from unit placements are allocated between shares and warrants issued using the residual method whereby proceeds are allocated first to common shares based on the market value of the common shares at the time the units are issued, and any excess is allocated to warrants.

3. MATERIAL ACCOUNTING POLICIES (continued)

New accounting standards adopted during the year

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies

These amendments continue the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include: requiring companies to disclose their material accounting policies instead of their significant accounting policies; clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material. The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

These amendments are adopted by the Company effective October 1, 2023. The adoption of the amendments reduced the Company's disclosure of its accounting policies.

New accounting standards issued but not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

REX RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024
(Expressed in Canadian Dollars - Unaudited)

4. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets comprise the following accumulated expenditures:

	Rex Property	Mactush Options	Kalum Project	Total
	\$	\$	\$	\$
Balance at September 30, 2023	275,000	-	-	275,000
Acquisition costs	-	238,000	-	238,000
Reports	7,986	-	-	7,986
Balance at September 30, 2024	282,986	238,000	-	520,986
Acquisition costs	-	20,000	-	20,000
Balance at December 31, 2024	282,986	288,000	-	540,986

Rex Property

On June 19, 2023, the Company closed an acquisition transaction to acquire for all the issued and outstanding shares of 1414447 B.C. Ltd., an arm's length private B.C. company that holds an undivided 100% interest in eight contiguous mineral claims located near Port Alberni, British Columbia, generally known as the Rex Property.

The Company acquired 1414447 B.C. Ltd. for the sole purpose of acquiring the Rex Property. Based on the number of shares acquired and the Company's decision making power, the Company was determined to be the acquirer. The acquisition was determined to be an asset acquisition because 1414447 B.C. Ltd. did not meet the definition of a business. Upon closing of the transaction, 1414447 B.C. Ltd. became a subsidiary of the Company. The total consideration paid totaled \$275,000 and has been allocated to the assets and liabilities acquired based on their estimated fair values on June 19, 2023 as follows:

		Total \$
Consideration:	Shares issued	100,000
	Deferred cash payable included in accounts payable and accrued liabilities	115,000
	Cash paid	60,000
Allocated:	Rex Property	1
	Accounts payable	(1)
	Excess allocated to the Rex Property	275,000

During the year ended September 30, 2023, the Company issued 1,000,000 common shares with a fair market value price of \$0.10 per share. The deferred cash payable of \$115,000 was due on December 18, 2023. As at September 30, 2024, the Company has paid \$50,000 of the deferred cash payable. The remaining \$65,000 deferred cash payable was paid subsequent to the year end.

4. EXPLORATION AND EVALUATION ASSETS (continued)

Mactush Option

On May 20, 2024, and amended on November 19, 2024, the Company entered into a property option agreement to purchase 100% undivided interest in and to eight (8) mineral claims located in the Alberni Mining Division of British Columbia ("Mactush Option").

To exercise the option, the Company must make a series of payments totalling \$300,000 as follows:

- 1- \$20,000 payable within 2 business days upon the final bulletin of the TSX Venture Exchange which was on June 27, 2024 (paid);
- 2- \$20,000 payable on or before November 20, 2024 (paid);
- 3- \$60,000 payable on or before February 20, 2025;
- 4- \$100,000 payable on or before May 20, 2025, and
- 5- \$100,000 payable on or before May 20, 2026.

In addition, the Company must issue shares to the optionors as follows:

- 1- 2,500,000 common shares upon the final bulletin of the TSX Venture Exchange (issued);
- 2- \$75,000 worth of common shares on or before May 20, 2025; and
- 3- \$100,000 worth of common shares on or before May 20, 2026;

In the event that the Company wishes to accelerate the option exercise within 12 months following the Effective Date of the Mactush Option, the final cash payment and the final issuance of Common Shares will be subject to reductions of \$25,000 and \$50,000, respectively.

Upon the exercise of the Mactush Option, the property will be subject to a 2% net smelter returns royalty in favour of the optionors, one-half (or 1%) of which the Company has the option to purchase at any time for \$250,000.

The Mactush Option is subject to an arm's length finders fee of \$18,000 (paid).

5. SHARE CAPITAL

Authorized

Unlimited number of fully paid Class A common shares without par value and with voting rights ("Common shares").
Unlimited number of Class B Preferred Shares without par value – none issued.

Issued

For the period ended December 31, 2024 and subsequent

On October 31, 2024, the Company closed a private placement through the issuance of 1,900,000 units at a price of \$0.10 for gross proceeds of \$190,000. Each unit consisted of one common share and one-half share purchase warrants. The attached warrants have a two year expiry and have an exercise price of \$0.20 per share.

On January 10, 2025, the Company closed a private placement through the issuance of 500,000 flow-through common shares at a price of \$0.10 per flow-through share for gross proceeds of \$50,000.

For the year ended September 30, 2024

On April 25, 2024, the Company closed a private placement through the issuance of 5,150,000 units at a price of \$0.05 for gross proceeds of \$257,500. Each unit consisted of one common share and one-half share purchase warrants. The attached warrants have a two year expiry and have an exercise price of \$0.075 per share. The Company also paid \$9,200 in cash finders fees and \$8,346 in professional fees.

On June 25, 2024, the Company issued 2,500,000 common shares with a fair value of \$200,000 in accordance with the Mactush Option Agreement (Note 4).

5. SHARE CAPITAL (continued)

Stock options

On April 18, 2023, the Company adopted the Incentive Stock Option Plan (the "Plan"). The shares issuable under the Plan are as follows:

- The term of any options granted may not exceed 10 years from the date of grant;
- The aggregate number of shares ("Optioned Shares") that may be issuable pursuant to options granted under the Plan will not exceed 10% of the number of issued shares of the Company at the time of the granting of options under the Plan;
- No more than 5% of the issued shares of the Company, calculated at the date the option is granted, may be granted to any one Optionee (as hereinafter defined) in any 12-month period;
- No more than 2% of the issued shares of the Company, calculated at the date the option is granted, may be granted to any one Consultant in any 12-month period; and
- No more than an aggregate of 2% of the issued shares of the Company, calculated at the date the option is granted, may be granted to all Employees and/or Consultants conducting "Investor Relations Activities" (as that term is defined in TSX Venture Exchange Policy 1.1) in any 12-month period.

A continuity schedule of stock options is as follows:

	Number of options	Weighted average exercise price (\$)
Options outstanding, September 30, 2023	-	-
Expired	2,200,000	0.05
Options outstanding, September 30, 2024	2,200,000	0.05
Cancelled	(500,000)	0.07
Options outstanding, December 31, 2024	1,700,000	0.05

On May 15, 2024, the Company granted 1,200,000 options to directors, officers and consultants of the Company. These options had a grant date fair value of \$61,400 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.06; ii) share price: \$0.07; iii) term: 5 years; iv) volatility: 89%; v) risk-free interest rate: 3.68%.

On July 2, 2024, the Company granted 400,000 options to a consultant of the Company for investor relations services. These options had a grant date fair value of \$23,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.08; ii) share price: \$0.08; iii) term: 5 years; iv) volatility: 91%; v) risk-free interest rate: 3.49%. 200,000 of the stock options are subject to vesting terms and will vest 25% over a 12 month period.

On September 17, 2024, the Company granted 600,000 options to a director of the Company and a consultant. These options had a grant date fair value of \$29,000 calculated using the Black-Scholes model with the following inputs: i) exercise price: \$0.05; ii) share price: \$0.06; iii) term: 5 years; iv) volatility: 105%; v) risk-free interest rate: 2.68%.

REX RESOURCES CORP.
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2024
(Expressed in Canadian Dollars - Unaudited)

5. SHARE CAPITAL (continued)

Stock options (continued)

As at December 31, 2024, these options had a remaining life of 4.47 years.

Details of outstanding stock options as at December 31, 2024 are as follows:

Exercise Price	Expiration Date	Number of Stock Options	Exercisable
\$0.06	May 14, 2029	1,200,000	1,200,000
\$0.05	September 17, 2029	500,000	500,000
		1,700,000	1,700,000

Warrants

A continuity schedule of share purchase warrants is as follows:

	Number of warrants	Weighted average exercise price (\$)
Warrants outstanding, September 30, 2023	1,680,000	0.25
Expired	(1,680,000)	0.25
Issued	2,575,000	0.075
Warrants outstanding, September 30, 2024	2,575,000	0.075
Issued	1,900,000	0.20
Warrants outstanding, December 31, 2024	4,475,000	0.13

As at December 31, 2024, these warrants had a remaining life of 1.54 years.

Details of outstanding warrants as at December 31, 2024 are as follows:

Exercise Price	Expiration Date	Number of warrants
\$0.075	April 25, 2026	2,575,000
\$0.20	October 31, 2026	1,900,000

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. The Company has identified its directors and officers as its key management personnel.

During the three months ended December 31, 2024, \$15,000 (2024 - \$15,000) was paid or accrued to the Chief Executive Officer for consulting fees.

During the three months ended December 31, 2024, \$9,000 (2024 - \$Nil) was paid or accrued to a Director for consulting fees.

As at December 31, 2024, \$36,762 (2024- \$25,785) was payable to related parties. The amount due to related parties are included in accounts payable and accrued liabilities, and are unsecured, non-interest bearing and payable on demand.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT

The Company classifies its fair value measurements in accordance with the three-level fair value hierarchy as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's financial instruments include cash, amounts receivable and accounts payable and accrued liabilities. The fair values of the Company's financial instruments are not materially different from their carrying values due to the short-term maturity nature of the financial instruments. The Company's cash is measured using level 1 inputs. There are no financial instruments measured using levels 2 or 3 inputs.

Management of financial risk

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

Credit risk

Credit risk is the risk of loss due to the counterparty's inability to meet its obligations. The Company's exposure to credit risk is on its cash and amounts receivable. Risk associated with cash is managed through the use of major banks which are high credit quality financial institutions as determined by rating agencies. Amounts receivable are due from the Canada Revenue Agency which management believes there to be a low risk of default. The Company is not exposed to significant credit risk.

7. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations when they become due. The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term operating requirements. The Company's cash is held in corporate bank accounts available on demand. The Company's accounts payable and accrued liabilities are due within 90 days of December 31, 2024. Liquidity risk has been assessed as high.

Market risk

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

Currency risk

The Company may be exposed to foreign currency risk on fluctuations related to cash, amounts receivable and accounts payable and accrued liabilities that are denominated in a foreign currency. As at December 31, 2024, the Company did not have any accounts in foreign currencies and considers foreign currency risk insignificant.

Interest rate risk

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

Price risk

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

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of components of shareholders' equity. There were no changes in the Company's approach to capital management during the period. The Company is actively looking to acquire an interest in a business or assets, and this involves a high degree of risk. The Company has not determined whether it will be successful in its endeavors and does not generate cash flows from operations. The Company's primary source of funds comes from the issuance of common shares. The Company does not use other sources of financing that require fixed payments of interest and principal due to lack of cash flow from current operations and is not subject to any externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. Capital requirements are driven by the Company's general operations. To effectively manage the Company's capital requirements, the Company monitors expenses and overhead to ensure costs and commitments are being paid. The Company will require financing from lenders, shareholders and other investors to generate sufficient capital to meet its short term operating requirements. There have been no changes to the Company's approach to capital management during the period ended December 31, 2024.

8. SEGMENTED INFORMATION

The Company operates in one business segment being the exploration and development of resource properties. All assets of the Company are located in Canada.