COPPERCORP RESOURCES INC.

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

Expressed in Canadian Dollars

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
CopperCorp Resources Inc.

Opinion

We have audited the accompanying consolidated financial statements of CopperCorp Resources Inc. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our auditor's report.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. 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 Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted auditing standards 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 these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company'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 consolidated financial statements 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year ended 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.

The engagement partner on the audit resulting in this independent auditor's report is Michael MacLaren.

Davidson & Company LLP

Vancouver, Canada | Chartered Professional Accountants

April 23, 2024

COPPERCORP RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note(s)		December 31, 2023		December 31, 2022
ASSETS					
Current assets:					
Cash		$	5,594,656	$	7,015,143
GST recoverable			42,419		56,791
Prepaid expenses	9		108,894		115,792
Total current assets			5,745,969		7,187,726
Non-current assets:					
Right of use – asset	7		64,294		117,155
Exploration and evaluation assets	4		511,562		511,562
Reclamation bonds	4		152,369		91,960
Equipment	6		84,516		65,987
Long term deposits			4,603		4,603
Total assets		$	6,563,313	$	7,978,993
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	5	$	245,603	$	229,324
Lease liability – short term portion	7		57,027		43,993
			302,630		273,317
Non-current liabilities:					
Lease liability – long-term portion	7		13,448		76,652
			316,078		349,969
SHAREHOLDERS' EQUITY					
Share capital	8		15,115,257		13,827,047
Reserves	8		2,770,850		2,710,500
Deficit			(11,638,872)		(8,908,523)
Total shareholders' equity			6,247,235		7,629,024
Total liabilities and shareholders' equity		$	6,563,313	$	7,978,993

Nature and continuance of operations (Note 1)
Subsequent events (Note 14)

Approved and authorized by the Board on April 23, 2024.

"Stephen Swatton" Director *"Craig Roberts"* Director

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

COPPERCORP RESOURCES INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note(s)	Year ended December 31, 2023	Year ended December 31, 2022
Expenses			
Depreciation	6,7	$ 74,534	$ 66,550
Bank charges and interest		12,072	17,954
Director fees	9	36,250	81,000
Exploration expenditures	4	1,757,476	1,599,408
Management and consulting fees	9	542,085	530,625
Marketing and IR		131,314	629,183
Office and miscellaneous		210,557	330,500
Professional fees		150,214	287,727
Share-based compensation	8,9	15,716	607,049
Transfer agent and filing fees		44,269	107,017
Travel and conference		114,032	94,881
		(3,088,519)	(4,351,894)
Other income (expenses)			
Interest income		278,526	169,862
Other income	4	118,813	-
Foreign exchange		(39,169)	(25,424)
Loss for the year		(2,730,349)	(4,207,456)
Basic and diluted loss per common share		$(0.04)	$(0.06)
Weighted average number of common shares outstanding		67,579,529	65,839,886

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

COPPERCORP RESOURCES INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

	Share Capital (Note 8)				
	Shares	Amount	Reserves	Deficit	Total
Balance, December 31, 2021	**56,175,365**	**$ 9,266,029**	**$ 2,103,451**	**$ (4,701,067)**	**$ 6,668,413**
Shares issued for private placement	10,000,000	5,000,000	-	-	5,000,000
Share issue costs – cash	-	(438,982)	-	-	(438,982)
Share issue costs– corporate finance fee	50,000	-	-	-	-
Share-based compensation	-	-	607,049	-	607,049
Loss for the year	-	-	-	(4,207,456)	(4,207,456)
Balance, December 31, 2022	**66,225,365**	**$ 13,827,047**	**$ 2,710,500**	**$ (8,908,523)**	**$ 7,629,024**
Balance, December 31, 2022	**66,225,365**	**$ 13,827,047**	**$ 2,710,500**	**$ (8,908,523)**	**$ 7,629,024**
Shares issued for private placement	19,770,797	1,383,956	-	-	1,383,956
Share issue costs – cash	-	(51,112)	-	-	(51,112)
Share issue costs - warrants	-	(44,634)	44,634	-	-
Share-based compensation	-	-	15,716	-	15,716
Loss for the year	-	-	-	(2,730,349)	(2,730,349)
Balance, December 31, 2023	**85,996,162**	**$15,115,257**	**$ 2,770,850**	**$ (11,638,872)**	**$ 6,247,235**

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

COPPERCORP RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year ended December 31, 2023	2022
Cash flows from operating activities:		
Loss for the year	$ (2,730,349)	$ (4,207,456)
Items not involving cash:		
Depreciation and amortization	74,534	66,550
Deferred listing costs	-	79,475
Non-cash interest expense on ROUL	9,604	12,893
Foreign exchange	(291)	-
Share-based compensation	15,716	607,049
Changes in non-cash working capital:		
GST receivable	14,372	35,907
Prepaid expenses	6,898	(21,275)
Accounts payable and accrued liabilities	16,279	32,048
Net cash used in operating activities	(2,593,237)	(3,394,809)
Cash flows from investing activities:		
Acquisition of equipment	(40,202)	(36,560)
Reclamation bonds	(60,409)	(91,960)
Net cash used in investing activities	(100,611)	(128,520)
Cash flows from financing activities:		
Proceeds from issuance of share capital	1,383,956	5,000,000
Share issuance costs - cash	(51,112)	(345,779)
Repayment of leases	(59,483)	(54,969)
Net cash provided by financing activities	1,273,361	4,599,252
Net increase (decrease) in cash	(1,420,487)	1,075,923
Cash, beginning of the year	7,015,143	5,939,220
Cash, end of the year	$ 5,594,656	$ 7,015,143

During the year ended December 31, 2023, the Company paid $ Nil in taxes (2022 - $ Nil) and $Nil (2022 - $Nil) in interest.

Supplemental Schedule of Non-Cash Investing and Financing Activities

	2023	2022
Fair value of finders warrants	$ 44,634	$ -
Recognition of right of use asset	$ -	$ 91,402
Shares issued for corporate financing fee	$ -	$ 30,000
Allocation of deferred financing fee	$ -	$ 93,203

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

1. NATURE AND CONTINUANCE OF OPERATIONS

CopperCorp Resources Inc. ("CopperCorp", the "Company") was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on July 21, 2020. The Company's head office is located at Suite 203 – 55 Water Street, Vancouver, BC, V6B 1A1 and the Company's registered and records office is located at Suite 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is a mineral exploration company with interests in properties in Australia.

On January 12, 2022, the Company commenced trading on the TSX Venture Exchange under the trading symbol ("CPER"). The Company completed its initial public offering ("IPO") of 10,000,000 common shares at a price of $0.50 per share for total gross proceeds of $5,000,000 on January 12, 2022.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business.

As at December 31, 2023, the Company had current assets of $5,745,969 to settle current liabilities of $302,630, leaving the company with a working capital of $5,443,339. Management estimates that the Company will be able to meet its obligations and to sustain operations for at least the next twelve months.

These consolidated financial statements do not reflect adjustments, which could be material to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company's continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. To date, there have been no adverse effects on the Company's business or ability to raise funds.

2. BASIS OF PRESENTATION

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These consolidated financial statements were approved by the Board of Directors on April 23, 2024.

b) Basis for measurement

These consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value. All dollar amounts presented are expressed in Canadian Dollars unless otherwise specified. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

a) Basis of consolidation

These consolidated financial statements include the financial statements of CopperCorp Resources Inc. and its wholly owned subsidiary Georgina Resources Pty Ltd. incorporated in Australia. Subsidiaries are entities which the Company controls, either directly or indirectly, where control is defined as the power to govern an entity's financial and operating policies and generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that may arise upon the exercise or conversion of non-voting securities are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and they are deconsolidated from the date which control ceases. All intercompany transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Georgina Resources Pty Ltd	Australia	100%	Mineral exploration

b) Accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Critical estimates

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Critical judgments

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of the Company's exploration and evaluation assets do 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 exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

c) Foreign exchange

The Company's reporting currency and the functional currency of all of its operations, including that of its subsidiary, is the Canadian dollar. Transactions in foreign currencies are initially recorded at the functional currency rate at the date of the transaction. At each statement of financial position date, monetary assets and liabilities are translated using the period-end foreign exchange rate. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when acquired. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

d) Exploration and evaluation assets

Costs related to the acquisition of exploration and evaluation assets are capitalized by property until the commencement of commercial production. Exploration and evaluation costs are recognized in profit or loss. Costs incurred before and after the Company has obtained the legal rights to explore an area of interest are recognized in profit or loss until such time the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, after which such costs are capitalized. Upon achieving production, costs for a producing property will be amortized on a unit of-production method based on the estimated life of the ore reserves. The recoverability of the amounts capitalized for the undeveloped exploration and evaluation assets is dependent upon the determination of economically recoverable ore reserves, confirmation of the Company's interest in the underlying mineral claims, the ability to obtain the necessary financing to complete their development, and future profitable production or proceeds from the disposition thereof.

e) Government grants

A government grant is recognised only when there is reasonable assurance that (a) the entity will comply with any conditions attached to the grant and (b) the grant will be received.

The grant is recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

A grant relating to assets may be presented in one of two ways:

- as deferred income, or
- by deducting the grant from the asset's carrying amount.

A grant relating to income may be reported separately as 'other income' or deducted from the related expense. The Company opted for recording the grants received as other income.

f) Impairment of long-lived assets

At the end of each reporting period, the Company reviews the carrying amounts of its long-lived assets to determine whether there is an indication that those assets have suffered impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any).

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assignments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the statement of loss and comprehensive loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

g) Reclamation obligations

The Company recognizes statutory, contractual or other legal obligations related to the retirement of its exploration and evaluation assets and its tangible long-lived assets when such obligations are incurred, if a reasonable estimate of fair value can be made. These obligations are measured initially at the net present value of estimated future cash flows and the resulting costs are expensed to the statement of loss and comprehensive loss. In subsequent periods, the liability is adjusted for any changes in the amount or timing and for the discounting of the underlying future cash flows. For the periods presented, there were no reclamation obligations.

h) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, stock options and share warrants are classified as equity instruments. 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.

The Company uses the residual approach when allocating the fair value of the share purchase warrants issued in conjunction with the offering of units through a private placement. The Company determines the fair value of the common share and the residual value is allocated to the share purchase warrant for unit offerings that contain a common share and a share purchase warrant.

i) Share-based compensation

The Company applies the fair value method of accounting for all stock option awards. Under this method, share-based compensation expense attributed to the award of options to employees is measured at the fair value of the award on the date of grant and is recognized over the vesting period of the award. Share-based compensation to non-employees is valued based on the fair value of the service received, if reliably determinable, otherwise based on the fair value of the award granted. Valuation is calculated based on the date at which the Company receives the service. If and when the stock options are ultimately exercised, the applicable amounts of other equity reserves are transferred to share capital.

The fair value of instruments granted is measured using the Black-Scholes Option Pricing Model, taking into account the terms and conditions under which the instruments are granted. The fair value of the awards is adjusted by an estimate of the number of awards that are expected to vest as a result of non-market conditions. At each statement of financial position date, the Company revises its estimates of the number of options that are expected to vest based on the non-market conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity.

j) Income taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred taxes are recognized in profit or loss except to the extent that they relate to a business combination or items recognized directly in equity or profit or loss.

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is possible that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding share options and warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The number of additional shares is calculated by assuming that outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. Common share equivalents have been excluded from the computation of diluted loss per share for the years presented as including them would have been antidilutive.

l) Equipment

Equipment is stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

The Company's field equipment is depreciated on a straight-line basis over 2-7 years.

m) Leases

The Company assesses if a contract is or contains a lease at inception of the contract. Control is considered to exist if the contract conveys the right to control the use of an identified asset during the term of the lease. When a lease is identified, a right-of-use asset and a corresponding lease liability are recognized, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an expense in profit or loss on a straight-line basis. Right-of-use assets are recognized at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs and decommissioning and restoration costs, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by using the rate implicit in the lease or the Company's incremental borrowing rate, if the rate implicit in the lease cannot be determined.

n) Financial instruments

<u>Classification</u>

Financial assets are classified at initial recognition as either: measured at amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVTOCI"). The classification depends on the Company's business model for managing the financial assets and the contractual cash flow characteristics. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI").

FVTPL – Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed to profit or loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in profit or loss in the period in which they arise.

FVTOCI - Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost - A financial asset is measured at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current assets or non-current assets based on their maturity date and are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Financial liabilities are measured at amortized cost unless they are required to be measured at FVTPL or the Company has opted to measure at FVTPL.

<u>Measurement</u>

Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement loss in the period in which they arise. Where the Company has opted to designate a financial liability at FVTPL, any changes associated with the Company's credit risk will be recognized in OCI.

Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

<u>Impairment</u>

The Company assesses on a forward-looking basis the expected credit loss ("ECL") associated with financial assets measured at amortized cost, contract assets and debt instruments carried at FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

o) Recent accounting pronouncements

International Accounting Standard (IAS 1) and IFRS Practice Statement ("PS") 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS PS 2, Making Material Judgments, to provide guidance on the application of materiality judgments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies. The standard adopted by the Company on January 1, 2023.

p) New accounting standards issued but not yet in effect

In October 2022, the IASB issued Non-Current Liabilities with Covenants, which amended IAS 1 to clarify that if the Company's right to defer settlement of a liability for at least 12 months is subject to the Company complying with covenants after the reporting period, those covenants would not affect whether the Company's right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. The amendments also increased the disclosure requirement relating to such covenants to include: (i) the nature of the covenants and the date by which the Company must comply with the covenants; (ii) whether the Company would comply with the covenants based on its circumstances at the reporting date; and (iii) whether and how the Company expects to comply with the covenants by the date on which they are contractually required to be tested. The above amendments are effective for the Company's annual reporting periods beginning on or after January 1, 2024. The Company does not currently expect the adoption of this standard to have a material impact on the Company's reporting.

Expressed in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS

On November 9, 2020, the Company closed a transaction, whereby the Company acquired a 100% interest in Georgina Resources Pty Ltd. ("Georgina") that holds the rights to the AMC Project (formerly the Alpine Project) and to the Skyline Project in Australia with an initial acquisition cost of $511,562. The Properties are subject to a 1.5% net smelter return royalty to Georgina vendors which can be purchased for $3,000,000.

a) Expenditures

For the year ended December 31, 2023, the Company incurred the following exploration and evaluation expenditures:

	AMC (formerly Alpine)	Skyline	Others	Total
Drilling	$ 145,436	$ 240,489	$ -	$ 385,925
Field and general operations	132,643	246,486	375,595	754,724
Field contractors and consultants	67,253	55,594	77,376	200,583
Geochemistry	100,995	123,235	130,800	355,030
Geophysics	11,259	-	35,602	46,861
Travel and accommodation	10,155	352	3,846	14,353
December 31, 2023	**$ 467,741**	**$ 666,516**	**$ 623,219**	**$ 1,757,476**

For the year ended December 31, 2022, the Company incurred the following exploration and evaluation expenditures:

	AMC (formerly Alpine)	Skyline	Others	Total
Drilling	$ 703,436	$ -	$ -	$ 703,436
Field and general operations	149,928	124,601	44,579	319,108
Field contractors and consultants	200,258	54,196	-	254,454
Geochemistry	261,552	20,941	13,521	296,014
Geophysics	8,298	-	1,301	9,599
Travel and accommodation	16,693	-	104	16,797
December 31, 2022	**$ 1,340,165**	**$ 199,738**	**$ 59,505**	**$ 1,599,408**

The Company has posted reclamation bonds of $152,369 (2022 - $91,960) in relation to its mineral properties in Australia.

b) Government grants

During the year ended December 31, 2023, the Company received government grants from the Tasmania government for project rebates related to the AMC and Skyline Project. The breakdown of the grants received is as follows:

- AMC: $49,505 (AUD $55,000)
- Skyline: $69,308 (AUD $77,000)

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	December 31, 2022
Accounts payable	$ 206,425	$ 184,324
Accrued liabilities	39,178	45,000
Total accounts payable and accrued liabilities	**$ 245,603**	**$ 229,324**

Expressed in Canadian Dollars

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

		Field Equipment
Cost		
At December 31, 2021	$	53,584
Addition		36,560
At December 31, 2022	$	90,144
Addition		40,202
At December 31, 2023	**$**	**130,346**
Accumulated Depreciation		
At December 31, 2021	$	5,437
Additions		18,720
At December 31, 2022	$	24,157
Additions		21,673
At December 31, 2023	**$**	**45,830**
Net Book Value		
At December 31, 2022	$	68,471
At December 31, 2023	**$**	**84,516**

7. RIGHT-OF-USE ASSET AND LEASE LIABILITIES

a) **Right-of-use asset**

Cost		
Balance, December 31, 2021	$	96,796
Additions		91,402
Balance, December 31, 2022 and 2023	$	188,198
Accumulated Amortization		
Balance, December 31, 2021	$	23,213
Additions		47,830
Balance, December 31, 2022	$	71,043
Additions		52,861
Balance, December 31, 2023	**$**	**123,904**
Net book value, December 31, 2022	$	117,155
Net book value, December 31, 2023	**$**	**64,294**

The right-of-use asset relates to the following:

- On January 1, 2021, the Company entered into a lease agreement for the Company's office space in Australia with the following terms: duration of four years and monthly payments of $2,355 (AUD $2,500).
- On March 1, 2022, the Company entered into a lease agreement for the Company's office space in Canada with the following terms: duration of three years and monthly payments of $2,787.

Expressed in Canadian Dollars

b) **Lease liability**

		December 31, 2023	December 31, 2022
Opening balance	$	120,645	71,319
Additions		-	91,402
Interest expense		9,604	12,893
Lease payments		(59,483)	(54,969)
Foreign exchange		(291)	-
Ending balance	**$**	**70,475**	**120,645**

The Company used a 10% interest rate, its estimated incremental borrowing rate to calculate the present value of the lease payments as well as to calculate the monthly accretion expense.

Future minimum payments per the lease payable are as follows:

Fiscal 2024	$ 64,275
Fiscal 2025	6,270
Total future minimum lease payments	70,545
Effects of discounting	(69)
Total lease liability	70,475
Current lease liability	57,027
Non-Current lease liability	$ 13,448

8. SHARE CAPITAL

a) Authorized share capital: Unlimited number of common shares, without par value.

Issued share capital: As at December 31, 2023, the Company had 85,996,162 (December 31, 2022 – 66,225,365) shares issued and outstanding.

As at December 31, 2023, the Company had 16,971,714 common shares held in escrow (2022 – 28,286,190).

For the year ended December 31, 2023

During the year ended December 31, 2023, the Company closed its non-brokered private placement of units raising gross proceeds of $1,383,956. The private placement consisted of the issuance of 19,770,797 units priced at $0.07 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one additional share at a price of $0.12 per share until December 21, 2025. In connection with the closing of the private placement, the Company paid finder's fees totaling $51,112 and issued a total of 730,174 finder's warrants (under the same terms as the warrants).

For the year ended December 31, 2022

During the year ended December 31, 2022, the Company completed its IPO, resulting in the issuance of 10,000,000 common shares in the capital of the Company at a price of $0.50 per common share for gross proceeds of $5,000,000. In connection with the IPO, the Company incurred $438,982 in share issuance costs of which $93,203 was included in the total $172,678 presented as deferred financing and listing costs at December 31, 2021. The Company also issued 50,000 common shares of the Company as a corporate finance fee, valued at $30,000 at issuance date.

b) Warrants

The warrant activity and weighted average prices of warrants are as follows:

Expressed in Canadian Dollars

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at December 31, 2021	11,530,937	$	0.75
Expired	(8,075,124)	$	0.75
Outstanding as at December 31, 2022	3,455,813	$	0.75
Expired	(3,455,813)	$	0.75
Granted	20,500,971	$	0.12
Outstanding as at December 31, 2023	20,500,971	$	0.12

As at December 31, 2023, the outstanding and exercisable share purchase warrants were as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life (in years)
20,500,971	$0.12	December 21, 2025	1.98

The fair value of finder's warrants issued was $44,634 estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	December 31, 2023
Risk-free interest rate	3.94%
Expected dividend yield	Nil
Share price	$0.105
Expected stock price volatility	117%
Average expected warrant life	2 years
Fair value of warrants granted	$0.06

c) Stock options

Pursuant to CopperCorp's stock option plan, the Board of Directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the Board of Directors and expire no later than five years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange and the minimum exercise price per common share must be at least $0.10. Options issued are subject to vesting terms at the discretion of the Board of Directors.

During the year ended December 31, 2022, the Company granted a total of 50,000 incentive stock options to an employee of the Company. Each option is exercisable to purchase one common share of the Company for five years at a price of $0.66 per common share and shall vest quarterly for a period of twelve months.

During the year-ended December 31, 2023, the Company granted a total of 150,000 incentive stock options to an employee of the Company. Each option is exercisable at $0.20 per common share for a period of five years from the date of grant with 25% vesting upon grant and 25% vesting every three months thereafter.

The number and weighted average prices of options are as follows:

Expressed in Canadian Dollars

	Number of Options		Weighted Average Exercise Price
Outstanding as at December 31, 2021	5,400,000	$	0.35
Granted	50,000	$	0.66
Expired	(1,000,000)	$	0.35
Outstanding as at December 31, 2022	4,450,000	$	0.35
Granted	150,000	$	0.20
Expired	(337,500)	$	0.33
Outstanding as at December 31, 2023	4,262,500	$	0.35

As at December 31, 2023, the Company has the following options outstanding and exercisable:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date	Weighted average remaining life (in years)
4,100,000	4,100,000	$0.35	July 27, 2026	2.57
50,000	50,000	$0.66	January 17, 2027*	3.05
112,500	112,500	$0.20	January 17, 2027*	4.04
4,262,500	4,262,500	$0.35		2.62

* Expired unexercised subsequent to December 31, 2023.

The fair value of stock options issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	December 31, 2023	December 31, 2022
Risk-free interest rate	3.00%	1.61%
Expected dividend yield	Nil	Nil
Share price	$0.20	$0.66
Expected stock price volatility	58%	100%
Average expected option life	5 years	5 years
Fair value of options granted	$0.08	$0.44

During the year ended December 31, 2023, the Company recognized $15,716 (December 31, 2022 – $607,049) in share-based compensation expense for the fair value of stock options granted and vested.

9. RELATED PARTY TRANSACTIONS

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 and corporate officers and/or companies controlled by those individuals. The aggregate value of compensation with key management for the year ended December 31, 2023 was $ 261,250 (2022 - $664,703) and was comprised of the following:

Expressed in Canadian Dollars

		Year ended December 31, 2023		Year ended December 31, 2022
Management and consulting fees	$	225,000	$	215,625
Directors' fees		36,250		81,000
Share-based compensation		-		368,078
Total remuneration	**$**	261,250	**$**	664,703

As at December 31, 2023, there was $21,075 (2022 - $41,885) included in prepaid expenses to related parties.

Other related party transactions

For the year ended December 31, 2023, CopperCorp incurred a total of $90,000 (2022 - $92,500) in consulting fees from a company owned by a close family member of the CFO.

10. FINANCIAL INSTRUMENTS

Fair value

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 recorded values of cash, reclamation bonds, GST recoverable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturities which is the amount presented on the statement of financial position.

Financial risk factors

The Company's risk exposures and the impact on the Company's financial statements are summarized below:

Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash, GST recoverable and reclamation bonds due from the Government of Canada and Australia. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to GST receivable and reclamation bonds is minimal. The maximum credit risk is the carrying value of the instruments.

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 December 31, 2023, the Company had a working capital balance of $5,443,339.

Interest rate risk

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities, denominated in Australian dollars. A 10% fluctuation between the Canadian dollar against the Australian dollar would impact profit or loss by approximately $10,640.

Price risk

The Company has limited exposure to price risk with respect to 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.

11. CAPITAL MANAGEMENT

Capital is comprised of the Company's shareholders' equity. As at the year ended December 31, 2023, the Company's shareholders' equity was $6,226,611. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company currently is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year ended December 31, 2023.

12. SEGMENT INFORMATION

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. All of the Company's long-term assets are located in Canada except for the items in the table below.

		December 31, 2023		December 31, 2022
Equipment				
Australia	$	84,516	$	65,987
		84,516		65,987
ROU				
Australia	$	28,748	$	51,142
		28,748		51,142
Reclamation bonds				
Australia	$	152,369	$	91,960
		152,369		91,960
Exploration and evaluation assets				
Australia		511,562		511,562
	$	511,562	$	511,562
	$	777,195	$	720,651

Expressed in Canadian Dollars

13. INCOME TAXES

	Year Ended December 31, 2023	Year Ended December 31, 2022
Loss before income taxes	$ (2,730,349)	$ (4,207,456)
Statutory Canadian federal and provincial tax rates	27 %	27%
Expected tax (recovery)	$ (737,000)	$ (1,136,000)
Change in statutory, foreign tax, foreign exchange rates and other	(34,000)	(89,000)
Permanent differences	7,000	164,000
Share issue cost	(14,000)	(72,000)
Change in unrecognized deductible temporary differences	778,000	1,133,000
Deferred income tax recovery	$ -	$ -

The tax effects on the temporary differences that give rise to the Company's deferred tax assets and liabilities are as follows:

		2023	2022
Deferred tax assets (liabilities)			
Property and equipment	$	2,000	9,000
Share issue costs		106,000	122,000
Lease liability		3,000	-
Non-capital losses		2,639,000	1,841,000
		2,750,000	1,972,000
Unrecognized deferred tax assets		(2,750,000)	(1,972,000)
Net deferred tax assets	$	-	-

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have been included on the statement of financial position are as follows

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary differences				
Share issuance costs	$ 392,000	2024 to 2027	$ 451,000	2023 to 2026
Property and equipment	$ 6,000	No expiry date	$ 30,000	No expiry date
Lease liability	$ 15,000	No expiry date	-	No expiry date
Non-capital losses	$ 9,187,000	2026 to 2043	$ 6,389,000	Below
Canada	$ 3,890,000	2040 to 2043	$ 2,958,000	2040 to 2042
Australia	$ 5,296,000	Indefinite	$ 3,431,000	Indefinite

Tax attributes are subject to review and potential adjustment by tax authorities.

14. SUBSEQUENT EVENTS

Subsequent to the year ended December 31, 2023, the following event took place:

- The Company granted 2,050,000 options on January 18, 2024. The options are exercisable at $0.12 per share for a period of 5 years from the date of grant.

- 162,500 options expired unexercised.