

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the Three and Nine Months Ended September 30, 2021**

**Expressed in Canadian Dollars**

**(Unaudited – prepared by management)**

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Expressed in Canadian Dollars) Unaudited – prepared by management

	September 30, 2021	December 31, 2020
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 7,036,840	\$ 6,152,979
GST receivable	44,214	4,953
Prepaid expenses	116,036	-
	<u>7,197,090</u>	<u>6,157,932</u>
<b>Non-current</b>		
Exploration and evaluation assets (Notes 4 and 8)	511,562	511,562
Equipment (Note 6)	44,818	-
	<u>556,380</u>	<u>-</u>
Total assets	<u>\$ 7,753,470</u>	<u>\$ 6,669,494</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Notes 5 and 9)	133,284	\$ 41,498
<b>Shareholders' equity</b>		
Share capital (Note 7)	9,256,029	6,698,717
Reserves	1,535,893	-
Deficit	(3,171,736)	(70,721)
	<u>7,620,186</u>	<u>6,627,996</u>
Total liabilities and shareholders' equity	<u>\$ 7,753,470</u>	<u>\$ 6,669,494</u>

**Nature and continuance of operations** (Note 1)

**Subsequent event** (Note 13)

**Approved and authorized by the Board on November 25, 2021.**

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*"Stephen Swatton"* Director      \_\_\_\_\_  
*"Craig Roberts"* Director

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

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF LOSS AND COMPREHENSIVE LOSS**  
(Expressed in Canadian Dollars) - Unaudited – prepared by Management

	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2021
<b>EXPENSES</b>		
Amortization expense	1,982	3,287
Bank charges and interest	465	1,472
Director Fees (Note 9)	34,000	39,000
Exploration and evaluation expenditures (Note 8)	288,075	794,923
Foreign exchange	1,896	10,087
Management and consulting fees (Note 9)	72,625	246,500
Marketing and IR	-	250,000
Office and miscellaneous	10,690	62,812
Professional fees	52,249	127,846
Share-based compensation (Note 7 and 9)	-	1,535,893
Transfer agent and filing fees	28,128	29,194
<b>Net loss and comprehensive loss for the period</b>	<b>(490,110)</b>	<b>(3,101,014)</b>
<b>Basic and diluted loss per common share</b>	<b>(0.01)</b>	<b>(0.06)</b>
<b>Weighted average number of common shares outstanding, basic and diluted</b>	<b>56,175,365</b>	<b>49,376,744</b>

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

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Expressed in Canadian Dollars) – Unaudited – prepared by Management

	<u>Share Capital</u>				
	Shares	Amount	Reserves	Deficit	Total
<b>Balance, July 21, 2020 (incorporation)</b>	-	\$ -	-	\$ -	\$ -
Shares issued on incorporation	2	-	-	-	-
Shares issued for property acquisition	10,300,000	463,500	-	-	463,500
Shares issued for private placements	33,928,023	6,452,587	-	-	6,452,587
Share issue costs – cash	-	(217,370)	-	-	(217,370)
Loss for the period	-	-	-	(70,721)	(70,721)
<b>Balance, December 31, 2020</b>	<b>44,228,025</b>	<b>\$ 6,698,717</b>	-	<b>\$ (70,722)</b>	<b>\$ 6,627,996</b>
Shares issued for private placement	11,947,340	2,645,676	-	-	2,645,676
Share-based compensation	-	-	1,535,893	-	1,535,893
Share issue costs – cash	-	(88,364)	-	-	(88,364)
Loss for the period	-	-	-	(3,106,014)	(3,106,014)
<b>Balance, September 30, 2021</b>	<b>56,175,365</b>	<b>\$ 9,256,029</b>	<b>\$1,535,893</b>	<b>\$ (3,171,736)</b>	<b>\$7,620,186</b>

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

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
(Expressed in Canadian Dollars) – Unaudited – prepared by Management  
For the Nine Months Ended September 30, 2021

	Nine months ended September 30, 2021
<b>OPERATING ACTIVITIES</b>	
<b>Loss for the period</b>	\$ (3,101,014)
Items not involving cash:	
Share-based compensation	1,535,893
Amortization	3,287
Changes in non-cash working capital items:	
Accounts payable and accrued liabilities	91,785
GST receivable	(39,261)
Prepays	(116,036)
Cash used in operating activities	<u>(1,625,346)</u>
<b>INVESTING ACTIVITIES</b>	
Acquisition of equipment	<u>(48,105)</u>
Cash used in investing activities	(48,105)
<b>FINANCING ACTIVITIES</b>	
<b>Proceeds from issuance of share capital</b>	2,645,676
Share issue costs	<u>(88,364)</u>
<b>Cash provided by financing activities</b>	<u>2,557,312</u>
<b>Change in cash for the period</b>	883,861
<b>Cash, beginning of period</b>	<u>6,152,979</u>
<b>Cash, end of period</b>	\$ 7,036,840
<b>Cash paid for:</b>	
Taxes	\$Nil
Interest	\$Nil

The accompanying notes are an integral part of these condensed interim 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 changed its name to CopperCorp Resources Inc. on April 28, 2021. The Company’s head office address and its registered and records office address is at Suite 800 – 885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is a mineral exploration company with interests in mineral properties in Australia.

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. Management estimates that the Company will be able to meet its obligations and to sustain operations for at least the next twelve months.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”).

The condensed consolidated interim financial statements were approved by the Board of Directors on November 25, 2021.

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 condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting, using accounting policies consistent with IFRS. Certain disclosures required by IFRS have been condensed or omitted in the following note disclosures as they are disclosed or have been disclosed on an annual basis only. Accordingly, these condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the period from incorporation on July 21, 2020 to December 31, 2020, which have been prepared in accordance with IFRS. The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied in the Company’s annual financial statements, unless otherwise stated.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

### **a) Basis for measurement**

These condensed consolidated interim 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 in Canadian dollars unless otherwise specified. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

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

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
(Expressed in Canadian Dollars) – Unaudited – prepared by Management  
For the Nine Months Ended September 30, 2021

b) Basis of consolidation

These condensed consolidated interim financial statements include the financial statements of CopperCorp Resources Inc. (Formerly 1258168 BC Ltd.) and its wholly owned subsidiary Georgina Resources Pty Ltd. incorporated in Australia. All intercompany transactions and balances have been eliminated upon consolidation.

c) Critical accounting judgements and estimates

Judgements, estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant judgments, estimates and assumptions made by management in applying the Company’s accounting policies were the same as those that applied to the Company’s audited consolidated financial statements for the period from incorporation on July 21, 2020 to December 31, 2020.

**4. ACQUISITION OF GEORGINA**

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 Alpine Project and to the Skyline Project in Australia. The acquisition has been accounted for as an acquisition of assets.

The aggregate purchase consideration for the acquisition consists of the Company issuing 10,300,000 common shares of the Company. The purchase price allocation is as follows:

Shares	463,500	[i]
Transaction costs	64,443	
<b>Total</b>	<b>527,943</b>	
<hr/>		
Cash	12,766	
Recoverable taxes	3,615	
Exploration and evaluation of assets	511,562	
<b>Total transaction price</b>	<b>527,943</b>	

[i] The Company issued 10,300,000 common shares on November 9, 2020 as per share purchase agreement.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>September 30, 2021</b>		<b>December 31, 2020</b>	
Accounts payable	\$	128,284	\$	41,498
Accrued liabilities		6,250		-
<b>Total accounts payable and accrued liabilities</b>	<b>\$</b>	<b>133,284</b>	<b>\$</b>	<b>41,498</b>

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**  
 NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
 (Expressed in Canadian Dollars) – Unaudited – prepared by Management  
 For the Nine Months Ended September 30, 2021

**6. EQUIPMENT**

		Field Equipment		Total
<b>Cost</b>				
At December 31, 2020	\$	-	\$	-
Addition	\$	48,105	\$	48,105
<b>At September 30, 2021</b>	<b>\$</b>	<b>48,105</b>	<b>\$</b>	<b>48,105</b>
<b>Accumulated Depreciation</b>				
At December 31, 2020	\$	-	\$	-
Additions	\$	3,287	\$	3,287
At September 30, 2021	\$	3,287	\$	3,287
<b>Net Book Value</b>				
December 31, 2020	\$	-	\$	-
September 30, 2021	\$	44,818	\$	44,818

**7. SHARE CAPITAL**

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

Issued share capital:

**For the nine months ended September 30, 2021**

As at September 30, 2021, the Company had 56,175,365 common shares issued and outstanding.

On September 17, 2021, the Company had announced its Initial Public Offering of 10,000,000 common shares at \$0.50 per common share. Pursuant to the terms of Agency Agreement, Haywood Securities Inc., will be paid \$0.03 per common share, totaling to a \$300,000 cash commission. The Company will receive a gross proceed of \$4,700,000 at Closing. The Company estimated costs to be incurred at \$424,825, which includes legal fees, due diligence fees, audit fees, listing and filing fees, securities commission fees and transfer agent fees.

On June 8, 2021, the Company completed a private placement unit financing of 6,610,912 common shares at \$0.35 per units and 5,035,714 shares at \$0.045 per share, for gross proceeds of \$2,540,426. In connection with the latter issuance, the Company recorded a share-based compensation of \$1,535,893 determined by the difference between the shares market value (\$0.35) and the shares issued at \$0.045. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until June 8, 2023. In connection with this financing, the Company incurred cash finders' fees of \$60,000, recorded as share issue costs.

On January 14, 2021, the Company completed a private placement unit financing of 300,714 common shares at \$0.35 per unit, for gross proceeds of \$105,250. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until January 14, 2023. In connection with this financing, the Company incurred cash finders' fees of \$28,364, recorded as share issue costs.

**For the period from incorporation on July 21, 2020 to December 31, 2020**

As at December 31, 2020, the Company had 44,228,025 shares issued and outstanding.

On October 23, 2020, the Company issued 2 incorporation shares.

On October 23, 2020, the Company completed a private placement unit financing of 16,827,776 common shares at \$0.045 per unit, for gross proceeds of \$757,250.

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)**

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars) – Unaudited – prepared by Management

For the Nine Months Ended September 30, 2021

On October 30, 2020, the Company completed a private placement unit financing of 950,000 common shares at \$0.045 per unit, for gross proceeds of \$42,750.

On November 9, 2020, the Company issued 10,300,000 common shares with a fair value of \$463,500 pursuant to the share purchase agreement (Note 4).

On November 20, 2020, the Company completed a private placement unit financing of 6,345,362 common shares at \$0.35 per unit, for gross proceeds of \$2,220,877. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until November 20, 2022.

On December 3, 2020, the Company completed a private placement unit financing of 9,804,885 common shares at \$0.35 per unit, for gross proceeds of \$3,431,710. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until December 3, 2022.

In connection with financings completed during the year ended December 31, 2020, the Company incurred cash finders' fees of \$217,370, recorded as share issue costs.

## b) Warrants

Details of share purchase warrants are as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at July 21, 2020 (incorporation)	-	\$	-
Issued	8,075,124	\$	0.75
Outstanding as at December 31, 2020	8,075,124	\$	0.75
Issued	3,455,812	\$	0.75
Outstanding as at September 30, 2021	11,530,936	\$	0.75

As at September 30, 2021, the outstanding share purchase warrants were as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life (in years)
3,172,681	\$0.75	November 20, 2022	1.14
4,902,443	\$0.75	December 3, 2022	1.18
150,357	\$0.75	January 14, 2023	1.29
3,305,455	\$0.75	June 8, 2023	1.69
11,530,936	\$0.75		1.31

## c) Stock options

As at December 31, 2020, the Company had no outstanding stock options.

During the period ended September 30, 2021, the Company granted a total of 5,400,000 incentive stock options to directors, officers, and consultants of the Company. Each option is exercisable to purchase one common share of the Company for five years at a price of \$0.35 per common share in accordance with the terms of the Company's stock option plan.

**COPPERCORP RESOURCES INC. (Formerly 1258168 BC LTD.)****NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars) – Unaudited – prepared by Management

For the Nine Months Ended September 30, 2021

Number of Options	Exercise Price	Expiry Date	Weighted average remaining life (in years)
5,400,000	\$0.35	July 27, 2026	4.82
5,400,000	\$0.35		4.82

**8. EXPLORATION AND EVALUATION EXPENDITURES**

<b>July 21, 2020 (incorporation)</b>	\$	-
Additions:		
Acquisition costs		511,562
<b>December 31, 2020 and September 30, 2021</b>		<b>511,562</b>

During the nine months ended September 30, 2021, the Company incurred the following exploration and evaluation expenditures:

Drilling	245,631
Field and general operations	67,375
Field contractors and consultants	356,346
Geochemistry	26,297
Geophysics	37,109
Geological consulting	7,907
Metallurgy	38,092
Travel	14,848
Field equipment	1,318
<b>September 30, 2021</b>	<b>\$ 794,923</b>

**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.

During the period ended September 30, 2021, the Company incurred \$176,500 in management, consulting and director fees. From this amount, \$137,500 was included in management and consulting fees, and \$39,000 in director fees in the condensed consolidated interim statement of loss and comprehensive loss.

As at September 30, 2021, the Company owed \$37,500 in management and consulting fees (December 31, 2020 - \$nil) and \$34,000 in director fees (December 31, 2020 - \$nil) to certain officers of the company. The amount is included in accounts payable and accrued liabilities.

On June 8, 2021, the Company completed a private placement whereby it issued 5,035,714 shares at \$0.045 per share. As such it resulted in share-based compensation of \$1,535,893 determined by the difference between the shares market value (\$0.35) and the shares issued at \$0.045.

## 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.

Cash is carried at fair value using a Level 1 fair value measurement. The recorded values of GST receivable, 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 and GST receivable due from the Government of Canada. 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 is minimal.

#### *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 September 30, 2021, the Company had a working capital balance of \$7,063,806.

#### *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 \$14,547.

#### *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 September 30, 2021, the Company's shareholders' equity was \$7,620,186 and there was no long-term debt outstanding. 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 period.

**12. SEGMENT INFORMATION**

The Company operates in one reportable segment, being funding of companies operating in the junior mining sector located in Australia. All of the Company's exploration and evaluation assets are located in Australia.

**13. SUBSEQUENT EVENTS**

Subsequent to the period ended September 30, 2021, the Company received final receipt from the British Columbia Securities Commission for its final long form prospectus in connection with the Company's Initial Public Offering of 10,000,000 common shares at \$0.50 for gross proceeds of \$5,000,000.