



ALTA COPPER CORP.

Condensed Interim Consolidated Financial Statements
For the Three and Six Months Ended June 30, 2025 and 2024
Expressed in United States Dollars, Unless Otherwise Stated

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Alta Copper Corp. (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.

Alta Copper Corp.
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2025 and December 31, 2024 (unaudited)
(Expressed in United States Dollars)

	As at June 30, 2025	As at December 31, 2024
ASSETS		
Current assets		
Cash	\$ 1,181,152	\$ 963,365
Receivables and prepaid expenses	188,747	92,931
Total current assets	1,369,899	1,056,296
Non-current assets		
Marketable securities (note 3)	294,257	153,906
Exploration and evaluation assets, Peruvian assets (note 4)	69,968,473	68,358,616
Exploration and evaluation assets, Canadian projects (note 4)	159,258	159,258
Equipment	4,451	6,083
Total assets	\$ 71,796,338	\$ 69,734,159
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 5)	\$ 185,858	\$ 198,219
Total current liabilities	185,858	198,219
Total liabilities	185,858	198,219
Equity		
Share capital (note 6)	100,028,981	98,541,273
Reserves (note 6)	15,206,704	4,235,160
Accumulated deficit	(43,625,205)	(43,240,493)
Total equity	71,610,480	69,535,940
Total liabilities and equity	\$ 71,796,338	\$ 69,734,159

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

Approved on behalf of the Board:

(Signed) "Steven Latimer" Director

(Signed) "Giulio T. Bonifacio" Director

Alta Copper Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the Three and Six Months ended June 30, 2025 and 2024 (unaudited)

(Expressed in United States Dollars)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating expenses				
Public company	\$ 43,297	\$ 67,826	\$ 84,838	\$ 97,070
Salaries and benefits	65,916	106,349	126,305	211,133
Audit, tax and accounting fees	11,274	17,724	20,159	29,737
Legal and financing costs	16,633	8,037	22,225	14,878
Business development	7,599	7,815	25,186	47,729
General and administrative	16,177	20,482	38,781	43,556
Share-based compensation – stock options	738	50,272	41,018	110,408
Share-based compensation – deferred share units	15,132	26,119	31,158	52,628
Share-based compensation – restricted share units	8,277	-	8,277	-
	185,043	304,624	397,947	607,139
Other expenses				
(Gain)/loss on settlement of debt	-	-	-	(7,361)
(Gain)/loss on foreign exchange	(8,731)	12,344	(13,235)	11,066
Loss before income tax	176,312	316,968	384,712	610,844
Income tax payable	-	-	-	-
Net loss	176,312	316,968	384,712	610,844
Other comprehensive (income) / loss				
Change in fair value of marketable securities (note 3)	(43,143)	(12,950)	(43,421)	(8,946)
Exchange difference on translation to presentation currency	(2,316,548)	203,604	(1,060,470)	563,411
	\$(2,359,691)	\$ 190,654	\$(1,103,891)	\$ 554,465
Total comprehensive (income) / loss	\$(2,183,379)	\$ 507,622	\$ (719,179)	\$1,165,309
Loss per share attributable to shareholders				
Basic and diluted	\$0.00	\$0.00	\$0.01	\$0.01
Weighted average number of common shares				
Outstanding: basic and diluted	92,757,809	84,190,320	91,386,216	84,190,320

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

Alta Copper Corp.
Condensed Interim Consolidated Statements of Cash Flows
For the Six Months ended June 30, 2025 and 2024 (unaudited)
(Expressed in United States Dollars)

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating activities		
Net loss for the year	\$ (384,712)	\$ (610,844)
Adjustments for:		
Share-based payments – stock options	41,018	110,408
Share-based payments – deferred share units	31,158	52,628
Share-based payments – restricted share units	8,277	-
Loan forgiveness	-	(7,361)
Changes in non-cash working capital items:		
Accounts receivable	(9,353)	(1,337)
Prepaid expenses	(86,463)	93,540
Accounts payable and accrued liabilities	(14,386)	229,412
Net cash used in operating activities	\$ (414,461)	\$ (133,554)
Investing activities		
Additions to exploration and evaluation assets - Peru	(441,501)	(1,096,059)
Change in value added taxes paid	(163,374)	45,927
Net cash used in investing activities	\$ (604,875)	\$ (1,050,132)
Financing activities		
Issuance of common shares for cash, net	1,083,189	-
Issuance of common shares for exercise of stock options	153,934	-
Repayment of loan	-	(22,682)
Net cash provided by financing activities	\$ 1,237,123	\$ (22,682)
Net increase/(decrease) in cash	217,787	(1,206,568)
Cash, beginning of year	963,365	2,416,254
Cash, end of period	\$ 1,181,152	\$ 1,209,686

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Alta Copper Corp.
Condensed Interim Consolidated Statements of Changes in Equity
For the Six Months ended June 30, 2025 and 2024 (unaudited)
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	Reserves							
	Number of common shares	Share capital	Equity settled employee compensation	Foreign currency	Available for sale assets	Deficit	Total	
Balance, December 31, 2023	84,190,320	\$ 96,098,962	\$ 15,632,379	\$ (181,410)	\$ 63,169	\$ (41,414,544)	\$ 70,198,556	
Share based payments – stock options	-	-	110,293	-	-	-	110,293	
Change in fair value of investment	-	-	-	-	8,946	-	8,946	
Cumulative translation adjustment	-	-	-	(563,411)	8,448	-	(554,963)	
Net loss	-	-	-	-	-	(610,844)	(610,844)	
Balance, June 30, 2024	84,190,320	\$ 96,098,962	\$ 15,742,672	\$ (744,821)	\$ 80,563	\$ (42,025,388)	\$ 69,151,988	
Balance, December 31, 2024	90,059,507	98,541,273	15,616,272	(1,437,488)	56,376	(43,240,493)	69,535,940	
Common shares issued	2,941,176	1,083,189	-	-	-	-	1,083,189	
Common shares issued upon exercising stock options	1,025,000	379,256	(225,323)	-	-	-	153,933	
Common shares issued upon exercising DSU's	73,943	25,263	(25,263)	-	-	-	-	
Share based payments – stock options	-	-	79,741	-	-	-	79,741	
Share based payments – deferred share units	-	-	44,711	-	-	-	44,711	
Change in fair value of investment	-	-	-	-	43,421	-	43,421	
Cumulative translation adjustment	-	-	-	1,060,470	(6,213)	-	1,054,257	
Net loss	-	-	-	-	-	(384,712)	(384,712)	
Balance, June 30, 2025	94,099,626	\$ 100,028,981	\$ 15,490,138	\$ (377,018)	\$ 93,584	\$ (43,625,205)	\$ 71,610,480	

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1. Nature of operations and going concern

Alta Copper Corp. and its subsidiaries (the "Company") are engaged in the exploration of its mining properties located in Peru. Its principal property is the Cañariaco Copper Project in the District of Lambayeque. The Company was incorporated on May 1, 1997 under the Business Corporation Act of British Columbia and its principal office is located at Suite 801-1112 West Pender Street, Vancouver British Columbia, V6E 2S1.

The company operates a single reportable segment being the exploration of mining properties located in Peru.

The principal subsidiaries of the Company are as follows:

Subsidiary name	Interest held as at December 31, 2024	Functional currency
Cañariaco Copper Peru S.A.C. ("Cañariaco")	100%	US Dollars
Cañariaco Copper (BVI) Corp.	100%	US Dollars
Inversiones Mineras Las Palmas S.A.	100%	US Dollars
Cobrizo Metals Corp.	100%	CDN Dollars
Cobrizo Metals (BVI) Corp.	100%	US Dollars
Cobrizo Metals Peru S.A.C.	100%	US Dollars

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") and the Lima Stock Exchange under the trading symbol "ATCU" and OTCQX Best Market under the symbol "ATCUF".

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the six months ended June 30, 2025, the Company incurred a net loss of \$610,844. As at June 30, 2025, the Company had \$43,625,205 in cumulative losses since inception and excess of current assets over current liabilities of \$1,184,041, (December 31, 2024 excess of current assets over current liabilities \$858,077).

The Company does not generate cashflows from operations and accordingly, the Company will need to raise additional funds. The Company can consider raising additional funds by way of the issuance of securities, sale of a project royalty interest, project streaming arrangement, project joint venture and divestiture of non-core assets. Although the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. The Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation. These factors are material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal

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course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

2. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. These condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS issued by the IASB.

3. Marketable Securities

As at June 30, 2025, the Company held 5,536,373 (December 31, 2024 - 5,536,373) common shares of Xali Gold Corp. ("Xali Gold"). The closing share price was Cdn\$0.040 (December 31, 2024 - Cdn\$0.040) and the fair value of the Company's investment in Xali Gold is \$162,321 (December 31, 2024 - \$153,906).

During the three months ended June 30, 2025, the Company received 1,500,000 shares in Precore Gold Corp ("Precore Gold") at a deemed acquisition price of Cdn\$0.135 as part of the Arikepay option agreement (note 4).

The closing share price of Precore Gold was Cdn\$0.180 and the fair value of the Company's investment is \$131,936 (December 31, 2024 - \$nil).

	Xali Gold	Precore Gold	Total
Balance, December 31, 2024	153,906	-	153,906
Additions	-	96,930	96,930
Unrealised gain/(loss)	-	32,984	32,984
Unrealised foreign exchange gain/(loss)	8,415	2,022	10,437
Balance, June 30, 2025	162,321	131,936	294,257

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4. Exploration and Evaluation Assets

	Balance as at January 1, 2025	Additions / (Disposals)	Balance as at June 30, 2025
Cañariaco Property, Lambayeque, Peru			
Exploration and evaluation costs:			
Drilling	\$ 10,075,172	\$ -	\$ 10,075,172
Environment, health and safety	1,885,794	31,327	1,917,121
General exploration and development	10,917,442	85,133	11,002,575
Engineering studies	12,123,098	-	12,123,098
Field support including project management	23,749,817	194,652	23,944,469
Total exploration and evaluation costs	58,751,323	311,112	59,062,435
Mineral and surface access rights	2,557,077	102,185	2,659,262
Community relations and social initiatives	5,656,560	220,357	5,876,917
Option and royalty payments received	(505,921)	-	(505,921)
Foreign exchange differences	(998,925)	803,013	(195,912)
	\$ 65,460,114	\$ 1,436,667	\$ 66,896,781
Cobrizo Metals Peruvian properties			
Exploration and evaluation costs:			
Drilling	359,350	-	359,350
Environment, health and safety	42,288	-	42,288
General exploration and development	708,985	7,847	716,832
Engineering studies	1,087	-	1,087
Field support including project management	83,710	-	83,710
Cost recoveries	(112,412)	-	(112,412)
Total exploration and evaluation costs	1,083,008	7,847	1,090,855
Mineral and surface access rights	\$ 611,070	\$ 96,075	\$ 707,145
Community relations and social initiatives	40,000	-	40,000
Option and royalty payments received	(350,000)	(95,785)	(445,785)
Foreign exchange differences	(2,978)	1,400	(1,578)
Impairment of exploration and evaluation assets	(466,359)	-	(466,359)
	\$ 914,741	\$ 9,537	\$ 924,278
Total exploration and evaluation assets before value-added tax credit	\$ 66,374,855	\$ 1,446,204	\$ 67,821,059
Value-added tax credit	1,983,761	163,653	2,147,414
Total exploration and evaluation assets	\$ 68,358,616	\$ 1,609,857	\$ 69,968,473

Note: Expenses incurred in Peru, including exploration expenses, are subject to Peruvian Value Added Tax ("VAT"). Given that the Company is in the exploration stage and has no sources of revenue, the VAT is not currently refundable to the Company but can be used in the future to offset amounts due to the Peruvian taxation authorities resulting from VAT charged to clients on future sales. The VAT has been included as part of mining properties.

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	Balance as at January 1, 2024		Additions / (Disposals)		Balance as at December 31, 2024	
Cañariaco Property, Lambayeque, Peru						
Exploration and evaluation costs:						
Drilling	\$	10,021,814	\$	53,358	\$	10,075,172
Environment, health and safety		1,774,300		111,494		1,885,794
General exploration and development		10,747,697		169,745		10,917,442
Engineering studies		11,396,458		726,640		12,123,098
Field support including project management		23,613,865		135,952		23,749,817
Total exploration and evaluation costs		57,554,134		1,197,189		58,751,323
Mineral and surface access rights		2,437,532		119,545		2,557,077
Community relations and social initiatives		5,296,063		360,497		5,656,560
Option and royalty payments received		(505,921)		-		(505,921)
Foreign exchange differences		-		(998,925)		(998,925)
	\$	64,781,808	\$	678,306	\$	65,460,114
Cobrizo Metals Peruvian properties						
Exploration and evaluation costs:						
Drilling		359,350		-		359,350
Environment, health and safety		42,288		-		42,288
General exploration and development		708,985		-		708,985
Engineering studies		1,087		-		1,087
Field support including project management		72,138		11,572		83,710
Cost recoveries		(112,412)		-		(112,412)
Total exploration and evaluation costs		1,071,436		11,572		1,083,008
Mineral and surface access rights	\$	560,547	\$	50,523	\$	611,070
Community relations and social initiatives		40,000		-		40,000
Option and royalty payments received		(350,000)		-		(350,000)
Foreign exchange differences		-		(2,978)		(2,978)
Impairment of exploration and evaluation assets		(466,359)		-		(466,359)
	\$	855,624	\$	59,117	\$	914,741
Total exploration and evaluation assets before value-added tax credit						
	\$	65,637,432	\$	737,423	\$	66,374,855
Value-added tax credit		1,971,624		12,137		1,983,761
Total exploration and evaluation assets	\$	67,609,056	\$	749,560	\$	68,358,616

Note: Expenses incurred in Peru, including exploration expenses, are subject to Peruvian Value Added Tax ("VAT"). Given that the Company is in the exploration stage and has no sources of revenue, the VAT is not currently refundable to the Company but can be used in the future to offset amounts due to the Peruvian taxation authorities resulting from VAT charged to clients on future sales. The VAT has been included as part of mining properties.

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Arikepay

On April 23, 2025 the Company announced it has entered into an option agreement with Precore Gold whereby Precore Gold will have the option and right to acquire up to a 100% beneficial interest in the Arikepay copper-gold project in Peru.

A summary of terms subject to the 100% acquisition of the Arikepay Project is more fully described below are as follows:

- Total Share Consideration of 3,500,000 common shares of Precore Gold, of which, 1,500,000 common shares have already been received (note 3).
- 1.5% Net Smelter Royalty
- Total Cash Payments of Cdn\$375,000
- Milestone Payments totaling Cdn\$7,000,000 comprised of:
 - \$1,000,000 contingent on defining a mineral resource estimate of 1 million equivalent ounces
 - \$1,000,000 on defining a mineral resource estimate of 2 million equivalent ounces
 - \$2,000,000 on completion of a Preliminary Economic Assessment; and,
 - \$3,000,000 on completion of a Feasibility Study
- Exploration Commitment of Cdn\$1,500,000 between Year 1 to 3, Cdn\$4,000,000 between Year 4 to 5 and a further \$3,500,000 in year 6 to 10.
- Cdn\$1,000,000 in cash or common shares of Precore Gold with the final 20% acquisition.

Don Gregorio

The Company has terminated the Option and Assignment agreements with Forte Minerals.

Acquisition of Canyon Creek copper project:

On May 26, 2021 the Company announced it has entered into an option agreement to acquire up to 100% interest in the Canyon Creek copper project in northwestern British Columbia ("BC"), Canada.

Terms of the agreement

The Company has entered into a legally binding Letter of Intent ("LOI") with property owner Chris Baldys. The LOI provides for the following:

Acquiring 100% interest in the property (subject to royalty) by:

- Issuing a total of 250,000 common shares over 5 years (by November 30, 2025).
- Funding exploration activities to keep the claims in good standing until December 2027 (approximately Cdn\$45,000 per year).

Of the above the following is a Firm Commitment:

- Issue 12,500 common shares within 14 days of signing and receiving TSX approval (issued);
- Issue an additional 12,500 common shares by November 30, 2021 (issued);
- Issue an additional 25,000 common shares by November 30, 2022 (issued);
- Issue an additional 37,500 common shares by November 30, 2023 (issued);

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- Issue an additional 50,000 common shares by November 30, 2024 (issued); and
- Funding exploration activities totaling a minimum of Cdn\$42,000 by December 31, 2021 (completed).

The following is a summary of the additional common shares to be issued:

- Issue an additional 112,500 common shares by November 30, 2025.

Royalty:

The vendor will be granted a royalty equal to 1.5% of net smelter returns. The Company has the right to buy-back the first 0.5% for Cdn\$500,000 and the second 0.5% for an additional Cdn\$1.5 million.

5. Trade payables and accrued liabilities

	As at June 30, 2025	As at December 31, 2024
Trade payables	\$ 118,102	\$ 113,722
Due to related parties	39,750	37,094
Accrued liabilities	28,006	47,403
	\$ 185,858	\$ 198,219

6. Share capital and reserves

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued common shares are fully paid.

b) Common shares issued

As at June 30, 2025, the Company had 94,099,626 (December 31, 2024 – 90,059,507) common shares issued and outstanding.

Balance, December 31, 2023	84,190,320
Issued	5,869,187
Balance, December 31, 2024	90,059,507
Issued	4,040,119
Balance, June 30, 2025	94,099,626

The Company issued 2,941,176 Common Shares to Fortescue pursuant to the closing of a private placement for gross proceeds of Cdn\$1,500,000.

c) Omnibus plan

The purpose of the Company's Omnibus plan adopted in 2024 is to provide incentives to Directors, Officers, employees and consultants of the Company.

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The Omnibus Plan allows the grant of stock options ("Options"), restricted share units ("RSUs"), deferred share units ("DSUs"), and performance share units ("PSUs" and together with RSUs and DSUs, "Share Units") settled in Common Shares or, at the election of the Company, their cash equivalent.

The maximum number of common shares reserved for issuance upon exercise of the Omnibus Plan is 10% of issued and outstanding common shares.

d) Stock Options

The Board may grant Options to any participant under the Omnibus Plan at any time. The exercise price for Options will be determined by the Board but may not be less than the Market Price (as defined below) of a Share at the Award Date. Options must be exercised within a period fixed by the Board that may not exceed 10 years from the date of grant, except in a case where the expiry period falls during a blackout period, in which case the expiry period will be automatically extended until 10 business days after the end of the blackout period.

The former Option Plan will continue to exist but only for the purpose of governing the terms of all outstanding Options that have already been granted under before the adoption of the Omnibus Plan.

The following table reflects the continuity of stock options for the six months ended June 30, 2025:

	Number of Stock Options	Weighted Average Exercise price
Balance, December 31, 2023	5,460,000	\$ 0.55
Issued	500,000	0.53
Exercised	(287,500)	(0.23)
Expired	(100,000)	(0.20)
Cancelled	(312,500)	(0.45)
Balance, December 31, 2024	5,260,000	\$ 0.56
Issued	375,000	0.50
Exercised	(1,025,000)	(0.22)
Expired	(412,500)	(0.70)
Balance, June 30, 2025	4,197,500	\$ 0.62

Fair value at grant date of the stock options was measured based on the Black-Scholes option-pricing model. Expected volatility is estimated by considering historic average share price volatility. The weighted-average assumptions used for the Black-Scholes option-pricing model of stock options granted during the period are as follows:

	As at June 30 2025	As at December 31 2025
Risk-free interest rate	2.63%	3.07-3.40%
Expected life of options	5 years	5 years
Annualised volatility	99.01%	99.71-107.42%
Dividend rate	Nil	Nil

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The following table reflects the actual stock options issued and outstanding as at June 30, 2025:

Expiry date	Exercise price (\$)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
August 21, 2025	0.53	0.14	200,000	200,000
August 21, 2025	0.60	0.14	87,500	87,500
August 21, 2025	0.92	0.14	175,000	175,000
May 7, 2026	0.60	0.85	50,000	50,000
January 17, 2027	0.92	1.55	700,000	700,000
June 15, 2027	0.60	1.96	800,000	800,000
July 18, 2027	0.60	2.05	250,000	250,000
September 18, 2028	0.53	3.22	1,160,000	1,160,000
December 3, 2029	0.48	4.43	400,000	400,000
March 6, 2030	0.50	4.68	375,000	190,000
	0.62	2.51	4,197,500	4,012,500

e) Warrants

As at June 30, 2025 and December 31, 2024 the Company had no outstanding warrants.

f) Reserves

Equity settled employee compensation and warrants reserve:

The equity settled employee compensation and warrants reserve comprises stock-based compensation expense and other warrant payments. When stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Foreign currency reserve:

The foreign currency reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

g) Deferred share units ("DSU's")

The Board may grant DSUs to any DSU participant (being a non-employee director of the Company) under the Omnibus Plan at any time. One DSU is equivalent to one Common Share. Fractional DSUs are permitted under the Omnibus Plan. The number of DSUs granted at any particular time pursuant to the Omnibus Plan will be calculated by: (a) in the case of an elected amount by a DSU participant, dividing (i) the dollar amount of the elected amount by (ii) the Market Value of a Common Share on the applicable award date; or (b) in the case of a grant of DSUs, dividing (i) the dollar amount of such grant by (ii) the Market Value of a Common Share on the date of grant.

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The former DSU Plan will continue to exist but only for the purpose of governing the terms of all outstanding DSUs that have already been issued under before the adoption of the Omnibus Plan.

The following table reflects the continuity of DSUs for the six months ended June 30, 2025:

Balance, December 31, 2023	820,649
Issued	245,527
Cancelled	(14,535)
Settled	(666,405)
Balance, December 31, 2024	385,236
Issued	131,090
Settled	(73,943)
Balance, June 30, 2025	442,383

h) Restricted share units ("RSU's")

The Board may grant RSUs to any participant (other than consultants) under the Omnibus Plan at any time. The terms and conditions of grants of Share Units, including the quantity, type of award, award date, vesting conditions, applicable vesting period and other terms and conditions with respect to the award, as determined by the Board, will be set out in such participant's RSU agreement. One RSU is equivalent to one Common Share.

Upon the vesting and settlement of RSUs, the Company is entitled to elect, at the Board's sole discretion, to settle vested RSUs for their cash equivalent, Common Shares or a combination thereof. For purposes of determining the cash equivalent of RSUs on settlement, such calculation will be made on the settlement date based on the Market Value on the settlement date multiplied by the number of vested RSUs in the participant's notional RSU account. For the purposes of determining the number of Common Shares from treasury to be issued and delivered to a participant upon settlement of RSUs, such calculation will be made on the settlement date based on the whole number of Common Shares equal to the whole number of vested RSUs then recorded in the participant's notional RSU account. If an RSU would otherwise expire during a blackout period, the term of such RSU shall automatically be extended until 10 business days after the end of the blackout period, however, in all cases, RSUs shall expire and be settled by no later than December 31 of the third calendar year commencing after the date of award.

The following table reflects the continuity of RSUs for the six months ended June 30, 2025:

Balance, December 31, 2023	235,652
Settled	(235,652)
Balance, December 31, 2024	-
Granted	-
Balance, June 30, 2025	-

i) Performance share units

As at June 30, 2025 and December 31, 2024 the Company had no outstanding performance share units.

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7. Commitments

Community engagement and initiatives

On July 8, 2012, the Company signed a land use agreement with the community of San Juan de Cañaris, by which the community authorized the Company to use the land for exploration purposes. In the agreement, the Company committed 1,500,000 soles, (\$550,000) to fund sustainable development programs subject to specific project approval by a committee formed of community members, Cañariaco Copper team and a local institution (the "Administration Committee"). The Company did incur in excess of 1,500,000 soles, (\$550,000) on community initiatives requested by Community Authorities since July 2012, however, the Administration Committee only ratified half, 750,000 soles, (\$275,000) of the expenditures.

The Company has incurred in excess of 6,000,000 soles (\$2,200,000) in total on community initiatives inclusive of the 1,500,000 soles, (\$550,000).

In July 2022, the Company agreed to contribute an additional 750,000 soles, (\$200,000) for the development of sustainable projects in the area. These projects are to be approved by a committee made up of community members, Cañariaco Copper team and the Lambayeque Chamber of Commerce.

The Company also committed to issue 1,000,000 common shares, consolidated on a four-to-one basis on May 19, 2023 to the community upon the earlier of the commencement of the construction phase of the Cañariaco Copper Project or the transfer of at least 51% of the Cañariaco Copper Project to a third-party.

8. Related party transactions

Key management consists of the Company's directors, executive officers and senior management. Compensation includes amounts paid to these individuals and companies they control.

	Three Months Ended		Six Months Ended	
	June 30,	June 30,	June 30,	June 30,
	2025	2024	2025	2024
Salaries and benefits	\$ 118,131	\$ 110,408	\$ 210,162	\$ 220,816
Share based compensation	24,145	71,360	80,452	97,674
	\$ 142,276	\$ 181,768	\$ 290,614	\$ 318,490

Included in salaries and fees is \$83,862 (2024 - \$50,052) which was capitalized to exploration and evaluation assets.

During the three and six months ended June 30, 2025, the Company granted and settled 73,943 DSU's (2024 – nil) in consideration for directors' fees.

During the three and six months ended June 30, 2025, the Company did not grant any RSU's (2024 – nil) in consideration for management fees.

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9. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecasted liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables, which are either past due or due within the next 12 months and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

The following table details the Company's contractual maturities for its financial liabilities as at June 30, 2025 and December 31, 2024, due by period:

		Carrying amount	Contractual Cashflows	0 to 12 months	More than 12 months
As at June 30, 2025					
Accounts payable and accrued liabilities	\$	185,858	185,858	185,858	-
		185,858	185,858	185,858	-

		Carrying amount	Contractual Cashflows	0 to 12 months	More than 12 months
As at December 31, 2024					
Accounts payable and accrued liabilities	\$	198,219	198,219	198,219	-
		198,219	198,219	198,219	-

Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currencies of the Company's subsidiaries are the United States and Canadian dollars and certain of the subsidiaries' transactions are denominated in Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies. Therefore, the risk is considered moderate.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Cash is deposited in highly rated corporations and the credit risk associated with these deposits is low. As at June 30, 2025 and December 31, 2024, the Company's maximum exposure to credit risk is the carrying value of its cash and receivables.

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Capital management

The Company's capital structure is comprised of the components of equity. The Company's objectives when managing its capital structure is to maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

Capital management is undertaken to safeguard a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met. There were no changes in the Company's approach to capital management during the year and the Company is not subject to any restrictions on its capital.

Fair value hierarchy

The consolidated statements of financial position carrying amounts for cash, receivables, trade payables, payables to related parties and loans payable approximate fair value.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- 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).

Investments fall under Level 1.

There were no transfers between levels during the period.