
CANADIAN COPPER INC.

CONDENSED INTERIM FINANCIAL STATEMENTS

Three Months Ended January 31, 2025
(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

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

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

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

CANADIAN COPPER INC.

Condensed Interim Statements of Financial Position (Expressed in Canadian Dollars) (Unaudited)

As at	January 31, 2025	October 31, 2024
Assets		
Current assets		
Cash	\$ 1,444,176	\$ 145,386
Sales tax receivable	95,059	47,882
Prepaid expenses	49,087	106,749
Total current assets	1,588,322	300,017
Non-public investment (note 4)	282,507	282,507
Environmental bond deposit (note 9)	2,000,000	2,000,000
Deposit for purchase of long-lived asset (note 5)	225,000	225,000
Exploration and evaluation assets (note 5)	6,407,486	6,406,442
Total Assets	\$ 10,503,315	\$ 9,213,966
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 174,906	\$ 99,754
Loan payable (note 8)	2,172,600	2,087,400
Total current liabilities	2,347,506	2,187,154
Non-Current liabilities		
Provision for closure and reclamation (note 9)	3,989,977	3,953,146
Total Liabilities	6,337,483	6,140,300
Shareholders' Equity		
Share capital (note 10)	8,659,961	6,943,236
Contributed surplus (note 10)	808,358	710,664
Accumulated deficit	(5,302,487)	(4,580,234)
Total shareholders' equity	4,165,832	3,073,666
Total Liabilities and Shareholders' Equity	\$ 10,503,315	\$ 9,213,966

Nature and going concern (note 1)

Subsequent event (note 13)

Approved by the Board of Directors:

Director: Simon Quick _____

Director: Andrew Elinesky _____

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

CANADIAN COPPER INC.

Condensed Interim Statements of Loss and Comprehensive Loss (Expressed in Canadian Dollars) (Unaudited)

Three months ended January 31,	2025	2024
Expenses		
Exploration and evaluation expenditures (note 5)	\$ 315,510	\$ 183,183
Professional and regulatory fees	68,211	40,104
Salaries, benefits and consulting fees	46,315	43,549
General and administrative	105,316	1,611
Communications	-	630
Travel expenditure	10,511	5,953
Net loss for before other items:	(545,863)	(275,030)
Other items:		
Reversal of flow-through liability (note 10(b)(ii))	-	22,863
Accretion of provision for closure and reclamation	(35,786)	-
Interest income	3	1,103
Foreign exchange loss	(85,838)	-
Interest expense on loan payables (notes 7 and 8)	(54,766)	-
Net loss and comprehensive loss	\$ (722,253)	\$ (251,064)
Basic and diluted loss per share	\$ (0.01)	\$ -
Weighted average number of shares outstanding - basic and diluted	97,487,014	85,370,849

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CANADIAN COPPER INC.

Condensed Interim Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars) (Unaudited)

	Share Capital		Contributed surplus	Deficit	Total
	Number	Amount			
Balance, October 31, 2023	85,322,540	\$ 6,496,014	\$ 515,659	\$ (3,508,077)	\$ 3,503,596
Shares issued for prepaid interest expense	2,222,222	222,222	-	-	222,222
Shares and warrants issued for exploration and evaluation assets (note 5)	2,500,000	225,000	195,005	-	420,005
Net loss and comprehensive loss for the period	-	-	-	(251,064)	(251,064)
Balance, January 31, 2024	90,044,762	\$ 6,943,236	\$ 710,664	\$ (3,759,141)	\$ 3,894,759
Balance, October 31, 2024	90,044,762	\$ 6,943,236	\$ 710,664	\$ (4,580,234)	\$ 3,073,666
Shares and warrants issued in private placement, net of costs	12,226,557	1,716,725	97,694	-	1,814,419
Net loss and comprehensive loss for the period	-	-	-	(722,253)	(722,253)
Balance, January 31, 2025	102,271,319	\$ 8,659,961	\$ 808,358	\$ (5,302,487)	\$ 4,165,832

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

CANADIAN COPPER INC.

Condensed Interim Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

Three months ended January 31,	2025	2024
Operating Activities		
Net loss	\$ (722,253)	\$ (251,064)
Items not affecting cash:		
Reversal of flow-through liability	-	(22,863)
Interest expense on loan payables	-	828
Foreign exchange loss	85,200	-
Accretion of provision for closure and reclamation	35,786	-
Changes in non-cash operating working capital:		
Sales tax receivables	(47,177)	79,981
Prepaid	57,662	4,382
Accounts payable and accrued liabilities	75,153	(152,340)
Cash used in operating activities	(515,629)	(341,076)
Investing Activities		
Acquisition of exploration and evaluation assets (note 5)	-	(200,000)
Cash used in investing activities	-	(200,000)
Financing Activities		
Net proceeds from issuance of shares and warrants, net of costs	1,814,419	-
Proceeds from loan payable to related party	-	300,000
Cash provided by financing activities	1,814,419	300,000
Change in cash	1,298,790	(241,076)
Cash, beginning	145,386	343,667
Cash, ending	\$ 1,444,176	\$ 102,591
Non-cash investing and financing activities		
Shares and warrants issued for exploration and evaluation assets (note 10)	\$ -	\$ 420,005
Increase in provision for closure and reclamation and exploration and evaluation assets	\$ 1,044	\$ -

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

CANADIAN COPPER INC.

Notes to Condensed Interim Financial Statements

January 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

1. Nature of operations and going concern

Canadian Copper Inc. ("Canadian Copper" or "the Company") was incorporated under the *Business Corporations Act* (Ontario) (the OBCA) on April 8, 2021. The Company's shares are listed on the CSE under the ticker "CCI" on July 26, 2022.

The address of the Company's corporate office address is Canadian Venture Building, 82 Richmond Street East, Toronto ON, M5C 1P1.

The principal business of the Company is the identification, evaluation and acquisition of mineral properties in Canada. During the three months ended January 31, 2025, the Company has been active in investigating the viability of the Company's mineral properties (the "Properties"). The Company has not yet determined whether any of the properties it owns may contain a mineral resource that may eventually be economically recoverable. The economic viability of the Properties will depend on the establishment of ore reserves, the confirmation of the Company's interest in the mineral claims and the ability of the Company to obtain the necessary financing to complete its development and place it into commercial production.

These unaudited condensed interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future. During the three months ended January 31, 2025, the Company has incurred losses of \$722,253 (three months ended January 31, 2024 - \$251,064) and as at January 31, 2025, has an accumulated deficit of \$5,302,487 (October 31, 2024 - \$4,580,234) and working capital deficiency of \$759,184 (October 31, 2024 - working capital deficiency of \$1,887,137). The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and generating profitable operations in the future. Although the Company has been successful in raising funds to date, there can be no assurance that adequate funding will be available in the future, or available under terms acceptable to the Company.

These factors give rise to a material uncertainty which casts significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business. Such adjustments could be material.

The unaudited condensed interim financial statements were approved and authorized for issue on March 27, 2025 by the Board of Directors of the Company.

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Notes to Condensed Interim Financial Statements

January 31, 2025

(Expressed in Canadian Dollars)

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2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

These unaudited condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at and for year ended October 31, 2024.

(b) Functional and presentation currency

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

(c) Measurement basis

These financial statements have been prepared on the historical cost basis except for where IFRS Accounting Standards requires recognition at fair value.

3. Summary of material accounting policies

(a) Significant accounting estimates and judgments

The preparation of these financial statements in conformity with IFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and may change if new information becomes available. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods if the revision affects both the current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to the following:

Critical accounting estimates

- i. Stock-based payments. To estimate expenses for stock-based payments, it is necessary to select an appropriate valuation model and obtain the inputs necessary for the chosen valuation model. The Company estimated the volatility of shares of similar companies and the expected life and the exercise period of warrants and stock options granted. The model used by the Company is the Black-Scholes valuation model (see note 10).
- ii. Estimation of provision for closure and reclamation. The Company recognizes management’s best estimate for closure and reclamation obligations in the period in which they are incurred. The cost estimates are updated annually to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company’s interpretation of current regulatory requirements, constructive obligations, expected timing of cash outflows, inflation rates and discount rates. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Such changes could be significant.

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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3. Summary of material accounting policies (continued)

Critical accounting estimates (continued)

- iii. Fair value of investment in securities not quoted in an active market or private company investments. Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values.

Critical accounting judgments

- i. Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year and to fund planned and contractual exploration and evaluation programs, involves judgments including expectations of future events that are believed to be reasonable under the circumstances.

- ii. Impairment of Exploration and evaluation assets

Exploration and evaluation assets shall be assessed for an impairment test when facts and circumstances suggest that their carrying amount may exceed recoverable amount. To determine indications of impairment of exploration and evaluation assets require significant judgment. Management considers various factors including, but are not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends and price of minerals.

- iii. Deferred tax assets

The determination of whether it is likely that future taxable profits will likely be available to utilize against any deferred tax assets

(b) New standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

IFRS 18, PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

On April 9, 2024, the IASB issued IFRS 18 to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. It carries forward many requirements from IAS 1 unchanged. IFRS 18 applies for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The new Accounting Standard introduces significant changes to the structure of income statements, presentation of two new defined subtotals in the statement of profit or loss: (1) Operating profit; and (2) Profit before financing and income taxes, required disclosures in the notes to the financial statements of management-defined performance measures and introduces new principles for aggregation and disaggregation of information. The impact of adoption of the new standard has not yet been determined by the Company.

4. Non-public investment

The non-public investment represents 3,800,000 Raptor shares. As at January 31, 2025, non-public investment was carried at \$282,507 (October 31, 2024 - \$282,507) representing fair value of the Raptor shares (note 5(b)).

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

5. Exploration and evaluation assets

The continuity of exploration and evaluation assets are as follow:

As at	January 31, 2025	October 31, 2024
Opening balance	\$ 6,406,442	\$ 3,210,651
Additions	-	200,000
Additions from issuance of shares and warrants (note 10)	-	420,005
Additions from change in estimate of provision of closure and reclamation (note 10)	1,044	3,875,966
Consideration received for disposition	-	(1,341,146)
Gain on disposition	-	348,186
Impairment of exploration and evaluation assets	-	(307,220)
Ending balance	\$ 6,407,486	\$ 6,406,442

(i) On May 16, 2023, the Company applied and was approved for the the New Brunswick Junior Mining Assistance Program (NBJMAP) which is a financial assistance program for private-sector Junior companies. It provides up to 50% of eligible costs, within defined limits, for mineral exploration projects and is intended to increase the probability of finding economically viable mineral resources in New Brunswick. The total approved NBJMAP funding amount was \$35,000. During the year ended October 31, 2023, the Company received \$26,000 from the program funding which was recorded against the exploration and evaluation expenditures.

Mineral interests:

	January 31, 2025	October 31, 2024
Turgeon Project		
Turgeon Project 1813	\$ 233,977	\$ 233,977
Turgeon Sud Property 5594	132,731	132,731
Murray Brook West Project		
Murray Brook West 7846	104,616	104,616
Murray Brook Project		
Murray Brook Project	5,936,162	5,935,118
Total	\$ 6,407,486	\$ 6,406,442

On June 30, 2021, the Company entered into an Option Agreement (“Puma Option Agreement”) with Puma Exploration Inc. (“Puma”), a Company listed on the TSX-V under the ticker PUMA. The Company is granted an option to acquire 100% of the following exploration projects (Collectively, the “Puma Projects”):

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

5. Exploration and evaluation assets (continued)

(a) The Turgeon, Chester, Legacy and Brunswick cards

Under the terms of the Option Agreement dated on June 30, 2021, as amended on November 19, 2021, on April 29, 2022 and March 2024, the Company can acquire 100% interest in the Puma Projects located in New Brunswick and are subject to and conditional upon all of the following remaining conditions being satisfied:

- \$2,000,000 payable less the proceeds received by Puma from the disposal of the Chester and Turgeon projects at the Company's option in cash or common stock before July 2025.

In March 2024, the Legacy and Brunswick cards projects were removed from the Puma option agreement. The Company recorded an impairment of \$295 749 regarding these projects.

(b) Disposal of Chester and Turgeon projects

On March 4, 2024, the Company and Puma signed definitive agreements to sell its Chester Project and Turgeon Project to Raptor Resources Ltd. ("Raptor" or "Buyer"). The agreements were subsequently amended to allow Raptor to delay its Initial Public Offering ("IPO") and listing on the Australian Securities Exchange ("ASX") to June 2025.

On October 2, 2024, the Company disposed of its Chester Project for cash consideration of \$833,639 in cash and 3,800,000 shares of Raptor. Under the updated sales agreement signed with Raptor, Raptor will complete its IPO and listing on ASX in June 2025. The 3,800,000 shares of Raptor's was valued at \$282,507 based on fair value of \$0.07 per share (0.08 Australian dollar) on the date of the transaction. The total consideration of \$1,116,146 of Chester Project disposed of resulted in a gain on disposition of exploration and evaluation assets of \$348,186 which had been recorded in the statement of loss and comprehensive loss for the year ended October 31, 2024. The Company recorded an impairment of \$11,471 regarding the Chester project claims it no longer plans to explore.

The Company also received \$225,000 cash for the sale of the Turgeon Project as per the modifications made to the Raptor sale agreement.

Outstanding items under Turgeon agreement:

- Under the modified agreements, Raptor is targeting its IPO and listing on the ASX in June 2025. Therefore, Canadian Copper will receive 4,000,000 Raptor unlisted shares until their listing is complete. Future Turgeon cash and share payment totals remain unchanged.
- \$675,000 payment with a minimum cash component of \$270,000 by Raptor to the Company on or before June 30th, 2025. This payment is conditional on Raptor listing its company shares on the ASX.

The Company is further amending the Puma Option Agreement changing the terms of the remaining two anniversary payments to Puma Exploration Inc. to reflect the sale of the Chester and Turgeon Projects to Raptor. The Company will pay a finder's fee to an arm's-length third party of 5% in cash at each successful milestone of the Chester and Turgeon transactions.

During the year ended October 31, 2024, the Company recorded \$18,210 other income for the penalty payment received from Raptor for extension of the IPO and cash payment for the sale of the Chester Project.

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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5. Exploration and evaluation assets (continued)

(c) Murray Brook Project

On August 1, 2023, the Company acquired 72% of the Murray Brook Project ("Murray Brook Project or Murray Brook deposit") from Votorantim Metals Canada Inc. ("VM Canada"). In addition, the proposed Murray Brook Project abuts Murray Brook West property enabling the consolidation of the 18 km Caribou Horizon.

Transaction summary details are highlighted below:

- \$250,000 deposit paid to Seller upon expiration of Right of First Refusal. (Paid).
- \$750,000 installment to be paid by the Company to the Seller. (Paid).
- Issue 2,000,000 units of Canadian Copper (issued) (note 10(b)(ii)).
- A 0.25% net smelter return ("NSR") royalty on the Murray Brook asset.
- \$2,000,000 bond to be paid within three months of closing the transaction (deposited on March 19, 2024).
- Final installment of \$2,000,000 to be paid by the Company to the Seller within 31 days of commercial production.

On September 11, 2023, the Company signed an agreement with MetalQuest Mining Inc., an arm's length seller ("MetalQuest") to acquire the remaining 28% of the Murray Brook Project.

1. A \$100,000 deposit paid in September 2023 (paid).
2. A \$200,000 paid in January 2024 (paid).
3. The issuance of 2,500,000 units of Canadian Copper which were issued by the Company in January 2024 (issued).
4. A 0.33% net smelter return ("NSR") royalty on the MB asset. 50% of NSR can be repurchased by the Company for \$1.0 M.
5. A final installment of \$1,000,000 to be paid by the Company to the Seller within 31 days of commercial production.

Royalties

The Puma Projects are subject to the following NSR Royalties:

Title	Royalty
Murray Brook West	The Murray Brook Project is subject to a 2% NSR royalty, half of which can be bought back by the Company for \$1,000,000, with the Company retaining a right of first refusal on the remaining royalty.
Turgeon Project	The Turgeon Project is subject to a 2% NSR royalty on gold and silver and 1% NSR on any other saleable production, half of which can be bought back by the Company for \$500,000.

The Chester Project is subject to the following royalty:

Title	NSR Royalty
Brook Royalty	The Brook Royalty is subject to a 1% NSR royalty, which can be bought back for \$1,000,000.
Northeast Royalty	The Northeast Royalty is subject to a 1% NSR royalty, which half can be bought back for \$500,000.
Granges Royalty	The Granges Royalty is subject to a 1% NSR royalty, which half can be bought back for \$500,000.
Puma Royalty	The Puma Royalty is subject to a 2% NSR royalty, of which half can be bought back by the Company for \$1,000,000.

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Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

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5. Exploration and evaluation assets (continued)

The Murray Brook Project is subject to the following NSR royalty:

Title	Royalty
	The Murray Brook Project is subject to three separate NSR's. First is 0.25%, half of which can be bought back by the Company for \$1,000,000. Second is 0.33%, half of which can be bought back by the Company for \$1,000,000. There is also a 0.67% NSR El Nino Resources with no buyback provision.

Proposed acquisition of Caribou Processing Plant Complex

On October 28, 2024, the Company signed an Exclusivity Agreement providing the Company the exclusive right to acquire the Caribou Processing Plant Complex ("Caribou Complex"), with a purchase price of \$6,225,000 and close date of July 11, 2025. The Company deposited \$225,000 for the potential acquisition of which \$125,000 is refundable against purchase price.

6. Related party transactions

Related party transaction

Key management includes current directors, CEO and President of the Company, the remuneration of key management personnel during the three months ended January 31, 2025 and 2024 is summarized below:

Three months ended January 31,	2025	2024
Salary paid to the CEO	\$ 46,315	\$ 40,549
Consulting fee paid for accounting and CFO services (i)	14,086	9,393
	\$ 60,401	\$ 49,942

(i) The Chief Financial Officer ("CFO") of the Company is an employee of Marrelli Support Services Inc. ("MSSI"). During the three months ended January 31, 2025, the Company incurred professional fees of \$14,086 (three months ended January 31, 2024 - \$9,393) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at January 31, 2025, MSSI was owed \$3,448 (October 31, 2024 - \$3,448) with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

(ii) Refer to note 7 for loan received from and repaid back to the CEO of the Company.

7. Loan payable to related party

During the year ended October 31, 2024, Simon Quick, the CEO and director of the Company, made an unsecured loan facility to the Company of \$350,000 at a fixed rate of 7.20% per annum. The CEO did not earn any interest fees from this loan. The rate charged to the Company was the same rate the CEO paid on the loan from his financial institution. During the three months ended January 31, 2025, the Company accrued an interest expense of \$nil (three months ended January 31, 2024 - \$828).

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8. Loan payable

On January 30, 2024, the Company entered into a one-third of production offtake agreement ("Offtake Agreement") for copper concentrates from the Murray Brook deposit and an unsecured credit facility ("the Credit Facility") of US\$1.5 million with Ocean Partners UK Ltd ("Ocean Partners"). Ocean Partners shall have the right to purchase a minimum of one third of the copper concentrate at market rates for the payable metals produced by the Murray Brook deposit and three other Right of First Refusal ("ROFR") conditions. The remaining ROFR conditions are: 1) Ocean Partners will have the right to match and purchase the remaining copper concentrate produced should a third party submit a bonafide offer, 2) Ocean Partners will have the right to provide offtake financing at the same terms should a third party submit a bonafide offer, and, 3) Ocean Partners will have the right to match and purchase other concentrates should a third party submit a bonafide offer. The Credit Facility is an amount of US\$1,500,000 due in April 2025. Interest on the Credit Facility were paid in advance as 2,222,222 common shares of the Company valued at \$222,222 and included in prepaid expense. The fair value of the loan payable was \$1,771,435 based on a market interest rate of 15% which has a difference of \$265,715 from the transaction value representing a deferred gain. During the three months ended January 31, 2025, the Company recorded \$53,895 accretion for both the fair value of the loan payable and the deferred gain. The accretions offset each other and have no net impact on the statement of loss and comprehensive loss.

The continuity of the loan payable is as follows:

	Loan	Deferred gain	Total
Balance, October 31, 2024	1,987,288	\$ 100,112	\$ 2,087,400
Addition	-	-	-
Accretion	53,895	(53,895)	-
Foreign exchange	85,200	-	85,200
Balance, January 31, 2025	2,126,383	\$ 46,217	\$ 2,172,600

9. Provision for closure and reclamation

The Company's provision for closure and reclamation costs is based on management's estimates of costs to reclaim mineral properties and facilities as well as an estimate of the future timing of the costs to be incurred. On the Murray Brook property, the Company became responsible for the reclamation in April 2024. The Company has made a \$2,000,000 bond deposit with the New-Brunswick government as a financial guarantee for the restoration. The Company has estimated its total provision for closure and reclamation based on a total future cash flows of \$4,536,713, an inflation rate of 3.40% and a discount rate of 2.74%. Reclamation is expected to occur in approximately 5 years.

The following table sets forth the variation in the provision:

Initial provision	\$ 3,953,146
Accretion	35,786
Change to estimate	1,045
Ending balance	\$ 3,989,977

CANADIAN COPPER INC.

Notes to Condensed Interim Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital

(a) *Authorized*

The Company is authorized to issue an unlimited number of common shares without par value.

(b) *Issued and outstanding - Common Shares*

As at January 31, 2025, the issued share capital is comprised of 102,271,319 (October 31, 2024 - 90,044,762) common shares.

1,350,000 shares issued on January 19, 2022 were held in escrow as at January 31, 2025 (October 31, 2024 - 2,700,000) and are subject to a 36-month contractual escrow release period from their respective issuance, as follows: 10% on or before the listing and listing shares are issued and afterwards 15% every six months after the listing and issuance of listing shares.

900,000 shares issued on July 12, 2022 were held in escrow as at January 31, 2025 (October 31, 2024 - 1,800,000) and are subject to a 36-month contractual escrow release period from their respective issuance, as follows: 10% in November 2022 and 15% in January 2023 and afterwards 15% every six month.

i) Shares issued during the three months ended January 31, 2025:

On December 6, 2024, the Company closed its non-brokered private placement consisting of 12,226,557 units at a price of \$0.15 per unit for gross proceeds of \$1,833,983. Each unit of the private placement consists of one common share of the Company and one-full share purchase warrant. The warrant is comprised of two distinct parts: one-half warrant with a six-month expiry and an exercise price of \$0.175 and one-half warrant with a 24-month expiry and an exercise price of \$0.225. The warrant with an exercise price of \$0.225 is subject to an accelerated exercise clause in the event the Company's share price exceeds \$0.30 for 10 consecutive trading days on a volume weighted average price basis.

The Company paid finder's fees to certain arm's-length third parties consisting of a cash commission of up to 7% of the gross proceeds of the private placement for an aggregate amount of \$18,410 and up to 7% in finder warrants at the same terms of warrants issued as part of the private placement for an aggregate of 122,733 finder warrants. A statutory four month plus one day hold period will apply to all securities issued in connection with the private placement.

The fair value of the warrants granted was determined at \$96,717 using the Black Scholes Option Pricing Model and based on the following assumptions: Share price - \$0.14; Exercise price - \$0.175 and \$0.225; expected life - 0.5 to 2 years, volatility - 34% to 42% and risk-free rate of 3.03% to 3.28%. The fair value of the finder warrants granted was determined at \$977 using the Black Scholes Option Pricing Model and based on the following assumptions: Share price - \$0.14; Exercise price - \$0.175 and \$0.225; expected life - 0.5 to 2 years, volatility - 34% to 42% and risk-free rate of 3.03% to 3.28%.

ii) Shares issued during the year ended October 31, 2024:

On January 30, 2024, the Company entered into a one third of production offtake agreement for copper concentrates from the Murray Brook deposit and an unsecured Credit Facility of up to US\$1.5 million (\$2.01 million) with Ocean Partners UK Ltd. (note 8). On January 29, 2024, the Company issued 2,222,222 common shares for one-time interest payment of \$222,222.

On January 31, 2024, the Company issued 2,500,000 common shares of the Company as part of the consideration for the purchase of Murray Brook Project (Note 5) with a fair value of \$225,000 based on the fair value of the Company's common shares on the date of issuance. On January 31, 2024, the Company also issued 2,500,000 warrants. The fair value of the warrants granted was determined at \$195,005 using the Black Scholes Option Pricing Model and based on the following assumptions: Share price - \$0.09; Exercise price - \$0.13; expected life - 5 years, volatility - 139% and risk-free rate of 3.43%.

CANADIAN COPPER INC.

Notes to Condensed Interim Financial Statements

January 31, 2025

(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital (continued)

Warrants and broker warrants

	Period ended January 31, 2025		Year ended October 31, 2024	
	Number of warrants	Weighted average exercise price	Number of warrants	Weighted average exercise price
Opening	11,865,544	\$ 0.22	9,365,544	\$ 0.25
Issued	12,349,290	0.20	2,500,000	0.13
Expired	(2,737,500)	0.40	-	-
Ending	21,477,334	\$ 0.19	11,865,544	\$ 0.22

As at January 31, 2025, the Company had the following warrants outstanding:

Expiry date	Warrants outstanding	Exercise price (\$)	Weighted average remaining life (years)
July 31, 2025	4,564,834	0.18	0.50
July 31, 2025	63,210	0.18	0.50
August 1, 2028	2,000,000	0.20	3.50
January 31, 2029	2,500,000	0.13	4.00
June 5, 2025	6,174,645	0.18	0.34
December 5, 2026	6,174,645	0.23	1.84
	21,477,334	0.19	1.53

As at October 31, 2024, the Company had the following warrants outstanding:

Expiry date	Warrants outstanding	Exercise price (\$)	Weighted average remaining life (years)
January 19, 2025	2,737,500	0.40	0.22
July 31, 2025	4,564,834	0.18	0.75
July 31, 2025	63,210	0.18	0.75
August 1, 2028	2,000,000	0.20	3.75
January 31, 2029	2,500,000	0.13	4.25
	11,865,544	0.22	1.87

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10. Share capital (continued)

Stock options

On December 1, 2021, the Shareholders of the Company approved the Stock Option Plan, the "SOP". The purpose of the SOP is to provide the Company with a share-related mechanism to attract, retain and motivate qualified directors, officers, employees and consultants, to reward those individuals from time to time for their contributions toward the long-term goals of the Company and to enable and encourage those individuals to acquire Common Shares as long-term investments. Upon becoming a reporting issuer, the Company will be required to obtain Shareholder approval of the SOP on a yearly basis in accordance with the policies of the CSE.

The Company grants stock options to directors, officers, employees and consultants and affiliates or any person deemed suitable by the board of directors, pursuant to its Incentive Share Option Plan, the "Plan". The number of options that may be issued under the Plan is limited to no more than 10% of the Company's issued and outstanding shares on the grant date. Options issued under the Plan vest in six equal quarterly releases over a period of 18 months from award date and must have a term equal to or less than 10 years after the shares have been listed on the CSE.

	Period ended January 31, 2025		Year ended October 31, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening Issued	1,600,000	\$ 0.156	1,600,000	\$ 0.156
	-	-	-	-
Ending	1,600,000	\$ 0.156	1,600,000	\$ 0.156

As at January 31, 2025, the Company had the following stock options outstanding:

Expiry date	Number of options outstanding	Number of options exercisable	Exercise price (\$)	remaining life (years)
December 1, 2026	1,000,000	1,000,000	0.100	1.83
January 24, 2027	600,000	600,000	0.250	1.98
	1,600,000	1,600,000	0.156	1.94

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10. Share capital (continued)

Stock options (continued)

As at October 31, 2024, the Company had the following stock options outstanding:

<u>Expiry date</u>	<u>Number of options outstanding</u>	<u>Number of options exercisable</u>	<u>Exercise price (\$)</u>	<u>remaining life (years)</u>
December 1, 2026	1,000,000	660,000	0.100	2.08
January 24, 2027	600,000	600,000	0.250	2.23
	1,600,000	1,260,000	0.156	2.20

11. Management of capital

The Company defines capital as all accounts in equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern.

As at January 31, 2025, the Company had capital resources consisting of cash. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company will continue to rely on capital markets to support continued growth. The Company is not subject to any externally imposed capital requirement.

12. Financial instrument and financial risk

The Company's financial instruments include cash, accounts payable and accrued liabilities and loan payable to related party. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Fair value of financial instruments

IFRS 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at January 31, 2025, the Company has determined the carrying values of its financial instruments as follows:

- i. The carrying values of cash, accounts payable and accrued liabilities, loan payable approximate their fair values due to the short-term nature of these instruments.
- ii. Non-public investment is carried at fair value. Non-public investment is classified at level 3 of the fair value hierarchy.
- iii. The Environmental bond deposit approximate fair value based on discounted cashflow analysis and current market conditions.

The key assumptions used in the valuation of the non-public investment include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions, the marketability of the shares and subsequent transactions.

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(Expressed in Canadian Dollars)

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12. Financial instrument and financial risk (continued)

Fair value of financial instruments (continued)

The following table presents the fair value, categorized by key valuation techniques and the unobservable inputs used within Level 3 as at:

January 31, 2025

<u>Investment name</u>	<u>Valuation technique</u>	<u>Fair value</u>	<u>Unobservable inputs</u>
Non-public investments	Recent financing approach	\$ 282,507	Transaction price

As the valuation of investments for which market quotations are not readily available and are inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

For the investment valued based on a transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at January 31, 2025. A 10% decrease (increase) on the fair value of these investments will result in a corresponding decrease (increase) of approximately \$28,000 in the total fair value of the investment. The Company has applied a marketability discount of 0% to its non-public investment valued based on recent financing. Had the Company applied a marketability discount of 5% it would have resulted in a corresponding decrease of approximately \$14,000 in the total fair value of the investments. While this illustrates the overall effect of changing the values of the unobservable inputs by a set percentage, the significance of the impact and the range of reasonably possible alternative assumptions may differ significantly between investments, given their different terms and circumstances.

The sensitivity analysis is intended to reflect the uncertainty inherent in the valuation of these investments under current market conditions, and its results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the fair value of these investments. Furthermore, the analysis does not indicate a probability of such changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Financial risk management objectives and policies:

The Company's financial instruments include cash, non-public investment, environmental bond deposit, accounts payable and accrued liabilities and loan payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(i) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash and the environmental bond deposit. To minimize the credit risk on cash, the Company places the instrument with a high credit quality financial institution. The environmental bond deposit is with the government and has low credit risk.

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(Expressed in Canadian Dollars)

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12. Financial instrument and financial risk (continued)

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Liquidity risk management serves to maintain a sufficient amount of cash and to ensure that the Company has financing sources such as private placements for a sufficient amount.

Contractual maturities of accounts payable and accrued liabilities and of the loan payable are less than one year.

(iii) Market risk

Foreign currency risk

The Company's non-public investment is denominated in Australian dollar and subject to foreign exchange risk. The Company's sensitivity analysis suggests that a 10% depreciation or appreciation of the Australian dollar against the Canadian dollar would have resulted in an approximate \$28,000 decrease or increase in the Company's total comprehensive income or loss. The Company's loan payable is denominated in US dollar and a 10% depreciation or appreciation of the US dollar against the Canadian dollar would have resulted in an approximately \$209,000 decrease or increase in the Company's total comprehensive income or loss.

13. Subsequent event

On March 4, 2025, the Company granted 2,400,000 stock options to directors, officers, employees and consultants of the Company at an exercise price of \$0.22 per common share to vest quarterly over an 18-month period and expire on March 3, 2027.