

INTERRA COPPER CORP.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three Months Ended March 31, 2023 and 2022

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Interra Copper Corp. for the interim periods ended March 31, 2023 and 2022, have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, D&H Group LLP, have not performed a review of these unaudited condensed interim consolidated financial statements.

May 30, 2023

INTERRA COPPER CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2023	December 31, 2022
		\$	\$
ASSETS			
Current			
Cash		2,943,361	58,252
Amounts receivable		70,977	16,876
Prepaid expenses and deposits	4	39,639	16,130
		3,053,977	91,258
Reclamation bond		25,000	25,000
Equipment		1,700	-
Exploration and evaluation assets	3,5	12,837,222	5,966,547
Total assets		15,917,899	6,082,805
LIABILITIES			
Current			
Accounts payable and accrued liabilities	3,6,8	932,479	41,066
Total liabilities		932,479	41,066
SHAREHOLDERS' EQUITY			
Share capital	7(b)	15,632,260	7,616,158
Reserve		5,351,258	4,207,821
Accumulated deficit		(5,998,098)	(5,782,240)
Total shareholders' equity		14,985,420	6,041,739
Total liabilities and shareholders' equity		15,917,899	6,082,805

Nature of operations and going concern (Note 1)
Subsequent events (Note 12)

Approved and authorized for issue on behalf of the Board of Directors:

"/s/DW J. McAdam"
Director

"/s/Chris Buncic"
CEO and Director

INTERRA COPPER CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - Expressed in Canadian dollars, except number of shares)

		Three months ended	
	Note	2023	March 31, 2022
		\$	\$
Operating expenses			
Advertising and marketing		20,000	46,750
Consulting fees	8	6,000	1,500
Director fees	8	6,863	11,006
Filing fees		4,096	17,330
General and administrative	8	7,706	2,425
Investor relations		21,000	11,649
Management fees	8	52,275	42,951
Professional fees		21,672	11,098
Share-based payments	8	89,521	35,496
Total operating expenses		229,133	180,205
Other income			
Interest income		13,275	-
Net loss and comprehensive loss		(215,858)	(180,205)
Net loss per share:			
Basic and diluted		(0.02)	(0.02)
Weighted average number of common shares outstanding ⁽¹⁾:			
Basic and diluted		8,795,671	8,388,424

(1) The weighted average number of common shares outstanding was adjusted for the Share Consolidation (Note 7(a)).

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

INTERRA COPPER CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Three months ended	
	2023	March 31, 2022
	\$	\$
Operating activities:		
Net loss for the period	(215,858)	(180,205)
Items not affecting cash:		
Share-based payments	89,521	35,496
Changes in non-cash working capital items:		
Amounts receivable	1,319	(6,414)
Prepaid expenses and deposits	(15,444)	45,750
Accounts payable and accrued liabilities	114,271	(76,027)
Cash used in operating activities	(26,191)	(181,400)
Investing activities:		
Cash acquired in the Transaction	29,259	-
Expenditures on exploration and evaluation assets	-	(59,140)
Cash provided by (used in) investing activities	29,259	(59,140)
Financing activities:		
Proceeds from private placements	2,890,861	-
Share issuance costs	(8,820)	-
Cash provided by financing activities	2,882,041	-
Change in cash	2,885,109	(240,540)
Cash, beginning of period	58,252	490,825
Cash, end of period	2,943,361	250,285
Supplemental cash flow information:		
Cash paid for income taxes	-	-
Cash interest received	13,275	-
Non-cash share issuance costs	215,660	-
Share issuance costs included in accounts payable and accrued liabilities	102,888	-
Exploration and evaluation assets included in accounts payable and accrued liabilities	123,457	-

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

INTERRA COPPER CORP.**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**

(Unaudited - Expressed in Canadian dollars, except number of shares)

	Common shares ⁽¹⁾	Share capital	Reserve	Accumulated deficit	Total shareholders' equity
	#	\$	\$	\$	\$
Balance, December 31, 2021	8,388,424	7,487,958	4,357,265	(5,421,265)	6,423,958
Share-based payments	-	-	35,496	-	35,496
Net loss and comprehensive loss for the period	-	-	-	(180,205)	(180,205)
Balance, March 31, 2022	8,388,424	7,487,958	4,392,761	(5,601,470)	6,279,249
Shares issued for exploration and evaluation assets	35,000	18,200	-	-	18,200
Shares issued for private placement	220,000	110,000	-	-	110,000
Share-based payments recovery	-	-	(184,940)	-	(184,940)
Net loss and comprehensive loss for the period	-	-	-	(180,770)	(180,770)
Balance, December 31, 2022	8,643,424	7,616,158	4,207,821	(5,782,240)	6,041,739
Shares issued to the Alto Verde shareholders	7,441,763	5,953,410	-	-	5,953,410
Shares issued to the finder in the Transaction	421,171	336,937	-	-	336,937
Replacement warrants issued in the Transaction	-	-	518	-	518
Units issued for private placement	5,781,722	2,007,107	883,754	-	2,890,861
Share issuance costs	57,520	(281,352)	169,644	-	(111,708)
Share-based payments	-	-	89,521	-	89,521
Net loss and comprehensive loss for the period	-	-	-	(215,858)	(215,858)
Balance, March 31, 2023	22,345,600	15,632,260	5,351,258	(5,998,098)	14,985,420

(1) The number of common shares was adjusted for the Share Consolidation (Note 7(a)).

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

INTERRA COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Interra Copper Corp. (the “Company” or “Interra”) was incorporated under the laws of British Columbia on August 30, 2018, for the purposes of a plan of arrangement with Chemesis International Inc., a publicly traded company.

The Company is a junior mineral exploration company engaged in the acquisition, exploration, and evaluation of natural resource properties in British Columbia, Canada and Chile. The Company currently has the Tres Mariás and Zenaida mineral exploration projects located in the Antofagasta region of Chile, the Pitbull property located in the Tarapaca region of Chile, the Chuck Creek Property located in central British Columbia, Canada and the Thane Property located in north-central British Columbia, Canada. (Note 5).

The Company’s registered and records office is located at 1008 - 550 Burrard Street, Bentall 5, Vancouver, British Columbia, V6C 2B5. On September 23, 2019, the common shares of the Company were approved for listing on the Canadian Securities Exchange (the “CSE”) and commenced trading on September 24, 2019, under the symbol “IMCX”. On March 3, 2020, the common shares of the Company were listed on the Frankfurt Stock Exchange under the symbol “3MX”. On February 26, 2021, the common shares of the Company were quoted on the OTCQB Marketplace under the symbol “IMIMF” in the United States.

a) Going concern

These unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022 (the “financial statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different basis of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

As at March 31, 2023, the Company had working capital of \$2,121,498 (December 31, 2022 - \$50,192) and an accumulated deficit of \$5,998,098 (December 31, 2022 - \$5,782,240). During the three months ended March 31, 2023, the Company incurred a net loss and comprehensive loss of \$215,858 (2022 - \$180,205) and expects to incur further losses in the development of its business. To date, the Company has not earned any revenue and is considered to be in the exploration stage. The Company’s operations are funded from equity financing which are dependent upon many external factors. The Company recognizes that it will be required to obtain additional financing to maintain its core operations and planned exploration programs on its existing exploration and evaluation assets for the next twelve months. While the Company has been successful in securing financing, as outlined in Note 11, there can be no assurance that it will be able to do so again in the future.

There is material uncertainty about whether the Company will be able to obtain the required financing and complete or develop a business. This material uncertainty may cast significant doubt on the Company’s ability to continue as a going concern. These financial statements do not give effect to adjustments that would be necessary to reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

b) Alto Verde transaction

On March 8, 2023, the Company entered into a definitive business combination agreement (the “Definitive Agreement”) with Alto Verde Copper Inc. (“Alto Verde”) and 1000465623 Ontario Inc. (“Interra Subco”), a wholly owned subsidiary of the Company, pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Alto Verde (the “Transaction”). The Transaction was completed on March 31, 2023 (Note 3).

c) Share consolidation

On May 2, 2022, the Company consolidated its issued share capital on a ratio of nine old common shares for every one new post-consolidated common share. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation (the “Share Consolidation”).

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on May 30, 2023.

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company’s audited financial statements for the years ended December 31, 2022 and 2021 (the “Annual Financial Statements”).

b) Basis of presentation

The financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS, as well as information presented in the condensed interim consolidated statements of cash flows.

c) Functional and presentation currency

The financial statements are presented in Canadian dollars. The functional currency is the currency of the primary economic environment in which an entity operates and listed in Note 1(d) below. References to “\$” or “CAD” are to Canadian dollars, references to “CLP” are to Chilean pesos, and references to “USD” are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company’s subsidiaries included in these financial statements as at March 31, 2023 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
1000465623 Ontario Inc.	Canada	100%	CAD	Holding company
Minera Alto Verde Chile Spa (“MAVC”)	Chile	100%	CLP	Mine operations
Minera Tres Marias Spa (“MTM”)	Chile	100%	CLP	Mine operations
Thane Minerals Inc.	Canada	100%	CAD	Holding company

e) Significant accounting policies

These financial statements were prepared using accounting policies consistent with those in Note 3 to the Annual Financial Statements.

f) Significant estimates and judgments

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and judgments, in applying accounting policies. Management continually evaluates these estimates and judgments based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company’s interim results are not necessarily indicative of its results for a full year. The significant estimates and judgments applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 3 to the Annual Financial Statements, with exception of the following:

Assessment of the transactions as business combinations or asset acquisitions

At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets is acquired. More specifically, consideration is given to the extent to which significant processes are acquired.

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION (continued)

When the acquisition does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized. The transaction between the Company and Alto Verde was accounted for as an asset acquisition (Note 3).

3. ALTO VERDE TRANSACTION

On March 31, 2023, the Company completed the Transaction with Alto Verde, pursuant to which the Company acquired all of the issued and outstanding shares of Alto Verde. Alto Verde is a private mining company focused on its portfolio of prospective exploration assets located in the Central Volcanic Zone, within the prolific Chilean Copper belt.

Pursuant to the terms of the Definitive Agreement, the Transaction was effected by way of a three-cornered amalgamation, in which: (a) Interra Subco amalgamated with Alto Verde to form an amalgamated company ("Amalco"); (b) all issued and outstanding common shares of Alto Verde were exchanged for the Company's common shares; (c) all outstanding convertible equity securities to purchase Alto Verde common shares were exchanged for warrants with similar/equivalent terms; and (d) Amalco became a wholly-owned subsidiary of the Company.

As a result, the Company issued to the shareholders of Alto Verde 7,441,763 common shares with a market price of \$0.80 per share on the acquisition date, for an aggregate fair value of \$5,953,410. The common shares issued pursuant to the Transaction will be subject to contractual restrictions on transfer, the restrictions will be released in tranches of 20% 120 days, 240 days, 365 days, 456 days and 547 days after completion of the Transaction. Additionally, 11,729 compensation options of Alto Verde were exchanged for approximately 2,946 replacement warrants of the Company. Each replacement warrant entitles the holder to purchase one common share of the Company at an exercise price of \$1.79 per share and has an expiry date of October 23, 2023 (Note 7(c)).

In connection with the Transaction, the Company entered into a finder's fee agreement as compensation for the introduction of the Company and Alto Verde. The Company issued to the finder 421,171 common shares at \$0.80 per share for an aggregate fair value of \$336,937.

In relation to the Transaction, the Company incurred \$106,457 of legal fees and \$17,000 of consulting fees which were included as part of the consideration (the "Transaction costs"). As at March 31, 2023, the Company had \$123,457 of Transaction costs included in accounts payable and accrued liabilities (December 31, 2022 - \$nil). In addition, the Company had commitments under 11 marketing consulting agreements totaling \$1,012,800 which were settled subsequent to the period end.

The Transaction was accounted for as an equity-settled share-based payment transaction within the scope of IFRS 2 *Share-based Payment*. The Transaction did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs that together constitute a business did not exist in Alto Verde at the closing of the Transaction. Accordingly, no goodwill was recorded with respect to the Transaction.

A summary of the Company's preliminary purchase price and purchase price allocation to net assets acquired from Alto Verde as at the March 31, 2023 Transaction date is as follows:

	\$
Purchase price:	
Fair value of common shares issued to the shareholders of Alto Verde	5,953,410
Fair value of common shares issued to the finder	336,937
Fair value of replacement warrants	518
Transaction costs	123,457
	6,414,322
Purchase price allocation:	
Cash	29,259
Amounts receivable	55,420
Prepaid expenses and deposits	8,065
Equipment	1,700
Exploration and evaluation assets (Note 5(a,b,c))	6,870,675
Accounts payable and accrued liabilities	(50,797)
	6,414,322

INTERRA COPPER CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

3. ALTO VERDE TRANSACTION (continued)

The assets and liabilities assumed pursuant to the Transaction were included in the Statement of Financial Position of the Company as at March 31, 2023.

4. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	March 31, 2023	December 31, 2022
	\$	\$
Advertising and marketing	5,000	5,000
Filing fees	18,570	-
General and administrative	8,065	-
Insurance	8,004	11,130
	39,639	16,130

5. EXPLORATION AND EVALUATION ASSETS

A summary of the Company's capitalized exploration and evaluation expenses is as follows:

	Tres Marías	Pitbull	Zenaida	Chuck Creek Property	Thane Project	Total
	\$	\$	\$	\$	\$	\$
Balance, December 31, 2021	-	-	-	-	5,817,265	5,817,265
Acquisition costs	-	-	-	28,700	33,438	62,138
Exploration costs						
Assaying	-	-	-	2,676	3,332	6,008
Camp costs	-	-	-	3,644	17,403	21,047
Geological consulting	-	-	-	14,184	45,905	60,089
Balance, December 31, 2022	-	-	-	49,204	5,917,343	5,966,547
Acquisition costs	4,455,921	1,295,281	1,119,473	-	-	6,870,675
Balance, March 31, 2023	4,455,921	1,295,281	1,119,473	49,204	5,917,343	12,837,222

a) Tres Marías Copper Project

The Tres Marías Copper Project ("Tres Marías") was acquired by "MTM" from Minera Freeport-McMoRan South America Limitada ("MFMSA"), a wholly owned subsidiary of Freeport-McMoRan Inc. Tres Marías is subject to a purchase option by MFMSA such that upon completing US\$5 million of qualifying exploration expenditures on Tres Marías by October 20, 2026, MFMSA will have the option to:

- (i) acquire a 51% interest in MTM's share capital for US\$12.5 million, or
- (ii) acquire a 49% interest in MTM's share capital for US\$250.

If MFMSA exercises the option to acquire a 51% interest in MTM's share capital, the Company will be granted a 0.5% Net Smelter Return ("NSR") over Tres Marías. If MFMSA exercises the Purchase Option to acquire a 49% interest in MTM's share capital, MFMSA will be granted a 1.0% NSR royalty over Tres Marías. If MFMSA elects not to exercise the option, MFMSA will be granted a 1.0% NSR royalty over Tres Marías.

b) Pitbull Copper Project

The Pitbull Copper Project ("Pitbull") was acquired by MAVC from MFMSA, who retain a 1% NSR on Pitbull.

c) Zenaida Copper Project

The Zenaida Copper Project ("Zenaida") was acquired by MAVC from MFMSA, who retain a 1% NSR on Zenaida.

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

5. EXPLORATION AND EVALUATION ASSETS (continued)**d) Chuck Creek Property**

The Chuck Creek Property covers 8,293 acres (33.57 sq. kilometers) and is situated in central British Columbia.

On June 6, 2022 (the "Effective Date"), the Company entered into an option agreement to purchase all rights, title, and interest in the Chuck Creek Property from two former directors of the Company (the "Optionors"). Pursuant to the option agreement, the Company shall issue to the Optionors an aggregate of 35,000 common shares and make cash payments to the Optionors in the amount of \$30,000 as follows with 50% as to each Optionor:

Date	Consideration
Within 5 days of the Effective Date	<ul style="list-style-type: none"> • \$10,000 cash (paid on June 15, 2022) • 35,000 common shares (issued on June 29, 2022).
The sooner of:	
(i) the Company's next equity financing, or	
(ii) 12 months from the Effective Date	<ul style="list-style-type: none"> • \$20,000 cash (paid April 25, 2023, Note 12)

Upon exercise of the option agreement, the Company shall grant a 1% net smelter royalty to the Optionors, of which 0.5% may be repurchased by the Company for \$500,000.

e) Thane Project

The "Thane Project" comprises 50,904 acres (206 sq. kilometers) of contiguous claims located in the Quesnel Terrane of north-central British Columbia. The northern part of the Quesnel Terrane extends from south of the Mt. Milligan Mine northward to the Kemess Mine, with the Thane Project located midway between these two copper-gold porphyry deposits. This property includes several highly prospective mineralized areas identified to date, including the "Cathedral Area" on which the Company's exploration is currently focused.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	March 31,	December 31,
	2023	2022
	\$	\$
Accrued liabilities	163,270	39,257
Other liabilities	77,136	912
Taxes payable	215	-
Trade payables	691,858	897
	932,479	41,066

7. SHARE CAPITAL**a) Authorized share capital**

Authorized share capital is an unlimited number of common shares with no par value.

Pursuant to the Share Consolidation on May 2, 2022, the Company consolidated its issued share capital on a ratio of nine old common shares for every one new post-consolidated common share (Note 1(c)). All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

INTERRA COPPER CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

b) Shares issued

During the three months ended March 31, 2023, the Company had the following share transactions:

- On March 31, 2023, pursuant to the Transaction, the Company issued to the shareholders of Alto Verde 7,441,763 common shares at a price of \$0.80 per share for an aggregate fair value of \$5,953,410. The common shares issued pursuant to the Transaction will be subject to contractual restrictions on transfer, the restrictions will be released in tranches of 20% 120 days, 240 days, 365 days, 456 days and 547 days after completion of the Transaction.
- In connection with the Transaction, prior to closing, the Company issued 5,781,722 subscription receipts at a price of \$0.50 per subscription receipt for gross proceeds of \$2,890,861 (the "Private Placement"). On March 31, 2023, the subscription receipts automatically converted into units of the Company. Each unit comprised one common share and one-half share purchase warrant. Each full warrant is convertible into one common share of the Company at an exercise price of \$0.75 for a period of thirty-six months following the closure of the Transaction. The warrants are subject to an acceleration provision allowing the Company to accelerate the expiration date with a thirty-day notice period to warrant-holders in the event the common shares trade on the CSE for ten consecutive days at \$1.25 or higher. Gross proceeds were allocated between share capital and reserve using the relative fair value method. As a result, \$2,007,107 was allocated to share capital and \$883,754 was allocated to reserve. The fair value of the common shares was based on the market close on the date of conversion, and the fair value of the warrants was determined using the Black-Scholes option pricing model.
- In connection with the Private Placement, the Company paid cash finder's fees of \$91,640, issued 57,520 common shares and 240,800 warrants to the finders. Each warrant entitles the holder to purchase one common share at an exercise price of \$0.75 per share for a period of thirty-six months from the date of issuance. The fair value of the common shares was based on the market close on the date of issuance, and the fair value of the warrants was determined using the Black-Scholes option pricing model. In addition, the Company incurred transfer agent fees of \$20,068, which were included in share issuance costs.

During the year ended December 31, 2022, the Company had the following share transactions:

- On June 29, 2022, the Company issued 35,000 common shares at a fair value of \$0.52 per share for an aggregate value of \$18,200 for an acquisition payment for the Chuck Creek Property (Note 5(b)).
- On July 28, 2022, the Company closed a non-brokered private placement financing comprising 220,000 common shares for gross proceeds of \$110,000.

c) Warrants

During the three months ended March 31, 2023, the Company had the following warrant transactions:

- In connection with the Transaction, 11,729 compensation options of Alto Verde were exchanged for 2,946 replacement warrants of the Company. Each replacement warrant entitles the holders to purchase one common share of the Company at an exercise price of \$1.79 per share and has the expiry date of October 23, 2023.
- On March 31, 2023, in connection with the Private Placement, the subscription receipts automatically converted into units of the Company. Each unit comprises of one common share and one-half share purchase warrant. Each full warrant is convertible into one common share of the Company at an exercise price of \$0.75 for a period of thirty-six months following the closure of the Transaction.
- In connection with the Private Placement, the Company issued 240,800 warrants to the finders. Each warrant entitles the holders to purchase one common share at an exercise price of \$0.75 per share for a period of thirty-six months from the date of issuance.

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

A summary of the Company's warrant activity is as follows:

	Number of warrants ⁽¹⁾	Weighted average exercise price ⁽¹⁾
	#	\$
Balance, December 31, 2021	2,770,856	3.22
Expired	(921,795)	4.33
Balance, December 31, 2022	1,849,061	2.67
Issued	3,134,607	0.75
Balance, March 31, 2023	4,983,668	1.46

(1) The number of warrants and weighted average exercise price were adjusted for the Share Consolidation (Note 7(a)).

A summary of the Company's warrants outstanding as at March 31, 2023 is as follows:

Expiry date	Number of warrants ⁽¹⁾	Weighted average exercise price ⁽¹⁾	Weighted average remaining life
	#	\$	years
April 16, 2023	44,309	1.80	0.04
April 16, 2023	813,540	2.70	0.04
May 19, 2023	16,037	1.80	0.13
May 19, 2023	840,360	2.70	0.13
May 28, 2023	18,519	2.70	0.16
May 28, 2023	1,296	1.80	0.16
October 23, 2023	2,946	1.79	0.56
October 28, 2023	115,000	2.70	0.58
March 31, 2026	3,131,661	0.75	3.00
	4,983,668	1.46	1.93

(1) The number of warrants and weighted average exercise price were adjusted for the Share Consolidation (Note 7(a)).

A summary of the Company's assumptions used in the Black-Scholes option pricing model for warrants issued during the three months ended March 31, 2023 is as follows:

Share price	\$0.80
Expected life	1 - 3 years
Expected volatility	151% - 175%
Risk-free rate	3.51% - 3.78%
Dividend yield	0.00%

d) Options

On July 12, 2019, the Company adopted an equity incentive plan (the "Plan") whereby up to 20% of the outstanding shares of the Company as of the date of grant have been reserved for the grant and issuance to its employees, officers, directors, and consultants. Awards that may be granted under the Plan to eligible persons include stock options, restricted share rights and deferred share units. With respect to stock options, the exercise price of any stock option may not be set at less than the minimum price permitted by the CSE. The aggregate number of options granted to any one individual during any twelve-month period may not exceed 5% of the issued shares of the Company, or 2% in the case of consultants and investor relations representatives.

Stock options are typically exercisable for a period of five years from the date of grant. However, the board of directors of the Company (the "Board") may determine in their discretion any exercise period of up to a maximum of ten years from the date of grant. The Board determines the vesting period of stock options; however, stock options granted to any person engaged in investor relations activities will vest over a period of not less than 12 months with no more than 25% of the stock options vesting in any three-month period.

INTERRA COPPER CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

7. SHARE CAPITAL (continued)

During the three months ended March 31, 2023, the Company had the following option transactions:

- On March 31, 2023, the Company granted 465,000 stock options with an exercise price of \$0.80 and expiration date of March 31, 2028 to certain directors, officers, and consultants of the Company. The options vest 25% immediately and in equal tranches of 25% on the date which is six, twelve, and eighteen months after the grant date. During the three months ended March 31, 2023, the Company recognized share-based payments of \$89,521 relating to vesting of options (2022 - \$35,496).

A summary of the Company's option activity is as follows:

	Number of options outstanding ⁽¹⁾	Weighted average exercise price ⁽¹⁾
	#	\$
Balance, December 31, 2021	1,080,278	2.25
Cancelled	(342,500)	2.49
Expired	(1,667)	2.25
Forfeited	(597,222)	2.09
Balance, December 31, 2022	138,889	2.47
Granted	465,000	0.80
Balance, March 31, 2023	603,889	1.18

(1) The number of options and weighted average exercise price were adjusted for the Share Consolidation (Note 7(a)).

A summary of the Company's options outstanding and exercisable at March 31, 2023 is as follows:

Expiry date	Number of options outstanding ⁽¹⁾	Number of options exercisable ⁽¹⁾	Weighted average exercise price ⁽¹⁾	Remaining contractual life
	#	#	\$	years
July 22, 2023	5,556	5,556	4.50	0.31
September 24, 2024	33,333	33,333	1.44	1.49
July 3, 2025	100,000	100,000	2.70	2.26
March 31, 2028	465,000	116,250	0.80	5.01
	603,889	255,139	1.18	4.31

(1) The number of options and weighted average exercise price were adjusted for the Share Consolidation (Note 7(a)).

A summary of the Company's assumptions used in the Black-Scholes option pricing model for options granted during the three months ended March 31, 2023 is as follows:

Share price	\$0.80
Expected option life	5 years
Expected volatility	175%
Risk-free rate	3.02%
Dividend yield	0.00%

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

8. RELATED PARTY DISCLOSURES

A summary of the Company's related party transactions is as follows:

	Three months ended March 31,	
	2023	2022
	\$	\$
Consulting fees	10,500	-
Director fees	6,863	11,006
General and administrative	-	605
Management fees	52,275	42,951
Share-based payments	77,970	24,420
	147,608	78,982

During the three months ended March 31, 2023, \$10,500 (2022 - \$nil) was paid to non-executive directors of the Company for consulting fees in relation to the Transaction.

During the three months ended March 31, 2023, \$6,863 (2022 - \$11,006) was paid to non-executive directors of the Company for director fees.

During the three months ended March 31, 2023, \$21,750 (2022 - \$13,655) was paid as management fees to a company controlled by a director of the Company for Chief Executive Officer services.

During the three months ended March 31, 2023, \$21,525 (2022 - \$18,296) was paid as management fees to a company controlled by an officer of the Company for Chief Financial Officer services.

During the three months ended March 31, 2023, \$nil (2022 - \$2,000) was paid as management fees to a company controlled by a former officer of the Company for Chief Operating Officer services.

During the three months ended March 31, 2023, \$9,000 (2022 - \$9,000) was paid as management fees to a company controlled by an officer of the Company for corporate secretarial services.

During the three months ended March 31, 2023, \$nil (2022 - \$58,027) was paid for capitalized exploration expenditures and \$nil (2022 - \$605) was paid for general and administrative expenses to a company controlled by the former Chief Operating Officer of the Company.

As at March 31, 2023, \$85,190 (December 31, 2022 - \$nil) was included in accounts payable and accrued liabilities for amounts due to related parties. The amounts due are unsecured, due on demand and are non-interest bearing.

Key management includes directors and officers of the Company. Other than the amounts disclosed above, there was no other compensation paid or payable to key management for employee services for the reported periods.

9. FINANCIAL INSTRUMENTS

As at March 31, 2023 and December 31, 2022, the Company's financial instruments consist of cash and accounts payable and accrued liabilities, all of which are classified as and measured at amortized cost.

The carrying value of cash and accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

INTERRA COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2023 and 2022**

(Unaudited - Expressed in Canadian dollars, except where noted)

10. FINANCIAL RISK MANAGEMENT

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. The Company's cash and reclamation bond are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high creditworthiness.

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common stock or debt as required. As at March 31, 2023, the Company had sufficient cash on hand to discharge its financial liabilities as they become due.

c) Foreign currency risk

The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in USD and CLP. A summary of the Company's financial assets and liabilities that are denominated in USD and CLP is as follows:

	March 31,	December 31,
	2023	2022
	\$	\$
Cash	13,329	-
Amounts receivable	26,391	-
Prepaid expenses and deposits	8,065	-
Accounts payable and accrued liabilities	(69,737)	-

The Company has not entered any foreign currency contracts to mitigate this risk. A 10% increase or decrease in the USD and the CLP exchange rates would result in a net impact of approximately \$2,195 to the Company's loss and comprehensive loss. The Company is not exposed to significant foreign currency risk.

11. CAPITAL MANAGEMENT

The Company's capital structure consists of all components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the current operations. The Company obtains funding primarily through issuing common stock. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future.

There were no changes to the Company's approach to capital management during the period. The Company is not subject to externally imposed capital requirements.

12. SUBSEQUENT EVENTS

On April 16, 2023, 813,540 warrants with an exercise price of \$2.70 and 44,309 warrants with an exercise price of \$1.80 expired unexercised.

On April 25, 2023, pursuant to the option agreement, the Company made \$20,000 cash option payment to two Optionors for the Chuck Creek Property (Note 5).

On May 19, 2023, 840,360 warrants with an exercise price of \$2.70 and 16,037 warrants with an exercise price of \$1.80 expired unexercised.

INTERRA COPPER CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(Unaudited - Expressed in Canadian dollars, except where noted)

12. SUBSEQUENT EVENTS (continued)

On May 28, 2023, 18,519 warrants with an exercise price of \$2.70 and 1,296 warrants with an exercise price of \$1.80 expired unexercised.

Subsequent to period end the Company settled \$1,012,000 of its commitments under marketing consulting agreements pursuant to the Transaction (Note 3).