INTERRA COPPER CORP.

Consolidated Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Canadian dollars)

D&H Group LLP
Chartered Professional Accountants
10th Floor, 1333 West Broadway
Vancouver, BC V6H 4C1

dhgroup.ca
t 604.731.5881
f 604.731.9923

Independent Auditor's Report

To the Shareholders of Interra Copper Corp.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Assessment of Impairment Indicators of Exploration and Evaluation Assets

Description

Management assesses whether there are indicators of impairment to exploration and evaluation assets when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed the recoverable amount. Management applies judgement in assessing whether impairment indicators are present.

Impairment indicators were identified by management for the Tres Marias Copper Project, Pitbull Copper Project, Zenaida Copper Project and Chuck Creek Property. An impairment charge of $ 7,688,242 was recorded against the balance of exploration and evaluation assets recorded to those projects. No impairment indicators were identified by management for the Thane Project and the Rip Project as of December 31, 2023.

This matter was significant to our audit because the carrying value of the Company's exploration and evaluation assets at December 31, 2023, was $ 6,000,341, which represents a significant portion of the Company's total assets and management applies significant judgement in assessing whether impairment indicators are present. See Note 2 and Note 5 to the consolidated financial statements.

How the Key Audit Matter Was Addressed in the Audit
Our approach to addressing the matter included the following procedures, among others:
Evaluated management's assessment as to whether there were any indicators of impairment to exploration and evaluation assets, which included the following:

- Obtained the option agreement and confirmed exploration claim listings included in the option agreement with the related mining authorities.
- Obtained the mineral claim and permit listings held by the Company and confirmed the mineral claims held with the related mining authorities.
- Considered the Company's intentions to carry out future exploration and evaluation expenditures which included reading Board of Directors' meeting minutes and enquiring as to the intentions and strategy of the Company.
- Assessed whether there were other changes in circumstances indicating that the exploration and evaluation expenditures may not be recoverable, based on the evidence obtained in other areas of the audit.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company recorded a net loss of $ 9,787,851 and, as at December 31, 2023, the Company had an accumulated deficit of $ 15,570,091 and working capital of $ 1,019,943. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

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

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

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

D&H

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

"D&H Group LLP"

Vancouver, B.C.
April 29, 2024

Chartered Professional Accountants

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Interra Copper Corp.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	Note(s)	December 31, 2023 $	December 31, 2022 $
ASSETS			
Current assets			
Cash		1,237,555	58,252
Amounts receivable		64,884	16,876
Prepaid expenses	4	188,835	16,130
		1,491,274	**91,258**
Non-current assets			
Reclamation deposits	5	25,000	25,000
Equipment		510	-
Exploration and evaluation assets	5	6,000,341	5,966,547
		6,025,851	**5,991,547**
TOTAL ASSETS		**7,517,125**	**6,082,805**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6, 8	344,467	41,066
Flow through shares premium liability		126,864	-
TOTAL LIABILITIES		**471,331**	**41,066**
SHAREHOLDERS' EQUITY			
Share capital	7	17,057,505	7,616,158
Reserves	7	5,591,596	4,207,821
Accumulated deficit		(15,570,091)	(5,782,240)
Accumulated other comprehensive loss		(33,216)	-
TOTAL SHAREHOLDERS' EQUITY		**7,045,794**	**6,041,739**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**7,517,125**	**6,082,805**
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These consolidated financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Rick Gittleman Director **/s/ Jason Nickel Director**

Interra Copper Corp.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the years ended	
	Note(s)	December 31, 2023 $	December 31, 2022 $
Expenses			
Consulting fees	8	31,114	21,700
Depreciation		1,190	-
General and administrative expenses		67,642	16,462
Management and directors' fees	8	338,474	203,645
Marketing expenses	4, 11	871,326	68,916
Professional fees		148,982	89,750
Share-based payments (recovery)	7, 8	277,434	(149,444)
Shareholder information and investor relations		81,975	62,271
Transfer agent, regulatory and filing fees		48,341	47,675
Travel		8,772	-
Total expenses		**(1,875,250)**	**(360,975)**
Other income			
Finance income		13,285	-
Foreign exchange loss		(125,220)	-
Loss on debt settlement	7	(9,110)	-
Impairment of exploration and evaluation assets	5	(7,688,242)	-
Impairment of value-added tax receivable	5	(106,906)	-
Other income	9	3,592	-
Total other income		**(7,912,601)**	**-**
Net loss		**(9,787,851)**	**(360,975)**
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		(33,216)	-
Loss and comprehensive loss		**(9,821,067)**	**(360,975)**
Basic and diluted loss per share for the year attributable to common shareholders ($ per common share)		**(0.50)**	**(0.04)**
Weighted average number of common shares outstanding - basic and diluted		**19,698,056**	**8,500,191**

Interra Copper Corp.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Note(s)	Share capital #	Share capital $	Reserves $	Accumulated deficit $	Accumulated other comprehensive loss $	TOTAL $
Balance as of December 31, 2022		**8,643,424**	**7,616,158**	**4,207,821**	**(5,782,240)**	**-**	**6,041,739**
Shares issued for cash - private placement	7	7,766,722	2,365,758	922,103	-	-	**3,287,861**
Shares issued for cash - flow through	7	3,921,397	1,006,749	-	-	-	**1,006,749**
Share issue costs	7	-	(384,596)	166,146	-	-	**(218,450)**
Shares issued for finders' fees	7	57,520	46,016	-	-	-	**46,016**
Shares issued for acquisition	3, 7	7,862,934	6,290,347	-	-	-	**6,290,347**
Fair value of warrants issued for acquisition	3, 7	-	-	518	-	-	**518**
Shares issued for exploration and evaluation assets	5, 7	200,000	55,000	-	-	-	**55,000**
Shares issued for debt settlement	7	282,148	62,073	-	-	-	**62,073**
Fair value of warrants issued for debt settlement	7	-	-	17,574	-	-	**17,574**
Share-based payments	7	-	-	277,434	-	-	**277,434**
Loss and comprehensive loss		-	-	-	(9,787,851)	(33,216)	**(9,821,067)**
Balance as of December 31, 2023		**28,734,145**	**17,057,505**	**5,591,596**	**(15,570,091)**	**(33,216)**	**7,045,794**
Balance as of December 31, 2021		**8,388,424**	**7,487,958**	**4,357,265**	**(5,421,265)**	**-**	**6,423,958**
Shares issued for cash - private placement	7	220,000	110,000	-	-	-	**110,000**
Shares issued for exploration and evaluation assets	5, 7	35,000	18,200	-	-	-	**18,200**
Share-based payments (recovery)	7	-	-	(149,444)	-	-	**(149,444)**
Loss and comprehensive loss		-	-	-	(360,975)	-	**(360,975)**
Balance as of December 31, 2022		**8,643,424**	**7,616,158**	**4,207,821**	**(5,782,240)**	**-**	**6,041,739**

Interra Copper Corp.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Note(s)	For the years ended December 31, 2023 $	December 31, 2022 $
Cash flow from (used in)			
OPERATING ACTIVITIES			
Net loss		(9,787,851)	(360,975)
Depreciation		1,190	-
Impairment of exploration and evaluation assets	5	7,688,242	-
Impairment of value-added tax receivable	5	106,906	-
Loss on debt settlement	7	9,110	-
Other income	9	(3,592)	-
Share-based payments (recovery)	7	277,434	(149,444)
Net changes in non-cash working capital items:			
Amounts receivable		(18,979)	106,886
Prepaid expenses		(165,500)	51,786
Accounts payable and accrued liabilities		(322,200)	(59,744)
Cash flow used in operating activities		**(2,215,240)**	**(411,491)**
INVESTING ACTIVITIES			
Exploration and evaluation assets	5	(790,412)	(131,082)
Cash paid on acquisition	3	(94,198)	-
Value-added tax receivable		(91,109)	-
Cash flow used in investing activities		**(975,719)**	**(131,082)**
FINANCING ACTIVITIES			
Proceeds on issuance of common shares, net of cash share issue costs	7	4,252,632	110,000
Cash flow provided by financing activities		**4,252,632**	**110,000**
Effects of exchange rate changes on cash		117,630	-
Increase (decrease) in cash		**1,179,303**	**(432,573)**
Cash, beginning of year		**58,252**	**490,825**
Cash, end of year		**1,237,555**	**58,252**

Supplemental cash flow information			
Exploration and evaluation assets included in accounts payable and accrued liabilities		29,301	-
Fair value of finders' warrants	7	166,146	-
Fair value of warrants issued for acquisition	3, 7	518	-
Reduction to share capital for flow-through share premium liability		130,456	-
Shares issued for acquisition	3, 7	6,290,347	-
Shares issued for debt settlement		62,073	-
Fair value of warrants issued for debt settlement		17,574	-
Shares issued for exploration and evaluation assets		55,000	18,200
Cash paid for income taxes		-	-
Cash paid for interest		-	-

1) CORPORATE INFORMATION 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 Marías 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.

As of the date of these consolidated financial statements, the Company has not identified a known body of commercial grade mineral on any of its properties. The ability of the Company to realize the costs it has incurred to date on these properties is dependent upon the Company identifying a commercial mineral body, to finance its development costs and to resolve any environmental, regulatory or other constraints which may hinder the successful development of the property. To date, the Company has not earned any revenues and is considered to be in the exploration stage.

These consolidated financial statements have been prepared assuming the Company will continue on a going-concern basis, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As of December 31, 2023, the Company had working capital of $1,019,943 (December 31, 2022 – working capital of $50,192), had not advanced its mineral properties to commercial production and is not able to finance day-to-day activities through operations. The Company's continuation as a going concern is dependent upon the successful exercise of its mineral property option agreements, results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from and/or raise equity capital or borrowings sufficient to meet current and future obligations and ongoing operating losses. These factors indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

1) CORPORATE INFORMATION AND GOING CONCERN (CONTINUED)

Acquisition of Alto Verde Copper Inc. ("Alto Verde")

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.

See Note 3 for details.

Financial Reporting and Disclosure during Economic Uncertainty

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic; the Company has not been significantly impacted by the spread of COVID-19. However, the ongoing COVID-19 pandemic, inflationary pressures, rising interest rates, the global financial climate and the conflict in Ukraine are affecting current economic conditions and increasing economic uncertainty, which may impact the Company's operating performance, financial position and the Company's ability to raise funds at this time.

These consolidated financial statements of the Company for the years ended December 31, 2023 and 2022 were approved by the Board of Directors on April 29, 2024.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

The policies set out below were consistently applied to all periods presented unless otherwise noted below.

Basis of presentation

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS Accounting Standards that are published at the time of preparation and that are effective on December 31, 2023.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(Expressed in Canadian Dollars)

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

These consolidated financial statements comprise the accounts of the Company and the following subsidiaries of the Company:

			Percentage owned			
	Note(s)	Country of incorporation	December 31, 2023	December 31, 2022	Reporting date	Functional Currency
Thane Minerals Inc.		Canada	100%	100%	December 31	Canadian dollar ("$" or CA$")
Alto Verde Copper Inc.	3	Canada	100%	Nil	December 31	CA$
Minera Alto Verde Chile SPA ("MAVC")	3	Chile	100%	Nil	December 31	Chilean Pesos ("CLP")
Minera Tres Marias SPA ("MTM")	3	Chile	100%	Nil	December 31	CLP

- **Subsidiaries**
  A subsidiary is an entity over which the Company has power to govern the operating and financial policies in order to obtain benefits from its activities. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

- **Acquisitions and disposals**
  The results of businesses acquired during the reporting period are brought into the consolidated financial statements from the date the control is transferred; the results of businesses sold during the reporting period are included in the consolidated financial statements for the period up to the date the control is ceased.

  Gains or losses on disposal are calculated as the difference between the sale proceeds (net of expenses) and the carrying value of net assets attributable to the interest which has been sold. Where a disposal represents a separate major line of business or geographical area of operations, the net results attributable to the disposed entity are shown separately in the statement of loss and comprehensive loss.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates

The information about significant areas of estimation uncertainty considered by management in preparing the financial statements are as follows:

Carrying value and recoverability of exploration and evaluation assets

The carrying amount of Company's exploration and evaluation assets does not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to commence and complete development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets. Ownership in exploration and evaluation assets involves certain inherent risks, including geological, metal prices, operating costs, and permitting risks. Many of these risks are outside the Company's control. The ultimate recoverability of the amounts capitalized for the exploration and evaluation assets is dependent upon the delineation of economically recoverable ore reserves, obtaining the necessary financing to complete their development, obtaining the necessary permits to operate a mine, and realizing profitable production or proceeds from the disposition thereof. Management's estimates of recoverability of the Company's investment in its exploration and evaluation assets have been based on current and expected conditions. However, it is possible that changes could occur which could adversely affect management's estimates and may result in future write downs of exploration and evaluation assets carrying values.

Deferred Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

Measurement of liabilities for share-based payment arrangements

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment is used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such estimates and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Critical accounting estimates (continued)

Completeness of reclamation liabilities

Management determines the future costs the Company will incur to complete the rehabilitation work that is required to comply with existing laws, regulations, and agreements in place at each exploration site. Actual costs incurred may differ from those amounts estimated. Future changes to environmental laws and regulations could increase the extent of rehabilitation work required by the Company. Management determined at the date of the Statement of Financial Position that no material rehabilitation provisions were required under International Accounting Standards 37 Provisions, Contingent Liabilities, and Contingent Assets.

Business combinations

Management determines whether assets acquired, and liabilities assumed constitute a business. A business consists of inputs and processes applied to those inputs that have the ability to create outputs. During the year ended December 31, 2023, the Company completed the acquisition of Alto Verde (Note 3) and concluded that the transactions did not qualify as a business combination under IFRS 3, "Business Combinations".

Critical accounting judgments

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective judgments or assessments.

Functional currency

In accordance with IAS 21 "The Effects of Changes in Foreign Exchange Rates", management determined that the functional currency of the Company and its subsidiaries incorporated in Canada is CA$, as this is the currency of the primary economic environment in which the Company operates. The functional currency of the Company's subsidiaries incorporated in Chile is CLP.

Going concern

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

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Exploration and evaluation assets

Pre-license costs

Costs incurred before the Company has obtained the legal right to explore are expensed as incurred.

Exploration and evaluation costs

Once the legal right to explore has been acquired, exploration and evaluation expenditures are capitalized as incurred, unless future economic benefit is not expected to be realized. The Company capitalizes, on a property by property basis, the costs of acquiring, maintaining its interest in, and exploring and evaluating mineral properties until such time as the lease expires, it is abandoned, sold, or considered impaired in value. Indirect administrative costs are expensed as incurred. Exploration and evaluation assets are not depreciated during the exploration and evaluation stage.

Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's titles. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

Decommissioning and restoration

The Company is subject to various governmental laws and regulations relating to the protection of the environment. The environmental regulations are continually changing and are generally becoming more restrictive.

Decommissioning and restoration obligations encompass legal, statutory, contractual, or constructive obligations associated with the retirement of a long-lived tangible asset (for example, mine reclamation costs) that results from the acquisition, construction, development and/or normal operation of a long-lived asset. The retirement of a long-lived asset is reflected by an other-than temporary removal from service, including sale of the asset, abandonment, or disposal in some other manner.

The fair value of a liability for decommissioning and restoration is recorded in the period in which the obligation first arises. The Company records the estimated present value of future cash flows associated with site closure and reclamation as a long-term liability and increases the carrying value of the related assets for that amount. Over time, the liability is increased to reflect an interest element in the estimated future cash flows (accretion expense) considered in the initial measurement of fair value. The capitalized cost is depreciated on either the unit-of-production basis or the straight-line basis, as appropriate.

The Company's estimates of its provision for decommissioning and restoration obligations could change as a result of changes in regulations, changes to the current market-based discount rate, the extent of environmental remediation required, and the means of reclamation or cost estimates. Changes in estimates are accounted for in the period in which these estimates are revised.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Impairment of exploration and evaluation assets
Management reviews the carrying values of its exploration and evaluation assets on an annual basis, or when an impairment indicator exists, to determine whether an impairment should be recognized. In making its assessment, management considers, among other things, exploration results to date and future exploration plans for a particular property. In addition, acquisition costs related to relinquished property rights are written off in the period of relinquishment. Capitalized acquisition costs in respect of the Company's exploration and evaluation assets may not be recoverable and there is a risk that these costs may be written down in future periods. Impairment is charged through the statement of loss and comprehensive loss.

The recoverability of amounts shown as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the Company's ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in the statements of loss and comprehensive loss.

Functional currency
The functional currency is the currency of the primary economic environment in which an entity operates and may differ from the currency in which the entity enters transactions.

Transactions in currencies other than the functional currency are translated to the functional currency at exchange rates prevailing on the dates of the transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated to the functional currency using the exchange rate prevailing on the date of the statement of financial position, while non-monetary assets and liabilities are translated at historical rates.

Exchange gains and losses arising from the translation of foreign currency-denominated transactions or balances are recorded as a component of net loss in the period in which they occur.

Provisions
Liabilities are recognized when the Company has a present obligation, legal or constructive, that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation. A provision is a liability of uncertain timing or amount.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre- tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as a financing expense.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Current tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects taxable profit or accounting profit. Deferred tax liabilities on temporary differences associated with shares in subsidiaries and joint ventures is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are likely to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in profit or loss in the period that includes the substantive enactment date. Deferred tax assets are recognized for all temporary differences, carry-forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same entity or different entities which intend to settle current tax assets and liabilities on a net basis or simultaneously in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Changes in deferred tax assets or liabilities are recognized as a component of income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects in shareholders' equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares were granted. Common shares held by the Company are classified as treasury stock and recorded as a reduction to shareholders' equity. The Company uses the relative fair value method with respect to the measurement of shares and warrants issued as private placement units. The Company considers the fair value of common shares to be the closing quoted bid price on the issuance date and the fair value of share purchase warrants are estimated by the Black-Scholes option pricing model at the date of issuance. The proportionate value attributed to warrants is recorded as reserves.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Share issuance costs
Share issuance costs, which include commissions, facilitation payments, professional fees, and regulatory fees, are charged directly to share capital. Share issue costs incurred from the issuance of flow-through shares are charged directly to share capital and expense in proportion to the value of the Company's shares at time of issue and any flow-through share premium.

Share-based payments

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, employees, and certain non-employees. For directors and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged either to profit or loss or exploration and evaluation assets, with the offsetting credit to reserves. For directors, employees, and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates.

Any cumulative adjustment prior to vesting is recognized in the applicable period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in reserves are transferred to share capital.

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in reserves.

Related party transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Loss per share

Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (denominator). In computing diluted loss per share, an adjustment is made for the dilutive effect of outstanding share options, warrants and other convertible instruments. In the periods when the Company reports a net loss, the effect of potential issuances of shares under share options and other convertible instruments is anti-dilutive. Therefore, basic and diluted loss per share are the same. When diluted earnings per share is calculated, only those share options and other convertible instruments with exercise prices below the average trading price of the Company's common shares for the period will be dilutive.

Comprehensive loss

Total comprehensive loss comprises all components of profit or loss and other comprehensive income (loss). Other comprehensive income includes items such as gains and losses on re-measuring available-for-sale financial assets and the effective portion of gains and losses on hedging instruments in a cash flow hedge.

Financial instruments

The following is the Company's accounting policy for financial instruments under IFRS 9 "Financial Instruments: Classification":

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment. Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statements of loss in the period in which they arise. Financial assets and liabilities carried at FVTOCI are initially recorded at fair value. Unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVOCI are included in comprehensive income or loss in the period in which they arise.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION (CONTINUED)

Financial instruments (continued)

Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

New accounting standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretation Committee that are mandatory for accounting periods beginning on or after January 1, 2023. The Company does not expect that any new or amended standards or interpretations that are effective for annual periods beginning on or after January 1, 2023 will have a significant impact on the Company's results of operations or financial position.

Definition of Accounting Estimates (Amendment to IAS 8)

In February 2021, the IASB issued amendments to IAS 8, which added the definition of Accounting Estimates in IAS 8. The amendments also clarified that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from correction of prior period errors.

Classification of Liabilities as Current or Non-Current

The IASB issued amendments to IAS 1 - Classification of Liabilities as Current or Non-current in January 2020, which have been further amended partially by amendments Non-current Liabilities with Covenants issued in October 2022. The amendments require that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement for at least twelve months after the reporting period.

Subsequent to the release of amendments to IAS 1 Classification of Liabilities as Current or Non-Current, the IASB amended IAS 1 further in October 2022. If an entity's right to defer is subject to the entity complying with specified conditions, such conditions affect whether that right exists at the end of the reporting period, if the entity is required to comply with the condition on or before the end of the reporting period and not if the entity is required to comply with the conditions after the reporting period. The amendments also provide clarification on the meaning of 'settlement' for the purpose of classifying a liability as current or non-current.

(Expressed in Canadian Dollars)

3) ACQUISITION OF ALTO VERDE COPPER INC.

On March 31, 2023 (the "Date of Acquisition"), 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 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 (the "Consideration Shares") with a fair value of $0.80 per share on the Date of Acquisition, for an aggregate fair value of $5,953,410.

The common shares issued pursuant to the Transaction are subject to a voluntary hold period from the date of issuance pursuant to which:

i. 20% of the Consideration Shares will be released 120 days after the Date of Acquisition;
ii. 20% of the Consideration Shares will be released 240 days after the Date of Acquisition;
iii. 20% of the Consideration Shares will be released 365 days after the Date of Acquisition;
iv. 20% of the Consideration Shares will be released 456 days after the Date of Acquisition; and
v. 20% of the Consideration Shares will be released 547 days after the Date of Acquisition.

Additionally, 11,729 compensation options of Alto Verde were exchanged for 2,946 replacement warrants of the Company with fair value of $518. 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.

The Company estimated the grant date fair value of the replacement warrants and replacement options, using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	3.78%
Expected annual volatility	151%
Expected life	0.56 years
Expected dividend yield	nil
Share price at grant date	$0.80

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

In connection with the Transaction, the Company incurred additional transaction costs of $123,457.

In addition, the Company had commitments under 11 marketing consulting agreements totaling $1,012,800 which were settled subsequent to the Date of Acquisition.

The Acquisition constitutes an asset acquisition as Alto Verde does not meet the definition of a business, as defined in IFRS 3, "Business Combinations" and is accounted for in accordance with guidance provided in IFRS 2, "Share-Based Payment".

(Expressed in Canadian Dollars)

3) ACQUISITION OF ALTO VERDE COPPER INC. (CONTINUED)

The total consideration of $6,414,322 including transaction costs of $123,457 associated with the Transaction has been allocated as follows:

	$
Cash	29,259
Amounts receivable	29,029
Prepaid expenses	8,065
Value-added tax receivable	26,391
Equipment	1,700
Exploration and evaluation assets	6,990,520
Accounts payable and accrued liabilities	(670,642)
Fair value of net assets acquired	**6,414,322**
Consideration comprised of:	
Fair value of common shares issued	5,953,410
Finder's fees	336,937
Fair value of replacement warrants issued	518
Transaction costs	123,457
	6,414,322

4) PREPAID EXPENSES

As discussed in Note 3, in connection with the Transaction, the Company assumed 11 marketing agreements totalling $1,012,800. These amounts were initially recorded as prepaid expenses and amortized over the service period. As of December 31, 2023, the unamortized amount that remained in prepaid expenses was $153,844 (December 31, 2022 – $nil).

5) EXPLORATION AND EVALUATION ASSETS

	Tres Marías Copper Project $	Pitbull Copper Project $	Zenaida Copper Project $	Chuck Creek Property $	Thane Project $	Rip Project $	TOTAL $
Balance as of December 31, 2022	-	-	-	49,204	5,917,343	-	**5,966,547**
Acquisition costs	3,382,510	2,706,008	902,002	20,000	-	55,000	**7,065,520**
Exploration costs (see below)	686,279	42,718	42,718	-	-	27,998	**799,713**
Impairments	(3,973,839)	(2,714,315)	(930,884)	(69,204)	-	-	**(7,688,242)**
Recovery of impairment	-	-	-	-	-	-	**-**
Effect of movements in exchange rate	(94,950)	(34,411)	(13,836)	-	-	-	**(143,197)**
Balance as of December 31, 2023	**-**	**-**	**-**	**-**	**5,917,343**	**82,998**	**6,000,341**

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

	Chuck Creek Property $	Thane Project $	TOTAL $
Balance as of December 31, 2021	-	**5,817,265**	**5,817,265**
Acquisition costs	28,700	33,438	**62,138**
Exploration costs	20,504	66,640	**87,144**
Balance as of December 31, 2022	**49,204**	**5,917,343**	**5,966,547**

Exploration costs incurred during the years ended December 31, 2023 and 2022

	Tres Marías Copper Project $	Pitbull Copper Project $	Zenaida Copper Project $	Rip Project $	TOTAL $
During the year ended December 31, 2023					
Assaying	64,248	-	-	-	**64,248**
Camp costs	-	-	-	808	**808**
Consulting	34,915	20,479	20,479	-	**75,873**
Drilling and ancillary costs	480,657	10,523	10,523	-	**501,703**
Equipment rental	16,652	-	-	-	**16,652**
Field technicians	86,087	11,716	11,716	-	**109,519**
Geological	-	-	-	9,030	**9,030**
Operator's fees	-	-	-	1,953	**1,953**
Sample analysis	-	-	-	3,473	**3,473**
Transportation	-	-	-	2,109	**2,109**
Travel	3,719	-	-	2,309	**6,028**
Technical studies	-	-	-	8,317	**8,317**
	686,278	**42,718**	**42,718**	**27,999**	**799,713**

	Chuck Creek Property	Thane Project	TOTAL $
During the year ended December 31, 2022			
Assaying	2,676	3,332	**6,008**
Camp costs	3,644	17,403	**21,047**
Geological	14,184	45,905	**60,089**
	20,504	**66,640**	**87,144**

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **Tres Marías Copper Project**

  In connection with the Transaction (Note 3), the Company acquired the Tres Marías Copper Project through a wholly owned subsidiary of Alto Verde,y Minera Tres Marías Spa ("MTM"), from Minera Freeport-McMoRan South America Limitada ("MFMSA"), a wholly owned subsidiary of Freeport-McMoRan Inc. ("FCX").

  Pursuant to the amended terms and conditions of the Tres Marías Agreement, the Company has an obligation to spend US$5,000,000 in qualifying exploration expenditures no later than October 20, 2026, including a minimum of US$400,000 of drilling and ancillary expenditures by December 31, 2023 (the "Tres Marías Exploration Commitment"). Upon satisfying the Tres Marías Exploration Commitment, MFMSA will have a Repurchase Right and option to:

  (i) acquire a 51% interest in MTM's share capital for US$12.5 million, or [(1)]
  (ii) acquire a 49% interest in MTM's share capital for US$250, or [(1)]
  (iii) not acquire any interest in MTM.

  ____
  (1) collectively the "TM Purchase Option".

  If MFMSA exercises the TM Purchase Option to acquire a 51% interest in MTM's share capital, the Company will be granted a 0.5% Net Smelter Return ("NSR") over the Tres Marias Property.

  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 the Tres Marias Property.

  IF MFMSA elects not acquire any interest in MTM, MFMSA will be granted a 1.0% NSR royalty over the Tres Marias Property.

  As of December 31, 2023, the Company's management decided not to conduct any significant work on the Tres Marías Copper Project in the near future; as a result, the Company wrote off the capitalized costs of $3,973,839 associated with the Tres Marías Copper Project during the year ended December 31, 2023.

- **Pitbull Copper Project**

  In connection with the Transaction (Note 3), the Company acquired the Pitbull Copper Project which was acquired by Minera Alto Verde Chile Spa ("MAVC"), a wholly owned subsidiary of Alto Verde, from MFMSA, who retain a 1% NSR on Pitbull.

  As of December 31, 2023, the Company's management decided not to conduct any significant work on the Pitbull Copper Project in the near future; as a result, the Company wrote off the capitalized costs of $2,714,315 associated with the Pitbull Copper Project during the year ended December 31, 2023.

- **Zenaida Copper Project**

  In connection with the Transaction (Note 3), the Company acquired the Zenaida Copper Project was acquired by MAVC from MFMSA, who retain a 1% NSR on Zenaida.

  As of December 31, 2023, the Company's management decided not to conduct any significant work on the Zenaida Copper Project in the near future; as a result, the Company wrote off the capitalized costs of $930,884 associated with the Zenaida Copper Project during the year ended December 31, 2023.

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **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 "CCP 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:

- Within 5 days of the CCP Effective Date	$10,000 cash (paid) 35,000 common shares (issued).
- The Earliest of: the Company's next equity financing, or 12 months from the CPP Effective Date	$20,000 cash (paid)

  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.

  As of December 31, 2023, the Company's management's decision not to conduct any significant work on the Chuck Creek Property in the near future; as a result, the Company wrote off the capitalized costs of $69,204 associated with the Chuck Creek Property during the year ended December 31, 2023.

- **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.

  The Company has reclamation deposits of $25,000 (December 31, 2022 – $25,000) as collateral on the Thane Project.

- **Rip Project**

  On September 19, 2023, the Company entered into a non-binding letter of intent with ArcWest Exploration Inc. (TSXV: AWX) ("ArcWest") to earn up to an 80% ownership interest in the Rip Project, a copper-molybdenum project located in central British Columbia.

  An option agreement (the "Rip Option Agreement") was entered into November 27, 2023 (the "Rip Execution Date") between the Company and ArcWest.

  Under the terms of the Rip Option Agreement, the Company has a two-stage option to earn up to an 80% ownership interest in the Rip Project.

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **Rip Project (continued)**

During the first stage (the "First Tier Earn-In"), the Company may earn up to a 60% ownership interest in the Rip Project by:

- Incur exploration expenditures of $2,000,000 (the "First Tier Earn-in Expenditures") as follows:

	First Tier Earn-in Expenditures ($)	
By December 31, 2024	300,000	(1)(2)
By December 31, 2025	500,000	(2)
By December 31, 2026	500,000	
By December 31, 2027	700,000	

(1) A minimum of $25,000 is required to be incurred by December 31, 2023 (incurred).
(2) These are the mandatory expenditure per the Rip Option Agreement.

- Make a total cash payment of $100,000 and issue 1,050,000 common shares of the Company (collectively the "First Tier Payments") as follows:

	Cash ($)	Common Shares (#)
Within 5 business days of the Rip Execution Date	-	200,000 (issued with fair value of $55,000)
By December 31, 2024	25,000[1]	125,000
By December 31, 2025	25,000	175,000
By December 31, 2026	25,000	250,000
By December 31, 2027	25,000	300,000

(1) This is the mandatory payment per the Rip Option Agreement.

During the First Tier Earn-In period, ArcWest will be the operator of the Rip Project, and the Company is responsible for paying ArcWest 7.5% of the exploration and evaluation expenditures incurred as the operator's fee.

During the second stage (the "Second Tier Earn-In"), the Company may acquire an additional 20% ownership interest in the Rip Project by incurring $2,000,000 exploration expenditures (the "Second Tier Earn-In Expenditures") from January 1, 2028, to December 31, 2031 (the "Second Tier Earn-In Period").

(Expressed in Canadian Dollars)

5) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **Rip Project (continued)**

During the Second Tier Earn-In Period, the Company is required to deliver a feasibility study or before December 31, 2031 and make the following annual payment of $250,000 (the "Second Tier Cash Payments") to ArcWest:

	$
On or before December 31, 2028	250,000
On or before December 31, 2029	250,000
On or before December 31, 2030	250,000
On or before December 31, 2031	250,000

The Company has the option to extend the Second Tier Earn-In Period for three years (the "Extended Second Tier Earn-In Period"). In any event, if the Company exercises this option, the Company is required to pay ArcWest an additional $100,000 per year during the Extended Second Tier Earn-In Period.

In connection with the impairment of the Tres Marías Copper Project, Pitbull Copper Project and Zenaida Copper Project, the Company also impaired the associated value-added tax receivable of $106,906 during the year ended December 31, 2023 (December 31, 2022 - $nil).

6) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	December 31, 2023	**December 31, 2022**
	$	**$**
Trade payables	233,785	897
Accrued liabilities	65,394	39,257
Others	45,288	912
	344,467	**41,066**

7) SHARE CAPITAL

Authorized share capital
Unlimited number of common shares without par value.

Issued share capital
As of December 31, 2023, the Company had 28,734,145 common shares issued and outstanding (December 31, 2022 – 8,643,424) with a value of $17,057,505 (December 31, 2022 – $7,616,158).

During the year ended December 31, 2023

- As discussed in Note 3, the Company issued 7,441,763 Consideration Shares with fair value of $5,953,410 for the Transaction. In connection with the Transaction, the Company issued 427,171 common shares with a fair value of $336,937 pursuant to the finder's fee agreement.

7) SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

During the year ended December 31, 2023 (continued)

- 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. 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 whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.75 at any time prior to March 31, 2026. 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.
  For accounting purposes, the Company estimated the grant date fair value of warrants issued with the units, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 3.12%, an expected life of 3 years, an expected volatility of 116% and an expected dividend yield of 0%, which totaled $757,993, and recorded this value in warrants reserve. The value attributed to the warrants was based on their relative fair value as compared to the fair value of the common shares. The remaining balance of $2,132,868 was recorded as common shares.

  In connection with the private placement, the Company paid finder's fees of $91,640 and issued 57,520 common shares with fair value of $46,016 and 240,800 finder's warrants (the "Finder's Warrants") with fair value of $136,923 (collectively the "Finder's Fees"). The Finders' Fees of $274,579 were recorded as share issuance costs.

  Each Finder's Warrant entitles its holder to purchase one additional common share at an exercise price of $0.75 at any time prior to March 31, 2026.

  The Company estimated the fair value of finders' warrants using the Black-Scholes options pricing model, assuming a risk-free interest rate of 3.12%, an expected life of 3 years, an expected volatility of 116% and an expected dividend yield of 0%.

  In addition, the Company incurred $20,068 share issuance costs.

- On September 29, 2023, the Company completed a non-brokered private placement of 1,985,000 units at a price of $0.20 for gross proceeds of $397,000. Each unit consists of one common share and one common share purchase warrant. Each whole warrant entitles its holder to purchase one additional common share at an exercise price of $0.25 at any time prior to September 29, 2026.

  For accounting purposes, the Company estimated the grant date fair value of warrants issued with the units, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 3.78%, an expected life of 3 years, an expected volatility of 113% and an expected dividend yield of 0%, which totaled $164,104, and recorded this value in warrants reserve. The value attributed to the warrants was based on their relative fair value as compared to the fair value of the common shares. The remaining balance of $232,896 was recorded as common shares.

(Expressed in Canadian Dollars)

7) SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

During the year ended December 31, 2023 (continued)

- On December 6, 2023, as discussed in Note 5, the Company issued 200,000 common shares with fair value of $55,000 pursuant to the Rip Option Agreement.

- On December 15, 2023, the Company completed a private placement of 3,041,397 non-flow-through shares at a price of $0.29 for gross proceeds of $882,005. The Company reclassified $121,656 as a flow-through share premium liability (Note 9).

  In connection with the private placement, the Company incurred the following transaction costs which were recorded as share issuance costs:

  - Paid cash of $60,726 as finders' fees;
  - Issued 209,306 finders' warrants with fair value of $29,223; and
  - Paid cash of $17,952 for other expenses.

  173,190 finders' warrants are exercisable to acquire one common share of the Company at a price of $0.29 on or before December 15, 2025. 36,206 finders' warrants are exercisable to acquire one common share of the Company at a price of $0.29 on or before December 15, 2026.

  The estimated grant date fair value of the finders' warrants was calculated using the Black-Scholes option pricing model with the following assumptions:

Number of finders' warrants issued	173,190	36,206
Risk-free interest rate	3.96%	3.31%
Expected annual volatility	109%	104%
Expected life (in years)	2	3
Expected dividend yield	-	-
Share price at grant date ($)	0.25	0.25

- On December 22, 2023, the Company completed a private placement of 880,000 non-flow-through shares at a price of $0.29 for gross proceeds of $255,200. The Company reclassified $8,800 as a flow-through share premium liability (Note 9).

- On December 29, 2023, the Company entered into a debt settlement agreement with a consultant to settle $70,537 payables in exchange for the issuance of 282,148 units with a fair value of $79,647; as a result, the Company recognized a loss on debt settlement of $9,110 in the consolidated statements of loss and comprehensive loss. Each unit consists of one common share with a fair value of $0.22 per share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.35 for a period of 36 months.

(Expressed in Canadian Dollars)

7) SHARE CAPITAL (CONTINUED)

<u>Issued share capital (continued)</u>

<u>During the year ended December 31, 2023 (continued)</u>

The expiry date is subject to acceleration where the volume-weighted average trading price (the "VWAP") of the Company's common shares on the CSE is equal to or greater than $0.45 for a continuous 30-day period at any time after that date which is four (4) months following the date of issuance, in which case the expiry date of the warrants will automatically accelerate and the warrants will expire on that date which is 30 days after the date on which notice of such acceleration event is provided to the holder.

For accounting purposes, the Company estimated the grant date fair value of warrants ($17,574), using the Black-Scholes option pricing model, assuming a risk-free interest rate of 3.25%, an expected life of 3 years, an expected volatility of 105% and an expected dividend yield of 0%.

<u>During the year ended December 31, 2022</u>

- On June 29, 2022, the Company issued 35,000 common shares at a fair value of $0.52 per share for an acquisition payment for the Chuck Creek Property.

- On July 28, 2022, the Company closed a non-brokered private placement financing comprising 220,000 common shares for gross proceeds of $110,000.

<u>Subsequent to December 31, 2023</u>

- On January 15, 2024, the Company entered into a debt settlement agreement with a consultant to settle $34,723 payables in exchange for the issuance of 138,892 units.

- On March 14, 2024, the Company completed a non-brokered private placement of 725,000 units at a price of $0.20 for gross proceeds of $145,000.

<u>Warrants</u>
The changes in warrants during the years ended December 31, 2023 and 2022 are as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	1,849,061	2.67	2,770,856	3.22
Issued	5,470,077	0.54	-	-
Expired	(1,852,007)	2.67	(921,795)	4.33
Balance, closing	**5,467,131**	**0.54**	**1,849,061**	**2.67**

During the year ended December 31, 2023 and 2022, 1,852,007 and 921,795 warrants expired unexercised, respectively.

(Expressed in Canadian Dollars)

7) SHARE CAPITAL (CONTINUED)

Warrants (continued)

The following summarizes information about warrants outstanding at December 31, 2023:

Expiry date	Exercise price ($)	Warrants outstanding	Estimated grant date fair value ($)	Weighted average remaining contractual life (in years)
March 31, 2026	0.75	3,131,661	894,913	2.25
September 29, 2026	0.25	1,985,000	164,111	2.75
December 15, 2025	0.29	173,190	23,583	1.96
December 15, 2026	0.29	36,206	5,640	2.96
December 29, 2026	0.35	141,074	17,574	3.00
		5,467,131	**1,105,821**	**2.45**
Weighted average exercise price ($)		**0.54**		

Stock 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.

The changes in stock options during the years December 31, 2023 and 2022, are as follows:

	December 31, 2023		December 31, 2022	
	Number outstanding	Weighted average exercise price ($)	Number outstanding	Weighted average exercise price ($)
Balance, opening	138,889	2.47	1,080,278	2.25
Granted	2,865,000	0.34	-	-
Expired	(5,556)	4.50	(1,667)	2.25
Cancelled	(78,750)	0.80	(342,500)	2.49
Forfeited	(236,250)	0.80	(597,222)	2.09
Balance, closing	**2,683,333**	**0.39**	**138,889**	**2.47**

(Expressed in Canadian Dollars)

7) SHARE CAPITAL (CONTINUED)

Stock options (continued)

During the year ended December 31, 2023

- On March 31, 2023, the Company granted 465,000 stock options with an exercise price of $0.80 to certain directors, officers, and consultants of the Company. The options are exercisable for a period of five years. One-fourth vest on date of grant and one-fourth will vest every six months thereafter.

- On September 25, 2023, the Company granted 2,400,000 stock options with an exercise price of $0.25 to certain directors, officers, and consultants of the Company. The options are exercisable for a period of five years. One-fourth vest on date of grant and one-fourth will vest every anniversary thereafter.

- 78,750, 5,556 and 236,250 stock options were cancelled, expired, and forfeited, respectively.

During the year ended December 31, 2022, 342,500, 1,667 and 597,222 stock options were cancelled, expired, and forfeited, respectively.

The estimated grant date fair value of the options granted during the years ended December 31, 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

Number of options granted	2,865,000
Risk-free interest rate	3.89%
Expected annual volatility	98%
Expected life (in years)	5
Expected dividend yield	-
Grant date fair value per option ($)	0.24
Share price at grant date ($)	0.33

During the year ended December 31, 2023, the Company recognized share-based payments expense arising from stock options of $277,434 (December 31, 2022 – a recovery of $149,444).

The following summarizes information about stock options outstanding and exercisable at December 31, 2023:

Expiry date	**Exercise price ($)**	**Options outstanding**	**Options exercisable**	**Estimated grant date fair value ($)**	**Weighted average remaining contractual life (in years)**
September 24, 2024	1.44	33,333	33,333	37,858	0.73
July 3, 2025	2.70	100,000	100,000	207,000	1.51
March 31, 2028	0.80	150,000	75,000	90,472	4.25
September 25, 2028	0.25	2,400,000	600,000	420,864	4.74
		2,683,333	**808,333**	**756,194**	**4.54**
Weighted average exercise price ($)		**0.39**	**0.65**		

(Expressed in Canadian Dollars)

8) RELATED PARTY DISCLOSURES

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following table discloses the total compensation incurred to the Company's key management personnel during the years ended December 31, 2023 and 2022:

	For the years ended	
	December 31, 2023	**December 31, 2022**
	$	**$**
Rick Gittleman, President and CEO (1)		
Management fees	50,000	-
Share-based payments	26,063	-
	76,063	**-**
Paul Robertson, CFO (2)		
Management fees	61,100	-
Share-based payments	6,516	-
	67,616	**-**
Jason Nickel, COO, Director and Former CEO (3)		
Management fees	80,375	65,530
Share-based payments (recovery)	70,199	(19,553)
	150,574	**45,977**
Dr. Thomas Hawkins, Former VP of Exploration and Director		
Director fees	1,933	3,872
Consulting fees	2,000	-
Exploration expenditures	-	18,820
Share-based payments	14,325	-
	18,258	**22,692**
Mike Ciricillo, Director		
Share-based payments	14,660	-
	14,660	**-**
Dr. Mark Cruise, Director		
Share-based payments	14,660	-
	14,660	**-**
Rick Leveille, Director		
Share-based payments	14,660	-
	14,660	**-**

(Expressed in Canadian Dollars)

8) RELATED PARTY DISCLOSURES (CONTINUED)

	For the years ended	
	December 31, 2023	**December 31, 2022**
	$	**$**
Chris Buncic, CEO, President and Director		
Management fees	83,333	-
	83,333	**-**
Oliver Foeste, Former CFO [4]		
Management fees	52,825	65,164
Share-based payments (recovery)	3,770	(19,553)
	56,595	**45,611**
David McAdam, Former Director [5]		
Director fees	5,042	10,101
Consulting fees	8,500	(19,553)
Share-based payments (recovery)	15,078	-
	28,620	**(9,452)**
Scott Young, Former Director		
Director fees	3,866	3,872
Share-based payments	14,325	-
	18,191	**3,872**
Janet Francis, Corporate Secretary [6]		
Professional fees	41,122	-
Management fees	-	36,000
	41,122	**36,000**
Christopher Naas, Former COO (7)		
Management fees	-	2,000
Exploration expenditures	-	82,127
General and administrative expenses	-	1,122
Share-based payments (recovery)	-	(16,013)
	-	**69,236**
David McMillan, Former Director		
Director fees	-	768
Share-based payments (recovery)	-	(17,006)
	-	**(16,238)**

(Expressed in Canadian Dollars)

8) RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

	For the years ended	
	December 31, 2023	December 31, 2022
	$	$
Gordon Neal, Former Director		
Director fees	-	3,872
Share-based payments (recovery)	-	(16,188)
	-	**(12,316)**
Greg Hawkins, Former Director		
Director fees	-	5,051
Exploration expenditures	-	24,100
	-	**29,151**
Samir Patel, Former Director		
Director fees	-	5,051
	-	**5,051**
TOTAL	**674,934**	**309,436**

1) Paid and/or payable to RMG Minerals LLC which is controlled by Mr. Rick Gittleman.
2) Paid and/or payable to Quantum Advisory Partners LLP, an accounting firm in which Mr. Paul Robertson is an incorporated partner.
3) Paid and/or payable to JWolf Capital Corp. which is controlled by Mr. Jason Nickel.
4) Paid and/or payable to Invictus Accounting Group LLP which is controlled by Mr. Oliver Foeste.
5) Paid and/or payable to First Line Consultants Ltd. which is controlled by Mr. David McAdam.
6) Paid and/or payable to Keystone Corporate Services Inc. which is controlled by Ms. Janet Francis.
7) Paid and/or payable to CSN Enterprises Ltd. which is controlled by Christopher Naas.

As at December 31, 2023, $69,851 (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.

(Expressed in Canadian Dollars)

9) COMMITMENTS

Flow through shares premium liability

The Company periodically issues flow-through shares with any resulting flow-through premium recorded as a flow-through share premium liability. The liability is subsequently reduced when the required exploration expenditures are made, and accordingly, a recovery of the flow-through premium is recorded as other income.

Based on Canadian tax law, the Company is required to spend the proceeds from the issuance of the flow-through shares on eligible exploration expenditures within two years from the date of issuance. If the Company is unable to meet this deadline, it will be subject to Part XII.6 taxes in accordance with the Canadian Income Tax Act.

A continuity of the flow-through share premium liability during the years ended December 31, 2023 and 2022 is as follows:

	December 31, 2023 $	December 31, 2022 $
Balance, beginning of the year	-	-
Liability incurred on flow-through shares issued (Note 7)	130,456	-
Settlement on expenditures made recorded as other income	(3,592)	-
Balance, end of year	**126,864**	-

10) SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	December 31, 2023 $	Canada $	Chile $
Non-current assets			
Reclamation deposits	25,000	25,000	-
Equipment	510	510	-
Exploration and evaluation assets	6,000,341	6,000,341	-

	December 31, 2022 $	Canada $	Chile $
Non-current assets			
Reclamation deposits	25,000	25,000	-
Exploration and evaluation assets	5,966,547	5,966,547	-

(Expressed in Canadian Dollars)

11) CAPITAL MANAGEMENT

The Company defines its components of shareholders' equity as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue business opportunities and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages its 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 capital structure, the Company may consider issuing new shares, and/or issue debt, acquire or dispose of assets, or adjust the amount of cash on hand.

The Company's investment policy is to keep its cash on deposit in an interest-bearing Canadian chartered bank account. There have been no changes to the Company's approach to capital management at any time during the years ended December 31, 2023 and 2022. The Company is not subject to externally imposed capital requirements.

12) FINANCIAL INSTRUMENTS

Fair value

Financial instruments are classified into one of the following categories: FVTPL, amortized cost and FVTOCI.

Set out below are the Company's financial assets and liabilities by category:

	December 31, 2023 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash	1,237,555	-	1,237,555	-
Amounts receivable	64,884	-	64,884	-
Reclamation deposits	25,000	-	25,000	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(344,467)	-	(344,467)	-

	December 31, 2022 $	FVTPL $	Amortized costs $	FVTOCI $
FINANCIAL ASSETS				
ASSETS				
Cash	58,252	-	58,252	-
Amounts receivable	16,876	-	16,876	-
Reclamation deposits	25,000	-	25,000	-
FINANCIAL LIABILITIES				
LIABILITIES				
Accounts payable and accrued liabilities	(41,066)	-	(41,066)	-

The carrying values of amounts receivable, accounts payable and accrued liabilities and loan payable approximate their fair values due to the relatively short period to maturity of those financial instruments. Reclamation deposits approximately their fair value due to their liquidity.

12) FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)
As at December 31, 2023 and 2022, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1, 2 and 3 in the fair value hierarchy above.

IFRS 13 establishes a fair value hierarchy that reflects the significance of inputs used in making fair value measurements as follows:

Level 1: Unadjusted quoted prices 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 that are not based on observable market data.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

Financial risk management

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. The Company's exposure to credit risk includes cash, amounts receivable and reclamation deposits.

The Company's cash is held at a large Canadian and Chilean financial institution in interest bearing accounts. The Company has no investments in asset-backed commercial paper.

The Company's maximum exposure to credit risk is the carrying value of its financial assets.

Management believes that the credit risk concentration with respect to these financial instruments is remote. Cash based in Canada and Chile are accessible. The Company's amounts receivable balance does not represent significant credit exposure as it is principally due from the Government of Canada.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due.

As at December 31, 2023, the Company had cash of $1,237,555 and accounts payable and accrued liabilities of $344,467. All accounts payable and accrued liabilities are current.

12) FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management (continued)

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash is mainly held at a Canadian chartered bank. The Company's interest rate risk principally arises from the interest rate impact of interest earned on cash. The Company is not exposed to significant interest rate risk relating to its cash.

Foreign Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars ("CA$"). The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company's cash, amounts receivable, deposits and accounts payable and accrued liabilities are held in CA$, United States dollar ("US$") and CLP; therefore, US$ and CLP accounts are subject to fluctuation against the CA$.

The Company's financial instruments were denominated as follows as at December 31, 2023:

	CA$	US$	CLP
Cash	1,223,071	3,059	6,926,515
Amounts receivable	64,884	-	-
Reclamation deposits	25,000	-	-
Accounts payable and accrued liabilities	(320,114)	-	(16,169,733)
	992,841	**3,059**	**(9,243,218)**
Rate to convert to $1.00 CA$	1.00000	1.32467	0.00151
Equivalent to CA$	**992,841**	**4,052**	**(13,921)**

Based on the above net exposures as at December 31, 2023, and assuming that all other variables remain constant, a 10% change of the CA$ against the US$ and CLP would change profit or loss by approximately $1,400.

Commodity price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities may be subject to risks associated with fluctuations in the market price of commodities. The Company is not exposed to significant other price risk.

(Expressed in Canadian Dollars)

13) INCOME TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2023 $	2022 $
Loss before income taxes for the year	(1,988,417)	(360,975)
Expected income tax (recovery)	(537,000)	(97,000)
Change in statutory, foreign tax, foreign exchange rates	(1,618,000)	(10,000)
Permanent differences	(75,000)	(40,000)
Impact of flow through share	-	16,000
Change in unrecognized deferred tax assets	2,230,000	131,000
Total income tax expense (recovery)	**-**	**-**

The significant components of the Company's deferred tax assets and liabilities are as follows:

	2023 $	2022 $
Deferred tax assets (liabilities)		
Share issuance costs and financing fees	127,000	66,000
Non-capital losses	1,847,000	1,261,000
Exploration and evaluation assets	418,000	(1,112,000)
Other	-	9,000
Net deferred tax asset	**2,392,000**	**224,000**
Unrecognized deferred tax assets	**(2,392,000)**	**(224,000)**
Net deferred tax liabilities	**-**	**-**

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statement of financial position are as follows:

	2023	Expiry Date Range	2022	Expiry Date Range
Temporary Differences				
Share issuance costs and financing fees	470,000	2043 to 2047	244,000	2043 to 2046
Non-capital losses	6,837,000	2037 to 2042	4,671,000	2037 to 2042
Other	-	No expiry date	33,000	No expiry date
Exploration and evaluation assets	1,828,000	No expiry date	(4,094,000)	No expiry date

14) SUBSEQUENT EVENTS

- Refer to Note 7