



INTERRA COPPER CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

(unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed consolidated interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of condensed consolidated interim financial statements by an entity's auditor.

The accompanying unaudited condensed consolidated condensed consolidated interim financial statements of Interra Copper Corp. for the three months ended March 31, 2024 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

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

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Interra Copper Corp.Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in Canadian Dollars)

| | As at | March 31, | December 31, |
|---|---------|------------------|------------------|
| | Note(s) | 2024 | 2023 |
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash | | 1,108,382 | 1,237,555 |
| Amounts receivable | | 71,479 | 64,884 |
| Prepaid expenses | | 44,142 | 188,835 |
| | | 1,224,003 | 1,491,274 |
| Non-current assets | | | |
| Reclamation deposits | 3 | 25,000 | 25,000 |
| Equipment | | 174 | 510 |
| Exploration and evaluation assets | 3 | 6,046,059 | 6,000,341 |
| | | 6,071,233 | 6,025,851 |
| TOTAL ASSETS | | 7,295,236 | 7,517,125 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 4, 6 | 385,957 | 344,467 |
| Flow through shares premium liability | | 120,558 | 126,864 |
| TOTAL LIABILITIES | | 506,515 | 471,331 |
| SHAREHOLDERS' EQUITY | | | |
| Share capital | 5 | 17,207,183 | 17,057,505 |
| Reserves | 5 | 5,687,052 | 5,591,596 |
| Accumulated deficit | | (16,067,003) | (15,570,091) |
| Accumulated other comprehensive loss | | (38,511) | (33,216) |
| TOTAL SHAREHOLDERS' EQUITY | | 6,788,721 | 7,045,794 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 7,295,236 | 7,517,125 |
| Corporate information and going concern | 1 | | |
| Commitments | 3, 7 | | |
| Segmented information | 8 | | |

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Mark Cruise Director/s/ Jason Nickel Director

Interra Copper Corp.

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

| | Note(s) | For the three months ended | |
|--|---------|----------------------------|-------------------|
| | | March 31, 2024 | March 31, 2023 |
| | | \$ | \$ |
| Expenses | | | |
| Consulting fees | 6 | - | 6,000 |
| Depreciation | | 336 | - |
| General and administrative expenses | | 16,960 | 7,706 |
| Management and directors' fees | 6 | 92,700 | 59,138 |
| Marketing expenses | | 151,226 | 20,000 |
| Professional fees | | 29,976 | 21,672 |
| Project care and maintenance costs | 3 | 80,559 | - |
| Share-based payments | 5, 6 | 57,370 | 89,521 |
| Shareholder information and investor relations | | 27,826 | 21,000 |
| Transfer agent, regulatory and filing fees | | 9,811 | 4,096 |
| Travel | | 4,190 | - |
| Total expenses | | (470,954) | (229,133) |
| Other income | | | |
| Finance income | | - | 13,275 |
| Foreign exchange loss | | (22,886) | - |
| Loss on debt settlement | 5 | (9,378) | - |
| Other income | 7 | 6,306 | - |
| Total other income | | (25,958) | 13,275 |
| Net loss | | (496,912) | (215,858) |
| Other comprehensive loss | | | |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Foreign currency translation differences for foreign operations | | (5,295) | - |
| Loss and comprehensive loss | | (502,207) | (215,858) |
| Basic and diluted loss per share for the period attributable to common shareholders (\$ per common share) | | (0.02) | (0.02) |
| Weighted average number of common shares outstanding - basic and diluted | | 28,981,339 | 8,795,671 |

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Interra Copper Corp.

Condensed Consolidated Interim Statements of Changes in Equity (unaudited)
(Expressed in Canadian Dollars)

| | Note(s) | Share capital | | Reserves | Accumulated deficit | Accumulated other comprehensive loss | TOTAL |
|---|---------|-------------------|-------------------|------------------|---------------------|--------------------------------------|-------------------|
| | | # | \$ | \$ | \$ | \$ | \$ |
| Balance as of December 31, 2023 | | 28,734,145 | 17,057,505 | 5,591,596 | (15,570,091) | (33,216) | 7,045,794 |
| Shares issued for cash - private placement | 5 | 725,000 | 116,986 | 28,014 | - | - | 145,000 |
| Share issue costs | 5 | - | (1,337) | - | - | - | (1,337) |
| Shares issued for debt settlement | 5 | 138,892 | 34,029 | - | - | - | 34,029 |
| Fair value of warrants issued for debt settlement | 5 | - | - | 10,072 | - | - | 10,072 |
| Share-based payments | 5 | - | - | 57,370 | - | - | 57,370 |
| Loss and comprehensive loss | | - | - | - | (496,912) | (5,295) | (502,207) |
| Balance as of March 31, 2024 | | 29,598,037 | 17,207,183 | 5,687,052 | (16,067,003) | (38,511) | 6,788,721 |
| 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 | 5 | 5,781,722 | 2,132,868 | 757,993 | - | - | 2,890,861 |
| Share issue costs | 5 | - | (294,647) | 136,923 | - | - | (157,724) |
| Shares issued for finders' fees | 5 | 57,520 | 46,016 | - | - | - | 46,016 |
| Shares issued for acquisition | 5 | 7,862,934 | 6,290,347 | - | - | - | 6,290,347 |
| Fair value of warrants issued for acquisition | | - | - | 518 | - | - | 518 |
| Share-based payments | 5 | - | - | 89,521 | - | - | 89,521 |
| Loss and comprehensive loss | | - | - | - | (215,858) | - | (215,858) |
| Balance as of March 31, 2023 | | 22,345,600 | 15,790,742 | 5,192,776 | (5,998,098) | - | 14,985,420 |

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Interra Copper Corp.

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

| | Note(s) | For the three months ended | |
|---|---------|----------------------------|-------------------------|
| | | March 31, 2024 \$ | March 31, 2023 \$ |
| Cash flow from (used in) | | | |
| OPERATING ACTIVITIES | | | |
| Net loss | | (496,912) | (215,858) |
| Depreciation | | 336 | - |
| Loss on debt settlement | 5 | 9,378 | - |
| Other income | 7 | (6,306) | - |
| Share-based payments | 5 | 57,370 | 89,521 |
| Net changes in non-cash working capital items: | | | |
| Amounts receivable | | (6,595) | 1,319 |
| Prepaid expenses | | 144,162 | (15,444) |
| Accounts payable and accrued liabilities | | 91,477 | 237,728 |
| Cash flow used in operating activities | | (207,090) | 97,266 |
| INVESTING ACTIVITIES | | | |
| Exploration and evaluation assets | 3 | (56,415) | - |
| Cash paid on acquisition | | - | (94,198) |
| Cash flow used in investing activities | | (56,415) | (94,198) |
| FINANCING ACTIVITIES | | | |
| Proceeds on issuance of common shares, net of cash share issue costs | 5 | 143,663 | 2,882,041 |
| Cash flow provided by financing activities | | 143,663 | 2,882,041 |
| Effects of exchange rate changes on cash | | (9,331) | - |
| Increase (decrease) in cash | | (129,173) | 2,885,109 |
| Cash, beginning of period | | 1,237,555 | 58,252 |
| Cash, end of period | | 1,108,382 | 2,943,361 |
| Supplemental cash flow information | | | |
| Change in accounts payable and accrued liabilities related to exploration and evaluation assets | | 10,697 | - |
| Fair value of finders' warrants | | - | 136,923 |
| Fair value of warrants issued for acquisition | | - | 518 |
| Shares issued for acquisition | | - | 6,290,347 |
| Shares issued for debt settlement | 5 | 34,029 | - |
| Fair value of warrants issued for debt settlement | 5 | 10,072 | - |
| Cash paid for income taxes | | - | - |
| Cash paid for interest | | - | - |

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)

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 unaudited condensed consolidated interim 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 unaudited condensed consolidated interim 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 March 31, 2024, the Company had working capital of \$717,488 (December 31, 2023 – \$1,019,943), 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.

These consolidated financial statements of the Company for the three months ended March 31, 2024 were approved by the Board of Directors on May 30, 2024.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)
For the Three Months Ended March 31, 2024
(Expressed in Canadian Dollars)

2) MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PREPARATION

Statement of compliance to International Financial Reporting Standards

These unaudited condensed consolidated interim financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

Basis of presentation

These unaudited condensed consolidated interim financial statements include the accounts of Interra and its subsidiaries. This interim financial report does not include all of the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended December 31, 2023.

New accounting standards

Certain IFRS pronouncements that are mandatory for accounting years beginning on or after January 1, 2024 have been issued. The Company concludes that the effect of such amendments did not have a material impact and therefore did not record any adjustments to the financial statements.

3) EXPLORATION AND EVALUATION ASSETS

| | Thane Project | Rip Project | TOTAL |
|--|------------------|---------------|------------------|
| | \$ | \$ | \$ |
| Balance as of December 31, 2023 | 5,917,343 | 82,998 | 6,000,341 |
| Exploration costs (see below) | 45,718 | - | 45,718 |
| Balance as of March 31, 2024 | 5,963,061 | 82,998 | 6,046,059 |

| | Thane Project | Rip Project | TOTAL |
|---|---------------|-------------|---------------|
| | \$ | \$ | \$ |
| During the year ended March 31, 2024 | | | |
| Consulting | 45,718 | - | 45,718 |
| | 45,718 | - | 45,718 |

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

3) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **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, 2023 – \$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.

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.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

3) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

• Rip Project (continued)

- 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”).

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.

• Discontinued Projects

In 2023, the Company decided to return both the Tres Marias Copper Project and the Chuck Creek Property to their original optionors and to not conduct any significant exploration work on either of the Company’s Pitbull or Zenaida Copper Projects in the near future (collectively the “Discontinued Projects”). Consequently, the Company wrote off the capitalized costs of the Discontinued Projects during the year ended December 31, 2023.

The Company incurred \$80,559 of project care and maintenance costs on these Discontinued Projects (of which \$30,500 related to severance costs and \$13,400 for legal and accounting services in Chile) during the three months ended March 31, 2024.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

3) EXPLORATION AND EVALUATION ASSETS (CONTINUED)

- **Discontinued Projects (continued)**

The breakdown of the project care and maintenance costs incurred during the three months ended March 31, 2024, are as follows:

| | \$ |
|----------------------------|---------------|
| General and administrative | 36,659 |
| Legal and accounting | 13,400 |
| Severance payments | 30,500 |
| | 80,559 |

4) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | March 31, 2024 | December 31, 2023 |
|---------------------|----------------|-------------------|
| | \$ | \$ |
| Trade payables | 275,626 | 233,785 |
| Accrued liabilities | 66,865 | 65,394 |
| Others | 43,466 | 45,288 |
| | 385,957 | 344,467 |

5) SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

As of March 31, 2024, the Company had 29,598,037 common shares issued and outstanding (December 31, 2023 – 28,734,145) with a value of \$17,207,183 (December 31, 2023 – \$17,057,505).

During the three months ended March 31, 2024

- 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 with a fair value of \$44,101; as a result, the Company recognized a loss on debt settlement of \$9,378, in the consolidated statements of loss and comprehensive loss. Each unit consists of one common share with a fair value of \$0.245 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.

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 (\$10,072), using the Black-Scholes option pricing model, assuming a risk-free interest rate of 3.60%, an expected life of 3 years, an expected volatility of 105% and an expected dividend yield of 0%.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

During the three months ended March 31, 2024 (continued)

- 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.

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 \$0.35 for a period of 24 months.

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 issued with the units, using the Black-Scholes option pricing model, assuming a risk-free interest rate of 4.25%, an expected life of 2 years, an expected volatility of 110% and an expected dividend yield of 0%, which totaled \$28,014, 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 \$116,986 was recorded as common shares.

In addition, the Company incurred \$1,337 share issuance costs.

During the three months ended March 31, 2023

- On March 31, 2023, the Company issued 7,441,763 common shares with fair value of \$5,953,410 to complete the acquisition (the "Transaction") of Alto Verde Copper Inc. ("Alto Verde") and its wholly owned subsidiaries. In connection with the acquisition, the Company issued 421,171 common shares with a fair value of \$336,937 pursuant to the finder's fee agreement.
- 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.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) SHARE CAPITAL (CONTINUED)

Issued share capital (continued)

During the three months ended March 31, 2023 (continued)

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.

Warrants

The changes in warrants during the three months ended March 31, 2024 as follows:

| | Number outstanding | Weighted average exercise price (\$) |
|---------------------------------|-----------------------|---|
| Balance as of December 31, 2023 | 5,467,131 | 0.54 |
| Issued | 431,946 | 0.35 |
| Balance as of March 31, 2024 | 5,899,077 | 0.53 |

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) SHARE CAPITAL (CONTINUED)

Warrants (continued)

The following summarizes information about warrants outstanding at March 31, 2024:

| <u>Expiry date</u> | <u>Exercise price (\$)</u> | <u>Warrants outstanding</u> | <u>Estimated grant date fair value (\$)</u> | <u>Weighted average remaining contractual life (in years)</u> |
|---|----------------------------|-----------------------------|---|---|
| March 31, 2026 | 0.75 | 3,131,661 | 894,913 | 2.00 |
| September 29, 2026 | 0.25 | 1,985,000 | 164,111 | 2.50 |
| December 15, 2025 | 0.29 | 173,190 | 23,583 | 1.71 |
| December 15, 2026 | 0.29 | 36,206 | 5,640 | 2.71 |
| December 29, 2026 | 0.35 | 141,074 | 17,574 | 2.75 |
| January 24, 2027 | 0.35 | 69,446 | 10,072 | 2.82 |
| March 14, 2026 | 0.35 | 362,500 | 28,014 | 1.95 |
| | | 5,899,077 | 1,143,907 | 2.19 |
| Weighted average exercise price (\$) | | 0.53 | | |

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.

During the three months ended March 31, 2024, no stock options were granted, exercised or expired.

During the three months ended 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.

During the three months ended March 31, 2024 and 2023, the Company recognized share-based payments expense arising from stock options of \$57,370 and \$89,521, respectively.

Interra Copper Corp.

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For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

5) SHARE CAPITAL (CONTINUED)

Stock options (continued)

The following summarizes information about stock options outstanding and exercisable at March 31, 2024:

| 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 | 0.48 |
| July 3, 2025 | 2.70 | 100,000 | 100,000 | 207,000 | 1.26 |
| March 31, 2028 | 0.80 | 150,000 | 112,500 | 90,472 | 4.00 |
| September 25, 2028 | 0.25 | 2,400,000 | 600,000 | 420,864 | 4.49 |
| | | 2,683,333 | 845,833 | 756,194 | 4.29 |
| Weighted average exercise price (\$) | | 0.39 | 0.66 | | |

6) 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 three months ended March 31, 2024 and 2023:

| | For the three months ended | |
|--|----------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| | \$ | \$ |
| Rick Gittleman, President and CEO ⁽¹⁾ | | |
| Management fees | 37,500 | - |
| Share-based payments | 7,999 | - |
| | 45,499 | - |
| Paul Robertson, CFO ⁽²⁾ | | |
| Management fees | 31,200 | - |
| Share-based payments | 2,000 | - |
| | 33,200 | - |
| Jason Nickel, COO, Director and Former CEO ⁽³⁾ | | |
| Management fees | 24,000 | 21,750 |
| Share-based payments (recovery) | 13,623 | 17,327 |
| | 37,623 | 39,077 |

Interra Copper Corp.

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6) RELATED PARTY DISCLOSURES (CONTINUED)

| | For the three months ended | |
|--|----------------------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| | \$ | \$ |
| Dr. Thomas Hawkins, Former VP of Exploration and Director | | |
| Director fees | - | 1,933 |
| Consulting fees | - | 2,000 |
| Share-based payments | - | 18,289 |
| | - | 22,222 |
| Mike Ciricillo, Director | | |
| Share-based payments | 4,500 | - |
| Dr. Mark Cruise, Director | | |
| Share-based payments | 4,500 | - |
| Rick Leveille, Director | | |
| Share-based payments | 4,500 | - |
| Oliver Foeste, Former CFO ⁽⁴⁾ | | |
| Management fees | - | 21,525 |
| Share-based payments (recovery) | - | 4,812 |
| | - | 26,337 |
| David McAdam, Former Director ⁽⁵⁾ | | |
| Director fees | - | 2,521 |
| Consulting fees | - | 8,500 |
| Share-based payments (recovery) | - | 19,252 |
| | - | 30,273 |
| Scott Young, Former Director | | |
| Director fees | - | 1,933 |
| Share-based payments | - | 18,289 |
| | - | 20,222 |
| Janet Francis, Corporate Secretary ⁽⁶⁾ | | |
| Professional fees | 11,763 | - |
| Management fees | - | 9,000 |
| | 11,763 | 9,000 |
| TOTAL | 141,585 | 147,131 |

- 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.

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Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

6) RELATED PARTY DISCLOSURES (CONTINUED)

As at March 31, 2024, \$54,754 (December 31, 2023 – \$69,851) 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.

7) 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 three months March 31, 2024 is as follows:

| | \$ |
|--|----------------|
| Balance as of December 31, 2023 | 126,864 |
| Settlement on expenditures made recorded as other income | (6,306) |
| Balance as of March 31, 2024 | 120,558 |

8) 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 in Canada.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

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9) 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 three months ended March 31, 2024. The Company is not subject to externally imposed capital requirements.

10) 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:

| | March 31, 2024 | FVTPL | Amortized costs | FVTOCI |
|--|----------------|-------|-----------------|--------|
| | \$ | \$ | \$ | \$ |
| FINANCIAL ASSETS | | | | |
| ASSETS | | | | |
| Cash | 1,108,382 | - | 1,108,382 | - |
| Amounts receivable | 71,479 | - | 71,479 | - |
| Reclamation deposits | 25,000 | - | 25,000 | - |
| FINANCIAL LIABILITIES | | | | |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | (385,957) | - | (385,957) | - |

| | 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) | - |

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 approximate their fair value due to their liquidity.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

10) FINANCIAL INSTRUMENTS (CONTINUED)

Fair value (continued)

As at March 31, 2024 and December 31, 2023, 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 March 31, 2024, the Company had cash of \$1,108,382 and accounts payable and accrued liabilities of \$385,957. All accounts payable and accrued liabilities are current.

Interra Copper Corp.

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Three Months Ended March 31, 2024

(Expressed in Canadian Dollars)

10) 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 March 31, 2024:

| | CA\$ | US\$ | CLP |
|--|----------------|------------|---------------------|
| Cash | 1,106,400 | 923 | 530,178 |
| Amounts receivable | 71,479 | - | - |
| Reclamation deposits | 25,000 | - | - |
| Accounts payable and accrued liabilities | (314,631) | (200) | (51,442,972) |
| | 888,248 | 723 | (50,912,794) |
| Rate to convert to \$1.00 CA\$ | 1.00000 | 1.35397 | 0.00138 |
| Equivalent to CA\$ | 888,248 | 979 | (70,323) |

Based on the above net exposures as at March 31, 2024, 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 \$7,000.

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.