
PNG Copper Inc.

Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

PNG Copper Inc.

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Notice of Non-Review of Interim Financial Statements

The attached condensed interim financial statements for the three-month periods ended March 31, 2023 and 2022 have been prepared by and are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. The Company's independent auditor has not performed a review of these condensed interim financial statements.

PNG Copper Inc.

Unaudited Condensed Interim Balance Sheet

Expressed in Canadian Dollars

As at,	March 31, 2023 \$	December 31, 2022 \$
Assets		
Current:		
Cash	166,942	3,591
HST receivable	6,548	-
Prepaid expenses	-	846
Total current assets	173,490	4,437
Total Assets	173,490	4,437
Liabilities		
Current:		
Accounts payable and accrued liabilities, <i>note 7</i>	164,670	303,302
Total current liabilities	164,670	303,302
Total Liabilities	164,670	303,302
Shareholders' Equity (Deficiency)		
Issued capital, <i>note 5</i>	9,654,109	9,615,281
Equity reserves, <i>note 6</i>	2,701,183	2,298,079
Deficit	(12,346,472)	(12,212,225)
Total Shareholders' Equity (Deficiency)	8,820	(298,865)
Total Liabilities and Shareholders' Equity (Deficiency)	173,490	4,437

Going concern, commitments and contingencies, *notes 1, 4 and 8*

See accompanying notes to the unaudited condensed interim financial statements.

Approved on behalf of the Board:

"David Drinkwater" Director

"John O'Donnell" Director

PNG Copper Inc.

Unaudited Condensed Interim Statements of Changes in Equity

Expressed in Canadian Dollars

	Shares	Issued Capital	Equity reserves	Deficit	Total Equity (Deficiency)
	#	\$	\$	\$	\$
December 31, 2021	98,441,027	7,934,947	1,710,230	(9,958,113)	(312,936)
Non-brokered private placement, net of issuance costs	1,500,000	80,486	-	-	80,486
Warrants issued in private placement	-	(54,188)	54,188	-	-
Shares issued in settlement of accounts payable	7,886,286	493,707	-	-	493,707
Warrants issued in settlement of accounts payable	-	(50,764)	50,764	-	-
Shares issued for property	4,703,364	277,499	-	-	277,499
Share-based payments	-	-	37,302	-	37,302
Loss for the period	-	-	-	(722,616)	(722,616)
March 31, 2022	112,530,677	8,681,687	1,852,484	(10,680,729)	(146,558)
Expiry of options	-	-	(11,700)	11,700	-
Non-brokered private placement, net of issuance costs	5,480,000	239,526	-	-	239,526
Warrants issued in private placement	-	(109,564)	109,564	-	-
Shares issued in settlement of accounts payable	12,418,650	580,586	-	-	580,586
Warrants issued in settlement of accounts payable	-	(231,546)	231,546	-	-
Shares issued for property	10,102,041	454,592	-	-	454,592
Share-based payments	-	-	116,185	-	116,185
Loss for the period	-	-	-	(1,543,196)	(1,543,196)
December 31, 2022	140,531,368	9,615,281	2,298,079	(12,212,225)	(298,865)
Brokered private placement, net of issuance costs, <i>note 5</i>	50,000,000	425,278	-	-	425,278
Warrants issued, <i>note 6</i>	-	(219,751)	219,751	-	-
Warrants issued, <i>note 6</i>	-	(166,699)	166,699	-	-
Share-based payments	-	-	16,654	-	16,654
Loss for the period	-	-	-	(134,247)	(134,247)
March 31, 2023	190,531,368	9,654,109	2,701,183	(12,346,472)	8,820

See accompanying notes to the unaudited condensed interim financial statements.

PNG Copper Inc.

Unaudited Condensed Interim Statements of Operations and Comprehensive Loss

Expressed in Canadian Dollars

For the three months ended March 31	2023	2022
	\$	\$
Expenses:		
Amortization	-	7,176
Exploration and evaluation expenses, <i>note 4</i>	30,000	576,687
Foreign exchange loss (gain)	-	11,293
Insurance	846	2,186
Investor relations	2,483	240
Office and general	13,425	1,096
Professional fees, <i>note 7</i>	57,749	82,142
Share-based payments, <i>note 6</i>	16,654	37,302
Transfer agent and filing fees	13,090	4,494
Total expenses	134,247	722,616
Net and comprehensive loss for the period	(134,247)	(722,616)
Net loss per common share:		
- basic	(0.00)	(0.01)
- diluted	(0.00)	(0.01)
Weighted average common shares outstanding		
- basic	171,819,008	101,492,569
- diluted	171,819,008	101,492,569

See accompanying notes to the unaudited condensed interim financial statements.

PNG Copper Inc.

Unaudited Condensed Interim Statements of Cash Flows

Expressed in Canadian dollars

For the three months ended March 31	2023	2022
	\$	\$
Cash was provided by (used for):		
Operating activities:		
Net loss for the period	(134,247)	(722,616)
Items not affecting cash:		
Shares issued in settlement of accounts payable	-	493,707
Shares issued for property acquisition	-	277,499
Amortization	-	7,176
Share-based payments	16,654	37,302
	(117,593)	93,068
Cash was provided by (used to finance) changes in the following working capital items:		
Prepaid expenses	846	(4,382)
HST receivable	(6,548)	-
Accounts payable and accrued liabilities	(138,632)	(228,811)
	(144,334)	(233,193)
Net cash used in operating activities	(261,927)	(140,125)
Financing activities:		
Share subscriptions	-	105,000
Private placement	500,000	-
Issue costs	(74,722)	(24,514)
Net cash provided by financing activities	425,278	80,486
Change in cash	163,351	(59,639)
Cash, beginning of period	3,591	87,502
Cash, end of period	166,942	27,863

See accompanying notes to the unaudited condensed interim financial statements.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022
(expressed in Canadian dollars unless otherwise noted)

1. Nature of operations and going concern

PNG Copper Inc. (the "Company" or "PNG") was incorporated on October 4, 2017 under the Canada Business Corporations Act (the "Act"). The principal business of the Company is the acquisition, exploration and development of mineral property interests in Ontario, Canada. The Company is a reporting issuer in the Provinces of British Columbia and Ontario and is incorporated in Canada with limited liability under the legislation of Canada. The head office is located at 66 Wellington Street West, Suite 4100, Toronto, Ontario M5K 1B7.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of amounts expended on exploration and evaluation activities is dependent upon a discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such properties at a profit. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, expropriation, currency exchange fluctuations and restrictions and political uncertainty.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements, unregistered prior claims and agreements, aboriginal claims, social license requirements and non-compliance with regulatory requirements.

The Company had a net loss of \$134,247 (March 31, 2022 - \$722,616) for the period ended March 31, 2023, had an accumulated deficit of \$12,346,472 (December 31, 2022 - \$12,212,225) and a working capital of \$8,820 (December 31, 2022 - working capital deficiency of \$298,865) as at March 31, 2023. The Company's ability to continue as a going concern is dependent on the Company being able to satisfy its liabilities as they become due, the Company being able to obtain the necessary financing to complete the development of its mineral properties, the attainment of profitable mining operations, or the receipt of proceeds from the disposition of its mineral properties. The outcome of these matters cannot be predicted at this time. There is no assurance that funds will be available on terms acceptable to the Company or at all. Material uncertainties as mentioned above cast significant doubt upon the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the carrying values and classification of assets and liabilities that would be necessary if the Company were unable to realize its assets or discharge its liabilities in anything other than the ordinary course of operations. Such adjustments could be material.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

2. Basis of presentation

(a) Statement of compliance with International Financial Reporting Standards

These unaudited condensed interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB").

(b) Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with IFRS as issued by the IASB on a basis consistent with those followed in the Company's most recent annual financial statement for the year ended December 31, 2022.

The unaudited condensed interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2022.

In the opinion of management, all adjustments considered necessary for fair presentation of the Company's financial position, results of operations and cash flows have been included. Operating results for the three-month period ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

The significant accounting policies followed in these condensed interim financial statements are consistent with those applied in the Corporation's audited annual financial statements for the year ended December 31, 2022.

Future Accounting changes

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB that are mandatory for accounting periods beginning on January 1, 2022 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022
(expressed in Canadian dollars unless otherwise noted)

3. Significant accounting policies

Use of critical estimates and judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed by management on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future year.

In preparing these condensed interim consolidated financial statements, the significant judgements and estimates made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended December 31, 2022.

4. Exploration and evaluation expenses

Transactions for the three months ended March 31, 2023 on the Lost Molly project and for the three months ended March 31, 2022 on the Mount Suckling project are as follows:

	2023	2022
Accommodations	-	7,540
Accounting services	-	6,028
Administration	-	2,544
Communications	-	4,462
Compensation	-	285
Drilling	-	9,785
Employment services	-	15,595
Field supplies	-	6,341
Geologists	-	67,419
Helicopter chartering	-	124,270
Option payments	30,000	277,499
Other	-	178
Site meal services	-	6,655
Travel and vehicle	-	41,682
Wages	-	6,404
	30,000	576,687

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

4. Exploration and evaluation expenses (continued)

Mount Suckling Property, Papua New Guinea

Pursuant to an option and joint venture agreement with Papuan Mineral Pty Ltd. (PMPL) and its wholly owned subsidiary Papuan Miners Ltd. (PML) dated August 28, 2018, which agreement was replaced by a definitive option agreement amongst the parties dated March 20, 2020, and subsequently amended in November 2021, the Company had an option to acquire 85% of the issued and outstanding shares of PML. PML is the legal and beneficial owner of 100% of the licences which encompass the Mount Suckling Project in Papua New Guinea.

On February 14, 2023, the Company gave notice terminating the Mount Suckling option agreement relating to the exploration properties in Papua New Guinea.

Lost Molly Property

On February 14, 2023, Accordingly, the Company entered into an option agreement with a private arms' length vendor to earn a one hundred per cent (100%) interest in one hundred and thirty-eight (138) mineral claims situated in the Oba area of the Province of Ontario, generally referred to as the "Lost Molly" Property (the "Claims"). During the term of the option in respect of the Lost Molly Property, the Company will have the exclusive and irrevocable right to access, explore and develop the Claims at its sole and absolute discretion.

The Lost Molly Property is comprised of 138 contiguous mining claims covering 2,534 hectares in Walls Township and is located 80 km south of the town of Hearst, 16 km southeast of the village of Oba.

To earn its 100% interest, the Company must make the following optional cash and share payments and incur the following Exploration Work Expenditures on any of the Claims: Cash and Share Payments

- Initial Payment - thirty thousand dollars (\$30,000)
- 1st Anniversary - a further eighty thousand dollars (\$80,000)
- 2nd Anniversary - a further one hundred and twenty thousand dollars (\$120,000)
- 3rd Anniversary - a further one hundred and sixty thousand dollars (\$160,000)

Exploration Work Expenditures

- Year 1 - fifty thousand dollars (\$50,000)
- Year 2 - a further one hundred thousand dollars (\$100,000)
- Year 3 - a further two hundred thousand dollars (\$200,000)
- Year 4 - a further four hundred thousand dollars (\$400,000)

Up to 50% of the respective cash payments may, at the option of the Company, be paid in common shares of the Company. If the Company exercises its right and option to make the respective cash payments partially in shares, the number of shares payable shall be determined for each such partial payment by dividing the amount of the partial payment by the 10-trading day average closing trading price of the Company's shares prior to the date of such payments. Such shares will be subject to required regulatory trading restrictions.

The Vendors are entitled to a three per cent (3.0%) Net Smelter Return royalty (the "NSR Royalty") on all minerals or metals extracted from the Claims two-thirds of which (a 2% NSR) may be bought back for \$2,000,000.

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Notes to the Unaudited Condensed Interim Financial Statements

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(expressed in Canadian dollars unless otherwise noted)

5. Issued Capital

(i) Authorized

Authorized share capital consists of:

- (i) an unlimited number of voting and participating Class A shares without par value; and
- (ii) an unlimited number of non-voting and non-participating Class B shares without par value, redeemable for the amount paid for such shares. No Class B shares are outstanding.

(ii) Non-brokered private placements

On January 27, 2023, the Company completed the first tranche of its private placement financing. This tranche consisted of the sale of 18,300,000 units at a price of \$0.01 per unit for gross proceeds of \$183,000, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.05 per common share until January 27, 2028.

On February 9, 2023, the Company completed the second tranche of its private placement financing. This tranche consisted of the sale of 31,700,000 units at a price of \$0.01 per unit for gross proceeds of \$317,000, with each unit being comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to purchase one common share of the company at a price of \$0.05 per common share until February 9, 2028. In connection with the closing of this financing, the Company paid a cash fee of \$47,000 and issued 3,170,000 broker warrants, with each one entitling the holder to purchase one Unit at a price of \$0.05 until February 9, 2028.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

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(expressed in Canadian dollars unless otherwise noted)

6. Equity reserves

	No. of options #	Weighted Average Exercise Price \$	Grant Date Fair Value of options \$	No. of warrants #	Weighted Average Exercise Price \$	Grant Date Fair Value of warrants \$	Total Value \$
December 31, 2021	3,255,000	0.18	266,839	25,875,770	0.17	1,443,391	1,710,230
Granted/Expensed Expired	3,800,000 (300,000)	0.10 (0.10)	153,487 (11,700)	20,649,670 -	0.07 -	446,062 -	599,549 (11,700)
December 31, 2022	6,755,000	0.12	408,626	46,525,440	0.13	1,889,453	2,298,079
Granted/Expensed Exercised/Forfeited	- (960,000)	- (0.23)	16,654 -	53,170,000 -	0.05 -	386,450 -	403,104 -
March 31, 2023	5,795,000	0.13	408,626	99,695,440	0.09	2,275,903	2,701,183

Employee share option plan

The Company has a share option plan to assist the Company in attracting, retaining and motivating directors, key officers, employees and consultants of the Company and to closely align the personal interests of such parties with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Company.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022
(expressed in Canadian dollars unless otherwise noted)

6. Equity reserves (continued)

The following share option arrangements were in existence as at March 31, 2023:

Date Granted	Options Granted	Options Exercisable	Exercise Price \$	Expiry Date
June 30, 2019	225,000	225,000	0.25	June 30, 2023
October 21, 2019	219,425	219,425	0.15	October 21, 2023
March 2, 2020	280,575	280,575	0.15	March 2, 2024
October 26, 2020	320,000	320,000	0.20	October 26, 2024
June 23, 2021	400,000	400,000	0.20	June 23, 2025
November 25, 2021	600,000	450,000	0.15	November 25, 2025
February 9, 2022	2,100,000	1,575,000	0.10	February 9, 2026
May 30, 2022	300,000	300,000	0.10	October 30, 2024
September 2, 2022	1,350,000	675,000	0.10	September 1, 2026
	5,795,000	4,445,000	0.13	

The weighted average exercise price of options exercisable at March 31, 2023 was \$0.13 (December 31, 2022 - \$0.16).

The weighted average remaining contractual life of options outstanding at March 31, 2023 is 2.80 years (December 31, 2022 - 2.47 years).

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(expressed in Canadian dollars unless otherwise noted)

6. Equity reserves (continued)

The following warrant arrangements were in existence as at March 31, 2023:

Warrants #	Exercise Price \$	Estimated Grant Date Fair Value \$	Expiry Date
7,500,000	0.15	356,381	May 14, 2025
750,000 *	0.15	85,695	May 14, 2025
3,693,343	0.15	182,180	July 30, 2025
363,333 *	0.15	42,278	July 30, 2025
303,335	0.15	17,945	August 27, 2025
3,556,666	0.20	234,853	January 4, 2026
6,000 *	0.15	409	January 4, 2026
1,666,666	0.20	95,432	June 28, 2026
166,666 *	0.15	11,105	June 28, 2026
3,333,333	0.20	197,695	August 12, 2026
333,333 *	0.15	22,245	August 12, 2026
2,498,333	0.20	152,921	September 2, 2026
133,333 *	0.15	8,855	September 2, 2026
1,428,572	0.10	30,514	December 13, 2026
142,857 *	0.07	4,883	December 13, 2026
1,500,000 *	0.07	49,054	January 24, 2027
150,000 *	0.07	5,135	January 24, 2027
1,553,020 *	0.10	50,764	March 7, 2027
5,155,365 *	0.07	183,518	May 18, 2027
3,480,000 *	0.07	138,292	June 1, 2027
348,000 *	0.05	15,542	June 1, 2027
2,000,000 *	0.07	75,538	August 16, 2027
200,000 *	0.05	8,938	August 16, 2027
6,263,285 *	0.07	273,821	August 16, 2027
18,300,000	0.05	71,688	January 27, 2028
31,700,000	0.05	148,063	February 8, 2028
3,170,000 *	0.05	166,698	February 8, 2028
99,695,440	0.13	2,630,442	

The warrants indicated by an "*" grant the holder a unit, consisting of a share and a warrant.

The weighted average remaining contractual life of warrants outstanding at March 31, 2023 is 4.17 years (December 31, 2022 - 3.63 years).

The fair value of warrants granted during the three months ended March 31, 2023 has been estimated at the date of the grant using the Black- Scholes option pricing model with the following assumptions:

Grant date	Expected dividend yield %	Risk-free interest rate %	Expected volatility %	Expected life	Estimated grant date fair value \$
January 27, 2023	0	1.59	132	5	71,688
February 8, 2023	0	1.59	147	5	314,762

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(expressed in Canadian dollars unless otherwise noted)

7. Related party information

The following transactions were entered into with related parties during the three-month periods ended March 31, 2023 and 2022:

	2023 \$	2022 \$
With officers and directors of the Company:		
Share-based payments	11,990	31,179
With a partnership in which an officer of the Company is a partner:		
Accounting services	30,550	34,348
With a corporation whose directors are directors and officers of the Company:		
Mount Suckling acquisition payments	-	277,499

Accounts payable and accrued liabilities as at March 31, 2023 include amounts owing to directors and officers in the amount of \$14,950 (December 31, 2022 - \$28,814). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

8. Commitments and contingencies

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company cannot reasonably predict the likelihood or outcome of these actions. The Company does not believe that adverse decisions in any other pending or threatened proceedings related to any matter, or any amount which may be required to be paid by reason thereof, will have a material effect on the financial condition or future results of operations.

The then acting CEO of the Company has rendered invoices totaling \$136,329 to the Company in respect of services purported to have been rendered with regard to the Mount Suckling property. These invoices are under dispute and have not been accrued as at March 31, 2023.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

PNG Copper Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and 2022

(expressed in Canadian dollars unless otherwise noted)

9. Capital management

The capital of the Company consists of issued capital, warrants and options. The Company manages and adjusts its capital structure based on available funds in order to support the acquisition, exploration and development of its exploration and evaluation assets. 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. In order to maintain or adjust its capital structure, the Company may issue new shares, seek debt financing, or acquire or dispose of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to any externally imposed capital requirements. Management reviews its capital management approach on an on-going basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no significant changes in the risks, objectives, policies and procedures in 2023.

10. Subsequent events

Grant of options

On May 15, 2023, the Company announced that it has granted 6,000,000 incentive stock options to directors, officers and a consultant. These options are exercisable over five years at an exercise price of \$0.05. 25% of the options vest on the date of the grant and 25% of the options will vest on each subsequent six-month anniversary during the term of the option.