

Copper Standard Resources Inc.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and 2023

Reader's Note:

These unaudited condensed consolidated interim financial statements of Copper Standard Resources Inc. have been prepared by management and have not been reviewed by the Company's auditor.

COPPER STANDARD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

AS AT MARCH 31, 2024 AND DECEMBER 31, 2023

(Expressed in Canadian dollars)

(Unaudited)

	Note	March 31, 2024 \$	December 31, 2023 \$
ASSETS			
Current assets			
Cash		3,933,612	3,413,738
Receivables		56,801	64,091
Prepaid expenses		9,075	12,100
Total current assets		3,999,488	3,489,929
Non-current assets			
Deferred acquisition costs	5	11,142,774	10,587,761
Total assets		15,142,262	14,077,690
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	132,770	400,515
Total liabilities		132,770	400,515
SHAREHOLDERS' EQUITY			
Share capital	6	14,667,555	13,795,191
Share-based compensation reserve	6 (c)	801,399	694,853
Warrant reserve	7	2,650,972	2,031,125
Deficit		(3,110,434)	(2,840,994)
Total shareholders' equity		15,009,492	13,677,175
Total liabilities and shareholders' equity		15,142,262	14,077,690

Nature of operations and going concern (note 1)

Approved by the Board of Directors on May 28, 2024

"Hayley Thomasen"*Director*"Christian Milau"*Director*

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

COPPER STANDARD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

	Note	March 31, 2024 \$	March 31, 2023 \$
Revenue			
Interest income		26,213	-
Expenses			
Exploration expenses	4	(27,409)	(21,497)
Foreign exchange (gain) loss		16,456	(11,227)
General and administrative	8	(48,498)	(19,731)
Insurance expense		(3,025)	(3,025)
Listing and filing fees		(8,414)	(5,200)
Management fees	8	(9,000)	(9,000)
Marketing fees		(32,113)	(30,000)
Professional fees		(56,104)	(29,082)
Salaries and wages	8	(18,000)	(15,000)
Share-based compensation	6(c), 8	(109,546)	(155,041)
Loss and comprehensive loss for the period		(269,440)	(298,803)
Loss per share			
Basic and diluted		(0.00)	(0.01)
Weighted average number of common shares outstanding (basic and diluted)		41,260,377	30,505,167

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

COPPER STANDARD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

	Note	Common shares Number	Share capital \$	Warrants reserve \$	Share-based compensation reserve \$	Deficit \$	Total \$
Balance, December 31, 2022		30,505,167	11,751,273	581,802	304,267	(1,263,821)	11,373,521
Share-based compensation	6(c)	-	-	-	155,041	-	155,041
Loss and comprehensive loss for the period		-	-	-	-	(298,803)	(298,803)
Balance, March 31, 2023		30,505,167	11,751,273	581,802	459,308	(1,562,624)	11,229,759
Balance, December 31, 2023		38,504,587	13,795,191	2,031,125	691,853	(2,840,994)	13,677,175
Units issued for private placement	6(b)	3,388,877	891,529	633,465	-	-	1,524,994
Issuance costs	6(b)	-	(19,165)	(13,618)	-	-	(32,783)
Share based compensation	6(c)	-	-	-	109,546	-	109,546
Loss and comprehensive loss for the period		-	-	-	-	(269,440)	(269,440)
Balance, March 31, 2024		41,893,464	14,667,555	2,650,972	801,399	(3,110,434)	15,009,492

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

COPPER STANDARD RESOURCES INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(Expressed in Canadian dollars)

(Unaudited)

		March 31, 2024	March 31, 2023
		\$	\$
	Note		
Cash flows provided by (used in)			
Operating Activities			
Loss for the period		(269,440)	(298,803)
Items not affecting cash:			
Share-based compensation	6(c)	109,546	155,041
Changes in non-cash working capital:			
Accounts payable and accrued liabilities		(267,745)	(50,033)
Receivables		7,290	(5,971)
Prepaid expenses		3,025	(9,075)
		(417,324)	(208,841)
Financing Activities			
Issuance of units	6(b), 7	1,524,994	-
Issuance costs	6(b)	(32,783)	-
		1,492,211	-
Investing Activities			
Deferred acquisition costs	5	(555,013)	(105,290)
		(555,013)	(105,290)
Increase in cash for the period		519,874	(314,131)
Cash – beginning of period		3,413,738	1,664,243
Cash – end of period		3,933,612	1,350,112

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

COPPER STANDARD RESOURCES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

Expressed in Canadian dollars unless otherwise stated

(Unaudited)

1. Nature of Operations and Going Concern

Nature of operations and Going Concern

Copper Standard Resources Inc. (“Copper Standard” or the “Company”) is an exploration stage mining company with an option to acquire, through its wholly-owned subsidiary Bridle Capital Ltd. (“Bridle”), 100% of the Colpayoc project in Northern Peru, which is comprised of 3 concessions totaling approximately 1,580 hectares (the “Colpayoc Property”) (note 5).

Copper Standard was incorporated under the British Columbia *Business Corporations Act* on November 7, 2018. Copper Standard has two wholly-owned subsidiaries; Bridle and Mineros Invirtiendo en Peru SAC (“MIPE”) which are consolidated with the Company in these interim financial statements. The Company is publicly traded and listed on the Canadian Securities Exchange under the symbol “CSR”.

On December 22, 2023, the Company undertook a name change from “Level 14 Ventures Ltd.” to “Copper Standard Resources Inc.” Concurrently with the name change, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation share for every three pre-consolidation shares. Unless otherwise noted in these consolidated financial statements, all share, option, warrant and per share amounts are presented on a post-consolidation basis.

These unaudited condensed consolidated interim financial statements (the “Financial Statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Copper Standard is an exploration stage mining company which incurred a loss of \$269,440 for the three months ended March 31, 2024, and as at March 31, 2024 had an accumulated deficit of \$3,110,434. Copper Standard is expected to incur operating losses for the foreseeable future. Copper Standard’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. There can be no assurances that the Company will continue to obtain financing resources necessary and/or achieve positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. These Financial Statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

The head office & principal address of the Company is located at Suite 3200, 733 Seymour Street, Vancouver, BC, V6B 0S6.

2. Basis of Presentation and Material Accounting Policies

Statement of compliance

These Financial Statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting”, using policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These Financial Statements do not include all the necessary annual disclosures in accordance with IFRS, and should be read in conjunction with the Company’s audited annual financial statements for the year ended December 31, 2023.

The accounting policies followed in these Financial Statements are the same as those applied in the Company’s most recent audited annual financial statements for the year ended December 31, 2023.

COPPER STANDARD RESOURCES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

Expressed in Canadian dollars unless otherwise stated
(Unaudited)

Basis of presentation

These Financial Statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value. The Financial Statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiaries.

Changes in accounting standards

There are no upcoming changes in accounting standards which will impact the Company.

3. Significant Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Management believes the estimates and assumptions used in these Financial Statements are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the audited annual financial statements for the year ended December 31, 2023.

4. Exploration Expenses

During the three months ended March 31, 2024 and 2023 the Company incurred the following exploration expenditures, which were expensed as incurred:

	Three months ended March 31, 2024	Three months ended March 31, 2023
	\$	\$
Project investigation costs		
Geological	27,409	21,497
Total	27,409	21,497

5. Deferred Acquisition Costs

	Deferred acquisition costs \$
Balance as of December 31, 2022	9,550,391
Paid to optionors per agreements	290,324
Advances to Colpayoc	747,046
Balance as of December 31, 2023	10,587,761
Advances to Colpayoc	555,013
Balance as of March 31, 2024	11,142,774

The Company, through its subsidiary Bridle, has an option to earn up to 100% of the shares of Colpayoc SAC, which holds the Jose IV and V mineral claims located in Cajamarca, Peru. In addition, the Company has an option agreement with Sociedad Minera Chetilla S.R.L. to acquire 100% of the El Ferrol mineral claims, also located in Cajamarca, Peru. The Jose IV, Jose V and El Ferrol properties are all subject to 1% Net Smelter Royalty ("NSR").

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Jose IV and V

The Company may earn a 75% interest in the Colpayoc Property upon completion of US\$3,000,000 in expenditures by August 17, 2025 and a US\$1,500,000 payment to the optionors. After earning the 75% interest, the Company can acquire the remaining 25% upon completion of an additional US\$2,000,000 in expenditures by August 17, 2027 and a US\$1,500,000 payment to the optionors. A payment of \$888,815 (US\$650,000) has been made to the optionors towards this agreement and \$2,449,963 (US\$1,809,426) (inclusive of pre-acquisition costs) towards expenditures as of March 31, 2024. These amounts are included in deferred acquisition costs.

El Ferrol

The Company may earn a 100% interest in the El Ferrol property through payments of US\$250,000 to the optionors by July 7, 2024. The Company paid \$243,226 (US\$175,000) towards this agreement as at March 31, 2024 and is included in deferred acquisition costs.

6. Share Capital and Reserves

a) Authorized:

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

b) Issued and Outstanding:

Share transactions during the three months ended March 31, 2024

On January 19, 2024, the Company completed the second tranche of a non-brokered private placement financing and issued 3,388,877 units at \$0.45 per unit with each unit consisting of one common share of the Company and one whole warrant exercisable at a price of \$0.90 for a period of five years from the date of issue, for proceeds of \$1,524,994. Legal and other financing costs of \$32,783 were incurred in connection with the financing and the net consideration of \$1,492,211 was allocated between share capital and warrants based on the relative fair values of each instrument; a total of \$872,364 (net of \$19,165 financing costs) was allocated to share capital and \$619,847 (net of \$13,618 financing costs) was allocated to the warrants (note 7).

Share transactions during the year ended December 31, 2023

On December 22, 2023, the Company completed the first tranche of a non-brokered private placement financing and issued 7,766,087 units at \$0.45 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of \$3,494,740. Legal and other financing costs of \$94,344 were incurred in connection with the financing and the net consideration of \$3,400,396 was allocated between share capital and warrants based on the relative fair values of each instrument; a total of \$1,951,073 (net of \$54,133 financing costs) was allocated to share capital and \$1,449,323 (net of \$40,211 financing costs) was allocated to the warrants (note 7).

On December 13, 2023, the Company issued 233,333 shares to option-holders upon exercise of options at an exercise price of \$0.30 each for gross proceeds of \$70,000.

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c) Stock Options

Pursuant to the Company's stock option plan (the "Stock Option Plan"), the Company's board of directors may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares served for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant. The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the board of directors when granted, but shall not be less than the market price.

Stock options granted during the year ended December 31, 2023

On December 1, 2023, the Company issued 683,333 stock options with an exercise price of \$0.48. All stock options issued are under a semi-annual vesting schedule with 25% of the shares vesting every 6 months starting on June 1, 2024. The options expire five years from the grant date. The value of the options granted was \$260,200 or \$0.38 per option.

The following weighted average assumptions were used to estimate the grant date fair value using the Black Scholes model:

	December 1, 2023
Expected dividend yield	0.00%
Expected stock price volatility	108%
Risk-free interest rate	3.51%
Expected life of the options	5.00 years
Grant date fair value per option	\$0.38

During the three months ended March 31, 2024, the total share-based compensation recognized by the Company for stock options granted and vested was \$109,546 (2023 - \$155,041).

A continuity schedule for stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as of December 31, 2022	2,625,000	\$0.54
Granted	683,333	\$0.48
Exercised	(233,333)	\$0.30
Outstanding as of March 31, 2024 and December 31, 2023	3,075,000	\$0.54

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

Number outstanding	Exercisable	Exercise Price per Share	Expiry Date	Life remaining
333,334	333,334	\$0.30	September 18, 2025	1.47 years
2,058,333	1,543,750	\$0.60	September 1, 2027	3.43 years
683,333	-	\$0.48	December 1, 2028	4.67 years
3,075,000	1,877,084			

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7. Warrants

A continuity schedule for the Company's warrants is as follows:

	Number of warrants	Weighted average price
Outstanding as of December 31, 2022	9,055,333	\$0.30
Granted	7,766,087	\$0.90
Outstanding as of December 31, 2023	16,821,420	\$0.58
Granted	3,388,877	\$0.90
Outstanding as of March 31, 2024	20,210,297	\$0.63

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

Number outstanding	Exercisable	Exercise Price per Share	Expiry Date	Life remaining
2,873,333	2,873,333	\$0.30	September 30, 2025	1.50 years
6,182,000	6,182,000	\$0.30	April 30, 2026	2.08 years
7,766,087	7,766,087	\$0.90	December 22, 2028	4.73 years
3,388,877	3,388,877	\$0.90	January 19, 2029	4.81 years
20,210,297	20,210,297			

8. Related Party Transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd ("Pathway") is considered a related party of the Company as it is controlled by the Chief Executive Officer and a director of the Company.

The Company has an administrative services agreement with Pathway to pay for management fees, rent and other administrative services. During the three months ended March 31, 2024, Copper Standard paid or accrued \$15,000 to Pathway under the agreement (2023 - \$15,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at March 31, 2024, the Company had an accounts payable balance of \$49,291 owing to Pathway (December 31, 2023 - \$41,287).

Compensation of key management personnel:

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 considers its Board of Directors, as well as the CEO and CFO to be key management personnel.

During the three months ended March 31, 2024 and 2023, the Company's compensation cost for key management personnel was as follows:

	Three months ended March 31, 2024 \$	Three months ended March 31, 2023 \$
Salaries and Wages	18,000	15,000
Share-based compensation	60,303	119,262
Total	78,303	134,262

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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9. Segmented Information

The Company's business consists of only one reportable segment being exploration and evaluation of mineral properties. Its non-current assets relate to acquisition cost for projects in Peru (Note 5).

10. Financial Instruments

As at March 31, 2024, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The Company classifies cash and receivables as financial assets held at amortized cost. The Company classifies accounts payable and accrued liabilities as financial liabilities, and these are held at amortized cost. The fair value of all of the Company's financial instruments approximates their carrying value.

The risk exposure arising from these financial instruments is summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial assets are cash and receivables. The Company holds its cash in bank accounts with highly rated financial institutions, therefore minimizing the Company's credit risk. Receivables are due from government agencies.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient funds as of March 31, 2024 to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash balance, is dependent on future support of shareholders through public or private equity offerings.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments.

As at March 31, 2024, the Company is exposed to currency risk through its assets and liabilities denominated in US dollars and Peruvian nuevo soles. A significant change in these exchange rates could have an effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations.

Based on the balances held in foreign currencies as at March 31, 2024, and assuming all other variables remain constant, a 10% change in the value of the Canadian dollar against the US dollar and Peruvian nuevo soles would result in an increase/decrease of approximately \$186,431 in assets.

The Company carries no interest-bearing debt and so is not at risk of interest rate movements at present.

11. Capital Management

In the management of capital, the Company includes the components of shareholders' equity. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the

COPPER STANDARD RESOURCES INC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, or dispose of assets.

The Company's investment practice is to invest its excess cash in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements. The Company's approach to capital management has not changed in the years presented.