COPPER STANDARD RESOURCES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For The Three And Six Months Ended June 30, 2024 and 2023

Reader's Note:
These unaudited Condensed Interim Consolidated 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 Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

	Note	June 30, 2024 $	December 31, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents		**2,214,518**	**3,413,738**
Receivables		**38,777**	**64,091**
Prepaid expenses		**6,050**	**12,100**
Total current assets		**2,259,345**	**3,489,929**
Non-current assets			
Deferred acquisition costs	4	**12,735,009**	**10,587,761**
Total assets		**14,994,354**	**14,077,690**
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	**42,066**	**400,515**
Total liabilities		**42,066**	**400,515**
SHAREHOLDERS' EQUITY			
Share capital	6	**14,667,555**	**13,795,191**
Share-based compensation reserve	6 (c)	**880,551**	**691,853**
Warrant reserve	6 (d)	**2,650,972**	**2,031,125**
Deficit		**(3,246,790)**	**(2,840,994)**
Total shareholders' equity		**14,952,288**	**13,677,175**
Total liabilities and shareholders' equity		**14,994,354**	**14,077,690**

Nature of operations and going concern (Note 1)
Subsequent events (Note 4 and 10)

Approved by the Board of Directors on August 29, 2024

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

Director ***Director***

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

(Expressed in Canadian dollars, except for share and per share data - unaudited)

	Note	Three months ended June 30, 2024 $	Three months ended June 30, 2023 $	Six months ended June 30, 2024 $	Six months ended June 30, 2023 $
Expenses					
Exploration and evaluation expenses	3	(29,363)	(12,478)	(56,772)	(33,975)
Foreign exchange gain		52,316	27,086	68,772	15,859
General and administrative	7	(20,049)	(10,457)	(68,547)	(30,188)
Impairment of exploration asset	3	-	(229,657)	-	(229,657)
Insurance expense		(3,025)	(3,025)	(6,050)	(6,050)
Interest income		40,076	-	66,289	-
Listing and filing fees		(8,085)	(10,319)	(16,499)	(15,519)
Management fees	7	(9,000)	(9,000)	(18,000)	(18,000)
Marketing fees		(31,314)	(30,000)	(63,427)	(60,000)
Professional fees		(32,260)	(72,868)	(88,364)	(101,950)
Salaries and wages	7	(16,500)	(5,500)	(34,500)	(20,500)
Share-based compensation	6(c), 7	(79,152)	(96,737)	(188,698)	(251,778)
Loss and comprehensive loss for the period		**(136,356)**	**(452,955)**	**(405,796)**	**(751,758)**
Loss per share					
Basic and diluted		**(0.00)**	**(0.01)**	**(0.01)**	**(0.01)**
Weighted average number of common shares outstanding (basic and diluted)		**41,893,464**	**30,505,167**	**41,576,921**	**30,505,167**

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

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

	Note	Issued shares	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)	-	-	-	251,778	-	251,778
Spin-off transactions	5	-	-	-	-	(292,875)	(292,875)
Loss and comprehensive loss for the period		-	-	-	-	(751,758)	(751,758)
Balance, June 30, 2023		**30,505,167**	**11,751,273**	**581,802**	**556,045**	**(2,308,454)**	**10,580,666**
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)	-	-	-	188,698	-	188,698
Loss and comprehensive loss for the period		-	-	-	-	(405,796)	(405,796)
Balance, June 30, 2024		**41,893,464**	**14,667,555**	**2,650,972**	**880,551**	**(3,246,790)**	**14,952,288**

(Expressed in Canadian dollars - unaudited)

	Note	Three months ended June 30, 2024 $	Three months ended June 30, 2023 $	Six months ended June 30, 2024 $	Six months ended June 30, 2023 $
Operating Activities					
Loss for the period		**(136,356)**	**(452,955)**	**(405,796)**	**(751,758)**
Items not affecting cash and cash equivalents:					
Share-based compensation	6(c)	**79,152**	**96,737**	**188,698**	**251,778**
Impairment of exploration asset	3	**-**	**229,657**	**-**	**229,657**
Changes in non-cash working capital:					
Accounts payable and accrued liabilities		**(90,704)**	**123,493**	**(358,449)**	**73,460**
Receivables		**18,024**	**(6,228)**	**25,314**	**(12,199)**
Prepaid expenses		**3,025**	**(7,475)**	**6,050**	**(16,550)**
Cash flows used in operating activities		**(126,859)**	**(29,646)**	**(544,183)**	**(238,487)**
Investing Activities					
Deferred acquisition costs	4	**(1,592,235)**	**(174,015)**	**(2,147,248)**	**(279,305)**
Spin-off transactions	5	**-**	**(161,926)**	**-**	**(161,926)**
Cash flows provided by financing activities		**(1,592,235)**	**(335,941)**	**(2,147,248)**	**(441,231)**
Financing Activities					
Issuance of units	6(b), 6(d)	**-**	**-**	**1,524,994**	**-**
Issuance costs	6(b)	**-**	**-**	**(32,783)**	**-**
Cash flows used in investing activities		**-**	**-**	**1,492,211**	**-**
Decrease in cash and cash equivalents for the period		**(1,719,094)**	**(352,712)**	**(1,199,220)**	**(666,843)**
Cash and cash equivalents – beginning of period		**3,933,612**	**1,350,112**	**3,413,738**	**1,664,243**
Cash and cash equivalents – end of period		**2,214,518**	**997,400**	**2,214,518**	**997,400**

1. Nature of Operations and Going Concern

Copper Standard Resources Inc. ("Copper Standard" or the "Company") is incorporated and domiciled in British Columbia, Canada and its registered head office address is Suite 3200, 733 Seymour Street, Vancouver, BC, V6B 0S6. The Company's common shares trade on the Canadian Securities Exchange under the symbol "CSR".

Copper Standard is engaged in the acquisition, exploration, discovery, and development of mineral interests focusing on copper and gold projects. The Company has an option to acquire 100% of the Colpayoc Copper- Gold Project (the "Colpayoc Project") in Peru, which is comprised of three mineral concessions totaling approximately 1,580 hectares.

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 condensed interim consolidated financial statements, all share, stock option, warrant and per share amounts are presented on a post-consolidation basis.

These condensed interim consolidated 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 $405,796 for the six months ended June 30, 2024, and as at June 30, 2024 had an accumulated deficit of $3,246,790. 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.

2. Significant Accounting Policies

a) *Statement of Compliance*

These Financial Statements have been prepared in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("IFRS"), applicable to the preparation of interim financial statements, including IAS 34, Interim Financing Reporting. Accordingly, certain disclosures included in the annual financial statements prepared in accordance with IFRS have been condensed or omitted, and these condensed interim consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023. In preparation of these Financial Statements, the Company has consistently applied the same accounting policies as disclosed in Note 2 to the audited consolidated financial statements for the year ended December 31, 2023.

These Financial Statements were authorized for issuance by the Board of Directors of the Company on August 29, 2024.

b) *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.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

c) Changes in Accounting Standards

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

d) Significant Accounting Estimates and Judgements

The preparation of these Financial Statements requires management to make estimates and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual amounts may differ from these estimates.

In preparing these Financial Statements, significant estimates and judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those that applied to the financial statements for the year ended December 31, 2023.

3. Exploration and Evaluation Expenses

Green Mountain Property

During the year ended December 31, 2023, as a result of the Company no longer having any planned or budgeted expenditures for further exploration, the Company identified that it had an impairment indicator with respect to the Green Mountain Property. After an impairment analysis was performed, it was determined that the Green Mountain property was fully impaired resulting in an impairment of $229,657.

Exploration and evaluation expenditures

During the three and six months ended June 30, 2024 and 2023 the Company incurred the following expenditures:

	Three months ended June 30, 2024 $	**Three months ended June 30, 2023 $**	**Six months ended June 30, 2024 $**	**Six months ended June 30, 2023 $**
Green Mountain Property				
Field office costs	-	2,206	-	2,849
	-	2,206	-	2,849
Project evaluation costs				
Geological	29,363	10,272	56,772	31,126
	29,363	10,272	56,772	31,126
Total	**29,363**	**12,478**	**56,772**	**33,975**

4. Deferred Acquisition Costs

	Deferred acquisition costs $
Balance as of December 31, 2022	9,550,391
Option payments	290,324
Earn-in expenditures	747,046
Balance as of December 31, 2023	10,587,761
Earn-in expenditures	2,147,248
Balance as of June 30, 2024	**12,735,009**

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

Colpayoc Project

The Company has an option to earn up to a 100% interest in the Colpayoc Project in Northern Peru, which comprises three mineral claims, Jose IV and V, and El Ferrol.

Jose IV and V Mineral Claims

The Company may earn a 75% interest in the Jose IV and V mineral claims upon completion of US$3,000,000 in exploration expenditures by December 5, 2025, and a US$1,500,000 option payment to the owners of the mineral claims. After earning a 75% interest, the Company may acquire the remaining 25% upon completion of an additional US$2,000,000 in exploration expenditures by December 5, 2027, making a US$1,500,000 option payment to the owners of the mineral claims, and granting a 2% net smelter return (“NSR”) royalty to the current owners of the mineral claims. The Company has the option to buy back a portion or all of the 2% NSR royalty by making certain payments within one year of the commencement of commercial production. The Company has made an option payment of $888,815 (US$650,000), and incurred exploration expenditures of $4,042,198 (US$2,953,312) as of June 30, 2024. These amounts are included in deferred acquisition costs.

El Ferrol Claim

The Company may earn a 100% interest in the El Ferrol claims by making total option payments of US$250,000 to the claim holders by July 7, 2024, and granting a 1% NSR royalty to the current owners of the mineral claims. The Company has the option to buy back the 1% NSR royalty by making a certain payment within nine years of granting the royalty. The Company has made option payments of $243,226 (US$175,000) as of June 30, 2024, and the amounts are included in deferred acquisition costs. Subsequent to June 30, 2024, the Company made the final option of $102,555 (US$75,000) and is in the process of granting a 1% NSR royalty to the former claim holders.

5. Spinout of Subsidiaries

On June 7, 2023, the Company and its two former wholly owned subsidiaries, Green Mountain Resources Ltd. (“GMR”) and Kobe Resources Ltd. (“Kobe”) entered into an arrangement agreement with respect to a plan of arrangement (the “Arrangement”) to give effect to the spin-off of GMR and Kobe. Under the terms of the Arrangement, the shareholders of CSR each received 1/10th of a share in GMR and 1/10th of a share in Kobe for each share they owned in CSR, in addition to certain options and warrants considered to have nominal value. The Company also agreed to provide each of GMR and Kobe cash of $25,000. The Arrangement was approved by the shareholders of the Company on June 27, 2023 and the arrangement closed July 5, 2023. As a result of the Arrangement, the assets and liabilities of GMR and Kobe have been deconsolidated.

The major classes of assets and liabilities of GMR and Kobe as at July 5, 2023, were as follows:

Assets	**GMR** **$**	**Kobe** **$**	**Total** **$**
Cash	19,050	1	19,051
Receivables	1,462	-	1,462
Total assets	20,512	1	20,513
Liabilities			
Accrued liabilities	8,000	-	8,000
Total liabilities	8,000	-	8,000
Net assets included in spin-off	**12,512**	**1**	**12,513**

On the date of the approval of the Arrangement, management estimated the fair value of each of Kobe and GMR to be $75,000 by using a replacement cost model. The total of $150,000 was recorded in accumulated deficit upon recording of the Arrangement. This can be seen below:

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

	GMR $	Kobe $	Total $
Legal expenses	60,000	60,000	120,000
Accounting expenses	10,000	10,000	20,000
Administration expenses	5,000	5,000	10,000
Total	**75,000**	**75,000**	**150,000**

As a result of the spinoff, the Company recorded a net non-cash gain of $87,487 to the statement of profit or loss. The Company also incurred legal, accounting and administration costs of $142,875 directly related to the transaction, these costs are included in the accumulated deficit.

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 six months ended June 30, 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 (each unit consisting of one common share of the Company and one whole warrant), 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 pro-rata based on the fair value of the warrants using a Black-Scholes option pricing model and the trading price of the shares; 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.

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 pro-rata based on the fair value of the warrants using a Black-Scholes option pricing model and the trading price of the shares; 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.

On December 13, 2023, the Company issued 233,333 shares upon exercise of stock options at an exercise price of $0.30 each for gross proceeds of $70,000. The weighted average share price at date of exercise was $0.72.

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 at the time of grant.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

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 six 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 option pricing 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 and six months ended June 30, 2024, the total share-based compensation recognized by the Company was $79,153 and $188,698 respectively (2023 - $96,737 and $251,778).

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 June 30, 2024 and December 31, 2023	**3,075,000**	**$0.54**

As at June 30, 2024, the Company had the following stock options outstanding:

Number outstanding	**Exercisable**	**Exercise Price**	**Expiry Date**	**Life remaining**
333,334	333,334	$0.30	September 18, 2025	1.22 years
2,058,333	1,543,750	$0.60	September 1, 2027	3.18 years
683,333	170,833	$0.48	December 1, 2028	4.42 years
3,075,000	**2,047,917**			

d) Warrants

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

	Number of warrants	**Weighted average exercise 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 June 30, 2024	**20,210,297**	**$0.63**

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

As at June 30, 2024, the Company had the following warrants outstanding:

Number outstanding	Exercise Price	Expiry Date	Life remaining
2,873,333	$0.30	September 30, 2025	1.25 years
6,182,000	$0.30	April 30, 2026	1.83 years
7,766,087	$0.90	December 22, 2028	4.48 years
3,388,877	$0.90	January 19, 2029	4.56 years
20,210,297			

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

	December 1, 2023
Expected dividend yield	0.00%
Expected stock price volatility	107%
Risk-free interest rate	3.55%
Expected life of the warrants	5.00 years
Grant date fair value per warrant	$0.33

7. 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 President and 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 and six months ended June 30, 2024, Copper Standard paid or accrued $15,000 and $30,000 to Pathway under the agreement (2023 - $15,000 and $30,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at June 30, 2024, the Company had an accounts payable balance of $35,207 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, the Chief Executive Officer, and the Chief Financial Officer to be key management personnel.

During the three and six months ended June 30, 2024 and 2023, the Company's compensation cost for key management personnel was as follows:

	Three months ended June 30, 2024 $	Three months ended June 30, 2023 $	Six months ended June 30, 2024 $	Six months ended June 30, 2023 $
Salaries and wages	16,500	5,500	34,500	20,500
Share-based compensation	43,572	74,413	103,875	193,675
Total	**60,072**	**88,913**	**138,375**	**232,175**

8. Financial Instruments

As at June 30, 2024, the Company's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities. The Company classifies cash and cash equivalents 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 are 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 cash equivalents and receivables. The Company holds it cash and cash equivalents 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 cash and cash equivalents as of June 30, 2024, to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash and cash equivalents balance, is dependent on the Company's ability to obtain financing (Note 1).

(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 June 30, 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 June 30, 2024, and assuming all other variables remain constant, a 10% change in the value of the US dollar and Peruvian nuevo soles against the Canadian dollar would result in an increase/decrease of approximately $28,733 in assets.

9. Capital Management

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 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, amongst other alternatives.

The Company's investment practice is to invest its excess cash and cash equivalents 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.

10. Subsequent Event

On July 8, 2024, the Company issued 500,000 stock options with an exercise price of $0.45 and expire after five years. The options vest semi-annually with 25% of the shares vesting every six months.