

COPPERHEAD RESOURCES INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
(Unaudited)

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

(Expressed in Canadian Dollars, unless otherwise noted)

NOTICE OF NON-REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 Part 4, subsection 4.3(3)(a), Copperhead Resources Inc. (the "Company") hereby informs all readers that the accompanying unaudited condensed interim financial statements of the Company have not been reviewed by its auditor and have prepared by and are the responsibility of management and Board of Directors for all financial statement information and reporting.

The attached unaudited condensed interim financial statements for the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022 have not been reviewed by the Company's auditor and should be read in conjunction with the Company's management discussion and analysis (MD&A) on Form 51-102F1 for the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022, as filed on SEDAR.

Vancouver, BC

May 30, 2023

Copperhead Resources Inc.

Unaudited Condensed Interim Statements of Financial Position

As at

	Note	March 31, 2023	December 31, 2022
Assets			
Current assets:			
Cash and cash equivalents		\$ 466,182	\$ 474,996
Other receivables		6,188	4,164
Prepaid expenses		-	5,000
Total current assets		472,370	484,160
Mineral property interests	4	52,500	52,500
TOTAL ASSETS		\$ 524,870	\$ 536,660
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	5	\$ 57,006	\$ 96,828
Total current liabilities		57,006	96,828
Shareholders' equity:			
Share capital	6	656,684	626,384
Special warrants	7	48,754	-
Deficit		(237,574)	(186,552)
Total shareholders' equity		467,864	439,832
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 524,870	\$ 536,660

Nature of operations and going concern (Note 1)

Subsequent events (Note 11)

Approved and authorized for issue by the Board on May 30, 2023:

"Damian Lopez"

Signed: Director

"Matthew Larsen"

Signed: Director

The accompanying notes are an integral part of these financial statements

Copperhead Resources Inc.

Unaudited Condensed Interim Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

	Note	Three Months Ended March 31, 2023	Date of Incorporation (February 17, 2022) to March 31, 2022
Operating expenses:			
Office and general		\$ 140	\$ -
Professional fees	5	24,423	1,702
Filing fees		29,801	-
Operating Loss before the undernoted:		(54,364)	(1,702)
Finance income		3,342	-
Net loss and comprehensive loss		\$ (51,022)	\$ (1,702)
Weighted average number of common shares		11,058,033	2,994,049
Loss per share - basic and diluted		\$ (0.00)	\$ (0.00)

The accompanying notes are an integral part of these financial statements

Copperhead Resources Inc.

Unaudited Condensed Interim Statements of Shareholders' Equity

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

	Number of common shares	Share capital	Number of special warrants	Special warrants	Deficit	Total
Balance, January 1, 2023	10,788,700	\$ 626,384	-	\$ -	(186,552)	\$ 439,832
Issuance of shares (6(iv))	303,000	30,300	-	-	-	30,300
Issuance of special warrants(7(i))	-	-	732,000	73,200	-	73,200
Special warrant issuance costs	-	-	-	(24,446)	-	(24,446)
Net loss and comprehensive loss for the period	-	-	-	-	(51,022)	(51,022)
Balance at March 31, 2023	11,091,700	\$ 656,684	732,000	\$ 48,754	(237,574)	\$ 467,864

	Number of common shares	Share capital	Number of special warrants	Special warrants	Deficit	Total
Balance, February 17, 2022	-	\$ -	-	\$ -	-	\$ -
Incorporation share	1	-	-	-	-	-
Issuance of shares (6(i))	6,200,000	310,000	-	-	-	310,000
Issuance of shares (6(ii))	50,000	2,500	-	-	-	2,500
Net loss and comprehensive loss for the period	-	-	-	-	(1,702)	(1,702)
Balance at March 31, 2022	6,250,001	\$ 312,500	-	\$ -	(1,702)	\$ 310,798

The accompanying notes are an integral part of these financial statements

Copperhead Resources Inc.

Unaudited Condensed Interim Statements of Cash Flows

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

	Three Months Ended March 31, 2023	Date of Incorporation (February 17, 2022) to March 31, 2022
Cash flows used in operating activities:		
Net loss and comprehensive loss	\$ (51,022)	\$ (1,702)
Changes in non-cash operating working capital		
Other receivables	(2,024)	-
Prepaid expenses	5,000	-
Accounts payable and accrued liabilities	(39,822)	1,702
Net cash used in operating activities	(87,868)	-
Cash flows from financing activities:		
Proceeds from the issuance of common shares	30,300	310,000
Proceeds from the issuance of special warrants	48,754	-
Net cash provided by financing activities	79,054	310,000
(Decrease) Increase in cash and cash equivalents	(8,814)	310,000
Cash and cash equivalents, beginning	474,996	-
Cash and cash equivalents, ending	\$ 466,182	\$ 310,000
Supplementary cash flow information		
Interest received or paid	\$ 3,342	\$ -
Income tax paid	\$ -	\$ -
Non-cash activities:		
Shares issued for mineral property interest	\$ -	\$ 2,500

The accompanying notes are an integral part of these financial statements

Copperhead Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

1. Nature of operations and going concern

Copperhead Resources Inc. (the “Company” or “Copperhead”) was incorporated on February 17, 2022 under the Business Corporations Act (British Columbia). The address of the Company’s registered office is 607 - 1750 Davie Street, Vancouver, BC V6G 1W3. The Company’s common shares are publicly traded on the Canadian Securities Exchange (the “CSE”) under the stock symbol “CUH.”

The Company is an exploration stage junior mining company engaged in the business of identification, acquisition and exploration of mineral interests. The recovery of the amounts comprising mineral properties is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their exploration and development, and upon future profitable production.

These unaudited condensed interim financial statements have been prepared by management on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. At March 31, 2023, the Company had not yet achieved profitable operations, had accumulated losses of \$237,574 since its inception, and expects to incur further losses in the development of its business, all of which casts significant doubt about the Company’s ability to continue as a going concern. A number of alternatives including, but not limited to selling an interest in one or more of its properties or completing a financing, are being evaluated with the objective of funding ongoing activities and obtaining working capital. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future and repay its liabilities arising from normal business operations as they become due.

Since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the novel coronavirus (COVID-19). The Company continues to operate its business at this time. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on business operations cannot be reasonably estimated at this time. The Company anticipates this could have an adverse impact on its business, results of operations, financial position and cash flows in future periods.

2. Basis of preparation

(a) Statement of compliance

These unaudited condensed interim financial statements for the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022 have been prepared in accordance with International Financial Reporting Standard (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standards (“IAS”) IAS 34 – Interim Financial Reporting. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These unaudited condensed interim financial statements do not include all of the information and disclosures required to be included in annual financial statements prepared in accordance with IFRS.

These unaudited condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the period from date of incorporation (February 17, 2022) to December 31, 2022, which includes information necessary or useful to understanding the Company’s business and financial statement presentation. In particular, the

Copperhead Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

Company's significant accounting policies, use of judgements and estimates were presented in those audited financial statements and have been consistently applied in the preparation of these condensed interim financial statements.

(b) Basis of presentation

These unaudited condensed interim financial statements have been prepared on an historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at fair value. In addition, these unaudited condensed interim financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Functional and presentation currency

These unaudited condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency.

(d) Significant judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates. The most significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax amounts and provision for restoration, rehabilitation and environmental costs.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of mineral properties
Management has determined that mineral property costs incurred which were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geological and metallurgic information, history of conversion of mineral deposits to proven and probable reserves, scoping and feasibility studies, accessible facilities, existing permits and life of mine plans.

Determination of functional currency

The Company determines the functional currency through an analysis of several indicators such as expenses and cash flow, financing activities, retention of operating cash flows, and frequency of transactions with the reporting entity.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Site decommissioning obligations

Copperhead Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

The Company recognizes a provision for future abandonment activities in the financial statements equal to the net present value of the estimated future expenditures required to settle the estimated future obligation at the statement of financial position date. The measurement of the decommissioning obligation involves the use of estimates and assumptions including the discount rate, the expected timing of future expenditures and the amount of future abandonment costs. The estimates were made by management and external consultants considering current costs, technology and enacted legislation. As a result, there could be significant adjustments to the provisions established which would affect future financial results.

3. Significant accounting policies

The same accounting policies and methods of computation were followed in the preparation of these unaudited condensed interim financial statements as were followed in the preparation of the most recent audited financial statements.

4. Mineral property interests

On April 6, 2022 (the "Commencement Date"), the Company entered into an agreement (the "Option Agreement") with Romios Gold Resources Inc ("Romios"). The Company has the option to acquire 75% of Romios' interest in a group of properties located in NW British Columbia, collectively referred to as the Red Line Project (or "Project"). The Company can exercise the option to acquire 75% of the project by:

- i) Incurring exploration expenditures of
 - o \$75,000 within 12 months of the Commencement Date (completed);
 - o \$100,000 within 24 months of the Commencement Date (partially completed);
 - o \$150,000 within 36 months of the Commencement Date;
- ii) Issuing:
 - a. 1,000,000 common shares to Romios within 5 days of the Commencement Date (Issued on April 6, 2022);
 - b. 500,000 common shares to Romios within 36 months of the Commencement Date;
- iii) Making a cash payment of \$75,000 on or before the third anniversary of the Commencement Date; and
- iv) Enter into a joint venture with Romios to collectively operate the project, whereby the Company's initial interest in the joint venture shall be 75% and Romios's initial interest shall be 25%.

During the three months ended March 31, 2023, acquisition costs of \$nil was incurred on mineral property interests. During the period ended December 31, 2022, \$52,500 of acquisition costs was incurred on mineral property interests, which included an issuance of 1,000,000 common shares of the Company at a fair value of \$0.05 per share to Romios on April 6, 2022 pursuant to (ii)(a) above and a finder's fee paid to a third party of 50,000 common shares of the Company at a fair value of \$0.05 per share.

5. Related party transactions

Related parties include the Board of Directors, close family members and enterprises which are controlled by these individuals as well as certain persons performing similar functions.

As at March 31, 2023, \$27,685 (December 31, 2022: \$31,660) included in accounts payable and accrued liabilities is due to an entity in which a director of the Company is also a director and shareholder. These amounts are unsecured, non-interest bearing and due on demand.

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For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

During the three months ended March 31, 2023, the Company incurred \$10,500 (period from date of incorporation (February 17, 2022) to March 31, 2022: \$Nil) in professional fees from an entity in which a director of the Company is also a director and shareholder.

All related party transactions are in the normal course of operations and have been measured at the agreed to amount, which is the amount of consideration established and agreed to by the related parties.

6. Share capital

The Company was authorized to issue an unlimited number of common shares.

Issued

	Number of Common Shares	Amount \$
Incorporation share, February 17, 2022	1	-
Share issuance (i)	6,200,000	308,482
Share issuance (ii)	1,050,000	52,500
Share issuance (iii)	3,538,699	265,402
Balance December 31, 2022	10,788,700	626,384
Share issuance (iv)	303,000	30,300
Balance March 31, 2023	11,091,700	656,684

(i) On March 11, 2022, the Company completed a non-brokered private placement for 6,200,000 common shares of the Company at a price of \$0.05 per share, for gross proceeds of \$310,000 less share issuance costs of \$1,518.

(ii) On April 6, 2022, the Company issued of 1,000,000 common shares of the Company at a fair value of \$0.05 per share pursuant to the Option Agreement (note 4(ii)). On February 24, 2022, 50,000 common shares of the Company were issued at a fair value of \$0.05 per share as a finder's fee paid to a third party.

(iii) On July 20, 2022, October 19, 2022, October 21, 2022, and November 25, 2022, common shares of the Company totalling 333,334, 133,333, 2,603,698, and 468,334 respectively were issued at a price of \$0.075 per share.

(iv) On January 10, 2023, the Company completed a private placement of 303,000 common shares at \$0.10 per share for gross proceeds of \$30,300.

As at March 31, 2023, the Company had no outstanding stock options.

7. Special warrants

On March 7th, 2023, the Company issued 532,000 special warrants at \$0.10 per special warrant for total proceeds of \$53,200 and issued 200,000 special warrants as commission to the agent (the "Special Warrants"). The Company incurred \$4,446 in issuance costs related to these Special Warrants. The Special Warrants automatically convert into common shares of the Issuer on a one to one basis on the earlier of the date that is (i) at any time, at the discretion of the Company or (ii) the third day following the issuance by a Canadian securities regulatory authority of a receipt for a final prospectus qualifying the issuance of the common shares upon conversion of the special

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warrants or (iii) on that date that is 12 months from the date of issuance of the Special Warrants. These Special Warrants were converted to common shares on a one-to-one basis on May 15, 2023 (see note 11).

8. Exploration expenditures

The Company's exploration expenditures during the three months ended March 31, 2023 was \$nil (for the period from date of incorporation (February 17, 2022) to March 31, 2022: \$nil)

9. Financial instruments and risk management

Fair value hierarchy

As at March 31, 2023, the Company's only financial instruments are comprised of cash, other receivables and accounts payables. The fair value of these financial instruments approximates their carrying value due to their short-term maturity. Fair values of financial instruments are classified in a fair value hierarchy based on the inputs used to determine fair values. The levels of the fair value hierarchy are as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at March 31, 2023, the fair value of cash held by the Company was based on level 1 inputs of the fair value hierarchy.

The fair value of the Company's financial instruments has been classified within the fair value hierarchy as at March 31, 2023 as follows:

	Level 1	Level 2	Level 3	Total
Financial Assets				
Cash	\$ 466,182	-	-	\$ 466,182
	\$ 466,182	-	-	\$ 466,182

Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

(a) Credit risk

The Company's cash is largely held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company maintains cash deposits with Schedule A financial institution, which from time to time may exceed federally insured limits. The Company has not experienced any significant credit losses and believes it is not exposed to any significant credit risk.

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Notes to the Unaudited Condensed Interim Financial Statements

For the three months ended March 31, 2023 and for the period from date of incorporation (February 17, 2022) to March 31, 2022

(b) Liquidity risk

The Company is exposed to liquidity risk or the risk of not meeting its financial obligations as they come due. The Company constantly monitors and manages its cash flows to assess the liquidity necessary to fund operations (see note 1). As at March 31, 2023, the Company had a cash balance of \$466,182 to settle current and future liabilities and as such, is not exposed to significant liquidity risk.

(c) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and liabilities with variable interest rates expose the Company to cash flow interest rate risk. The Company does not hold any financial liabilities with variable interest rates. The Company does maintain bank accounts which earn interest at variable rates but it does not believe it is currently subject to any significant interest rate risk.

(d) Foreign currency risk

The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk derived from currency conversions is negligible. The foreign exchange risk is therefore manageable and not significant. The Company does not currently use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

(e) Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metals prices to determine the appropriate course of action to be taken by the Company.

(f) Capital management

The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration and development of mineral properties. The Board of Directors do 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 properties in which the Company currently has an interest are in the exploration stage. As such, the Company has historically relied on the equity markets to fund its activities. In addition, the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will need to raise additional funds. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the period ended March 31, 2023.

Copperhead Resources Inc.

Notes to the Unaudited Condensed Interim Financial Statements

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10. Segmented information

The Company operates in one reportable operating segment, being the acquisition and exploration of mineral properties in Canada. As the operations comprise a single reporting segment, amounts disclosed also represent segment amounts.

11. Subsequent events

Subsequent to the period, the Company received final approval to list its common shares (the "Shares") on the Canadian Securities Exchange (the "CSE"). The Shares were listed on the CSE under the symbol "CUH" at the opening of trading on May 23, 2023. In conjunction with the listing, the Special Warrants (note 7) were converted to common shares on a one-to-one basis on May 15, 2023.