Alta Copper Corp. (formerly "Candente Copper Corp.")
Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2023 and 2022
Expressed in United States Dollars, Unless Otherwise Stated

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Alta Copper Corp. (formerly "Candente Copper Corp."), (the "Company") have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Alta Copper Corp. (formerly “Candente Copper Corp.”)

Condensed Interim Consolidated Statements of Financial Position
(Expressed in United States Dollars) - Unaudited

	As at September 30, 2023	As at December 31, 2022
ASSETS		
Current assets		
Cash	**$ 110,746**	$ 341,115
Prepaid expenses and deposits	**286,724**	88,256
Total current assets	**397,470**	429,371
Non-current assets		
Receivables	**81,561**	42,180
Investment (note 3)	**143,323**	327,000
Right-of-use assets (note 4)	**28,905**	40,142
Advances towards Canadian projects (note 5)	**93,938**	85,119
Exploration and evaluation assets (note 5)	**67,007,364**	65,982,245
Equipment (note 6)	**9,459**	13,505
Total assets	**$ 67,762,020**	$ 66,919,562
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (notes 7 and 11)	**$ 752,866**	$ 688,748
Loans payable (note 8)	**-**	1,527,977
Lease liability (note 4)	**14,882**	14,882
Total current liabilities	**767,748**	2,231,607
Non-current liabilities		
Loans payable (note 8)	**30,211**	29,532
Lease liability (note 4)	**19,984**	31,345
Total liabilities	**817,943**	2,292,484
Equity		
Share capital (note 9)	**92,998,814**	89,128,989
Reserves (note 9)	**15,243,535**	15,359,962
Accumulated deficit	**(41,298,272)**	(39,861,873)
Total equity	**66,944,077**	64,627,078
Total liabilities and equity	**$ 67,762,020**	$ 66,919,562

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Subsequent events (note 14)

Approved on behalf of the Board:

(Signed) "Steven Latimer" Director

(Signed) "Giulio T. Bonifacio" Director

Alta Copper Corp. (formerly "Candente Copper Corp.")

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Three and Nine Months Ended September 30, 2023 and 2022
(Expressed in United States Dollars) – Unaudited

	Three Months Ended September 30, 2023	**Three Months Ended September 30, 2022**	**Nine Months Ended September 30, 2023**	**Nine Months Ended September 30, 2022**
Operating expenses				
Transfer agents and listing fees	**$ 10,240**	$ 23,405	**$ 99,667**	$ 48,704
OTC Listing Fees	**-**	-	**25,266**	-
Salaries and benefits	**82,428**	95,880	**216,967**	204,027
Audit, tax and accounting fees	**11,675**	19,088	**48,236**	100,081
Legal and financing costs	**22,131**	105,650	**197,765**	178,531
Business development	**67,658**	81,205	**181,928**	219,131
General and administrative	**24,414**	20,716	**68,187**	49,728
Amortization	**3,826**	9,640	**11,364**	25,224
	222,372	355,584	**849,380**	825,426
Other expenses				
Share-based compensation – stock options	**344,201**	47,881	**372,285**	1,166,710
Share-based compensation – deferred share units	**26,891**	53,965	**91,223**	148,200
Share-based compensation – restricted share units	**(1,068)**	54,238	**89,111**	54,328
Loss on settlement of debt	**-**	(427)	**2,898**	49,041
Gain on foreign exchange	**29,084**	56,735	**5,155**	54,314
Interest expense	**878**	21,615	**25,401**	39,159
Loss before income tax	**622,358**	589,591	**1,435,453**	2,337,178
Income tax payable	**-**	-	**946**	-
Net loss	**622,358**	589,591	**1,436,399**	2,337,178
Other comprehensive loss / (income)				
Change in fair value of investment (note 3)	**51,774**	215,520	**183,081**	317,744
Exchange difference on translation to presentation currency	**297,205**	(95,257)	**28,548**	(134,243)
	$ 348,979	$ 120,263	**$ 211,629**	$ 183,501
Total comprehensive loss	**$ 971,337**	$ 709,854	**$ 1,647,082**	$ 2,520,679
Loss per share attributable to shareholders				
Basic and diluted	**$0.01**	$0.01	**$0.02**	$0.03
Weighted average number of common shares				
Outstanding: basic and diluted	**75,828,588**	67,422,540	**74,300,794**	67,339,513

The accompanying notes to the consolidated financial statements are an integral part of these statements

Alta Copper Corp. (formerly "Candente Copper Corp.")

Condensed Interim Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2023 and 2022
(Expressed in United States Dollars) - Unaudited

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating activities		
Net loss for the period	$ **(1,436,399)**	$ (2,337,178)
Adjustments for:		
Amortisation	**11,364**	25,224
Share-based payments – stock options	**372,285**	1,166,710
Share-based payments – deferred share units	**91,223**	148,200
Share-based payments – restricted share units	**89,111**	54,328
Loss on settlement of debt	**2,898**	49,538
Interest expense	**-**	3,516
Unrealised foreign exchange differences	**(21,307)**	82,664
Changes in non-cash working capital items:		
Accounts receivables	**(39,381)**	11,855
Prepaid expenses and other receivables	**(198,468)**	(64,717)
Accounts payable and accrued liabilities	**(39,851)**	270,630
Net cash provided by (used) in operating activities	$ **(1,168,525)**	(589,230)
Investing activities		
Addition to exploration and evaluation assets	**(886,997)**	(598,820)
Advance payment – Canyon Creek	**(8,819)**	(18,242)
Change in value added taxes paid	**(116,176)**	-
Net cash used in investing activities	$ **(1,011,992)**	$ **(617,062)**
Financing activities		
Issuance of common shares for cash, net of issuance costs	**3,509,652**	194,266
Repayment of short-term loan	**(1,543,902)**	-
Term loan received	**-**	1,492,382
Interest paid	**-**	-
Principle repayments on lease liability	**(15,602)**	(14,039)
Net cash provided by financing activities	$ **1,950,146**	$ **1,672,609**
Net increase/(decrease) in cash	**(230,369)**	466,317
Cash, beginning of period	**341,115**	170,218
Cash, end of period	$ **110,746**	$ 636,535

The accompanying notes to the consolidated financial statements are an integral part of these statements.

Alta Copper Corp. (formerly "Candente Copper Corp.")
Condensed Interim Consolidated Statements of Changes in Equity
Nine Months Ended September 30, 2023 and 2022
(Expressed in United States Dollars) - unaudited

	Number of Shares	Share Capital	Reserves: Equity settled employee compensation and warrants	Reserves: Contributed surplus	Reserves: Foreign currency	Reserves: Available for sale assets	Deficit	Total
Balance, December 31, 2021	**66,635,487**	**$ 88,482,043**	**$ 14,021,685**	**$ 45,346**	**$ (405,004)**	**$ 422,663**	**$ (37,150,084)**	**$ 65,416,649**
Share based payments - stock options	-	-	1,166,710	-	-	-	-	1,166,710
Share based payments – deferred share units	-	-	148,200	-	-	-	-	148,200
Share based payments – restricted share units	-	-	54,328	-	-	-	-	54,328
Common shares issued upon exercising stock options	645,000	352,797	(158,531)	-	-	-	-	194,266
Shares issued to settle debts	142,053	102,945	-	-	-	-	-	102,945
Change in fair value of investment	-	-	-	-	-	(317,744)	-	(317,744)
Cumulative translation adjustment	-	-	-	-	134,243	-	-	134,243
Net loss	-	-	-	-	-	-	(2,337,178)	(2,337,178)
Balance, September 30, 2022	**67,422,540**	**$ 88,937,785**	**$ 15,232,392**	**$ 45,346**	**$ (270,761)**	**$ 104,919**	**$ (39,487,262)**	**$ 64,562,419**
Balance, December 31, 2022	**68,288,615**	**$ 89,128,989**	**$ 15,402,915**	**$ 45,346**	**$ (303,594)**	**$ 215,295**	**$ (39,861,873)**	**$ 64,627,078**
Shares issued via private placement, net	6,746,000	3,509,652	-	-	-	-	-	3,509,652
Share based payments - stock options	-	-	371,258	-	-	-	-	371,258
Share based payments - deferred share units	-	-	(59,821)	-	-	-	-	(59,821)
Share based payments - restricted share units	-	-	91,966	-	-	-	-	91,966
Shares issued upon exercising deferred share units	449,134	202,673	(202,674)	-	-	-	-	-
Shares issued upon exercising restricted share units	261,781	114,180	(114,180)	-	-	-	-	-
Shares issued to settle debts	83,058	43,320	-	-	-	-	-	43,320
Change in fair value of investment	-	-	-	-	-	(174,428)	-	(174,428)
Cumulative translation adjustment	-	-	-	-	(28,548)	-	-	(28,548)
Net loss	-	-	-	-	-	-	(1,436,399)	(1,436,399)
Balance, September 30, 2023	**75,828,588**	**$ 92,998,814**	**$ 15,489,464**	**$ 45,346**	**$ (332,142)**	**$ 40,867**	**$ (41,298,272)**	**$ 66,944,077**

The accompanying notes to the consolidated financial statements are an integral part of these statement

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

1. Nature of operations and going concern

Alta Copper Corp. and its subsidiaries (the "Company") are engaged in the exploration of its mining properties located in Peru. Its principal property is the Cañariaco Copper Project in the District of Lambayeque. The Company was incorporated on May 1, 1997 under the Business Corporation Act of British Columbia and its principal office is located at Suite 801-1112 West Pender Street, Vancouver British Columbia, V6E 2S1.

The principal subsidiaries of the Company are as follows:

Subsidiary name	Interest held as at March 31, 2023	Functional currency
Cañariaco Copper Peru S.A. ("Cañariaco")	100%	US Dollars
Cañariaco Copper (BVI) Corp.	100%	US Dollars
Inversiones Mineras Las Palmas S.A.	100%	US Dollars
Cobriza Metals Corp.	100%	CDN Dollars
Candente Resource (BVI) Corp.	100%	US Dollars
Cobriza Metals Peru S.A.	100%	US Dollars

The Company's common shares are listed on the Toronto Stock Exchange ("TSX"), Lima Stock Exchange under the trading symbol "ATCU" and OTCQX Best Market under the symbol "ATCUF".

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. For the nine months ended September 30, 2023, the Company incurred a net loss of $622,358. As at September 30, 2023, the Company had $41,298,272 in cumulative losses since inception and an excess of current liabilities over current assts of $370,278, (December, 31, 2022 excess of current liabilities over current assts $1,802,236).

The Company does not generate cash flows from operations and accordingly, the Company will need to raise additional funds. The Company can consider raising additional funds by way of the issuance of securities, sale of a project royalty interest, project streaming arrangement, project joint venture and divestiture of non-core assets. Although, the Company has been successful in raising funds in the past there can be no assurance that the Company will be able to raise sufficient funds in the future, in which case the Company may be unable to meet its obligations as they come due in the normal course of business. The Company is subject to sovereign risk, including political and economic instability, changes in existing government regulations relating to mining, as well as currency fluctuations and local inflation. These factors are material uncertainties that may cast significant doubt regarding the Company's ability to continue as a going concern. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts on the statement of financial position.

2. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. 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, 2022, which have been prepared in accordance with IFRS issued by the IASB.

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

3. Investment

As at September 30, 2023, the Company held 5,536,373 (December 31, 2022 - 5,536,373) shares of Xali Gold Corp. ("Xali Gold"), a company with common officers and directors. The closing share price was Cdn$0.035 (December 31, 2022 - Cdn$0.080) and the fair value of the Company's investment in Xali Gold is $143,323 (December 31, 2022 - $327,000). During the nine months ended September 30, 2023, the Company recognized an unrealized loss on investments of $183,323, (nine months ended September 30, 2022, gain - $317,744) that was included in other comprehensive loss.

4. Right-of-use asset and lease liability

The right-of-use asset consists of a lease for office space.

Balance, December 31, 2021	**$**	**58,971**
Depreciation		(15,683)
Foreign exchange movements		(3,146)
Balance, December 31, 2022	**$**	**40,142**
Depreciation		(11,364)
Foreign exchange movements		127
Balance, September 30, 2023	**$**	**28,905**

The lease liability was measured at the present value of the remaining lease payments and discounted using the Company's estimated incremental borrowing rate of 8% per annum.

As at September 30, 2023 the Company's lease liability is as follows:

Balance, December 31, 2021	**$**	**63,924**
Interest		4,482
Lease payments		(18,638)
Foreign exchange movements		(3,541)
Balance, December 31, 2022	**$**	**46,227**
Interest		2,490
Lease payments		(15,602)
Foreign exchange movements		1,751
Balance, September 30, 2023	**$**	**34,866**

Allocated as:		**As at September 30, 2023**		**As at December 31, 2022**
Current	$	14,882	$	14,882
Long-term		19,984		31,345
	$	**34,866**	$	46,227

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

5. Exploration and Evaluation Assets

		Balance as at January 1, 2023		Additions / (Disposals)		Balance as at September 30, 2023
Cañariaco Property, Lambayeque, Peru						
Exploration and evaluation costs:						
Drilling	$	9,934,298	$	61,595	$	9,995,893
Environment, health and safety		1,677,395		75,264		1,752,659
General exploration and development		10,433,313		204,687		10,638,000
Engineering studies		11,150,729		147,929		11,298,658
Field support including project management		23,287,414		99,882		23,387,296
Total exploration and evaluation costs		**56,483,149**		**589,357**		**57,072,506**
Mineral and surface access rights		2,319,250		118,226		2,437,476
Community relations and social initiatives		5,011,251		225,029		5,236,280
		63,813,650		**932,612**		**64,746,262**
Option and royalty payments received		(505,921)		-		(505,921)
	$	**63,307,729**	$	**932,612**	$	**64,240,341**
Cobriza Metals Peruvian properties						
Exploration and evaluation costs:						
Drilling		359,350		-		359,350
Environment, health and safety		42,288		-		42,288
General exploration and development		706,826		2,159		708,985
Engineering studies		1,087		-		1,087
Field support including project management		63,429		4,632		68,061
Cost recoveries		(112,412)		-		(112,412)
Total exploration and evaluation costs		**1,060,568**		**6,791**		**1,067,359**
Mineral and surface access rights	$	511,607	$	48,940	$	560,547
Community relations and social initiatives		40,000		-		40,000
		1,612,175		**55,731**		**1,667,906**
Option and royalty payments received		(350,000)		-		(350,000)
Impairment of exploration and evaluation assets		(466,359)		-		(466,359)
	$	**795,816**	$	**55,731**	$	**851,547**
Total exploration and evaluation assets before value-added tax credit	**$**	**64,103,545**	**$**	**988,343**	**$**	**65,091,888**
Value-added tax credit**		**1,878,700**		**36,776**		**1,915,476**
Total exploration and evaluation assets	**$**	**65,982,245**	**$**	**1,025,119**	**$**	**67,007,364**

**Expenses incurred in Peru, including exploration expenses, are subject to Peruvian Value Added Tax ("VAT"). Given that the Company is in the exploration stage and has no sources of revenue, the VAT is not currently refundable to the Company, but can be used in the future to offset amounts due to the Peruvian taxation authorities resulting from VAT charged to clients on future sales. The VAT has been included as part of mining properties.

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

Cañariaco Property, Lambayeque, Peru		**Balance as at January 1, 2022**		**Additions / (Disposals)**		**Balance as at December 31, 2022**
Exploration and evaluation costs:						
Drilling	$	9,858,863	$	75,435	$	9,934,298
Environment, health and safety		1,593,436		83,959		1,677,395
General exploration and development		10,181,567		251,746		10,433,313
Engineering studies		11,057,304		93,425		11,150,729
Field support including project management		23,261,881		25,533		23,287,414
Total exploration and evaluation costs		**55,953,051**		**530,098**		**56,483,149**
Mineral and surface access rights		2,214,083		105,167		2,319,250
Community relations and social initiatives		4,892,624		118,627		5,011,251
		63,059,758		**753,892**		**63,813,650**
Option and royalty payments received		(505,921)		-		(505,921)
	$	**62,553,837**	$	**753,892**	$	**63,307,729**
Cobriza Metals Peruvian properties						
Exploration and evaluation costs:						
Drilling	$	358,297	$	1,053	$	359,350
Environment, health and safety		42,288		-		42,288
General exploration and development		706,826		-		706,826
Engineering studies		1,087		-		1,087
Field support including project management		52,309		11,120		63,429
Cost recoveries		(105,839)		(6,573)		(112,412)
Total exploration and evaluation costs		**1,054,968**		**5,600**		**1,060,568**
Mineral and surface access rights		453,490		58,117		511,607
Community relations and social initiatives		40,000		-		40,000
		1,548,458		**63,717**		**1,612,175**
Option and royalty payments received		(350,000)		-		(350,000)
Impairment of exploration and evaluation assets		(466,359)		-		(466,359)
	$	**732,099**	$	**63,717**	$	**795,816**
Total exploration and evaluation assets value-added tax credit	**$**	**63,285,936**	**$**	**817,609**	**$**	**64,103,545**
Value-added tax credit**		**1,799,976**		**78,724**		**1,878,700**
Total exploration and evaluation assets	**$**	**65,085,912**	**$**	**896,333**	**$**	**65,982,245**

**Expenses incurred in Peru, including exploration expenses, are subject to Peruvian Value Added Tax ("VAT"). Given that the Company is in the exploration stage and has no sources of revenue, the VAT is not currently refundable to the Company, but can be used in the future to offset amounts due to the Peruvian taxation authorities resulting from VAT charged to clients on future sales. The VAT has been included as part of mining properties.

The Company has 100% interest in the (Don Gregorio) property which is a copper-gold porphyry target located in northern Peru 140 km NNE of Chiclayo in the department of Cajamarca. The property consists of one mineral claim totaling 900 hectares. The property is located approximately 40 km north of Alta Copper`s Cañariaco Norte Project. The Don Gregorio property is one of the projects held by Cobriza Metals Peru S.A. ("Cobriza").

The Company entered into an Option Agreement on the Don Gregorio project with Forte Copper in 2017. In November 2020, the two companies entered into an Assignment Agreement which allows Forte Copper to move ahead with applications for drilling permits.

Under the Assignment and Option Agreements, Forte Copper has the right to earn a 60% interest in the Don Gregorio property by completing the following terms:

- Making payments of $500,000 to Alta Copper; and
- Drilling 10,000 metres within three years of receiving drilling permits of which 5,000 metres must be drilled within two years; Forte Copper has the option to pay $100/metre cash in lieu of any metres not drilled.

The term of the Assignment Agreement is for 5 years; if the 10,000 metres have not been drilled (inclusive of any cash paid in lieu, if applicable) by November 2025, then the property must be returned to Alta Copper.

To date, the Company has received payments totalling: $100,000 and reimbursements for fees for annual mineral rights totalling $120,077.

Acquisition of Canyon Creek copper project:

On May 26, 2021 the Company announced it has entered into an option agreement to acquire up to 100% interest in the Canyon Creek copper project in northwestern British Columbia ("BC"), Canada.

Terms of the agreement

The Company has entered into a legally binding Letter of Intent ("LOI") with property owner Chris Baldys. The LOI provides for the following:

- Acquire 100% Interest (subject to Royalty) by:
- Issuing a total of 1M shares over 5 years (by November 30, 2025)
- Funding exploration activities to keep the claims in good standing until December 2027 (approximately Cdn$45,000 per year).

Of the above the following is a Firm Commitment:

- Issue 12,500 shares within 14 days of signing and receiving TSX approval (issued);
- Issue an additional 12,500 shares by November 30, 2021 (issued);
- Issue an additional 25,000 shares by November 30, 2022 (issued); and
- Funding exploration activities totaling a minimum of Cdn$42,000 by December 31, 2021. (completed).

Royalty:

The Vendor will be granted a royalty equal to 1.5% of net smelter returns. The Company has the right to buy-back the first 0.5% for Cdn$500,000 and the second 0.5% for an additional Cdn$1.5M.

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

6. Equipment

Cost		**Total**
Balance, December 31, 2021	**$**	**645,890**
Additions		-
Balance, December 31, 2022	**$**	**645,890**
Additions		-
Balance, September 30, 2023	**$**	**645,890**

Accumulated Depreciation		**Total**
Balance, December 31, 2021	**$**	**(590,035)**
Charge for the year		(42,350)
Balance, December 31, 2022	**$**	**(632,385)**
Charge for the year		(4,046)
Balance, September 30, 2023	**$**	**(636,431)**

Carrying value		**Total**
Balance, December 31, 2021	$	55,855
Balance, December 31, 2022	$	13,505
Balance, September 30, 2023	**$**	**9,459**

7. Trade payables and accrued liabilities

		As at September 30, 2023		**As at December 31, 2022**
Trade payables	**$**	**387,886**	$	433,748
Due to related parties		**325,625**		211,287
Accrued liabilities		**39,355**		43,713
	$	**752,866**	$	688,748

8. Loans payable

On April 29, 2022, the Company received a bridge loan in the aggregate principal amount of Cdn$1 million from an arm’s length individual investor for a 12-month term at 10% to be repaid on maturity. The loan along with the interest was repaid upon maturity.

On September 22, 2022 Nascent Exploration Pty Ltd, a wholly-owned subsidiary of Fortescue Metals Group Ltd. (collectively “Fortescue”). provided a loan of Cdn$1 million for a 12-month term at 10 per cent interest. On February 2, 2023 the Company closed a Private Placement with Fortescue for Cdn$4,000,000, of which Cdn$3,000,000 will be used for further development of the Company’s advanced-stage Cañariaco copper project. The remaining Cdn$1,000,000 was used to repay the principal amount of the loan advanced and Fortescue agreed to waive all interest that had accrued (Note 9 (b)).

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

On April 29, 2020, the Company received a loan for gross proceeds of $30,211 (Cdn$40,000) under the Canada Emergency Business Account (“CEBA”) as part of the Canadian government funded COVID-19 financial assistance programs. The CEBA term loan is due on December 25, 2025. The loan is interest free until December 31, 2022 and bears interest at 5% per annum thereafter. If at least 75% of the loan principal is paid on or before December 31, 2022, the balance of the loan will be forgiven.

On January 12, 2022 the government announced that the repayment deadline for the Canadian Emergency Business Account (CEBA) loans to qualify for partial loan forgiveness has been extended from December 31, 2022 to December 31, 2023, for all eligible borrowers in good standing.

9. Share capital and reserves

a) Authorized share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

b) Common shares issued

As at September 30, 2023, the Company had 75,828,588 (December 31, 2022 – 68,288,615) common shares issued and outstanding (note 14).

On May 19, 2023, the Company effected a consolidation of its capital on the basis of four (4) existing common shares for one (1) new common share. All shares, options, deferred share units and restricted share units and per share amounts were adjusted to reflect the consolidation ratio.

Balance, December 31, 2022	**68,288,615**
Issued	7,539,973
Balance, September 30, 2023	**75,828,588**

The Company issued 6,051,556 Common Shares to Fortescue pursuant to the closing of a Private Placement for gross proceeds of Cdn$4,357,120 this increased their share ownership to 25.4%.

A further 694,444 Common Shares were also issued pursuant to the closing of a Private Placement for gross proceeds of Cdn$500,000. Fortescue subscribed for 496,000 shares to maintain their share ownership at 25.4%.

The Company issued 449,134 shares pursuant to the settlement of Deferred Share Units (“DSU’s”) and a further 261,781 shares were issued pursuant to the settlement of Restricted Share Units (“RSU’s”).

Payment was made to a vendor in settlement of an outstanding balance by issuing 83,058 shares.

c) Stock options

The purpose of the Company’s stock option plan is to provide incentives to Directors, Officers, employees and consultants of the Company. The maximum number of common shares reserved for issuance upon exercise of the options is 10% of issued and outstanding shares. The Board of Directors may designate the recipients of options and determine the number of common shares covered by each option, its exercise price (which may not be less than closing market price of the common shares on the trading day prior to the grant) and its expiry date. The term of the options shall not exceed five years from the date of grant.

Option pricing models require the input of highly subjective assumptions as noted above. Changes in the subjective input assumptions can materially affect the fair value estimate.

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

The following table reflects the continuity of stock options for the nine months ended September 30, 2023:

	Number of Stock Options	Weighted Average Exercise price
Balance, December 31, 2021	**3,812,500**	**$ 0.32**
Issued	2,418,750	0.80
Exercised	(1,307,500)	(0.24)
Cancelled	(42,500)	(0.20)
Balance, December 31, 2022	**4,881,250**	**$ 0.55**
Issued	1,460,000	0.53
Cancelled	(756,250)	(0.66)
Balance, September 30, 2023	**5,585,000**	**$ 0.53**

Fair value at grant date of the stock options was measured based on the Black-Scholes option-pricing model. Expected volatility is estimated by considering historic average share price volatility. The weighted-average assumptions used for the Black-Scholes option-pricing model of stock options granted during the period are as follows:

	As at September 30, 2023	As at December 31, 2022
Risk-free interest rate	**4.04%**	2.35%
Expected life of options	**5 years**	5 years
Annualized volatility	**109.80%**	106.39%
Dividend rate	**Nil**	Nil

The following table reflects the actual stock options issued and outstanding as at September 30, 2023:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
October 1, 2023	0.28	0.00	75,000	75,000
October 12, 2023	0.28	0.03	25,000	25,000
November 19, 2023	0.28	0.14	225,000	225,000
July 19, 2024	0.20	0.80	512,500	512,500
January 27, 2025	0.20	1.33	687,500	687,500
June 17, 2025	0.24	1.72	100,000	100,000
May 7, 2026	0.60	2.60	187,500	187,500
October 13, 2026	0.52	3.04	50,000	37,500
November 10, 2026	0.72	3.12	250,000	250,000
January 17, 2027	0.92	3.30	937,500	937,500
June 15, 2027	0.60	3.71	800,000	800,000
July 18, 2027	0.60	3.80	275,000	275,000
September 18, 2028	0.53	4.97	1,460,000	1,460,000
	0.53	**3.10**	**5,585,000**	**5,572,500**

(Expressed in United States Dollars, Unless Otherwise Stated) - Unaudited

d) Warrants

As at September 30, 2023 the Company had no outstanding warrants.

e) Reserves

Equity settled employee compensation and warrants reserve:

The equity settled employee compensation and warrants reserve comprises stock-based compensation expense and other warrant payments. When stock options or warrants are exercised, the corresponding amount will be transferred to share capital.

Foreign currency reserve:

The foreign currency reserve records unrealized exchange differences arising on translation of group companies that have a functional currency other than the Company's reporting currency.

Available for sale assets:

During the nine months ended September 30, 2023, the Company recognized an unrealized loss on investments of $183,677 (nine months ended September 30, 2022 – $317,744) that was included in other comprehensive loss. (Note 3).

f) Deferred share units

The Company has a DSU plan for non-executive directors of the Company. Under the terms of the plan, each vested DSU awarded entitles the DSU holder to receive, subject to adjustment as provided for in the DSU plan, one common share in the Company, an equivalent cash payment or a combination thereof at the discretion of the Company. Shares eligible for issuance under the DSU plan will be subject to the total DSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

For the purposes of the DSU plan, the value of the DSU on the grant date is the market price, being the five-day volume weighted average price of the common shares immediately preceding the grant date.

Balance, December 31, 2021	**493,891**
Granted	366,106
Balance, December 31, 2022	**859,997**
Settled	(449,136)
Granted	155,762
Balance, September 30, 2023	**566,623**

g) Restricted share units

The Company has an RSU plan for officers and employees of the Company. Under the terms of the plan, each vested RSU awarded entitles the RSU holder to receive, subject to adjustment as provided for in the RSU plan, one common share in the Company, an equivalent cash payment or a combination thereof, at the discretion of the Company. The RSUs are considered equity settled. RSUs will vest over a period of up to three years from the date of grant. The Company has reserved 5,000,000 common shares for issuance under the RSU plan, subject to the total RSUs granted not exceeding, when aggregated with all other security-based compensation arrangements of the Company, 10% of the issued shares of the Company.

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RSUs are measured at fair value on the date of grant based on the five-day volume weighted average price at the common shares immediately preceding the grant date and are recognized as share-based compensation expense on a straight-line basis over the vesting period. The corresponding amount is recorded to the share-based payment reserve. Upon the exercise of RSUs, the related share-based payment reserve is transferred to share capital.

Balance, December 31, 2021	**234,895**
Granted	507,904
Settled	(178,572)
Balance, December 31, 2022	**564,227**
Granted	198,233
Cancelled	(265,027)
Settled	(261,781)
Balance, September 30, 2023	**235,652**

10. Commitments

Community engagement and initiatives

On July 8, 2012, the Company signed a land use agreement with the community of San Juan de Cañaris, by which the community authorized the Company to use the land for exploration purposes. The Company has committed 1,500,000 soles ($550,000) to fund sustainable development programs subject to specific project approval by a committee formed by the parties. The Company did incur in excess of 1,500,000 soles on community initiatives since July 2012 (more than 6,000,000 soles since 2010), however, the committee was not formed in time to approve all of these expenditures. The Company also committed to issue 250,000 shares of the Company to the community upon the earlier of the commencement of the construction phase of the Cañariaco Copper Project or the transfer of at least 51% of the Cañariaco Copper Project to a third-party.

11. Related party transactions

Key management consists of the Company's directors, executive officers and senior management. Compensation includes amounts paid to these individuals and companies they control.

	Three Months Ended		**Nine Months Ended**	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Salaries and benefits	**$ 75,559**	$ 25,724	**$ 224,419**	$ 262,275
Share based compensation	**289,849**	214,879	**427,132**	1,245,775
	$ 365,408	**$ 240,603**	**$ 651,551**	**$ 1,508,050**

Included in salaries and fees is $70,224 (2022 - $8,403) which was capitalized to exploration and evaluation assets.

During the nine months ended September 30, 2023, the Company granted 155,762 DSUs (nine months ended September 30, 2022 – 1,097,720) in consideration for directors' fees.

During the nine months ended September 30, 2023, the Company granted 98,948 RSUs (nine months ended September 30, 2022 - nil) in consideration for management fees.

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The amounts due to related parties included in trade payables and accrued liabilities are due to directors and officers of the Company (Note 8). These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

See subsequent events (note 14).

The outstanding balances with related parties were as follows:

		As at September 30, 2023		As at December 31, 2022
Trade payables and accrued liabilities	**$**	**325,625**	$	**211,287**
Loans payable		**-**		**738,300**
	$	**325,625**	**$**	**949,587**

12. Segmental information

Operating segments are components that engage in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker ("CODM") and for which discrete financial information is available. The CODM is the person or group of persons who allocates resources and assesses the performance for the entity. The CODM has been identified as the Board of Directors of the Company.

For management purposes, the Company uses the same measurement policies as those used in its financial statements. The CODM evaluates performance of each segment based on net profit (loss).

The Company operates in one segment being the exploration of mineral properties in Peru. The Company operates in two geographical areas, being Peru and Canada. The most of the Company's non-current assets are located in Peru.

13. Financial risk and capital management

The Company is exposed to certain financial risks in the normal course of its operations:

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with its financial liabilities. The liquidity position of the Company is managed to ensure sufficient liquid funds are available to meet financial commitments in a timely and cost-efficient manner. The Company's management continually reviews the liquidity position including cash flow forecasts to determine the forecasted liquidity position and maintain appropriate liquidity levels. The Company plans to make payments of trade payables, which are either past due or due within the next 12 months and commitments from its current working capital and future sources of equity financing. Liquidity risk is considered to be high.

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The following table details the Company's contractual maturities for its financial liabilities as at September 30, 2023 and December 31, 2022, due by period:

As at September 30, 2023		**Carrying amount**	**Contractual Cashflows**	**0 to 12 month**	**More than 12 month**
Accounts payable and accrued liabilities	**$**	**752,866**	**752,866**	**752,866**	**-**
Loans payable		**30,211**	**30,211**	**-**	**30,211**
Lease liability		**34,866**	**46,227**	**14,882**	**19,984**
		817,943	**829,304**	**767,748**	**50,195**

As at December 31, 2022		**Carrying amount**	**Contractual Cashflows**	**0 to 12 month**	**More than 12 month**
Accounts payable and accrued liabilities	**$**	**688,748**	**688,748**	**688,748**	**-**
Loans payable		**1,557,509**	**1,643,887**	**1,527,977**	**29,532**
Lease liability		**46,227**	**69,866**	**14,882**	**31,345**
		2,292,484	**2,402,501**	**2,231,607**	**60,877**

Currency risk

Currency risk is the risk that arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. The Company operates internationally and is exposed to risks from foreign currency rates. The functional currencies of the Company's subsidiaries are the United States and Canadian dollars and certain of the subsidiaries' transactions are denominated in Nuevo Soles. The Company does not enter into any foreign exchange contracts to mitigate this risk. The Company and its subsidiaries do not have significant transactions or hold significant cash denominated currencies other than their functional currencies. Therefore, the risk is considered moderate.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. Cash is deposited in highly rated corporations and the credit risk associated with these deposits is low. As at September 30, 2023 and December 31, 2022, the Company's maximum exposure to credit risk is the carrying value of its cash and receivables.

Capital management

The Company's capital structure is comprised of the components of equity. The Company's objectives when managing its capital structure is to maintain financial flexibility to preserve the Company's access to capital markets and its ability to meet its financial obligations.

The Company's corporate office is responsible for capital management. This involves the use of corporate forecasting models, which facilitate analysis of the Company's financial position including cash flow forecasts to determine future capital management requirements.

In preparing its budgets and corporate forecasting models, the Company considers operating commitments imposed by its subsidiaries and the stability of the global capital markets.

Capital management is undertaken to safeguard a secure, cost-effective supply of funds to ensure the Company's operating and capital expenditure requirements are met. There were no changes in the Company's approach to capital management during the year and the Company is not subject to any restrictions on its capital.

Fair value hierarchy

The consolidated statements of financial position carrying amounts for receivables and trade payables, approximate fair value due to their short-term nature. The receivable for sale of subsidiary is measured at amortized cost using the effective interest method and approximates fair value.

The following provides a description of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- 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).

Cash and investments fall under Level 1.

There were no transfers between levels during the period.

14. Subsequent events

Subsequent to the period end, the Company closed a private placement for gross proceeds of Cdn$1,034,145 issuing 2,068,290 common shares at a plus premium to market at Cdn$0.50 per common share.

Fortescue also exercised their pre-emptive right to subscribe for 535,000 common shares also at a purchase price of Cdn$0.50 per common share for a total purchase price of Cdn$267,500 to maintain their shareholder's interest at 25.4%.

The common shares will be subject to a mandatory hold period of four months.

Subsequent to the period end 254,026 DSU's were issued to various Directors'.