Alta Copper Corp. (formerly “Candente Copper Corp”.)
Management’s Discussion and Analysis
For the year ended December 31, 2023
Expressed in United States Dollars

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INTRODUCTION

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Alta Copper Corp. (formerly "Candente Copper Corp"), ("Alta Copper" or the "Company") constitute management's review of the factors that affected the Company's financial and operating performance for the year ended December 31, 2023. This MD&A was written to comply with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the audited annual consolidated financial statements of the Company for the year ended December 31, 2023, together with the notes thereto. Results are reported in United States dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. Information contained herein is presented as of March 11, 2024, unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, (the "Board") considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Alta Copper's common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations is available on Alta Copper's website at www.altacopper.com or on the System for Electronic Documents Analysis and Retrieval (SEDAR+) at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking information" which may include, but is not limited to, statements with respect to future events or future performance, management's expectations regarding the Company's growth, results of operations, estimated future revenues, requirements for additional capital, production costs and revenue, future demand for and prices of copper and precious metals, business prospects and opportunities. In addition, statements relating to mineral estimates or mineralized material of recoverable copper and precious metals are forward-looking information, as they involve implied assessment, based on certain estimates and assumptions, that the copper and precious metals can be profitably produced in the future. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative or grammatical variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. Such factors include, among others, general business, economic, competitive, political and social uncertainties; development and/or exploration activities and the accuracy of probability simulations prepared to predict prospective mineral resources; changes in project

parameters as plans continue to be refined; political instability or insurrection or war; labor force availability and turnover; delays in obtaining governmental approvals and permits or in the completion of development or construction activities or in the commencement of operations; as well as those factors discussed in the section entitled "Risks Factors" in this MD&A. These factors should be carefully considered, and readers of this MD&A should not place undue reliance on forward-looking information.
Although the forward-looking information contained in this MD&A is based upon what management believes to be reasonable assumptions, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Such forward-looking information is made as of the date of this MD&A and, other than as required by applicable securities laws, Alta Copper assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances.

USE OF NON-GAAP MEASURES

In this document, we refer to terms that do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS"). Our usage of these terms may vary from the usage adapted by other companies, and they cannot be reconciled to comparable terms in the audited annual consolidated financial statements for the year ended December 31, 2023.

In this document and in the Company's consolidated financial statements, unless otherwise noted, all financial data is prepared in accordance with IFRS.

BUSINESS OVERVIEW

Alta Copper is a Vancouver, Canada based mineral exploration company engaged in the acquisition, exploration and development of mineral rights interests. The Company is currently focused predominantly on the exploration and development of its Cañariaco porphyry copper project (the "Cañariaco Project"), which comprises the Cañariaco Norte and Cañariaco Sur deposits, as well as the Quebrada Verde prospect (collectively, the "Cañariaco Copper Project") located in Northern Peru. The Company also holds other earlier stage base metal properties located in Peru and Canada.

Cañariaco Norte has a well defined resource and several engineering studies have been completed on it. At Cañariaco Sur, a deposit has been identified but further drilling is required to delineate the full size and grade of the deposit. The Quebrada Verde prospect has geochemical and geophysical anomalies as well as mineralization and alteration in favourable rock types typical of a porphyry copper-gold system which are currently untested by drilling.

PROJECT SUMMARIES

The forward-looking information contained in this section is subject to the risk factors and assumptions contained in the section "Forward-Looking Statements" included with this MD&A. These factors are described under the heading "Risk Factors" and are Non-GAAP measures.

Cañariaco Copper Project

The Cañariaco Copper Project is an advanced stage porphyry copper exploration and development project located in Northern Peru.

The Company has a 100% interest in the mineral rights of the Cañariaco Copper Project subject to a 0.5% NSR held by Anglo Pacific.

On September 24, 2015, the Company sold a 0.5% net smelter return ("NSR") on the Cañariaco Copper Project in Peru for the aggregate sum of $500,000. The NSR was granted to Exploraciones Apolo Resources S.A.C. ("Apolo"), an affiliate of Entrée Gold Inc. On June 8th, 2018, the Company was advised that Ecora Resources PLC (formerly Anglo Pacific Group PLC) had acquired the existing 0.5% Net Smelter Return Royalty ("NSR") over the Cañariaco Copper Project from Entrée Resources Ltd.

On November 29, 2017, the Company sold one of its' Peruvian subsidiaries, Compañia Minera Candente S.A. for approximately $757,000. Compañia Minera Candente S.A. had been formed to act as a service company to provide geological and other consulting services to Alta Copper's various subsidiary entities in Peru and as such did not hold any mineral properties.

Fortescue Ltd.

Fortescue Ltd. ("Fortescue") is an integrated green technology, energy and metals company with a market capitalization of approximately US$56 billion, recognised for its culture, innovation and industry-leading development of infrastructure, mining assets and green energy initiatives.

Founded in 2003, Fortescue has grown to become one of the world's largest iron ore producers, delivering more than two billion tonnes of hematite to its customers since start-up and adding magnetite to the product mix in 2023.

Fortescue is unique within heavy industry: and are committed to reducing our (scope 1 and 2) emissions to Real Zero by 2030 across Australian terrestrial mining operations – eliminating fossil fuels by developing local renewable power and replacing existing equipment with battery electric and green hydrogen models.

Through the Energy business, they are focused on meeting urgent global demand for green energy, developing green technology solutions for hard-to decarbonise industries, while building a global portfolio of renewable green hydrogen and green ammonia projects.

Fortescue's recent Australian exploration activity has focused on early-stage target generation for copper-gold in addition to its extensive iron ore deposits in Western Australia, while it simultaneously builds on its world-class exploration expertise, operational reputation and capability through exploration in highly prospective areas such as South America, including Peru, to deliver shareholder value.

On January 21, 2020, Nascent Exploration Pty Ltd, a wholly owned subsidiary of Fortescue made a strategic investment of Cdn$1,050,000 by purchasing 5,250,000 common shares at a price of Cdn$0.20 in a non-brokered Private Placement. This investment gave Fortescue 9.72% interest in the Company and the right to appoint one person as a director of Alta Copper as well as certain pre-emptive rights. These rights include anti-dilution rights as well as a Right of First Refusal on any debt financing or royalty or stream agreements on any of Alta Copper's assets (but does not include earn-in joint venture proposals). Details of such are given below.

On May 22, 2020, Fortescue increased their investment to 19.9% of the Company by subscribing for an additional 6,875,000 shares for gross proceeds of Cdn$1,375,000. At the time of this investment Fortescue's cumulative investment was Cdn$2,425,000 for 12,125,000 shares.

On September 22, 2022 Fortescue provided a loan of Cdn$1,000,000 for a 12 month term at 10 per cent interest to be repaid on maturity.

Details on Rights Granted to Fortescue

In connection with the Private Placement and provided that Fortescue beneficially owns or has the right to acquire not less than 5.0% of the issued and outstanding Common Shares of Alta Copper (on a diluted basis), Fortescue was granted the following:

1. the right (but not the obligation) to appoint one person as a director of Alta Copper;
2. the right (but not the obligation) to participate, on a pro rata basis, in any future equity financing of equity securities undertaken by Alta Copper to the extent required to allow Fortescue to maintain the same equity ownership interest (on a diluted basis) in Alta Copper that it possessed immediately prior to closing of the equity financing such that Fortescue does not suffer any equity dilution; and
3. if within two (2) years from the Closing Date of the Private Placement (May 21, 2020), Alta Copper receives a bona fide offer (a "Non-Equity Financing Offer") from a third party to provide Alta Copper with any non-equity financing proposal including, but not limited to, debt financing or a royalty or stream for the purpose of funding the future exploration or development of any of Alta Copper's assets (but for greater certainty does not include an earn-in joint venture proposal) and Alta Copper wishes to accept such Non-Equity Financing Offer, then Fortescue shall have the option to provide such Non-Equity Financing.

This expired on May 21, 2022.

Due to the exercise of warrants and stock options during early 2021 Fortescue's holdings reduced to 18.9% of the Company.

In August 2021, the Company completed a private placement with Fortescue and Lind Global Fund II, LP, for gross proceeds of Cdn$1,100,000. The two parties subscribed equally for 1,100,000 of the 2,200,000 total shares. Lind Global Fund II, LP is an institutional investment fund managed by The Lind Partners, LLC, an institutional fund manager and leading provider of growth capital to small and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Fortescue increased its interest in the Company from 18.9% to 19.9% with the August 2021 Private Placement.

On February 2, 2023, the Company closed a private placement with Fortescue to raise Cdn$4,000,000 through the issuance of an aggregate of 5,555,556 common shares of the Company at a price of Cdn$0.72

per share. Part of the proceeds were used to repay the short term loan outstanding to Fortescue of Cdn$1,000,000 and Fortescue agreed to waive any interest outstanding on the loan upon repayment.

On May 18, 2023, as a result of a private placement, Fortescue exercised their pre-emptive right to subscribe for a further 496,000 common shares at a purchase price of Cdn$0.72 per common share for a total purchase price of Cdn$357,120.

On November 1, 2023, as a result of a private placement, Fortescue exercised their pre-emptive right to subscribe for a further 535,000 common shares at a purchase price of Cdn$0.50 per common share for a total purchase price of Cdn$267,500.

On December 20, 2023, as a result of a private placement, Fortescue acquired a further 6,255,942 common shares at a purchase price of Cdn$0.50 per common share for a total purchase price of Cdn$3,127,971, this increased Fortescue’s holding to 30.96%.

Summary of Exploration Activities

Yaku Consultores was engaged to conduct baseline studies at the Cañariaco Project, starting in September 2021. Their work is part of the environmental and social impact studies and habitat protection for permitting of all exploration phases including drilling and also for the community and regional stakeholders.

Yaku’s work has included new monitoring of Water Quality, Air Quality, Noise Levels and Biology, Wild Flora and Fauna, Hydrobiology and Archeological studies which will add significantly to the studies that Alta Copper has been conducting such since 2004.

16 Certificates of Non-Existence of Archaeological Remains (“CIRA”) were received for the Cañariaco Sur and Quebrada Verde areas, such that together with the previous CIRA certificate received in 2007 for the Cañariaco Norte area, all copper resources known in Cañariaco have now been determined not to contain archeological remains.

In December 2023 the Company applied for a new drilling permit called a Declaración de Impacto Ambiental (“DIA“). As part of the permit application a citizen participation workshop was held in the community on October 28, 2023 to explain the environmental studies as well as legal and environmental aspects of exploration and development activities and our drill permit application. The workshop was conducted by the executive of the Energy Management and Mines of the Regional Government of Lambayeque and Yaku presented their findings.

The workshop was extremely well attended given that approximately 120 authorities and citizens from our community were invited yet 185 persons registered at the meeting and closer to 300 people actually attended the workshop.

Field activities also included site visits related to investors, technical reviews and additional activities related to reclamation of drill sites.

In late February 2021, Ausenco Engineering (“Ausenco”) was engaged to conduct an internal Desk Top study to identify a new development strategy for Cañariaco Norte. The results of the study were very positive and recommended advancing to an updated Preliminary Economic Assessment Study (“PEA”).In

September 2021, Ausenco commenced the updated PEA to evaluate a new development strategy for the Cañariaco Norte Project.

On January 28, 2022, an Initial Inferred Mineral Resource for the portion of the Cañariaco Sur deposit drilled to date was announced. Additionally the mineral resource for Cañariaco Norte was updated for purposes of the 2022 PEA (see Tables below and also the Company's news release NR 144 dated January 28, 2022) by David Thomas, P.Geo., of DKT Geosolutions Inc. and Jay Melnyk, P.Eng. Principal Mining Engineer at AGP Mining Consultants Inc.

*Cañariaco Sur Initial Inferred Resource (0.15% Copper Cut-off Grade)

Cut-off Grade Cu (%)	Tonnes (M)	Cu Eq (10)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (ppm)	Contained Metal			
							Copper (B lbs)	Gold (M Oz's)	Silver (M Oz's)	Molybdenum (M lbs)
0.10	433.2	0.30	0.25	0.09	1.20	22	2.36	1.26	16.39	20.80
0.15	384.5	0.32	0.26	0.10	1.20	22	2.22	1.18	15.02	18.91
0.20	290.0	0.35	0.29	0.11	1.30	22	1.85	0.98	11.88	14.25

Notes to accompany Cañariaco Sur Initial Inferred Resource table:

1. The Mineral Resources have an effective date of January 27, 2022. The Qualified Person for the estimate is David Thomas of DKT Geosolutions Inc.

2. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining and Metallurgy ("CIM") Definition Standards (2014) and the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2019) guidelines;

3. A single 0.1% Cu grade shell domain was constructed using implicit modelling.

4. Raw drill hole assays were composited to 15 m lengths broken at domain boundaries.

5. Capping of high grades was considered necessary and was completed on assays prior to compositing. Copper assays were capped to a 0.8% threshold and gold assays were capped at a threshold of 1 g/t.

6. Block grades for gold were estimated from the composites using ordinary kriging interpolation into 20 x 20 x 15 m blocks coded by the 0.1% Cu grade shell.

7. The mineral resource is reported above a 0.15% Cu cut-off grade. Additional cut-off grades are shown for sensitivity purposes only.

8. A dry bulk density of 2.5 g/cm3 was used for all material.

9. The Mineral Resources are reported within a constraining Lerchs Grossmann pit shell developed using Hexagon's MinePlan 3D™ software using:

i. *A copper price of US$3.50/lb*
ii. *Mining cost of US$1.60/t;*
iii. *A combined processing, tailings management and G&A cost of US$6.52/t;*
iv. *45 degree Pit slope angles;*
v. *A copper process recovery of 88%.*
vi. *Copper concentrate smelter terms: US$75/DMT TC, US$0.075/lb RC and 96.2% payable*
vii. *Estimated concentrate shipping costs of US$133.00/WMT of concentrate.*

10. Copper equivalent grades including contributions from gold, silver and molybdenum, were estimated using metal prices (copper US$3.50 /lb, gold US$1, 650 /oz, US$21.5 /oz and US$11.00/lb Mo), metal recoveries (copper 88%, gold 65%; silver 57% and molybdenum 60%) and smelter payables (copper 96.5%: gold 93%; silver 90% and molybdenum 100%). Copper grade equivalent calculation: Cu Eq% = Cu % + ((Au grade x Au price x Au recovery x Au smelter payable%) + (Ag grade x Ag price x Ag recovery x Ag smelter payable%)+ (Mo grade x Mo price x Mo recovery x Mo smelter payable%))/(22.0462 x Cu price x 31.1035 g/t x Cu recovery x Cu smelter payable%).

11. There is no metallurgical testwork on Cañariaco Sur at this time – Cañariaco Norte average recoveries have been applied for LG shell generation and Copper equivalent estimations.

12. All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.

13. The contained metal figures shown are in situ. No assurance can be given that the estimated quantities will be produced.

14. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

This Cañariaco Sur estimate is based on 15 drill holes as well as geology, geochemistry and a review of the deposit lithology, alteration and specific gravities.

Cañariaco Norte Mineral Resource Estimate (0.15% Copper Cut-off Grade)

Resource Classification	Tonnes (M)	Cu Eq(5)	Cu (%)	Au (g/t)	Ag (g/t)	Contained Metal		
						Copper (B lbs)	Gold (M Oz's)	Silver (M Oz's)
Measured	423.5	0.48	0.43	0.07	1.90	4.04	0.98	25.71
Indicated	670.7	0.39	0.36	0.05	1.60	5.25	1.16	33.72
Measured + Indicated	1,094.2	0.42	0.39	0.06	1.70	9.29	2.14	59.43
Inferred	410.6	0.32	0.29	0.04	1.40	2.66	0.54	18.09

Notes to accompany Cañariaco Norte Resource table:

1. *The Mineral Resources have an effective date of January 27, 2022. The Qualified Person for the estimate is David Thomas of DKT Geosolutions Inc.*
2. *The Mineral Resources were estimated in accordance with the Canadian Institute of Mining and Metallurgy ("CIM") Definition Standards (2014) and the CIM "Estimation of Mineral Resources and Mineral Reserves Best Practice" (2019) guidelines;*
3. *Domaining and grade estimation have not changed since the 2010 mineral resource estimate. The technical report supporting the 2010 mineral resource estimate was filed on December 16th, 2010 and is available under the company's public filings on www.sedarplus.ca.*
4. *The Mineral Resources are reported within a constraining Lerchs Grossmann pit shell developed using Hexagon's Mine Plan 3D™ software using:*
   - *A copper price of US$3.50/lb*
   - *Mining cost of US$1.60/t;*
   - *A combined processing, tailings management and G&A cost of US$6.52/t;*
   - *Variable pit slope angles ranging from 36 to 39 degrees;*
   - *A copper process recovery of 88%.*
   - *Copper concentrate smelter terms: US$75/DMT TC, US$0.075/lb RC and 96.2% payable*
   - *Estimated concentrate shipping costs of US$133.00/WMT of concentrate.*
5. *Copper equivalent grades including contributions from gold and silver, were estimated using metal prices (copper US$3.50 /lb, gold US$1,650 /oz, and silver US$21.5 /oz), metal recoveries (copper 88%, gold 65%;*

silver 57%) and smelter payables (copper 96.5%: gold 93%; silver 90%). Copper grade equivalent calculation: Cu Eq% = Cu % + ((Au grade x Au price x Au recovery x Au smelter payable%) + (Ag grade x Ag price x Ag recovery x Ag smelter payable))/(22.0462 x Cu price x 31.1035 g/t x Cu recovery x Cu smelter payable%).

6. *All figures are rounded to reflect the relative accuracy of the estimate. Totals may not sum due to rounding as required by reporting guidelines.*
7. *The contained metal figures shown are in situ. No assurance can be given that the estimated quantities will be produced.*
8. *Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

The current mineral resource estimate for Cañariaco Norte is based on 230 drill holes, as well as a review of the deposit lithology, alteration and specific gravities.

A 0.15% Cu applied cut-off was used for both deposits as it represents an approximate breakeven cut-off, based on parameters developed during the 2022 Cañariaco Norte PEA study. The updated resources at Cañariaco Norte are estimated to contain 9.29 billion ("B") pound ("lb") Cu, 2.14 million ("M") ounce ("oz") Au and 59.43 Moz Ag in the Measured and Indicated categories as well as 2.66 Blb Cu, 0.55 Moz Au and 18 Moz Ag in the Inferred categories.

Results of the 2022 PEA were announced on February 8, 2022 and the NI43-101 Technical report was filed on March 14, 2022. The 2022 PEA mine plan only includes resources from Cañariaco Norte.

AFTER - TAX (Stated in US Dollars (Thousands)							
Cu Price (US$/lb)		**$3.00**	**$3.25**	**$3.50**	**$4.00**	**$4.50**	**$5.00**
Undiscounted Net Cash		3,990	4,680	5,368	6,734	8,092	9,444
Net Present Value	6%	1,014	1,286	1,556	2,092	2,624	3,153
	8%	591	802	1,010	**1,423**	1,833	2,241
	10%	299	465	630	955	1,278	1,599
IRR (%)		13.2	14.8	16.3	19.2	21.9	24.4
Average Annual Cash Flow		180	204	229	**278**	326	375
Payback (Years)		8.6	7.9	7.1	6.3	4.5	3.8
PRE - TAX (Stated in US Dollars (Thousands)							
Undiscounted Net Cash		6,762	7,968	9,174	11,586	13,998	16,410
Net Present Value	6%	1,969	2,443	2,917	3,866	4,814	5,762
	8%	1,291	1,657	2,023	**2,754**	3,485	4,216
	10%	821	1,109	1,397	1,974	2,550	3,126
IRR (%)		17.2	19.4	21.6	25.7	29.5	33.3
Average Annual Cash Flow		279	322	365	**451**	537	623
Payback (Years)		7.4	6.6	6.1	3.9	3.3	2.8

- Initial CapEx of $1.04 B – 40,000 tonnes per day ("tpd") mine and plant;
- Mine and plant expansion to 80,000 tpd in year 7 with additional capex of $305 M from cash flow;
- Cash operating cost of US$1.28/lb of copper including all on-site and off-site costs, treatment and refining charges ("TC/RC"), net of by-product credits;
- Advanced Environmental, Social and Corporate Governance ("ESG") development strategies result in improved Infrastructure Design including a single waste management facility (WMF) with

co-mingling and co-placement of waste rock and filtered mill tailings creating a smaller overall footprint further distanced from populated areas;

- Waste to mineralized material strip ratio of 0.66:1
- After-tax NPV of US$1,010 M for base case of US$3.50/lb Cu, US$1,650/oz Au, US$21.50/oz Ag, and 8% discount rate;
- After-tax IRR of 16.3% for base case of US$3.50/lb Cu, US$1,650/oz Au, and US$21.50/oz Ag;
- After-tax NPV increases to US$1,833 M, with an IRR of 21.9% and payback of 4.5 years when using a copper price of US$4.50/lb.
- Payback of pre-production capital in 7.1 years using base case price of US$3.50/lb Cu and 4.5 years using US$4.50/lb Cu;
- Highly leveraged to copper prices;
- Life-of mine ("LOM") metal production of 4,848 Mlb (2,199,215 tonnes) Cu, 879,051 oz Au, and 19,700,467 oz Ag;
- Average annual metal production of 173 Mlb (78,543 tonnes) Cu, 31,395 oz Au, and 703,588 oz Ag during the LOM;
- Average annual metal production of 120 Mlb (54,539 tonnes) Cu, 24,375 oz Au, and 548,667 oz Ag for the first six years;
- Average annual metal production of 193 Mlb (87,475 tonnes) Cu, 34,243 oz Au per year, and 766,753 oz Ag per year for the second mine phase, which will run for 21.4 years;
- Average LOM metal recoveries of 88.1% for Cu, 64.7% for gold and 57.2% for silver;
- Concentrate grades are forecast to average approximately 26% Cu, 3.63 g/t Au and 84.16 g/t Ag for first six years;
- LOM Concentrate grades are projected to average approximately 26% Cu, 3.27 g/t Au and 75.40 g/t Ag;
- Conventional crush/grind and flotation technology;
- Decreased OpEx with marketable concentrate with no need for arsenic treatment;
- Pre-production capital cost of US$1.04 B is based on leased mining equipment and includes a contingency allocation of 18.5%;
- All-in capital cost of US$1.57 B based on leased mining equipment and including life-of-mine sustaining capital, expansion capital and closure cost;
- 28-year mine life, with potential for extension if additional resources identified below proposed pit can be included in a mine plan;
- Located at a moderate elevation with pit centroid and process plant at approximately 3,000 metres above sea level;
- Connection to the national power grid is planned to be by direct line approximately 55 km from the project site to the Carhuaquero substation site;

- Significant potential for discovery of additional mineralization at nearby Cañariaco Sur and Quebrada Verde targets.

Measured, Indicated and Inferred Mineral Resources were used in the 2022 PEA mine plan. Within the ultimate pit, at the $6.52/t NSR cut-off the classification breakdown of the mill feed material is 54% Measured Mineral Resources, 38% Indicated Mineral Resources and 8% Inferred Mineral Resources.

The 2022 PEA is preliminary in nature. It includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the 2022 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Optimized PEA

In June 2022, Whittle was engaged for purposes of advancing project optimization which involves a rigorous analytical and computational process using Whittle's Strategic Mine Planning software and Integrated Strategic Planning concepts). A new 3D Geological Model has identified some very compelling alteration effects on the deposit, which are linked to higher copper grades. This model has been incorporated into Whittle's optimization work.

In November 2023, the Company announced the commencement of metallurgical testwork for the Cañariaco Sur deposit to be used in the optimized Preliminary Economic.

Potential further benefits to the overall Cañariaco project have been identified by way of blending the Cañariaco Sur copper and gold resource with some of Cañariaco Norte mineral resources. The Cañariaco Sur deposit has a higher gold content and has no deleterious elements such that blending Sur and Norte is expected to increase gold content while reducing impurities in the mineral concentrates to be shipped.

Transmin Metallurgical Consultants of Lima have been engaged to oversee the initial metallurgical test work program on mineralized drill core samples collected from the Cañariaco Sur deposit. The objective of this testwork is to assess the deposit mineralogy, copper-gold metal recoveries and grindability characteristics of the deposit. Collectively, this test data plus other data to be collected from the testwork are expected to lead to the inclusion of the Cañariaco Sur deposit in an updated mine plan for the optimized PEA.

A total of 1,100 kg in 35 samples were collected from core from previous drilling at Cañariaco Sur and delivered to Plenge Labs in Lima last week. The metallurgical testwork will include comprehensive Chemical Analysis, Bond Work Index determination (hardness of ore/grindability), QEMscan mineral analysis to assess mineral associations, flotation tests to determine copper and gold recoveries as well as bulk densities, specific gravities, pH levels (acidity).

Flotation testwork results have achieved metal recoveries of up to 97.4% for copper, 78.5% for gold and 82.7% for silver in rougher concentrates which are metallurgically clean and have no deleterious elements. In addition, grinding test work produced a Bond Work Index ("BWI") of 11.12 kwh/tonne indicating the rock is soft compared to other porphyry deposits and should be very amenable to conventional crush-grind-flotation processes. The low BWI indicates Sur material may require less energy for grinding than many porphyry deposits.

Alta Copper's NI 43-101 Technical Report on Preliminary Economic Assessment, prepared by Ausenco Engineering Canada Inc. with an effective date of February 8, 2022, did not include the Cañariaco Sur mineral resource in the mine plan. Inclusion of the Sur resource in the updated PEA is expected to enhance the Cañariaco project economics.

The Company is now targeting to publish an optimized PEA by on or before April 5, 2024 which is being jointly prepared by Whittle Consulting Pty. Ltd. and Ausenco Engineering Canada Inc.

Positive developments incorporating 3D Geological Modelling have identified several high-grade copper zones as well as recent results from metallurgical test program for Cañariaco Sur will now be incorporated into the PEA. While this delayed our targeted date for publication of the PEA results the benefits of such will be clearly demonstrated.

The PEA will now include the joint development of the well-defined Cañariaco Norte deposit and the Cañariaco Sur deposit. Given the proximity of Cañariaco Sur, located 1.5 kms southewest of Cañariaco Norte, combined development of these two deposits is expected to further enhance project economics.

Drill Permits

Work has been ongoing and continues to advance for purposes of obtaining drill permits for Cañariaco Sur, Quebrada Verde and Cañariaco Norte which together make up a 4 kilometres ("km") northeast-southwest trend in northern Peru's prolific mining district.

In December 2023 the Company applied for a Declaración de Impacto Ambiental ("DIA") to allow approximately 95 drill holes from 40 platforms from which several holes may be drilled at various angles and depths. The proposed 95 drill holes would allow for up to 47,000 meters of drilling but the Company intends to initially drill a total of 20,000 meters in two separate phases of 10,000 meters. Drilling planned for 2024 includes enhancing our understanding of higher grade copper at depth in Cañariaco Norte, expansion of the resource at Cañariaco Sur and initial drilling at Quebrada Verde targeted to discover a third mineralized porphyry body.

The amount of drilling proposed by way of the DIA is deemed appropriate in view of the drilling completed to date of 85,183 meters in 289 holes which currently represents a significant mineral resource most of which is included in the measured and indicated category.

An updated geological model for the Project has been completed with the re-interpretation of district-scale and project-specific geology while identifying significant mineralization potential and numerous high priority drill targets which will provide the foundation for a planned 20,000-meter drilling program.

Drill holes have been targeted to cross and fill in the recently identified zones of high-grade copper mineralization extending to depth which are not included in the current mineral resource estimate due to drill spacing between the holes and limitations of drill data at depth. The remaining drill platforms will be used to drill the Cañariaco Sur and Quebrada Verde porphyries, targeting extensions of known mineralization laterally and at depth and near surface geochemical anomalies and mineralization exposed in creek beds.

Community Relations

Alta Copper continues to advance its long-term involvement with the community in a fashion that will benefit all stakeholders.

In 2023 Alta Copper added to the field team and was more active directly in the community. Three additional field offices were opened throughout the community (for a total of four), allowing the Alta Copper team many more opportunities to connect with the community members and authorities. The dialogues and exchange of information with the local community became much more frequent and continuous.

In addition to the field offices, technical field work, including site visits, various environmental tasks and archeological studies required for drilling permits facilitated increased community engagement.

Our community efforts culminated in a very successful citizen participation workshop held in the community in late October 2023 to explain the environmental studies as well as legal and environmental aspects of exploration and development activities and our drill permit application. The workshop was extremely well attended given that approximately 120 authorities and citizens from our community were invited yet 185 persons registered at the meeting and closer to 300 people actually attended the workshop.

The Company has also ratified its commitment to contribute 750,000 soles for the development of sustainable projects in the area. These projects are to be managed by a committee made up of community members, Cañariaco Copper team and the Lambayeque Chamber of Commerce.

During 2023, several meetings were also held with various authorities introducing the new Alta Copper Community Relations team, discussing Company activities, the potential benefits of mining, legal regulations and permissions required for exploration to mining including an Impact and Benefits Agreement for the upcoming drill program. Meetings have also been conducted with management of Ministry of Energy and Mines ("MINEM"), Ministry of Economy and Finance ("MEF"), Chamber of Commerce of Lambayeque, Universidad Cesar Vallejo and authorities of the Cañaris community.

In December 2023, the community of San Juan de Cañaris elected a new Community President who is in the process of taking office (early 2024).

Outlook for 2024

The Company looks forward to engaging with the new President and his council to discuss potential benefits and impact of our project to the community and to work on a long-term agreement to allow the Company to advance the Cañariaco project in a beneficial manner to all stakeholders. While there are other regional stakeholders in the Cañariaco project, the Cañaris community lives closest to the project and owns the surface rights related to it.

In early 2024, the Company engaged a new advisor to direct the implementation of a new strategy to better lock in benefits from sustainable development projects supported by the Company. The key to this new strategy is the integration of Corporate Strategic Partners ("CSPs") into programs to support local communities' productive sectors. By introducing CSPs to local producers, based on market dynamics and profit-oriented potential mutual benefits the producers can receive: a. Technical assistance aimed at increasing the quantity and improving the quality of their products; b. Limited financial assistance for technical improvements, small initial infrastructure, or other needs and c. Access to broader markets, national or international, based on fairtrade principles that insure adequate commercial terms.

The Company offers to identify evaluate and select potential CSPs then to Connect CSPs to local producers, act as a catalytic agent to insure that the connection leads to an effective, long-term working relationship; and assist in obtaining useful additional support including government- or NGO-sponsored funding for needed infrastructure, additional technical support, etc.

The Company has begun to work with potential CSP's in coffee and mushrooms. Both are major Peruvian exporters of their respective products based in or around Chiclayo that have expressed interest in working with us and the producers around Cañariaco. The Company is also working with the Lambayeque Chamber of Commerce to identify potential CSPs for an additional three products desired by the community.

Finally, the Company is also exploring the possibility of arranging for infrastructure investments (roads, irrigation canals, reservoirs, telecommunications) in Cañaris by other potential CSPs and or government entities.

Don Gregorio

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 the Company's wholly owned subsidiary, 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 may pay $100/metre cash in lieu of metres not drilled.

The term of the Assignment Agreement is for 5 years; if the 10,000 metres have not been drilled (including cash paid in lieu) 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.

Summary of Exploration Activities

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 Definitive Agreement ("DA") with property owner Chris Baldys provides for the following:

Acquisition of 100% Interest (subject to Royalty) by:

1. Issuing a total of 250,000 shares over 5 years (by November 30, 2025).
2. Funding exploration activities to keep the claims in good standing until December 2027 (approximately Cdn$45,000 per year).

Of the above the following was a Firm Commitment and has been completed:

- Issue 12,500 shares within 14 days of signing and receiving TSX approval (issued) (note 10);
- Issue an additional 12,500 shares by November 30, 2021 (issued);
- Issue an additional 25,000 shares by November 30, 2022 (issued);
- Issue an additional 37,500 shares by November 30, 2023 (issued); and
- Funding exploration activities totaling a minimum of $42,000 by December 31, 2021. (achieved).

Royalty:

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

Canyon Creek Exploration expenses	**Number of shares**		**Amount**
Balance as at December 31, 2021	**25,000**	$	40,433
Common shares issued for property	**25,000**		11,394
Exploration expenses	**-**		33,292
Balance as at December 31, 2022	**50,000**		85,119
Exploration expenses	**37,500**		8,819
Balance as at December 31, 2023	**87,500**	$	93,938

CONSOLIDATED OPERATING HIGHLIGHTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Operating highlights	Year ended December 31, 2023	Year ended December 31, 2022
General exploration and development	**$ 316,542**	$ 251,746
Community relations and social initiatives	**284,812**	118,627
Mineral rights and surface access rights	**167,223**	163,284
Field support including project management	**335,160**	30,080
Engineering studies	**245,728**	93,425
Environmental health and safety	**96,905**	83,959
Drilling	**87,516**	76,488
Total mineral properties	**$ 1,533,887**	$ 817,609

- Expenditures on community relations and social initiatives amounted to $284,812 for the year ended December 31, 2023, compared to $118,627 for the year ended December 31, 2022. The increase of $166,185 is mainly related to increased activity in the local communities.
- Field support costs include costs related to the maintenance of the operational overhead structure in Peru and support from the Vancouver head office. These costs include: salaries and wages of personnel in Lima, the Chiclayo and the Cañariaco Copper Project camp facility, communication, transportation, food, lodging, fuel costs and project management.
- General exploration and development expenditures amounted to $316,543 for the year ended December 31, 2023, compared to $251,746 for the year ended December 31, 2022. The increase of $64,797 is mainly related to an increase in activity.

CONSOLIDATED FINANCIAL HIGHLIGHTS

A summary of selected financial information of Alta Copper for each of the eight most recently completed quarters is as follows:

Three Months Ended	Total Revenue ($)	Loss (Income)		Total Assets ($)
		Total ($)	Per Share ($)	
December 31, 2023	-	116,272	0.00	70,502,806
September 30, 2023	-	622,358	0.01	67,762,020
June 30, 2023	-	364,364	0.00	68,919,562
March 31, 2023	-	449,677	0.01	68,443,533
December 31, 2022	-	374,611	0.01	66,919,562
September 30, 2022	-	589,591	0.01	66,859,726
June 30, 2022	-	638,481	0.01	66,463,424
March 31, 2022	-	1,109,106	0.01	66,115,425
December 31, 2021	-	554,534	0.00	65,996,849

Discussion of Operations

Three months ended December 31, 2023, compared with the three months ended December 31, 2022

Net loss for the three months ended December 31, 2023, was $116,272 compared to a net loss of $374,611 for the quarter ended December 31, 2022. Significant variances between the two periods are described below:

- Total share-based compensation for the quarter ended December 31, 2023, were $97,223 compared to $241,193 for the quarter ended December 31, 2022. The decrease of $143,970 is related to the timing of issuing stock options, DSUs and RSU's.
- Business development expense for the quarter ended December 31, 2023 was $55,925 compared to $137,223 for the quarter ended December 31, 2022. The decrease of $81,298 is due to attending fewer investor relations events and conferences.

Year ended December 31, 2023, compared with the year ended December 31, 2022

Net loss for the year ended December 31, 2023, was $1,552,671 compared to a net loss of $2,711,789 for the year ended December 31, 2022. Significant variances between the two periods are described below:

- Total share-based compensation for the year ended December 31, 2023, were $649,842 compared to $1,610,431 for the year ended December 31, 2022. The decrease of $960,589 is related to the issuance of 1,460,000 stock options and the granting of 409,787 DSUs and 198,233 RSU's during the year ended December 31, 2023 compared with prior period granting of 2,418,750 stock options, 366,106 DSUs and 507,904 RSU's.
- Business development expense for the year ended December 31, 2023 was $237,853 compared to $356,354 for the year ended December 31, 2022. The decrease of $118,501 is due to attending fewer investor relations events and conferences.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2023, the Company's capital resources includes cash of $2,416,254 and receivables of $47,087.

Current work includes: engineering studies to optimize the economic potential and improve the ESG aspects for a mining project at Cañariaco Norte; environmental studies to support permit applications to resume drilling at Cañariaco Norte, Sur and Verde; and initiatives that benefit the community and maintain the Company's presence in the Cañariaco Copper Project area.

The audited 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. As at December 31, 2023, the Company had incurred $41,414,544 of cumulative losses since inception.

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.

During the year ended December 31, 2023, 15,901,705 common shares were issued.

The Company issued 12,842,498 Common Shares to Fortescue pursuant to the closing of a Private Placement for gross proceeds of Cdn$7,752,591, of which Cdn$1,000,000 was used to repay the short term loan from Fortescue that was outstanding.

A further 694,444 Common Shares were also issued pursuant to the closing of a Private Placement for gross proceeds of Cdn$500,000.

The Company issued 449,135 shares pursuant to the settlement of DSU's and a further 261,781 shares were issued pursuant to the settlement of RSU's.

Shares were issued to vendors in settlement of outstanding balances by issuing 1,616,348 shares.

The Company issued 37,500 shares in accordance with the Canyon Creek option agreement.

OUTSTANDING SHARE DATA

As at the date of this MD&A, the Company had the following number of common shares and issuable shares outstanding.

Securities	
Common shares	84,190,320
Issuable under options	5,560,000
Issuable under deferred stock units	820,649
Issuable under restricted stock units	235,652
Total Securities	90,806,621

COMMITMENTS

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 for three years. The Company committed 1,500,000 soles to fund sustainable development programs subject to specific project approval by a committee formed by the parties. The Company incurred in excess of 1,500,000 soles on community development initiatives since July 2012 with a total of 6,000,000 soles since 2010.

Discussions are currently underway to reactivate the Committee and acknowledge the expenditures to date. 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.

OFF BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

PROPOSED TRANSACTIONS

The Company continues to review potential transactions with a view to creating value for the Company's shareholders, but as of the date of this MD&A, none have been approved by the Board of Directors.

RELATED PARTY TRANSACTIONS

The Company’s related parties consist of companies owned by executive officers and directors and Companies with common officers and directors. The following is a list of the related parties that the Company entered into trading transactions with:

- Giulio Bonifacio - Executive Chair.
- Ridley Rocks Inc. - Management and exploration fees.
- Xali Gold Corp. - Shared expenses with a company related by common director and management.
- Dale Found - Financial services, fees thereto.
- SW Project Management Ltd.- Former president of Alta Copper, project management and engineering fees.
- Nascent Exploration Pty Ltd., a wholly owned subsidiary of Fortescue.

Key management compensation:

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

For the years ended December 31	**2023**	2022
Salaries and benefits	**284,485**	88,789
Share-based compensation	**638,455**	1,519,507
Total	**922,940**	1,608,296

Included in salaries and fees is $246,678 (2022 - $62,017) which was capitalized to exploration and evaluation assets.

During the year ended December 31, 2023, the Company granted 409,788 DSUs (2022 - 366,106) in consideration for directors' fees.

During the year ended December 31, 2023, the Company granted 198,233 RSUs (2022 – 507,904) in consideration for management fees.

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies are summarized in Note 3 of its annual consolidated financial statements for the year ended December 31, 2023. The preparation of consolidated financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the consolidated financial statements. The Company regularly reviews its estimates, however; actual amounts could differ from the estimates used and accordingly, materially affect the results of operations.

(a) Critical accounting estimates

i. Estimated useful lives

Management estimates the useful life of equipment based on the period during which the assets are expected to be available for use. The amounts and timing of recorded expenses for amortization for any period are affected by these estimated useful lives. The estimates are reviewed at least annually and are updated if expectations change as a result of physical wear and tear, technical or commercial obsolescence and legal or other limits to use. It is possible that changes in these factors could cause significant changes in the estimated useful lives of the Company's equipment in the future.

ii. Valuation of share-based payments and warrants

When options and warrants are issued, the Company calculates estimated fair value using a Black-Scholes valuation model, which may not reflect the actual fair value on exercise. The Company uses historical Company stock prices and estimated dividend yield rates to arrive at the inputs that are used in the valuation model to calculate the fair value of the option or warrant.

iii. Income taxes

Determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable income in future periods in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each applicable jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize a deferred tax asset could be materially impacted.

(b) Critical accounting judgments

i. Unproven mineral right interest

Unproven mineral right interest includes the cost of acquiring licenses, exploration, analyses, project administration, drilling, community relations, sustainable development programs, environmental, health and safety. The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven reserves are determined to exist, the rights of tenure are current, and it is considered probable that the costs will be recouped through successful development and exploitation of the known deposit. Management is required to exercise significant judgment in determining the timing of the determination of the technical and economic feasibility of the unproven mineral right interest. The Company considers both external and internal sources of information in assessing whether there are any indicators that unproven mineral right interest are impaired. Based upon the Company having no intention of abandoning the Cañariaco Copper Project, the Company's assessment of its market capitalization and the Company's assessment of the fair value based on in-situ mineral content and other fair value less costs to sell measures, management has determined that there is no impairment charge as at December 31, 2023.

ii. Rehabilitation and environmental provisions

The Company has accounted for material rehabilitation and environmental provisions that existed as of the period end based on facts and circumstances that existed as at December 31, 2023. The Company reviews facts and circumstances surrounding its exploration program, existing laws and compliance, contracts and other policies on an ongoing basis. A material restoration obligation involves a number of estimates relating to timing, type of costs and associated contract negotiations, and review of potential methods and technical advancements. At this time rehabilitation and environmental obligations pertain to the reclamation of exploration drill sites, access paths, and other areas at the Cañariaco Copper Project site that may have been impacted by the drilling activities.

FINANCIAL RISK, FINANCIAL INSTRUMENTS 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.

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 institutions and the credit risk associated with these deposits is low.

As at December 31, 2023, the Company's maximum exposure to credit risk is the carrying value of its cash and receivables.

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short-term profit taking.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. Unrealized gains and losses on the fair value of such assets are recognized in other comprehensive income whereas impairment losses and foreign exchange gains and losses on such assets are recorded in the statement of loss.

The Company has classified its cash and trade and other receivables as loans and receivables. Trade payables and accrued liabilities are classified as other financial liabilities.

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of an instrument is considered to determine whether impairment has arisen.

CAPITAL MANAGEMENT

The Company's capital structure is comprised 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 period and the Company is not subject to any restrictions on its capital.

FAIR VALUE HIERARCHY

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

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.

INTERNAL CONTROLS OVER FINANCIAL REPORTING (“ICFR”)

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.
The Company’s internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that accurately and fairly reflect the additions to and dispositions of the assets of the Company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and the Company’s receipts and expenditures are made only in accordance with authorization of management and the Company’s directors; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the interim or annual financial statements.

Any system of internal controls over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

An evaluation of the design effectiveness of the Company’s internal controls over financial reporting was conducted as of December 31, 2023, by the Company’s management. Based on this evaluation, the Company’s CEO and CFO have concluded that the design, disclosure controls, procedures, and the effectiveness of the Company’s internal controls over financial reporting was and is effective. The Board of Directors is ultimately responsible for ensuring that the internal control of financial reporting is effective and has been overseeing the Company’s management in this regard.

There were no changes in the Company’s internal control over financial reporting during the year ended December 31, 2023, that have materially affected, or are reasonably likely to affect, the Company’s internal control over financial reporting.

RISK FACTORS

The Company is subject to a number of significant risks due to the nature and the current stage of its business and the effect of worldwide economic conditions. Exploration of unproven mineral right interest involves a high degree of technical, financial, and social risk. While discovery of a mineral deposit may result in substantial rewards, few exploration properties are ultimately developed into producing mines. Major expenditures may be required to establish resources and reserves by drilling, constructing mining and process facilities, developing metallurgical processes and extracting base and precious metals. It is impossible to ensure that the current exploration programs of the Company will result in profitable commercial mining operations.

Risk factors that should be taken into account in assessing the Company’s activities and any investment in the Company include, but are not limited to, those listed below. Any one or more of these risk factors could have a material impact on the financial condition of the Company. This information, by its nature, is not all-inclusive and risk factors that have not been listed could have a material impact on the future financial condition of the Company.

ECONOMIC CONDITIONS MAY PREVENT THE COMPANY FROM OBTAINING THE CAPITAL REQUIRED TO CONTINUE OPERATIONS

The Company’s ability to continue operations is contingent on its ability to obtain additional financing. Equity market conditions, funding environments and the price of the Company’s common shares may make it dilutive and difficult to raise funds by the sale of the Company’s shares. An investment in the shares of a junior resource company is considered to be a high-risk investment. In the past, the Company has been successful in raising capital for its exploration and development activities; however, there is no assurance that financing will be available to the Company in future periods.

HISTORY OF LOSSES

The Company incurred a net loss for the year ended December 31, 2023, of $1,552,671 and is expected to generate losses while it continues to be an exploration and development-stage company. The Company anticipates significant expenditures for its mineral exploration programs. The Cañariaco Norte Project has a 43-101 compliant mineral resource and has received a NI 43-101 Technical Report entitled “Cañariaco Norte Project, Lambayeque Department, Peru, NI 43-101 Technical Report on Preliminary Economic Assessment, Effective Date: 8 February 2022.

Having said this, most exploration projects do not result in the discovery of commercially productive mineral reserves and are ultimately expensed in full. The Company could in fact be required to report net losses into the foreseeable future.

The long-term profitability of the Company’s operations will be in part directly related to the success of its exploration programs, which are affected by numerous factors including the cost of such programs, the amount of mineral resources or reserves discovered and fluctuations in the price of any minerals produced.

DILUTION

The Company does not generate any revenues from production and may not have sufficient financial resources to undertake by itself all of its planned exploration, feasibility, and development programs. The Company has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. The Company assesses various options for financing however the Company may need to continue its reliance on the sale of such securities for future financing, resulting in potential dilution to the Company’s existing shareholders. The amount of additional funds required will depend largely on the success of the Company’s exploration programs and extent of future development activities.

Further exploration programs will depend on the Company’s ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, the Company may not be able to commence or continue with its exploration and development programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties.

NO KNOWN MINERAL RESERVES

The Company's mineral properties are in the exploration stage and although one property, the Cañariaco Project, has established NI43-101 compliant mineral resources, it is without known mineral reserves. Although the Company may discover additional resources through its exploration programs and mineral reserves may be established by a Feasibility Study, commercial production may not be warranted due to insufficient quantities or unfavourable economic conditions.

In the event a mineral reserve is established, substantial expenditures are required to develop the mineral reserve for production including facilities for mining, processing, infrastructure, and transportation. The marketability of any minerals discovered may be affected by numerous factors which are beyond the Company's control, and which cannot be accurately predicted, such as global economic conditions, mineral markets and mineral pricing, global smelting and refining availability, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is not warranted to commence or continue commercial production.

TITLE TO MINERAL PROPERTIES

The Company believes it has diligently investigated title to all of its mineral properties and, to the best of its knowledge, title to all properties are in good standing.

A claim on any of the Company's mineral properties, especially if commercially productive mineral resources or reserves are located, could adversely affect the Company's long-term profitability as it may preclude entirely the economic development of a mineral property. Also, such a claim may affect the Company's current operations due to the potential costs, time, and efforts of defending against such claims.

KEY PERSONNEL

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the operations of the Company. The Company's success is dependent to a great degree on its ability to attract and retain qualified management personnel. The loss of such key personnel, through incapacity or otherwise, may require the Company to seek and retain other qualified personnel and could compromise the pace and success of its exploration activities. The Company does not maintain key person insurance in the event of a loss of any such key personnel. Also, certain management personnel of the Company are officers and/or directors of other publicly-traded companies and may devote only part of their time to the Company.

Additionally, the Company has relied on and is expected to continue relying upon consultants and others for exploration and development expertise. In the event a commercial mineral deposit is discovered on any of the Company's properties, the Company will likely continue to require the expertise of such consultants and others for the development and operation of a producing mine.

INDUSTRY OPERATING HAZARDS AND RISKS

Mineral exploration and development involve many risks, including location of commercially productive mineral resources or reserves, which may not occur even with a combination of experience, knowledge, and careful evaluation. The operations in which the Company has a direct or indirect interest may be subject to some or all of the hazards and risks normally incidental to resource companies, any of which could result in work stoppages. Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides social disruptions, political instability, and the inability to obtain suitable or adequate machinery, equipment or labour are some of the industry operating risks involved in the development and operation of mines and the conduct of exploration programs. Other risks include injury or loss of life, severe damage to or destruction of property, clean-up responsibilities, regulatory investigation and penalties and suspension of operations. The occurrence of any of these operating risks and hazards may have an adverse effect on the Company’s financial condition and operations and may incur legal liability.

Although the Company will, when appropriate, secure liability insurance in an amount which it considers appropriate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that may have a material adverse effect upon its financial condition and operations.

GOVERNMENT REGULATIONS AND POLITICAL CLIMATE

Mineral exploration on the Company’s properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) tax laws (iv) restrictions on production, price controls, and tax increases; (v) maintenance of claims; (vi) tenure; and (vii) expropriation of property through nationalization, requisition or confiscation. Any mineral exploration activities conducted by the Company, including commencement of production, require permits from governmental authorities and such operations are and will be governed by laws and regulations governing prospecting, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in development and/or production and other schedules as a result of the need to comply with applicable laws, regulations and permits. All permits required for the conduct of exploration, development and mining operations, including the construction of mining facilities, may not be obtainable by the Company on reasonable terms, which would have an adverse effect on any mining project the Company might undertake. Additionally, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining exploration, development or operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

To the best of the Company’s knowledge, the Company is and will continue to operate in compliance with applicable legal and environmental regulations and social requirements. However, amendments to current governmental laws and regulations affecting mining companies, or the more stringent application thereof, or shifts in political conditions or attitudes could adversely affect the Company’s operations including the potential to curtail or cease exploration programs or to preclude entirely the economic viability of a mineral property. The extent of future changes to governmental laws and regulations cannot be predicted or quantified, but it should be assumed that such laws and regulations will become more stringent in the future. Generally, new laws and regulations will result in increased compliance costs, including costs and time and effort for obtaining permits, and increased delays or fines resulting from loss of permits or failure to comply with the new requirements.

SOCIAL CLIMATE

Social acceptance to operate during the various stages of a mining project is an integral part of operating such that lack thereof provides a very real risk during the exploration, exploitation and closure stages of mine development. In addition, the fact that the means and tools to manage social acceptance are not an exact science adds to the level of risk.

The Company has established shared value corporate policies and programs that include:

- Regular communication with various members of the Community regarding their concerns and needs as well as our activities and objectives.
- Social and sustainable development projects and alliances with all levels of government as well as local and international non–governmental organizations ("NGOs") that are committed to improving the lives of families in under-developed regions.
- The Company considers these initiatives as a foundation for building a positive and mutually beneficial long-term relationship with the various stakeholders in the Cañariaco Copper Project.

ENVIRONMENTAL LIABILITY

Although the Company is not aware of any formal claims for damages related to any impact that its activities have had on the environment, it may become subject to such claims in the future. An environmental claim could adversely affect the Company's business due to the high costs of defending against such claims and its impact on senior management's time.

The Company conducts exploration activities in Peru. Such activities are subject to various laws, rules and regulations governing the protection of the environment. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors, and employees.

The Company is committed to compliance with all environmental regulations currently applicable, nevertheless environmental hazards may exist on the Company's mineral properties, which are not known to the Company at present, that have been caused by previous or existing owners or operators.

Environmental regulations may change in the future which could adversely affect the Company's activities including the potential to curtail or cease exploration programs or to preclude entirely the economic development of a mineral property. The extent of any future changes to environmental regulations cannot be predicted or quantified, but it should be assumed that such regulations will become more stringent in the future. Generally, new regulations will result in increased compliance costs, including costs for obtaining permits, delays or fines resulting from loss of permits or failure to comply with the new regulations.

Depending on the price obtained for any minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

CYBER SECURITY RISKS

As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company’s exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. The Company believes these measures and procedures are appropriate. To date, it has not experienced any issues related to cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.