Alta Copper Corp. (formerly "Candente Copper Corp.")
Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and 2023
Expressed in United States Dollars, Unless Otherwise Stated

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Alta 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
As at March 31, 2024 and December 31, 2023 (unaudited)
(Expressed in United States Dollars)

		As at March 31, 2024		As at December 31, 2023
ASSETS				
Current assets				
Cash	**$**	**1,744,841**	$	2,416,254
Prepaid expenses and deposits		**102,901**		160,412
Total current assets		**1,847,742**		2,576,666
Non-current assets				
Receivables		**44,356**		47,087
Investment (note 3)		**163,435**		167,439
Advances towards Canadian projects (note 4)		**95,391**		93,938
Exploration and evaluation assets (note 4)		**67,867,665**		67,609,056
Equipment		**7,782**		8,620
Total assets	**$**	**70,026,371**	$	70,502,806
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable and accrued liabilities (notes 5 and 9)		**423,554**		274,007
Total current liabilities		**423,554**		274,007
Non-current liabilities				
Loans payable (note 6)		**-**		30,243
Total liabilities		**423,554**		304,250
Equity				
Share capital (note 7)		**96,098,962**		96,098,962
Reserves (note 7)		**15,212,275**		15,514,138
Accumulated deficit		**(41,708,420)**		(41,414,544)
Total equity		**69,602,817**		70,198,556
Total liabilities and equity	**$**	**70,026,371**	$	70,502,806

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

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
For the three months ended March 31, 2024 and 2023 (unaudited)
(Expressed in United States Dollars)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating expenses		
Salaries and benefits	**$ 104,784**	$ 79,239
Share-based compensation – stock options	**60,136**	28,084
Business development	**39,914**	67,063
Public company	**29,244**	95,793
Share-based compensation – deferred share units	**26,509**	31,465
General and administrative	**15,713**	32,450
Audit, tax and accounting	**12,013**	18,335
Legal and financing	**6,841**	50,685
Share-based compensation – restricted share units	**-**	30,314
Amortization	**-**	3,769
	295,154	437,197
Other expenses		
(Gain) / loss on settlement of debt	**-**	2,884
(Gain) / loss on foreign exchange	**(1,278)**	(8,064)
Interest expense	**-**	17,658
Loss before income tax	**293,876**	449,675
Income tax payable / expense	**-**	946
Net loss	**293,876**	450,621
Other comprehensive loss / (income)		
Change in fair value of investment	**4,004**	81,274
Exchange difference on translation to presentation currency	**359,807**	38,709
	$ 363,811	$ 119,983
Total comprehensive loss	**$ 657,687**	$ 570,604
Loss per share		
Basic and diluted	**$0.00**	$0.01
Weighted average number of common shares outstanding		
Basic and diluted	**84,190,320**	74,603,797

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

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

Condensed Interim Consolidated Statements of Cash Flows
Three months ended March 31, 2024 and 2023 (unaudited)
(Expressed in United States Dollars)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Operating activities		
Net loss for the year	**$ (293,876)**	$ (450,621)
Adjustments for:		
Amortization	-	3,769
Share-based payments – stock options	**60,136**	28,084
Share-based payments – deferred share units	**26,509**	31,465
Share-based payments – restricted share units	-	30,314
Loan forgiveness	**(7,561)**	-
Change in fair value of investment	**4,004**	-
Interest expense	-	17,658
Unrealised foreign exchange differences	**(2,807)**	(38,710)
Changes in non-cash working capital items:		
Accounts receivables	**2,731**	(7,952)
Prepaid expenses	**57,511**	50,687
Accounts payable and accrued liabilities	**(42,703)**	(113,962)
Net cash provided by (used) in operating activities	**$ (196,056)**	$ (449,268)
Investing activities		
Addition to exploration and evaluation assets	**(444,938)**	(129,779)
Advance payment – Canyon Creek	-	(8,819)
Change in value added taxes paid	**(7,737)**	(116,837)
Net cash used in investing activities	**$ (452,675)**	**$ (255,435)**
Financing activities		
Repayment of loan	**(22,682)**	-
Issuance of common shares for cash, net of issuance costs	-	2,877,896
Repayment of short-term loan	-	(738,934)
Principle repayments on lease liability	-	(4,615)
Net cash provided by financing activities	**$ (22,682)**	**$ 2,134,347**
Net increase/(decrease) in cash	**(671,413)**	1,429,644
Cash, beginning of year	**2,416,254**	341,115
Cash, end of period	**$ 1,744,841**	$ 1,770,759

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
Three months ended March 31, 2024 and 2023 (unaudited)
(Expressed in United States Dollars)

			Reserves				
	Number of shares	**Share capital**	**Equity settled employee compensation**	**Foreign currency**	**Available for sale assets**	**Deficit**	**Total**
Balance, December 31, 2022	**68,288,615**	**$ 89,128,989**	**$ 15,448,261**	**$ (303,594)**	**$ 215,295**	**$ (39,861,873)**	**$ 64,627,078**
Common shares issued via private placement, net	5,555,556	2,877,896	-	-	-	-	2,877,896
Share based payments – stock options	-	-	28,084	-	-	-	28,084
Share based payments – deferred share units	-	-	31,465	-	-	-	31,465
Share based payments – restricted share units	-	-	30,314	-	-	-	30,314
Common shares issued upon exercising DSU's	449,135	202,674	(202,674)	-	-	-	-
Common shares issued upon exercising RSU's	227,433	98,760	(98,760)	-	-	-	-
Shares issued to settle debts	83,058	43,320	-	-	-	-	43,320
Change in fair value of investment	-	-	-	-	(81,274)	-	(81,274)
Cumulative translation adjustment	-	-	-	(38,709)	-	-	(38,709)
Net loss	-	-	-	-	-	(450,621)	(450,621)
Balance, March 31, 2023	**74,603,797**	**$ 92,351,639**	**$ 15,236,690**	**$ (342,303)**	**$ 134,021**	**$ (40,312,494)**	**$ 67,067,553**
Balance, December 31, 2023	**84,190,320**	**$ 96,098,962**	**$ 15,632,379**	**$ (181,410)**	**$ 63,169**	**$ (41,414,544)**	**$ 70,198,556**
Shares issued via private placement, net	-	-	-	-	-	-	-
Shares issued for services	-	-	-	-	-	-	-
Share based payments – stock options	-	-	59,954	-	-	-	59,954
Change in fair value of investment	-	-	-	-	(4,004)	-	(4,004)
Cumulative translation adjustment	-	-	-	(359,807)	1,994	-	(357,813)
Net loss	-	-	-	-	-	(293,876)	(293,876)
Balance, March 31, 2024	**84,190,320**	**$ 96,098,962**	**$ 15,692,333**	**$ (541,217)**	**$ 61,159**	**$ (41,708,420)**	**$ 69,602,817**

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

(Expressed in United States Dollars, Unless Otherwise Stated)

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, 2024	Functional currency
Cañariaco Copper Peru S.A.C. ("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
Cobriza Metals (BVI) Corp.	100%	US Dollars
Cobriza Metals Peru S.A.C.	100%	US Dollars

The Company's common shares are listed on the Toronto Stock Exchange ("TSX") and the 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 three months ended March 31, 2024, the Company incurred a net loss of $293,876. As at March 31, 2024, the Company had $41,708,420 in cumulative losses since inception and excess of current assets over current liabilities of $1,424,188, (December, 31, 2023 excess of current liabilities over current assets $2,302,659.

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, 2023, which have been prepared in accordance with IFRS issued by the IASB.

3. Investment

As at March 31, 2024, the Company held 5,536,373 (December 31, 2023 - 5,536,373) shares of Xali Gold Corp. ("Xali Gold"), a company with a related officer and director. The closing share price was Cdn$0.040 (December 31, 2023 - Cdn$0.040) and the fair value of the Company's investment in Xali Gold is $163,435 (December 31, 2023 - $167,439). During the three months ended March 31, 2024, the Company recognized an unrealized loss on investments of $4,004, (2023, loss - $174,050) that was included in other comprehensive loss.

(Expressed in United States Dollars, Unless Otherwise Stated)

4. Exploration and Evaluation Assets

Cañariaco Property, Lambayeque, Peru		**Balance as at January 1, 2024**		**Additions / (Disposals)**		**Balance as at March 31, 2024**
Exploration and evaluation costs:						
Drilling	$	10,021,814	$	15,096	$	10,036,910
Environment, health and safety		1,774,300		49,957		1,824,257
General exploration and development		10,747,697		34,008		10,781,705
Engineering studies		11,396,458		316,101		11,712,559
Field support including project management		23,613,865		27,959		23,641,824
Total exploration and evaluation costs		**57,554,134**		**443,121**		**57,997,255**
Mineral and surface access rights		2,437,532		-		2,437,532
Community relations and social initiatives		5,296,063		103,942		5,400,005
Option and royalty payments received		(505,921)		-		(505,921)
Foreign exchange differences		-		(299,417)		(299,417)
	$	**64,781,808**	$	**247,646**	$	**65,029,454**
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		708,985		-		708,985
Engineering studies		1,087		-		1,087
Field support including project management		72,138		-		72,138
Cost recoveries		(112,412)		-		(112,412)
Total exploration and evaluation costs		**1,071,436**		**-**		**1,071,436**
Mineral and surface access rights	$	560,547	$	-	$	560,547
Community relations and social initiatives		40,000		-		40,000
Option and royalty payments received		(350,000)		-		(350,000)
Foreign exchange differences		-		3,225		3,225
Impairment of exploration and evaluation assets		(466,359)		-		(466,359)
	$	**855,624**	$	**3,225**	$	**858,849**
Total exploration and evaluation assets before value-added tax credit	**$**	**65,637,432**	**$**	**250,872**	**$**	**65,888,304**
Value-added tax credit (See Note 1)		**1,971,624**		**7,738**		**1,979,362**
Total exploration and evaluation assets	**$**	**67,609,056**	**$**	**258,609**	**$**	**67,867,665**

Note: 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)

Cañariaco Property, Lambayeque, Peru		**Balance as at January 1, 2023**		**Additions / (Disposals)**		**Balance as at December 31, 2023**
Exploration and evaluation costs:						
Drilling	$	9,934,298	$	87,516	$	10,021,814
Environment, health and safety		1,677,395		96,905		1,774,300
General exploration and development		10,433,313		314,384		10,747,697
Engineering studies		11,150,729		245,729		11,396,458
Field support including project management		23,287,414		326,451		23,613,865
Total exploration and evaluation costs		**56,483,149**		**1,070,985**		**57,554,134**
Mineral and surface access rights		2,319,250		118,282		2,437,532
Community relations and social initiatives		5,011,251		284,812		5,296,063
		63,813,650		**1,474,079**		**65,287,729**
Option and royalty payments received		(505,921)		-		(505,921)
	$	**63,307,729**	$	**1,474,079**	$	**64,781,808**
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		8,709		72,138
Cost recoveries		(112,412)		-		(112,412)
Total exploration and evaluation costs		**1,060,568**		**10,868**		**1,071,436**
Mineral and surface access rights	$	511,607	$	48,940	$	560,547
Community relations and social initiatives		40,000		-		40,000
		1,612,175		**59,808**		**1,671,983**
Option and royalty payments received		(350,000)		-		(350,000)
Impairment of exploration and evaluation assets		(466,359)		-		(466,359)
	$	**795,816**	$	**59,808**	$	**855,624**
Total exploration and evaluation assets before value-added tax credit	**$**	**64,103,545**	**$**	**1,533,887**	**$**	**65,637,432**
Value-added tax credit (See Note 1)		**1,878,700**		**92,924**		**1,971,624**
Total exploration and evaluation assets	**$**	**65,982,245**	**$**	**1,626,811**	**$**	**67,609,056**

Note: 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.C. ("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.

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:

Acquiring 100% interest in the property (subject to royalty) by:

- Issuing a total of 250,000 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);
- Issue an additional 37,500 shares by November 30, 2023 (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$1.5 million.

(Expressed in United States Dollars, Unless Otherwise Stated)

5. Trade payables and accrued liabilities

		As at March 31, 2024		As at March 31, 2023
Trade payables	**$**	**222,760**	$	285,243
Due to related parties		**97,160**		194,562
Accrued liabilities		**103,634**		17,149
	$	**423,554**	$	496,954

6. Loans payable

On April 29, 2020, the Company received a loan for gross proceeds of $30,243 (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 January 18, 2024, for all eligible borrowers in good standing.

The loan was repaid before the deadline and the loan amount forgiven was $7,561 (Cdn$10,000).

7. 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 March 31, 2024, the Company had 84,190,320 (December 31, 2023 – 84,190,320) common shares issued and outstanding (note 14).

Balance, December 31, 2023	**84,190,320**
Issued	-
Balance, March 31, 2024	**84,190,320**

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)

The following table reflects the continuity of stock options for the three months ended March 31, 2024:

	Number of Stock Options	Weighted Average Exercise price
Balance, December 31, 2022	**4,881,250**	**$ 0.55**
Issued	1,460,000	0.53
Cancelled	(881,250)	(0.59)
Balance, December 31, 2023	**5,460,000**	**$ 0.54**
Issued	100,000	0.53
Cancelled	-	-
-Balance, March 31, 2024	**5,560,000**	**$ 0.54**

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 March 31, 2024	As at December 31, 2023
Risk-free interest rate	**3.40-4.17%**	4.04%
Expected life of options	**5 years**	5 years
Annualized volatility	**106.79-107.42%**	109.80%
Dividend rate	**Nil**	Nil

The following table reflects the actual stock options issued and outstanding as at March 31, 2024:

Expiry date	Exercise price ($)	Weighted average remaining contractual life (years)	Number of options outstanding	Number of options vested (exercisable)
June 30, 2024	0.28	0.25	225,000	225,000
July 19, 2024	0.20	0.30	487,500	487,500
January 27, 2025	0.20	0.83	687,500	687,500
June 17, 2025	0.24	1.21	100,000	100,000
May 7, 2026	0.60	2.10	187,500	187,500
October 13, 2026	0.52	2.54	50,000	50,000
November 10, 2026	0.72	2.61	250,000	250,000
January 17, 2027	0.92	2.80	937,500	937,500
June 15, 2027	0.60	3.21	800,000	800,000
July 18, 2027	0.60	3.30	275,000	275,000
September 18, 2028	0.53	4.47	1,460,000	1,460,000
January 16, 2029	0.53	4.80	100,000	-
	0.55	**2.83**	**5,560,000**	**5,460,000**

d) Warrants

As at March 31, 2024 and December 31, 2023 the Company had no outstanding warrants.

(Expressed in United States Dollars, Unless Otherwise Stated)

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 three months ended March 31, 2024, the Company recognized an unrealized loss on investments of $3,449 (2023 – $174,050) that was included in other comprehensive loss. (Note 3).

f) Deferred share units ("DSU's")

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, 2022	**859,997**
Settled	(449,135)
Granted	409,787
Balance, December 31, 2023 and March 31, 2024	**820,649**

g) Restricted share units ("RSU's")

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.

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, 2022	**564,227**
Granted	198,233
Cancelled	(265,027)
Settled	(261,781)
Balance, December 31, 2023 and March 31, 2024	**235,652**

(Expressed in United States Dollars, Unless Otherwise Stated)

8. 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).

The Company has 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.

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.

9. 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 March 31, 2024	**Three months ended March 31, 2023**
Salaries and benefits	**$ 101,155**	$ 74,430
Share based compensation	**46,344**	67,940
	$ 147,499	**$ 142,370**

Included in salaries and fees is $23,358 (2023 - $46,211) which was capitalized to exploration and evaluation assets.

During the three months ended March 31, 2024, the Company did not grant any DSUs (2023 – 348,140) in consideration for directors' fees.

During the three months ended March 31, 2024, the Company did not grant any RSUs (2023 – 265,250) 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.

The outstanding balances with related parties were as follows:

	As at March 31, 2024	**As at December 31, 2023**
Trade payables and accrued liabilities	**$ 97,160**	$ **72,510**
Loans payable	**-**	**-**
	$ 97,160	**$ 72,510**

(Expressed in United States Dollars, Unless Otherwise Stated)

10. 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, most of the Company's non-current assets are located in Peru.

11. 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.

The following table details the Company's contractual maturities for its financial liabilities as at March 31, 2024 and December 31, 2023, due by period:

As at March 31, 2024		**Carrying amount**	**Contractual Cashflows**	**0 to 12 months**	**More than 12 months**
Accounts payable and accrued liabilities	$	**423,554**	**423,554**	**423,554**	**-**
Loans payable		**-**	**-**	**-**	**-**
		423,554	**423,554**	**423,554**	**-**

As at December 31, 2023		**Carrying amount**	**Contractual Cashflows**	**0 to 12 months**	**More than 12 months**
Accounts payable and accrued liabilities	$	**274,007**	**274,007**	**274,007**	**-**
Loans payable		**30,243**	**30,243**	**-**	**30,243**
		304,250	**304,250**	**274,007**	**30,243**

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 March 31, 2024 and December 31, 2023, 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 cash, receivables, trade payables, payables to related parties and loans payable approximate 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).

Investments fall under Level 1.

There were no transfers between levels during the period.