



COPPER STANDARD RESOURCES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For the Three and Nine Months Ended September 30, 2024 and 2023

Reader's Note:

These unaudited Condensed Interim Consolidated Financial Statements of Copper Standard Resources Inc. have been prepared by management and have not been reviewed by the Company's auditor.

Copper Standard Resources Inc.Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian dollars - unaudited)

	Note	September 30, 2024 \$	December 31, 2023 \$
ASSETS			
Current assets			
Cash and cash equivalents		938,346	3,413,738
Receivables		48,584	64,091
Prepaid expenses and other	5	164,310	12,100
Total current assets		1,151,240	3,489,929
Non-current assets			
Deferred acquisition costs	4	13,126,087	10,587,761
Exploration and evaluation asset	3,4	345,781	-
Investments in Pucara	5	601,725	-
Total assets		15,224,833	14,077,690
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	248,474	400,515
Total liabilities		248,474	400,515
SHAREHOLDERS' EQUITY			
Share capital	7	14,667,555	13,795,191
Share-based compensation reserve	7 (c)	972,973	691,853
Warrant reserve	7 (d)	2,650,972	2,031,125
Deficit		(3,315,141)	(2,840,994)
Total shareholders' equity		14,976,359	13,677,175
Total liabilities and shareholders' equity		15,224,833	14,077,690

Nature of operations and going concern (Note 1)

Subsequent event (Note 12)

Approved by the Board of Directors on November 20, 2024

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

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

Copper Standard Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for share and per share data - unaudited)

	Note	Three months ended September 30, 2024 \$	Three months ended September 30, 2023 \$	Nine months ended September 30, 2024 \$	Nine months ended September 30, 2023 \$
Expenses					
Exploration and evaluation expenses	3	(77,302)	(3,828)	(134,074)	(37,803)
Foreign exchange gain (loss)		(65,539)	7,120	3,233	22,979
General and administrative	8	(39,205)	(8,986)	(107,752)	(39,174)
Gain on investments	5	349,252	-	349,252	-
Gain on spinouts	6	-	73,475	-	73,475
Impairment of exploration asset	3	-	-	-	(229,657)
Insurance expense		(3,260)	(3,025)	(9,310)	(9,075)
Interest income		30,601	-	96,890	-
Listing and filing fees		(6,371)	(15,162)	(22,870)	(30,681)
Management fees	8	(9,000)	(9,000)	(27,000)	(27,000)
Marketing fees		(30,245)	(30,000)	(93,672)	(90,000)
Professional fees		(50,800)	(45,894)	(139,164)	(147,844)
Salaries and wages	8	(74,060)	(12,000)	(108,560)	(32,500)
Share-based compensation	7(c), 8	(92,422)	(83,081)	(281,120)	(334,859)
Loss and comprehensive loss for the period		(68,351)	(130,381)	(474,147)	(882,139)
Loss per share					
Basic and diluted		(0.00)	(0.00)	(0.01)	(0.03)
Weighted average number of common shares outstanding (basic and diluted)		41,893,464	30,505,167	41,683,205	30,505,167

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

Copper Standard Resources Inc.Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian dollars, except for number of shares - unaudited)

	Note	Issued shares	Share capital \$	Share-based compensation reserve \$	Warrants reserve \$	Deficit \$	Total \$
Balance, December 31, 2022		30,505,167	11,751,273	304,267	581,802	(1,263,821)	11,373,521
Share-based compensation	7(c)	-	-	334,859	-	-	334,859
Spin-off transactions	6	-	-	-	-	(292,875)	(292,875)
Loss and comprehensive loss for the period		-	-	-	-	(882,139)	(882,139)
Balance, September 30, 2023		30,505,167	11,751,273	639,126	581,802	(2,438,835)	10,533,366
Balance, December 31, 2023		38,504,587	13,795,191	691,853	2,031,125	(2,840,994)	13,677,175
Units issued for private placement	7(b)	3,388,877	891,529	-	633,465	-	1,524,994
Issuance costs	7(b)	-	(19,165)	-	(13,618)	-	(32,783)
Share-based compensation	7(c)	-	-	281,120	-	-	281,120
Loss and comprehensive loss for the period		-	-	-	-	(474,147)	(474,147)
Balance, September 30, 2024		41,893,464	14,667,555	972,973	2,650,972	(3,315,141)	14,976,359

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

Copper Standard Resources Inc.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian dollars - unaudited)

		Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	Note	\$	\$	\$	\$
Operating Activities					
Loss for the period		(68,351)	(130,381)	(474,147)	(882,139)
Items not affecting cash and cash equivalents:					
Share-based compensation	7(c)	92,422	83,081	281,120	334,859
Impairment of exploration asset	3	-	-	-	229,657
Gain on investments	5	(349,252)	-	(349,252)	-
Changes in non-cash working capital:					
Accounts payable and accrued liabilities		206,408	(7,942)	(152,041)	65,518
Receivables		(9,807)	(4,867)	15,507	(17,066)
Prepaid expenses and other	5	(158,260)	13,525	(152,210)	(3,025)
Cash flows used in operating activities		(286,840)	(46,584)	(831,023)	(272,196)
Investing Activities					
Deferred acquisition costs	4	(736,859)	(557,014)	(2,884,107)	(836,319)
Investments in Pucara	5	(252,473)	-	(252,473)	-
Spin-off transactions	6	-	(130,949)	-	(292,875)
Cash flows used in investing activities		(989,332)	(687,963)	(3,136,580)	(1,129,194)
Financing Activities					
Issuance of units	7(b), 7(d)	-	-	1,524,994	-
Issuance costs	7(b)	-	-	(32,783)	-
Cash flows provided by financing activities		-	-	1,492,211	-
Decrease in cash and cash equivalents for the period		(1,276,172)	(734,547)	(2,475,392)	(1401,390)
Cash and cash equivalents – beginning of period		2,214,518	997,400	3,413,738	1,664,243
Cash and cash equivalents – end of period		938,346	262,853	938,346	262,853

Supplemental cash flow information (Note 10)

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

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

1. Nature of Operations and Going Concern

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

Copper Standard is engaged in the acquisition, exploration, discovery, and development of mineral interests focusing on copper and gold projects. The Company has acquired the El Ferrol Property, and has an option to acquire the two adjacent properties which make up the Colpayoc Copper- Gold Project (the “Colpayoc Project”) in Peru and total approximately 1,580 hectares.

On December 22, 2023, the Company undertook a name change from “Level 14 Ventures Ltd.” to “Copper Standard Resources Inc.” Concurrently with the name change, the Company consolidated its issued and outstanding common shares on the basis of one post-consolidation share for every three pre-consolidation shares. Unless otherwise noted in these condensed interim consolidated financial statements, all share, stock option, warrant and per share amounts are presented on a post-consolidation basis.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Copper Standard is an exploration stage mining company which incurred a loss of \$474,147 for the nine months ended September 30, 2024, and as at September 30, 2024 had an accumulated deficit of \$3,315,141. Copper Standard is expected to incur operating losses for the foreseeable future. Copper Standard’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. There can be no assurances that the Company will continue to obtain financing resources necessary and/or achieve positive cash flows. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and there would be significant uncertainty whether the Company would continue as a going concern and realize its assets and settle its liabilities and commitments in the normal course of business. These material uncertainties may cast significant doubt about the Company’s ability to continue as a going concern. These Financial Statements do not include adjustments that may be necessary if the going concern principal is not appropriate.

2. Significant Accounting Policies

a) Statement of Compliance

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

These Financial Statements were authorized for issuance by the Board of Directors of the Company on November 20, 2024.

b) Basis of Presentation

These Financial Statements have been prepared on a historical cost basis, except for any financial assets and liabilities held at fair value. The Financial Statements are presented in Canadian Dollars, which is the functional currency of the Company and its subsidiaries.

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

c) *Changes in Accounting Standards*

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

d) *Significant Accounting Estimates and Judgements*

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

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

3. Exploration and Evaluation

El Ferrol Property

On August 8, 2024, the Company made its final option payment of \$102,555 (US\$75,000) and now owns a 100% interest in the El Ferrol Property (note 4) in Northern Peru. The Company granted a 1% NSR royalty to the previous owners of the mineral claims and has an option to buy it back by making a payment of US\$500,000 by August 8, 2033. As a result of acquiring the property, the Company reclassified the total amount paid of \$345,781 (US\$250,000) from deferred acquisition costs to exploration and evaluation assets.

Green Mountain Property

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

Exploration and evaluation expenditures

During the three and nine months ended September 30, 2024 and 2023 the Company incurred the following expenditures:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$	\$	\$
El Ferrol Property				
Claim maintenance fees	33,588	-	33,588	-
	33,588	-	33,588	-
Green Mountain Property				
Field office costs	-	-	-	2,849
	-	-	-	2,849
Project evaluation costs				
Geological	43,714	3,828	100,486	34,954
	43,714	3,828	100,486	34,954
Total	77,302	3,828	134,074	37,803

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

4. Deferred Acquisition Costs

	Deferred acquisition costs \$
Balance as of December 31, 2022	9,550,391
Option payments	290,324
Earn-in expenditures	747,046
Balance as of December 31, 2023	10,587,761
Earn-in expenditures	2,781,552
Option payment	102,555
Reclassification of El Ferrol Claim	(345,781)
Balance as of September 30, 2024	13,126,087

Colpayoc Project

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

Jose IV and V Mineral Claims

The Company may earn a 75% interest in the Jose IV and V mineral claims upon completion of US\$3,000,000 in exploration expenditures by December 5, 2025, and a US\$1,500,000 option payment to the owners of the mineral claims. After earning a 75% interest, the Company may acquire the remaining 25% upon completion of an additional US\$2,000,000 in exploration expenditures by December 5, 2027, making a US\$1,500,000 option payment to the owners of the mineral claims, and granting a 2% net smelter return (“NSR”) royalty to the current owners of the mineral claims. The Company has the option to buy back a portion or all of the 2% NSR royalty by making certain payments within one year of the commencement of commercial production. The Company has made an option payment of \$888,815 (US\$650,000), and incurred exploration expenditures of \$4,676,502 (US\$3,464,332) as of September 30, 2024. These amounts are included in deferred acquisition costs.

El Ferrol Claim

The Company acquired a 100% interest in the El Ferrol claims and reclassified the amount as an exploration and evaluation asset (Note 3).

5. Pucara Acquisition

On September 11, 2024, the Company announced it had entered into an arrangement agreement with Pucara Gold Ltd. (“Pucara”), to acquire all of the issued and outstanding shares of Pucara (the “Acquisition”) in exchange for shares of Copper Standard by way of a plan of arrangement (the “Agreement”). Pursuant to the terms of the Agreement each Pucara shareholder will receive 0.1 Copper Standard shares for each Pucara share held (the “Exchange Ratio”). Pucara stock options and warrants outstanding at the time of close of the Acquisition will become exercisable for Copper Standard shares on the same terms and conditions adjusted in accordance with the Exchange Ratio. The Company accrued legal costs of \$150,000 relating to the transaction, these costs are included in the prepaid expenses and other line of the statement of financial position. The Acquisition closed on November 20, 2024 (Note 12).

Concurrently with the Acquisition, the Company signed a subscription agreement to purchase 8,415,765 units of Pucara (each unit consisting of one common share and one half of one common share purchase warrant) for \$0.03 per unit (the “Pucara Units”). The warrants expire five years from the grant date and are exercisable at \$0.05 per share.

The common shares and warrants are recognized in the Company’s consolidated financial statements under IFRS 9, Financial Instruments, at fair value through profit or loss. The consideration was allocated between shares and warrants pro-rata based on

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

the fair value of the Pucara Units, which equates to the market value of the shares and the estimated fair value of the warrants as determined by a Black-Scholes option pricing model.

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

	September 30, 2024	September 10, 2024
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	128.89%	124.04%
Risk-free interest rate	2.77%	2.76%
Expected life of the options	5.00 years	5.00 years
Grant date fair value per option	\$0.03	\$0.04

The Continuity of the investments in Pucara during the period ended September 30, 2024 was as follows:

	Pucara Shares	Pucara Warrants	Pucara Units
	\$	\$	\$
Balance as of December 31, 2023	-	-	-
Investments	178,585	73,888	252,473
Fair value adjustment	242,203	107,049	349,252
Balance as of September 30, 2024	420,788	180,937	601,725

6. Spinout of Subsidiaries

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

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

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

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

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

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

As a result of the spinoff, the Company recorded a net non-cash gain of \$73,475 to the statement of profit or loss. The Company also incurred legal, accounting and administration costs of \$142,875 directly related to the transaction, these costs are included in the accumulated deficit.

7. Share Capital and Reserves

a) Authorized:

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and Outstanding:

Share transactions during the nine months ended September 30, 2024

On January 19, 2024, the Company completed the second tranche of a non-brokered private placement financing and issued 3,388,877 units at \$0.45 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of \$1,524,994. Legal and other financing costs of \$32,783 were incurred in connection with the financing and the net consideration of \$1,492,211 was allocated between share capital and warrants pro-rata based on the fair value of the warrants using a Black-Scholes option pricing model and the trading price of the shares; a total of \$872,364 (net of \$19,165 financing costs) was allocated to share capital and \$619,847 (net of \$13,618 financing costs) was allocated to the warrants.

Share transactions during the year ended December 31, 2023

On December 22, 2023, the Company completed the first tranche of a non-brokered private placement financing and issued 7,766,087 units at \$0.45 per unit (each unit consisting of one common share of the Company and one whole warrant), for proceeds of \$3,494,740. Legal and other financing costs of \$94,344 were incurred in connection with the financing and the net consideration of \$3,400,396 was allocated between share capital and warrants pro-rata based on the fair value of the warrants using a Black-Scholes option pricing model and the trading price of the shares; a total of \$1,951,073 (net of \$54,133 financing costs) was allocated to share capital and \$1,449,323 (net of \$40,211 financing costs) was allocated to the warrants.

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

c) Stock Options

Pursuant to the Company's stock option plan (the "Stock Option Plan"), the Company's board of directors may, from time to time, grant directors, officers, employees and consultants non-transferable options to purchase common shares, provided that the number of common shares served for issuance will not exceed 10% of the total issued and outstanding common shares of the Company, exercisable for a period of up to 5 years from the date of the grant. The exercise price of any option granted pursuant to the Stock Option Plan shall be determined by the board of directors when granted but shall not be less than the market price at the time of grant.

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

Stock options granted during the nine months ended September 30, 2024

On July 8, 2024, the Company issued 500,000 stock options with an exercise price of \$0.45. All stock options issued are under a semi-annual vesting schedule with 25% of the shares vesting every six months starting on January 8, 2024. The options expire five years from the grant date. The value of the options granted was \$176,892 or \$0.35 per option.

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

	July 8, 2024
Expected dividend yield	0.00%
Expected stock price volatility	107%
Risk-free interest rate	3.46%
Expected life of the options	5.00 years
Grant date fair value per option	\$0.35

Stock options granted during the year ended December 31, 2023

On December 1, 2023, the Company issued 683,333 stock options with an exercise price of \$0.48. All stock options issued are under a semi-annual vesting schedule with 25% of the shares vesting every six months starting on June 1, 2024. The options expire five years from the grant date. The value of the options granted was \$260,200 or \$0.38 per option.

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

	December 1, 2023
Expected dividend yield	0.00%
Expected stock price volatility	108%
Risk-free interest rate	3.51%
Expected life of the options	5.00 years
Grant date fair value per option	\$0.38

During the three and nine months ended September 30, 2024, the total share-based compensation recognized by the Company was \$65,245 and \$253,943 respectively (2023 - \$83,081 and \$334,859).

A continuity schedule for stock options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding as of December 31, 2022	2,625,000	\$0.54
Granted	683,333	\$0.48
Exercised	(233,333)	\$0.30
Outstanding as of December 31, 2023	3,075,000	\$0.54
Granted	500,000	\$0.45
Outstanding as of June 30, 2024 and December 31, 2023	3,575,000	\$0.53

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

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

Number outstanding	Exercisable	Exercise Price	Expiry Date	Life remaining
333,334	333,334	\$0.30	September 18, 2025	0.97 years
2,058,333	2,058,333	\$0.60	September 1, 2027	2.93 years
683,333	170,833	\$0.48	December 1, 2028	4.17 years
500,000	-	\$0.45	July 8, 2029	4.77 years
3,575,000	2,562,500			

d) Warrants

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

	Number of warrants	Weighted average exercise price
Outstanding as of December 31, 2022	9,055,333	\$0.30
Granted	7,766,087	\$0.90
Outstanding as of December 31, 2023	16,821,420	\$0.58
Granted	3,388,877	\$0.90
Outstanding as of September 30, 2024	20,210,297	\$0.63

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

Number outstanding	Exercise Price	Expiry Date	Life remaining
2,873,333	\$0.30	September 30, 2025	1.00 years
6,182,000	\$0.30	April 30, 2026	1.58 years
7,766,087	\$0.90	December 22, 2028	4.23 years
3,388,877	\$0.90	January 19, 2029	4.31 years
20,210,297			

On January 19, 2024, the Company issued 3,388,877 warrants with an exercise price of \$0.90 (note 7(b)). The warrants expire five years from the grant date. The value of the warrants granted was \$633,465 or \$0.19 per warrant.

On December 22, 2023, the Company issued 7,766,087 warrants with an exercise price of \$0.90 (note 7(b)). The warrants expire five years from the grant date. The value of the warrants granted was \$1,489,534 or \$0.19 per warrant.

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

	January 19, 2024	December 22, 2023
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	107%	108%
Risk-free interest rate	3.57%	3.30%
Expected life of the warrants	5.00 years	5.00 years
Grant date fair value per warrant	\$0.33	\$0.45

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

8. Related Party Transactions

Related parties are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. Related parties of the Company include the members of the Board of Directors, officers of the Company, close family members of these individuals, and any companies controlled by these individuals. Pathway Capital Ltd (“Pathway”) is considered a related party of the Company as it is controlled by the President and director of the Company.

The Company has an administrative services agreement with Pathway to pay for management fees, rent and other administrative services. During the three and nine months ended September 30, 2024, Copper Standard paid or accrued \$15,000 and \$45,000 to Pathway under the agreement (2023 - \$15,000 and \$45,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at September 30, 2024, the Company had an accounts payable balance of \$30,536 owing to Pathway (December 31, 2023 - \$41,287).

Compensation of key management personnel:

Key management personnel include persons having the authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company considers its Board of Directors, the Chief Executive Officer, and the Chief Financial Officer to be key management personnel.

During the three and nine months ended September 30, 2024 and 2023, the Company’s compensation cost for key management personnel was as follows:

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
	\$	\$	\$	\$
Salaries and wages	101,060	21,000	135,560	59,500
Share-based compensation	53,997	63,908	157,872	257,583
Total	155,057	84,908	293,432	317,083

9. Financial Instruments

As at September 30, 2024, the Company’s financial instruments consist of cash and cash equivalents, receivables, investments, and accounts payable and accrued liabilities. The Company classifies cash and cash equivalents and receivables as financial assets held at amortized cost. The Company classifies its investments as a financial asset held at fair value using the market price of traded securities and the Black-Scholes pricing model for its warrants. The Company classifies accounts payable and accrued liabilities as financial liabilities, and these are held at amortized cost. The fair value of all of the Company’s financial instruments approximates their carrying value.

The risk exposure arising from these financial instruments are summarized as follows:

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company’s financial assets are cash and cash equivalents and receivables. The Company holds its cash and cash equivalents in bank accounts with highly rated financial institutions, therefore minimizing the Company’s credit risk. Receivables are due from government agencies.

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company has sufficient cash and cash equivalents as of September 30, 2024, to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash and cash equivalents balance, is dependent on the Company's ability to obtain financing (Note 1).

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or value of its holdings or financial instruments.

As at September 30, 2024, the Company is exposed to currency risk through its assets and liabilities denominated in US dollars and Peruvian nuevo soles. A significant change in these exchange rates could have an effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations.

Based on the balances held in foreign currencies as at September 30, 2024, and assuming all other variables remain constant, a 10% change in the value of the US dollar and Peruvian nuevo soles against the Canadian dollar would result in an increase/decrease of approximately \$12,943 in assets.

The Company is also exposed to changes in the fair value of its Pucara investments. A 10% change in the market price of the Pucara investments would impact the Company's statement of loss and comprehensive loss by approximately \$42,079.

10. Supplemental Cash Flow Information

As at September 30, 2024, \$808,915 of cash and cash equivalents was held in Canadian dollars (December 31, 2023 - \$2,185,516), \$129,112 in US dollars (December 31, 2023 - \$1,226,077) and \$319 were held in Peruvian Soles (December 31, 2023 - \$2,145).

<i>Cash and cash equivalents</i>	September 30, 2024	December 31, 2023
Cash	179,716	3,413,738
Cash equivalents	758,630	-
	938,346	3,413,738

11. Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral projects for the benefit of its stakeholders. As the Company is in the exploration stage, it has no income from operations, and its principal source of funds is from the issuance of its common shares.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, or dispose of assets, amongst other alternatives.

The Company's investment practice is to invest its excess cash and cash equivalents in highly liquid short-term interest-bearing investments selected with regards to expected timing of its expenditures. The Company is not subject to any externally imposed capital requirements. The Company's approach to capital management has not changed in the years presented.

Copper Standard Resources Inc.

Notes to the Condensed Interim Consolidated Financial Statements
For the Three and Nine Months Ended September 30, 2024 and 2023
(Expressed in Canadian dollars, unless otherwise stated – unaudited)

12. Subsequent Event

On November 20, 2024, the Company acquired all of the issued and outstanding common shares of Pucara pursuant to the Agreement (Note 5). In connection with the closing, the Company issued 7,659,195 common shares, 1,400,000 warrants, and 280,000 stock options to former Pucara securityholders.