COPPER STANDARD RESOURCES

CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2024 and 2023

Independent Auditor's Report

To the Shareholders of Copper Standard Resources Inc.

Opinion

We have audited the consolidated financial statements of Copper Standard Resources Inc. (the "Company"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters, that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Matter

The financial statements of the Company for the year ended December 31, 2023, were audited by another auditor who expressed an unmodified opinion on those statements on April 16, 2024.

Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is David Goertz.

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DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, BC

April 24, 2025

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

	Note	As at December 31, 2024 $	As at December 31, 2023 $
ASSETS			
Current assets			
Cash and cash equivalents	10	**620,215**	**3,413,738**
Receivables		**100,211**	**64,091**
Prepaid expenses and other		**58,155**	**12,100**
Total current assets		**778,581**	**3,489,929**
Non-current assets			
Deferred acquisition costs	5	**13,587,501**	**10,587,761**
Exploration and evaluation assets	3,4	**5,084,661**	**-**
Total assets		**19,450,743**	**14,077,690**
LIABILITIES			
Current liabilities			
Accounts payable	8	**196,749**	**285,515**
Accrued liabilities		**301,000**	**115,000**
Total liabilities		**497,749**	**400,515**
SHAREHOLDERS' EQUITY			
Share capital	7	**18,497,153**	**13,795,191**
Share-based compensation reserve	7 (c)	**1,094,431**	**691,853**
Warrant reserve	7 (d)	**3,057,553**	**2,031,125**
Deficit		**(3,696,143)**	**(2,840,994)**
Total shareholders' equity		**18,952,994**	**13,677,175**
Total liabilities and shareholders' equity		**19,450,743**	**14,077,690**

Nature of operations and going concern (Note 1)
Subsequent event (Note 13)

Approved by the Board of Directors on April 24, 2025

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

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

Copper Standard Resources Inc.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars, except for share and per share data)

	Note	Year ended December 31, 2024 $	Year ended December 31, 2023 $
Expenses			
Exploration and evaluation expenses	4	**(235,506)**	**(76,201)**
Foreign exchange gain (loss)		**71,758**	**(151,251)**
General and administrative	8	**(174,604)**	**(61,188)**
Gain from change in fair value of investments	3	**348,410**	**-**
Gain on spinouts	6	**-**	**87,487**
Impairment of exploration asset	4	**-**	**(229,657)**
Insurance expense		**(12,570)**	**(12,100)**
Interest income		**84,941**	**-**
Listing and filing fees		**(31,879)**	**(41,868)**
Management fees	8	**(27,000)**	**(36,000)**
Marketing fees		**(128,201)**	**(120,840)**
Professional fees		**(212,586)**	**(181,749)**
Salaries and wages	8	**(180,405)**	**(50,500)**
Share-based compensation	7(c), 8	**(357,507)**	**(410,431)**
Loss and comprehensive loss		**(855,149)**	**(1,284,298)**
Loss per share			
Basic and diluted		**(0.02)**	**(0.04)**
Weighted average number of common shares outstanding (basic and diluted)		**42,595,961**	**30,730,083**

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

(Expressed in Canadian dollars, except for number of shares)

	Note	Number of issued shares	Share capital $	Share-based compensation reserve $	Warrants reserve $	Deficit $	Total $
Balance, December 31, 2022		**30,505,154**	**11,751,273**	**304,267**	**581,802**	**(1,263,821)**	**11,373,521**
Units issued for private placement	7(b), 7(d)	**7,766,087**	**2,005,206**	**-**	**1,489,534**	**-**	**3,494,740**
Issuance costs	7(b)	**-**	**(54,133)**	**-**	**(40,211)**		**(94,344)**
Share-based compensation	7(c)	**-**	**-**	**410,431**	**-**	**-**	**410,431**
Spin-off transactions	6	**-**	**-**	**-**	**-**	**(292,875)**	**(292,875)**
Shares issued for option exercise	7(b)	**233,333**	**92,845**	**(22,845)**	**-**	**-**	**70,000**
Loss and comprehensive loss for the year		**-**	**-**	**-**	**-**	**(1,284,298)**	**(1,284,298)**
Balance, December 31, 2023		**38,504,574**	**13,795,191**	**691,853**	**2,031,125**	**(2,840,994)**	**13,677,175**
Units issued for private placement	7(b), 7(d)	**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)	**-**	**-**	**357,507**	**-**	**-**	**357,507**
Securities issued on acquisition	3	**7,659,195**	**3,829,598**	**45,071**	**406,581**	**-**	**4,281,250**
Loss and comprehensive loss for the year		**-**	**-**	**-**	**-**	**(855,149)**	**(855,149)**
Balance, December 31, 2024		**49,552,646**	**18,497,153**	**1,094,431**	**3,057,553**	**(3,696,143)**	**18,952,994**

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

Copper Standard Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Note	Year ended December 31, 2024 $	Year ended December 31, 2023 $
Operating Activities			
Net loss for the year		**(855,149)**	**(1,284,298)**
Items not affecting cash and cash equivalents:			
Share-based compensation	7(c)	**357,507**	**410,431**
Impairment of exploration asset	4	**-**	**229,657**
Gain on spinout	6	**-**	**(87,487)**
Gain on change in fair value of investments	3	**(348,410)**	**-**
Changes in non-cash working capital:			
Accounts payable and accrued liabilities		**(317,758)**	**65,950**
Receivables		**5,567**	**(30,977)**
Prepaid expenses and other		**7,804**	**(12,100)**
Cash flows used in operating activities		**(1,150,439)**	**(708,824)**
Investing Activities			
Deferred acquisition costs	5	**(3,345,521)**	**(1,037,370)**
Subscription of Pucara Units before Acquisition	3	**(252,473)**	**-**
Cash from Acquisition of Pucara	3	**462,699**	**-**
Cash disposed of on deconsolidation	6	**-**	**(69,051)**
Cash flows used in investing activities		**(3,135,295)**	**(1,106,421)**
Financing Activities			
Issuance of units	7(b), 7(d)	**1,524,994**	**3,494,740**
Issuance costs	7(b)	**(32,783)**	**-**
Option exercise	7(c)	**-**	**70,000**
Cash flows provided by financing activities		**1,492,211**	**3,564,740**
Change in cash and cash equivalents		**(2,793,523)**	**1,749,495**
Cash **and cash equivalents** – beginning of year		**3,413,738**	**1,664,243**
Cash and cash equivalents – end of year		**620,215**	**3,413,738**

Supplemental cash flow information (Note 10)

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 owns a 100% interest in 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. The Company also owns a 100 interest in mining concessions of the Pacaska, Capricho, and Paco Orco projects located in Peru.

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. All shares, stock options, warrants and per share amounts are presented on a post-consolidation basis.

These 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 $855,149 for the year ended December 31, 2024, and as at December 31, 2024 had an accumulated deficit of $3,696,143. 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. Statement of Compliance and Material Accounting Information

a) Statement of Compliance

These Financial Statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

These Financial Statements were authorized for issuance by the Board of Directors of the Company on April 24, 2025.

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 all of its subsidiaries.

c) Material accounting policy information

Consolidation of subsidiaries
Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are recorded at cost and fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Cash and cash equivalents

Cash and cash equivalents consist of bank balances and highly liquid short-term investments that are readily convertible to cash and have maturities with terms of less than ninety days and/or with original maturities over ninety days but redeemable on demand without penalty. As at December 31, 2024 and 2023 the Company did not hold any cash equivalents.

Exploration and evaluation assets

Acquisition costs of mineral claims are initially capitalized as exploration and evaluation assets as incurred and include cash consideration and the fair value of shares issued on the acquisition of mineral properties. Exploration expenditures are expensed as incurred until such time as technical feasibility and commercial viability of the mineral properties is demonstrable, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

When the technical and commercial viability of a mineral resource has been demonstrated and a development decision has been made, the capitalized costs of the related property are first tested for impairment, then transferred to mining assets and will be depreciated using the units of production method on commencement of commercial production.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. For the purposes of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash generating units or “CGUs”).

If an indicator of impairment exists, the recoverable amount of the asset or CGU is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and the value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in profit or loss.

Deferred acquisition costs

Deferred acquisition costs represent cumulative costs incurred directly attributable to the uncompleted acquisition of a target company and its related net assets. Once complete, the Company will consolidate the entity, or in the event of noncompletion, such costs will be written-off. The Company assesses the deferred acquisition costs for impairment indicators each reporting period, including assessment of the target company's underlying net assets.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through Other Comprehensive Income ("OCI"), or through profit or loss), or

- Those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses are either recorded in profit or loss or OCI.

At present, the Company classifies cash as held at fair value through profit or loss.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. There are three measurement categories under which the Company classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included as finance income using the effective interest rate method.

- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an instrument that is subsequently measured at FVTPL is recognized in profit or loss.

Financial liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method. At present, accounts payable and accrued liabilities are measured at amortized cost.

Loss per share

Loss per share is computed by dividing net loss by the weighted average number of common shares outstanding during the period. The computation of diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The assumed proceeds upon the exercise of stock options and warrants are assumed to be used to purchase common shares at the average market price during the period. This calculation proved to be anti-dilutive for the years presented.

Income Taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used are those that are substantively enacted by the end of the reporting date. Deferred income tax is provided for temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting. The change in the net deferred income tax asset or liability is included in income except for deferred income tax relating to equity items which is recognized directly in equity. The income tax effects of differences in the periods when revenue and expenses are recognized, in accordance with Company's accounting practices, and the periods they are recognized for income tax purposes are reflected as deferred income tax assets or liabilities. Deferred income tax assets and liabilities are measured using the substantively enacted statutory income tax rates which are expected to apply to taxable income in the years in which the assets are realized or the liabilities settled. A valuation allowance is recorded against any deferred tax asset if it is not probable to be utilized against future taxable profit.

Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to offset current tax assets against liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity and are intended to be settled on a net basis.

The determination of current and deferred taxes requires interpretations of tax legislation, estimates of expected timing of reversal of deferred tax assets and liabilities, and estimates of future earnings.

Share capital and share issuance costs

Costs directly attributable to the raising of capital are charged against the related share capital. Costs related to shares not yet issued are recorded as deferred share issuance costs. These costs are deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related share capital or charged to profit or loss if the shares are not issued.

When the Company issues shares with a warrant attached, the Company allocates the transaction price proportionately based on the relative fair value of each instrument, being the common share and the warrant, at grant date. The fair value of warrants is determined by using the Black-Scholes option pricing model. The value assigned to the common share is recorded in share capital and the value assigned to the warrants is recorded within the reserves. If and when the warrants are exercised, the applicable original amounts of reserve for warrants are transferred to issued capital. The proceeds generated from the payment of the exercise price are also allocated to issued capital.

Share-based compensation

The fair value of the share-based compensation awards for stock options and compensation warrants is determined at the date of grant using the Black-Scholes option pricing model. The fair value of the award is charged to profit or loss (unless they are considered to be share issuance costs in which case they are booked as a reduction to share capital) and credited to the Share-based compensation reserve (within Shareholders' Equity on the Statement of Financial Position) ratably over the vesting period, after adjusting for the number of awards that are expected to vest. Expenses recognized for forfeited unvested awards are reversed. Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified over the original vesting period. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement as measured at the date of modification, over the remainder of the vesting period.

Equity-based compensation issued to non-employees for services performed is recorded at the fair value of the services performed unless this value cannot be determined reliably in which case the compensation issued is valued with reference to the fair value of the equity instruments granted. This compensation is recorded on the date the services are performed.

Foreign currency translation and transactions

The functional currency of the Company and its subsidiaries is determined based on the currency of the primary economic environment in which it operates. The functional currency of Copper Standard and all its subsidiaries is the Canadian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the nonmonetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

d) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective.

IFRS 18 – Presentation and Disclosure in Financial Statements – In April 2024, the International Accounting Standards Board issued IFRS 18, Presentation and Disclosure of Financial Statements (IFRS 18), which replaces IAS 1, Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified.

The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this standard on its consolidated financial statements.

e) 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.

Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty for the year ended December 31, 2024 are below:

Judgements

• In calculating the fair value of Green Mountain Resources Ltd. ("GMR") and Kobe Resources Ltd. ("Kobe") for purposes of the Arrangement (note 6) the Company used replacement cost as the valuation methodology, based on the legal, accounting and administration costs incurred to date by those entities.

• At the time of acquisition, the Company considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, is acquired. More specifically, consideration is given to the extent to which significant processes are acquired. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognized.

• At the time of acquisition, the Company assesses whether it has control over the acquiree. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Where control exists, the Company consolidates the results of the acquired entity.

• Management makes judgments related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities.

• The functional currency of the Company is the currency of the primary economic environment in which the entity operates. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders functional currency if there is a change in events and conditions which determine the primary economic environment.

• The Company has entered into an agreement to acquire a company holding mineral projects. The expenditures incurred on the mineral projects are being accounted for as advances toward the purchase of a company interest in accordance with IFRS 10 and capitalized to the statement of financial position. Upon attaining control of the company, the Company will consolidate it as a subsidiary. At the end of each reporting period, the Company assesses the deferred acquisition costs to determine if any impairment indicators are present.

Estimates

• Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the consolidated statement of financial position could be impacted.

• In calculating the fair value of the share-based compensation and warrants, management uses the Black Scholes Option Pricing Model which includes estimates related to the Company's share price volatility and expected life of the instruments.

• The fair value of the assets and liabilities acquired with Pucara Gold Ltd. ("Pucara") on November 20, 2024 (note 3) have been estimated by management by allocating the fair value of the consideration shares, warrants and options issued.

(Expressed in Canadian dollars, unless otherwise stated)

• The fair value of consideration to acquire the company in the Acquisition comprised of common shares, for which the fair value at the date of issuance is a significant estimate. In determining the estimate, management considered trading share price on the closing date. The replacement warrants and options were valued using the Black-Scholes option pricing model which utilizes subjective assumptions such as fair value of the underlying share, expected price volatility, expected life and estimated forfeitures. The Company applied IFRS 2 Share-based Payment in accounting for the Acquisition.

• The assessment of indicators of impairment for the mineral properties and the related determination of the recoverable amount and write-down of the properties where applicable. To the extent that these estimates are not correct, the value of the mineral properties may differ. The assessment includes project plan evaluation, exploration rights, project economics, political instability, mineral prices and other applicable factors.

3. Pucara Acquisition

On November 20, 2024, the Company acquired all the issued and outstanding common shares of Pucara (the "Acquisition") in exchange for 7,659,195 common shares of the Company on a ratio of 1 for 10 (the "Exchange Ratio"). In connection with the Acquisition, Pucara stock options and warrants were exchanged in securities of the Company on the same terms and conditions adjusted in accordance with the Exchange Ratio. The fair value of these stock options and warrants were included in the purchase price allocation as consideration for the Acquisition. The Company incurred legal and other transaction costs of $235,860 relating to the Acquisition.

On September 10, 2024, the Company acquired 8,415,765 units of Pucara for $0.03 per unit. Each unit ("Pucara Unit") consists of one common share and one half of one warrant. Each warrant entitled the holder to acquire a share of Pucara at $0.05 per share for a period of 5 years following the issuance date. The Pucara Units was classified as FVTPL. On the closing of the Acquisition, the Pucara Units formed a part of the Acquisition, and the value of the Pucara Units were considered in the purchase price allocation as consideration for the Acquisition. During the year ended December 31, 2024, the Company derecognized the shares and warrants of Pucara and recorded a gain from change of fair value of investment of $348,410 (2023 - $nil).

The shares and warrants of Pucara Units were measured on the acquisition date and the completion date, with the relative fair values allocated between shares and warrants pro-rata based on the fair value of the warrants using the Black-Scholes option pricing model and the trading price of the shares;

The warrants of Pucara Units were measured using the Black-Scholes option pricing model with the following weighted average assumptions:

	September 10, 2024	**November 20, 2024**
Expected life (Years)	5.00	4.81
Expected volatility	128.89%	129.79%
Dividend rate	0.00%	0.00%
Risk-free interest rate	2.77%	3.25%

The continuity of the Pucara Units was as follows:

	Pucara Shares $	**Pucara Warrants $**
Balance as of December 31, 2022 and 2023	**-**	**-**
Additions	178,585	73,888
Change in fair value	242,203	106,207
Derecognition	(420,788)	(180,095)
Balance as of December 31, 2024	**-**	**-**

(Expressed in Canadian dollars, unless otherwise stated)

The Acquisition constitutes an asset acquisition with the Company being the acquirer for accounting purposes. The Acquisition has been accounted for in accordance with guidance provided in IFRS 2, Share-Based Payment ("IFRS 2") as Pucara did not qualify as a business according to the definition in IFRS 3, Business Combinations, as there were no substantive processes in place.

The purchase price is allocated as follows:

	$
Purchase price:	
Fair value of share consideration (at a price of $0.50 per share)	3,829,598
Pucara Units	600,883
Fair value of replacement warrants (note 7(d))	406,581
Fair value of replacement options (note 7(c))	45,071
Transaction costs	235,860
Total consideration	**5,117,993**
Net assets acquired and liability assumed	
Cash	462,699
Receivables	41,687
Prepaid expenses	53,859
Exploration and evaluation assets (note 4)	4,738,880
Accounts payable	(179,132)
Net asset	**5,117,993**

4. Exploration and Evaluation Assets

	Pacaska $	Capricho $	Paco Orco $	El Ferrol $	Green Mountain $	Total $
Balance at December 31, 2022	**-**	**-**	**-**	**-**	229,657	229,657
Impairment	-	-	-	-	(229,657)	(229,657)
Balance at December 31, 2023	-	-	-	-	-	-
Additions	4,468,880	135,000	135,000	345,781	-	5,084,661
Balance at December 31, 2024	**4,468,880**	**135,000**	**135,000**	**345,781**	**-**	**5,084,661**

On November 20, 2024, the Company obtained interests in the Pacaska, Capricho, and Paco Orco projects via the Acquisition (note 3).

Pacaska Property, Peru

The Pacaska Project consists of various mineral concessions located in the Laramate district and is subject to Net Smelter Return ("NSR") royalties totaling 1.5%,

(Expressed in Canadian dollars, unless otherwise stated)

Capricho Property, Peru

The Capricho Property consists of various mineral concessions located in the Constancia district and is subject to NSR royalties totaling 2%

Pucara entered into an option agreement granting Solaris Resources Inc. ("Solaris") exclusive rights to earn up to a 75% interest in the Capricho Property. Under the first option, Solaris can earn a 51% interest by acquiring all necessary permits and incurring US$5,000,000 in qualified expenditures within three years from the date the permits are obtained. Under the second option, Solaris can earn an additional 24% interest by spending US$14,500,000 within four years after fulfilling the first option, exclusively funding a Pre-Feasibility Study ("PFS") on the project, and paying the Company US$500,000.

As of December 31, 2024, Solaris is in the process of obtaining drilling permits and community approval.

Paco Orco Property, Peru

The Paco Orco Property consists of various mineral concessions located in southern Peru and is subject to an NSR royalty of 1%.

Pucara entered into an option agreement granting Solaris exclusive rights to earn up to a 75% interest in the Paco Orco Property. Under the first option, Solaris can earn a 51% interest by acquiring all necessary permits and incurring US$4,000,000 in qualified expenditures within three years from the date the permits are obtained. Under the second option, Solaris can earn an additional 24% interest by spending US$11,500,000 within four years after fulfilling the first option, exclusively funding a Pre-Feasibility Study ("PFS") on the project and paying the Company US$500,000.

As of December 31, 2024, Solaris is in the process of obtaining drilling permits and community approval.

El Ferrol Property, Peru

During the year ended December 31, 2024, the Company earned a 100% interest in the El Ferrol Property (note 5) and as a result of the acquisition, the Company reclassified a total of $345,781 (US$250,000) from deferred acquisition costs to exploration and evaluation assets.

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.

Green Mountain Property, Canada

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. The Green Mountain property was fully impaired resulting in an impairment of $229,657.

Exploration and evaluation expenditures

The following expenditures were incurred during the year and charged to profit or loss.

	Year ended December 31, 2024 $	Year ended December 31, 2023 $
Pucara Properties		
Claim maintenance fees	32,166	
Community	15,200	-
Admin	2,919	-
	50,285	-

(Expressed in Canadian dollars, unless otherwise stated)

El Ferrol Property		
Claim maintenance fees	37,422	32,325
	37,422	32,325
Green Mountain Property		
Field office costs	-	2,849
	-	2,849
Project evaluation costs		
Geological	147,799	41,027
	147,799	41,027
Total	**235,506**	**76,201**

5. 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	3,242,966
Option payment	102,555
Reclassification to exploration and evaluation assets - El Ferrol Claim	(345,781)
Balance as of December 31, 2024	**13,587,501**

Colpayoc Project, Peru

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% 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) (US$650,000 – 2023), and incurred exploration expenditures of $5,137,916 (US$3,800,220) (US$1,432,746 – 2023) as of December 31, 2024. These amounts are included in deferred acquisition costs.

El Ferrol Claim

The Company earned a 100% interest in the El Ferrol Claim through total payments of US$250,000 by July 7, 2024. During the year ended December 31, 2024, the Company made the final option payment of $102,555 (US$75,000) and acquired a 100% interest in the El Ferrol Claim (note 4) in Northern Peru. As a result of acquiring the property, the Company reclassified a total of $345,781 (US$250,000) from deferred acquisition costs to exploration and evaluation assets.

(Expressed in Canadian dollars, unless otherwise stated)

6. Spinout of Subsidiaries

On June 7, 2023, the Company and its two former wholly owned subsidiaries, GMR and 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 Copper Standard each received 1/10th of a share in GMR and 1/10th of a share in Kobe for each share they owned in Copper Standard, 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 as follows:

	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 $87,487 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 year ended December 31, 2024

On November 20, 2024, the Company completed its acquisition of Pucara (note 3) through the issuance of 7,659,195 common shares valued at $3,829,598 to Pucara shareholders.

(Expressed in Canadian dollars, unless otherwise stated)

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 shares 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.

Stock options granted during the year ended December 31, 2024

In connection with the Acquisition, the Company exchanged 280,000 stock options of the Company for Pucara stock options based on the Exchange Ratio, with an exercise price of $4.00 and $1.10, respectively. The stock options vested immediately and expire on August 14, 2025 and February 28, 2027, respectively. The fair value of the stock options was $352 and $44,719, respectively.

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 options vesting every six months starting on January 8, 2025. 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 values of options issued during the year using the Black-Scholes option pricing model:

	November 20, 2024	**November 20, 2024**	**July 8, 2024**
Options issued	70,000	210,000	500,000
Expected dividend yield	0.00%	0.00%	0.00%
Expected stock price volatility	107%	107%	107%
Risk-free interest rate	3.25%	3.25%	3.46%
Expected life of the options	0.73 years	2.27 years	5.00 years
Grant date fair value per option	$0.01	$0.21	$0.35

(Expressed in Canadian dollars, unless otherwise stated)

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 year ended December 31, 2024, the total share-based compensation recognized by the Company was $357,507 (2023 - $410,431).

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	780,000	$0.94
Outstanding as of December 31, 2024	**3,855,000**	**$0.62**

As at December 31, 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	0.72 years
70,000	70,000	$4.00	August 14, 2025	0.73 years
210,000	210,000	$1.10	February 28, 2027	2.16 years
2,058,333	2,058,333	$0.60	September 1, 2027	2.68 years
683,333	341,666	$0.48	December 1, 2028	3.92 years
500,000	-	$0.45	July 8, 2029	4.52 years
3,855,000	**3,013,333**			

(Expressed in Canadian dollars, unless otherwise stated)

d) Warrants

In connection with the Acquisition, the Company exchanged 1,400,000 warrants of the Company for Pucara warrants based on the Exchange Ratio. These warrants have an adjusted exercise price of $0.80 and expire on December 2, 2027. The fair value of the warrants exchanged were $406,581.

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:

	November 20, 2024	January 19, 2024	December 22, 2023
Expected dividend yield	0.00%	0.00%	0.00%
Expected stock price volatility	107%	107%	108%
Risk-free interest rate	3.25%	3.57%	3.30%
Expected life of the warrants	3.03 years	5.00 years	5.00 years
Grant date fair value per warrant	$0.29	$0.33	$0.45

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	4,788,877	$0.87
Outstanding as of December 31, 2024	**21,610,297**	**$0.64**

As at December 31, 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
1,400,000	$0.80	December 2, 2027	2.92 years
7,766,087	$0.90	December 22, 2028	4.23 years
3,388,877	$0.90	January 19, 2029	4.31 years
21,610,297			

(Expressed in Canadian dollars, unless otherwise stated)

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.

On September 30, 2024, the Company terminated an administrative services agreement with Pathway to pay for management fees, rent and other administrative services. During the year ended December 31, 2024, Copper Standard paid or accrued $45,000 to Pathway under the agreement (2023 - $60,000), these expenses are included under general and administrative expenses and management fees in the consolidated statement of loss and comprehensive loss. As at December 31, 2024, the Company had an accounts payable balance of $15,641 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, as well as the Chief Executive Officer, President and the Chief Financial Officer to be key management personnel.

During the years ended December 31, 2024 and 2023, the Company's compensation cost for key management personnel was as follows:

	Year ended December 31, 2024 $	**Year ended December 31, 2023 $**
Salaries and wages	180,405	86,500
Share-based compensation	257,850	311,609
Total	**438,255**	**398,109**

9. Financial Instruments

As at December 31, 2024, the Company's financial instruments consist of cash and cash equivalents, receivables, 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 it 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.

(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 as of December 31, 2024, to cover its liabilities. The Company's ability to continue to meet its liabilities when due, beyond the current cash and cash equivalent balance, is dependent on the Company's ability to obtain financing (Note 1).

The Company has accounts payable and accrued liabilities of $497,749 (2023 - $400,515), which are due within 12 months following December 31, 2024. The Company's exposure to liquidity risk is high.

(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 December 31, 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 December 31, 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 $10,397 in assets.

10. Supplemental Cash Flow Information

As at December 31, 2024, $516,242 of cash was held in Canadian dollars (December 31, 2023 - $2,185,516), $103,395 in US dollars (December 31, 2023 - $1,226,077) and $578 were held in Peruvian Soles (December 31, 2023 - $2,145).

Cash and cash equivalents	**December 31, 2024**	**December 31, 2023**
Cash	**620,215**	**3,413,738**
Cash equivalents	**-**	**-**
Total cash and cash equivalents	**620,215**	**3,413,738**

Non-cash financing and investing activities	**Note**	**Year Ended December 31, 2024**	**Year Ended December 31, 2023**
Shares issued for Acquisition	3	**3,829,598**	**-**
Warrants exchanged for Acquisition	3	**406,581**	**-**
Options exchanged for Acquisition	3	**45,071**	**-**
Share issuance costs included in accounts payable	7(b)	**-**	**94,344**
Spinout shares distributed	6	**-**	**150,000**
Costs incurred for distribution of spinout	6	**-**	**142,875**

(Expressed in Canadian dollars, unless otherwise stated)

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.

12. Income Tax

Reconciliation of Effective Tax Rate

The Company is subject to Canadian federal and provincial tax for the estimated assessable profit at a rate of 27%. The Company had no assessable profit for all periods disclosed.

The tax expense at statutory rates for the Company can be reconciled to the reported loss for the year as follows:

	2024 $	2023 $
Loss before income taxes	**855,149**	1,284,298
Statutory income tax rate	**27%**	27%
Income tax recovery	**230,705**	346,760
Non-deductible expenses	**84,924**	(177,457)
Share issuance costs	**8,851**	25,473
Difference in foreign tax rate and impact of foreign exchange	**35,532**	3,715
Impact of acquisition	**1,408,336**	(69,012)
Tax effect of net deferred tax assets not recognized	**(1,768,348)**	(129,479)
Total income tax expense	**-**	-

(Expressed in Canadian dollars, unless otherwise stated)

Deferred Income Taxes

As at December 31, 2024, the Company's net unrecognized deferred income tax assets amount to $2,281,898 (2023 - $491,461).

The Company's unrecognized net deferred income tax assets are as follows:

	2024 $	2023 $
Non-capital losses	**2,167,043**	475,326
Financing costs	**29,360**	31,927
Exploration and evaluation asset	**85,495**	(15,792)
Total unrecognized net deferred income tax assets	**2,281,898**	491,461

In assessing the recoverability of deferred tax assets other than deferred tax assets resulting from the initial recognition of assets and liabilities that do not affect accounting or taxable profit, management considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As the Company has no operations, enough evidence is not yet available to determine if the Company will be able to recognize its deferred tax assets. None of the deferred tax assets have therefore been recognized in the Company's consolidated Statement of Financial Position.

The significant components of the Company's deductible (taxable) temporary differences are as follows:

		2024 ($)	2023 ($)	Expiry Dates
Non-capital losses:				
	2012	90,000	-	2032
	2013	213,000	-	2033
	2014	193,000	-	2034
	2015	262,000	-	2035
	2016	18,000	-	2036
	2017	525,000	-	2037
	2018	470,376	8,376	2038
	2019	1,457,390	48,390	2039
	2020	1,292,991	388,991	2040
	2021	967,411	302,411	2041
	2022	699,964	366,964	2042
	2023	727,643	483,321	2043
	2024	865,723	-	2044
		7,782,498	1,598,453	
Financing costs		108,739	118,248	Not applicable
Unused temporary differences		**7,891,237**	**1,716,701**	

13. Subsequent Event

On March 28, 2025, the Company issued 2,100,000 common shares upon exercise of 1,900,000 stock warrants and 200,000 stock options for gross proceeds of $630,000.