CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For the Three Months Ended March 31, 2025 and 2024

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	March 31, 2025 $	December 31, 2024 $
ASSETS			
Current assets			
Cash and cash equivalents		**692,997**	**620,215**
Receivables		**76,683**	**100,211**
Prepaid expenses and other		**53,800**	**58,155**
Total current assets		**823,480**	**778,581**
Non-current assets			
Deferred acquisition costs	3	**13,727,286**	**13,587,501**
Exploration and evaluation asset	5	**5,084,661**	**5,084,661**
Total assets		**19,635,427**	**19,450,743**
LIABILITIES			
Current liabilities			
Accounts payable	7	**380,571**	**196,749**
Accrued liabilities		**82,500**	**301,000**
Total liabilities		**463,071**	**497,749**
SHAREHOLDERS' EQUITY			
Share capital	6	**19,328,762**	**18,497,153**
Share-based compensation reserve	6 (c)	**1,119,634**	**1,094,431**
Warrant reserve	6 (d)	**2,875,153**	**3,057,553**
Deficit		**(4,151,193)**	**(3,696,143)**
Total shareholders' equity		**19,172,356**	**18,952,994**
Total liabilities and shareholders' equity		**19,635,427**	**19,450,743**

Nature of operations and going concern (Note 1)

Approved by the Board of Directors on May 27th, 2025

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

Director ***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 March 31, 2025 $	Three months ended March 31, 2024 $
Expenses			
Exploration and evaluation expenses	5	**(140,546)**	**(27,409)**
Foreign exchange (loss) gain		**(6,225)**	**16,456**
General and administrative	7	**(65,249)**	**(48,498)**
Insurance expense		**(3,260)**	**(3,025)**
Interest income		**134**	**26,213**
Listing and filing fees		**(5,206)**	**(8,414)**
Management fees	7	**(14,750)**	**(9,000)**
Marketing fees		**(31,743)**	**(32,113)**
Professional fees		**(82,957)**	**(56,104)**
Salaries and wages	7	**(60,836)**	**(18,000)**
Share-based compensation	6(c), 7	**(44,412)**	**(109,546)**
Loss and comprehensive loss for the period		**(455,050)**	**(269,440)**
Loss per share			
Basic and diluted		**(0.01~~0~~)**	**(0.01)**
Weighted average number of common shares outstanding (basic and diluted)		**49,645,979**	**41,260,377**

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, 2023		**38,504,574**	**13,795,191**	**691,853**	**2,031,125**	**(2,840,994)**	**13,677,175**
Units issued for private placement	6(b)	**3,388,877**	**891,529**	**-**	**633,465**	**-**	**1,524,994**
Issuance costs	6(b)	**-**	**(19,165)**	**-**	**(13,618)**	**-**	**(32,783)**
Share-based compensation	6(c)	**-**	**-**	**109,546**	**-**	**-**	**109,546**
Loss and comprehensive loss for the period		**-**	**-**	**-**	**-**	**(269,440)**	**(269,440)**
Balance, March 31, 2024		**41,893,451**	**14,667,555**	**801,399**	**2,650,972**	**(3,110,434)**	**15,009,492**
Balance, December 31, 2024		**49,552,646**	**18,497,153**	**1,094,431**	**3,057,553**	**(3,696,143)**	**18,952,994**
Warrant exercise	6(d)	**1,900,000**	**752,400**	**-**	**(182,400)**	**-**	**570,000**
Option exercise	6(c)	**200,000**	**79,209**	**(19,209)**	**-**	**-**	**60,000**
Share-based compensation	6(c)	**-**	**-**	**44,412**	**-**	**-**	**44,412**
Loss and comprehensive loss for the period		**-**	**-**	**-**	**-**	**(455,050)**	**(455,050)**
Balance, March 31, 2025		**51,652,646**	**19,328,762**	**1,119,634**	**2,875,153**	**(4,151,193)**	**19,172,356**

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)

	Note	Three months ended March 31, 2025 $	Three months ended March 31, 2024 $
Operating Activities			
Loss for the period		**(455,050)**	**(269,440)**
Items not affecting cash and cash equivalents:			
Share-based compensation	6(c)	**44,412**	**109,546**
Changes in non-cash working capital:			
Accounts payable and accrued liabilities		**(34,678)**	**(267,745)**
Receivables		**23,528**	**7,290**
Prepaid expenses and other		**4,355**	**3,025**
Cash flows used in operating activities		**(417,433)**	**(417,324)**
Investing Activities			
Deferred acquisition costs	3	**(139,785)**	**(555,013)**
Cash flows used in investing activities		**(139,785)**	**(555,013)**
Financing Activities			
Issuance of units	6(b), 6(d)	**-**	**1,524,994**
Issuance costs	6(b)	**-**	**(32,783)**
Warrant exercise	6(b)	**570,000**	**-**
Option exercise	6(b)	**60,000**	**-**
Cash flows provided by financing activities		**630,000**	**1,492,211**
Increase in cash and cash equivalents for the period		**72,782**	**519,874**
Cash and cash equivalents – beginning of period		**620,215**	**3,413,738**
Cash and cash equivalents – end of period		**692,997**	**3,933,612**

Supplemental cash flow information (Note 9)

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

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 $455,050 for the three months ended March 31, 2025, and as at March 31, 2025 had an accumulated deficit of $4,151,193. 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 Accounting Standards, as issued by the International Accounting Standards Board ("IFRS"), including International Accounting Standard 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, 2024. 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, 2024.

These Financial Statements were authorized for issuance by the Board of Directors of the Company on May 27, 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 its subsidiaries.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

c) *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, 2024.

3. Deferred Acquisition Costs

	Deferred acquisition costs $
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**
Earn-in expenditures	139,785
Balance as of March 31, 2025	**13,727,286**

<u>Colpayoc Project, Peru</u>

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, and making a US$1,500,000 option payment to the owners of the mineral claims by December 5, 2025. After earning a 75% interest, the Company may acquire the remaining 25% upon completion of an additional US$2,000,000 in exploration expenditures, 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 by December 5, 2027. 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 – 2024), and incurred exploration expenditures of $5,277,701 (US$3,897,455) (US$3,800,220 – 2024) as of March 31, 2025, 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 5) 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.

4. Pucara Acquisition

On November 20, 2024, the Company acquired all the issued and outstanding common shares of Pucara Gold Ltd. (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.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

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 were classified as fair value through profit and loss. 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.

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	-	-

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 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 was 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 6(d))	406,581
Fair value of replacement options (note 6(c))	45,071
Transaction costs	235,860
Total consideration	**5,117,993**

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

Net assets acquired and liability assumed	
Cash	462,699
Receivables	41,687
Prepaid expenses	53,859
Exploration and evaluation assets (note 5)	4,738,880
Accounts payable	(179,132)
Net asset	**5,117,993**

5. Exploration and Evaluation Assets and Expenditures

	Pacaska $	Capricho $	Paco Orco $	El Ferrol $	Total $
Balance at December 31, 2023	-	-	-	-	-
Additions	4,468,880	135,000	135,000	345,781	5,084,661
Balance at December 31, 2024 and March 31, 2025	**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 4).

Pacaska Property, Peru

The Pacaska Project consists of various mineral concessions located in the Laramate district and is subject to NSR royalties totaling 1.5%.

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 March 31, 2025, Solaris is focused on obtaining surface access agreements with local landholders and communities for the purposes of permitting an exploration program.

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 PFS on the project, and paying the Company US$500,000.

As of March 31, 2025, Solaris is focused on obtaining surface access agreements with local landholders and communities for the purposes of permitting an exploration program.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

El Ferrol Property, Peru

During the year ended December 31, 2024, the Company earned a 100% interest in the El Ferrol Property (note 3) 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.

Exploration and evaluation expenditures

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

	Three months ended March 31, 2025 $	Three months ended March 31, 2024 $
Pacaska Property		
Community	14,980	-
Administrative	49,023	-
	64,003	-
El Ferrol Property		
Claim maintenance fees	-	-
	-	-
Project evaluation costs		
Geological	54,543	27,409
Travel	22,000	-
	76,543	27,409
Total	**140,546**	**27,409**

6. 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 three months ended March 31, 2025

On March 28, 2025, the Company issued 2,100,000 shares upon exercise of 1,900,000 warrants and 200,000 stock options at an exercise price of $0.30 each for gross proceeds of $630,000. The weighted average share price on March 26, 2025, at date of exercise of both the warrants and options was $0.30.

Share transactions during the year ended December 31, 2024

On November 20, 2024, the Company completed its acquisition of Pucara (note 4) through the issuance of 7,659,195 common shares valued at $3,829,598 to Pucara shareholders.

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.

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

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. The stock options vested immediately and 210,000 are exercisable for $1.10 expiring February 28, 2027, and 70,000 are exercisable for $4.00 expiring August 14, 2025. The fair value of the stock options were $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

During the three months ended March 31, 2025, the total share-based compensation recognized by the Company was $44,412 (2024 - $109,546).

A continuity schedule for stock options is as follows:

	Number of Options	**Weighted Average Exercise Price**
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**
Exercised	200,000	$0.30
Outstanding as of March 31, 2025	**3,655,000**	**$0.64**

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

As at March 31, 2025, the Company had the following stock options outstanding:

Number outstanding	Exercisable	Exercise Price	Expiry Date	Life remaining
133,334	133,334	$0.30	September 18, 2025	0.47 years
70,000	70,000	$4.00	August 14, 2025	0.48 years
210,000	210,000	$1.10	February 27, 2027	1.92 years
2,058,333	2,058,333	$0.60	September 1, 2027	2.43 years
683,333	170,833	$0.48	December 1, 2028	3.67 years
500,000	125,000	$0.45	July 8, 2029	4.27 years
3,655,000	**2,767,500**			

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 was $406,581.

On January 19, 2024, the Company issued 3,388,877 warrants with an exercise price of $0.90 (note 6(b)). The warrants expire five years from the grant date. The fair value of the warrants granted was $633,465 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
Expected dividend yield	0.00%	0.00%
Expected stock price volatility	107%	107%
Risk-free interest rate	3.25%	3.57%
Expected life of the warrants	3.03 years	5.00 years
Grant date fair value per warrant	$0.29	$0.33

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

	Number of warrants	Weighted average exercise price
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**
Exercised	(1,900,000)	$0.30
Outstanding as of March 31, 2025	**19,710,297**	**$0.68**

As at March 31, 2025, the Company had the following warrants outstanding:

Number outstanding	Exercise Price	Expiry Date	Life remaining
973,333	$0.30	September 30, 2025	0.25 years
6,182,000	$0.30	April 30, 2026	1.08 years
1,400,000	$0.80	December 2, 2027	2.67 years
7,766,087	$0.90	December 22, 2028	3.73 years
3,388,877	$0.90	January 19, 2029	3.81 years
19,710,297			

(Expressed in Canadian dollars, unless otherwise stated – unaudited)

7. 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 amended an administrative services agreement with Pathway to pay for management fees, rent and other administrative services. During the three months ended March 31, 2025, Copper Standard paid or accrued $9,000 to Pathway under the amended agreement (2024 - $15,000), these expenses are included under general and administrative expenses in the consolidated statement of loss and comprehensive loss. As at March 31, 2025, the Company had an accounts payable balance of $11,577 owing to Pathway (December 31, 2024 - $15,641).

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 months ended March 31, 2025 and 2024, the Company's compensation cost for key management personnel was as follows:

	Three months ended March 31, 2025 $	**Three months ended March 31, 2024 $**
Salaries and wages	60,836	18,000
Management fees	14,750	-
Share-based compensation	36,632	60,303
Total	**112,218**	**78,303**

8. Financial Instruments

As at March 31, 2025, 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 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 March 31, 2025, 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 $463,071 (2024 - $497,749), which are due within 12 months following March 31, 2025. 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 March 31, 2025, 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 March 31, 2025, 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 $13,019 in assets.

9. Supplemental Cash Flow Information

As at March 31, 2025, $562,802 of cash was held in Canadian dollars (December 31, 2024 - $516,242), $128,093 in US dollars (December 31, 2024 - $103,395) and $2,102 were held in Peruvian Soles (December 31, 2024 - $578).

Cash and cash equivalents	**March 31, 2025 $**	**December 31, 2024 $**
Cash	**692,997**	**620,215**
Cash equivalents	-	-
Total cash and cash equivalents	**692,997**	**620,215**

Non-cash financing and investing activities	**Note**	**Three months ended March 31, 2025 $**	**Year Ended December 31, 2024 $**
Shares issued for Acquisition	4	-	**3,829,598**
Warrants exchanged for Acquisition	4	-	**406,581**
Options exchanged for Acquisition	4	-	**45,071**

10. 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.