

Form 51-102F4
Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Oroco Resource Corp. (“**Oroco**”)
1201 – 1166 Alberni Street
Vancouver, British Columbia
V6E 3Z3 Canada

1.2 Executive Officer

Name of executive officer who is knowledgeable about this report: David Rose, Corporate Secretary

Telephone number: 604- 688-6200

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

Pursuant to an option agreement dated September 27, 2018, as amended November 15, 2019, amongst the Company, Altamura Copper Corp. (“**Altamura**”) and all the shareholders of Altamura other than the Company (the “**Other Shareholders**”), the Company exercised its option to acquire the balance of the equity of Altamura it did not already hold (the “**Transaction**”).

For more information on the Transaction please see the management information circular dated November 19, 2019 filed under the Company’s SEDAR profile at www.sedar.com.

Altamura is a British Columbia resource company engaged in the acquisition and exploration of mineral concessions in Mexico. Altamura holds a majority interest in Xochipala Gold, S.A. de C.V., which is the registered title holder of the seven mineral concessions covering the core of the Santo Tomas porphyry copper deposit in Sinaloa State, Mexico (the “**Core Concessions**”).

Further information about the Santo Tomas deposit and the Core Concessions can be found in the technical report titled “Geology, Mineralization, and Exploration of the Santo Tomás Cu-(Mo-Au-Ag) Porphyry Deposit, Sinaloa, Mexico” by D. A. Bridge, P. Geol. (the “**Geological Report**”) with an effective date of August 22, 2019 (available on the Company’s website at www.orocoresourcecorp.com).

2.2 Acquisition Date

March 2, 2020.

2.3 Consideration

The Company issued an aggregate of 39,800,000 common shares to the Other Shareholders in consideration for 39,800,000 shares of Altamura.

2.4 Effect on Financial Position

Upon the closing of the Transaction, the Company became the owner of 100% of Altamura and Altamura's interest in the Core Concessions. The Company intends to integrate the business and operations of Altamura with regard to the Core Concessions with the Company's operations on the mineral concessions contiguous to and surrounding the Core Concessions (the "**Peripheral Concessions**") in which the Company already holds a majority interest.

The Company intends to focus on the exploration of the combined Core Concessions and the Peripheral Concessions in accordance with the recommendations of the Geological Report.

2.5 Prior Valuations

The Company received a fairness opinion from Bruce McKnight Minerals Advisor Services dated November 15, 2019, which concluded, subject to certain assumptions, limitations and qualifications, that the terms of the Company's acquisition of the balance of the equity of Altamura it did not already hold are fair, from a financial point of view, to the arm's length shareholders of the Company.

2.6 Parties to Transaction

The Transaction was amongst the Company, Altamura and the Other Shareholders. The Other Shareholders include ATM Mining Corp. (of which David Rose and Craig Dalziel are directors) and David Rose. Craig Dalziel is a director and senior officer of the Company and David Rose is a senior officer of the Company.

2.7 Date of Report

May 19, 2020.

Item 3 Financial Statements and Other Information

The following financial statements are included in this business acquisition report:

1. Audited annual financial statements of Altamura Copper Corp. for the year May 31, 2019; and
2. Unaudited interim financial statements of Altamura Copper Corp. for the nine months ended February 29, 2020.

Davidson & Company LLP has not given their consent to include in this business acquisition report their audit report dated October 24, 2019 on the financial statements listed as item 1 above.

ALTAMURA COPPER CORP.

CONSOLIDATED FINANCIAL STATEMENTS

MAY 31, 2019

(Expressed in U.S. Dollars)

INDEPENDENT AUDITOR'S REPORT

To the Director of
Altamura Copper Corp.

Opinion

We have audited the accompanying consolidated financial statements of Altamura Copper Corp. (the "Company"), which comprise the consolidated statements of financial position as at May 31, 2019 and 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2019 and 2018, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits 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 Consolidated 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 consolidated 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 in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 of the consolidated financial statements, which indicates that the Company has a shareholders' deficiency and negative working capital, and these material uncertainties may cast significant doubt upon Altamura Copper Corp.'s ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditor's report includes Management's Discussion and Analysis.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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.

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

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

October 24, 2019

ALTAMURA COPPER CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in U.S. Dollars)
As at May 31,

	2019	2018
ASSETS		
Current		
Cash	\$ 4,206	\$ 5,592
Receivables	12,884	723
Deposits	-	-
Loans receivable (Note 4)	-	116,231
	<u>17,090</u>	<u>122,546</u>
Deferred acquisition costs (Note 5)	10,000	-
Exploration and evaluation assets (Note 5)	155,732	155,732
	<u>\$ 182,822</u>	<u>\$ 278,278</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 148,138	\$ 77,102
Notes payable (Notes 6 and 10)	-	92,985
	<u>148,138</u>	<u>170,087</u>
Advances from associated company (Note 7)	759,088	224,251
	<u>907,226</u>	<u>394,338</u>
SHAREHOLDERS' DEFICIENCY		
Share capital (Note 8)	473,900	352,500
Deficit	(1,198,304)	(468,560)
	<u>(724,404)</u>	<u>(116,060)</u>
	<u>\$ 182,822</u>	<u>\$ 278,278</u>

Nature of operations and going concern (Note 1)

Subsequent events (Note 15)

Approved by:

/s/ "Wayne Tisdale"
Wayne Tisdale, Director

The accompanying notes are an integral part of these consolidated financial statements

ALTAMURA COPPER CORP.**CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in U.S. Dollars)

For the year ended May 31,

	2019	2018
Expenses		
Foreign exchange loss (gain)	\$ (22,061)	\$ 4,017
Interest (Note 7)	30,567	-
Management fees (Note 7)	251,674	-
Office and miscellaneous	174	123
Professional fees	324,807	145,624
Property investigation costs (Note 8)	144,583	1,562
Loss and comprehensive loss for the year	\$ (729,744)	\$ (151,326)
Loss per common share – basic and diluted	\$ (0.02)	\$ (0.00)
Weighted average number of common shares outstanding – basic and diluted	45,667,808	43,750,014

The accompanying notes are an integral part of these consolidated financial statements

ALTAMURA COPPER CORP.**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in U.S. Dollars)

Share Capital				
	Number of shares	Amount	Deficit	Total
May 31, 2017 (unaudited)	43,750,014	\$ 352,500	\$ (317,234)	\$ 35,266
Loss for the year	-	-	(151,326)	(151,326)
May 31, 2018	43,750,014	\$ 352,500	\$ (468,560)	\$ (116,060)
Issuance of common shares for property investigation costs	2,000,000	121,400	-	121,400
Cancellation of common shares	(14)	-	-	-
Loss for the year	-	-	(729,744)	(729,744)
May 31, 2019	45,750,000	\$ 473,900	\$ (1,198,304)	\$ (724,404)

The accompanying notes are an integral part of these consolidated financial statements

ALTAMURA COPPER CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
For the year ended May 31,

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (729,744)	\$ (151,326)
Adjusted for items not involving cash:		
Shares issued for property investigation costs	121,400	-
Foreign exchange	(21,917)	4,842
Accrued interest	30,567	-
Accrued management fees	251,674	-
Change in non-cash working capital items:		
Receivables	-	(521)
Deposits	-	6,420
Accounts payable and accrued liabilities	93,799	61,002
Net cash used in operating activities	(254,221)	(79,583)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deferred acquisition costs	(10,000)	-
Loans receivable	-	(118,217)
Net cash used in investing activities	(10,000)	(118,217)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from associated company	262,835	98,161
Notes payable	-	94,326
Net cash provided by financing activities	262,835	192,487
Change in cash	(1,386)	(5,313)
Cash, beginning of year	5,592	10,905
Cash, end of year	\$ 4,206	\$ 5,592

Supplemental cash flow information (Note 11)

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Altamura Copper Corp. (the “Company”) was incorporated on April 16, 2015 under the Business Corporations Act of British Columbia. The Company is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Mexico. The Company’s head office and registered and records office address is 302 - 1620 West 8th Street, Vancouver, BC, V6J 1V4.

These consolidated 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 operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company’s continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, complete financings, and/or continued support from an associated company to meet current and future obligations. As at May 31, 2019, the Company has a shareholders’ deficiency and negative working capital. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

2. BASIS OF PRESENTATION

Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Approval of the financial statements

These consolidated financial statements were authorized by the President of the Company on October 24, 2019.

Basis of presentation

These consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value as explained in the significant accounting policies set out in Note 3. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Functional and presentation currency

These consolidated financial statements are presented in U.S. dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

2. BASIS OF PRESENTATION (cont'd...)

Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Xochipala Gold S.A. de C.V. ("Xochipala Gold")	Mexico	100%	Exploration in Mexico
Desarrollos Copper, S.A. de C.V.	Mexico	100%	Holding company
Ruero International Ltd.	Bahamas	50%	Holding company

Significant estimates

The preparation of these consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the US dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES

Financial assets

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: amortized cost; fair value through other comprehensive income (“FVOCI”); or fair value through profit or loss (“FVTPL”). The classification of financial assets depends on the purpose for which the financial assets were acquired and is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are measured at FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment’s fair value in other comprehensive income. The classification determines the method by which the financial assets are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded. Financial assets are classified as current assets or non-current assets based on their maturity date.

The Company’s financial assets which consist of cash and receivables are classified as amortized cost.

Financial liabilities

Financial liabilities are designated as either: fair value through profit or loss; or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

Impairment of financial assets

An expected credit loss (“ECL”) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The ECL model requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset’s original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period. In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. The Company’s financial assets measured at amortized cost are subject to the ECL model.

The Company’s financial liabilities which consist of accounts payable and accrued liabilities and advances from associated company are classified as amortized cost.

Deferred acquisition costs

Costs relating to the acquisition of exploration and evaluation assets are recorded as deferred acquisition costs in advance of obtaining the asset. Once the asset has been acquired, the costs will be recorded as capitalized costs. The costs are written-off should the potential acquisition no longer be considered viable.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Exploration and evaluation assets

Exploration and evaluation assets include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired in a business combination. All costs related to the acquisition and exploration of exploration and evaluation assets are capitalized by property as an intangible asset. Costs incurred before the Company has obtained the legal rights to explore an area are charged to operations.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

Recoverability of the carrying amount of the exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

General exploration costs not related to specific properties and general administrative expenses are charged to operations in the year in which they are incurred.

Provisions

Rehabilitation provisions

The Company recognizes liabilities for statutory, contractual, constructive or legal obligations, including those associated with the rehabilitation of exploration and evaluation assets and equipment, when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, a liability for rehabilitation obligation is recognized at its fair value in the period in which it is incurred if a reasonable estimate of cost can be made. The Company records the present value of estimated future cash flows associated with rehabilitation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount.

Subsequently, these capitalized rehabilitation costs are amortized over the life of the related assets. At the end of each period, the liability is increased to reflect the passage of time (accretion expense) and changes in the estimated future cash flows underlying any initial estimates (additional rehabilitation costs).

The Company recognizes its environmental liability on a site-by-site basis when it can be reliably estimated. Environmental expenditures related to existing conditions resulting from past or current operations and from which no current or future benefit is discernible are charged to profit or loss. The Company had no measurable rehabilitation obligations for the years presented.

Other provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date. The Company had no other provisions for the years presented.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Impairment

At the end of each reporting period, the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset 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 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 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate and 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 years. A reversal of an impairment loss is recognized immediately in profit or loss.

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rate in effect at the date of the transaction. Foreign denominated monetary assets and liabilities are translated to their US dollar equivalents using foreign exchange rates prevailing at the statement of financial position date. Non-monetary items are translated into US dollars at the exchange rate in effect on the respective transaction dates. Revenues and expenses are translated at average rates for the period, except for amortization, which is translated on the same basis as the related asset. Exchange gains or losses arising on foreign currency translation are reflected in profit or loss for the year.

Income (loss) per share

The Company presents basic and diluted earnings (loss) per share data for its common shares. Basic earnings (loss) per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods. There was no dilutive effect for the years presented.

Share capital

Common shares are classified as share capital. Incremental costs, net of tax effects, directly attributable to the issue of common shares are recognized as a deduction from equity. Common shares issued for consideration other than cash are valued based on their market value at the date the shares are issued.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Income taxes

Current tax is the expected tax payable or receivable on the local taxable income or loss for the year, using local tax rates enacted or substantively enacted at the financial position reporting date, and includes any adjustments to tax payable or receivable in respect of previous years.

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the financial position reporting date. Deferred tax is not recognized for temporary differences which arise on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting, nor taxable profit or loss.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

New accounting policies adopted

IFRS 9, Financial instruments

Effective June 1, 2018, the Company retrospectively adopted IFRS 9. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Prior periods were not restated and there was no material impact to the Company's consolidated financial statements as a result of transitioning to IFRS 9. IFRS 9 introduced a revised model for classification and measurement, and while this has resulted in financial instrument classification changes, there were no quantitative impacts from adoption. Cash has changed classification from FVTPL to amortized cost. The carrying value is equal to its fair value given the short-term nature of the asset, therefore, there is no change in the carrying value as a result of the change in classification. There are no transitional impacts regarding financial liabilities in regards to classification and measurement.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets given the nature of the items and that receivables are substantially all current and there is a minimal level of default.

IFRS 15, Revenue from contracts with customers

IFRS 15 establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. There was no impact on the consolidated financial statements as a result of adopting this standard.

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

New standards, interpretations and amendments to existing standards not yet effective

The following standards, amendments to standards and interpretations have been issued but are not effective for annual periods beginning on or after January 1, 2019:

IFRS 16, Leases

This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company has determined the impact of this new standard will be increased disclosure.

4. LOANS RECEIVABLE

	Total
May 31, 2017 (unaudited)	\$ -
Loans issued	118,217
Foreign exchange	(1,986)
May 31, 2018	116,231
Loans settled	(115,748)
Foreign exchange	(483)
May 31, 2019	\$ -

During the year ended May 31, 2018, the Company made certain loans which were secured by various promissory notes for the total amount of \$118,217 (CAD \$150,000). The promissory notes were due on demand, which could not be earlier than December 8, 2018. The promissory notes bore no interest until December 8, 2018, at which point interest would be 1% per month.

During the year ended May 31, 2019, the Company settled the loans by way of a debt assignment agreement with a shareholder of the Company pursuant to which the Company settled \$92,985 of notes payable (Note 6) by the assignment of \$92,985 of loans receivable and by the assignment of \$22,763 of loans receivable against account payable owed to Crossrange Logistics Inc. ("Crossrange").

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

5. EXPLORATION AND EVALUATION ASSETS

	Santo Tomas	Total
May 31, 2018 and 2019	\$ 155,732	\$ 155,732

Santo Tomas Property, Sinaloa State, Mexico

The Santo Tomas Property, located in Sinaloa State, Mexico, is comprised of the seven core mineral concessions of the Santo Tomas porphyry copper project in Mexico. Xochipala Gold acquired an unregistered, contractual 100% interest in the Santo Tomas Property (the “XG Contract”) in 2016. The registration of the XG Contract, and thereby the registration of Xochipala Gold’s rights to the Santo Tomas Property, had previously been impeded by a 2016 judgment (the “Judgment”) from a claim by Aztec Copper Corp. (“Aztec”) and its Mexican subsidiary, Prime Aztec Mexicana, S.A. de C.V., against Compania Minera Ruero, S.A. de C.V. (“CMR”), Fierce Investments Ltd. (“Fierce”), and Ruero International Ltd. (“Ruero”). During the year ended May 31, 2019, the Judgment was nullified and the transfer of the Santo Tomas Property from CMR to XG is now in process. Upon registration of the XG Contract, the Company will transfer 50 shares representing 33.3% of XG, to a third party.

The Company also holds an indirect 50% interest in CMR, the registered title holder of the Santo Tomas Property, and an option to acquire, for \$16,000,000, all of the direct and indirect interest that the holder of the other 50% of CMR has in the Santo Tomas Property, wherever that ownership interest resides (the “CMR Option”), subject to a 1% net smelter royalty (the “CMR Option NSR”), 0.5% of which may be bought back for \$2,000,000. The Company’s interest in the Santo Tomas Property is subject to net smelter royalties of 1.5% in favour of ATM Mining Corp., a shareholder of the Company, and an arm’s-length third party (the “Altamura NSR”). 0.5% of the Altamura NSR will be cancelled if the CMR Option NSR is granted, with the result that the Santo Tomas Property will, upon the buy-back of half of the CMR Option NSR, be subject to a maximum 1.5% net smelter royalty (the “NSR”).

During the year ended May 31, 2019, the Company paid \$10,000 for an exclusive option (the “Aztec Share Option”) to purchase the shares of Aztec (the “Aztec Shares”) held by Fierce, being approximately 90% of the issued and outstanding shares of Aztec, at any time prior to April 10, 2022. The Aztec Shares, which are subject to dispute by Aztec, constitute the primary consideration to be paid by Aztec in the transaction which was the basis of Aztec’s claim that resulted in the Judgment.

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)

During the year ended May 31, 2019, the Company entered into an agreement with Gabriela Zavala Quintero and Ubaldo Trevizo Ledezma (collectively “the “Partners”) pursuant to which the Company agreed to assign an unregistered, contractual 12% interest in the Santo Tomas Property, subject to any applicable NSR, in consideration for: (i) assistance in resolving the legal challenges to Altamura’s interest in the Santo Tomas Property; (ii) the transfer of a 77.5% interest in three mineral concession contiguous to the Santo Tomas Property to Oroco Resource Corp. (“Oroco”); (iii) further assistance in Oroco assembly of the mineral concessions which make up the Santo Tomas porphyry copper project; and (iv) upon being directed to do so by the Company causing companies controlled by the Partners to assign to Oroco, an 80% interest in certain mineral concession contiguous to the Santo Tomas Property (the “Neighbouring Concessions”) for the assumption of any outstanding liabilities to the Mexican government. The Partner’s 12% interest is subject to dilution on a pro-rata basis, upon the funding of exploration and development programs by the Company on the combined Santo Tomas Project as follows:

	Total Expenditures	Interest Reduction	Interest After Reduction
Initial interest			12%
Level 1	First \$3,000,000	1%	11%
Level 2	Next \$7,000,000	a further 1%	10%
Level 3	Next \$10,000,000	a further 1%	9%
Level 4	Next \$10,000,000	a further 1%	8%

All expenditures over and above \$30,000,000 will be advanced as a loan to the Santo Tomas Project, without further reduction in the Partners’ interests.

During the year ended May 31, 2019, the Company also entered into an agreement with Paul J. McGuigan (“McGuigan”) pursuant to which the Company agrees to assign an unregistered, contractual 3% interest in the Santo Tomas Property to McGuigan, subject to any applicable NSR, in consideration for: (i) technical and geological services and (ii) assistance in assembling of a controlling interest in the Neighbouring Concessions; and (iii) upon being directed to do so by the Company, causing a company controlled by McGuigan to transfer to Oroco an 80% interest in a mineral concession contiguous to the Santo Tomas Property for the assumption of any outstanding liabilities to the Mexican government. McGuigan’s 3% interest in the Santo Tomas Property is subject to dilution, on a pro-rata basis, upon the funding of exploration and development programs by the Company on the combined Santo Tomas Project as follows:

	Total Expenditures	Interest Reduction	Interest After Reduction
McGuigan’s initial interest			3.00%
Level 1	First \$3,000,000	0.25%	2.75%
Level 2	Next \$7,000,000	a further 0.25%	2.50%
Level 3	Next \$10,000,000	a further 0.25%	2.25%
Level 4	Next \$10,000,000	a further 0.25%	2.00%

All expenditures over and above \$30,000,000 will be advanced as a loan to the Santo Tomas Project, without further reduction in the Partner’s interests.

The Company has certain contingency fee obligations related to the Santo Tomas Property as follows:

- a) \$600,000 payable within six months of title to the Santo Tomas Property being registered to XG in the Mexican Public Registry of Mining; and
- b) upon the direct or indirect sale, assignment or transfer of the Santo Tomas Property in a transaction intended to be final disposition of the Santo Tomas Property:
 - (i) 10% of the sale price, to a maximum of \$3,600,000, (inclusive of the first \$600,000); and
 - (ii) 1.5% of the sale price, to a maximum of \$4,100,000, of which up to \$1,000,000 is payable to David Rose, a related party by virtue of his shareholdings in the Company and up to \$1,500,000 is payable to Wayne Tisdale, a director and officer of the Company.

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

6. NOTES PAYABLE

	Total
May 31, 2017 (unaudited)	\$ -
Notes issued	94,326
Foreign exchange	(1,341)
May 31, 2018	92,985
Notes settled	(92,985)
May 31, 2019	\$ -

During the year ended May 31, 2018, the Company borrowed funds from certain shareholders which were secured by promissory notes (the “Notes”), for the total amount of \$94,326 (CAD \$120,000). The Notes were due on demand, which could not be earlier than December 7, 2018.

During the year ended May 31, 2019, Notes for the amount of \$76,744 (CAD \$99,000) (2018 - \$nil) were assigned to a single shareholder, who held the remaining balance of the Notes.

During the year ended May 31, 2019, the Company settled the Notes by way of a debt assignment agreement with a shareholder of the Company pursuant to which the Company settled \$92,985 (CAD \$120,000) of notes payable by the assignment of \$92,985 (CAD \$120,000) of loans receivable from Crossrange (Note 4).

7. ADVANCES FROM ASSOCIATED COMPANY

During the year ended May 31, 2019, the Company received \$262,835 (CAD \$350,572) (2018 - \$98,161 (CAD \$124,847)) from Oroco, and accrued interest owed of \$30,567 (CAD \$40,621) (2018 - \$nil), for total outstanding advances of \$503,003 (CAD \$680,596) (2018 - \$224,251 (CAD \$289,403)) (the “Advances”). The Advances bear interest of 12% and are due within 90 days of request of Oroco. The Company has entered into three agreements with Oroco dated effective September 27, 2018: (i) an option agreement (the “Option Agreement”) pursuant to which Oroco acquired a three year option (the “Option”), the exercise of which is subject to TSX-V and Oroco shareholder approval, to acquire all of the equity in the Company not already held by Oroco, in consideration for 39,800,000 shares of Oroco; (ii) a loan agreement (the “Loan Agreement”) pursuant to which Oroco agreed to lend up to \$600,000 to the Company, inclusive of Advances and exclusive of interest and management fees to date, and (iii) an amended and restated share option agreement (the “Advances Conversion Agreement”) pursuant to which, in the event that Oroco does not exercise the Option, Oroco may convert all Advances to the Company into common shares of the Company at a price of \$0.057 per share at any time within the first six months after the expiry of the Option. The Advances are secured by promissory notes.

During year ended May 31, 2019, Oroco charged the Company \$251,674 (CAD \$330,000) (2018 - \$nil) for management fees. As at May 31, 2019, the Company has amounts payable of \$256,085 (CAD \$346,500) (2018 - \$nil) in relation to the management services. Subsequent to the year ended May 31, 2019, the Company and Oroco amended the Advances Conversion Agreement to include the management fees in the amount that Oroco may elect to convert into common shares of the Company (Note 15).

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

7. ADVANCES FROM ASSOCIATED COMPANY (cont'd...)

Shareholders of the Company include an officer of Oroco, a private company owned by the spouse of a director and officer of Oroco and a company controlled by family members of a director and officer of Oroco. The Company and Oroco have no common directors, officers or control persons.

	Total
May 31, 2017 (unaudited)	\$ 121,893
Advances received	98,161
Foreign exchange	4,197
May 31, 2018	\$ 224,251
Advances received	262,835
Interest	30,567
Foreign exchange	(14,650)
Total advances as at May 31, 2019	503,003
Management fees	263,778
Foreign exchange	(7,693)
Total advances and management fees as at May 31, 2019	\$ 759,088

8. SHARE CAPITAL

Authorized share capital

The Company's authorized capital consists of an unlimited number of common shares without par value.

Issued share capital

During the year ended May 31, 2019, the Company issued 2,000,000 common shares, valued at \$121,400 pursuant to a Geological Work Product Purchase Agreement with Crossrange, in consideration for geological work and technical analysis of the Santo Tomas Property, included in property investigation costs.

During the year ended May 31, 2018, the Company issued no common shares.

9. INCOME TAXES

A reconciliation of the difference is as follows:

	2019	2018
Loss before income taxes	\$ (729,744)	\$ (151,326)
Expected income tax recovery	\$ (197,000)	\$ (40,000)
Change in statutory, foreign tax, foreign exchange rates and other	(35,000)	(4,000)
Change in unrecognized deferred tax assets	232,000	44,000
Income tax expense (recovery)	\$ -	\$ -

ALTAMURA COPPER CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in U.S. Dollars)
MAY 31, 2019

9. INCOME TAXES (cont'd...)

The significant components of the Company's unrecognized deferred income tax assets and liabilities are as follows:

	2019	2018
Non-capital losses	\$ 359,000	\$ 124,000
Unrecognized deferred tax assets	(359,000)	(124,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the statement of financial position are as follows:

	2019	Expiry date range
Non-capital losses	\$ 1,220,000	2038 to 2039

Tax attributes are subject to review and potential adjustments by tax authorities.

10. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its director and officer.

During the years ended May 31, 2019 and 2018, there were no expense transactions with key management personnel. Notes 5 and 7 detail other transactions with related parties.

During the year ended May 31, 2019, the Company settled \$79,038 (2018 - \$nil) owing to shareholders of the Company and \$13,947 (2018 - \$nil) owing to a company controlled by the director and shareholder by way of a debt assignment agreement to transfer all notes payable to one shareholder (Note 4). This amount was then settled by way of a debt assignment agreement with an arms length party (Note 6).

As at May 31, 2019, included in notes payable was \$nil (2018 - \$79,038) owing to shareholders of the Company.

As at May 31, 2019, included in notes payable was \$nil (2018 - \$13,947) owing to a company controlled by the director and shareholder.

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the years ended May 31, 2019 and 2018, the Company's significant non-cash financing or investing activities consisted of:

	2019	2018
Settlement of loans receivable with loans payable	\$ 92,985	\$ -
Settlement of loans receivable with accounts payable	22,763	-

11. SUPPLEMENTAL CASH FLOW INFORMATION (cont'd...)

During the year ended May 31, 2019, cash paid for interest and taxes was \$nil (2018 - \$nil).

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Mexico, as disclosed in Note 5.

13. FINANCIAL INSTRUMENT RISK

The Company's Director has overall responsibility for the establishment and oversight of the Company's risk management framework. As at May 31, 2019, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Management of Industry Risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

Management of Financial Risk

The carrying value of cash, receivables, loans receivable, accounts payable and accrued liabilities, notes payable, and advances from associated company approximated their fair value because of the short-term nature of these instruments. Cash is measured at a level 1 of the fair value hierarchy. The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk.

13. FINANCIAL INSTRUMENT RISK (cont'd...)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company is exposed to liquidity risk.

Foreign Exchange Risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the US dollar and foreign currencies. The Company does not invest in derivatives to mitigate these risks. The effect of a 1% change in the foreign exchange rate on the cash held in foreign currencies at May 31, 2019 is nominal.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

14. CAPITAL MANAGEMENT

The Company defines capital as the components of shareholders' equity (deficiency). The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Director. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the year ended May 31, 2019.

15. SUBSEQUENT EVENTS

Subsequent to May 31, 2019, the Company:

- a) entered into an agreement with Oroco pursuant to which the Company assigned the Aztec Share Option to Oroco in consideration for the reimbursement to the Company of the legal fees it has paid on behalf of Fierce and of the consideration paid for the grant of the Aztec Share Option by Fierce; and
- b) amended the Advances Conversion Agreement to include management fees charged by Oroco to the Company in the amount that Oroco may elect to convert into common shares of the Company (Note 7).

ALTAMURA COPPER CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED

FEBRUARY 29, 2020

(Expressed in U.S. Dollars)

Unaudited – Prepared by Management

ALTAMURA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in U.S. Dollars)
(Unaudited)
As at

	February 29, 2020	May 31, 2019
ASSETS		
Current		
Cash	\$ 3,399	\$ 4,206
Receivables	13,018	12,884
	16,417	17,090
Deferred acquisition costs (Note 5)	-	10,000
Exploration and evaluation assets (Note 5)	755,732	155,732
	\$ 772,149	\$ 182,822
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 631,015	\$ 148,138
Advances from associated company (Note 7)	958,474	759,088
	1,589,489	907,226
DEFICIENCY		
Share capital (Note 8)	473,900	473,900
Deficit	(1,220,859)	(1,198,304)
Deficiency attributable to the Company's shareholders	(746,959)	(724,404)
Non-controlling interest (Notes 5 and 9)	(70,381)	-
	(817,340)	(724,404)
	\$ 772,149	\$ 182,822

Nature of operations and going concern (Note 1)
Subsequent event (Note 15)

Approved by:

/s/ "Craig Dalziel"
Craig Dalziel, Director

/s/ "David Rose"
David Rose, Director

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

ALTAMURA COPPER CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in U.S. Dollars)

(Unaudited)

For the Nine Months Ended

	February 29, 2020	February 28, 2019
Expenses		
Foreign exchange loss (gain)	\$ 4,897	\$ (1,903)
Interest (Note 7)	53,187	-
Office and miscellaneous	684	111
Professional fees	34,168	161,449
Property investigation costs	-	171,356
Loss and comprehensive loss for the period	\$ (92,936)	\$ (331,013)
Loss and comprehensive loss attributable to:		
Equity holders of the Company	\$ (95,395)	\$ (331,013)
Non-controlling interest (Notes 5 and 9)	2,459	-
	\$ (92,936)	\$ (331,013)
Loss per common share – basic and diluted	\$ (0.00)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	45,750,000	45,640,110

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

ALTAMURA COPPER CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIENCY**

(Expressed in U.S. Dollars)

(Unaudited)

	Share Capital			Non-controlling interest	Total
	Number of shares	Amount	Deficit		
May 31, 2018	43,750,014	\$ 352,500	\$ (468,560)	\$ -	\$ (116,060)
Issuance of common shares for property investigation costs	2,000,000	121,400	-	-	121,400
Cancellation of common shares	(14)	-	-	-	-
Loss for the period	-	-	(331,013)	-	(331,013)
February 28, 2019	45,750,000	\$ 473,900	\$ (799,573)	\$ -	\$ (325,673)
May 31, 2019	45,750,000	\$ 473,900	\$ (1,198,304)	\$ -	\$ (724,404)
Non-controlling interest (Notes 5 and 9)	-	-	72,840	(72,840)	-
Loss for the period	-	-	(95,395)	2,459	(92,936)
February 29, 2020	45,750,000	\$ 473,900	\$ (1,220,859)	\$ (70,381)	\$ (817,340)

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

ALTAMURA COPPER CORP.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in U.S. Dollars)
(Unaudited)
For the Nine Months Ended

	February 29, 2020	February 28, 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (92,936)	\$ (331,013)
Adjusted for items not involving cash:		
Shares issued for property investigation costs	-	121,400
Foreign exchange	4,935	(3,221)
Accrued interest	53,187	-
Professional fees reimbursed by associated company	(57,000)	-
Change in non-cash working capital item:		
Accounts payable and accrued liabilities	(107,123)	67,033
Net cash used in operating activities	(198,937)	(145,801)
CASH FLOWS FROM FINANCING ACTIVITY		
Advances from associated company	198,130	145,335
Net cash provided by financing activity	198,130	145,335
Change in cash	(807)	(466)
Cash, beginning of period	4,206	5,592
Cash, end of period	\$ 3,399	\$ 5,126

Supplemental cash flow information (Note 11)

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

ALTAMURA COPPER CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

1. NATURE OF OPERATIONS AND GOING CONCERN

Altamura Copper Corp. (the "Company") was incorporated on April 16, 2015 under the Business Corporations Act of British Columbia. The Company is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Mexico. The Company's head office and registered and records office address is 302 - 1620 West 8th Street, Vancouver, BC, V6J 1V4.

These condensed interim consolidated 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 operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue in existence. The Company's continuation as a going concern is dependent upon the successful results from its business activities, its ability to obtain profitable operations and generate funds, complete financings, and/or continued support from an associated company to meet current and future obligations. As at February 29, 2020, the Company has a shareholders' deficiency and negative working capital. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations or its ability to raise funds.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"s). They do not include all disclosures required by International Financial Reporting Standards ("IFRS") for annual financial statements, and, therefore, should be read in conjunction with the Company's audited consolidated financial statements for the year ended May 31, 2019, prepared in accordance with IFRS as issued by the IASB.

Approval of the financial statements

These condensed interim consolidated financial statements were authorized by Board of Directors of the Company on May 19, 2020.

Basis of presentation

These condensed interim consolidated financial statements have been prepared on a historical cost basis, using the accrual basis of accounting, except for cash flow information and certain financial assets that are measured at fair value.

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

2. BASIS OF PRESENTATION (cont'd...)**Functional and presentation currency**

These condensed interim consolidated financial statements are presented in U.S. dollars, unless otherwise noted, which is the functional currency of the Company and its subsidiaries.

Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. Control exists when the Company possesses power over an investee, has exposure to variable returns from the investee and has the ability to use its power over the investee to affect its returns. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed interim consolidated financial statements.

Name of Subsidiary	Country of Incorporation	Percentage of Ownership	Principal Activity
Xochipala Gold S.A. de C.V. ("Xochipala Gold")	Mexico	66.7%	Exploration in Mexico
Desarrollos Copper, S.A. de C.V.	Mexico	100%	Holding company
Ruero International Ltd. ("Ruero")	Bahamas	50%	Holding company

Significant estimates

The preparation of these condensed interim consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets - Management has determined that exploration, evaluation and related costs incurred, which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, scoping and feasibility studies, accessible facilities and existing permits.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in these condensed interim consolidated financial statements are, but are not limited to, the following:

Determination of functional currency - The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. The Company has determined the functional currency of each entity to be the US dollar. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment.

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended May 31, 2019, except as noted below.

New accounting policies adopted*IFRS 16, Leases*

This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

There was no impact on the condensed interim consolidated financial statements as a result of adopting this standard.

4. LOANS RECEIVABLE

	Total
May 31, 2018	\$ 116,231
Loans settled	(115,748)
Foreign exchange	(483)
May 31, 2019 and February 29, 2020	\$ -

During the year ended May 31, 2019, the Company settled the loans by way of a debt assignment agreement with a shareholder of the Company pursuant to which the Company settled \$92,985 of notes payable (Note 6) by the assignment of \$92,985 of loans receivable and by the assignment of \$22,763 of loans receivable against account payable owed to Crossrange Logistics Inc. ("Crossrange").

5. EXPLORATION AND EVALUATION ASSETS

	Santo Tomas		Total
May 31, 2018 and 2019	\$	155,732	\$ 155,732
Additions		600,000	\$ 600,000
February 29, 2020	\$	755,732	\$ 755,732

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Santo Tomas Property, Sinaloa State, Mexico**

The Santo Tomas Property, located in Sinaloa State, Mexico, is comprised of the seven mineral concessions that comprise the core of the Santo Tomas porphyry copper project in Mexico. Xochipala Gold acquired a contractual 100% interest in the Santo Tomas Property (the "XG Contract") from Compania Minera Ruero, S.A. de C.V. ("CMR") in 2016. Registration of the XG Contract, and thereby registration of Xochipala Gold's 100% interest in the Santo Tomas Property, had previously been impeded by a 2016 judgment (the "Judgment") from a claim by Aztec Copper Corp. ("Aztec") and its Mexican subsidiary, Prime Aztec Mexicana, S.A. de C.V., against CMR, Fierce Investments Ltd. ("Fierce"), and Ruero. During the year ended May 31, 2019, the Judgment was nullified. The XG Contract was registered in the Mexican Public Registry of Mining on December 20, 2019. Upon registration of the XG Contract, the Company transferred 50 shares representing 33.3% of Xochipala Gold, to a third party, resulting in the Company currently holding a 66.7% interest in Xochipala Gold. As at December 20, 2019, Xochipala Gold had current assets of \$2,670 and current liabilities of \$221,189, for net liabilities of \$218,519. The fair value attributable to non-controlling interest is \$72,840 (Note 9).

Xochipala Gold's 100% registered interest in the Santo Tomas Property is subject a non-registerable, contractual, aggregate 15% interest (the "Third Party Interests") pursuant to agreements with Gabriela Zavala Quintero, Ubaldo Trevizo Ledezma and Paul J. McGuigan ("McGuigan") as follows.

During the year ended May 31, 2019, the Company entered into an agreement with Gabriela Zavala Quintero and Ubaldo Trevizo Ledezma (collectively "the Partners") pursuant to which the Company agreed to assign an unregistered, contractual 12% interest in the Santo Tomas Property, subject to any applicable net smelter royalty (the "NSR"), in consideration for: (i) assistance in resolving the legal challenges to the Company's interest in the Santo Tomas Property; (ii) the transfer of a 77.5% interest in three mineral concession contiguous to the Santo Tomas Property to Oroco Resource Corp. ("Oroco") (the "Neighbouring Concessions"); (iii) further assistance in Oroco's assembly of the mineral concessions which make up the Santo Tomas porphyry copper project; and (iv) upon being directed to do so by the Company, causing companies controlled by the Partners to assign to Oroco, an 80% interest in certain mineral concession contiguous to the Santo Tomas Property (included in the "Neighbouring Concessions") for the assumption of any outstanding liabilities to the Mexican government. The Partners' 12% interest in the Santo Tomas Property is subject to dilution on a pro-rata basis, upon the funding of exploration and development programs on the combined Santo Tomas Property and Neighbouring Concessions (the "Santo Tomas Project").

During the year ended May 31, 2019, the Company also entered into an agreement with McGuigan pursuant to which the Company agrees to assign an unregistered, contractual 3% interest in the Santo Tomas Property to McGuigan, subject to any applicable NSR, in consideration for: (i) technical and geological services and (ii) assistance in assembling of a controlling interest in the Neighbouring Concessions; and (iii) upon being directed to do so by the Company, using his best efforts to cause a company controlled by McGuigan to transfer to Oroco an 80% interest in a mineral concession contiguous to the Santo Tomas Property (also included in the "Neighbouring Concessions") for the assumption of any outstanding liabilities to the Mexican government. McGuigan's 3% interest in the Santo Tomas Property is subject to dilution, on a pro-rata basis, upon the funding of exploration and development programs on the combined Santo Tomas Project.

The Company currently holds a net 56.7% interest in the Santo Tomas Property through its 66.7% interest in Xochipala Gold. It may increase its interest in Xochipala Gold in stages to up to 90%, and, at the same time, dilute the Third Party Interests down to 10% by the funding of up to CAD \$30,000,000 in property related expenditures, with no minimum expenditure obligations. Upon such funding, the Company will hold up to an 81% net interest in the Santo Tomas Property as set out in the following table.

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Santo Tomas Property, Sinaloa State, Mexico (cont'd)**

Altamura's net interest in the Santo Tomas Property to result from funding of property related expenditures (all amounts in Canadian dollars):

Total Investment	\$1,000,000 (completed)	\$3,000,000	\$10,000,000	\$20,000,000	\$30,000,000
Santo Tomas Property interest via Xochipala Gold equity					
Altamura	56.7%	64.7%	72.9%	77.6%	81.0%
Other	28.3%	21.6%	14.6%	11.1%	9.0%
Third party contractual interest					
Third Party Interests	15.0%	13.7%	12.5%	11.3%	10.0%
Total	100%	100%	100%	100%	100%

All expenditures over and above CAD\$30,000,000 will be advanced as a loan to the Santo Tomas Project, without further reduction in the Partner's interests.

The Company also holds an indirect 50% interest in CMR, and an option to acquire, for \$16,000,000, all of the direct and indirect interest that the holder of the other 50% of CMR has in the Santo Tomas Property, wherever that ownership interest resides (the "CMR Option"), subject to a 1% net smelter royalty (the "CMR Option NSR"), 0.5% of which may be bought back for \$2,000,000. The Company's interest in the Santo Tomas Property is subject to net smelter royalties of 1.5% in favour of ATM Mining Corp., a shareholder of the Company, and an arm's length third party (the "Altamura NSR"). 0.5% of the Altamura NSR will be cancelled if the CMR Option NSR is granted, with the result that the Santo Tomas Property will, upon the buy-back of half of the CMR Option NSR, be subject to a maximum 1.5% NSR.

During the year ended May 31, 2019, the Company paid \$10,000 (recorded as deferred acquisition costs) for an exclusive option (the "Aztec Share Option") to purchase the shares of Aztec (the "Aztec Shares") held by Fierce, being approximately 90% of the issued and outstanding shares of Aztec, at any time prior to April 10, 2022. The Aztec Shares, which were subject to dispute by Aztec, constitute the primary consideration to be paid by Aztec in the transaction which was the basis of Aztec's claim that resulted in the Judgement. During the nine months ended February 29, 2020, the Company entered into an agreement with Oroco pursuant to which the Company assigned the Aztec Share Option to Oroco in consideration for the reimbursement to the Company of the legal fees it has paid on behalf of Fierce and of the consideration paid for the grant of the Aztec Share Option by Fierce.

The Company has certain contingency fee obligations related to the Santo Tomas Property as follows:

- a) \$600,000 payable within twelve months of title to the Santo Tomas Property being registered to Xochipala Gold in the Mexican Public Registry of Mining (now due as the Santo Tomas Property has been registered to Xochipala Gold); and
- b) upon the direct or indirect sale, assignment or transfer of the Santo Tomas Property in a transaction intended to be final disposition of the Santo Tomas Property:
 - (i) 10% of the sale price, to a maximum of \$3,600,000, (inclusive of the first \$600,000); and
 - (ii) 1.5% of the sale price, to a maximum of \$4,100,000, of which up to \$1,000,000 is payable to David Rose, a related party by virtue of his shareholdings in the Company and up to \$1,500,000 is payable to Wayne Tisdale, a director and officer of the Company (Subsequent to February 29, 2020, Wayne Tisdale resigned as a director

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

5. EXPLORATION AND EVALUATION ASSETS (cont'd...)**Santo Tomas Property, Sinaloa State, Mexico (cont'd)**

and officer of the Company and Craig Dalziel, an officer and director of Oroco, and David Rose, an officer of Oroco, were appointed as directors and officers of the Company- see Note 15).

6. NOTES PAYABLE

	Total
May 31, 2018	\$ 92,985
Notes settled	(92,985)
May 31, 2019 and February 29, 2020	\$ -

During the year ended May 31, 2019, promissory notes (the "Notes") for the amount of \$76,744 (CAD \$99,000) were assigned to a single shareholder, who held the remaining balance of the Notes.

During the year ended May 31, 2019, the Company settled the Notes by way of a debt assignment agreement with a shareholder of the Company pursuant to which the Company settled \$92,985 (CAD \$120,000) of notes payable by the assignment of \$92,985 (CAD \$120,000) of loans receivable from Crossrange (Note 4).

7. ADVANCES FROM ASSOCIATED COMPANY

Oroco is an associated company by virtue of its holding 13% of the Company's issued common shares and by an officer of Oroco, a private company owned by the spouse of a director and officer of Oroco and a company controlled by family members of a director and officer of Oroco being shareholders of the Company, thereby providing Oroco significant influence in the Company.

During the nine months ended February 29, 2020, the Company received \$198,130 (CAD \$262,631) (February 28, 2019 - \$145,335 (CAD \$192,219)) from Oroco, and accrued interest owed of \$53,187 (CAD \$70,197) (February 28, 2019 - \$nil (CAD \$nil)), and paid \$57,000 (CAD \$76,355) (February 28, 2019 - \$nil (CAD \$nil)), for total outstanding Advances of \$699,734 (CAD \$937,069) (May 31, 2019 - \$503,003 (CAD \$680,596)) (the "Advances"). The Advances bear interest of 12% and are due within 90 days of request of Oroco.

The Company has entered into three agreements with Oroco dated effective September 27, 2018: (i) an option agreement (the "Option Agreement") pursuant to which Oroco acquired a three year option (the "Option"), the exercise of which is subject to TSX-V and Oroco shareholder approval (obtained), to acquire all of the equity in the Company not already held by Oroco, in consideration for 39,800,000 shares of Oroco; (ii) a loan agreement (the "Loan Agreement") pursuant to which Oroco agreed to lend up to \$600,000 to the Company, inclusive of Advances and exclusive of interest and management fees to date, and (iii) an amended and restated share option agreement (the "Advances Conversion Agreement") pursuant to which, in the event that Oroco does not exercise the Option, Oroco may convert all Advances to the Company into common shares of the Company at a price of \$0.057 per share at any time within the first six months after the expiry of the Option. The Advances are secured by promissory notes.

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

7. ADVANCES FROM ASSOCIATED COMPANY (cont'd)

As at February 29, 2020, the Company has amounts payable of \$258,740 (CAD \$346,500) (May 31, 2019 - \$256,085 (CAD \$346,500)) in relation to the management services. During the nine months ended February 29, 2020, the Company and Oroco amended: the Advances Conversion Agreement to include the management fees in the amount that Oroco may elect to convert into common shares of the Company.

	Total
Advances	
May 31, 2018	\$ 224,251
Advances received	262,835
Interest	30,567
Foreign exchange	(14,650)
May 31, 2019	503,003
Advances received	198,130
Interest	53,187
Payments	(57,000)
Foreign exchange	2,414
Total advances as at February 29, 2020	\$ 699,734
Management fees	
May 31, 2018	\$ -
Management fees	263,778
Foreign exchange	(7,693)
May 31, 2019	256,085
Foreign exchange	2,655
Total management fees as at February 29, 2020	\$ 258,740
Total advances and management fees as at February 29, 2020	\$ 958,474
Total advances and management fees as at May 31, 2019	\$ 759,088

8. SHARE CAPITAL**Authorized share capital**

The Company's authorized capital consists of an unlimited number of common shares without par value.

Issued share capital

During the nine months ended February 29, 2020, the Company issued no common shares.

During the nine months ended February 28, 2019, the Company issued 2,000,000 common shares, valued at \$121,400 pursuant to a Geological Work Product Purchase Agreement with Crossrange, in consideration for geological work and technical analysis of the Santo Tomas Property, included in property investigation costs.

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

9. NON-CONTROLLING INTEREST

As at February 29, 2020, the equity attributable to the 33.3% non-controlling interest in Xochipala Gold is \$2,459.

The following table presents the changes in equity attributable to the 33.3% non-controlling interest in XG:

	February 29, 2020
Non-controlling interest on disposition of Xochipala Gold (Note 5)	\$ (72,840)
Share of income for the period	2,459
Balance, end of the period	\$ (70,381)

As at February 29, 2020 and for the period from December 20, 2019 to February 29, 2020, summarized financial information about Xochipala Gold is as follows:

	February 29, 2020
Current assets	\$ 2,580
Current liabilities	213,721
Loss for the period	7,384

The income allocated to non-controlling interest based on an interest of 33.3% was \$2,459.

10. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its director and officer.

During the nine months ended February 28, 2019 and February 29, 2020, there were no expense transactions with key management personnel. Notes 5 and 7 detail other transactions with related parties.

During the nine months ended February 29, 2020, the Company settled \$nil (February 28, 2019 - \$79,038) owing to shareholders of the Company and \$nil (February 28, 2019 - \$13,947) owing to a company controlled by the director and shareholder by way of a debt assignment agreement to transfer all notes payable to one shareholder (Note 4). This amount was then settled by way of a debt assignment agreement with an arm's length party (Note 6).

ALTAMURA COPPER CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

11. SUPPLEMENTAL CASH FLOW INFORMATION

During the nine months ended February 28, 2019 and February 29, 2020, the Company's significant non-cash financing or investing activities consisted of:

	2020	2019
Exploration and evaluation assets recorded in accounts payable	\$ 600,000	\$ -
Settlement of accounts payable with notes payable	-	10,000
Settlement of accounts payable with deferred acquisition costs	10,000	-
Settlement of loans receivable with notes payable	-	92,985
Settlement of loans receivable with accounts payable	-	22,763

During the nine months ended February 29, 2020, cash paid for interest and taxes was \$nil (February 28, 2019 - \$nil).

12. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Mexico, as disclosed in Note 5.

13. FINANCIAL INSTRUMENT RISK

The Company's Director has overall responsibility for the establishment and oversight of the Company's risk management framework. As February 29, 2020, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Management of industry risk

The Company is engaged in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing as well as changes in foreign government policy. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

ALTAMURA COPPER CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

13. FINANCIAL INSTRUMENT RISK (cont'd...)

Management of financial risk

The carrying value of cash, receivables, accounts payable and accrued liabilities, and advances from associated company approximated their fair value because of the short-term nature of these instruments. Cash is measured at a level 1 of the fair value hierarchy. The Company's financial instruments are exposed to certain financial risks, which include credit risk, liquidity risk, and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The bank accounts are mainly held with a major Canadian bank and this minimizes the risk to the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient funds to meet its financial obligations when they are due. The Company manages liquidity risk through the management of its capital structure and financial leverage as outlined above. The Company monitors its ability to meet its short-term expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company is exposed to liquidity risk.

Foreign exchange risk

The Company's property interests in Mexico make it subject to foreign currency fluctuations, which may adversely affect the Company's financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the US dollar and foreign currencies. The Company does not invest in derivatives to mitigate these risks. The effect of a 1% change in the foreign exchange rate on the cash held in foreign currencies at February 29, 2020 is nominal.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

14. CAPITAL MANAGEMENT

The Company defines capital as the components of shareholders' deficiency. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Director. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the nine months ended February 29, 2020.

ALTAMURA COPPER CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in U.S. Dollars)

(Unaudited)

FEBRUARY 29, 2020

15. SUBSEQUENT EVENT

Subsequent to February 29, 2020:

- (a) the transaction whereby Oroco acquired all of the equity of the Company not already held by Oroco closed;
- (b) Wayne Tisdale resigned as the sole director and president of the Company and Craig Dalziel and David Rose were appointed as directors of the Company and president and secretary respectively;
- (c) Altamura acquired 25 shares of Xochipala Gold; and
- (d) the Company changed its registered and records office to Suite 1201 – 1166 Alberni Street, Vancouver, B.C. V6E 3Z3.