



**COPPERCORP RESOURCES INC.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**For the nine months ended September 30, 2022 and 2021**

**Expressed in Canadian Dollars**

**(Unaudited – prepared by Management)**

### **Notice of Non-review of Condensed Interim Financial Statements**

In accordance with National Instrument 51-102, the Company discloses that the accompanying condensed interim consolidated financial statements have been prepared by and are the responsibility of the Company's management. They have been reviewed and approved by the Company's Audit Committee and the Board of Directors.

The attached condensed interim consolidated financial statements for the nine months ended September 30, 2022 have not been reviewed by the Company's auditors.

**COPPERCORP RESOURCES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - Expressed in Canadian Dollars)

	Note(s)	September 30, 2022	December 31, 2021
<b>ASSETS</b>			
Current assets:			
Cash		\$ 7,632,598	\$ 5,939,220
Deferred financing costs		-	172,678
GST recoverable		52,587	92,698
Prepaid expenses	10	256,034	94,517
Total current assets		7,941,219	6,299,113
Non-current assets:			
Right of use – asset	7	130,337	73,583
Exploration and evaluation assets		511,562	511,562
Equipment	6	71,079	48,147
Long term deposits		4,603	4,603
Total assets		\$ 8,658,800	\$ 6,937,008
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	5,10	\$ 61,875	\$ 197,276
Lease liability – short term portion	7	43,314	21,449
		105,189	218,725
Non-current liabilities:			
Lease liability – long-term portion	7	89,220	49,870
		194,409	268,595
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	8	13,827,047	9,266,029
Reserves	8	2,967,932	2,103,451
Deficit		(8,330,588)	(4,701,067)
Total shareholders' equity		8,464,391	6,668,413
Total liabilities and shareholders' equity		\$ 8,658,800	\$ 6,937,008

**Nature and continuance of operations** (Note 1)

**Approved and authorized by the Board on November 25, 2022.**

\_\_\_\_\_  
*"Stephen Swatton"* Director      \_\_\_\_\_  
*"Craig Roberts"* Director

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

**COPPERCORP RESOURCES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2022	2021	2022	2021
<b>Expenses</b>					
Depreciation	6,7	\$ 18,740	\$ 1,982	\$ 48,277	\$ 3,287
Bank charges and interest		4,008	465	11,687	1,472
Director fees	10	11,250	34,000	69,750	39,000
Exploration expenditures	9	428,022	288,075	1,152,224	794,923
Management and consulting fees	10	128,750	72,625	404,375	246,500
Marketing and IR		7,223	-	539,802	250,000
Office and miscellaneous		6,403	10,690	267,643	62,812
Professional fees		38,260	52,249	239,538	127,846
Share-based compensation	8	-	-	864,481	1,535,893
Transfer agent and filing fees		12,819	28,128	105,149	29,194
Travel and conference		5,386	-	61,753	-
<b>Loss before the undernoted</b>		<b>(660,861)</b>	<b>(488,214)</b>	<b>(3,764,679)</b>	<b>(3,090,927)</b>
<b>Other income (expenses)</b>					
Interest income		59,376	-	93,934	-
Foreign exchange		(3,534)	(1,896)	41,224	(10,087)
<b>Net income (loss) for the period</b>		<b>(605,019)</b>	<b>(490,110)</b>	<b>(3,629,521)</b>	<b>(3,101,014)</b>
<b>Basic and diluted loss per common share</b>					
		<b>\$(0.01)</b>	<b>\$(0.01)</b>	<b>\$(0.06)</b>	<b>\$(0.06)</b>
<b>Weighted average number of common shares outstanding</b>					
		<b>66,225,365</b>	<b>56,175,365</b>	<b>65,709,980</b>	<b>49,376,744</b>

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

**COPPERCORP RESOURCES INC.****CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian Dollars)

	Share Capital (Note 8)				
	Shares	Amount	Reserves	Deficit	Total
<b>Balance, December 31, 2020</b>	<b>44,228,025</b>	<b>\$ 6,698,717</b>	<b>\$ -</b>	<b>\$ (70,721)</b>	<b>\$ 6,627,996</b>
Shares issued for private placements	11,947,340	2,645,676	-	-	2,645,676
Share-based compensation	-	-	1,535,893	-	1,535,893
Share issue costs – cash	-	(88,364)	-	-	(88,364)
Loss for the period	-	-	-	(3,101,014)	(3,101,014)
<b>Balance, September 30, 2021</b>	<b>56,175,365</b>	<b>\$ 9,256,029</b>	<b>1,535,893</b>	<b>\$ (3,171,735)</b>	<b>\$7,620,187</b>
<b>Balance, December 31, 2021</b>	<b>56,175,365</b>	<b>\$ 9,266,029</b>	<b>\$ 2,103,451</b>	<b>\$ (4,701,067)</b>	<b>\$ 6,668,413</b>
Shares issued for private placement	10,000,000	5,000,000	-	-	5,000,000
Share issue costs – cash	-	(438,982)	-	-	(438,982)
Share issue costs– corporate finance fee	50,000	-	-	-	-
Share-based compensation	-	-	864,481	-	864,481
Loss for the period	-	-	-	(3,629,521)	(3,629,521)
<b>Balance, September 30, 2022</b>	<b>66,225,365</b>	<b>13,827,047</b>	<b>2,967,932</b>	<b>(8,330,588)</b>	<b>8,464,391</b>

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

**COPPERCORP RESOURCES INC.**  
**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited - Expressed in Canadian Dollars)

	<b>Nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Loss for the period	\$ (3,629,521)	\$ (3,101,014)
<i>Items not involving cash:</i>		
Depreciation and amortization	48,277	3,287
Non-cash interest expense on ROUL	9,729	-
Share-based compensation	864,481	1,535,893
<i>Changes in non-cash working capital:</i>		
GST receivable	40,111	(39,261)
Prepaid expenses	(161,517)	(116,036)
Accounts payable and accrued liabilities	(135,400)	91,785
<b>Net cash used in operating activities</b>	<b>(2,963,840)</b>	<b>(1,625,346)</b>
<b>Cash flows from investing activities:</b>		
Acquisition of Georgina	-	-
Acquisition of equipment	(36,651)	(48,105)
<b>Net cash used in investing activities</b>	<b>(36,651)</b>	<b>(48,105)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of share capital	5,000,000	2,645,676
Share issuance costs - cash	(438,982)	(88,364)
Deferred financing costs	172,678	-
Deposit on lease	-	-
Repayment of leases	(39,916)	-
<b>Net cash provided by financing activities</b>	<b>4,693,780</b>	<b>2,557,312</b>
Net increase (decrease) in cash	1,693,378	883,861
Cash, beginning of the period	5,939,220	6,152,979
Cash, end of the period	\$ 7,632,598	\$ 7,036,840

During the period ended September 30, 2022, the Company paid \$ Nil in taxes (2021 - \$ Nil) and \$Nil (2021 - \$Nil) in interest.

**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Recognition of right of use asset	\$ 91,402	\$ -
Shares issued for corporate financing fee	\$ 30,000	\$ -

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

## **COPPERCORP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

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#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

CopperCorp Resources Inc. (“CopperCorp”, the “Company”) was incorporated pursuant to the provisions of the British Columbia Business Corporations Act on July 21, 2020. The Company’s head office is located at Suite 203 – 55 Water Street, Vancouver, BC, V6B 1A1 and the Company’s registered and records office is located at Suite 900 – 885 West Georgia Street, Vancouver, BC, V6C 3H1. The Company is a mineral exploration company with interests in properties in Australia.

On January 12, 2022, the Company commenced trading on the TSX Venture Exchange under the trading symbol (“CPER”). The Company completed its initial public offering (“IPO”) of 10,000,000 common shares at a price of \$0.50 per share for total gross proceeds of \$5,000,000 on January 12, 2022 (Note 8).

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business.

As at September 30, 2022, the Company had current assets of \$7,941,219 to settle current liabilities of \$105,189, leaving the company with a working capital of \$7,836,030. Management estimates that the Company will be able to meet its obligations and to sustain operations for at least the next twelve months.

These condensed interim consolidated financial statements do not reflect adjustments, which could be material to the carrying values and classification of assets and liabilities, which may be required should the Company be unable to continue as a going concern.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration properties and the Company’s continued existence are dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis.

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. To date, there have been no adverse effects on the Company’s business or ability to raise funds.

#### **2. BASIS OF PRESENTATION**

##### **a) Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) for interim information, specifically International Accounting Standards (“IAS”) 34 - Interim Financial Reporting. In addition, these condensed interim consolidated financial statements have been prepared using interpretations issued by the International Financial Reporting Interpretation Committee (“IFRIC”) in effect at September 30, 2022 and the same accounting policies and methods of their application as the most recent annual financial statements of the Company. These condensed interim consolidated financial statements do not include all disclosures normally provided in the annual financial statements and should be read in conjunction with the Company’s audited financial statements for the year ended December 31, 2021.

In management’s opinion, all adjustments necessary for fair presentation have been included in these condensed interim consolidated financial statements. Interim results are not necessarily indicative of the results expected for the year ending December 31, 2022.

The condensed interim consolidated financial statements for the nine months ended September 30, 2022 (including comparatives) have been prepared by management, reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on November 25, 2022.

## **COPPERCORP RESOURCES INC.**

### **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

#### b) Basis for measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value. All dollar amounts presented are expressed in Canadian Dollars unless otherwise specified. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

#### a) Basis of consolidation

These condensed interim consolidated financial statements include the financial statements of CopperCorp Resources Inc. and its wholly owned subsidiary Georgina Resources Pty Ltd. incorporated in Australia. All intercompany transactions and balances have been eliminated upon consolidation.

Name of subsidiary	Country of incorporation	Proportion of ownership interest	Principal activity
Georgina Resources Pty Ltd	Australia	100%	Mineral exploration

#### b) Accounting estimates and judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in profit or loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

##### *Critical estimates*

###### Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

##### *Critical judgments*

The preparation of these condensed interim consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1.

###### Income taxes

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and future income tax provisions or recoveries could be affected.

**Carrying value and recoverability of exploration and evaluation assets**

The carrying amount of the Company's exploration and evaluation assets do not necessarily represent present or future values, and the Company's exploration and evaluation assets have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development and upon future profitable production or proceeds from the disposition of the mineral property interests themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its mineral property interests or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's exploration and evaluation assets.

**4. ACQUISITION OF GEORGINA**

On November 9, 2020, the Company closed a transaction, whereby the Company acquired a 100% interest in Georgina Resources Pty Ltd. ("Georgina") that holds the rights to the AMC Project (formerly the Alpine Project) and to the Skyline Project in Australia subject to a 1.5% net smelter return royalty to Georgina vendors which can be purchased for \$3,000,000. The acquisition has been accounted for as an acquisition of assets.

The aggregate purchase consideration for the acquisition consists of the Company issuing 10,300,000 common shares of the Company. The purchase price allocation is as follows:

Shares	463,500	[i]
Transaction costs	64,443	
<b>Total</b>	<b>527,943</b>	
Cash	12,766	
Recoverable taxes	3,615	
Exploration and evaluation of assets	511,562	
<b>Total transaction price</b>	<b>527,943</b>	

[i] The Company issued 10,300,000 common shares on November 9, 2020 as per share purchase agreement.

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<b>September 30, 2022</b>		<b>December 31, 2021</b>	
Accounts payable	\$	28,125	\$	196,026
Accrued liabilities		33,750		1,250
<b>Total accounts payable and accrued liabilities</b>	<b>\$</b>	<b>61,875</b>	<b>\$</b>	<b>197,276</b>

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

**6. EQUIPMENT**

		Field Equipment
<b>Cost</b>		
At December 31, 2020	\$	-
Addition		53,584
At December 31, 2021	\$	53,584
Addition		36,561
<b>At September 30, 2022</b>	<b>\$</b>	<b>90,145</b>
<b>Accumulated Depreciation</b>		
At December 31, 2020	\$	-
Additions		5,437
At December 31, 2021	\$	5,437
Additions		13,629
<b>At September 30, 2022</b>	<b>\$</b>	<b>19,066</b>
<b>Net Book Value</b>		
At December 31, 2020	\$	-
At December 31, 2021	\$	48,147
<b>At September 30, 2022</b>	<b>\$</b>	<b>71,079</b>

**7. RIGHT-OF-USE ASSET AND LEASE LIABILITIES****a) Right-of-use asset**

<b>Cost</b>		
Balance, December 31, 2020	\$	-
Additions		96,796
Balance, December 31, 2021	\$	96,796
Additions		91,402
<b>Balance, September 30, 2022</b>	<b>\$</b>	<b>188,198</b>
<b>Accumulated Amortization</b>		
Balance, December 31, 2020	\$	-
Additions		23,213
Balance, December 31, 2021	\$	23,213
Additions		34,648
<b>Balance, September 30, 2022</b>	<b>\$</b>	<b>57,861</b>
<b>Net book value, September 30, 2022</b>	<b>\$</b>	<b>130,337</b>

The right-of-use asset relates to the following:

- On January 1, 2021, the Company entered into a lease agreement for the Company's office space in Australia with the following terms: duration of four years and monthly payments of \$2,355 (AUD \$2,500).
- On March 1, 2022, the Company entered into a lease agreement for the Company's office space in Canada with the following terms: duration of three years and monthly payments of \$2,787.

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

**b) Lease liability**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Opening balance	\$ 71,319	-
Additions	91,402	96,796
Interest expense	9,729	8,391
Lease payments	(39,916)	(28,260)
Foreign exchange	-	(5,608)
<b>Ending balance</b>	<b>\$ 132,534</b>	<b>71,319</b>

The Company used 10% interest rate, its estimated incremental borrowing rate to calculate the present value of the lease payments as well as to calculate the monthly accretion expense.

Future minimum payments per the lease payable are as follows:

Fiscal 2022	\$ 30,484
Fiscal 2023	62,710
Fiscal 2024	64,800
Fiscal 2025	6,270
Total future minimum lease payments	164,264
Effects of discounting	(31,731)
Total lease liability	132,534
Current lease liability	43,314
Non-Current lease liability	89,220

**8. SHARE CAPITAL**

a) Authorized share capital: Unlimited number of common shares, without par value.

Issued share capital: As at September 30, 2022, the Company had 66,225,365 (December 31, 2021 – 56,175,365) shares issued and outstanding.

**For the nine months ended September 30, 2022**

During the nine months ended September 30, 2022, the Company completed its IPO, resulting in the issuance of 10,000,000 common shares in the capital of the Company at a price of \$0.50 per common share for gross proceeds of \$5,000,000. In connection with the IPO, the Company incurred \$438,982 in share issuance costs of which \$172,678 was presented as deferred financing costs at December 31, 2021. The Company also issued 50,000 common shares of the Company as a corporate finance fee, valued at \$30,000 at issuance date.

**For the nine months ended September 30, 2021**

As at September 30, 2021, the Company had 56,175,365 common shares issued and outstanding.

On September 17, 2021, the Company had announced its Initial Public Offering of 10,000,000 common shares at \$0.50 per common share. Pursuant to the terms of Agency Agreement, Haywood Securities Inc., will be paid \$0.03 per common share, totaling to a \$300,000 cash commission. The Company will receive a gross proceed of \$4,700,000 at Closing. The Company estimated costs to be incurred at \$424,825, which includes legal fees, due diligence fees, audit fees, listing and filing fees, securities commission fees and transfer agent fees.

On June 8, 2021, the Company completed a private placement unit financing of 6,610,912 common shares at \$0.35 per units and 5,035,714 shares at \$0.045 per share, for gross proceeds of \$2,540,426. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until June 8, 2023. In connection with this

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

financing, the Company incurred cash finders' fees of \$60,000, recorded as share issue costs. The Company issued a total of 5,035,714 options at \$0.045 to certain officers, as such it resulted to a share-based compensation of \$1,535,893.

On January 14, 2021, the Company completed a private placement unit financing of 300,714 common shares at \$0.35 per unit, for gross proceeds of \$105,250. Each unit comprised one common share and half common share purchase warrant each exercisable at \$0.75 per common share until January 14, 2023. In connection with this financing, the Company incurred cash finders' fees of \$28,364, recorded as share issue costs.

## b) Warrants

The number and weighted average prices of warrants are as follows:

	Number of Warrants		Weighted Average Exercise Price
Outstanding as at July 21, 2020 (incorporation)	-	\$	-
Issued	8,075,123	\$	0.75
Outstanding as at December 31, 2020	8,075,123	\$	0.75
Issued	3,455,812	\$	0.75
Outstanding as at December 31, 2021 and September 30, 2022	11,530,935	\$	0.75

As at September 30, 2022, the outstanding and exercisable share purchase warrants were as follows:

Number of Warrants	Exercise Price	Expiry Date	Weighted average remaining life (in years)
3,172,681	\$0.75	November 20, 2022	0.14
4,902,442	\$0.75	December 3, 2022	0.18
150,357	\$0.75	January 14, 2023	0.29
3,305,455	\$0.75	June 8, 2023	0.69
11,530,935	\$0.75		0.31

## c) Stock options

Pursuant to CopperCorp's stock option plan, the Board of Directors may grant options for the purchase of up to 10% of the total number of issued and outstanding common shares of the Company. Options granted under the plan vest over time at the discretion of the Board of Directors and expire no later than five years from the date of issuance. Exercise prices on options granted under the plan cannot be lower than the market price of one share on the last trading day immediately preceding the day on which the option is granted, less the maximum applicable discount permitted by TSX Venture Exchange and the minimum exercise price per common share must be at least \$0.10. Options issued are subject to vesting terms at the discretion of the Board of Directors.

During the year ended December 31, 2021, the Company granted a total of 5,400,000 incentive stock options to directors, officers, and consultants of the Company. Each option is exercisable to purchase one common share of the Company for five years at a price of \$0.35 per common share and vest as follows:

- (a) one-third (1/3rd) of the Securities to vest on the date that is four months after the Company lists on the TSX Venture Exchange;
- (b) one-third (1/3rd) of the Securities to vest on the date that is eight months after the Company lists on the TSX Venture Exchange; and
- (c) one-third (1/3rd) of the Securities to vest on the date that is 12 months after the Company lists on the TSX Venture Exchange.

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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During the period ended September 30, 2022, the Company granted a total of 50,000 incentive stock options to an employee of the Company. Each option is exercisable to purchase one common share of the Company for five years at a price of \$0.66 per common share and shall vest quarterly for a period of twelve months.

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date	Weighted average remaining life (in years)
5,400,000	-	\$0.35	July 27, 2026	3.82
50,000	-	\$0.66	Jan 17, 2027	4.30
5,450,000	-	\$0.35		3.83

The fair value of stock options issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

	June 30, 2022	December 31, 2021
Risk-free interest rate	1.61%	1.26%
Expected dividend yield	Nil	Nil
Share price	\$0.66	\$0.35
Expected stock price volatility	100%	100%
Average expected option life	5 years	5 years
Fair value of options granted	\$0.44	\$0.26

During the nine months ended September 30, 2022, the Company recognized \$864,481 (September 30, 2021 – \$1,535,893) in share-based compensation expense for the fair value of stock options granted and vested.

**9. EXPLORATION AND EVALUATION EXPENDITURES**

For the nine months ended September 30, 2022, the Company incurred the following exploration and evaluation expenditures:

	AMC (formerly Alpine)	Skyline	Others	Total
Drilling	\$ 464,464	\$ -	\$ -	\$ 464,464
Field and general operations	128,964	105,800	25,130	259,894
Field contractors and consultants	168,341	47,183	-	215,524
Geochemistry	175,418	10,421	-	185,839
Geophysics	8,332	-	1,306	9,638
Travel and accommodation	16,761	-	104	16,865
<b>September 30, 2022</b>	<b>\$ 962,277</b>	<b>\$ 163,404</b>	<b>\$ 26,540</b>	<b>\$ 1,152,224</b>

**COPPERCORP RESOURCES INC.****NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

For the Nine Months Ended September 30, 2022 and 2021

Unaudited - Expressed in Canadian Dollars

From the nine months ended September 30, 2021, the Company incurred the following exploration and evaluation expenditures:

	AMC (formerly Alpine)	Skyline	Others	Total
Drilling	\$ 245,631	\$ -	\$ -	\$ 245,631
Field and general operations	67,375	-	-	67,375
Field contractors and consultants	356,346	-	-	356,346
Geochemistry	26,297	-	-	26,297
Geophysics	37,109	-	-	37,109
Geological consulting	7,907	-	-	7,907
Metallurgy	38,092	-	-	38,092
Travel	14,848	-	-	14,848
Field equipment	1,318	-	-	1,318
<b>September 30, 2021</b>	<b>\$ 794,923</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 794,923</b>

**10. RELATED PARTY TRANSACTIONS****Key management personnel**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals. The aggregate value of compensation with key management for the nine months ended September 30, 2022 was \$789,014 (2021 - \$1,712,393) and was comprised of the following:

	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Management and consulting fees	\$ 159,375	\$ 137,500
Directors' fees	69,750	39,000
Share-based compensation	559,889	1,535,893
<b>Total remuneration</b>	<b>\$ 789,014</b>	<b>\$ 1,712,393</b>

As at September 30, 2022, the Company owed \$nil (2021 - \$71,500) to related parties. The amount is included in accounts payable and accrued liabilities.

As at September 30, 2022, there was \$41,885 (2021-\$nil) included in prepaid expenses to related parties.

**Other related party transactions**

For the nine months ended September 30, 2022, CopperCorp incurred a total of \$70,000 (2021 - \$57,000) in consulting fees from a company owned by a close family member of the CFO.

**11. FINANCIAL INSTRUMENTS****Fair value**

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

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Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Cash is carried at fair value using a Level 1 fair value measurement. The recorded values of GST receivable, and accounts payable and accrued liabilities approximate their carrying values due to their short-term to maturities which is the amount presented on the statement of financial position.

#### *Financial risk factors*

The Company's risk exposures and the impact on the Company's financial statements are summarized below:

#### *Credit risk*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and GST receivable due from the Government of Canada and Australia. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to GST receivable is minimal.

#### *Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2022, the Company had a working capital balance of \$7,836,030.

#### *Interest rate risk*

The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institution is subject to floating rates of interest. The interest rate risk on cash is not considered significant.

#### *Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities, denominated in Australian dollars. A 10% fluctuation between the Canadian dollar against the Australian dollar would impact profit or loss by approximately \$27,571.

#### *Price risk*

The Company has limited exposure to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

## **12. CAPITAL MANAGEMENT**

Capital is comprised of the Company's shareholders' equity. As at the nine months ended September 30, 2022, the Company's shareholders' equity was \$8,464,391. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company currently is not subject to externally imposed capital requirements. There were no changes to the Company's capital management during the year.

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**13. SEGMENT INFORMATION**

The Company operates in one reportable segment, being the acquisition, exploration and evaluation of mineral resources. All of the Company's equipment and exploration and evaluation assets are located in Australia as follows:

	September 30, 2022		December 31, 2021	
Equipment				
Australia	\$	71,079	\$	48,147
		71,079		48,147
Exploration and evaluation assets				
Australia		511,562		511,562
	\$	511,562	\$	511,562
	\$	582,641	\$	559,709