
AGUILA COPPER CORP.

(formerly Aguila American Gold Limited)

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
APRIL 30, 2022 AND 2021

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Aguila Copper Corp.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aguila Copper Corp. (the "Company"), which comprise the statements of financial position as at April 30, 2022 and 2021, and the statements of comprehensive loss, changes in Shareholders' equity 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, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Company as at April 30, 2022 and 2021, 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 audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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 ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in "Management's Discussion and Analysis", but does not include the consolidated financial statements and our auditor's report thereon.

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. 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.

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 audits.

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 G. Cameron Dong.

A handwritten signature in black ink that reads "De Visser Gray LLP". The signature is written in a cursive, flowing style.

CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, BC, Canada
August 22, 2022

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)

	Note	April 30, 2022 \$	April 30, 2021 \$
ASSETS			
Current assets			
Cash		1,782,915	1,776,271
GST receivable		10,109	15,501
Prepays		<u>44,043</u>	<u>158,853</u>
Total current assets		<u>1,837,067</u>	<u>1,950,625</u>
Non-current assets			
Exploration and evaluation assets	4	316,151	515,159
Bond		<u>4,513</u>	<u>-</u>
Total non-current assets		<u>320,664</u>	<u>515,159</u>
TOTAL ASSETS		<u>2,157,731</u>	<u>2,465,784</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	<u>258,775</u>	<u>141,473</u>
TOTAL LIABILITIES		<u>258,775</u>	<u>141,473</u>
SHAREHOLDERS' EQUITY			
Share capital	5	29,951,417	29,209,019
Share-based payments reserve		1,936,409	1,834,209
Deficit		<u>(29,988,870)</u>	<u>(28,718,917)</u>
TOTAL SHAREHOLDERS' EQUITY		<u>1,898,956</u>	<u>2,324,311</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>2,157,731</u>	<u>2,465,784</u>

Nature of Operations - see Note 1

Events after the Reporting Period - see Note 11.

These consolidated annual financial statements were approved for issue by the Board of Directors on August 22, 2022 and are signed on its behalf by:

/s/ Mark Saxon
Mark Saxon
Director

/s/ Nick DeMare
Nick DeMare
Director

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

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

	Note	Year Ended April 30	
		2022 \$	2021 \$
Expenses			
Accounting and administration	6(b)(ii)	31,400	40,850
Audit		12,000	6,667
Corporate development		45,094	35,760
Director and officer compensation	6	134,363	112,580
General exploration		26,636	-
Insurance		3,870	8,102
Investor relations		125,295	125,825
Legal		29,762	36,605
Office		7,681	3,436
Professional fees		180,942	79,953
Regulatory fees		28,269	16,420
Share-based compensation	5(d)	102,200	356,590
Shareholder costs		10,015	7,190
Transfer agent		7,443	10,286
Travel		5,698	-
Website development and support		5,291	5,079
		<u>755,959</u>	<u>845,343</u>
Loss before other items		<u>(755,959)</u>	<u>(845,343)</u>
Other items			
Interest income		13,956	9,993
Interest expense		-	(1,373)
Foreign exchange		8,290	(16,844)
Impairment of exploration and evaluation assets	4(a)	<u>(536,240)</u>	<u>-</u>
		<u>(513,994)</u>	<u>(8,224)</u>
Net loss and comprehensive loss for the year		<u>(1,269,953)</u>	<u>(853,567)</u>
Basic and diluted loss per common share		<u>\$(0.06)</u>	<u>\$(0.06)</u>
Basic and diluted weighted average number of common shares outstanding		<u>22,263,459</u>	<u>14,744,594</u>

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

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)

Year Ended April 30, 2022						
Common Shares		Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$		
Number of Shares	Amount \$					
Balance at April 30, 2021	20,226,541	29,209,019	1,834,209	(28,718,917)	2,324,311	
Common shares issued for cash:						
- private placement	3,750,000	750,000	-	-	750,000	
- warrants exercised	25,000	3,250	-	-	3,250	
Share issue costs	-	(10,852)	-	-	(10,852)	
Share-based compensation	-	-	102,200	-	102,200	
Net loss for the year	-	-	-	(1,269,953)	(1,269,953)	
Balance at April 30, 2022	24,001,541	29,951,417	1,936,409	(29,988,870)	1,898,956	

Year Ended April 30, 2021						
Common Shares		Share-Based Payments Reserve \$	Deficit \$	Total Shareholders' Equity \$		
Number of Shares	Amount \$					
Balance at April 30, 2020	3,238,985	26,055,130	1,477,619	(27,865,350)	(332,601)	
Common shares issued for cash:						
- private placements	16,812,556	3,179,225	-	-	3,179,225	
- warrants exercised	175,000	23,650	-	-	23,650	
Share issue costs	-	(48,986)	-	-	(48,986)	
Share-based compensation	-	-	356,590	-	356,590	
Net loss for the year	-	-	-	(853,567)	(853,567)	
Balance at April 30, 2021	20,226,541	29,209,019	1,834,209	(28,718,917)	2,324,311	

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

AGUILA COPPER CORP. *(formerly Aguila American Gold Limited)*
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	Year Ended April 30,	
	2022	2021
	\$	\$
Operating activities		
Net loss for the year	(1,269,953)	(853,567)
Adjustments for:		
Interest expense	-	1,373
Share-based compensation	102,200	356,590
Impairment of exploration and evaluation assets	536,240	-
Changes in non-cash working capital items:		
GST receivable	5,392	(6,833)
Prepays	114,810	(157,175)
Accounts payable and accrued liabilities	88,222	(110,339)
Net cash used in operating activities	<u>(423,089)</u>	<u>(769,951)</u>
Investing activities		
Exploration and evaluation assets expenditures	(308,152)	(509,197)
Bond	(4,513)	-
Net cash used in investing activities	<u>(312,665)</u>	<u>(509,197)</u>
Financing activities		
Issuance of common shares	753,250	3,202,875
Share issue costs	(10,852)	(48,986)
Repayment of advances and accrued interest	-	(120,229)
Net cash provided by financing activities	<u>742,398</u>	<u>3,033,660</u>
Net change in cash during the year	6,644	1,754,512
Cash at beginning of year	<u>1,776,271</u>	<u>21,759</u>
Cash at end of year	<u>1,782,915</u>	<u>1,776,271</u>

Supplemental cash flow information - See Note 9

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

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

1. Nature of Operations

On December 3, 2021 AguilA American Gold Limited changed its name to AguilA Copper Corp. (the “Company”). The Company is listed and traded on the TSX Venture Exchange (“TSXV”) under the symbol “AGL”, the OTCQB under the symbol “AGLAF” and the Frankfurt Stock Exchange under the Symbol “AGP2”. The Company’s principal and executive office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7, Canada.

The Company is a junior resource company engaged in the acquisition and exploration of unproven mineral interests. On the basis of information to date the Company has not yet determined whether these properties contain economically recoverable ore reserves. The underlying value of the mineral resource interests is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete exploration and development and upon future profitable production. Mineral resource interests represent costs incurred to date, less amounts amortized and/or written off, and do not necessarily represent present or future values. As a mineral Company in the exploration stage the ability of the Company to complete the exploration and development of its mineral property interests will be affected primarily by its ability to raise adequate amounts of capital through equity financings, debt financings, joint venturing of projects and other means.

The Company has a history of losses with no operating revenues and, as at April 30, 2022, the Company had working capital of \$1,578,292. The Company’s operations are funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. Although management considers that the Company has adequate resources to maintain its current levels of overhead, make annual mineral concession payments as they come due and fund existing levels of planned exploration expenditures over the course of the next twelve months, the Company recognizes that exploration expenditures may change with ongoing results and, as a result, it may be required to obtain additional financing. While the Company has been successful in securing financings in the past there can be no assurance that it will be able to do so in the future.

These consolidated financial statements do not reflect any adjustments related to conditions that occurred subsequent to April 30, 2022.

In March 2020 the World Health Organization declared the outbreak of a novel coronavirus, identified as “COVID-19”, as a global pandemic. This contagious disease outbreak, which has continued to spread, and any related public health developments, has caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility in national and global equity and commodity markets. It is not possible for the Company to predict the duration and severity of these developments and the impact on the financial results and condition of the Company and its operations in future periods.

2. Basis of Preparation

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 IFRS Interpretations Committee (“IFRIC”).

Basis of Measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value. The consolidated financial statements are presented in Canadian dollars unless otherwise stated. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

2. Basis of Preparation (continued)

Details of the Group

In addition to the Company, the consolidated financial statements include all subsidiaries. Subsidiaries are all corporations over which the Company is able, directly or indirectly, to control financial and operating policies, which is the authority usually connected with holding majority voting rights. Subsidiaries are fully consolidated from the date on which control is acquired by the Company. Inter-company transactions and balances are eliminated upon consolidation. They are de-consolidated from the date that control by the Company ceases.

On November 10, 2020 the Company established a United States subsidiary, Aguilá Gold Inc., (“Aguila USA”) in the state of Nevada to conduct the Company’s activities in the United States. As at April 30, 2022 Aguilá USA remains the Company’s sole subsidiary.

3. Summary of Significant Accounting Policies

Critical Judgments and Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.
- (ii) Management is required to assess the functional currency of each entity of the Company. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary company, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant the Company also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.
- (iii) Management is required to assess impairment in respect of exploration and evaluation assets. The triggering events are defined in IFRS 6. In making the assessment, management is required to make judgments on the status of each project and the future plans towards finding commercial reserves. The nature of exploration and evaluation activity is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. See Note 4(a).
- (iv) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
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3. Summary of Significant Accounting Policies (continued)

- (v) The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's estimate of future profits or losses adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules in the jurisdictions in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognized to the extent of the amount expected to be utilized. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances. Details of these can be found in Note 7.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) The cost estimates are updated periodically during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at fair value. Fair value is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities.
- (ii) The assessment of any impairment of exploration and evaluation assets is dependent upon estimates of the recoverable amount that take into account factors such as reserves, economic and market conditions and the useful lives of assets. In fiscal 2022 management made an impairment charge of \$536,240 on certain of its exploration and evaluation assets, as described in Note 4(a). In fiscal 2021 management concluded that there were no impairment indicators and no impairment charge was required.

Cash and Cash Equivalents

Cash includes cash on hand and demand deposits. Cash equivalents include short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. The Company is not exposed to significant credit or interest rate risk although cash is held in excess of federally insured limits with a major financial institution. As at April 30, 2022 and 2021 the Company did not have any cash equivalents.

Amounts Receivable

Receivables are recognized initially at fair value and classified as amortized cost. Receivables are subsequently measured at amortized cost using the effective interest method, less expected credit losses. At each reporting date, the Company records a credit losses at an amount equal to the lifetime expected credit losses using a present value and probability-weighted model.

Accounts Payable and Accrued Liabilities

Payables are obligations to pay for materials or services that have been acquired in the ordinary course of business from suppliers. Payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are classified as amortized cost initially at fair value and are subsequently measured at amortized cost using the effective interest method

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Exploration and Evaluation Assets

The Company is in the exploration stage with respect to its investment in exploration and evaluation assets and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral properties and crediting all proceeds received against the cost of the related properties, net of government assistance. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and sampling. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral properties are charged to operations at the time of any abandonment, or when it has been determined that there is evidence of a permanent impairment. An impairment charge relating to a mineral property is subsequently reversed when new exploration results or actual or potential proceeds on sale or farmout of the property result in a revised estimate of the recoverable amount, but only to the extent that this does not exceed the original carrying value of the property that would have resulted if no impairment had been recognized.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

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.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations.

Impairment

At each financial position reporting date, the carrying amounts of the Company's 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. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit 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 the profit or loss for the period.

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

AGUILA COPPER CORP. (formerly *Aguila American Gold Limited*)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Decommissioning Provision

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral interest by or on behalf of the Company. Costs for restoration of site damage which is created on an ongoing basis during exploration and evaluation are provided for at their net present values and charged against profits in the period such exploration and evaluation occurs. Discount rates using a risk-free rate that reflects the time value of money are used to calculate the net present value. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. As at April 30, 2022 and 2021 the Company does not have any decommissioning obligations.

Financial Instruments

The Company classifies its financial assets and financial liabilities in the following measurement categories: (i) those to be measured subsequently at fair value through profit and loss (“FVTPL”); (ii) those to be measured subsequently at fair value through other comprehensive income (“FVOCI”); and (iii) those to be measured at amortized cost. The classification of financial assets depends on the business model for managing the financial assets and the contractual terms of the cash flows. Financial liabilities are classified as those to be measured at amortized cost unless they are designated as those to be measured subsequently at FVTPL (irrevocable election at the time of recognition). For assets and liabilities measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income.

All financial instruments are required to be measured at fair value on initial recognition, plus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial asset or financial liability. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Financial assets and financial liabilities with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost at the end of the subsequent accounting periods. All other financial assets including equity investments are measured at their fair values at the end of subsequent accounting periods, with any changes taken through profit and loss or other comprehensive income (irrevocable election at the time of recognition). For financial liabilities measured subsequently at FVTPL, changes in fair value due to credit risk are recorded in other comprehensive income.

Share Capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Equity Financing

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate mineral properties. These equity financing transactions may involve issuance of common shares or units. Units typically comprise a certain number of common shares and share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the terms of the transaction. The Company adopted a residual value method with respect to the measurement of common shares and share purchase warrants issued as private placement units. The fair value of the common shares issued in the private placements is determined by the closing quoted bid price on the price reservation date, if applicable, or the announcement date. The balance, if any, is allocated to the attached share purchase warrants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED APRIL 30, 2022 AND 2021
(Expressed in Canadian Dollars)

3. Summary of Significant Accounting Policies (continued)

Share-Based Payment Transactions

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of share options granted is recognized as a share-based compensation expense with a corresponding increase in the equity settled share-based payments reserve in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

For employees the fair value is measured at grant date and each tranche is recognized on a straight line basis over the period during which the share options vest. The fair value of the share options granted is measured using the Black-Scholes Option Pricing Model taking into account the terms and conditions upon which the share options were granted. At the end of each reporting period, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Equity-settled share-based payment transactions with non-employees are measured at the fair value of the goods or services received. However, if the fair value cannot be estimated reliably, the share-based payment transaction is measured at the fair value of the equity instruments granted at the date the Company receives the goods or the services.

Current and Deferred Income Taxes

The tax expense comprises current and deferred tax. Tax is recognized separately in the statement of comprehensive loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred Tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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3. Summary of Significant Accounting Policies (continued)

Loss Per Share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. The computation of diluted earnings and loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on loss per share. The dilutive effect of outstanding options and warrants and their equivalents is reflected in diluted loss per share.

Foreign Currency Translation

Functional and Presentation Currency

The financial statements of the Company's subsidiary is prepared in the local currency of its home jurisdiction. Consolidation of the subsidiary includes re-measurement from the local currency to the subsidiary's functional currency. The subsidiary's functional currency, being the currency of the primary economic environment in which the subsidiary operates, is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars.

Exchange rates published by the Bank of Canada were used to translate subsidiary financial statements into the consolidated financial statements. Income and expenses for each statement of comprehensive loss presented are translated using the rates prevailing on the transaction dates. All resulting foreign exchange differences are recognized in comprehensive loss.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in comprehensive loss.

Comparative Figures

Certain of the prior fiscal year's comparative figures have been reclassified to conform with the current fiscal year's presentation.

Accounting Standards and Interpretations Issued but Not Yet Effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current* (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period";
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counter-party of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined. There is currently a proposal outstanding that would defer the effective date until January 1, 2023.

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4. Exploration and Evaluation Assets

	WUSA Gold Project \$	Cora Copper Project \$	Lida Copper Project \$	Sherridon Project \$	Total \$
Balance at April 30, 2020	-	-	-	-	-
Exploration costs					
Assays	43,302	-	-	-	43,302
Drilling	254,694	-	-	-	254,694
Geological	64,562	-	-	-	64,562
Permits	12,274	-	-	-	12,274
Travel	7,366	-	-	-	7,366
Vehicle rental	3,783	-	-	-	3,783
	<u>385,981</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>385,981</u>
Acquisition cost					
Option payments	129,178	-	-	-	129,178
Balance at April 30, 2021	<u>515,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,159</u>
Exploration costs					
Assays	1,855	-	7,874	-	9,729
Camp costs	-	4,845	-	-	4,845
Field work	-	1,098	-	-	1,098
Geophysical	-	42,304	-	-	42,304
Geological	7,782	50,833	79,822	48,232	186,669
Permits	8,327	-	-	-	8,327
Travel	1,268	-	2,285	-	3,553
Vehicle rental	1,849	2,302	965	-	5,116
	<u>21,081</u>	<u>101,382</u>	<u>90,946</u>	<u>48,232</u>	<u>261,641</u>
Acquisition costs					
Option payment	-	-	-	15,000	15,000
Staking costs	-	18,270	42,321	-	60,591
	<u>-</u>	<u>18,270</u>	<u>42,321</u>	<u>15,000</u>	<u>75,591</u>
Impairment	<u>(536,240)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(536,240)</u>
Balance at April 31, 2022	<u>-</u>	<u>119,652</u>	<u>133,267</u>	<u>63,232</u>	<u>316,151</u>

(a) *WUSA Gold Project, Oregon*

Effective December 27, 2017, as amended, Mawson Gold Limited and its subsidiary, Mawson Resources USA Inc. (“Mawson USA”) (collectively “Mawson”), entered into an agreement (the “WUSA Option Agreement”) whereby it was granted the option to lease and to conduct exploration on mineral rights (the “WUSA Gold Project”) located in Oregon, USA.

On July 27, 2020 Mawson and the Company entered into an agreement whereby the Company was granted the right to earn up to an 80% indirect interest in the WUSA Gold Project. The Company had earned an initial 51% indirect interest (the “Initial Interest”) by funding a minimum of US \$200,000 in exploration expenditures and making a US \$25,000 payment to the landholder. The Company could earn an additional 29% indirect interest by funding a further US \$1,000,000 in exploration expenditures by December 31, 2022 and making all the remaining option lease payments and exploration expenditures required under the WUSA Option Agreement.

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4. Exploration and Evaluation Assets (continued)

During fiscal 2022 the Company determined not to incur any additional costs required to maintain its interest in the WUSA Option Agreement and provided notice of termination. The Company has determined to impair all capitalized expenditures on the WUSA Gold Project as at April 30, 2022 and, accordingly, has recorded an impairment of \$536,240.

The Company and Mawson have a director in common.

(b) *Cora Copper Project, Arizona*

The Company has staked 46 mining claims (the “Cora Copper Project”), located in Pinal County, Arizona.

(c) *Lida Copper Project, Nevada*

The Company has staked 33 mining claims (the “Lida Copper Project”), located in Esmeralda County, Nevada.

(d) *Sherridon Property, Manitoba*

On December 6, 2021 the Company entered into an option agreement (the “Sherridon Option Agreement”) with a private British Columbia company (the “Vendor”) pursuant to which the Company has been granted the option to earn up to a 90% interest of 28 mining claims and one mineral lease (the “Sherridon Property”) located in the Sherridon mining district in Manitoba, Canada.

Pursuant to the Sherridon Option Agreement the Company has paid \$15,000 and is required to issue to the Vendor 100,000 common shares of the Company by July 31, 2022 and incur \$100,000 of exploration expenditures on or before January 31, 2023. The Company will earn an initial 80% interest (the “Option”) in the Sherridon Property by incurring an additional \$900,000 exploration expenditures by January 31, 2026. The Company may then earn a further 10% interest by incurring an additional \$1,000,000 of exploration expenditures by January 31, 2029. Upon exercise of the Option, the Vendor and the Company will form a joint venture and the Vendor will then fund project expenditures in proportion to its interest in the Sherridon Property. If the Vendor’s interest is reduced to less than 10%, its interest will be converted into a 1.5% net smelter royalty that is purchasable by the Company for \$2,000,000 at any time. See also Note 11(b).

5. Share Capital

(a) *Authorized Share Capital*

The Company’s authorized share capital consists of an unlimited number of common shares without par value. All issued common shares are fully paid.

(b) *Equity Financings*

Fiscal 2022

On October 15, 2021 the Company completed a non-brokered private placement of 3,750,000 units at \$0.20 per unit, for total proceeds of \$750,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.30 per share on or before October 15, 2024. A director of the Company purchased a total of 125,000 units of the private placement.

The Company incurred a total of \$10,852 for legal and other costs associated with this private placement.

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5. Share Capital (continued)

Fiscal 2021

- (i) On June 11, 2020 the Company completed a non-brokered private placement of 3,000,000 units at \$0.10 per unit, for total proceeds of \$300,000. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.13 per share on or before June 11, 2022. Directors and officers of the Company purchased a total of 1,205,000 units of the private placement.
- (ii) On June 25, 2020 the Company completed a non-brokered private placement of 1,905,000 units at \$0.105 per unit, for total proceeds of \$200,025. Each unit comprised one common share and one-half of a share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.14 per share on or before June 25, 2022. Directors and officers of the Company purchased a total of 1,260,000 units of the private placement.
- (iii) On September 25, 2020 the Company completed a non-brokered private placement of 11,907,556 units at \$0.225 per unit, for total proceeds of \$2,679,200. Each unit comprised one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase an additional common share at a price of \$0.45 per share on or before September 25, 2022. The Company paid finders' fees totalling \$14,850. Directors and officers of the Company and close family members purchased a total of 434,000 units of the private placement.

The Company incurred a total of \$34,136 for legal and other costs associated with these private placements.

(c) **Warrants**

A summary of the number of common shares reserved pursuant to the Company's outstanding warrants at April 30, 2022 and 2021 and the changes for the years ended those dates is as follows:

	2022		2021	
	Number	Weighted Average Exercise Price \$	Number	Weighted Average Exercise Price \$
Balance, beginning of year	8,231,278	0.36	342,500	0.50
Issued	1,875,000	0.30	8,406,278	0.38
Exercised	(25,000)	0.13	(175,000)	0.14
Expired	-	-	(342,500)	0.50
Balance, end of year	10,081,278	0.35	8,231,278	0.36

The following table summarizes information about the number of common shares reserved pursuant to the Company's warrants outstanding and exercisable at April 30, 2022:

Number	Exercise Price \$	Expiry Date
1,390,000	0.13	June 11, 2022
862,500	0.14	June 25, 2022
5,953,778	0.45	September 25, 2022
1,875,000	0.30	October 15, 2024
10,081,278		

See also Note 11(a).

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5. Share Capital (continued)

(d) **Share Option Plan**

The Company has established a rolling share option plan (the “Plan”), in which the maximum number of common shares which can be reserved for issuance under the Plan is 10% of the issued and outstanding shares of the Company. The exercise price of the options is set at the Company’s closing share price on the day before the grant date, less allowable discounts in accordance with the policies of the TSXV. Options granted may be subject to vesting provisions as determined by the Board of Directors and have a maximum term of ten years.

During fiscal 2022 the Company granted share options to purchase 650,000 (2021 - 1,904,000) common shares and recorded compensation expense of \$102,200 (2021 - \$356,590).

The fair value of share options granted during fiscal 2022 and 2021 was estimated using the Black-Scholes Option Pricing Model using the following assumptions:

	<u>2022</u>	<u>2021</u>
Risk-free interest rate	0.66% - 1.47%	0.29% - 0.30%
Estimated volatility	99% - 102%	84% - 85%
Expected life	3 years	3 years
Expected dividend yield	0%	0%
Estimated forfeiture rate	0%	0%

The weighted average measurement date fair value of all share options granted during fiscal 2022 was \$0.16 (2021 - \$0.19) per share option.

Option-pricing models require the use of estimates and assumptions including the expected volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measure of the fair value of the Company’s share options.

A summary of the Company’s share options at April 30, 2022 and 2021 and the changes for the years ended on those dates, is as follows:

	<u>2022</u>		<u>2021</u>	
	Number of Options Outstanding	Weighted Average Exercise Price \$	Number of Options Outstanding	Weighted Average Exercise Price \$
Balance, beginning of year	1,904,000	0.34	-	-
Granted	650,000	0.22	1,904,000	0.34
Expired	<u>(365,000)</u>	0.33	<u>-</u>	-
Balance, end of year	<u>2,189,000</u>	0.30	<u>1,904,000</u>	0.34

The following table summarizes information about the share options outstanding and exercisable at April 30, 2022:

Number	Exercise Price \$	Expiry Date
400,000	0.32	August 18, 2023
324,000	0.40	August 18, 2023
815,000	0.32	November 6, 2023
150,000	0.22	July 16, 2024
190,000	0.21	October 1, 2024
160,000	0.21	November 1, 2024
<u>150,000</u>	0.25	January 25, 2025
<u>2,189,000</u>		

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6. Related Party Transactions and Balances

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

The Company has determined that key management personnel consists of the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) of the Company. During fiscal 2022 the Company incurred \$120,000 (2021- \$100,580) executive compensation with respect to the Company’s key management personnel. As at April 30, 2022 \$153,630 (2021 - \$89,630) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2021 the Company also recorded \$122,710 share-based compensation for share options granted to key management personnel.

(b) *Transactions with Other Related Parties*

(i) During fiscal 2022 the Company incurred \$14,363 (2021 - \$12,000) for compensation to non-executive directors of the Company. As at April 30, 2022 \$42,713 (2021 - \$36,963) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2022 the Company also recorded \$24,000 (2021 - \$48,000) share-based compensation for share options granted to the non-executive directors.

(ii) During fiscal 2022 the Company incurred \$31,400 (2021 - \$40,850) for accounting and administration services provided by Chase Management Ltd. (“Chase”), a private company owned by the CFO of the Company. As at April 30, 2022 \$5,800 (2021 - \$3,800) remained unpaid and has been included in accounts payable and accrued liabilities.

During fiscal 2021 the Company also recorded \$3,780 share-based compensation for share options granted to Chase.

(iii) Advances had been previously provided from private companies controlled or affiliated with the Company’s CFO. Effective January 20, 2020 the Company agreed to commence accruing interest at the rate of 12% per annum. During fiscal 2021 the Company recorded \$1,373 interest expense and repaid \$120,229, representing the \$115,000 principal and \$5,229 of accrued interest outstanding.

(iv) See also Notes 4(a) and 5(b).

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7. Income Taxes

Deferred income tax assets and liabilities of the Company as at April 30, 2022 and 2021, are as follows:

	2022 \$	2021 \$
Deferred income tax assets		
Losses carried forward	1,442,700	1,159,100
Mineral resource interests	14,300	14,300
Other	<u>10,300</u>	<u>10,600</u>
	1,467,300	1,184,000
Valuation allowance	<u>(1,467,300)</u>	<u>(1,184,000)</u>
Net deferred income tax asset	<u>-</u>	<u>-</u>

The recovery of income taxes shown in the statements of income (loss) and comprehensive income (loss) and deficit differs from the amounts obtained by applying statutory rates to the income (loss) before provision for income taxes due to the following:

	2022 \$	2021 \$
Income tax rate reconciliation		
Combined federal and provincial income tax rate	<u>27.0%</u>	<u>27.0%</u>
Expected income tax expense (recovery)	(342,900)	(230,500)
Permanent differences	27,600	96,300
Foreign income tax rate difference	34,100	400
Unrecognized benefit of income tax losses	<u>281,200</u>	<u>133,800</u>
Actual income tax expense (recovery)	<u>-</u>	<u>-</u>

As at April 30, 2022 the Company has accumulated non-capital losses of approximately \$4,898,600 (2021 - \$4,288,200) and accumulated tax pools of approximately \$90,900 (2021 - \$92,000) carried forward for Canadian income tax purposes which are available to reduce taxable income of future years. The non-capital losses expire commencing in 2028 through 2042.

The Company's subsidiary has incurred losses of approximately \$571,700 (US \$446,900) for tax purposes. The losses may be carried forward indefinitely.

8. Financial Instruments and Risk Management

Categories of Financial Assets and Financial Liabilities

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVOCI"); and amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	April 30, 2022 \$	April 30, 2021 \$
Cash	Amortized cost	1,782,915	1,776,271
Bond	Amortized cost	4,513	-
Accounts payable and accrued liabilities	Amortized cost	(258,775)	(141,473)

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:

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8. Financial Instruments and Risk Management (continued)

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.

The recorded amounts for accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The recorded amounts for cash and bond approximate their fair value.

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

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and amounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in cash is remote.

Liquidity Risk

Liquidity risk is the risk that the Company will not have the resources to meet its obligations as they fall due. The Company manages this risk by closely monitoring cash forecasts and managing resources to ensure that it will have sufficient liquidity to meet its obligations. All of the Company's liabilities are classified as current and are anticipated to mature within the next fiscal period. The following table is based on the contractual maturity dates of financial assets and the earliest date on which the Company can be required to settle financial liabilities.

	Contractual Maturity Analysis at April 30, 2022				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,782,915	-	-	-	1,782,915
Bond	-	-	4,513	-	4,513
Accounts payable and accrued liabilities	(258,775)	-	-	-	(258,775)
	Contractual Maturity Analysis at April 30, 2021				
	Less than 3 Months \$	3 - 12 Months \$	1 - 5 Years \$	Over 5 Years \$	Total \$
Cash	1,776,271	-	-	-	1,776,271
Accounts payable and accrued liabilities	(141,473)	-	-	-	(141,473)

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. These fluctuations may be significant.

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8. Financial Instruments and Risk Management (continued)

(a) Interest Rate Risk

The Company is exposed to interest rate risk to the extent that the cash and cash equivalents bear floating rates of interest. The interest rate risk on cash and cash equivalents and on the Company's obligations are not considered significant.

(b) Foreign Currency Risk

The Company's functional currency is the Canadian dollar. The Company maintains a US Dollar currency bank accounts to support the cash needs of its foreign operation. Management believes the foreign exchange risk related to currency conversions is minimal and therefore does not hedge its foreign exchange risk. At April 30, 2022, 1 Canadian Dollar was equal to 0.78 US Dollar.

Balances are as follows:

	US Dollars	CDN \$ Equivalent
Cash	55,945	71,724
Bond	3,528	4,513
Accounts payable and accrued liabilities	<u>(29,314)</u>	<u>(37,582)</u>
	<u>30,159</u>	<u>38,655</u>

Based on the net exposures as of April 30, 2022 and assuming that all other variables remain constant, a 10% fluctuation on the Canadian Dollar against the US Dollar would result in the Company's comprehensive loss being approximately \$3,800 higher (or lower).

Capital Management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition and exploration of mineral properties or evaluate business opportunities which may become available. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital that it manages as share capital and cash equivalents. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

9. Supplemental Cash Flow Information

During fiscal 2022 and 2021 non-cash activities were conducted by the Company as follows:

	2022 \$	2021 \$
Operating activity		
Accounts payable and accrued liabilities	<u>35,042</u>	<u>5,962</u>
Investing activity		
Exploration and evaluation assets	<u>(35,042)</u>	<u>(5,962)</u>

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10. Segmented Information

Substantially all of the Company's operations are in one industry, the exploration for precious metals. As at April 30, 2022 the Company's mineral property interests are mainly located in the United States and its corporate assets are located in Canada. The Company is in the exploration stage and, accordingly, has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

	<u>April 30, 2022</u>		
	<u>Corporate Canada \$</u>	<u>Mineral Operations USA \$</u>	<u>Total \$</u>
Current assets	1,812,610	24,457	1,837,067
Exploration and evaluation assets	63,232	252,919	316,151
Bond	-	4,513	4,513
	<u>1,875,842</u>	<u>281,889</u>	<u>2,157,731</u>
	<u>April 30, 2021</u>		
	<u>Corporate Canada \$</u>	<u>Mineral Operations USA \$</u>	<u>Total \$</u>
Current assets	1,911,503	39,122	1,950,625
Exploration and evaluation assets	-	515,159	515,159
	<u>1,911,503</u>	<u>554,281</u>	<u>2,465,784</u>

11. Events after the Reporting Period

- (a) Subsequent to April 30, 2022 the Company issued 1,712,000 common shares on the exercise of warrants for \$227,280 and warrants to purchase 540,500 common shares expired without exercise. In addition the expiry date of 5,953,778 warrants was extended from September 25, 2022 to March 25, 2024.
- (b) Subsequent to April 30, 2022 the Company issued 100,000 common shares of the Company pursuant to the Sherridon Option Agreement.