



KING COPPER DISCOVERY CORP.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025 AND 2024

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors.

The Company's independent auditors have not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

This notice is being provided in accordance with National Instrument 51-102 – Continuous Disclosure Obligations.

KING COPPER DISCOVERY CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited)

As At	September 30, 2025	December 31, 2024
ASSETS		
Current		
Cash	\$ 16,004,936	\$ 28,949
Receivables and prepaid expenses (Note 4)	<u>369,327</u>	<u>95,385</u>
	16,374,263	124,334
Mineral properties (Note 5)	<u>270,427</u>	<u>187,410</u>
	<u>\$ 16,644,690</u>	<u>\$ 311,744</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	<u>\$ 670,678</u>	<u>\$ 1,575,906</u>
Shareholders' equity (deficiency)		
Share capital (Note 7)	50,248,368	30,313,158
Share-based payment reserve (Note 7)	8,088,920	5,488,543
Deficit	<u>(42,363,276)</u>	<u>(37,065,863)</u>
	<u>15,974,012</u>	<u>(1,264,162)</u>
	<u>\$ 16,644,690</u>	<u>\$ 311,744</u>

Nature and continuance of operations and going concern (Note 1)**Subsequent events** (Note 10)

Approved and authorized by the Board on November 28, 2025.

“Jonathan Richards”
Jonathan Richards

Director

“Chico Azevedo”
Chico Azevedo

Director

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

KING COPPER DISCOVERY CORP**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
EXPENSES				
Consulting fees	\$ 30,000	\$ 1,686	\$ 30,000	\$ 21,827
Directors and advisory fees (Note 6)	70,943	33,421	232,670	192,222
Exploration costs (Notes 5 and 6)	426,624	245,448	1,334,693	1,033,357
Foreign exchange	18,906	(31,855)	33,445	(58,045)
Management fees (Note 6)	41,521	62,100	119,656	185,850
Marketing, investor relations and shareholder communications	53,992	13,869	207,323	42,374
Office expenses	16,522	8,692	50,999	33,247
Professional fees (Note 6)	69,500	59,207	212,247	186,299
Property investigation	-	-	-	64,567
Share-based payments (Notes 6 and 7)	1,677,026	188,535	2,910,266	558,030
Transfer agent, filing and listing fees	10,120	5,955	54,947	48,566
Travel	90,107	25,000	172,066	57,572
	<u>(2,505,261)</u>	<u>(612,058)</u>	<u>(5,358,312)</u>	<u>(2,365,866)</u>
Other				
Interest income	10,205	2	23,921	2,916
Gain on Settlement of Debt	<u>-</u>	<u>-</u>	<u>36,978</u>	<u>-</u>
Loss and comprehensive loss for the period	\$ (2,495,056)	\$ (612,056)	\$ (5,297,413)	\$ (2,362,950)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares outstanding – basic and diluted	217,169,461	99,010,629	184,944,024	91,356,095

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

KING COPPER DISCOVERY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30,	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (5,297,413)	\$ (2,362,950)
Items not involving cash:		
Share-based payments	2,910,266	558,030
Non-cash working capital item changes:		
Receivables and prepaid expenses	(88,942)	(17,125)
Accounts payable and accrued liabilities	<u>(905,228)</u>	<u>362,306</u>
Net cash used in operating activities	<u>(3,381,317)</u>	<u>(1,459,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of mineral property	<u>(83,017)</u>	<u>(467,341)</u>
Net cash used in investing activities	<u>(83,017)</u>	<u>(467,341)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	19,815,000	2,100,000
Proceeds from warrant exercises	748,050	-
Share issuance costs	<u>(1,122,729)</u>	<u>(150,741)</u>
Net cash provided by financing activities	<u>19,440,321</u>	<u>1,949,259</u>
Change in cash for the period	15,975,987	22,179
Cash, beginning of period	<u>28,949</u>	<u>22,172</u>
Cash, end of period	<u>\$ 16,004,936</u>	<u>\$ 44,351</u>

During the nine-month period ended September 30, 2025, the Company issued 1,746,500 (2024 – nil) common shares with a fair value of \$87,325 (2024 - \$nil) as finders' fees, issued 1,862,500 (2024 – nil) common shares with a fair value of \$306,188 (2024 - \$nil) on conversion of RSUs, and issued nil (2024 – 1,028,650) compensation warrants with a fair value of \$nil (2024 - \$62,308). No cash was paid for interest or taxes for the nine-month period ended September 30, 2025 and 2024.

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

KING COPPER DISCOVERY CORP**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited)

	Number	Amount	Share-based payment reserve	Deficit	Total
Balance, December 31, 2023	78,010,629	\$ 28,071,457	\$ 5,134,536	\$ (31,816,382)	\$ 1,389,611
Shares issued during private placement	21,000,000	2,100,000	-	-	2,100,000
Share issuance cost	-	(150,741)	-	-	(150,741)
Warrants issued	-	(62,308)	62,308	-	-
Share-based payments	-	-	558,030	-	558,030
Loss and comprehensive loss for the period	-	-	-	(2,362,950)	(2,362,950)
Balance, September 30, 2024	99,010,629	29,958,408	5,754,874	(34,179,332)	1,533,950
Shares issued on exercise of RSUs	2,150,000	354,750	(354,750)	-	-
Share-based payments	-	-	88,419	-	88,419
Loss and comprehensive loss for the period	-	-	-	(2,886,531)	(2,886,531)
Balance, December 31, 2024	101,160,629	30,313,158	5,488,543	(37,065,863)	(1,264,162)
Shares issued during private placements	165,217,390	20,000,000	-	-	20,000,000
Share issuance cost	1,746,500	(1,122,729)	-	-	(1,122,729)
Shares issued on exercise of RSUs	1,862,500	306,188	(306,188)	-	-
Shares issued on exercise of warrants	4,987,000	751,751	(3,701)	-	748,050
Share-based payments	-	-	2,910,266	-	2,910,266
Loss and comprehensive loss for the period	-	-	-	(5,297,413)	(5,297,413)
Balance, September 30, 2025	274,974,019	\$ 50,248,368	\$ 8,088,920	\$ (42,363,276)	\$ 15,974,012

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

KING COPPER DISCOVERY CORP

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

1. NATURE AND CONTINUANCE OF OPERATIONS

King Copper Discovery Corp. (the “Company”) was incorporated in Canada under the British Columbia Corporations Act on March 21, 2017. The Company is principally engaged in the acquisition and exploration of resource properties. The Company’s shares are publicly traded on the TSX Venture Exchange (the “TSXV”) under the symbol KCP. The address of the head office, records office, and principal place of business of the Company is 1507-1030 West Georgia Street, Vancouver, British Columbia, V6E 2Y3. The Company is in the process of investing in potential new acquisitions and exploring and evaluating its resource properties and has not yet determined whether the properties contain ore reserves that are economically recoverable.

These condensed consolidated interim financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRS”) with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has incurred losses from inception and does not currently have the financial resources to sustain operations in the long-term. While the Company has been successful in obtaining required funding in the past, there is no assurance that such future financing will be available or be available on favourable terms. An inability to raise additional financing may impact the future assessment of the Company as a going concern. These conditions create a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

These condensed consolidated interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations. Continued operations of the Company are dependent on the Company's ability to receive financial support, necessary financings, or generate profitable operations in the future.

2. BASIS OF PREPARATION

Statement of compliance

These condensed consolidated interim financial statements, including comparatives have been prepared using accounting policies consistent with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are measured at their fair value.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and its subsidiaries, Aurora Mining S.A. (Argentina – 100% interest) and Aurora Copper Peru S.A.C. (Peru – 100% interest). The subsidiaries’ principal activity is mineral exploration.

Subsidiaries are all entities over which the Company has exposure to variable returns from its involvement and has the ability to use power over the investee to affect its returns. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Inter-company transactions, balances and unrealized gains or losses on transactions are eliminated upon consolidation.

KING COPPER DISCOVERY CORP

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

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

Basis of measurement

These condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's and its subsidiaries' functional currency and have been prepared on a historical cost basis, except for certain financial instruments, which are carried at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant Accounting Judgments and Estimates

The preparation of these condensed consolidated interim financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates.

The most significant estimates relate to the calculation of share-based payments, which are discussed below:

Share-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date on which they are granted. Estimating fair value for share-based payment transactions 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 share option, volatility and dividend yield and making assumptions about them.

The most significant judgments relate to the determination of functional currency of the Company and its subsidiaries and impairment of exploration and evaluation assets, which are discussed below:

Impairment of exploration and evaluation assets

The carrying amount and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resource prices and the long-term forecasts, and the overall economic viability of the project.

During the year ended December 31, 2024, the Company abandoned the El Tapau, Cerro Negro and Miranda Project and recognized an impairment of \$2,110,182. Management has assessed these indicators and does not believe any additional impairment is required as at September 30, 2025.

Determination of functional currency

The functional currencies of the Company and its subsidiaries are outlined in the Basis of Measurement section above. The determination of functional currency involves certain judgments to determine the primary economic environment in which each entity operates. The Company reconsiders the functional currency of itself and its subsidiaries if there are changes in events and conditions impacting the factors used in the determination of the primary economic environment.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The Company's material accounting policies are the same as those applied in the Company's consolidated financial statements for the year ended December 31, 2024. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2024.

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**4. RECEIVABLES AND PREPAID EXPENSES**

	September 30, 2025	December 31, 2024
Goods and services tax (“GST”) receivable	\$ 124,871	\$ 73,552
Other receivables and advances*	11,456	15,620
Prepayments	48,000	6,213
Subscriptions Receivable	<u>185,000</u>	<u>-</u>
Total	<u>\$ 369,327</u>	<u>\$ 95,385</u>

5. MINERAL PROPERTIES*Title to mineral property interests*

Although the Company has taken steps to verify title to mineral properties 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 titles may be affected by undetected defects.

Colquemayo Project, Peru

On June 28, 2024, the Company entered into a definitive option agreement, with third parties (the “Optionors”), to acquire a 100% interest in certain claims located in Peru, comprising the Colquemayo Project. The Company can acquire a 100% interest in the property by making total cash payments of US\$1,585,000 and by incurring exploration expenditures of US\$6,200,000 as follows:

	Cash Payment (USD \$)	Minimum Exploration Expenditures (USD \$)
Upon signing LOI (paid \$34,500)	25,000	-
Anniversary of TSXV Approval of transaction (paid \$83,017)	60,000	200,000
First anniversary of grant of exploration permit*	200,000	1,000,000
Second anniversary of grant of exploration permit*	250,000	1,000,000
Third anniversary of grant of exploration permit*	250,000	2,000,000
Fourth anniversary of grant of exploration permit*	<u>800,000</u>	<u>2,000,000</u>
	<u>1,585,000</u>	<u>6,200,000</u>

*The Company may satisfy up to 50% of the Cash Payments by issuing the Optionors common shares in the capital of the Company.

The Optionors retain a 2% NSR royalty, of which the Company may purchase 50%, (1%), of the NSR for a payment of USD\$2,500,000.

San Francisco Project, Argentina

The San Francisco Project at September 30, 2025 was made up of two separate agreements, as described below:

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

5. MINERAL PROPERTIES (cont'd...)**Don David - San Francisco Project, Argentina**

On August 24, 2022, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Don David Project, Argentina. The Company can acquire a 100% interest in the property by making payments and incurring exploration expenditures and drilling as follows:

	Cash Payment (USD \$)
August 24, 2022 (paid)	15,000
At signing of First Addendum* (paid)	15,000
At 5 th month of the Environmental Permit (paid)	35,000
February 24, 2026**	100,000
February 24, 2027**	150,000
February 24, 2028**	250,000
February 24, 2029**	1,000,000
	1,565,000

	Minimum Exploration Expenditures (USD \$)	Minimum Drilling (Meters)
February 24, 2026**	-	2,000
February 24, 2027**	300,000	-
February 24, 2028**	600,000	-
February 24, 2029**	750,000	-
	1,650,000	-

* On August 22, 2024, the Company agreed to a 6-month extension to all Cash payments and Minimum Exploration Expenditures.

** During the period ended September 30, 2025, the Company agreed to a 12-month extension to all Cash payments and Minimum Exploration Expenditures.

The third parties retain a 2% NSR royalty, of which the Company may purchase 50%, (1%), of the NSR for a payment of USD\$1,000,000.

Santa Barbara - San Francisco Project, Argentina

On July 1, 2021, the Company entered into an option agreement with government organization Instituto Provincial de Exploraciones y Explotaciones Mineras de la Provincia de San Juan, Argentina ("IPEEM") to acquire the right to explore and exploit certain claims known as the Santa Barbara Project, Argentina. The Company can maintain the right to explore by incurring exploration expenditures as follows:

	Cash Payment (USD \$)	Minimum Exploration Expenditures (USD \$)
Upon signing (paid)	20,000	-
July 1, 2022 (completed)	-	505,000
July 1, 2023 (completed)	-	1,124,000
July 1, 2024 (completed)	-	1,124,000
July 1, 2025 (incurred)*	-	900,000
July 1, 2026*	-	750,000
July 1, 2027*	-	750,000
July 1, 2028*	-	1,223,000
	20,000	6,376,000

*On September 19, 2025, the minimum expenditures were amended and extended as per the terms shown above.

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**5. MINERAL PROPERTIES (cont'd...)**

During the five-year exploration stage, the Company is also required to make monthly payments of US\$5,519 (US\$0.50 cents per hectare) and loan IPEEM a four-wheel-drive vehicle, which will become the property of IPEEM if the agreement terminates. During the second stage (exploitation stage) the Company is required to make monthly payments of US\$16,557 (US\$1.50 per hectare) until production starts and then a 1% to 2% royalty, with a value to be set at the time the exploitation stage commences.

El Tapau - San Francisco Project, Argentina

On September 24, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the El Tapau Project, Argentina. The Company could acquire a 100% interest in the property by making total cash payments of US\$1,610,000 and by incurring exploration expenditures of US\$1,050,000 over a period of 6 years.

During the year ended December 31, 2024, the Company elected to terminate the option agreement and consequently recognized an impairment on the mineral property of \$937,308.

Cerro Negro - San Francisco Project, Argentina

On September 25, 2018, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Cerro Negro Project, Argentina. The Company could acquire a 100% interest in the property by making total cash payments of US\$1,710,000 and by incurring exploration expenditures of US\$2,050,000 over a period of 6 years.

During the year ended December 31, 2024, the Company elected to terminate the option agreement and consequently recognized an impairment on the mineral property of \$1,074,049.

Miranda - San Francisco Project, Argentina

On July 1, 2020, the Company entered into an option agreement with third parties to acquire a 100% interest in certain claims known as the Miranda Project, Argentina. The Company could acquire a 100% interest in the property by making total cash payments of US\$245,000 over a period of 3 years.

During the year ended December 31, 2024, the Company elected to terminate the option agreement and consequently recognized an impairment on the mineral property of \$98,825.

Acquisition costs

During the nine-month period ended September 30, 2025 and the year ended December 31, 2024, the Company incurred acquisition costs as follows:

	San Francisco Project				Colquemayo		
	El Tapau Project	Cerro Negro Project	Don David Project	Miranda Project	Santa Barbara Project	Colquemayo Project	Total
<i>Acquisition Costs</i>							
December 31, 2023	\$ 755,956	\$ 869,824	\$ 39,171	\$ 98,825	\$ 66,475	\$ -	\$ 1,830,251
Additions	181,352	204,225	47,264	-	-	34,500	467,341
Impairment	(937,308)	(1,074,049)	-	(98,825)	-	-	(2,110,182)
December 31, 2024	-	-	86,435	-	66,475	34,500	187,410
Additions	-	-	-	-	-	83,017	83,017
September 30, 2025	\$ -	\$ -	\$ 86,435	\$ -	\$ 66,475	\$ 117,517	\$ 270,427

KING COPPER DISCOVERY CORP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - Unaudited)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

5. MINERAL PROPERTIES (cont'd...)

Exploration expenditures

During the nine-month period ended September 30, 2025, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	San Francisco Project	Colquemayo Project	Total
Assay	\$ 3,375	\$ 17,513	\$ 20,888
Community relations	-	32,091	32,091
Concession fees	-	430,019	430,019
Environmental	-	101,711	101,711
Field expenditures	9,250	46,425	55,675
Geological consulting	48,421	150,482	198,903
Office expenses	1,106	8,839	9,945
Projects administration	76,945	77,411	154,356
Project management	28,364	160,730	189,094
Report preparation	-	22,500	22,500
Taxes	10,689	46,781	57,470
Travel	3,040	59,001	62,041
	\$ 181,190	\$ 1,153,503	\$ 1,334,693

During the nine-month period ended September 30, 2024, the Company incurred exploration costs as follows:

<i>Exploration Expenditures</i>	San Francisco Project	Colquemayo Project	Total
Assay	\$ 67,688	\$ 5,055	\$ 72,743
Drilling	12,953	-	12,953
Environmental and report preparation	1,073	-	1,073
Exploration permit fees	-	270,360	270,360
Field expenditures	55,085	10,375	65,460
Geological consulting	215,023	60,515	275,538
Project administration & community relations	56,361	47,309	103,670
Project management	186,300	-	186,300
Taxes	40,799	2,909	43,708
Travel	-	1,552	1,552
	\$ 635,282	\$ 398,075	\$ 1,033,357

6. RELATED PARTY TRANSACTIONS

Related party transactions consist of amounts paid to and or due to key management personnel of the Company. 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 members of the Board and corporate officers, including the Company's Chief Executive Officer and Chief Financial Officer. During the nine-month period ended September 30, 2025 and 2024, the Company entered into the following transactions with key management personnel:

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**6. RELATED PARTY TRANSACTIONS (cont'd...)**

	2025	2024
Professional fees	\$ 80,416	\$ 62,000
Director fees	72,670	94,122
Exploration costs – management fees	189,094	186,300
Management fees	119,656	185,850
Share-based payments	710,340	360,195
	<u>\$ 1,172,176</u>	<u>\$ 888,467</u>

As at September 30, 2025, \$62,513 (2024 - \$425,239) was included in accounts payable and accrued liabilities owing to officers and directors of the Company.

7. SHAREHOLDERS' EQUITY**Authorized**

An unlimited number of common shares without par value.

Issued share capital

During the period ended September 30, 2025:

- On March 3, 2025, the Company completed a non-brokered private placement financing and issued a total of 100,000,000 common shares at a price of \$0.05 for gross proceeds of \$5,000,000. The Company issued 1,746,500 common shares with a fair value of \$87,325 as finders' fees and paid other share issue costs of \$160,682.
- On September 15, 2025, the Company completed a non-brokered private placement financing and issued a total of 65,217,390 common shares at a price of \$0.23 for gross proceeds of \$15,000,000. The Company paid finders' fees and paid other share issue costs of \$962,047.
- Issued 4,987,000 common shares upon exercise of warrants for gross proceeds of \$748,050.

During the year ended December 31, 2024:

On March 22, 2024, the Company completed a non-brokered private placement financing and issued a total of 21,000,000 units at a price of \$0.10 for gross proceeds of \$2,100,000. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase an additional common share at an exercise price of \$0.15 for a period of two years. No value was assigned to the warrants included in the units using the residual value method.

The Company paid finders' fees of \$118,386, paid other share issue costs of \$32,355 and issued 1,028,650 broker warrants fair valued at \$62,308. Each broker warrant entitles the holder to purchase a common share at an exercise price of \$0.15 for a period of two years. The Company fair valued the broker warrants using the Black-Scholes option pricing model and used the following assumptions when fair valuing the broker warrants: expected volatility of 103.95%, risk free interest rate of 4.1%, life of 2 years, dividend yield of 0% and forfeiture rate of 0%. Each broker warrant entitles the holder to purchase a common share at an exercise price of \$0.45 for a period of two years.

Restricted Share Units

The Company has a long-term incentive plan ("LTIP"). The restricted share units ("RSUs") granted under the LTIP entitles directors, officers, employees and consultants to common shares of the Company upon vesting, based on vesting terms determined by the Company's Board of Directors at the time of grant.

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**7. SHAREHOLDERS' EQUITY (cont'd...)****Restricted Share Units (cont'd...)**

During the nine month period ended September 30, 2025, the Company granted an aggregate of 6,990,000 (2024 - 300,000) RSUs which vest over a period of 2 years, with 50% vesting after 12 months and 25% vesting 18 and 24 months after grant. During the period ended September 30, 2025, the Company recognized \$201,126 (2024 - \$545,639) in share-based compensation related to the vesting of RSUs. This amount was also recorded within share-based payment reserve on the consolidated statement of financial position.

	Number Outstanding		Fair Value
Outstanding, December 31, 2023	5,400,000	\$	891,000
Granted	300,000		47,250
Vested and converted to common shares	<u>(2,150,000)</u>		<u>(354,750)</u>
Outstanding, December 31, 2024	3,550,000		583,500
Granted	6,990,000		3,425,100
Forfeited	(137,000)		(22,688)
Vested and converted to common shares	<u>(1,862,500)</u>		<u>(306,188)</u>
Outstanding, September 30, 2025	8,540,500	\$	3,679,724

Stock options and warrants

Stock option and warrant transactions are summarized as follows:

	Stock options		Warrants	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, December 31, 2023	7,795,000	\$ 0.66	6,120,270	\$ 0.59
Granted	-	-	22,028,650	0.15
Expired/cancelled	<u>(2,425,000)</u>	0.14	<u>-</u>	-
Outstanding, December 31, 2024	5,370,000	0.73	28,148,920	0.24
Granted	15,650,000	0.23	-	-
Exercised	-	-	(4,987,000)	0.15
Expired/cancelled	<u>(1,645,000)</u>	1.30	<u>(6,120,270)</u>	0.59
Outstanding, September 30, 2025	19,375,000	\$ 0.22	17,041,650	\$ 0.15
Exercisable, September 30, 2025	19,325,000	\$ 0.22	17,041,650	\$ 0.15

KING COPPER DISCOVERY CORP**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Expressed in Canadian Dollars - Unaudited)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025**7. SHAREHOLDERS' EQUITY (cont'd...)****Stock options and warrants (cont'd...)**

The following stock options and warrants were outstanding as at September 30, 2025:

	Number	Exercise price	Expiry date	Remaining Life (years)
Stock Options				
	900,000	\$ 0.91	July 7, 2026	0.77
	1,550,000	0.35	August 11, 2027	1.86
	50,000	0.35	March 2, 2028	2.42
	1,225,000	0.35	October 11, 2028	3.03
	4,800,000	0.10	February 12, 2030	4.37
	6,800,000	0.15	March 11, 2030	4.45
	4,050,000	0.50	September 19, 2030	4.97
Warrants				
	16,100,000	0.15	March 22, 2026	0.47
Broker Warrants				
	941,650	0.15	March 22, 2026	0.47

Share-based payments

The Company has a stock option plan under which it is authorized to grant options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock, less applicable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years with vesting determined by the board of directors.

During the nine-month period ended September 30, 2025, the Company granted 15,650,000 (2024 – nil) options with a weighted average fair value of \$0.17 (2024 - \$nil) per option to directors, officers, employees, and consultants of the Company. Total share-based payments recognized within profit or loss for nine-month period ended September 30, 2025 was \$2,709,140 (2024 - \$12,391) for incentive options granted and vested. This amount was also recorded within share-based payment reserve on the consolidated statement of financial position.

The following weighted average assumptions were used for the valuation of stock options:

	2025	2024
Risk-free interest rate	2.72%	-
Expected life of options	5.00	-
Annualized volatility	110.6%	-
Dividend rate	-	-
Forfeiture rate	-	-

8. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial assets and liabilities are classified in the fair value hierarchy according to the lowest level of input that is significant to the fair value measurement. Assessment of the significance of a particular input to the fair value measurement requires judgement and may affect placement within the fair value hierarchy levels. The hierarchy is as follows:

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8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of cash and accounts payable and accrued liabilities approximates their fair values due to the short-term nature of these financial instruments.

Risk management

The Company is exposed to varying degrees to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash is held at a large Canadian financial institution in interest bearing accounts, as such management does not believe that the Company is exposed to material credit risk. The Company has no investment in asset backed commercial paper. The Company's exposure to and management of credit risk has not changed materially from that of the year ended December 31, 2024.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk through its capital management as outlined below. Accounts payable and accrued liabilities are due within one year on normal trade terms. At September 30, 2025, the Company had cash of \$16,004,936 available to settle accounts payable and accrued liabilities of \$670,678. The Company's exposure to and management of liquidity risk has not changed materially from that of the year ended December 31, 2024.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of: interest rate risk, foreign currency risk and other price risk. The Company is not exposed to material interest rate or other price risk. The Company's exposure to and management of market risk has not changed materially from that of the year ended December 31, 2024.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is subject to foreign currency risk on financial instruments denominated in currencies other than the Canadian Dollar. The Company is exposed to foreign currency risk on fluctuations related to cash, accounts receivable and accounts payable and accrued liabilities that are denominated in the United States dollar ("USD"), the Argentine Peso ("ARS") or the Peruvian Sol ("PEN").

Fluctuations in the USD, ARS, and PEN will, consequently, have an impact upon the Company's profitability and the value of the Company's Cash, receivables, liabilities. As at September 30, 2025, the impact of a 10% change in the rate of exchange on the USD, ARS and PEN compared to the Canadian dollar would result in a change of approximately \$696 (December 31, 2024 - \$69,490) on the Company's loss for the period. The Company does not use derivative instruments to reduce its exposure to foreign currency risk nor has it entered into foreign exchange contracts to hedge against gains or losses from foreign exchange fluctuations.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2025

8. FINANCIAL AND CAPITAL RISK MANAGEMENT (cont'd...)

Risk management (cont'd...)

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration and evaluation of mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes its components of shareholders' equity, which totaled \$15,974,012 (December 31, 2024 – deficiency of \$1,264,162) at September 30, 2025.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash.

The Company currently is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management for the period ended September 30, 2025.

9. SEGMENT INFORMATION

The Company operates in one reportable operating segment, being the acquisition, exploration, and evaluation of resource properties in South America, refer to Note 5.

10. SUBSEQUENT EVENTS

Subsequent to September 30, 2025, the Company issued 7,201,250 common shares upon exercise of warrants for gross proceeds of \$1,080,188.