Coppernico Metals Inc.

Condensed Interim Consolidated Financial Statements
(Unaudited)

For the three and nine months ended September 30, 2024 and 2023

Notice of no auditor review of condensed interim consolidated financial statements

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Coppernico Metals Inc. for the three and nine months ended September 30, 2024, have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

November 14, 2024

Coppernico Metals Inc.

Condensed Interim Consolidated Statements of Financial Position
Unaudited (Expressed in Canadian dollars)

		As at September 30, 2024		As at December 31, 2023
Assets				
Current assets:				
Cash	$	**14,122,643**	$	1,170,801
Amounts receivable		**42,196**		15,588
Prepaid expenses, deposits and other (Note 3)		**654,108**		294,636
		14,818,947		1,481,025
Non-current assets:				
Equity investments (Note 5)		**90,165**		121,991
Prepaid expenses, deposits and other (Note 3)		**114,252**		174,344
Mineral property interests (Note 4)		**7,138,479**		6,688,619
Total assets	$	**22,161,843**	$	8,465,979
Liabilities and Equity				
Current liabilities:				
Accounts payable and accrued liabilities (Note 6)	$	**1,682,650**	$	1,230,442
Short term loan and interest payable (Note 11(b))		**-**		52,100
Provision for site reclamation and closure (Note 7)		**23,063**		-
	$	**1,705,713**		1,282,542
Non-current liabilities:				
Accrued liabilities (Note 6 and 13 (a))		**-**		169,975
Provision for site reclamation and closure (Note 7)		**126,871**		-
Total liabilities	$	**1,832,584**	$	1,452,517
Equity				
Share capital (Note 8)		**34,365,403**		18,384,042
Equity reserves (Note 9)		**3,154,653**		149,637
Accumulated other comprehensive income		**200,134**		89,036
Deficit		**(17,390,931)**		(11,609,253)
Total equity		**20,329,259**		7,013,462
Total liabilities and equity	$	**22,161,843**	$	8,465,979

Nature of continuing operations (Note 1(b))

Commitments (Note 5)

Approved on behalf of the Board of Directors:

"Ivan Bebek"
Chief Executive Officer and Board Chair

"Jeffrey Mason"
Director

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

Coppernico Metals Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
Unaudited (Expressed in Canadian dollars, except share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	**2024**	2023
Operating expenses:				
Exploration and evaluation (Note 10)	**$ 2,117,932**	$ 251,692	**$ 3,618,815**	$ 714,988
Fees, salaries and other employee benefits	**631,925**	195,162	**1,039,722**	698,615
Legal and professional	**71,686**	65,557	**197,183**	178,130
Marketing and investor relations	**419,169**	39,883	**650,553**	177,576
Office and administration	**82,925**	69,749	**227,806**	235,088
Project investigation	**7,166**	144,426	**22,085**	465,151
Regulatory and transfer agent	**173,747**	37,465	**195,671**	46,708
	3,504,550	803,934	**5,951,835**	2,516,256
Other expenses (income):				
Foreign exchange loss	**26,676**	1,507	**24,892**	16,134
Interest expense	**-**	780	**805**	780
Interest income	**(199,309)**	(3,851)	**(227,680)**	(22,580)
Net loss from equity investments (Note 5)	**10,788**	1,859	**31,826**	13,620
Loss for the period	**$ 3,342,705**	$ 804,229	**$ 5,781,678**	$ 2,524,210
Other comprehensive loss (income):				
Unrealized currency loss (income) on translation	**78,485**	(132,225)	**(111,098)**	(6,366)
Comprehensive loss for the period	**$ 3,421,190**	$ 672,004	**$ 5,670,580**	$ 2,517,844
Basic and diluted loss per share	**$ 0.02**	$ 0.01	**$ 0.04**	$ 0.02
Basic and diluted weighted average number of shares	**177,245,428**	122,625,553	**157,809,589**	120,276,720

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

Coppernico Metals Inc.

Condensed Interim Consolidated Statements of Changes in Equity
Unaudited (Expressed in Canadian dollars, except share amounts)

	Number of common shares	Share capital	Equity reserves	Other comprehensive income	Deficit	Total equity
Balance at December 31, 2022	112,340,434	$ 13,288,433	$ -	$ 212,257	$ (7,938,235)	$ 5,562,455
Shares issued pursuant to private placement	7,845,332	2,353,600	-	-	-	2,353,600
Shares issued pursuant to SAFE conversion	2,439,787	731,936	-	-	-	731,936
Share issuance costs	-	(63,209)	-	-	-	(63,209)
Other comprehensive income	-	-	-	6,366	-	6,366
Loss for the period	-	-	-	-	(2,524,210)	(2,524,210)
Balance at September 30, 2023	**122,625,553**	**$ 16,310,760**	**$ -**	**$ 218,623**	**$ (10,462,445)**	**$ 6,066,938**
Balance at December 31, 2023	**137,589,269**	**$ 18,384,042**	**$ 149,637**	**$ 89,036**	**$ (11,609,253)**	**$ 7,013,462**
Securities issued pursuant to private placements, net of issue costs	39,648,913	15,960,694	2,334,018	-	-	18,294,712
Warrants issued for finders' fees	-	-	152,368	-	-	152,368
Exercise of warrants	66,666	20,667	(667)	-	-	20,000
Share-based payments	-	-	519,297	-	-	519,297
Other comprehensive income	-	-	-	111,098	-	111,098
Loss for the period	-	-	-	-	(5,781,678)	(5,781,678)
Balance at September 30, 2024	**177,304,848**	**$ 34,365,403**	**$ 3,154,653**	**$ 200,134**	**$ (17,390,931)**	**$ 20,329,259**

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

Coppernico Metals Inc.
Condensed Interim Consolidated Statements of Cash Flows
Unaudited (Expressed in Canadian dollars)

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Operating activities:				
Loss for the period	**$ (3,342,705)**	$ (804,229)	**$ (5,781,678)**	$ (2,524,210)
Adjusted for:				
Interest income	**(199,309)**	(3,851)	**(227,680)**	(22,580)
Interest expense	**-**	780	**805**	780
Non-cash transactions:				
Net unrealized foreign exchange loss (gain)	**18,410**	(12,768)	**(5,679)**	17,343
Net loss from equity investments	**10,788**	1,859	**31,826**	13,620
Share based compensation	**519,297**	-	**519,297**	-
Changes in non-cash working capital:				
Amounts receivable	**29,846**	3,370	**(26,608)**	13,969
Prepaid expenses, deposits and other	**6,364**	12,784	**(294,238)**	26,462
Accounts payable and accrued liabilities	**420,889**	454,791	**270,064**	(75,333)
Cash used in operating activities	**(2,536,420)**	(347,264)	**(5,513,891)**	(2,549,949)
Investing activities:				
Interest income	**199,309**	3,851	**227,680**	22,580
Mineral property additions	**-**	(6,739)	**(174,280)**	(167,043)
Cash provided by (used in) investing activities	**199,309**	(2,888)	**53,400**	(144,463)
Financing activities:				
Proceeds from private placements, net of issuance costs	**(22,641)**	-	**18,447,080**	2,298,271
Proceeds from warrants exercised	**20,000**	-	**20,000**	-
Short term loans	**-**	75,000	**-**	75,000
Deferred share issuance proceeds	**-**	25,000	**-**	25,000
Payment of short-term loan and interest	**-**	-	**(52,905)**	-
Cash (used in) provided by financing activities	**(2,641)**	100,000	**18,414,175**	2,398,271
Effect of foreign exchange on cash	**(11,202)**	479	**(1,842)**	(1,089)
Change in cash	**(2,350,954)**	(249,673)	**12,951,842**	(297,230)
Cash, beginning of the period	**16,473,597**	253,305	**1,170,801**	300,862
Cash, end of the period	**$ 14,122,643**	$ 3,632	**$ 14,122,643**	$ 3,632

Supplemental cash flow information (Note 12)

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

1. Business Overview

a) Corporate information

Coppernico Metals Inc. (the “Company” or “Coppernico”) was incorporated under the British Columbia Business Corporations Act and its common shares are listed on the Toronto Stock Exchange (“TSX”) under the trading symbol “COPR”. The registered and records office of Coppernico is located at Suite 3500, 1133 Melville St, Vancouver, BC, V6E 4E5.

The Company is principally engaged in the acquisition and exploration of mineral property interests.

b) Nature of continuing operations

The Company’s key mineral property asset is the Sombrero copper-gold project (“Sombrero Project”) located in southern Peru. The Sombrero Project covers approximately 102,700 hectares (1,027 square kilometres) in which it holds, through its wholly owned, private Peruvian subsidiary Sombrero Minerales S.A.C., direct and indirect interests through a combination of staking and option agreements. The Company is currently focused on the highest priority and most advanced Ccascabamba target area (previously referred to as Sombrero Main), which is fully permitted for drilling, and the Nioc target area (currently seeking community access so that the permitting process can commence) which together cover approximately 16,300 hectares within the greater Sombrero Project land package. The Company has not yet determined whether the property contains mineral reserves where extraction is both technically feasible and commercially viable. Given the size of the property and the cost to maintain it, the Company continues to consider the right sizing of its total footprint and is actively screening and prioritizing prospectivity with a view to dispose of less prospective areas, if warranted.

As at September 30, 2024, the Company had net working capital of $13,113,234 (December 31, 2023 – $198,483) while it incurred a net loss of $5,781,678 for the nine months ended September 30, 2024 (nine months ended September 30, 2023 - $2,524,210). The Company has incurred operating losses to date and does not generate operating revenue to support its activities; hence, it primarily relies on equity financings. To that end, the Company completed the May 2024 private placement offering for $19,375,290 (Note 8(b)), and as at September 30, 2024, the Company has a strong working capital position that, based on current plans, will allow the Company to execute on its business plans for at least the next 12 months. The Company’s longer-term ability to continue as a going concern remains dependent upon its ability to continue to obtain the financing, if available, to fund exploration and maintenance of its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources.

These unaudited condensed interim consolidated financial statements (the “financial statements”) have been prepared on the assumption that the Company will continue as a going concern and do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of preparation

a) Statement of compliance

These financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with IFRS accounting standards (the “Standards”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies followed in these financial statements are the same as those applied in the Company’s most recent audited annual consolidated financial statements for the year ended December 31, 2023.

These financial statements were approved and authorized for issuance on November 14, 2024, by Coppernico’s Board of Directors.

b) Basis of presentation

These financial statements have been prepared on a historical cost basis. In addition, except for cash flow information, these financial statements have been prepared using the accrual method of accounting.

c) Basis of consolidation

These financial statements include the financial information of the Company and entities controlled by the Company. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. The accounting policies of subsidiaries are changed where necessary to align them with the policies adopted by the Company. A summary of the Company's subsidiaries included in these financial statements is as follows:

Subsidiary	Place of incorporation	Functional Currency	Beneficial Interest
Sombrero Minerales, S.A.C.	Peru	US$	100%

These financial statements include a 50% investment in Universal Mineral Services Peru S.A.C. ("UMS Peru") and a 25% investment in Universal Mineral Services Ltd. ("UMS Canada") which are shared service entities (Note 5 and 11).

d) Functional and presentation currency

The financial statements of the Company and its subsidiary are prepared in the respective entity's functional currency determined on the basis of the primary economic environment in which such entities operate. The Company's functional and presentation currency is the Canadian dollar while the functional currency of its Peruvian subsidiary is the United States dollar. These financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in US dollars are denoted as US$.

e) Critical accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in Note 3 of the audited annual consolidated financial statements for the year ended December 31, 2023, and have been consistently applied in the preparation of these financial statements.

As at September 30, 2024, the Company recognized a provision of $149,934 (US$111,071) for estimated site reclamation and closure costs in relation to the site disturbances that have resulted from the on-going drill program at the Sombrero Project that started in July 2024. Significant estimates and assumptions are made in determining this provision for site reclamation and closure, as there are numerous factors that will affect the ultimate liability that becomes payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditures differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required, and an equal amount was recorded as a reclamation asset within mineral properties.

No other new estimates and judgments were applied for the period ended September 30, 2024.

Unaudited (Expressed in Canadian dollars)

f) Application of new and revised accounting Standards

On January 23, 2020, and October 31, 2022, the IASB issued amendments to IAS 1 to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. For liabilities with covenants, the amendments clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification as current or non-current. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

On September 22, 2022, the IASB issued amendments to IFRS 16 to add subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease payments. The amendments require the seller-lessee to subsequently measure lease liabilities in a way such that it does not recognize any gain or loss relating to the right of use it retains. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

On May 25, 2023, the IASB issued amendments to IAS 7 requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

g) Standards issued but not yet effective

Certain new accounting Standards and interpretations have been issued but are not yet effective and they have not yet been adopted into these financial statements. The Company is currently assessing the new and amended Standards, which are not expected to have a material impact on the Company's consolidated financial statements.

3. Prepaid expenses, deposits and other

The Company makes short term advances to third parties in the normal course of business, typically in relation to annual insurance policies, software renewals and marketing activities, such as conference fees. Also included in this balance is the working capital deposit as at September 30, 2024 of $92,100 (December 31, 2023 - $114,712) held by UMS Canada in accordance with the related service agreement (Note 5 and 11).

In November 2023, the Company entered into an access and use agreement with a local Peruvian community which provides the Company with surface rights to the respective area over the three-year term of the agreement. As a result, as at September 30, 2024, an asset has been recorded within prepaid expenses, deposits and other, and proportionately allocated between current and non-current.

4. Mineral property interests

A continuity of the Company's mineral property interests is as follows:

		Sombrero Project
Balance as at December 31, 2022	**$**	**6,662,647**
Mineral property additions		181,619
Currency translation adjustment		(155,647)
Balance as at December 31, 2023	**$**	**6,688,619**
Mineral property additions		**165,235**
Recognition of provision for site reclamation and closure		**149,934**
Currency translation adjustment		**134,691**
Balance as at September 30, 2024	**$**	**7,138,479**

a) Sombrero Project

The Sombrero copper-gold project, located in Southern Peru, covers approximately 102,700 hectares (1,027 square kilometres) acquired through a combination of staking and option agreements. This property includes the Ccascabamba and Nioc target areas covering approximately 16,300 hectares and is the Company's current area of exploration focus due to the existence of several identified drill targets.

The Company currently holds the following concessions:

Ownership	**Registered Owner**	**Total Hectares**	**Number of Claims Within Sombrero Project**	**Number of Claims Within Ccascabamba and Nioc Target Areas**
Direct	Sombrero Minerales S.A.C.	100,800	114	18
Mollecruz Option	Ingrid Prado Pinto	1,300	4	-
Aceros Option	Corporación Aceros Arequipa S.A.	600	3	3

i. Sombrero Project – Mollecruz Option

On June 22, 2018, the Company entered an option agreement (the "Mollecruz Option") giving the Company the right to acquire a 100% interest in the Mollecruz concessions which are located within the Sombrero Project and just outside the Ccascabamba and Nioc target areas. Under the Mollecruz Option, the Company may acquire a 100% interest, subject to a 0.5% net smelter royalty ("NSR"), through a combination of work expenditures and cash payments as detailed below:

Due Dates	**Property Payment / Work Expenditure Status**	**Property Payments (in US$'000)**	**Work Expenditures (in US$'000)**
June 22, 2018	Completed	$ 50	$ -
Subject to access	Completed/Deferred	50	150
Subject to access	Deferred	100	150
Subject to access	Deferred	200	500
Subject to access	Deferred	300	700
Subject to access	Deferred	900	1,500
Total		**$1,600**	**$3,000**

Effective May 20, 2019, the Company formally declared the existence of a force majeure event under the Mollecruz Option thereby deferring the Company's obligation to make the June 2019 property payments and any subsequent property payments and work expenditures for a maximum of 24 months from the declaration date. On March 1, 2021, the Company agreed with the owner to further extend the force majeure declaration and as consideration paid US$50,000 in relation to the June 2019 property payment. Most recently, on May 15, 2023, the Company amended its Mollecruz Option again and this time extended the recognition of the force majeure status until such time as an agreement, or agreements are in place that allow the Company to access the Mollecruz concessions in order to carry out exploration work. A payment of US$5,000 was paid at the time of amendment and will be paid annually under the option agreement until access to the concessions is achieved by the Company. The Company continues to work with the local community to achieve access in this area.

ii. Sombrero Project - Aceros Option

On December 13, 2018, the Company entered a series of agreements (the "Aceros Option") with Corporacion Aceros Arequipa S.A. ("Aceros") giving the Company the right to option three key mineral concessions located within the Company's Sombrero Project. If the Aceros Option is exercised, a joint venture would be formed in which the Company would hold an 80% interest (Aceros – 20%). The joint venture would combine the 530 hectares of Aceros concessions plus 4,600 hectares of the Company's Sombrero land position.

Below is a schedule of work expenditures and cash payments required of which approximately US$1.0 million of work expenditures have been completed to date. In 2021, the Company amended the agreement with Aceros to extend the deadlines for the work expenditure requirements dependent on access to the concessions. The Company continues to work with the local community to achieve access to the Aceros concessions.

Due Dates	Property Payment / Work Expenditure Status	Property Payments (in US$ '000)	Work Expenditures (in US$'000)
December 13, 2018	Completed	$140	$ -
December 13, 2019	Completed	60	150
Within 6 months of obtaining access	Completed	250	500
Within 24 months of obtaining access	Completed / Deferred	350	1,500
Within 36 months of obtaining access	Deferred	-	3,000
Total		**$800**	**$5,150**

In each of January 2024 and 2023, the Company paid the annual US$118,000 holding payment required under the terms of the Aceros Option. The payments were inclusive of 18% Value Added Tax ("IGV") in Peru which is not recoverable.

5. Equity investments

Investment in Associate - UMS Canada

UMS Canada is located in Vancouver, BC, and provides geological, financial and transactional advisory services as well as administrative services to the Company and three other companies on a cost recovery basis. In 2022, the Company acquired a 25% share interest in UMS Canada and accounts for this investment as an associate company. UMS Canada is party to a Vancouver, B.C., office lease agreement with a total term of ten years, for which certain portions of the rent expenses will be payable by the Company. During the nine months ended September 30, 2024, UMS Canada entered into a 3rd party sublease agreement, which reduces the Company's share of future lease payments to approximately $0.1 million in total for the remaining 6.75 year term of the lease.

Investment in Joint Venture - UMS Peru

UMS Peru is a company incorporated under Peruvian law, which has provided administrative and geological services to Sombrero Minerales S.A.C. and the Peruvian subsidiaries of a non-related company. In 2022, the Company acquired a 50% ownership of UMS Peru and accounts for this investment as a joint venture. UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services.

During Q4 2023, UMS Peru stopped providing services to the Company and is now in the process of being wound up. As a result, the Company recorded a total impairment of $57,583 through the statement of loss for the year ended December 31, 2023, in relation to its investment in UMS Peru, being $41,976, and the $15,607 (US$11,800) deposit held by UMS Peru, which is not expected to be recovered.

Summarized financial information of UMS Canada and UMS Peru

The Company's share of net losses of UMS Canada and UMS Peru were as follows:

For the three months ended September 30, 2024		UMS Canada		UMS Peru
Cost recoveries	$	(1,015,697)	$	-
Geological services		481,406		-
Administrative services		577,442		-
Net loss for the period		43,151		-
Company's share of net loss	**$**	**10,788**	**$**	**-**

Unaudited (Expressed in Canadian dollars)

For the nine months ended September 30, 2024		UMS Canada		UMS Peru
Cost recoveries	$	(2,797,026)	$	-
Geological services		1,013,864		-
Administrative services		1,910,466		-
Net loss for the period		127,304		-
Company's share of net loss	**$**	**31,826**	**$**	**-**

The carrying amounts of the Company's investments in UMS Canada and UMS Peru as at September 30, 2024, were as follows:

		UMS Canada		UMS Peru		Total
Carrying amount as at December 31, 2022	$	127,024	$	3,942	$	130,966
Company's share of net (loss) income		(5,033)		38,034		33,001
Impairment of investment		-		(41,976)		(41,976)
Carrying amount as at December 31, 2023	**$**	**121,991**	**$**	**-**	**$**	**121,991**
Company's share of net loss for the period		**(31,826)**		**-**		**(31,826)**
Carrying amount as at September 30, 2024	**$**	**90,165**	**$**	**-**	**$**	**90,165**

The Company's equity interest in net assets and liabilities of UMS Canada and UMS Peru as at September 30, 2024, were as follows:

		UMS Canada		UMS Peru
Current assets	$	786,012	$	46,764
Non-current assets		2,217,820		104,671
Current liabilities		(1,340,255)		(67,484)
Non-current liabilities		(1,302,918)		-
Net assets - 100%		360,659		83,951
Company's equity interest in net assets		90,165		41,976
Accumulated impairment of Company's equity interest		-		(41,976)
Company's carrying amount as at September 30, 2024	**$**	**90,165**	**$**	**-**

6. Accounts payable and accrued liabilities

The Company records accounts payable and accrued liabilities that arise in the normal course of business, in relation to its exploration and evaluation, and other activities. More specifically, the Company makes accruals for annual concession and penalty fees in the period to which they relate. Notwithstanding Peruvian rules allowing companies to defer payment of these fees, the Company does not have a practical ability to avoid payment of such fees related to concessions that it intends to maintain, as such avoidance would result in the loss of the concessions.

As at September 30, 2024, the Company has accrued a total provision of $697,624 for concession and penalty fees due to be paid by June 30, 2025 ($692,106 accrued as at December 31, 2023).

7. Provision for site reclamation and closure

The Company has recorded a provision for site reclamation and closure at the Sombrero Project after commencing drilling in July 2024. The amount of the provision reflects the present value of the estimated amount of future cash flows that will be required to complete reclamation work in accordance with the Company's drill permit. The components of this obligation are costs associated with the reclamation and closure of the drill platforms, water wells and access roads built on the Sombrero Project as at September 30, 2024. It also includes revegetation utilizing native species and demobilization of the equipment. The estimate of future reclamation obligations is subject to change based on amendments to applicable laws and management's intentions. The present value of the future estimated cash flows at September 30, 2024, is $149,934, which was based on the following key assumptions:

- Undiscounted risk-adjusted cash flow for site reclamation of US$118,738.
- Expected timing of future cash flows, based on permit requirements and the estimated life of the project, is between 2024 and 2034;
- Projected Peruvian inflation rate of 3.64%; and
- Discount rate of 4.98% based on the 10-year Peruvian government bond yield

As a monetary liability, the US dollar provision is translated to Canadian dollars at the closing exchange rate of 1.3499 as at September 30, 2024.

8. Share capital

a) Authorized - unlimited common shares without par value.

b) Common share issuances

During the nine months ended September 30, 2024, the Company had the following share capital transactions:

On January 17, 2024, the Company closed the third and final tranche of its September 2023 placement. The Company issued 898,333 units consisting of one common share and one share purchase warrant at a price of $0.15 per unit for gross proceeds of $134,750. Share issue costs incurred in relation to the last tranche of the September 2023 placement were $2,364.

The Company applied the residual value approach to allocate the proceeds received from the last tranche of September 2023 placement unit offering to their respective components (common shares and warrants). Using this approach, the Company attributed a residual value of $8,983 to the warrants issued in 2024, which is recorded within the equity reserve.

On May 16, 2024, the Company closed a $19,375,290 private placement equity financing. The Company issued an aggregate of 38,750,580 units at $0.50 per unit. Each unit consisted of one common share, one half of a share purchase warrant and one special warrant (which has expired). Each warrant is exercisable to acquire an additional common share at a price of $0.75 until May 16, 2026.

The Company applied the residual value approach to allocate the proceeds received from the May 2024 private placement unit offering to their respective components (common shares, warrants, and special warrants). Using this approach, the Company first valued the common shares by considering available market data for comparable companies and attributed $0.44 per unit to the common share component. Then, using the Black-Scholes option valuation model and assuming a common share ascribed price of $0.44, option term of 2 years, share price volatility of 77.84% and a risk-free interest rate of 4.19%, $0.06 per unit was attributed to the half warrant, and a total of $2,325,035 was recorded within equity reserve. This left no residual value to be allocated to the special warrants, which were thus valued at nil.

In connection with the offering, the Company incurred total share issue costs of $1,060,596 which included cash fees of $690,519 paid to agents, other finders, and the Company's financial advisor. The Company also issued 854,640 compensation options collectively to the agents and other finders each which entitles the holder to purchase one common share for a price of $0.50 until May 16, 2026. The Company attributed $152,368 to the compensation options based on the Black-Scholes option valuation model applying an expected volatility of 77.84% and a risk-free interest rate of 4.19%.

Unaudited (Expressed in Canadian dollars)

During the nine months ended September 30, 2024, 66,666 common shares were issued pursuant to the exercise of share purchase warrants with an exercise price of $0.30 per share for gross proceeds of $20,000. As a consequence, $667 attributed to these share purchase warrants was transferred from equity reserves to share capital.

During the nine months ended September 30, 2023, the Company had the following share capital transactions:

On February 22, 2023, the Company closed the first tranche of a non-brokered private placement. The Company issued 8,950,119 common shares at a price of $0.30 per common share for gross proceeds of $2,685,036 including shares to settle the SAFE financial liability that was held as at December 31, 2022, thereby now extinguished. Share issue costs incurred, including those incurred during the fourth quarter of 2022, totaled $58,244.

On May 5, 2023, the Company closed the second tranche of a non-brokered private placement. The Company issued 1,335,000 common shares at a price of $0.30 per common share for gross proceeds of $400,500. Share issue costs incurred totaled $4,965.

9. Equity reserves

(a) Equity incentive awards

On May 22, 2024, the Company adopted a Long-Term Incentive Plan ("LTI Plan") with the objective of encouraging additional share ownership by its employees, officers and directors. The LTI Plan provides for the awarding of share options, performance share units, restricted share units and deferred share units. The LTI Plan limits the number of shares reserved for issuance under the LTI Plan, together with all other security-based compensation arrangements of the Company to 10% of the issued and outstanding shares.

The following is a continuity of the number of share options issued and outstanding as at September 30, 2024:

	Number of share options	Weighted average exercise price
Outstanding, December 31, 2023	-	$ -
Granted	8,045,000	0.50
Forfeited	(187,500)	0.50
Outstanding, September 30, 2024	**7,857,500**	**$ 0.50**

As at September 30, 2024, the number of share options outstanding and exercisable was:

	Outstanding			Exercisable		
Expiry date	**Number of options**	**Exercise price**	**Remaining contractual life (years)**	**Number of options**	**Exercise price**	**Remaining contractual life (years)**
August 6, 2029	7,857,500	$0.50	4.85	1,761,250	$0.50	4.85

The Company uses the Black-Scholes option valuation model to determine the fair value for all share-based payments to directors, officers, employees, and other service providers. During the three and nine months ended September 30, 2024, the Company granted 8,045,000 share options to directors, officers, employees, and other service providers (nil options granted for the three and nine months ended September 30, 2023). The weighted average fair value per option of these share options was calculated as $0.15, using the Black-Scholes option valuation model at the grant date with the following weighted average assumptions:

Unaudited (Expressed in Canadian dollars)

	Three and nine months ended September 30, 2024
Risk-free interest rate	**3.03%**
Expected dividend yield	**Nil**
Share price volatility	**93.19%**
Expected forfeiture rate	**5.84%**
Expected life in years	**4.61**

During the three and nine months ended September 30, 2024, the Company recognized share-based payments expense net of forfeiture recovery as outlined below. There was no share-based payments expense recorded for the three and nine months ended September 30, 2023.

	Three and nine months ended September 30, 2024
Exploration and evaluation	**$ 140,566**
Fees, salaries, and other employee benefits	**346,318**
Marketing and investor relations	**29,188**
Project investigation	**3,225**
	$ 519,297

(b) Share purchase warrants

The continuity of the share purchase warrants issued and outstanding is as follows:

	Number of warrants	Weighted average exercise price
Outstanding, December 31, 2022	-	$ -
Issued	14,963,716	0.30
Outstanding, December 31, 2023	14,963,716	$ 0.30
Issued (Note 8(b))	21,248,262	0.72
Exercised (Note 8(b))	(66,666)	0.30
Outstanding, September 30, 2024	**36,145,312**	**$ 0.55**

A summary of the Company's share purchase warrants issued and outstanding as at September 30, 2024, is as follows:

Expiry date	Warrants outstanding	Exercise price
May 16, 2026	19,375,289	$ 0.75
May 16, 2026	854,640	0.50
January 29, 2027	120,000	0.15
August 13, 2029	15,795,383	0.30
	36,145,312	**$ 0.55**

The 38,750,580 special warrants that were issued as part of the May 16, 2024, private placement equity financing (Note 8(b)) expired as a result of the Company's common shares listing on the TSX on August 13, 2024.

Unaudited (Expressed in Canadian dollars)

10. Exploration and evaluation

	Three months ended September 30 2024	Three months ended September 30 2023	Nine months ended September 30 2024	Nine months ended September 30 2023
Surface exploration	**$ 77,387**	$ -	**$ 508,292**	$ -
Exploration drilling	**1,270,393**	-	**1,378,163**	-
Concession holding costs	**112,935**	97,888	**636,657**	174,246
Community, environmental, health and safety	**427,501**	141,524	**706,462**	257,426
Project support	**89,150**	12,280	**248,675**	283,316
Share-based payments	**140,566**	-	**140,566**	-
Total for the period	**$ 2,117,932**	$ 251,692	**$ 3,618,815**	$ 714,988

11. Related party transactions

Related party transactions are those with entities over which the Company has control or significant influence, or with key management personnel, being those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions for the three and nine months ended September 30, 2024, and 2023, is as follows:

a) UMS Canada and UMS Peru

Due to the Company having an ownership interest in both UMS Canada and UMS Peru (Note 5) they are classified as related parties. All transactions with UMS Canada and UMS Peru have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
Exploration and evaluation	**$ 229,698**	$ 65,189	**$ 424,425**	$ 257,756
Project investigation	**45,205**	103,561	**49,869**	299,230
Marketing and investor relations	**24,444**	32,303	**55,548**	97,090
General and administration	**210,960**	177,180	**548,230**	612,029
Total transactions	**$ 510,307**	$ 378,233	**$ 1,078,072**	$ 1,266,105

As at September 30, 2024, $128,905 (December 31, 2023 - $130,388) was included in accounts payable and accrued liabilities and $92,100 (December 31, 2023 - $114,712) in prepaid expenses and deposits relating to transactions with UMS Canada. Including the original deposit of $150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit balance of $113,195 with UMS Canada as at September 30, 2024.

As at December 31, 2023, and remaining at September 30, 2024, the Company had a working capital deposit with UMS Peru in the amount of US$11,800; however, the amount was written down to $nil as at December 31, 2023, as it is not expected to be recovered, and there has been no change as of September 30, 2024.

Unaudited (Expressed in Canadian dollars)

b) Key management transactions

The Company provided the following compensation to key management and Board members, being its four executives, of which one is a director, and six non-executive independent directors:

	Three months ended September 30, **2024**	2023	Nine months ended September 30, **2024**	2023
Salaries and other employee benefits, for executives	**$ 267,716**	$ 153,481	**$ 644,098**	$ 640,231
Fees, for non-executive independent directors	**37,033**	40,352	**95,205**	121,468
Share based compensation	**361,359**	-	**361,359**	-
	$ 666,108	$ 193,833	**$ 1,100,662**	$ 761,699

As at September 30, 2024, the Company had an outstanding accounts payable balance with key management personnel of $124,759 which primarily related to accrued short-term compensation awards approved by the Board in relation to key management performance related achievements in 2024 (December 31, 2023 - $115,101).

During the nine months ended September 30, 2024, the Company repaid to five Board Directors of the Company a total of $52,354 in relation to amounts loaned in 2023 under an unsecured promissory note arrangement, plus accrued interest. In accordance with the promissory notes, on January 29, 2024, the lending Directors were issued a total of 120,000 common share purchase warrants exercisable for a three-year period at $0.15 per common share.

During the nine months ended September 30, 2024, a Board Director of the Company loaned $120,000 to the Company under an unsecured promissory note arrangement at an annualized simple interest rate of 12% and with the intention of being repaid by the Company on the earlier of May 31, 2024, or two days following a financing of at least $1,000,000. The funds were loaned on May 9, 2024, and repaid in full on May 17, 2024, together with accrued interest of $551.

12. Supplemental cash flow information

	Three months ended September 30, **2024**	2023	Nine months ended September 30 **2024**	2023
Changes in liabilities arising from financing and investing activities:				
Issuance of common shares to settle the "SAFE" liability (Note 8(b))	**$ -**	$	**$ -**	$ (731,936)
Private placement share issuance costs	(22,641)	-	**-**	7,881
Mineral property acquisition costs	6,826	-	**(9,045)**	**-**
Other cash flow disclosures:				
Income taxes paid	-	-	**-**	**-**
Interest paid	-	-	**(2,905)**	**-**

13. Financial instruments

The Company's financial instruments consist of cash, amounts receivable, deposits, as well as accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of the current financial instruments approximate their carrying values due to their short-term nature.

The following summarizes the fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and
Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at September 30, 2024, and December 31, 2023, there were no financial instruments measured at fair value.

The Company's financial instruments are exposed to liquidity risk, credit risk and market risk, which includes currency risk. As at September 30, 2024, the primary risks were as follows:

a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. As the Company's operations do not generate cash, financial liabilities are discharged using funding through the issuance of common shares or debt as required. As at September 30, 2024, the Company has sufficient cash on hand to discharge its financial liabilities as they become due having closed the May 2024 private placement financing (Note 8(b)) which allows the Company to continue operations and execute on its planned exploration and other activities.

As at September 30, 2024, the Company has total current liabilities of $1,705,713, which include current accounts payable and accrued liabilities due to be paid within 12 months. The Company has recorded accrued liabilities related to 2023 and 2024 Sombrero Project government concession fees totaling $697,624 which are due by June 30, 2025 (Note 6). Current liabilities also include financial amounts that the Company has committed to incur under its social access agreement to support the community with specified initiatives, and the Company's current provision of $23,063 recorded in relation to reclamation and closure obligations it has at the Sombrero Project. A non-current reclamation and closure provision of $126,871 has also been recorded as at September 30, 2024.

b) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet an obligation under contract. Credit risk exposure arises with respect to the Company's cash, amounts receivable and deposits. The risk exposure is limited because the Company's cash is held with highly rated financial institutions in interest-bearing accounts, the amounts receivable consist of GST receivable from the Government of Canada and the deposit is held by UMS Canada. The carrying amount of the Company's financial assets, being $14,256,939, represents the maximum exposure to credit risk.

c) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Canadian parent company, Coppernico Metals Inc., is exposed to US dollar foreign currency risk with the Canadian dollar ("C$") functional currency, and the Peruvian subsidiary is exposed to Peruvian Soles ("PEN") foreign currency risk with the US$ functional currency.

As at September 30, 2024, the Company's foreign currency exposure related to its financial assets and liabilities held in US$ and PEN is as follows:

		September 30, 2024		December 31, 2023
Peruvian soles expressed in C$				
Period end exchange rate C$ per Peruvian sol		**$0.3630**		$0.3569
Financial assets	**$**	**30,317**	$	1,274
Financial liabilities		**(629,742)**		(675,139)
Net exposure	**$**	**(599,425)**	$	(673,865)

		September 30, 2024		December 31, 2023
US$ expressed in C$				
Period end exchange rate C$ per US$		**$1.3499**		$1.3226
Financial assets	**$**	**127**	$	359
Financial liabilities		**(31,605)**		-
Net exposure	**$**	**(31,478)**	$	359

A 10% increase or decrease in either the US dollar or Peruvian soles exchange rate would not have a material impact on the Company's net loss.

14. Segmented information

The Company operates in one reportable segment, being the exploration and evaluation of unproven exploration and evaluation assets. The Company's non-current assets primarily consist of its mineral property interests and non-current prepaids, deposits and other which are located in Peru, and the remaining; balance relates to its equity investment located in Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results. Most corporate expenses are incurred in Canada.

15. Management of capital

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue additional shares. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity markets to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size and stage of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has remained unchanged from the prior year.