Atacama Copper Corporation

Condensed Consolidated Interim Financial Statements
June 30, 2024
(Unaudited)

www.atacamacopper.ca

NOTICE OF NO AUDITOR REVIEW

The unaudited condensed consolidated interim financial statements, and accompanying notes thereto, for the three and six month periods ended June 30, 2024 and 2023 have not been reviewed by the Company's external auditors.

Atacama Copper Corporation
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
Unaudited
(Expressed in Canadian dollars)

	Note	June 30, 2024	December 31, 2023
ASSETS			
Current			
Cash and cash equivalents		$ 7,726,926	$ 1,167,968
Deferred acquisition costs	5	-	314,616
Receivables		225,122	64,039
Prepaid expenses		97,765	-
		8,049,813	1,546,623
Exploration and evaluation assets	6(a)	6,076,118	1,919,724
Total assets		**$ 14,125,931**	**$ 3,466,347**
LIABILITIES			
Current			
Accounts payable and accrued liabilities	14	$ 358,156	$ 758,864
Loans	7	-	1,121,950
Total liabilities		358,156	1,880,814
SHAREHOLDERS' EQUITY			
Share capital	8	38,701,624	15,801,438
Reserves	9	3,107,606	2,717,811
Deficit		(28,041,455)	(16,933,716)
Total shareholders' equity		13,767,775	1,585,533
Total liabilities and shareholders' equity		**$ 14,125,931**	**$ 3,466,347**

Nature of operations (Note 1)
Subsequent event (Note 1)
Going concern (Note 2(b))

Approved on Behalf of the Board on August 26, 2024.

"Tim Warman"
Director

"Colinda Parent"
Director

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

Atacama Copper Corporation
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the three and six months ended June 30, 2024 and 2023
Unaudited
(Expressed in Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	**2024**	**2023**	**2024**	**2023**
Expenses					
Consulting fees		$ 17,578	$ 9,579	$ 1,283,302	$ 19,320
Exploration and evaluation (“E&E”) expenditures	6(b)	1,324,890	30,905	1,694,662	234,773
IVA expense		34,902	-	62,221	-
General and administration (“G&A”)		72,774	3,144	144,084	5,705
Salaries, management and director fees		195,884	30,000	297,062	60,000
Professional fees		105,799	93,792	187,792	95,647
Share-based compensation	9, 14	304,911	110,937	1,572,005	400,122
Shareholder communications		410,685	-	448,221	-
Travel		4,218	-	5,393	591
		(2,471,641)	(278,357)	(5,694,742)	(816,158)
Other income (expenses)					
Listing expense	5	-	-	(5,518,535)	-
Interest income		114,551	-	262,397	13,097
Foreign exchange		(26,888)	21,856	(156,859)	30,736
		87,663	21,856	(5,412,997)	43,833
Loss and comprehensive loss for the period		$ (2,383,978)	$ (256,501)	$ (11,107,739)	$ (772,325)
Loss per common share, basic and diluted	8	$ (0.04)	$ (0.05)	$ (0.23)	$ (0.15)

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

Atacama Copper Corporation
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the six months ended June 30, 2024 and 2023
Unaudited
(Expressed in Canadian dollars)

		Six months ended June 30, 2024		2023
Operating activities				
Loss for the period	$	(11,107,739)	$	(772,325)
Items not involving cash:				
Listing expense (Note 5)		5,518,535		-
Consulting fee termination expense (Note 8(d))		1,250,000		-
Interest expense on loans		597		-
Share-based compensation		1,572,005		400,122
Foreign exchange		42,796		(7,333)
Changes in non-cash working capital items:				
Accounts payable and accrued liabilities		(1,395,059)		15,043
Receivables		(121,250)		(33,297)
Prepaid expenses		(40,694)		-
Cash used in operating activities		(4,280,809)		(397,790)
Investing activities				
Cash acquired on reverse takeover (Note 5)		16,786		-
Reverse acquisition costs (Note 5)		(163,460)		-
Cash used in investing activities		(146,674)		-
Financing activities				
Proceeds from private placement, net of share issuance costs		12,099,961		-
Proceeds from private placement bridge financing		100,000		-
Proceeds from exercise of stock options		4,755		-
Repayment of loans		(1,218,275)		-
Cash provided by financing activities		10,986,441		-
Change in cash and cash equivalents during the period		6,558,958		(397,790)
Cash and cash equivalents, beginning of period		1,167,968		2,058,429
Cash and cash equivalents, end of period	$	7,726,926	$	1,660,639
Cash and cash equivalents is comprised of:				
Cash	$	7,726,926	$	219,196
Cash equivalents	$	-	$	1,441,443
Supplemental Schedule of Non-Cash Investing and Financing Activities				
Share issuance cost – non-cash (agent’s warrants) – Note 8(a)	$	206,390	$	-
Cash paid during the period for interest	$	1,775	$	-
Cash paid during the period for income taxes	$	-	$	-

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

Atacama Copper Corporation
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the six months ended June 30, 2024 and 2023
Unaudited
(Expressed in Canadian dollars)

	Number of Shares		Share Capital		Reserves		Deficit		Total
Balance, December 31, 2022	5,728,859	$	15,801,438	$	1,561,071	$	(14,636,790)	$	2,725,719
Share-based compensation	-		-		400,122		-		400,122
Loss for the period	-		-		-		(772,325)		(772,325)
Balance, June 30, 2023	**5,728,859**	**$**	**15,801,438**	**$**	**1,961,193**	**$**	**(15,409,115)**	**$**	**2,353,516**
Balance, December 31, 2023	5,990,081	$	15,801,438	$	2,717,811	$	(16,933,716)	$	1,585,533
Effect of reverse acquisition	37,916,849[1]		6,469,288		377,188		-		6,846,476
Reverse acquisition costs	1,157,407		1,250,000		-		-		1,250,000
Private placement – subscription receipts	11,834,159		11,893,573		206,390		-		12,099,963
Private placement – bridge financing	92,593		100,000		-		-		100,000
Exercise of Restricted Stock Units	16,667		18,000		(18,000)		-		-
Exercise of stock options	2,847,712		1,752,543		(1,747,788)		-		4,755
Shares issued for termination of agreement	1,157,428		1,250,000		-		-		1,250,000
Shares issued in settlement of debts	154,430		166,782		-		-		166,782
Share-based compensation	-		-		1,572,005		-		1,572,005
Loss for the period	-		-		-		(11,107,739)		(11,107,739)
Balance, June 30, 2024	**61,167,326**	**$**	**38,701,624**	**$**	**3,107,606**	**$**	**(28,041,455)**	**$**	**13,767,775**

[1] On February 9, 2024, the common shares of TCP1 Corporation were exchanged on a 1:64.815 basis (the "Share Exchange"). The Share Exchange is reflected retrospectively in these condensed consolidated interim financial statements.

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

1. NATURE OF OPERATIONS AND SUBSEQUENT EVENT

Atacama Copper Corporation ("Atacama" or the "Company") was incorporated under the Business Corporations Act of British Columbia on April 8, 2020. The Company's registered and records office and head office is located at 410 – 625 Howe Street, Vancouver, BC, V6C 2T6. The Company is listed on the TSX Venture Exchange ("TSXV"), having the symbol "ACOP".

On February 9, 2024, the Company completed a reverse takeover transaction (the "RTO"), pursuant to a Business Combination Agreement dated December 15, 2023, between Atacama, 1000723052 Ontario Corporation, a newly incorporated, wholly-owned subsidiary of Atacama, and TCP1 Corporation ("TCP1"). Immediately prior to completing the RTO, Atacama consolidated its issued and outstanding shares on a 6 for 1 basis. Pursuant to the RTO, Atacama acquired all of the outstanding shares in TCP1 in exchange for common shares of Atacama. Upon completion of the RTO, the shareholders of TCP1 controlled Atacama and accordingly, the transaction was accounted for as a reverse acquisition of Atacama by TCP1 and TCP1 was identified as the accounting acquirer. The historical operations, assets and liabilities of TCP1 are included as the comparative figures as at and for the year ended December 31, 2023, which is deemed to be the continuing entity for financial reporting purposes.

Subsequent to Atacama's Share Consolidation, and to effect the RTO, the following transactions occurred, all noted on a post-consolidation share basis: (i) Atacama issued 37,916,849 common shares to shareholders of TCP1; (ii) Atacama issued 2,843,823 common shares to holders of "in-the-money" TCP1 stock options; (iii) Atacama issued 1,157,428 common shares in satisfaction of a TCP1 termination agreement to a director of TCP1 for a total of $1,250,000; and (iv) Atacama issued 1,157,407 common shares in satisfaction of a success fee of $1,250,000 related to the RTO. Concurrently with the RTO, Atacama closed a private placement financing of subscription receipts (the "Receipts") into a total of 11,834,159 common shares for gross proceeds of $12,780,892 and issued 92,593 common shares in satisfaction of previously received financing proceeds of $100,000. In connection with the Receipts, the Company issued 409,995 agent's warrants which are exercisable at $1.08 per common share until February 9, 2026. Collectively, the RTO, the Receipts and the Share Consolidation are referred to as the "Transaction".

Effective on August 21, 2024, the Company changed its name to "Fuerte Metals Corporation" and trading symbol to "FMT". The Company's shares began trading on the TSXV under the new name and symbol on August 26, 2024.

The principal business of the Company is to identify, explore and evaluate mineral properties in Chile, Mexico and elsewhere in the Americas. The Company holds mineral properties in Chile through its ownership of the El Cofre and Placeton projects while its mineral properties in Mexico comprise the Cristina and Yecora projects. The success of the Company will be dependent on obtaining the necessary financing to evaluate these projects.

2. BASIS OF PREPARATION AND GOING CONCERN

(a) Basis of preparation

These condensed consolidated interim financial statements of the Company for the three and six months ended June 30, 2024 and 2023, have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all the information and disclosures required in full annual financial statements and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023 which have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed consolidated interim financial statements have been prepared on a historical cost basis and are presented in Canadian dollars, unless otherwise specified. In addition, these condensed consolidated interim financial statements are prepared using the accrual basis of accounting except for cash flow information.

For accounting purposes, it has been determined that Atacama was the accounting acquiree and TCP1 was the accounting acquirer as the shareholders of the former TCP1 now control the Company, based upon the guidance in IFRS 10, *Consolidated Financial Statements*, and IFRS 3, *Business Combinations*, to identify the accounting acquirer. Since TCP1 is considered the accounting acquirer, these condensed consolidated interim financial statements are prepared as a continuation of the financial statements of TCP1.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on August 26, 2024.

(b) Going concern

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and settle its obligations in the normal course of business. The Company has incurred losses since inception and the ability of the Company to continue as a going concern depends upon its ability to raise adequate financing through the capital markets. During the six months ended June 30, 2024, the Company incurred a loss of $11,107,739 and, as of June 30, 2024, the Company had an accumulated deficit of $28,041,455. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational needs. Based on working capital of $7,691,657 as at June 30, 2024, the Company estimates it has sufficient working capital to sustain operations for the next twelve months. While the Company raised additional funding in February 2024, it will continue to incur losses in the process of advancing its mineral exploration projects such that additional funds will be required in the future to enable the Company to continue its operations. There can be no assurance that financing will be available on terms which are acceptable to the Company. These condensed consolidated interim financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION AND GOING CONCERN (continued)

(c) Amended IFRS standards effective January 1, 2024

In January 2020, the IASB issued *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*, which amended IAS 1, *Presentation of Financial Statements* ("IAS 1") to clarify the requirements for presenting liabilities in the statement of financial position as current or non-current. In October 2022, the IASB issued *Non-current Liabilities with Covenants*, which amended IAS 1 to improve the information an entity provides when its right to defer settlement of a liability for at least 12 months after the reporting period is subject to compliance with covenants and to clarify how such compliance affects the classification of the liability as current or non-current.

For a liability to be classified as non-current, the amendments removed the requirement for the Company's right to defer settlement of a liability for at least 12 months after the reporting period to be 'unconditional' and instead require that the Company's right must exist at the end of the reporting period. In addition, the amendments clarify that: (a) classification is unaffected by management's intentions or expectations about whether the Company will exercise its right to defer settlement; (b) for loan arrangements that are subject to covenants, only covenants that the Company must comply with on or before the reporting date affect the classification of a liability as current or non-current at such date; (c) if the Company's right to defer settlement is subject to the Company complying with covenants on or before the reporting date, such covenants affect whether the Company's right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period; and (d) the term settlement includes the transfer of the Company's own equity instruments to the counterparty that results in the extinguishment of the liability, except when the settlement of the liability with the Company transferring its own equity instruments is at the option of the counterparty and such option has been classified as an equity instrument, separate from the host liability.

The amendments also require new disclosures for non-current liabilities that are subject to future covenants to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The required disclosures include (i) the nature of the covenants; (ii) when the Company is required to comply with the covenants; (iii) the carrying amounts of the related liabilities; and (iv) facts and circumstances, if any, that indicate the Company may have difficulty complying with the covenants.

The Company applied the above amendments effective January 1, 2024. The amendments did not have any impact on the classification of the Company's liabilities as at December 31, 2023.

(d) Standards issued but not yet effective

The Company has not early adopted any amendment, standard or interpretation that has been issued by the IASB but that is not yet effective, nor has it identified any such standard or interpretation that is expected to have a material impact on the Company's consolidated financial statements.

3. MATERIAL ACCOUNTING POLICIES

Except as described in Note 2(c), the material accounting policies that have been applied, on a consistent basis, in the preparation of these condensed consolidated interim financial statements are included in the Company's audited consolidated financial statements for the year ended December 31, 2023. Those accounting policies have been used throughout all periods presented in the condensed consolidated interim financial statements.

These condensed consolidated interim financial statements include the accounts of the following entities, being the Company and its wholly-owned subsidiaries (collectively, the "Group"):

	Domicile and country of incorporation
Atacama Copper Corporation	Canada
TCP1 Corporation	Canada
Atacama Cobre Ltd.	Canada
Atacama Cobre Ltd. Agencia en Chile (Chilean Branch)	Chile
Criscora S.A. de C.V.	Mexico
Aconcagua Minerals SpA	Chile
Cobalt Chile SpA	Chile

All intercompany transactions and balances have been eliminated upon consolidation.

Control exists when the Company has the power to directly or indirectly govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken in account in the assessment of whether control exists. Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date on which control ceases.

(Expressed in Canadian Dollars)

4. USE OF JUDGMENTS AND ESTIMATES

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting periods. Actual outcomes could differ from these estimates and judgments, which, by their nature, are uncertain. Significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are the same as those that applied to the unaudited condensed consolidated interim financial statements as at and for the three months ended March 31, 2024.

5. REVERSE TAKEOVER AND RELATED TRANSACTIONS

At the time of the RTO, the Company did not meet the definition of a business as defined under IFRS 3 *Business Combinations*. Accordingly, the qualifying transaction was accounted for as an asset acquisition in accordance with IFRS 2, *Share-Based Payment*. TCP1 was identified as the accounting acquirer that issued shares to acquire all of the net assets of Atacama, the accounting acquiree, and its listing status. These condensed consolidated interim financial statements are considered to be a continuation of the financial statements of TCP1, the accounting acquirer.

The acquisition-date fair value of the consideration transferred by the accounting acquirer, TCP1, for its interest in the accounting acquiree, Atacama, of $6,846,476 is determined based on the fair value of the equity interest TCP1 would have had to give to the owners of Atacama, before the reverse acquisition, to provide the same percentage equity interest in the combined entity that results from the reverse acquisition, and is recorded as an increase in common shares in the condensed consolidated interim statement of financial position. In addition, transaction costs totalling $1,728,076 were incurred.

As the valuation of Atacama's identifiable net assets at the reverse acquisition date was $3,056,017, the excess of consideration transferred over the net assets acquired of $5,518,535 is reflected as a "Listing expense" expense in the condensed consolidated interim statement of loss and comprehensive loss. The fair value of the exploration and evaluation assets was determined at carrying value given the early stage of these assets.

Consideration transferred at February 9, 2024:

Fair value of deemed issuance of 5,990,801 common shares to Atacama shareholders (Note 8)	$	6,469,288
Fair value of deemed issuance of 254,446 stock options to Atacama option holders		77,384
Fair value of deemed issuance of 1,171,528 warrants to Atacama warrant holders		256,816
Fair value of deemed issuance of 48,333 RSUs to Atacama RSU holders		42,988
		6,846,476
Transaction costs – cash		478,076
Acquisition costs – 1,157,407 common shares		1,250,000
Total consideration	$	8,574,552

Net assets of Atacama Copper Corporation acquired as at February 9, 2024

Cash	$	16,786
Receivables		39,833
Prepaid expenses		57,071
Exploration and evaluation assets (Note 6)		4,156,394
Accounts payable and accrued liabilities		(1,111,135)
Loans		(102,932)
Net assets acquired	$	3,056,017
Reverse acquisition expense	$	5,518,535

The fair value of the consideration transferred by the accounting acquirer was determined by using the share value in the concurrent Receipts private placement of $1.08 per common share multiplied by the number of shares of 5,990,801 for consideration of $6,469,288. RSUs were valued at $1.08 per RSU, adjusted to reflect the vested RSUs at February 9, 2024. The 254,446 share options were valued at a weighted average $0.30 per option using the Black-Scholes valuation model with the assumptions listed in the table below for a consideration of $77,384. The 1,171,528 warrants were valued at $0.22 per warrant using the Black-Scholes valuation model with the assumptions listed in the table below for a consideration of $256,816. In addition, 1,157,407 common shares were issued in satisfaction of a success fee of $1,250,000 related to the RTO.

(Expressed in Canadian Dollars)

5. REVERSE TAKEOVER AND RELATED TRANSACTIONS (continued)

The considerations for the common shares, the share options and the warrants represent the total consideration transferred by the accounting acquirer.

	Share Options	Warrants
Share price	$1.08	$1.08
Exercise price	$1.11 - $2.52	$1.80 - $3.60
Risk-free interest rate	3.73% - 4.33%	4.33%
Expected dividend yield	-	-
Expected stock price volatility	75% - 81%	75% - 92%
Expected option life in years	0.33 – 4.08	1 – 2 years

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

(a) Exploration and evaluation assets

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, unregistered claims, other land claims and non-compliance with regulatory and environmental requirements. At June 30, 2024, the Company has the following mineral exploration projects:

(i) The Company holds a 100% interest in the Yecora Project located in Mexico. Pursuant to the terms of the Yecora acquisition agreement, the Company is required to pay a sum of US$500,000 when the Company makes the decision to start production, and US$2,000,000 when the Company starts commercial production on any of the claims within the Yecora Project. The Yecora Project was subject to a 1% net smelter royalty ("NSR") which was repurchased in 2021 for US$1,500,000 ($1,892,148). There is a further obligation to register a 3% NSR which has not been completed as of the date of the condensed consolidated interim financial statements.

(ii) The Company holds a 100% interest in the Cristina Project located in Mexico. There is an existing 2% NSR, held by Maverix Metals Inc. over all minerals produced from certain exploitation tenements included in the Cristina Project. The Company has the right to buy back 1% of the NSR for US$1,000,000.

(iii) The Company holds 100% of the rights to the Placeton Project which consists of the Placeton, Caballo Muerto and Los Naranjos projects. There is an existing 2% NSR, held by an entity that is owned by the Company's VP Business Development, over all minerals produced from the 39 mining concession tenement groups that comprise the Placeton Project.

(iv) The Company holds 100% of the rights to the El Cofre Project, which represents 100% interest in 30 mining concession tenement groups, with 10 previously held tenements being allowed to lapse in 2023. There is an existing 2% NSR over all minerals produced from 27 of the tenements in favor of the Company's VP Business Development, included in the El Cofre Project.

The carrying value of the exploration projects, by project, is as follows:

	Yecora	Cristina	Placeton	El Cofre	Total
Balance, December 31, 2022 and June 30, 2023	$ 1,905,936	13,788	$ -	$ -	$ 1,919,724
Balance, December 31, 2023	$ 1,905,936	$ 13,788	$ -	$ -	$ 1,919,724
RTO additions (Note 5)	-	-	4,156,394	-	4,156,394
Balance, June 30, 2024	$ 1,905,936	13,788	$ 4,156,394	$ -	$ 6,076,118

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

(b) Exploration and evaluation expenditures

For the periods presented, the Company's exploration and evaluation expenditures are as follows:

	Three months ended June 30, 2024				
	Yecora	**Cristina**	**Placeton**	**El Cofre**	**Total**
Camp	$ -	$ -	$ 911	$ 652	$ 1,563
Claims, licences and permits	-	-	9,464	-	9,464
Consultants	-	16,174	6,932	-	23,106
Drilling	15,989	1,039,942	-	-	1,055,931
Geology and geophysics	-	38,948	165,023	539	204,510
Miscellaneous field costs	1,205	1,205	5,054	1,401	8,865
Property management	-	-	-	7,438	7,438
Travel	-	-	12,755	1,258	14,013
Total	$ 17,194	1,096,269	$ 200,139	$ 11,288	$ 1,324,890

	Three months ended June 30, 2023		
	Yecora	**Cristina**	**Total**
Claims, licences and permits	$ 816	$ 4,159	$ 4,975
Consultants	4,688	4,688	9,376
Drilling	1,049	3,009	4,058
Geology and geophysics	28,387	(15,891)	12,496
Total	$ 34,940	(4,035)	$ 30,905

	Six months ended June 30, 2024				
	Yecora	**Cristina**	**Placeton**	**El Cofre**	**Total**
Camp	$ -	$ -	$ 911	$ 1,163	$ 2,074
Claims, licences and permits	12,029	61,327	9,464	-	82,820
Consultants	-	27,465	8,627	-	36,092
Drilling	26,060	1,280,160	-	-	1,306,220
Geology and geophysics	-	60,571	165,786	539	226,896
Miscellaneous field costs	1,799	1,799	5,112	1,401	10,111
Property management	-	-	2,735	11,355	14,090
Travel	-	-	12,834	3,525	16,359
Total	$ 39,888	1,431,322	$ 205,469	$ 17,983	$ 1,694,662

	Six months ended June 30, 2023		
	Yecora	**Cristina**	**Total**
Claims, licences and permits	$ 11,413	$ 58,190	$ 69,603
Consultants	16,052	16,052	32,104
Drilling	14,669	42,096	56,765
Geology and geophysics	36,669	39,632	76,301
Total	$ 78,803	155,970	$ 234,773

(Expressed in Canadian Dollars)

7. LOANS

The following is a summary of changes in loans during the six months ended June 30, 2024:

Balance, December 31, 2023	$	1,121,950
Atacama loans on RTO (Note 5)		102,932
Accrued interest		597
Repaid in cash		(1,218,275)
Repaid in common shares		(50,000)
Foreign exchange		42,796
Balance, June 30, 2024	$	-

The Company had two loans from Trinity Capital Partners Corporation ("Trinity"), a related party, consisting of: (i) US$750,000 and (ii) $130,000. The loans were non-interest bearing and had no specific terms of repayment. Both loans were repaid in April 2024.

On closing of the RTO (see Note 5), the Company recognized unsecured loans from three arms-length parties for a total of $100,000 plus accrued interest to February 9, 2024 of $2,932. The terms of the loans were identical and as follows: Interest rate of 10% per annum with the principal and interest becoming due and payable upon the earlier of (i) completion by the Company of an equity financing exceeding $3 million or (ii) on July 1, 2024.

On February 9, 2024, one loan's principal balance ($50,000) was repaid by the issuance of common shares of the Company (see Note 8(e)). On March 11, 2024, two of the loans were repaid in cash (including accrued interest) for a total of $51,775.

8. SHARE CAPITAL

Authorized: Unlimited common shares, without par value.

Issued and fully paid:	Number of Common Shares		Amount
Balance, December 31, 2022 and June 30, 2023	5,728,859	$	15,801,438
Balance, December 31, 2023	5,990,081	$	15,801,438
Effect of reverse acquisition (Note 5)	37,916,849		6,469,288
Reverse acquisition costs (Note 5)	1,157,407		1,250,000
Private placement – subscription receipts (a)	11,834,159		11,893,573
Private placement – bridge financing (b)	92,593		100,000
Exercise of stock options (c)	2,847,712		1,752,543
Share issued re termination of consulting agreement (d)	1,157,428		1,250,000
Share issued in settlement of debts (e)	154,430		166,782
Exercise of Restricted Stock Units (f)	16,667		18,000
Balance, June 30, 2024	61,167,326	$	38,701,624

(a) On February 9, 2024, the Company closed a private placement of subscription receipts for 11,834,159 common shares at a price of $1.08 per common share for gross proceeds of $12,780,892. In connection with this private placement, the Company incurred cash share issue costs of $680,929. The Company also issued a total of 409,995 agent's warrants in connection with the private placement. Each agent's warrant is exercisable at a price of $1.08 for a two-year period ending February 9, 2026. The fair value of the agent's warrants was valued at $206,390 using the Black-Scholes valuation model with the following inputs:

Share price	$1.08
Exercise price	$1.08
Risk-free interest rate	4.33%
Expected dividend yield	Nil
Expected stock price volatility	83%
Expected warrant life	2 years
Fair value of warrants granted (per warrant)	$0.50

(b) On February 9, 2024, the Company issued 92,593 common shares to closed a private placement of $100,000.

(c) As a condition of the RTO, all the in-the-money stock options of TCP1 were to be converted to common shares on a net exercise basis. This exercise of stock options was completed on February 8, 2024 with 6,125,016 stock options being exercised for proceeds of $439 resulting in the issuance of 2,843,823 common shares. $1,747,099 related to previously recorded stock-based compensation expense was reclassified from reserves to share capital. On May 16, 2024, 3,889 stock options were exercised for proceeds of $4,316. $689 related to previously recorded stock-based compensation expense was reclassified from reserves to share capital.

(Expressed in Canadian Dollars)

8. SHARE CAPITAL (continued)

(d) In connection with a termination agreement signed between the TCP1 and a director of TCP1, the Company issued 1,157,428 common shares at a price of $1.08 per common share to satisfy a performance bonus in connection with the RTO of $1,000,000 and a $250,000 fee to terminate a consulting arrangement.

(e) Following completion of the RTO, the Company issued 154,430 common shares at a price of $1.08 per common share to satisfy the following debts: (i) 46,296 common shares ($50,000) as partial repayment of salary to an officer of the Company; (ii) 61,837 common shares ($66,782) as repayment of salary owed to an officer of the Company; and (iii) 46,297 common shares ($50,000) to repay a loan.

(f) In May and June 2024, a total of 16,667 restricted stock units were exercised for common shares. The previously recognized stock-based compensation expense of $18,000 was reclassified from reserves to share capital.

9. RESERVES

The Company's Long-Term Incentive Plan (the "Plan") includes stock options and restricted stock units ("RSUs") whereby the Company may grant equity incentives ("Awards") to directors, officers, employees and consultants of the Company. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the total number of issued and outstanding shares on the date the Awards are granted. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis or 2% if the optionee is engaged in investor relations activities or is a consultant. Investor relations service providers can only receive options as Awards under the Plan. Options are exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion.

(a) Stock Options

The Company granted 1,625,000 stock options during the six months ended June 30, 2024 at a weighted average exercise price of $1.27 per share. The weighted average Black-Scholes value per stock option granted during the six months ended June 30, 2024 was $0.85 per share. The fair value of stock options issued was estimated at the grant date based on the Black-Scholes valuation model with the following weighted average assumptions:

Risk-free interest rate	3.73%
Expected dividend yield	Nil
Share price	$1.26 - $1.33
Expected stock price volatility	79 – 81%
Average expected option life	5 years
Fair value of options granted	$0.84 - $0.88

Pursuant to the Company's accounting policy for share-based payments, the fair value of options vesting during the three and six months ended June 30, 2024, in the amounts of $169,084 and $1,359,615, respectively (three and six months ended June 30, 2023 - $110,937 and $400,122) has been recorded in the consolidated statements of loss and comprehensive loss.

Stock options and weighted average exercise prices are as follows for the reporting periods presented:

	Three months ended June 30, 2024		Three months ended June 30, 2023	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	3,337,786	$ 0.91	7,583,356[(1)]	$ 0.91
Exercised	(3,889)	1.11	-	-
Expired	(80,556)	2.45	-	-
Outstanding, end of period	3,253,341	$ 1.76	7,583,356[(1)]	$ 0.91

(1) TCP1 options as adjusted pursuant to the Share Exchange.

(Expressed in Canadian Dollars)

9. RESERVES (continued)

(a) Stock Options (continued)

	Six months ended June 30, 2024			2023		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of period	7,583,356[(1)]	$	0.91	7,583,356[(1)]	$	0.91
Granted	1,625,000		1.27	-		-
Deemed issuance of stock options on RTO (Note 5)	254,446		2.00	-		-
Exercised	(6,128,905)		0.58	-		-
Expired	(80,556)		2.45	-		-
Outstanding, end of period	3,253,341	$	1.76	7,583,356[(1)]	$	0.91

[(1)] TCP1 options as adjusted pursuant to the Share Exchange.

As at June 30, 2024, the Company has the following stock options outstanding and exercisable:

Options Outstanding				Options Exercisable	
Number of Options	Expiry Date	Weighted average life (years)	Exercise Price	Number of Options	Exercise Price
1,093,755	February 9, 2025	0.61	$2.31	1,093,755	$2.31
80,000	December 20, 2026	2.47	$2.52	80,000	$2.52
50,000	August 15, 2027	3.13	$1.20	33,333	$1.20
40,001	March 10, 2028	3.70	$1.11	26,668	$1.11
1,425,000	February 9, 2029	4.62	$1.26	475,004	$1.26
200,000	March 20, 2029	4.72	$1.33	-	$1.33
162,038	March 2, 2030	5.67	$2.31	162,038	$2.31
202,547	June 30, 2032	8.01	$2.31	202,547	$2.31
3,253,341		3.45	$1.76	2,073,345	$2.04

(b) Restricted Stock Units

Granted RSUs vest in three equal instalments beginning a year after the grant date. RSUs are subject to a restriction period which ends no later than December 31 of the calendar year three (3) years after the grant date, or as otherwise determined by the Board of Directors. During the six months ended June 30, 2024 the Company granted 700,000 RSUs to directors and officers of the Company (six months ended June 30, 2023 – Nil).

RSUs and weighted average fair values are as follows for the reporting periods presented:

	Three months ended June 30, 2024			2023		
	Number of RSUs		Weighted Average Fair Value	Number of RSUs		Weighted Average Price
Outstanding, beginning of period	748,333	$	1.25	-	$	-
Exercised	(16,667)		1.09	-		-
Outstanding, end of period	731,666	$	1.25	-	$	-

	Six months ended June 30, 2024			2023		
	Number of RSUs		Weighted Average Fair Value	Number of RSUs		Weighted Average Price
Outstanding, beginning of period	-	$	-	-	$	-
Granted	700,000		1.26	-		-
Deemed issuance of RSUs on RTO (Note 5)	48,333		1.08	-		-
Exercised	(16,667)		1.09	-		-
Outstanding, end of period	731,666	$	1.25	-	$	-

(Expressed in Canadian Dollars)

9. RESERVES (continued)

(b) Restricted Stock Units (continued)

During the three and six months ended June 30, 2024 the Company recognized $135,827 and $212,390, respectively (three and six months ended June 30, 2023 - $Nil) in share-based compensation expense related to the vesting of RSUs. As at June 30, 2024, there were 15,001 RSUs outstanding that have vested, but are yet to be converted into common shares.

(c) Warrants

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

	Number of Warrants	Weighted Average Exercise Price
Outstanding as at December 31, 2023	-	$ -
Deemed issuance of warrants on RTO (Note 5)	1,171,528	$ 3.59
Issued	409,995	$ 1.08
Outstanding as at June 30, 2024	1,581,523	$ 2.94

As at June 30, 2024, the Company has the following warrants outstanding and exercisable:

Expiry Date	Number ofWarrants	WeightedAverage Exercise Price	Weighted Average Remaining Life
June 15, 2025	4,861	$ 1.80	0.96
February 9, 2026	409,995	$ 1.08	1.61
September 7, 2026	1,166,667	$ 3.60	2.19
Total	1,581,523	$ 2.94	2.04

10. CAPITAL MANAGEMENT

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to continue as a going concern that it may continue to explore and develop its mineral properties and continue its operations for the benefit of shareholders and also to support any business transaction that may occur. 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 is largely dependent upon external financing to fund its operations. To carry out its exploration operations and to continue to support its general and administrative activities, the Company will spend its existing working capital and raise additional funds as needed.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended June 30, 2024. The Company is not subject to externally imposed capital requirements.

11. FINANCIAL INSTRUMENTS

(a) Categories of financial assets and financial liabilities

The Company's financial assets and financial liabilities are categorized as follows:

	Note	Category	June 30, 2024	December 31, 2023
Cash and cash equivalents		Amortized cost	$ 7,726,926	$ 1,167,968
Receivables		Amortized cost	225,122	64,039
Accounts payable and accrued liabilities		Amortized cost	358,156	758,864
Loans	7	Amortized cost	-	1,121,950

11. FINANCIAL INSTRUMENTS (continued)

(b) Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels in which to classify the inputs of valuation techniques used to measure fair values.

Level 1 – quoted market prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly, such as prices, or indirectly (derived from prices).
Level 3 – inputs are unobservable (supported by little or no market activity) such as non-corroborative indicative prices for a particular instrument provided by a third party.

The recorded amounts for cash and cash equivalents, receivables, accounts payable and accrued liabilities and loans approximate their fair value due to the short-term maturities of these instruments and/or the market interest rate being earned or charged thereon. Income earned on the Company's cash and cash equivalents has been disclosed in the consolidated statements of loss and comprehensive loss under the caption "interest income".

12. FINANCIAL INSTRUMENT RISKS

The Company is exposed to various risks in relation to financial instruments. The main types of risk are credit risk, liquidity risk and market risk. These risks arise from the normal course of the Company's operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with financial instruments and the policies on mitigation of such risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

(a) Credit risk

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and cash equivalents and receivables. The Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company believes its credit risk with respect to receivables is minimal as these are primarily from the Government of Canada. The Company's maximum credit exposure is limited to the carrying amount of its cash and cash equivalents and receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company manages liquidity risk by ensuring that it has sufficient cash available to meet its obligations. These requirements are met through a combination of cash on hand, disposition of assets, accessing capital markets and loans.

At June 30, 2024, the Company's current liabilities consisted of trade and other payables of $358,156, due primarily within three months from the period end. The Company's cash and cash equivalents of $7,726,926 at June 30, 2024, were sufficient to pay for these current liabilities.

(c) Market risks

The significant market risk exposures to which the Company is exposed are interest rate risk and currency risk.

Interest rate risk

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

(Expressed in Canadian Dollars)

12. FINANCIAL INSTRUMENT RISKS (continued)

(c) Market risks (continued)

Foreign currency risk

The Company is exposed to foreign currency risk on fluctuations related to cash and accounts payable and accrued liabilities that are denominated in either United States dollars ("USD"), Chilean Pesos ("CLP") or Mexican Pesos ("MXN"). The table below shows the impact that a 5% fluctuation between the Canadian dollar and the foreign currencies noted above would have on the Company's comprehensive loss and net equity based upon the assets and liabilities held at June 30, 2024:

Financial Instrument Type		CAD Dollar	Currency	+/- 5% Fluctuation			
Cash	$	2,129	CLP	$	106	$	(106)
Cash		443,055	MXN		22,153		(22,153)
Accounts payable and accrued liabilities		(37,566)	CLP		(1,878)		1,878
Accounts payable and accrued liabilities		(273,893)	MXN		(13,695)		13,695
Total	$	133,725		$	6,686	$	(6,686)

Other Price Risk

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

13. SEGMENTED INFORMATION

The Company has one reportable segment, being the evaluation and exploration of mineral properties in the Americas. While the Company currently holds mineral properties in Chile and Mexico, all reporting to the chief decision maker is carried out on a consolidated basis.

Non-current assets are broken down by geographic region as follows at June 30, 2024:

		Mexico		**Chile**		**Total**
Exploration and evaluation assets	$	1,919,724	$	4,156,394	$	6,076,118

14. RELATED PARTY TRANSACTIONS

Related party expenses and transactions

The Company incurred the following expenses with related parties:

Related company	Nature of transactions		Three months ended June 30, 2024		2023
Trinity Advisors Corporation	Management fees	$	-	$	30,000
Durus Copper SPA	E&E expense		5,462		-
		$	5,462	$	30,000

Related company	Nature of transactions		Six months ended June 30, 2024		2023
Trinity Advisors Corporation	Management fees	$	-	$	60,000
Durus Copper SPA	E&E expense		13,571		-
		$	13,571	$	60,000

(Expressed in Canadian Dollars)

14. RELATED PARTY TRANSACTIONS (continued)

Key management personnel compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers and/or companies controlled by those individuals. Compensation paid to key management personnel for the three and six months ended June 30, 2024 and 2023 are as follows:

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Short-term benefits (i)	$ 178,376	$ 31,786	$ 1,562,474	$ 64,254
Share-based compensation	268,780	110,937	1,471,111	400,122
Total remuneration	$ 447,156	$ 142,723	$ 3,033,585	$ 464,376

(i) Short-term benefits include fees and salaries, including where those costs have been allocated to E&E expenditures (see Note 6(b)). These expenses include fees paid to CLMLC LLC.

Trinity Advisors Corporation ("TAC"), CLMLC LLC and Durus Copper SPA are related to the Company by way of directors, officers or shareholders in common. Related party transactions are recognized at the amounts agreed between the parties. Outstanding balances are unsecured and normally is settled in cash. Included in the expense to CLMLC LLC for the six months ended June 30, 2024 is $1,250,000 that was settled by common shares as described in Note 8(d). TAC ceased to be a related party following completion of the RTO transaction (see Note 5).

$10,988 owing to CLMLC LLC was included in accounts payable at June 30, 2024 (December 31, 2023 - $32,617). $2,601 owing to Durus Copper SPA was included in accounts payable at June 30, 2024 (December 31, 2023 - $Nil). $271,232 owing to TAC was included in accounts payable at December 31, 2023.