



# ATACAMA COPPER

**Atacama Copper Corporation**

**Condensed Consolidated Interim Financial Statements**

**March 31, 2024**

(Unaudited)



[www.atacamacopper.ca](http://www.atacamacopper.ca)

TSX.V: ACOP

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

|   | Note | March 31, 2024       | December 31, 2023   |
|---|------|----------------------|---------------------|
| <b>ASSETS</b>                                     |      |                      |                     |
| <b>Current</b>                                    |      |                      |                     |
| Cash and cash equivalents                         |      | \$ 11,747,950        | \$ 1,167,968        |
| Deferred acquisition costs                        | 5    | -                    | 314,616             |
| Receivables                                       |      | 115,623              | 64,039              |
| Prepaid expenses                                  |      | 97,950               | -                   |
|   |      | 11,961,523           | 1,546,623           |
| Exploration and evaluation assets                 | 6(a) | 6,076,118            | 1,919,724           |
| <b>Total assets</b>                               |      | <b>\$ 18,037,641</b> | <b>\$ 3,466,347</b> |
| <b>LIABILITIES</b>                                |      |                      |                     |
| <b>Current</b>                                    |      |                      |                     |
| Accounts payable and accrued liabilities          | 14   | \$ 1,047,112         | \$ 758,864          |
| Loans   | 7    | 1,148,003            | 1,121,950           |
| <b>Total liabilities</b>                          |      | <b>2,195,115</b>     | <b>1,880,814</b>    |
| <b>SHAREHOLDERS' EQUITY</b>                       |      |                      |                     |
| Share capital                                     | 8    | 38,678,619           | 15,801,438          |
| Reserves  | 9    | 2,821,384            | 2,717,811           |
| Deficit   |      | (25,657,477)         | (16,933,716)        |
| <b>Total shareholders' equity</b>                 |      | <b>15,842,526</b>    | <b>1,585,533</b>    |
| <b>Total liabilities and shareholders' equity</b> |      | <b>\$ 18,037,641</b> | <b>\$ 3,466,347</b> |

Nature of operations (Note 1)  
Going concern (Note 2(b))  
Subsequent events (Note 7 and 15)

Approved on Behalf of the Board on May 28, 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 months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian dollars)**

|  | Note  | Three months ended March 31, |              |
|--|-------|------------------------------|--------------|
|  |       | 2024                         | 2023         |
| <b>Expenses</b>  |       |                              |              |
| Consulting fees  |       | \$ 1,265,724                 | \$ 9,741     |
| Exploration and evaluation (“E&E”) expenditures                      | 6(b)  | 369,772                      | 203,868      |
| IVA expense  |       | 27,319                       | -            |
| General and administrative   |       | 71,310                       | 2,561        |
| Salaries, management and director fees                               | 14    | 101,178                      | 30,000       |
| Professional fees  |       | 81,993                       | 1,855        |
| Share-based compensation   | 9, 14 | 1,267,094                    | 289,185      |
| Shareholder communications   |       | 37,536                       | -            |
| Travel   |       | 1,175                        | 591          |
|  |       | (3,223,101)                  | (537,801)    |
| <b>Other income (expenses)</b>                                       |       |                              |              |
| Listing expense  | 5     | (5,518,535)                  | -            |
| Foreign exchange   |       | (129,971)                    | 5,386        |
| Interest income  |       | 147,846                      | 16,591       |
|  |       | (5,500,660)                  | 21,977       |
| Loss and comprehensive loss for the period                           |       | \$ (8,723,761)               | \$ (515,824) |
| Loss per common share, basic and diluted                             | 8     | \$ (0.24)                    | \$ (0.10)    |
| Weighted average number of shares outstanding –<br>basic and diluted | 8     | 36,902,072                   | 5,278,859    |

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 three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian dollars)**

|   | Three months ended March 31, |              |
|---|------------------------------|--------------|
|   | 2024                         | 2023         |
| <b>Operating activities</b>   |                              |              |
| Loss for the period   | \$ (8,723,761)               | \$ (515,824) |
| 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   | 596                          | -            |
| Share-based compensation  | 1,267,094                    | 289,185      |
| Foreign exchange  | 24,298                       | (825)        |
| Changes in non-cash working capital items:                                  |                              |              |
| Accounts payable and accrued liabilities                                    | (706,103)                    | 28,082       |
| Receivables   | (11,751)                     | (18,709)     |
| Prepaid expenses  | (40,879)                     | -            |
| Cash used in operating activities   | (1,421,971)                  | (218,091)    |
| <b>Investing activities</b>   |                              |              |
| Cash acquired on reverse takeover (Note 5)                                  | 16,786                       | -            |
| Reverse acquisition costs (Note 5)  | (163,460)                    | -            |
| Cash used in investing activities   | (146,674)                    | -            |
| <b>Financing activities</b>   |                              |              |
| Proceeds from private placement, net of share issuance costs                | 12,099,963                   | -            |
| Proceeds from private placement bridge financing                            | 100,000                      | -            |
| Proceeds from exercise of stock options                                     | 439                          | -            |
| Repayment of loans  | (51,775)                     | -            |
| Cash provided by financing activities                                       | 12,148,627                   | -            |
| Change in cash and cash equivalents during the period                       | 10,579,982                   | (218,091)    |
| Cash and cash equivalents, beginning of period                              | 1,167,968                    | 2,058,429    |
| Cash and cash equivalents, end of period                                    | \$ 11,747,950                | \$ 1,840,338 |
| <b>Cash and cash equivalents is comprised of:</b>                           |                              |              |
| Cash  | \$ 11,747,950                | \$ 23,361    |
| Cash equivalents  | \$ -                         | \$ 1,816,977 |
| <b>Supplemental Schedule of Non-Cash Investing and Financing Activities</b> |                              |              |
| 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 three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian dollars)**

|  | Number of<br>Shares       | Share<br>Capital     | Reserve             | Deficit                | Total                |
|--|---------------------------|----------------------|---------------------|------------------------|----------------------|
| <b>Balance, December 31, 2022</b>          | 5,728,859                 | \$ 15,801,438        | \$ 1,561,071        | \$ (14,636,790)        | \$ 2,725,719         |
| Share-based compensation                   | -                         | -                    | 289,185             | -                      | 289,185              |
| Loss for the period                        | -                         | -                    | -                   | (515,824)              | (515,824)            |
| <b>Balance, March 31, 2023</b>             | <b>5,728,859</b>          | <b>\$ 15,801,438</b> | <b>\$ 1,850,256</b> | <b>\$ (15,152,614)</b> | <b>\$ 2,499,080</b>  |
| <b>Balance, December 31, 2023</b>          | 5,990,081                 | \$ 15,801,438        | \$ 2,717,811        | \$ (16,933,716)        | \$ 1,585,533         |
| Effect of reverse acquisition              | 37,916,849 <sup>(1)</sup> | 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 stock options                  | 2,843,823                 | 1,747,538            | (1,747,099)         | -                      | 439                  |
| 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                   | -                         | -                    | 1,267,094           | -                      | 1,267,094            |
| Loss for the period                        | -                         | -                    | -                   | (8,723,761)            | (8,723,761)          |
| <b>Balance, March 31, 2024</b>             | <b>61,146,770</b>         | <b>\$ 38,678,619</b> | <b>\$ 2,821,384</b> | <b>\$ (25,657,477)</b> | <b>\$ 15,842,526</b> |

<sup>(1)</sup> 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.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

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**1. NATURE OF OPERATIONS**

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”.

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 months ended March 31, 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 May 28, 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 three months ended March 31, 2024, the Company incurred a loss of \$8,723,761 and, as of March 31, 2024, the Company had an accumulated deficit of \$25,657,477. The continuation of the Company is dependent upon obtaining necessary financing to meet its ongoing operational needs. Based on working capital of \$9,766,408 as at March 31, 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.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

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**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.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

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**4. USE OF JUDGMENTS AND ESTIMATES**

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

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

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

*Critical estimates*

RTO transaction

As described in Note 5, estimates were required in order to determine the fair value of the consideration transferred by TCP1 to acquire the net assets of Atacama and of the fair value of the exploration and evaluation assets acquired.

Share-based compensation

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

*Critical judgments*

The preparation of these condensed consolidated interim financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 2.

Income taxes

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

Carrying value and recoverability of exploration and evaluation assets

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



**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**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           |
|   |           | <u>6,846,476</u> |
| Transaction costs – cash  |           | 478,076          |
| Acquisition costs – 1,157,407 common shares   |           | <u>1,250,000</u> |
|   |           | <u>8,574,552</u> |
| <b>Total consideration</b>  | <b>\$</b> | <b>8,574,552</b> |

*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                                      |           | <u>(102,932)</u> |
|  |           | <u>3,056,017</u> |
| <b>Net assets acquired</b>                 | <b>\$</b> | <b>3,056,017</b> |
|  |           | <u>5,518,535</u> |
| <b>Reverse acquisition expense</b>         | <b>\$</b> | <b>5,518,535</b> |

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. 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     |

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**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 March 31, 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 March 31, 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, March 31, 2024                       | \$ 1,905,936 | 13,788    | \$ 4,156,394 | \$ -     | \$ 6,076,118 |

**(b) Exploration and evaluation expenditures**

The Company's exploration and evaluation expenditures for the three months ended March 31, 2024 are as follows:

|                              | Yecora    | Cristina | Placeton | El Cofre | Total      |
|------------------------------|-----------|----------|----------|----------|------------|
| Camp                         | \$ -      | \$ -     | \$ -     | \$ 511   | \$ 511     |
| Claims, licences and permits | 12,029    | 61,327   | -        | -        | 73,356     |
| Consultants                  | -         | 11,291   | 1,695    | -        | 12,986     |
| Drilling                     | 10,071    | 240,218  | -        | -        | 250,289    |
| Geology and geophysics       | -         | 21,623   | 763      | -        | 22,386     |
| Miscellaneous field costs    | 594       | 594      | 58       | -        | 1,246      |
| Property management          | -         | -        | 2,735    | 3,917    | 6,652      |
| Travel                       | -         | -        | 79       | 2,267    | 2,346      |
| Total                        | \$ 22,694 | 335,053  | \$ 5,330 | \$ 6,695 | \$ 369,772 |

The Company's exploration and evaluation expenditures for the three months ended March 31, 2023 were as follows:

|                              | Yecora    | Cristina   | Total      |
|------------------------------|-----------|------------|------------|
| Claims, licences and permits | \$ 10,597 | \$ 54,030  | \$ 64,627  |
| Consultants                  | 11,364    | 11,364     | 22,728     |
| Drilling                     | 13,621    | 39,087     | 52,708     |
| Geology and geophysics       | 8,282     | 55,523     | 63,805     |
| Total                        | \$ 43,864 | \$ 160,004 | \$ 203,868 |

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**7. LOANS**

The following is a summary of changes in loans during the three months ended March 31, 2024:

|                                |           |                  |
|--------------------------------|-----------|------------------|
| Balance, December 31, 2023     | \$        | 1,121,950        |
| Atacama loans on RTO (Note 5)  |           | 102,932          |
| Accrued interest               |           | 596              |
| Repaid in cash                 |           | (51,775)         |
| Repaid in common shares        |           | (50,000)         |
| Foreign exchange               |           | 24,300           |
| <b>Balance, March 31, 2024</b> | <b>\$</b> | <b>1,148,003</b> |

The Company has two loans from Trinity Capital Partners Corporation ("Trinity"), a related party, consisting of: (i) US\$750,000 and (ii) \$130,000. The loans are non-interest bearing and have no specific terms of repayment. At March 31, 2024, the Company owed Trinity \$1,146,250 (December 31, 2023 - \$1,121,950). 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)). \$1,753 of accrued interest remained owing on this loan at March 31, 2024. 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.

| <b>Issued and fully paid:</b>                           | Number of Common<br>Shares |           | Amount            |
|---|----------------------------|-----------|-------------------|
| Balance, December 31, 22 and March 31, 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)                           | 2,843,823                  |           | 1,747,538         |
| 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           |
| <b>Balance, March 31, 2024</b>                          | <b>61,146,770</b>          | <b>\$</b> | <b>38,678,619</b> |

(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.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**8. SHARE CAPITAL (continued)**

- (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 reserve to share capital.
- (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.

**9. RESERVES**

The Company's Long-Term Incentive Plan (the "Plan") includes stock options and restricted share 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 three months ended March 31, 2024 at a weighted average exercise price of \$1.27 per share. The weighted average Black-Scholes value per stock option granted during the three months ended March 31, 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:

|                                 | Three months ended March 31, 2023 |
|---------------------------------|-----------------------------------|
| 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 months ended March 31, 2024, in the amount of \$1,190,531 (three months ended March 31, 2023 - \$289,185) 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 March 31, |  |                                |  |
|--|------------------------------|--|--------------------------------|--|
|  | 2024                         |  | 2023                           |  |
|  | Number of<br>Options         | Weighted<br>Average<br>Exercise<br>Price | Number of<br>Options           | Weighted<br>Average<br>Exercise<br>Price |
| Outstanding, beginning of period                 | 7,583,356 <sup>(1)</sup>     | \$ 0.91                                  | 7,583,356 <sup>(1)</sup>       | \$ 0.91                                  |
| Granted  | 1,625,000                    | 1.27                                     | -                              | -  |
| Deemed issuance of stock options on RTO (Note 5) | 254,446                      | 2.00                                     | -                              | -  |
| Exercised  | (6,125,016)                  | 0.58                                     | -                              | -  |
| <b>Outstanding, end of period</b>                | <b>3,337,786</b>             | <b>\$ 1.78</b>                           | <b>7,583,356<sup>(1)</sup></b> | <b>\$ 0.91</b>                           |

<sup>(1)</sup> TCP1 options as adjusted pursuant to the Share Exchange.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**9. SHARE-BASED PAYMENTS (continued)**

**(a) Stock Options (continued)**

As at March 31, 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 |
| 76,667              | June 8, 2024      | 0.19                          | \$2.52         | 76,667              | \$2.52         |
| 7,778               | June 8, 2024      | 0.19                          | \$1.11         | 7,778               | \$1.11         |
| 1,093,755           | February 9, 2025  | 0.86                          | \$2.31         | 1,093,755           | \$2.31         |
| 80,000              | December 20, 2026 | 2.72                          | \$2.52         | 80,000              | \$2.52         |
| 50,000              | August 15, 2027   | 3.38                          | \$1.20         | 33,333              | \$1.20         |
| 40,001              | March 10, 2028    | 3.95                          | \$1.11         | 13,334              | \$1.11         |
| 1,425,000           | February 9, 2029  | 4.87                          | \$1.26         | 475,004             | \$1.26         |
| 200,000             | March 20, 2029    | 4.97                          | \$1.33         | -                   | \$1.33         |
| 162,038             | March 2, 2030     | 5.92                          | \$2.31         | 162,038             | \$2.31         |
| 202,547             | June 30, 2032     | 8.25                          | \$2.31         | 202,547             | \$2.31         |
| 3,337,786           |                   | 3.61                          | \$1.78         | 2,144,456           | \$2.06         |

**(b) Restricted Stock Units ("RSUs")**

Granted RSUs vest in three equal instalments beginning a year after the grant date. RSUs are subject to a restriction period which end 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 three months ended March 31, 2024 the Company granted 700,000 RSUs to directors and officers of the Company (three months ended March 31, 2023 – Nil). The RSUs vest evenly over three years.

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

|  | Three months ended March 31, 2024 |                             | Three months ended March 31, 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                        | -                                 | -                      |
| Outstanding, beginning and end of period | 748,333                           | \$ 1.25                     | -                                 | \$ -                   |

During the year three months March 31, 2024 the Company recognized \$76,563 (three months ended March 31, 2023 - \$Nil) in share-based compensation expense related to the vesting of RSUs. As at March 31, 2024, there were 31,668 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 March 31, 2024            | 1,581,523          | \$ 2.94                         |

As at March 31, 2024, the Company has the following warrants outstanding and exercisable:

| Expiry Date       | Number of Warrants | Weighted Average Exercise Price | Weighted Average Remaining Life |
|-------------------|--------------------|---------------------------------|---------------------------------|
| June 15, 2025     | 4,861              | \$ 1.80                         | 1.21                            |
| February 9, 2026  | 409,995            | \$ 1.08                         | 1.86                            |
| September 7, 2026 | 1,166,667          | \$ 3.60                         | 2.44                            |
| Total             | 1,581,523          | \$ 2.94                         | 2.29                            |

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**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 March 31, 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       | March 31, 2024 | December 31, 2023 |
|--|------|----------------|----------------|-------------------|
| Cash and cash equivalents                |      | Amortized cost | \$ 11,747,950  | \$ 1,167,968      |
| Receivables                              |      | Amortized cost | 115,623        | 64,039            |
| Accounts payable and accrued liabilities |      | Amortized cost | 1,047,112      | 758,864           |
| Loans                                    | 7    | Amortized cost | 1,148,003      | 1,121,950         |

**(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.

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**12. FINANCIAL INSTRUMENT RISKS (continued)**

**(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 March 31, 2024, the Company's current liabilities consisted of trade and other payables of \$1,047,112, due primarily within three months from the period end, and loans totalling \$1,148,003. The Company's cash and cash equivalents of \$11,747,950 at March 31, 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.

*Foreign currency risk*

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities (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 March 31, 2024:

| Financial Instrument Type                | CAD Dollar          | Currency | +/- 5% Fluctuation |                  |
|--|---------------------|----------|--------------------|------------------|
| Cash                                     | \$ 11,067           | CLP      | \$ 553             | \$ (553)         |
| Cash                                     | 165,856             | MXN      | 8,293              | (8,293)          |
| Accounts payable and accrued liabilities | (33,836)            | CLP      | (1,692)            | 1,692            |
| Accounts payable and accrued liabilities | (914)               | MXN      | (46)               | 46               |
| Loan                                     | (1,016,250)         | USD      | (50,813)           | 50,813           |
| <b>Total</b>                             | <b>\$ (874,077)</b> |          | <b>\$ (43,705)</b> | <b>\$ 43,705</b> |

*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 March 31, 2024:

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

**Atacama Copper Corporation**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**Three months ended March 31, 2024 and 2023**  
**Unaudited**  
**(Expressed in Canadian Dollars)**

**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 March 31, |           |
|------------------------------|------------------------|------------------------------|-----------|
|                              |                        | 2024                         | 2023      |
| Trinity Advisors Corporation | Management fees        | \$ -                         | \$ 30,000 |
| Durus Copper SPA             | E&E expense            | 8,109                        | -         |
|                              |                        | \$ 8,109                     | \$ 30,000 |

*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 months ended March 31, 2024 and 2023 are as follows:

|                           | Three months ended March 31, |                   |
|---------------------------|------------------------------|-------------------|
|                           | 2024                         | 2023              |
| Short-term benefits (i)   | \$ 1,384,098                 | \$ 32,468         |
| Share-based compensation  | 1,202,331                    | 289,185           |
| <b>Total remuneration</b> | <b>\$ 2,586,429</b>          | <b>\$ 321,653</b> |

(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 three months ended March 31, 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).

\$10,918 owing to CLMLC LLC was included in accounts payable at March 31, 2024 (December 31, 2023 - \$32,617). \$2,739 owing to Durus Copper SPA was included in accounts payable at March 31, 2024 (December 31, 2023 - \$Nil). \$271,232 owing to TAC was included in accounts payable at December 31, 2023.

**15. SUBSEQUENT EVENTS**

On May 16, 2024, 3,889 stock options were exercised with an exercise price of \$1.11 per common share and 11,112 vested RSUs were converted to common shares of the Company.