WORLD COPPER LTD.
(An Exploration Stage Company)

Consolidated Financial Statements

For the years ended December 31, 2022 and 2021
Expressed in Canadian Dollars

Corporate Head Office
2710 – 200 Granville Street
Vancouver, BC
V6C 1S4

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(An Exploration Stage Company)
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December 31, 2022 and 2021

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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WORLD COPPPER LTD.

Opinion

We have audited the consolidated financial statements of World Copper Ltd. and its subsidiaries (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of loss and comprehensive loss for the years then ended;
- the consolidated statements of changes in shareholders' equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $16,447,294 during the year ended December 31, 2022. As stated in Note 1, this event, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined that there are no key audit matters to communicate in our auditors' report.

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Other Information

Management is responsible for the other information. The other information comprises the information included in Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants
Vancouver, British Columbia
April 27, 2023

WORLD COPPER LTD.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at December 31, 2022 and 2021

		December 31, 2022		December 31, 2021
ASSETS				
Current				
Cash	$	7,409	$	2,321,740
Receivables		272,206		97,228
Marketable securities (Note 4)		560,000		-
Prepaids		446,270		543,286
		1,285,885		2,962,254
Non-Current				
Due from related party (Note 13)		-		97,854
Prepaids		74,144		399,200
Deposits		7,587		-
Equipment (Note 5)		11,279		-
Deferred acquisition costs (Note 8)		-		558,719
Exploration and evaluation assets (Note 9)		42,366,709		6,578,934
Total Assets	**$**	**43,745,604**	**$**	**10,596,961**
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities (Note 13)	$	2,956,151	$	446,209
Current portion of related party loans (Notes 10 and 13)		2,660,292		12,500
Due to Gold Springs Resource Corp. (Note 7)		-		500,000
Due to Wealth Minerals (Note 13)		112,450		124,935
Loan payable (Note 10)		60,000		-
		5,788,893		1,083,644
Non-Current				
Related party loans (Notes 10 and 13)		1,266,970		-
		7,055,863		1,083,644
Shareholders' Equity				
Capital stock (Note 11)		53,175,656		17,072,847
Equity portion of compound instruments (Note 10, 11 and 13)		-		24,746
Share-based payment reserves (Note 12)		2,343,305		1,441,575
Deficit		(18,829,220)		(9,025,851)
		36,689,741		9,513,317
Total Liabilities and Shareholders' Equity	**$**	**43,745,604**	**$**	**10,596,961**

Subsequent events (Note 18)

On behalf of the Board:

(Signed) *"Hendrik Van Alphen"*
Hendrik Van Alphen, Director

(Signed) *"Timothy McCutcheon"*
Timothy McCutcheon, Director

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

WORLD COPPER LTD.
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

	December 31, 2022	December 31, 2021
EXPENSES		
Accretion (Notes 10 and 13)	130,711	-
Consulting fees (Note 13)	1,954,384	1,055,597
Depreciation (Note 5)	5,006	-
Exploration and evaluation (Note 9)	5,771,942	1,289,111
Foreign exchange loss	293,266	5,184
Insurance	68,473	10,615
Interest (Notes 10 and 13)	382,260	8,113
Listing fees (Note 6)	-	1,093,312
Office and miscellaneous	167,243	248,367
Professional fees	859,527	445,383
Rent (Note 13)	95,861	60,938
Share-based payments (Notes 12 and 13)	4,888,943	1,012,058
Shareholder communications	1,462,254	664,288
Transfer agent and regulatory fees	49,262	91,891
Travel	396,631	197,397
Wages and benefits (Note 13)	296,884	192,043
Loss before the following	(16,822,647)	(6,374,297)
Gain on sale of royalty (Note 9, 11)	285,353	-
Change in fair value of investment (Note 4)	90,000	-
Net Loss and Comprehensive Loss for the Year	**$ (16,447,294)**	**$ (6,374,297)**
Basic and diluted loss per common share	$ (0.18)	$ (0.14)
Weighted average number of common shares outstanding	100,596,290	44,809,262

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

WORLD COPPER LTD.
Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Share-based Payment Reserve	Equity Portion of Compound Instruments	Deficit	Total Shareholders' Equity
Balance, December 31, 2020	**27,959,216**	**$ 5,640,240**	**$ 68,468**	**$ 24,746**	**$ (2,651,554)**	**$ 3,081,900**
Shares issued – Allante acquisition	1,333,533	480,072	-	-	-	480,072
Shares issued – private placement	25,234,409	9,733,344	-	-	-	9,733,344
Shares issued – settlement of loan	888,889	320,000	-	-	-	320,000
Shares issued – 30% pro-rata interest rights per TMI Group share exchange agreement	4,891,864	1,761,071	-	-	-	1,761,071
Shares issued – warrants exercised	66,666	40,000	-	-	-	40,000
Share issue costs – paid in cash	-	(540,831)	-	-	-	(540,831)
Finder fee warrants – on private placements	-	(361,049)	361,049	-	-	-
Share-based payments	-	-	1,012,058	-	-	1,012,058
Loss for the year	-	-	-	-	(6,374,297)	(6,374,297)
Balance, December 31, 2021	**60,374,577**	**17,072,847**	**1,441,575**	**24,746**	**(9,025,851)**	**9,513,317**
Shares issued – Zonia acquisition	29,389,236	26,450,312	-	-	-	26,450,312
Shares issued – settlement of Royalty Option	7,731,286	3,092,514	-	-	-	3,092,514
Shares issued – special warrant	1,238,612	334,425	-	-	-	334,425
Shares issued – private placement	9,540,915	2,862,275	-	-	-	2,862,275
Shares issued – options exercised	100,000	65,001	(23,001)	-	-	42,000
Shares issued – warrants exercised	5,325,705	3,520,552	(847,444)	-	-	2,673,108
Share issue costs – paid in cash	-	(185,214)	-	-	-	(185,214)
Finder fee warrants – on private placements	-	(37,056)	37,056	-	-	-
Share-based payments	-	-	4,888,943	-	-	4,888,943
Warrants issued on Zonia acquisition	-	-	3,465,355	-	-	3,465,355
Transfer of cancelled options	-	-	(2,982,516)	-	2,982,516	-
Transfer of expired options	-	-	(989,057)	-	989,057	-
Transfer of expired warrants	-	-	(2,647,606)	(24,746)	2,672,352	-
Loss for the year	-	-	-	-	(16,447,294)	(16,447,294)
Balance, December 31, 2022	**113,700,331**	**$ 53,175,656**	**$ 2,343,305**	**$ -**	**$ (18,829,220)**	**$ 36,689,741**

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

WORLD COPPER LTD.
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in Canadian Dollars)

	December 31, 2022	December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	$ (16,447,294)	$ (6,374,297)
Item not affecting cash:		
Accretion on loans	130,711	-
Depreciation	5,006	-
Accrued interest on loans	382,033	-
Foreign exchange on loans	139,442	-
Listing fees	-	947,556
Marketable securities received on sale of royalty	(470,000)	-
Shares issued for royalty repurchased	3,092,514	-
Share-based payments	4,888,943	1,012,058
Change in fair value of investment	(90,000)	-
Changes in non-cash working capital items:		
Receivables	(136,770)	(61,468)
Prepaids	424,783	(929,486)
Accounts payable and accrued liabilities	1,736,023	(442,510)
Net cash used in operating activities	(6,344,609)	(5,848,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received on Allante acquisition	-	382
Cash received on Zonia acquisition	7,106	-
Zonia acquisition costs	(92,070)	(558,719)
Exploration and evaluation assets	(751,942)	(371,143)
Net cash used in investing activities	(836,906)	(929,480)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to Gold Springs Resource Corp.	(500,000)	(421,658)
Due to Wealth Minerals	(12,485)	55,711
Due from Cardero Resources	-	(97,854)
Loan repayments	(12,500)	-
Proceeds from issuance of shares	5,577,383	9,773,344
Share issue costs	(185,214)	(540,831)
Net cash provided by financing activities	4,867,184	8,768,712
Change in cash for the year	(2,314,331)	1,991,085
Cash, beginning of year	2,321,740	330,655
Cash, end of year	$ 7,409	$ 2,321,740
Cash paid for interest	$ -	$ 4,881
Cash paid for tax	$ -	$ -

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

Significant non-cash financing and investing transactions during the year ended December 31, 2022 included:

- Deferred acquisition costs of $650,789 was added to exploration and evaluation assets on the Zonia acquisition (Note 8).
- Issued 29,389,236 shares with a value of $26,450,312 and 7,445,273 warrants with a value of $3,465,355 on the acquisition of Zonia (Note 8).
- Net liabilities of $4,134,952 was added to exploration and evaluation assets on the Zonia acquisition (Note 8).
- Issued 1,238,612 shares valued at $334,425 under a deemed partial exercise of a special warrants issued on the Acquisition of the TMI Group (Note 7).
- Issued 194,844 warrants valued at $37,056 as finder's fees for private placements (Note 11).

Significant non-cash financing and investing transactions during the year ended December 31, 2021 included:

- Issued 1,316,994 warrants valued at $361,049 as finder's fees for private placements (Note 11).
- Accounts payable of $320,000 settled with 888,889 shares (Note 11).
- Issued 1,333,533 shares with a value of $480,072 on the acquisition of Allante (Note 6).
- Issued 4,891,864 shares valued at $1,761,071 as exploration and evaluation assets to Gold Springs Resource Corp. (Notes 7 and 11).
- Reclassified $13,315 from accounts payable to due to Wealth Minerals.

1. NATURE OF OPERATIONS AND GOING CONCERN

Allante Resources Ltd. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on June 16, 2006 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSXV") Policy 2.4. On March 7, 2007, the Company's shares began trading on the TSXV, and on February 3, 2010, the Company's shares were moved to the NEX board where they traded under the symbol ALL.H. On January 15, 2021, the Company changed its name from Allante Resources Ltd. to World Copper Ltd. and began trading under the symbol "WCU.V" on the TSXV on January 26, 2021.

World Copper Ltd. ("World Copper") was incorporated under the Business Corporations Act (British Columbia) on December 3, 2018, and changed its name from Wealth Copper Ltd. to World Copper Ltd. on July 16, 2020.

On January 15, 2021, the Company completed its qualifying transaction to acquire World Copper (the "Allante Transaction"). As consideration for the Allante Transaction, the Company issued 27,959,216 common shares to acquire all of the issued and outstanding shares of World Copper. For accounting purposes, World Copper was deemed to be the acquirer in the Allante Transaction. Following the closing of the Allante Transaction, the Company and World Copper amalgamated and changed its name to World Copper Ltd. As a result of the Allante Transaction, the former shareholders of World Copper acquired control of the Company. Therefore, the Allante Transaction is considered a reverse take-over and these consolidated financial statements represent a continuation of the business of World Copper.

On January 28, 2022, the Company completed a qualifying transaction (the "Zonia Transaction") to acquire Zonia Holdings Corp. (Note 8).

The Company is an exploration stage junior mining company currently engaged in the identification, acquisition and exploration of mineral resources in Chile. The Company's head office and records office are located at #2710 – 200 Granville St., Vancouver, British Columbia, V6C 1S4, Canada.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern. Several adverse conditions may cast significant doubt on the validity of this assumption. The Company incurred an operating loss of $16,447,294 during the year ended December 31, 2022 (December 31, 2021 - $6,374,297). The Company is currently unable to self-finance operations, has limited resources, has no source of operating cash flow, and has no assurances that sufficient funding will be available to conduct further exploration and development of its exploration and evaluation assets and to maintain operations.

The Company has relied principally upon the issuance of securities for financing. Future capital requirements will depend on many factors, including the Company's ability to execute its business plan. The Company intends to continue relying upon the issuance of securities to finance its future activities, but there can be no assurance that such financing will be available on a timely basis under terms acceptable to the Company.

These consolidated financial statements do not include any adjustments to the carrying amounts and classification of assets and liabilities that may result from the inability to secure future financing, and therefore be unable to continue as a going concern. Such a situation would have a material adverse effect on the Company's business, financial performance, and financial condition. Such adjustments could be material.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these development and the impact on the financial results and condition of the Company in future periods.

1. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

On February 24, 2022, Russian troops started to invade Ukraine. In response to this military action, various countries, including Canada, issued broad-ranging economic sanctions against Russia. The ramifications of the sanctions may not be limited to Russia and Ukraine and may spill over to and negatively impact other regional and global economic markets, sectors, industries and markets for securities and commodities globally. The current circumstances are dynamic and the duration of the war and related impact of imposed sanctions on the business cannot be reasonably estimated at this time. While the Company expects any direct impacts of the war in Ukraine to the business to be limited, the direct impacts on the economy may negatively affect the business and future operations.

2. BASIS OF PRESENTATION

a) Basis of presentation

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss or fair value through other comprehensive loss, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied in these consolidated financial statements are based on IFRS issued and effective as of December 31, 2022. The Board of Directors approved these consolidated financial statements for issue on April 27, 2023.

b) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company and its subsidiaries.

c) Principles of consolidation

These consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

(Expressed in Canadian Dollars)

2. BASIS OF PRESENTATION (Continued)

c) Principles of consolidation (Continued)

The consolidated financial statements include the accounts of the Company and its subsidiaries listed in the following table:

	Country of Incorporation	Principal Activity	Interest at December 31, 2022	Interest at December 31, 2021
SASC Metallurgy Corp. ("SASC")	Canada	Mineral exploration	100%	100%
Zonia Holdings Corp. ("Zonia")	Canada	Mineral exploration	100%	-
Escalones Copper Corp. ("Escalones")	Canada	Mineral exploration	100%	100%
Cardero Copper (USA) Inc.	USA	Mineral exploration	100%	-
TriMetals Mining Chile SCM ("TriMetals")	Chile	Mineral exploration	100%	100%
Wealth Copper Chile S.p.A	Chile	Mineral exploration	100%	100%

d) Critical estimates, judgments and assumptions

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

<u>Critical accounting estimates</u>

Critical accounting estimates are estimates made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to, the following:

Stock based compensation

Stock based compensation is valued using the Black-Scholes option pricing model at the date of grant and expensed in profit or loss over vesting period of each award. The Black Scholes option pricing model utilizes subjective assumptions such as expected price volatility and expected life of the option. Stock based compensation expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

Fair value of consideration in reverse take-over transaction

The fair value of consideration to acquire the Company in the reverse take-over transaction comprised common shares. Common shares were valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the Allante Transaction.

2. BASIS OF PRESENTATION (Continued)

d) Critical estimates, judgments and assumptions (Continued)

Fair value of consideration in asset acquisition

The fair value of consideration to acquire Zonia Holdings Corp. comprised common shares and warrants. Both were valued on the date of issuance. The Company applied IFRS 2 Share-based Payment in accounting for the Zonia Transaction.

Significant Judgments

The preparation of these consolidated financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. The following discusses the most significant accounting judgments the Company has made in the preparation of the consolidated financial statements.

Acquisitions

The determination of the acquirer is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power over the investee; whether the Company has exposure or rights to variable returns from its involvement; and whether the Company has the ability to use its powers over to affect the amount of its returns. In exercising this judgment, World Copper was deemed to be the acquirer in the Allante Transaction and the Zonia Transaction.

Allante

Management has had to apply judgment in determining whether the acquisition was a business combination or an asset acquisition. Management applied a three-element process to determine whether a business or an asset was purchased, considering inputs, processes and outputs of the acquisition in order to reach a conclusion. The Allante Transaction was accounted for as an asset acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a listing expense.

Zonia

Management has had to apply judgment in determining whether the acquisition of Zonia Holdings Corp. was a business combination or an asset acquisition. Management applied the concentration test in order to reach a conclusion. The Zonia Transaction was accounted for as an asset acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a purchase premium allocated to exploration and evaluation assets.

Going concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments of management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

Contingent Consideration

Management uses judgment to assess the existence of contingencies. At initial recognition at the date of a business combination and at the end of each reporting period, management uses judgment to assess the likelihood of the occurrence of one or more future events which impacts the fair value of the contingent consideration. The Company will only recognize contingent consideration once the related activity that gives rise to the obligation occurs.

2. BASIS OF PRESENTATION (Continued)

d) Critical estimates, judgments and assumptions (Continued)

Exploration and evaluation assets impairment

At the end of each reporting period, the Company assesses each of its exploration and evaluation assets or cash-generating units ("CGUs") to determine whether any indication of impairment exists. The Company has used geographical proximity, geological similarities, analysis of shared infrastructure, commodity type, assessment of exposure to market risks and materiality to define its CGUs.

Judgment is required in determining whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore, expected renewals of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted or planned, and results of exploration and evaluation activities on the exploration and evaluation assets. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any.

Compound instruments

Compound financial instruments were separated into their liability and equity components on the consolidated statements of financial position. The liability component is initially recognized at fair value, calculated at the present value of the liability based upon non-convertible debt issued by comparable issuers and accounted for at amortized cost using the effective interest rate method. The effective interest rate used is the estimated rate for non-convertible debt with similar terms at the time of issue.

Modification versus extinguishment of financial liability

Judgment is required in applying IFRS 9 Financial Instruments to determine whether the amended terms of the loan agreement is a substantial modification of an existing financial liability and whether it should be accounted for as an extinguishment of the original financial liability.

Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Equipment

Recognition and measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Equipment (Continued)

Depreciation

Depreciation is recognized in profit or loss at the following annual rates:

Computer software – 100% declining-balance basis
Computers and office equipment – 20% to 30% declining-balance basis

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

b) Exploration and evaluation assets

All of the Company's projects are currently in the exploration and evaluation phase. Pre-exploration costs are expensed in the period in which they are incurred. Acquisition costs include cash consideration and the fair value of common shares issued and are capitalized as exploration and evaluation assets. Exploration and evaluation expenditures are expensed as incurred. These direct expenditures include such costs as materials used, geological and geophysical evaluation, surveying costs, drilling costs, payments made to contractors, and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects for the Company, exploration and evaluation assets in respect of that project are deemed to be impaired. As a result, those exploration and evaluation asset costs, in excess of estimated recoveries, are written off to profit or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property or CGU is tested for impairment, and then is considered to be a mine under development and the capitalized costs associated with that mine are reclassified from exploration and evaluation assets to property, plant and equipment as mines under construction. Proceeds and related costs of sales associated with the sale of items produced while preparing the mineral properties and mines under construction for their intended use are recognized in profit or loss.

c) Cash and cash equivalents

Cash equivalents include highly liquid investments with original maturities of three months or less from the date of purchase, that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value. There were no cash equivalents as of December 31, 2022 and 2021.

d) Impairment of non-current assets

Non-current assets are evaluated at each reporting date by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present, the recoverable amount of an asset is evaluated at the level of a cash-generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

In calculating recoverable amount, if applicable, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement.

Discounted cash flow techniques often require management to make estimates and assumptions, which if incorrect, could result in a material difference in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Impairment of non-current assets (Continued)

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment had been recognized.

e) Foreign currency translation

The functional currency of the Company and its subsidiaries is measured using the currency of the primary economic environment in which that entity operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income (loss).

f) Share-based compensation

The Company grants stock options to acquire common shares of the Company to directors, officers, employees, and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options granted to employees is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the equity instruments issued. Otherwise, share-based payments are measured at the fair value of goods or services received.

g) Earnings or loss per share

Basic earnings or loss per share is calculated on the weighted average number of common shares outstanding during the reporting period. Diluted earnings per share is computed similar to basic earnings per share, except that the weighted average number of shares outstanding is increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period. In the Company's case when it incurs a net loss for the period, diluted loss per share presented is the same as basic loss per share, as the effect of outstanding options and warrants in the diluted loss per common share calculation would be anti-dilutive.

h) Capital stock

The proceeds from the issuance of common shares and exercise of stock options and warrants are recorded as capital stock. The Company's shares are classified as equity instruments. Share issue costs on the issue of the Company's shares are charged directly to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Valuation of warrants

The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as part of units. The residual value method first allocates value to common shares issued in the private placements at their fair value, as determined by the last trading price on the closing date. The balance, if any, is allocated to the warrants. Any fair value attributed to the warrants is recorded in shareholders' equity.

Replacement warrants issued on acquisition are fair-valued using the Black-Scholes option pricing model on the date of acquisition.

j) Income taxes

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in income (loss), except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss). Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

k) Financial instruments

Financial Assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income, or measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assessment and decision on the business model approach used is an accounting judgment.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost:

- The Company's business model for such financial assets is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Financial instruments (Continued)

Financial Assets (Continued)

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at FVTOCI is recognized initially at fair value plus transaction costs. For financial assets that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVTOCI, with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Fair value changes are recognized in OCI while dividends are recognized in profit or loss. The Company does not have any financial assets designated as FVTOCI.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at FVTPL is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises. The Company designated its marketable securities as FVTTPL.

Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model. The expected credit loss model requires the Company to account for expected credit losses ("ECL") and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

Financial Liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

As at December 31, 2022, the Company's financial instruments are comprised of cash, receivables excluding GST, marketable securities, prepaids and deposits, due from related party, accounts payable and accrued liabilities, amounts due to Wealth Minerals, loans payable and related party loans.

The Company classifies and discloses fair value measurements based on a three-level hierarchy:

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

4. MARKETABLE SECURITIES

Marketable securities is comprised of 2,000,000 common shares of Electric Royalties Ltd. (Note 8 – Zonia), a publicly traded company. The shares were initially recorded at $470,000, the fair market value on the date of acquisition, and adjusted to $560,000, their fair market value on December 31, 2022.

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Office Equipment	Computer Equipment	Total
Cost			
Balance at December 31, 2021	$ -	$ -	$ -
Additions	12,306	3,979	16,285
Balance at December 31, 2022	$ 12,306	$ 3,979	$ 16,285
Accumulated amortization			
Balance at December 31, 2021	$ -	$ -	$ -
Amortization	3,006	2,000	5,006
Balance at December 31, 2022	$ 3,006	$ 2,000	$ 5,006
Carrying amounts			
At December 31, 2021	$ -	$ -	$ -
At December 31, 2022	$ 9,300	$ 1,979	$ 11,279

6. REVERSE TAKEOVER TRANSACTION

On January 15, 2021, the Company completed a Transaction (“Allante Transaction”) to acquire all of the issued and outstanding shares of World Copper on a one for one for one basis. This resulted in the Company issuing 27,959,216 common shares to the shareholders of World Copper. As a result of the Allante Transaction, the former shareholders of World Copper acquired control of the Company. Therefore, the Allante Transaction is considered a reverse take-over (“RTO”). The Allante Transaction is recorded in accordance with guidance provided in IFRS 2 Share-based Payments and IFRS 3 Business Combinations (“IFRS 3”). As the Company did not qualify as a business according to the definition in IFRS 3 and had no significant assets or liabilities, this Transaction does not constitute a business combination; rather it is treated as an issuance of shares by World Copper for the net assets of the Company, with the resulting difference representing a listing fee.

The Company also settled debt in the aggregate amount of $320,000 due to a company controlled by the former president by issuing 888,889 common shares at $0.36 per common share immediately after closing, which occurred on January 15, 2021. The costs were capitalized to exploration and evaluation assets.

The Company also issued a special warrant whereby Gold Springs will be entitled to receive up to an additional 8,148,901 common shares for no consideration upon the deemed exercise of the special warrant. The special warrants will be deemed to be exercised on a proportionate basis at the time the Company’s warrants are exercised. The special warrants are considered to be contingent consideration and no value has been assigned. During the year ended December 31, 2022, Wealth Minerals acquired the special warrant from Gold Springs (Note 7).

In accordance with RTO accounting, the fair value of the deemed issuance of the 1,333,533 common shares (the number of common shares that World Copper is deemed to have issued to acquire the shares of the Company) was determined to be $0.36 per common share on the acquisition date.

(Expressed in Canadian Dollars)

6. REVERSE TAKEOVER TRANSACTION (Continued)

The following table provides details of the fair value of the consideration given and the fair value of the assets and liabilities acquired:

Total Purchase Consideration		
1,333,533 shares at $0.36 per share	**$**	**480,072**
Allocation of Purchase Consideration		
Assets		
Current		
Cash	$	382
Receivables		1,205
Total assets		**1,587**
Liabilities		
Current		
Accounts payable and accrued liabilities		456,571
Loan payable		12,500
Total liabilities		**469,071**
Net liabilities acquired		**(467,484)**
Listing fees, net of identifiable net assets as at September 30, 2021	**$**	**947,556**
Additional listing costs		**145,756**
Total listing fees as at December 31, 2021	**$**	**1,093,312**

7. ACQUISITION OF TMI GROUP

On September 25, 2019, the Company acquired 100% of the common shares of the SASC Metallurgy Corp., Escalones Copper Corp., and TriMetals Mining Chile SCM (collectively the “TMI Group”), which included a 100% interest in the Escalones property from Gold Springs Resource Corp. (“Gold Springs”). Gold Springs was also guaranteed that its holdings of the Company at closing of the Company’s public listing date on a fully diluted basis, shall not be less than 30% of the 8,333,333 common shares of the Company issued and outstanding following the acquisition of the TMI Group on September 25, 2019. On January 15, 2021, the Company issued 4,891,865 common shares valued at $1,761,071 to Gold Springs to maintain its 30% pro-rata interest rights per the share exchange agreement. The Company also issued a special warrant whereby Gold Springs will be entitled to receive up to an additional 8,148,901 common shares upon the deemed exercise of the special warrant. The special warrants will be deemed to be exercised on a proportionate basis at the time the Company’s warrants are exercised (Note 6).

On October 22, 2021, Wealth Minerals acquired all the 13,225,198 common shares and special warrants of the Company held by Gold Springs for the aggregate purchase price of $4,364,315. As of December 31, 2022, 1,238,612 shares valued at $334,425 have been issued and 242,862 special warrants have expired leaving a balance of 6,667,427 potential shares to be issued pursuant to the special warrant.

The following table summarizes the obligations outstanding as at December 31, 2022 and 2021:

Obligations:		December 31, 2022		December 31, 2021
Payment due upon closing of concurrent financing	$	-	$	-
Reimbursement owed for annual concession fee		-		-
Current Obligations	$	-	$	-
Payment due upon first anniversary of closing of concurrent financing	$	-	$	500,000
Total Obligations	$	-	$	500,000

(Expressed in Canadian Dollars)

8. ACQUISITION OF ZONIA

On January 28, 2022, the Company acquired 100% of the common shares of Zonia Holdings Corp. (formerly Cardero Resource Corp.) ("Zonia" or "Cardero") pursuant to a plan of arrangement approved by the Zonia shareholders on December 10, 2021, approved by the Supreme Court of British Columbia on December 14, 2021, and accepted by the TSXV on January 28, 2022. A total of 29,389,236 common shares fair valued at $0.90 per common share for total consideration of $26,450,312 has been issued to Zonia shareholders based on an exchange ratio of 0.200795 common share of the Company for each share of Zonia. Additionally, 7,445,273 Zonia warrants based on an exchange ratio of 0.200795 were replaced by the Company and a royalty option was granted by World Copper to a member of the Kopple Entities to acquire a 1% net smelter returns royalty (the "Kopple Royalty") on the Zonia copper oxide deposit located in Arizona. Pursuant to the plan of arrangement, Zonia amalgamated with 1302172 B.C. Ltd. to become Zonia Holdings Corp., a wholly owned subsidiary of the Company.

The Acquisition is considered to be outside the scope of IFRS 3 since Zonia's operations do not meet the definition of a business for accounting purposes as the fair value of gross assets acquired was mainly concentrated in Exploration and Evaluation assets at the time of the acquisition. Accordingly, the Acquisition will be accounted for as an asset acquisition in accordance with IFRS 2 Share Based Payment ("IFRS 2") whereby World Copper issued shares in exchange for the net assets of Zonia. As a result, the equity consideration is measured at the fair value of the World Copper shares issued as above and the difference between the fair value of the consideration paid and net assets acquired is allocated to exploration and evaluation assets.

The following table provides details of the fair value of the consideration given and the fair value of the assets and liabilities acquired:

Total Consideration:		
29,389,327 shares at $0.90 per share	$	**26,450,312**
Fair value of 7,445,273 World Copper warrants issued		3,465,355
Acquisition costs incurred[(i)]		650,789
Total consideration	**$**	**30,566,456**
Allocation of Purchase Consideration:		
Assets		
Current assets	$	48,025
Deposits		7,587
Property and Equipment		16,285
Exploration and evaluation assets		34,701,408
Total Assets		34,773,305
Liabilities		
Current liabilities		871,773
Related Party Loans		3,275,076
Loans payable		60,000
Total Liabilities		4,206,849
Net Assets	**$**	**30,566,456**

[(i)] $558,719 of acquisition costs were incurred in the year ended December 31, 2021.

The 7,445,273 World Copper warrants with a value of $3,465,355 were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	As at January 28, 2022
Risk-free interest rate average	1.20%
Expected life	0.68 years
Expected annualized volatility	55.78%
Expected dividend rate	0.00%

(Expressed in Canadian Dollars)

9. EXPLORATION AND EVALUATION ASSETS

	Zonia Property, USA	Escalones Property, Chile	Cristal Property, Chile	Total
Acquisition costs capitalized				
Balance, December 31, 2020	**$ -**	**$ 4,229,773**	**$ 216,947**	**$ 4,446,720**
Acquisition costs - cash	-	371,143	-	371,143
Acquisition costs - shares	-	1,761,071	-	1,761,071
Balance, December 31, 2021	**$ -**	**$ 6,361,987**	**$ 216,947**	**$ 6,578,934**
Acquisition costs - cash	-	689,522	62,420	751,942
Acquisition costs - shares	-	334,425	-	334,425
Acquisition of Zonia (Note 8)	34,701,408	-	-	34,701,408
Balance, December 31, 2022	**$ 34,701,408**	**$ 7,385,934**	**$ 279,367**	**$ 42,366,709**

Exploration and evaluation expenses - 2022	Zonia Property, USA	Escalones Property, Chile	Cristal Property, Chile	Total
Assays	$ 9,939	$ 189,728	$ -	$ 199,667
Community relations	-	24,161	-	24,161
Environmental	1,286	188,839	-	190,125
Field and camp supplies	16,567	997,904	-	1,014,471
Geological	250,562	163,651	-	414,213
Geophysical	149,275	375	-	149,650
Property taxes and lease	93,842	767,241	-	861,083
Drilling, Roads & Trenches	501,462	2,155,771	-	2,657,233
Transportation and equipment rentals	11,280	250,059	-	261,339
Year ended December 31, 2022	**$ 1,034,213**	**$ 4,737,729**	**$ -**	**$ 5,771,942**

Exploration and evaluation expenses - 2021	Escalones Property, Chile	Cristal Property, Chile	Total
Assays	$ 62,530	$ -	$ 62,530
Community relations	117,021	-	117,021
Environmental	283,504	-	283,504
Field and camp supplies	117,830	-	117,830
Geochemical	96,671	-	96,671
Geological	301,551	-	301,551
Maps & Data	1,898	-	1,898
Property taxes and lease	208,005	-	208,005
Roads & Trenches	32,524	-	32,524
Transportation	67,577	-	67,577
Year ended December 31, 2021	**$ 1,289,111**	**$ -**	**$ 1,289,111**

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Escalones Property, Chile

During the year ended December 31, 2019, the Company became party to an option agreement for the Escalones property (Note 7). During the year ended December 31, 2019, prior to the acquisition of TMI Group (Note 7), the Company had issued 166,667 common shares valued at $25,000 and made payments in the amount of USD$200,000 to the underlying property owner. The remaining payments required to earn a 100% interest in the Escalones property, amended on May 24, 2021, are as follows:

i) paying USD$60,000 on or before June 30, 2020 (paid);
ii) paying USD$140,000 on or before December 31, 2020 (paid);
iii) paying USD$150,000 on or before May 24, 2021 amendment date (paid):
iv) paying USD$150,000 on or before September 30, 2021 (paid);
v) paying USD$200,000 on or before July 12, 2022 (paid)*;
vi) paying USD$150,000 on or before September 30, 2022* (paid);
vii) paying USD$165,000 on or before November 30, 2022* (paid);
viii) paying USD$500,000 on or before June 30, 2023; and
ix) paying USD$3,000,000 on or before June 30, 2024.

* The timing of the original June 30, 2022 $500,000 payment was renegotiated between the Company and the underlying property owner.

The Company has granted a 2% net smelter returns royalty ("NSR") to the underlying Escalones Property owner.

Cristal Property, Chile

During the year ended December 31, 2019, the Company entered into an assignment and assumption agreement (the "Assignment Agreement") with New Energy Metals Corp. ("Vendor") whereby the Company obtained the right, title, benefit, and interest in and to an option agreement in respect of the Cristal property. To date, the Company has made cash payments of USD$200,000 towards the option.

The Company is required to make the remaining payments to the underlying property owner outlined below to exercise the option in full:

i) paying USD$50,000 upon the earlier of the commencement of drilling and December 31, 2019 (paid);
ii) paying USD$150,000 on or before five days after the first anniversary of closing the Allante transaction (January 15, 2022) (paid);
iii) paying USD$500,000 on or before second anniversary of closing (January 15, 2023);
iv) paying USD$700,000 on or before third anniversary of closing (January 15, 2024); and
v) paying USD$3,000,000 on or before fourth anniversary of closing (January 15, 2025).

The underlying Cristal Property owner retains a 3% NSR royalty, of which 2% can be repurchased by paying USD$2,000,000 for each percentage point of the NSR royalty bought back (aggregate USD$4,000,000 for 2% NSR royalty). In addition, there is also an existing 1% NSR royalty in favour of the Vendor that can be repurchased in its entirety upon a payment of USD$1,000,000.

The Assignment Agreement provides that if World Copper exercises the Cristal Option, then the Company and the Vendor will be deemed to have formed a joint venture (the "Joint Venture") for the continued exploration of the Cristal Project, with the initial participating interests of the Joint Venture participants being the Company – 70% and the Vendor – 30%. Assuming the formation of the Joint Venture, a 2% NSR royalty will be granted to a participant in the Joint Venture if its participating interest therein falls to 10% or less (the "JV Royalty"), provided that one-half (1%) of the JV Royalty can be purchased by the other party for USD$1,000,000.

On the date of this report, the payment of USD$500,000 due on January 15, 2023 remains unpaid. The Company is currently in discussions with the optionor to extend the payment due date.

9. EXPLORATION AND EVALUATION ASSETS (Continued)

Zonia, Arizona USA

Pursuant to an option agreement dated August 27, 2015, and as amended on October 3, 2018, between the Company and Redstone Resources Corporation ("Redstone"), the Company completed the acquisition of a 100% interest in the Zonia copper project by paying an aggregate $2,612,879 (USD$1,981,350) cash payment obligation (amended from USD$2,225,000), and $2,843,805 in common share issuances.

In connection with the acquisition of Zonia (Note 8), the Company granted, an option to acquire a 1% net smelter returns royalty on the Zonia Project (the "Royalty"), which option may be exercised by the Robert and Carole Kopple Grandchildren's Trust ("Royalty Holder") for $1,407,867. At the election of the Company or the Royalty Holder, 100% of the Royalty could repurchased by the Company from the Royalty Holder for a purchase price of approximately $3.0 million to $3.87 million based on the volume weighted average offering price of all the private placements conducted by the Company forming part of the Company's Financing (the "World Copper Weighted Average Price"), payable through the issuance of Company's Shares issuable at a deemed price equal to the World Copper Weighted Average Price (as defined in the agreement).

On May 17, 2022, the Royalty Holder exercised the Option by making a cash payment to the Company of $1,407,867. Following the exercise of the Royalty Option by the Royalty Holder, the Company bought-out the Royalty by issuing 7,731,286 common shares (the "Buy-Out Shares") to the Royalty Holder at a fair value price of $0.40 per Buy-Out Share for a total value of $3,092,514 which resulted in a loss of $1,684,647. The Buy-Out Shares are subject to a four month and one day hold period in Canada in addition to applicable United States resale restrictions.

On August 17, 2022, the Company granted to Electric Royalties Ltd. ("Electric Royalties"): (i) a 0.5% Gross Revenue Royalty ("GRR") on the Zonia Project for a total of $1.55 million in cash and 2,000,000 common shares of Electric Royalties with a fair market value of $470,000; (ii) an option to acquire a further 0.5% GRR on the Zonia Project for an additional cash payment of $3.0 million; and (iii) an option to acquire a 1% GRR on the Zonia Norte deposit, for a cash payment of $3.0 million. The net revenue after closing costs of $1,970,000 was recorded during the year in profit or loss.

10. LOANS PAYABLE

DIRECTORS' LOAN

During the year ended December 31, 2021, the Company acquired through the Allante transaction (Note 6), a $12,500 loan owed to a director which was unsecured, interest free and payable on demand. The loan was fully repaid during the year ending December 31, 2022. On January 28, 2022, the Company acquired through the Zonia acquisition (Note 8), loans aggregating $150,000 plus accrued interest, due to certain directors and former directors of Zonia. The loans bear interest at a rate of 8% and 12% per annum, compounded annually, repayable on varying dates of May 22, 2023, November 15, 2023 and May 22, 2024. The Company also replaced non-transferable bonus warrants to the lenders.

For accounting purposes, the due to related parties amounts noted above are compound instruments and were allocated into corresponding debt and equity components at the date of issue. The Company bifurcated the notes into their components using a discounted cash flow model with an estimated fair value interest rate of 18% to estimate the fair value of the liability component with the remaining balance representing the equity component.

(Expressed in Canadian Dollars)

10. LOANS PAYABLE (Continued)

ZONIA LOAN
On January 28, 2022, the Company acquired, through the Zonia acquisition (Note 8), a facility agreement with E.L. II Properties Trust, an unsecured credit facility (the "Facility") of USD$630,000 plus accrued interest. The Facility bears interest at 8% per annum and 50% of the amount due is repayable on February 22, 2023 with the balance due on February 22, 2024. The Company also replaced non-transferable bonus warrants issued to the lenders on acquisition of Zonia.

OTHER LOAN ADVANCES
On January 28, 2022, the Company acquired, through the Zonia acquisition (Note 8), three loan agreements with E.L. II Properties Trust, for unsecured loans (the "Loan Advances") in the aggregate of USD$750,265 plus accrued interest. The loans were originally due in August and November, bear interest at 12% and have been renegotiated with a new repayment date where all three loans are now payable in full on February 22, 2024. The Company also replaced non-transferable bonus warrants to the lenders on acquisition of Zonia.

DIVIDEND LOAN
On January 28, 2022, the Company acquired, through the Zonia acquisition (Note 8), a loan agreement with E.L. II Properties Trust and Kopple Family Trust, for an unsecured loan (the "Dividend Loan") in the aggregate of USD$1,019,836 plus accrued interest. The loans bear interest at 8% per annum with maturity dates of August 31, 2023, and August 24, 2024.

CEBA LOAN
The Company acquired through the Zonia acquisition (Note 8) a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account ("CEBA") in the amount of $60,000 and has an interest rate of 0% to be repaid by December 31, 2023, of which $20,000 of the loan will be forgiven if $40,000 is repaid in full on or before December 31, 2023.

Summary of Zonia loans assumed on January 28, 2022 (see Notes 8 and 13):

	Principal	Accrued Interest	Accretion Discount	Total
Loans payable:				
Directors' Loans	$ 150,000	$ 52,802	$ (35,419)	$ 167,383
Zonia Loan	804,636	341,572	(254,670)	891,538
Other Loan Advances	958,238	255,862	(40,357)	1,173,743
Dividend Loan	1,019,836	22,576	-	1,042,412
Related Party Loans	**2,932,710**	**672,812**	**(330,446)**	**3,275,076**
CEBA Loan	60,000	-	-	60,000
Balance – January 28, 2022	**$ 2,992,710**	**$ 672,812**	**$ (330,446)**	**$ 3,335,076**

(Expressed in Canadian Dollars)

10. LOANS PAYABLE (Continued)

CEBA LOAN (Continued)

Summary of outstanding loans payable on December 31, 2022:

	Principal	Accrued Interest	Accretion Discount	Total
Loans payable:				
Director's Loan	$ 12,500	**$ -**	**$ -**	$ 12,500
Balance – December 31, 2021	**12,500**	**-**	**-**	**12,500**
Less current portion	**(12,500)**	**-**	**-**	**(12,500)**
Long term portion	**$ -**	**$ -**	**$ -**	**$ -**
Directors' Loans	$ 150,000	$ 71,406	$ (23,300)	$ 198,106
Zonia Loan	853,272	456,336	(189,826)	1,119,782
Other Loan Advances	1,016,159	472,375	-	1,488,534
Dividend Loan	1,019,836	101,004	-	1,120,840
CEBA Loan	60,000	-	-	60,000
Balance – December 31, 2022	3,099,267	1,101,121	(213,126)	3,987,262
Less current portion	(2,120,213)	(765,788)	165,709	(2,720,292)
Long term portion	**$ 979,054**	**$ 335,333**	**$ (47,417)**	**$ 1,266,970**

11. CAPITAL STOCK

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the year ended December 31, 2022, the Company.

i) On January 28, 2022, in connection with the Zonia acquisition (Note 8), a total of 29,389,236 common shares fair valued at $0.90 per common share for total consideration of $26,450,312 have been issued to Zonia shareholders based on an exchange ratio of 0.200795 common share of the Company for each share of Cardero. Additionally, 7,445,273 Cardero warrants based on an exchange ratio of 0.200795 were replaced by the Company.

ii) On May 17, 2022, the Company bought-out a 1% net smelter returns royalty on future production from the Company's Zonia copper oxide project by issuing 7,731,286 common shares (the "Buy-Out Shares") to the Royalty Holder at a deemed issuance price of $0.40 per Buy-Out Share for total consideration of $3,092,514 (Note 9 - Zonia). The Buy-Out Shares are subject to a four month and one day hold period in Canada in addition to applicable United States resale restrictions.

iii) On July 21, 2022, issued 4,264,414 units at $0.30 per unit for gross proceeds of $1,279,324 in the first tranche of a private placement. Each unit consisted of a common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.60 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSX Venture Exchange ("TSXV") is equal to or greater than $1.00 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. No finder's fees were paid pursuant to this first tranche closing. All securities issued in the Offering have a four-month plus one day hold period, during which time the securities may not be traded.

11. CAPITAL STOCK (Continued)

Issued share capital (continued)

iv) On August 31, 2022, issued 5,276,501 units at $0.30 per unit for gross proceeds of $1,582,950 in the second tranche of a private placement, each unit comprised as above. In connection with the issuance of the second tranche, the Company paid aggregate finder's fees consisting of $58,454 in cash and issued 194,844 finder's warrants valued at $37,056. Each Finder's Warrant entitles the holder thereof to purchase one common share at a price of $0.30 for a period of 36 months from the date of issuance. In addition, filing fees of $15,761 were paid in cash.

v) On September 30, 2022, issued 1,238,612 common shares at market price of $0.27 per share pursuant to the special warrants issued on the acquisition of the TMI Group (Note 7) with a value of $334,425 recognized in mineral property acquisition costs.

vi) Issued 5,325,705 shares on warrant exercises for gross proceeds of $2,673,108.

vii) Issued 100,000 shares on option exercises for gross proceeds of $42,000.

viii) Held 10,451,337 shares in escrow as at December 31, 2022.

During the year ended December 31, 2021, the Company.

i) On January 15, 2021, issued 9,010,488 units at $0.36 per unit for gross proceeds of $3,243,776. Each unit consisted of a common share and warrant exercisable into a common share at a price of $0.60 until July 27, 2025. In connection with the issuance, the Company paid aggregate finder's fees consisting of $269,677 in cash and issued 660,393 finder's warrants valued at $150,590. Each Finder's Warrant entitles the holder thereof to purchase one common share at a price of $0.60 for a period of 24 months from the date of issuance. In addition, filing fees of $7,764 were paid in cash.

ii) On January 15, 2021, in connection with the Allante Transaction (Note 6), issued 888,889 common shares to the former President and CEO in full and final satisfaction of indebtedness of $320,000 and issued 4,891,864 common shares valued at $1,761,071 to Gold Springs to maintain its 30% pro-rata interest rights per the share exchange agreement. The Company also issued a special warrant whereby Gold Springs will be entitled to receive up to an additional 8,148,901 common shares upon the deemed exercise of the special warrant. The special warrants will be deemed to be exercised on a proportionate basis at the time the Company's warrants are exercised on a basis of 0.42857 shares for each one (1) exercised warrant (warrants issued on or before listing (see Note 6)).

iii) On January 15, 2021, in connection with the Allante Transaction, the Company was deemed to have issued 1,333,533 common shares at $0.36 per share for a total value of $480,072 to the shareholders of Allante.

iv) On June 18, 2021, consolidated its shares on the basis of one (1) post-Consolidation Share for every three (3) pre-Consolidation Shares.

v) On September 29, 2021, issued 1,647,500 units for gross proceeds of $659,000. Each unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.60 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSXV is equal to or greater than $1.00 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. In connection with the issuance, the Company paid aggregate finder's fees consisting of $29,380 in cash and issued 71,575 non-transferrable finder's warrants valued at $19,230.

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

Issued share capital (continued)

vi) On October 6, 2021, issued 4,107,500 units for gross proceeds of $1,643,000. Each unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.60 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSXV is equal to or greater than $1.00 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. In connection with the issuance, the Company paid aggregate finder's fees consisting of $115,010 in cash and issued 287,525 non-transferrable finder's warrants valued at $90,249.

vii) On October 28, 2021, issued 10,468,921 units for gross proceeds of $4,187,568. Each unit consists of one common share (a "Share") and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.60 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSXV is equal to or greater than $1.00 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. In connection with the issuance, the Company paid aggregate finder's fees consisting of $119,000 in cash and issued 297,500 non-transferable finder's warrants valued at $100,980.

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, December 31, 2020	9,343,214	$ 0.57
Issued	18,439,441	0.60
Exercised	(66,666)	0.60
Outstanding, December 31, 2021	27,715,989	0.59
Replaced Zonia warrants (Note 8)	7,445,273	0.66
Issued	4,965,301	0.59
Exercised	(5,325,705)	0.50
Expired	(6,737,787)	0.70
Outstanding, December 31, 2022	28,063,071	$ 0.60

(Expressed in Canadian Dollars)

11. CAPITAL STOCK (Continued)

Warrants

The following warrants were outstanding at December 31, 2022 and 2021:

Expiry Date	Exercise Price	Number of Warrants December 31, 2022	December 31, 2021
June 26, 2022	$0.30	-	566,667
July 27, 2022 (1)	$0.30	-	364,000
January 15, 2023 (1)	$0.60	660,393	660,393
September 29, 2023	$0.60	785,390	823,750
September 29, 2023 (1)	$0.60	71,575	71,575
October 6, 2023	$0.60	2,053,750	2,053,750
October 6, 2023 (1)	$0.60	287,525	287,525
October 28, 2023	$0.60	3,984,461	5,234,461
October 28, 2023 (1)	$0.60	297,500	297,500
November 9, 2023 (2)	$0.747	60,239	-
July 21, 2024	$0.60	2,132,206	-
August 31, 2024	$0.60	2,638,251	-
August 31, 2025 (1)	$0.30	194,844	-
September 15, 2025	$0.60	500,000	500,000
October 15, 2025	$0.60	536,218	619,551
July 27, 2025	$0.60	7,042,996	7,292,996
July 27, 2025	$0.60	6,817,723	8,943,821
		28,063,071	**27,715,989**

(1) Finder's warrants
(2) Zonia warrants replaced

The finder's warrants issued during the years ended December 31, 2022, and 2021, were valued using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31, 2022	Year ended December 31, 2021
Risk-free interest rate average	3.59%	0.31%
Expected life	3.00 years	2.00 years
Expected annualized volatility	100.00%	150.00%
Expected dividend rate	-	0.00%

(Expressed in Canadian Dollars)

12. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

In January 2021, the Company adopted an incentive stock option plan (the "2021 Plan"). The essential elements of the 2021 Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the 2021 Plan may not exceed 10% of the number of issued shares of the Company at the time of granting the options. Options granted under the 2021 Plan will have a maximum term of ten years. The exercise price of options granted under the 2021 Plan will not be less than the discounted market price of the common shares (defined as the last closing market price of the Company's common shares immediately preceding the issuance of a news release announcing the granting of the options, less the maximum discount permitted under TSX-V policies), or such other price as may be agreed to by the Company and accepted by the TSX-V. Unless otherwise determined by the directors at the date of grant, options granted under the 2021 Plan vest immediately, except for options granted to consultants conducting investor relation activities, which will become vested with the right to exercise one-fourth of the option upon the conclusion of each three-month period subsequent to the date of grant of the option.

In June 2022, the Company amended the 2021 Plan and adopted a new incentive stock option plan (the "2022 Plan"). The essential elements of the 2022 Plan remain the same as the 2021 Plan, with the only difference being that transferred options will no longer continue to vest.

During the year ended December 31, 2022, the Company:

i) On January 31, 2022, granted incentive stock options to directors, officers, employees, and consultants of the Company to purchase up to 4,585,000 common shares in the capital stock of the Company. The options are exercisable on or before January 31, 2024, at a price of $0.91 per share.
ii) On July 21, 2022, granted incentive stock options to a consultant of the Company to purchase up to 1,000,000 common shares in the capital stock of the Company. The options are exercisable on or before July 21, 2025, at a price of $0.30 per share.
iii) On August 19, 2022, granted incentive stock options to directors, officers, employees, and consultants of the Company to purchase up to 5,000,000 common shares in the capital stock of the Company. The options are exercisable on or before August 19, 2025, at a price of $0.31 per share.
iv) On September 20, 2022, cancelled incentive stock options to directors, officers, employees, and consultants of the Company to purchase up to 4,585,000 common shares in the capital stock of the Company to re-issue at a lower exercise price. The options are exercisable on or before January 31, 2024, at a price of $0.91 per share.
v) On September 30, 2022, granted incentive stock options to directors, officers, employees, and consultants of the Company to purchase up to 4,755,000 common shares in the capital stock of the Company. The options are exercisable on or before September 30, 2025, at a price of $0.27 per share.

During the year ended December 31, 2021, the Company:

i) On August 13, 2021, granted 4,400,000 stock options to directors, officers, employees, and consultants of the Company exercisable at a price of $0.42 per share on or before August 13, 2022. The grant resulted in share-based payments expense of $1,012,058.

The fair value of options granted was estimated at the date of grant using the Black-Scholes option pricing model based on the following weighted average assumptions:

	Year ended December 31, 2022	**Year ended December 31, 2021**
Risk-free interest rate average	2.84%	0.40%
Expected life	1.71 years	1.00 year
Expected annualized volatility	114.94%	150.00%
Expected dividend rate	0.00%	0.00%

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the Company's stock for a length of time equal to the expected life of the options.

(Expressed in Canadian Dollars)

12. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS (Continued)

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2020	**-**	**-**
Granted	4,400,000	0.42
Outstanding, December 31, 2021	**4,400,000**	**0.42**
Granted	15,340,000	0.48
Cancelled	(4,585,000)	0.91
Expired	(4,300,000)	0.42
Exercised [1]	(100,000)	0.42
Outstanding, December 31, 2022	**10,755,000**	**0.29**

[1] The fair value of the Company's shares on the date of exercise was $0.90 per share.

The following incentive stock options were outstanding and exercisable at December 31, 2022 and 2021:

Expiry Date	Exercise Price	December 31, 2022	December 31, 2021
August 13, 2022	$0.42	-	4,400,000
July 21, 2025	$0.31	1,000,000	-
August 19, 2025	$0.31	5,000,000	-
September 30, 2025	$0.27	4,775,000	-
		10,755,000	-

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and directors. The transactions with related parties were in the normal course of operations and were measured at the fair value.

Key management personnel compensation during the years ended December 31, 2022 and 2021 was as follows:

	December 31, 2022	December 31, 2021
Management fees, included in consulting fees	$ 277,422	$ 298,819
Directors' fees, included in consulting fees	93,556	-
Wages and benefits	280,500	187,631
Stock-based compensation	2,727,509	460,026
Rent	95,861	60,938

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Continued)

The amounts due to the related parties are as follows:

	December 31, 2022	December 31, 2021
Included in accounts payable and accrued liabilities:		
Due to a director	$ 191,262	$ 6,328
Due to the President and former CEO	-	154,038
Due to the CEO	34,060	-
Due to the CFO	7,350	-
Due to the corporate secretary	95,598	3,071
	328,270	163,437
Included in due to related parties:		
Due to Wealth Minerals	112,450	124,935
Due to Zonia Holdings	-	97,854
	$ 440,720	$ 386,226

The amounts owing above are unsecured, non-interest bearing and have no fixed term for repayment.

During the year ended December 31, 2021, the Company assumed a loan of $12,500 from a director and former CEO on the Transaction. The loan is unsecured, non-interest bearing and has no fixed term for repayment.

During the year ended December 31, 2022, the Company assumed loans of $3,275,076 from a director and former Zonia directors on the Zonia Transaction (See Notes 8 and 10). The amounts owing as at December 31, 2022 are as follows:

	Directors' Loans	Zonia Loan	Other Loan Advances	Dividend Loan	Total
Loans payable:					
Balance – December 31, 2020	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Assumption of Allante Loan	12,500	-	-	-	12,500
Balance – December 31, 2021	**12,500**	**-**	**-**	**-**	**12,500**
Assumption of Zonia Loans (1)	167,383	891,538	1,173,743	1,042,412	3,275,076
Interest expense	18,604	91,089	193,912	78,428	382,033
Accretion interest	12,119	77,816	40,776	-	130,711
Foreign exchange adjustment	-	59,338	80,104	-	139,442
Repayments	(12,500)	-	-	-	(12,500)
Balance – December 31, 2022	**$ 198,106**	**$ 1,119,781**	**$ 1,488,535**	**$ 1,120,840**	**3,927,262**

(1) The balance assumed from Zonia on January 28, 2022 includes Principal, Accrued Interest and Accretion Discount (see Note 10).

14. CAPITAL MANAGEMENT

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

14. CAPITAL MANAGEMENT (Continued)

The Company currently has no source of revenues; as such, the Company is dependent upon external financings or the sale of assets (or an interest therein) to fund activities. In order to carry future projects and pay for administrative costs, 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 have been no changes to the Company's capital management approach during the year ended December 31, 2022.

15. FINANCIAL INSTRUMENTS

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

The carrying value of the Company's accounts payable and accrued liabilities, loans payable and amounts due to Wealth Minerals approximate their fair value due to the short-term nature of these instruments. Cash is carried at a fair value using a level 1 fair value measurement.

Credit risk
Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's management believes it has no significant credit risk.

The financial instrument that potentially subjects the Company to a significant concentration of credit risk is cash. The Company mitigates its exposure to credit loss associated with cash by placing its cash in major financial institutions. As at December 31, 2022, the Company had cash of $7,409 (December 31, 2021 - $2,321,740).

Interest rate risk
Interest rate risk is the risk that future cash flows of the Company's assets and liabilities can change due to a change in interest rates. Loans payable have a fixed interest rate between 8% and 12%, and cash earns interest rate at a nominal rate. The Company is not exposed to significant interest rate cash flow risk.

Liquidity risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At December 31, 2022, the Company had a cash balance of $7,409 (December 31, 2021 - $2,231,740) to settle current liabilities of $5,788,893 (December 31, 2021 - $1,083,644). All of the Company's accounts payable and accrued liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company expects to fund these liabilities through the use of existing cash resources and will need to obtain additional equity financing.

Market risk
Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and equity prices. The Company is not exposed to significant interest rate or equity price risks at December 31, 2022.

Foreign currency risk
The Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in Chilean and United States currencies. Canadian dollar denominated balances generated foreign exchange gains and losses that are reported on the consolidated statement of loss and comprehensive loss. A strengthening of 10% in the Chilean and US dollars against the Canadian dollar would have increased the Company's net loss and comprehensive loss by $442,000 (December 31, 2021 - $18,000) due to the impact of the exchange rate fluctuation on Canadian dollar denominated financial instruments.

15. FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk (Continued)
At December 31, 2022, the Company had the following financial instruments denominated in foreign currencies (presented in Canadian dollars:

	Chilean Pesos	United States Dollars	Total
Cash	$ 686	$ 714	$ 1,400
Accounts payable and accrued liabilities	(1,544,715)	(268,708)	(1,813,423)
Loans	-	(2,608,316)	(2,608,316)
Net	$ (1,544,029)	$ (2,876,310)	$ (4,420,339)

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is exposed to other price risk to the extent of its marketable securities. For the year ended December 31, 2022, a 10% change in market price would result in approximately $56,000 (2021 - $nil) in the Company's net loss and comprehensive loss.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount due to their short-term maturity of the instruments.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As at December 31, 2022, the Company's financial instruments consist of cash, receivables, marketable securities, accounts payable and accrued liabilities, due to related parties, and loans payable. The fair values of financial assets and financial liabilities approximate their fair value due to the short-term nature of these items. The Company's marketable securities and due to related parties are measured using the fair value hierarchy as follows:

As at	**December 31, 2022**		
	Level 1	**Level 2**	**Level 3**
Marketable securities	$ 560,000	$ -	$ -
Due to Wealth Minerals	-	112,450	-

As at	**December 31, 2021**		
	Level 1	**Level 2**	**Level 3**
Marketable securities	$ -	$ -	$ -
Due to Wealth Minerals	-	124,935	-

16. SEGMENTED INFORMATION

The Company has one operating segment, being the mineral resource industry with its exploration and evaluation assets in the United States and Chile.

(Expressed in Canadian Dollars)

17. INCOME TAXES

A reconciliation of income taxes by applying the Canadian statutory income tax rate of 27% (2021 - 27%) to the consolidated loss is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Loss for the year	$ (16,447,294)	$ (6,374,297)
Income tax recovery at Canadian statutory rate	(4,440,769)	(1,721,060)
Non-deductible items	44,357	4,329
Other temporary differences	316,638	(28,452)
Impact of foreign exchange on tax assets and liabilities	705,956	(998,527)
Unused tax losses and tax offsets not recognized	3,373,818	2,743,710
Income tax recovery	$ -	$ -

The significant components of the Company's deferred tax assets and liabilities that have not been included on the consolidated statement of financial position are as follows:

	December 31, 2022	December 31, 2021
Non-capital losses	$ 58,743,790	$ 8,420,980
Resource properties	3,037,225	3,017,315
Share issue costs	1,591	484,285
	$ 61,782,606	$ 11,922,580

The Company has non-capital loss carry-forwards of approximately $58,743,790 (2021 - $8,420,980), which may be available to reduce taxable income in future years. The potential tax benefits of these losses have not been recognized as a deferred tax benefit, as currently it is not probable that such a benefit will be utilized in the foreseeable future. Unless utilized, these losses will expire in 2042.

Tax attributes are subject to review, and potential adjustment, by tax authorities.

18. SUBSEQUENT EVENTS

On January 10, 2023, the Company extended the due dates on advances from E.L. II Properties Trust. Four loans in the aggregate amount of USD$1,065,265 were extended to February 22, 2024. The Company issued 10,321,657 non-transferable bonus warrants at an exercise price of $0.14 CAD per share expiring on February 22, 2024. The issued warrants contain a clause that restricts exercise if exercising causes the holders' ownership to exceed 19.99%.

On March 10, 2023, the Company completed its sale to Wealth Minerals Ltd.; 2,000,000 common shares in the capital of Electric Royalties Ltd. for an aggregate cash payment amount of $500,000.

On March 31 and April 27, 2023, issued 11,306,667 units at $0.18 per unit for gross proceeds of $2,035,200 in two tranches of a private placement. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of $0.30 per share. In connection with the issuance, the Company paid aggregate finder's fees consisting of $6,570 in cash and issued 36,497 finder's warrants. Each finder's warrant entitles the holder thereof to purchase one common share at a price of $0.30 for a period of 24 months from the date of issuance.

An additional 660,393 warrants expired subsequent to December 31, 2022.