

WORLD COPPER LTD.
(formerly Allante Resources Ltd.)
(An Exploration Stage Company)

Consolidated Financial Statements

For the year ended December 31, 2021 and 2020
Expressed in Canadian Dollars

Corporate Head Office
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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WORLD COPPER LTD. (FORMERLY ALLANTE RESOURCES 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, 2021 and 2020;
- 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, 2021 and 2020, 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 has incurred an operating loss of \$6,374,297 for the year ended December 31, 2021, the Company is currently unable to self-finance operations, has limited resources, no source of operating cash flow, and no assurances that sufficient funding will be available to conduct further exploration and development of its exploration and evaluation assets. As stated in Note 1, these events or conditions, 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.

Other Information

Management is responsible for the other information. The other information comprises 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 audits 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.
- ♦ 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.

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 26, 2022

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WORLD COPPER LTD. (formerly Allante Resources Ltd.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
As at December 31, 2021 and 2020

	December 31, 2021	December 31, 2020
ASSETS		
Current		
Cash	\$ 2,321,740	\$ 330,655
Receivables	97,228	34,555
Prepays	543,286	13,000
	<u>2,962,254</u>	<u>378,210</u>
Due from related party (Note 14)	97,854	-
Prepays	399,200	-
Deferred acquisition costs (Note 14)	558,719	-
Exploration and evaluation assets (Note 6)	<u>6,578,934</u>	<u>4,446,720</u>
Total Assets	\$ 10,596,961	\$ 4,824,930
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 446,209	\$ 752,148
Loans payable (Notes 5 and 9)	12,500	-
Due to Gold Springs Resource Corp. (Note 5)	500,000	421,658
Due to Wealth Minerals (Note 9)	124,935	69,224
	<u>1,083,644</u>	<u>1,243,030</u>
Non-Current		
Due to Gold Springs Resource Corp. (Note 5)	-	500,000
	<u>1,083,644</u>	<u>1,743,030</u>
Shareholders' Equity		
Capital stock (Note 7)	17,072,847	5,640,240
Equity portion of compound instruments (Note 9)	24,746	24,746
Share-based payment reserve (Note 7)	1,441,575	68,468
Deficit	<u>(9,025,851)</u>	<u>(2,651,554)</u>
	<u>9,513,317</u>	<u>3,081,900</u>
Total Liabilities and Shareholder's Equity	\$ 10,596,961	\$ 4,824,930

Subsequent events (Note 14)

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. (formerly Allante Resources Ltd.)
Consolidated Statements of Loss and Comprehensive Loss
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	December 31, 2021	December 31, 2020
EXPENSES		
Accretion	\$ -	\$ 24,746
Consulting fees (Note 9)	1,055,597	495,610
Exploration and evaluation (Note 6)	1,289,111	359,663
Foreign exchange loss (gain)	5,184	(22,280)
Insurance	10,615	-
Interest	8,113	-
Listing fees (Note 4)	1,093,312	-
Office and miscellaneous	248,367	147,873
Professional fees	445,383	748,499
Rent (note 9)	60,938	28,299
Share-based payments (Note 8)	1,012,058	-
Shareholder communications	664,288	111,650
Transfer agent and regulatory fees	91,891	46,737
Travel	197,397	28,966
Wages and benefits (Note 9)	192,043	-
Loss and comprehensive loss for the year	\$ (6,374,297)	\$ (1,969,763)
Basic and diluted loss per common share	\$ (0.14)	\$ (0.09)
Weighted average number of common shares outstanding	44,809,262	22,951,602

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

WORLD COPPER LTD. (formerly Allante Resources 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, 2019	19,546,664	\$ 3,339,001	\$ -	\$ -	\$ (681,791)	\$ 2,657,210
Shares issued – private placement	7,912,552	2,373,765	-	-	-	2,373,765
Shares issued – settlement of loan	500,000	150,000	-	-	-	150,000
Share issue costs – paid in cash	-	(154,058)	-	-	-	(154,058)
Finder fee warrants – on private placements	-	(68,468)	68,468	-	-	-
Compound instruments equity warrants	-	-	-	24,746	-	24,746
Loss for the year	-	-	-	-	(1,969,763)	(1,969,763)
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 – warrants exercised	66,666	40,000	-	-	-	40,000
Shares issued – settlement of loan	888,889	320,000	-	-	-	320,000
Share issue costs – paid in cash	-	(540,831)	-	-	-	(540,831)
Finder fee warrants – on private placements	-	(361,049)	361,049	-	-	-
Shares issued – 30% pro-rata interest rights per TMI Group share exchange agreement	4,891,864	1,761,071	-	-	-	1,761,071
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

On June 18, 2021, the Company's common shares were consolidated on a basis of one post-consolidated common shares for every three pre-consolidated common shares. The number of the shares, options, warrants and per share amounts presented have been retrospectively adjusted to reflect the impact of the share consolidation.

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

WORLD COPPER LTD. (formerly Allante Resources Ltd.)
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Canadian Dollars)

	December 31, 2021	December 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (6,374,297)	\$ (1,969,763)
Item not affecting cash:		
Accretion	-	24,746
Listing fees	947,556	-
Share-based payments	1,012,058	-
Changes in non-cash working capital items:		
Receivables	(61,468)	(24,594)
Prepays	(929,486)	(13,000)
Accounts payable and accrued liabilities	(442,510)	482,379
Net cash used in operating activities	(5,848,147)	(1,500,232)
CASH FLOWS FROM INVESTING ACTIVITY		
Cash received on Allante acquisition	382	-
Deferred acquisition costs	(558,719)	-
Exploration and evaluation assets	(371,143)	(393,701)
Net cash used in investing activity	(929,480)	(393,701)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to Gold Springs Resource Corp.	(421,658)	-
Due to Wealth Minerals	55,711	(161,832)
Due from Cardero Resources	(97,854)	-
Related party loan received	-	170,000
Related party loan repaid	-	(170,000)
Proceeds from issuance of shares	9,773,344	2,373,766
Share issue costs	(540,831)	(154,058)
Net cash provided by financing activities	8,768,712	2,057,876
Change in cash for the year	1,991,085	163,943
Cash, beginning of year	330,655	166,712
Cash, end of year	\$ 2,321,740	\$ 330,655
Cash paid for interest	\$ 4,881	\$ 330,655
Cash paid for tax	\$ -	\$ -

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 (see Note 7).
- Accounts payable of \$320,000 settled with 888,889 shares (see Note 7).
- Issued 1,333,333 shares with a value of \$480,072 on the acquisition of Allante (see Note 4).
- Issued 4,891,864 shares valued at \$1,761,071 as exploration and evaluation assets to Gold Springs Resource Corp. (see Notes 5 and 7).

Significant non-cash financing and investing transactions during the year ended December 31, 2020 included:

- Issued 566,667 warrants valued at \$24,746 as the equity portion of a compound instrument (see Note 9).
- Issued 364,000 warrants valued at \$68,468 as finder's fees (see Note 7).
- Loan payable of \$150,000 settled with units (Note 7).
- Reclassified \$13,315 from accounts payable to due to Wealth Minerals.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Allante Resources Ltd. ("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 "Transaction"). As consideration for the 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 Transaction. Following the closing of the Transaction, the Company and World Copper amalgamated and changed its name to World Copper Ltd. As a result of the Transaction, the former shareholders of World Copper acquired control of the Company. Therefore, the Transaction is considered a reverse takeover and these consolidated financial statements represents a continuation of the business of World Copper.

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 Street, 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 \$6,374,297 during the year ended December 31, 2021 (December 31, 2020 - \$1,969,763). 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 developments and the impact on the financial results and condition of the Company in future periods.

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, 2021. The Board of Directors approved these consolidated financial statements for issue on April 26, 2022.

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.

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

	Country of Incorporation	Principal Activity	Effective interest at December 31, 2021
SASC Metallurgy Corp. (“SASC”)	Canada	Mineral exploration	100%
Escalones Copper Corp. (“Escalones”)	Canada	Mineral exploration	100%
TriMetals Mining Chile SCM (“TriMetals”)	Chile	Mineral exploration	100%
Wealth Copper Chile S.p.A	Chile	Mineral exploration	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:

2. BASIS OF PRESENTATION (Continued)

d) Critical estimates, judgments and assumptions (continued)

Critical accounting estimates

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 takeover transaction

The fair value of consideration to acquire the Company in the reverse takeover 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 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.

Reverse takeover

The determination of the acquirer in the Transaction 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; 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 Transaction.

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 Transaction was accounted for as a reverse asset acquisition and the difference between the fair value of net assets acquired and the consideration paid was recorded as a listing expense.

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.

2. BASIS OF PRESENTATION (Continued)

d) Critical estimates, judgments and assumptions (continued)

Significant judgments (continued)

Contingent consideration

Management uses judgment to assess the existence of contingencies. At initial recognition and at each reporting date, management assess the likelihood of the occurrence of one or more future events which impacts the fair value of the contingent consideration. The Company recognizes contingent consideration when the related activity that gives rise to the additional consideration is likely to occur, pursuant to the special warrant given to Gold Springs (note 4).

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.

3. SIGNIFICANT ACCOUNTING POLICIES

a) 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. As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) 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.

c) 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.

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.

d) 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).

e) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Share-based compensation (continued)

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.

f) 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.

g) 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.

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.

h) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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.

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Financial instruments (continued)

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, 2021, the Company's financial instruments are comprised of cash, receivables excluding GST, due from related party, accounts payable and accrued liabilities, amounts due to Gold Springs Resources Corp. and Wealth Minerals, and loans payable.

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. REVERSE TAKEOVER TRANSACTION

On January 15, 2021, the Company completed the Transaction to acquire all 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 Transaction, the former shareholders of World Copper acquired control of the Company. Therefore, the Transaction is considered a reverse takeover ("RTO"). The Transaction is recorded in accordance with guidance provided in IFRS 2 Share-based Payments and IFRS 3 Business Combinations. As the Company did not qualify as 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 the acquisition of a listing status.

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 Company issued 4,891,864 common shares valued at \$1,761,071 to Gold Springs for Gold Springs to maintain its 30% pro-rata interest rights in the Company (Note 7). 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 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.

In accordance with the 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.

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

4. REVERSE TAKEOVER TRANSACTION (Continued)

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	\$ 947,556
Additional listing costs	145,756
Total listing fees	\$ 1,093,312

5. ACQUISITION OF TMI GROUP

On September 25, 2019, the Company acquired 100% of the common shares of 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 (listing date), the Company 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 October 22, 2021, Wealth Minerals acquired all of the 13,225,197 common shares and special warrant of the Company held by Gold Springs for the aggregate purchase price of \$4,364,315.

The following table summarizes the obligations outstanding as at December 31, 2021 and 2020:

Obligations:	December 31, 2021	December 31, 2020
Payment due upon closing of concurrent financing	\$ -	\$ 350,000
Reimbursement owed for annual concession fee	-	71,658
Current Obligations	\$ -	\$ 421,658
Payment due upon first anniversary of closing of concurrent financing (January 15, 2022 – paid subsequent to the year-end)	\$ 500,000	\$ 500,000
Total Obligations	\$ 500,000	\$ 921,658

6. EXPLORATION AND EVALUATION ASSETS

	Escalones Property, Chile	Cristal Property, Chile	Total
Acquisition costs capitalized			
Balance, December 31, 2019	\$ 3,967,972	\$ 85,047	\$ 4,053,019
Acquisition costs - cash	261,801	131,900	393,701
Acquisition costs - shares	-	-	-
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
Exploration and evaluation expenses			
Consulting	\$ 125,923	\$ -	\$ 125,923
Geochemical	54,906	-	54,906
Geological	164,428	-	164,428
Maps & Data	10,570	-	10,570
Roads & Trenches	3,836	-	3,836
Year ended December 31, 2020	\$ 359,663	\$ -	\$ 359,663
Exploration and evaluation expenses			
	Escalones Property, Chile	Cristal Property, Chile	Total
Assays	\$ 62,530	\$ -	\$ 62,530
Community relations	117,021	-	117,021
Consulting	282,341	-	282,341
Environmental	283,504	-	283,504
Field and camp supplies	117,830	-	117,830
Geochemical	96,671	-	96,671
Geological	19,210	-	19,210
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

Escalones Property, Chile

During the year ended December 31, 2019, the Company became party to an option agreement for the Escalones property (Note 5). During the year ended December 31, 2019, prior to the acquisition of TMI Group (Note 5), 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\$500,000 on or before June 30, 2022;
- vi) Paying USD\$500,000 on or before June 30, 2023; and
- vii) Paying USD\$3,000,000 on or before June 30, 2024.

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

6. EXPLORATION AND EVALUATION ASSETS (Continued)

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\$150,000 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) (USD\$100,000 paid – USD\$50,000 paid subsequent to December 31, 2021);
- 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 US\$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.

7. CAPITAL STOCK

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

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 Transaction (Note 4), the Company 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 1 exercised warrant (for warrants issued on or before listing (see Note 4)).

7. CAPITAL STOCK (Continued)

Issued share capital (continued)

- iii) On January 15, 2021, in connection with the 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.
- 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-transferrable finder's warrants valued at \$100,980.

During the year ended December 31, 2020, the Company:

- i) On July 27, 2020, issued 7,292,996 units at \$0.30 per unit for gross proceeds of \$2,187,899. Each unit consisted of a common share and warrant exercisable into a common share at a price of \$0.60 for 5 years. The Company paid finder's fees by issuing 364,000 finder's warrants with a 2-year term exercisable at \$0.30 valued at \$68,468 and cash in the amount of \$124,880. The Company also paid other cash share issue costs in the amount of \$17,104.
- ii) On September 15, 2020, issued 500,000 units at \$0.30 per unit to settle a loan payable of \$150,000. Each unit consisted of a common share and warrant exercisable into a common share at a price of \$0.60 for 5 years. Share issue costs of \$1,000 was paid on the issuance of shares.
- iii) On October 15, 2020, issued 619,551 units at \$0.30 per unit for gross proceeds of \$185,865. Each unit consisted of a common share and warrant exercisable into a common share at a price of \$0.60 for 5 years. The Company paid \$11,073 in finder's fees.

7. CAPITAL STOCK (Continued)

Warrants

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
Outstanding, December 31, 2019	-	\$ -
Issued	9,343,214	0.57
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

The following warrants were outstanding at December 31, 2021 and 2020:

Expiry Date	Exercise Price	Number of Warrants	
		2021	2020
June 26, 2022	\$0.30	566,667	566,667
July 27, 2022 ⁽¹⁾	\$0.30	364,000	364,000
July 27, 2025	\$0.60	7,292,996	7,292,996
September 15, 2025	\$0.60	500,000	500,000
October 15, 2025	\$0.60	619,551	619,551
July 27, 2025	\$0.60	8,943,821	-
January 15, 2023 ⁽¹⁾	\$0.60	660,393	-
September 29, 2023	\$0.60	823,750	-
September 29, 2023 ⁽¹⁾	\$0.60	71,575	-
October 6, 2023	\$0.60	2,053,750	-
October 6, 2023 ⁽¹⁾	\$0.60	287,525	-
October 28, 2023	\$0.60	5,234,461	-
October 28, 2023 ⁽¹⁾	\$0.60	297,500	-
		27,715,989	9,343,214

⁽¹⁾ Finder's warrants

The finder's warrants issued during the years ended December 31, 2021 and 2020 were valued using the Black Scholes Option Pricing Model with the following weighted average assumptions:

	Year ended December 31, 2021	Year ended December 31, 2020
Risk-free interest rate average	0.31%	1.00%
Expected life	2.00 years	2.00 years
Expected annualized volatility	150.00%	176.78%
Expected dividend rate	0.00%	0.00%

8. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS

The Company adopted its current stock option plan on November 20, 2006, prior to the completion of its initial public offering. The terms of the stock option plan provide that the number of Company Shares which may be reserved for issuance under the stock option plan (together with all other share compensation arrangements of the Company) shall not exceed 10% of the number of Company Shares outstanding. Subject to the termination provisions, the term of options awarded under the stock option plan is fixed by the Board at the time the option is awarded and, so long as the Company is a Tier 2 issuer, may not exceed a period of five years. The exercise price for stock options issued pursuant to the stock option plan may be determined by the Board in its sole discretion at the time the stock options are awarded; provided that such exercise price shall not be less than the closing price of the Company Shares traded through the facilities of the Exchange (or, if the Company Shares are no longer listed for trading on the Exchange, then such other exchange or quotation system on which the Company Shares are listed or quoted for trading) on the day preceding the award date, less any discount permitted by the Exchange, or such other price as may be required or permitted by the Exchange. All options granted pursuant to the stock option plan will be subject to such vesting requirements as may be prescribed by the Exchange, if applicable, and unless a vesting schedule is imposed by the Board as a condition of the award on the award date will be granted as fully vested. Notwithstanding the foregoing, options issued to consultants performing Investor Relations Activities (as that term is defined in the stock option plan) must vest in stages over at least twelve months with not more than one-quarter of the options vesting in any three (3) month period.

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, 2021
Risk-free interest rate average	0.40%
Expected life	1.00 year
Expected annualized volatility	150.00%
Expected dividend rate	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.

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

The following incentive stock options were outstanding and exercisable at December 31, 2021 and 2020:

Expiry Date	Exercise Price	December 31, 2021	December 31, 2020
August 13, 2022	\$0.42	4,400,000	-

9. 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 year ended December 31, 2021 and 2020 was as follows:

	December 31, 2021	December 31, 2020
Management fees, included in consulting fees	\$ 298,819	\$ 297,476
Wages and benefits	187,631	-
Stock-based compensation	460,026	-
Rent	60,938	28,299

The amounts due to the related parties are as follows:

	December 31, 2021	December 31, 2020
Included in accounts payable and accrued liabilities:		
Due to a director and former CEO	\$ 6,328	\$ 37,054
Due to the President and former CEO	154,038	182,421
Due to the former CFO	-	41,975
Due to the corporate secretary	3,071	33,755
Due to Wealth Minerals	56,032	277,551
	\$ 219,469	\$ 572,756

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, 2020, the Company entered into a loan agreement with a director and former CEO whereby the Company received a loan of \$170,000 repayable by December 26, 2021 with interest of 8% per annum compounded annually. The Company repaid the loan on July 29, 2020. The Company also issued 566,667 bonus warrants exercisable into common shares at a price of \$0.30 until June 26, 2022. For accounting purposes, the loan noted above is a compound instrument and was 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 a discount rate of 20% to estimate the fair value of the liability component of \$145,254 with the remaining balance of \$24,746 representing the equity component. The loan was fully accreted to its principal value upon repayment during the year ended December 31, 2020.

10. 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.

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, 2021.

11. 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 and Gold Springs Resource Corp. 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, 2021, the Company had cash of \$2,321,740 (December 31, 2020 - \$330,655).

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, 2021, the Company had a cash balance of \$2,321,740 (December 31, 2020 - \$330,655) to settle current liabilities of \$1,083,644 (December 31, 2020 - \$1,243,030). 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, 2021.

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 decreased the Company's net loss and comprehensive loss by \$18,000 (2020 - increased \$16,000) due to the impact of the exchange rate fluctuation on Canadian dollar denominated financial instruments.

11. FINANCIAL INSTRUMENTS (Continued)

Foreign currency risk (continued)

At December 31, 2021, the Company had the following financial instruments denominated in foreign currencies at their Canadian dollar equivalent:

	Chilean Pesos	United States Dollars	Total
Cash	\$ 6,262	\$ 377,864	\$ 384,126
Accounts payable and accrued liabilities	(124,784)	(78,911)	(203,695)
Net	\$ (118,522)	\$ 298,953	\$ 180,431

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.

12. SEGMENTED INFORMATION

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

13. INCOME TAXES

A reconciliation of income taxes by applying the Canadian statutory income tax rate of 27% (2020 - 27%) to the consolidated loss is as follows:

	Year ended December 31, 2021	Year ended December 31, 2020
Loss for the year	\$ (6,374,297)	\$ (1,969,763)
Income tax recovery at Canadian statutory rate	(1,721,060)	(531,836)
Non-deductible items	4,329	(4,881)
Other temporary differences	(28,452)	(41,059)
Impact of foreign exchange on tax assets and liabilities	(998,527)	45,238
Unused tax losses and tax offsets not recognized	2,743,710	532,538
Income tax recovery	\$ -	\$ -

13. INCOME TAXES (Continued)

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, 2021	December 31, 2020
Non-capital losses	\$ 8,420,980	\$ 4,313,567
Resource properties	3,017,315	-
Share issue costs	484,285	123,244
	<u>\$ 11,922,580</u>	<u>\$ 4,436,811</u>

The Company has non-capital loss carry-forwards of approximately \$8,420,980 (2020 - \$4,314,000), 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 2041.

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

14. SUBSEQUENT EVENTS

Cardero

On January 28, 2022, World Copper Ltd. and Cardero Resource Corp. ("Cardero") combined their respective businesses pursuant to a plan of arrangement approved by the Cardero Shareholders on December 10, 2021, approved by the Supreme Court of British Columbia on December 14, 2021 and the final acceptance by the TSXV. 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 Cardero shareholders based on an exchange ratio of 0.200795 common share of the Company for each share of Cardero. Additionally, 7,271,250 Cardero warrants based on an exchange ratio of 0.200795 were assumed by the Company. Cardero 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 Business Combinations ("IFRS 3") since Cardero's operations do not meet the definition of a business for accounting purposes. Accordingly, the Acquisition will be accounted for as an asset acquisition in accordance with IFRS 2 Share Based Payment ("IFRS 2") whereby World Copper is deemed to have issued shares in exchange for the net assets of Cardero. As a result, the Acquisition will be treated as a capital transaction, with the equity consideration being measured at the fair value of the World Copper shares issued as above.

As at December 31, 2021, the Company advanced \$97,854 to Cardero to cover overhead costs prior to the closing of the acquisition. Deferred acquisition costs of \$558,719 incurred to December 31, 2021 will be added as an additional cost to the Zonia exploration and evaluation assets on closing.

Other

On January 4, 2022, the Company satisfied the acquisition of the TMI Group (see Note 5) where the Company acquired 100% of the common shares of 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 by making the final \$500,000 payment under the agreement.

On January 31, 2022, the Company 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.

An additional 4,218,882 warrants and 100,000 options were exercised subsequent to December 31, 2021.