QUETZAL COPPER CORP.
(formerly Ankh Capital Inc.)

Condensed Interim Consolidated Financial Statements

For the three and six months ended June 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements for the Three and Six Months Ended June 30, 2024 and 2023

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations*, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Quetzal Copper Corp. (formerly Ankh Capital Inc.) for the interim periods ended June 30, 2024 and 2023, have been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, WDM CPA, have not performed a review of these unaudited condensed interim financial consolidated statements.

August 28, 2024**.**

QUETZAL COPPER CORP. (formerly Ankh Capital Inc.)
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	**June 30, 2024**	December 31, 2023
		$	$
ASSETS			
Current			
Cash		**328,474**	502,833
Amounts receivable		**87,831**	16,617
Subscriptions receivable	12	**-**	311,000
Prepaid expenses and deposits	7	**208,866**	91,827
		625,171	922,277
Exploration and evaluation assets	8	**3,516,172**	2,040,000
Total assets		**4,141,343**	2,962,277
LIABILITIES			
Current			
Accounts payable and accrued liabilities	12	**329,009**	86,092
Due to related parties	12	**-**	145,265
Flow-through premium liability	9	**45,118**	30,179
Bridge loan	5	**-**	213,238
Loan payable	10	**500,000**	-
Total liabilities		**874,127**	474,774
SHAREHOLDERS' EQUITY			
Share capital	11(b)	**5,506,099**	3,264,436
Shares to be issued		**-**	2,606
Reserves		**512,989**	295,921
Accumulated other comprehensive income		**105,114**	-
Deficit		**(2,856,986)**	(1,075,460)
Total shareholders' equity		**3,267,216**	2,487,503
Total liabilities and shareholders' equity		**4,141,343**	2,962,277

Nature of operations and going concern (Note 1)
Subsequent events (Note 15)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Matthew Badiali"
Director

/s/ "Barry Coughlan"
Director

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

QUETZAL COPPER CORP. (formerly Ankh Capital Inc.)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars, except for number of shares)

		Three months ended	June 30,	Six months ended	June 30,
	Note	**2024**	2023	**2024**	2023
		$	$	**$**	$
Operating expenses					
Consulting fees		**9,175**	-	**13,404**	21,000
Exploration and evaluation expenditures	8	**338,699**	8,832	**343,000**	8,832
General and administrative		**78,198**	5,255	**118,769**	5,421
Investor relations		**34,951**	6,365	**55,445**	6,365
Management compensation	12	**57,460**	-	**112,420**	-
Professional fees	12	**240,120**	118,505	**373,904**	128,791
		(758,603)	(138,957)	**(1,016,942)**	(170,409)
Other income (expense)					
Amortization of flow-through premium liability	9	**8,631**	-	**9,061**	-
Listing fees	5	**(25,332)**	-	**(773,645)**	-
Net loss for the period		**(775,304)**	(138,957)	**(1,781,526)**	(170,409)
Other comprehensive income					
Change in foreign currency translation		**105,114**	-	**105,114**	-
Net loss and comprehensive loss		**(670,190)**	(138,957)	**(1,676,412)**	(170,409)
Net loss per share:					
Basic and diluted		**(0.02)**	(0.01)	**(0.05)**	(0.01)
Weighted average number of common shares:					
Basic and diluted		**40,521,284**	23,485,686	**36,250,360**	21,860,574

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

QUETZAL COPPER CORP. (formerly Ankh Capital Inc.)
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Six months ended June 30, 2024	2023
	$	$
Operating activities:		
Net loss for the period	**(1,781,526)**	(170,409)
Adjustments for:		
Amortization of flow-through premium liability	**(9,061)**	-
Listing fees	**773,645**	-
Changes in non-cash working capital:		
Amounts receivable	**(38,658)**	(4,603)
Prepaid expenses and deposits	**(116,498)**	-
Accounts payable and accrued liabilities	**150,838**	87,144
Due to related parties	**(110,255)**	-
Cash used in operating activities	**(1,131,515)**	(87,868)
Investing activities:		
Acquisition of exploration and evaluation assets	**(478,375)**	(100,000)
Acquisition of Polaris Resources	**(69,224)**	-
Cash acquired through acquisition of Polaris Resources	**1,204**	-
Cash acquired in RTO	**868,575**	-
RTO transaction cost	**(46,114)**	-
Cash provided by (used in) investing activities	**276,066**	(100,000)
Financing activities:		
(Repayment of) proceeds from advances from related party	**(35,010)**	45,010
Proceeds from units issued in private placement	**20,000**	-
Proceeds from loan payable	**500,000**	200,000
Proceeds from flow-through units issued in private placement	**240,000**	-
Unit issuance costs	**(43,900)**	-
Cash provided by financing activities	**681,090**	245,010
Net change in cash	**(174,359)**	57,142
Cash, beginning of period	**502,833**	7,541
Cash, end of period	**328,474**	64,683
Supplemental cash flow information:		
Shares issued for exploration and evaluation assets	**724,658**	1,330,000
Warrants issued for finders' fees	**9,011**	-
Shares issued for finders' fees	**53,888**	-
Shares issued in RTO	**1,405,800**	-
Stock options issued in RTO	**81,433**	-
Warrants issued in RTO	**52,134**	-

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

QUETZAL COPPER CORP. (formerly Ankh Capital Inc.)
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Unaudited - Expressed in Canadian dollars, except number of shares)

	Number of shares	Share capital	Shares to be issued	Reserves	Accumulated other comprehensive income	Deficit	Total shareholders' equity
	#	$	$	$	$	$	$
Balance, December 31, 2022	17,227,275	752,185	-	49,892	-	(565,384)	236,693
Shares issued for exploration and evaluation assets	6,258,411	1,330,000	-	-	-	-	1,330,000
Net loss for the period	-	-	-	-	-	(170,409)	(170,409)
Balance, June 30, 2023	23,485,686	2,082,185	-	49,892	-	(735,793)	1,396,284
Units issued in private placement	5,657,434	1,068,585	-	219,576	-	-	1,288,161
Flow-through units issued in private placement	695,380	164,474	-	25,526	-	-	190,000
Flow-through premium	-	(31,667)	-	-	-	-	(31,667)
Share issuance costs	-	(19,141)	-	927	-	-	(18,214)
Subscriptions received	-	-	2,606	-	-	-	2,606
Net loss for the period	-	-	-	-	-	(339,667)	(339,667)
Balance, December 31, 2023	29,838,500	3,264,436	2,606	295,921	-	(1,075,460)	2,487,503
Units issued in private placement	99,282	18,761	(2,606)	3,845	-	-	20,000
Flow-through units issued in private placement	1,200,000	169,355	-	70,645	-	-	240,000
Flow-through premium	-	(24,000)	-	-	-	-	(24,000)
Unit issuance costs	299,378	(52,911)	-	9,011	-	-	(43,900)
Securities issued in RTO	7,810,000	1,405,800	-	133,567	-	-	1,539,367
Shares issued for exploration and evaluation assets	3,623,290	724,658	-	-	-	-	724,658
Change in foreign currency translation	-	-	-	-	105,114	-	105,114
Net loss for the period	-	-	-	-	-	(1,781,526)	(1,781,526)
Balance, June 30, 2024	**42,870,450**	**5,506,099**	**-**	**512,989**	**105,114**	**(2,856,986)**	**3,267,216**

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Quetzal Copper Corp., formerly Ankh Capital Inc., ("Ankh" or the "Company") was incorporated on November 30, 2020 pursuant to the Business Corporations Act of British Columbia. The head office, principal address and registered and records office of the Company are located at 1723 - 595 Burrard Street, Vancouver, British Columbia, V7X 1J1, Canada. The Company currently trades on the TSX Venture Exchange ("TSX-V") under the symbol "Q".

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of exploration and evaluation expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties.

a) Reverse takeover

Quetzal Copper Limited ("Former Quetzal") was incorporated pursuant to the *Business Corporations Act* of British Columbia on April 29, 2021.

On May 15, 2023, the Company announced that it entered into an amalgamation agreement ("Amalgamation Agreement") with Former Quetzal and 1415994 B.C. Ltd. ("Subco"), a wholly owned subsidiary of the Company. Pursuant to the Amalgamation Agreement, Subco amalgamated with Former Quetzal to form Quetzal Copper Subsidiary Corp. ("Quetzal Subsidiary") under the *Business Corporations Act* (British Columbia), and Quetzal Subsidiary became a wholly-owned subsidiary of the Company (the "RTO"). Each Subco common share was converted into one Quetzal Subsidiary common share and the outstanding securities of Former Quetzal were exchanged for securities of the Company at an approximate ratio of one for 1.098 before the completion of the RTO.

Effective March 12, 2024, the RTO closed whereby Ankh issued 7,810,000 common shares to the Former Quetzal's shareholders. Immediately prior to completion of the RTO, the Company completed a consolidation of its common shares on the basis of one post-consolidation share for every two pre-consolidation shares. All share and per share amounts in the financial statements have been retroactively restated to reflect the share consolidation. Concurrently with the closing of the RTO, the Company changed its name to Quetzal Copper Corp.

Management determined that the RTO constituted a reverse acquisition for accounting purposes whereby Former Quetzal acquired the Company. For accounting purposes, Former Quetzal is treated as the accounting acquirer (legal subsidiary), and the Company is treated as the accounting acquiree (legal parent) in these consolidated financial statements. As Former Quetzal was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. The Company's results of operations are included from the RTO date, March 12, 2024. The comparative figures are those of Former Quetzal prior to the RTO date.

The financial statements have been prepared as a continuance of Quetzal Copper Limited and have been issued in the name of the Company, being the legal parent. The RTO has been measured based on the fair value of the shares that are deemed to have been issued to the Company's historic shareholders. Accordingly, the RTO has been accounted for as follows:

- The historic equity of the Company has been eliminated and the excess of the fair value of the deemed equity instruments issued over the fair value of net assets acquired has been recorded as a listing expense $773,645 in profit or loss for the period. Immediately prior to the RTO, the Company had net assets of $599,012. The fair value of the shares issued by the Company is estimated at $1,405,800.
- The deficit and other equity balances are the deficit and other equity balances of Quetzal Copper Limited immediately prior to the RTO;
- The equity structure presented in these consolidated financial statements (the number and type of equity instruments issued) reflects the equity structure of the Company, including the equity instruments issued by the Company to affect the RTO; and
- The assets and liabilities of Quetzal Copper Limited are recognized and measured at their pre-transaction carrying amounts and the net assets of the Company on the Transaction date have been measured at their estimated fair value.

1. NATURE OF OPERATIONS AND GOING CONCERN (continued)

b) Going concern

These condensed interim consolidated financial statements for the three and six months ended June 30, 2024 and 2023 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months. As at June 30, 2024, the Company has a working capital deficiency of $248,956 (December 31, 2023 surplus - $447,503) and an accumulated deficit of $2,856,986 (December 31, 2023 - $1,075,460). For the three and six months ended June 30, 2024, the Company incurred a net loss of $775,304 and $1,781,526, respectively (2023 - $138,957 and $170,409, respectively). The Company had cash used in operating activities during the six months ended June 30, 2024 of $1,131,515 (2023 - $87,868). These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon its ability to generate positive cash flows from operations, and/or raise adequate funding through equity or debt financing to discharge its liabilities as they become due. Management concluded that the working capital position of the Company as at June 30, 2024 is sufficient to finance continued operations over the next twelve months.

Should the Company be unable to continue as a going concern, asset and liability realization values may be substantially different from their carrying values. These financial statements do not have an effect on adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

2. BASIS OF PREPARATION

a) Statement of compliance

These financial statements were approved by the Board of Directors and authorized for issue on August 28, 2024.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee applicable to the preparation of interim financial statements, including International Accounting Standard 34 *Interim Financial Reporting*. These financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited financial statements for the years ended December 31, 2023 and 2022 (the "Annual Financial Statements").

b) Basis of presentation

These financial statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars ("CAD"), which is the Company's functional and presentation currency. References to "MXN" are to Mexican Pesos and "US$" are to US Dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. Subsidiaries are consolidated from the date on which the Company obtains control over the subsidiary. Control occurs when the Company is exposed to, or has right to, variable returns from its involvement with an investee and has the ability to affect those returns through its power over the investee. All intragroup balances and transactions have been eliminated in consolidation.

2. BASIS OF PREPARATION (continued)

A summary of the Company's subsidiaries included in these financial statements as at June 30, 2024 are as follows:

Name of subsidiary	Country of incorporation	Holding	Functional currency	Principal activity
Quetzal Copper Subsidiary Corp.	Canada	100%	CAD	Mineral exploration
Polaris Resources, S.A. de C.V.	Mexico	100%	MXN	Mineral exploration

3. MATERIAL ACCOUNTING POLICIES

In the preparation of these financial statements, the Company used the same accounting policies as those applied and disclosed in the Annual Financial Statements.

4. SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and further periods if the revision affects both current and future periods.

Significant judgments exercised by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are consistent with the Annual Financial Statements except for the following:

a) Business combination versus asset acquisition

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The assessment requires management to evaluate if the significant inputs, processes and outputs of the acquiree constitute a business. Pursuant to the assessment, the RTO and the acquisition of Polaris Resources were considered to be asset acquisitions (Note 5 and 6).

b) Control

At the time of acquisition, the Company assesses whether it has control over the acquiree. Control exists when the Company has power over an entity, when the Company is exposed, or has rights, to variable returns from the entity and when the Company has the ability to affect those returns through its power over the entity. Where control exists, the Company consolidates the results of the acquired entity. In the acquisition of Former Quetzal, it was determined that control resides with Former Quetzal as the former shareholders of Former Quetzal became the majority shareholders of the combined entity. As a result, the RTO was accounted for as a reverse takeover.

c) Fair value of consideration in RTO

The fair value of consideration to acquire the Company in the RTO comprised of common shares, stock options and warrants, which were fair valued on the date of issuance. The Company applied IFRS 2 *Share-based Payment* in accounting for the RTO.

5. REVERSE TAKEOVER TRANSACTION

Upon the closing of the RTO on March 12, 2024, the following occurred:

- The Company issued 7,810,000 common shares to Former Quetzal's shareholders at the fair value of $0.180 per common share for a total fair value of $1,405,800.

(Unaudited - Expressed in Canadian dollars, except where noted)

5. REVERSE TAKEOVER TRANSACTION (continued)

- The Company incurred $21,196 in transaction costs prior to the closing of the RTO and the amount is allocated as part of the consideration.
- The Company issued 1,200,000 flow-through units at a price of $0.20 per flow-through unit for gross proceeds of $240,000. Each flow-through unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share of the Company at a price of $0.30 per share for a period of two years. The Company paid a cash finder’s fee equal to $43,900 and issued 120,000 finder’s warrants. The securities issued were on a post-consolidation basis. In addition, the Company issued 299,378 common shares of the Company to PI Financial Corp. for finder’s fees.

As a result of the RTO, Former Quetzal obtained control of the Company and is considered to have acquired the Company. The RTO was accounted for as a reverse acquisition in accordance with the guidance provided in IFRS 2 *Share-based payment* and IFRS 3 *Business combinations*. The RTO did not qualify as a business combination in accordance with the definition of IFRS 3 as the significant inputs, processes, and outputs, that together constitute a business, did not exist in the Company at the time of acquisition. Accordingly, no goodwill or intangible assets were recorded with respect to the RTO. These financial statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

The fair value of the consideration paid by Former Quetzal, net of transaction costs, less the fair value of net assets of the Company acquired by Former Quetzal, constitutes a listing expense which was recognized in profit or loss. These consolidated financial statements reflect the assets, liabilities, and operations of Former Quetzal since its incorporation and the Company from March 12, 2024.

A summary of the Company’s consideration and net assets acquired on the RTO date of March 12, 2024, is as follows:

	$
Consideration	
Fair value of Ankh common shares issued (7,810,000 shares at $0.18)	1,405,800
Bridge loan and accrued interest settled	(213,238)
Fair value of Ankh existing stock options (781,000 stock options expiring October 15, 2026)	81,433
Fair value of Ankh existing warrants (500,000 warrants expiring October 15, 2026)	52,134
RTO costs (legal fees and exchange fees concurrent with the listing)	46,114
	1,372,243
Net assets acquired:	
Cash	868,575
Prepaid expenses	541
Accounts receivable	20
Accounts payable and accrued liability	(270,538)
	598,598
Listing expense	**773,645**

The RTO with Former Quetzal resulted in the Company acquiring a 100% interest in the following mineral properties and resuming all the rights, duties, liabilities and obligations related to the properties set out under their respective option agreements:

- Princeton, located in British Columbia, Canada
- Big Kidd, located in British Columbia, Canada; and
- DOT, located in British Columbia, Canada

(Unaudited - Expressed in Canadian dollars, except where noted)

6. ACQUISITION OF POLARIS RESOURCES

Polaris Resources, S.A. de C.V. ("Polaris Resources") holds an option to acquire a 100% interest in the Cristinas copper project located in the state of Chihuahua, Mexico (the "Cristinas"), subject to fulfillment of certain underlying payments to be made to the underlying property vendors (the "Vendors").

On April 11, 2024, the Company paid $69,224 (USD50,000) and acquired all of the issued and outstanding shares of Polaris Resources. As a result of the acquisition, the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors (Note 8(c)).

The acquisition of Polaris Resources was accounted for by the Company as an asset acquisition. The acquisition did not qualify as a business combination under IFRS 3 *Business Combinations*, as the significant inputs, processes, and outputs, that together constitute a business, did not exist in Polaris Resources at the time of acquisition. Therefore, the asset acquisition transaction was accounted for in accordance with guidance provided in IFRS 2 *Share-based Payment*. Accordingly, no goodwill was recorded with respect to the acquisition.

A summary of the Company's consideration and net assets acquired as at the April 11, 2024 acquisition date is as follows:

	$
Consideration	
Cash paid (US$50,000)	69,224
Net assets acquired:	
Cash	1,204
Amounts receivable	32,535
Exploration and evaluation asset (Cristinas project)	273,139
Accounts payable	(237,654)
	69,224

7. PREPAID EXPENSES AND DEPOSITS

Prepaid expenses consist of advance payments for marketing media and advisory services, listing fees and deposits for capital markets services.

A summary of the Company's prepaid expenses is as follows:

	June 30, 2024	December 31, 2023
	$	$
Prepaid expenses	**146,700**	39,112
Deposits with suppliers	**62,166**	52,715
	208,866	91,827

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES

A summary of the Company's exploration and evaluation assets is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	$	$	$	$	$
Balance, December 31, 2022	250,000	10,000	-	-	260,000
Acquisition costs	120,000	170,000	-	1,490,000	1,780,000
Balance, December 31, 2023	370,000	180,000	-	1,490,000	2,040,000
Acquisition costs	794,658	200,000	431,514	50,000	1,476,172
Balance, June 30, 2024	**1,164,658**	**380,000**	**431,514**	**1,540,000**	**3,516,172**

A summary of the Company's exploration and evaluation expenditures for the six months ended June 30, 2024 is as follows:

	Princeton	Big Kidd	Cristinas	DOT	Total
	$	$	$	$	$
Geological consulting	9,767	38,855	220,979	5,308	274,909
Permit	-	-	-	8,506	8,506
Vehicle and tool rental	-	1,993	3,702	426	6,121
Other	463	5,105	47,896	-	53,464
Total	**10,230**	**45,953**	**272,577**	**14,240**	**343,000**

A summary of the Company's exploration and evaluation for the six months ended June 30, 2023 is as follows:

	Cristinas
	$
Geological consulting	8,832

a) Princeton

On April 29, 2022, the Company entered into an option agreement (the "Agreement") with Princeton Copper Corp. to acquire an 80% interest in certain mineral claims located in British Columbia ("Princeton").

Under the Agreement the Company is required to make the following acquisition payments:

- $120,000 on July 6, 2022 (paid);
- $10,000 on the first day of each month commencing May 1, 2022 until June 1, 2028 ($260,000 paid up to and including June 1, 2024); and
- $260,000 on July 1, 2028.

Additionally, under the Agreement, the Company is required to issue an aggregate of 12,681,516 common shares as follows:

- 1,646,950 common shares on June 14, 2022 (issued);
- 3,623,290 common shares on April 29, 2024 (issued, Note 11(b)); and
- 7,411,276 common shares on April 29, 2026.

Commencing April 29, 2022, the Company is required to incur minimum expenditures of $15,000,000 on or before April 29, 2030 or the date of the exercise of the option ("Option Period"), with the minimum expenditures of $1,000,000 to be incurred during the period from April 29, 2022 to June 30, 2025 and during each year thereafter until the end of the Option Period. The Company can extend the Option Period for one or more 12-month periods ("Extended Period") by incurring expenditures of at least $750,000 in each such Extended Period.

During the three and six months ended June 30, 2024, the Company incurred exploration and evaluation expenditures of $5,466 and $10,230, respectively (2023 - $nil and $nil, respectively), related to Princeton project.

8. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

b) Big Kidd

On November 4, 2022, the Company entered into an option agreement with South Atlantic Gold Inc. to acquire a 100% interest in certain mineral claims located in British Columbia ("Big Kidd"). Under the option agreement, as subsequently amended, the Company assumed the following option obligations:

- $10,000 on November 14, 2022 (paid);
- $10,000 on January 4, 2023 (paid);
- $20,000 on March 9, 2023 (paid);
- $130,000 on May 29, 2023 and upon completion of a qualifying financing by the Company, which is an equity financing for gross proceeds of minimum $500,000 on or before January 3, 2023 (paid);
- $200,000 on January 4, 2024 (paid);
- $200,000 on January 4, 2025 (advanced $10,000);
- $200,000 on January 4, 2026;
- $200,000 on January 4, 2027; and
- $350,000 or issue common shares with an aggregate value of $350,000 on January 4, 2028.

The parties may extend the payment date of the committed amount a further 60 days (the "Extension") of the Second Amendment Agreement subject to additional payments by the Company $10,000 on or before 90 days of the Second Amendment (paid) and $10,000 on or before 120 days of the Second Amendment Agreement.

Additionally, the Company must fulfil the milestone commitments in the form of cash payments or issuances of the Company's publicly traded common shares, as follows:

- $300,000 or issue common shares with an aggregate value of $300,000 following the completion of 40,000 meters of drilling on the property;
- $1,200,000 or issue common shares with an aggregate value of $1,200,000 following the filing of a pre-feasibility study on the property; and
- $2,000,000 or issue common shares with an aggregate value of $2,000,000 following the filing of a feasibility study on the property.

During the three and six months ended June 30, 2024, the Company incurred exploration and evaluation expenditures of $45,953 and $45,953, respectively (2023 - $nil and $nil, respectively), related to Big Kidd project.

c) Cristinas

The 685-hectare Cristinas project is located in northeastern Chihuahua state, Mexico, approximately 2 hours by car from Chihuahua City. The Cristinas project includes a historic copper mine that operated in the 1970s on shallow copper oxide mineralization.

As a result of the Polaris Resources acquisition (Note 6), the Company assumed the option to acquire a 100% interest in the Cristinas project from the Vendors as follows:

Cash payments of:
- US$100,000 on May 12, 2024 (paid);
- US$100,000 on May 12, 2025; and
- US$100,000 on May 12, 2026.

Issuance of common shares of the Company with a fair value of:
- US$500,000 on May 12, 2025;
- US$500,000 on May 12, 2026; and
- US$500,000 on May 12, 2027.

Complete US$1,000,000 in exploration and evaluation expenses on or before December 31, 2025.

During the three and six months ended June 30, 2024, the Company incurred exploration and evaluation expenditures of $272,577 and $272,577, respectively (2023 - $8,832 and $8,832, respectively), related to Cristinas project.

(Unaudited - Expressed in Canadian dollars, except where noted)

8. EXPLORATION AND EVALUATION ASSETS AND EXPENDITURES (continued)

d) DOT

On January 10, 2023, the Company entered into an option agreement with 1390120 B.C. Ltd. ("1390120") to acquire a 100% interest in the mineral claim known as the DOT Matrix property located in British Columbia ("DOT"). Subsequently, on February 17, 2023, the option agreement was amended to include a 2% net smelter royalty payable to 1390120. The Company is required to fulfill the following obligations in order to exercise the option:

- Issue 6,258,411 common shares to 1390120 on February 28, 2023 (issued - Note 11(b)); and
- $160,000 on October 1, 2023 (paid).

Additionally, the Company is required to file a pre-feasibility study on DOT and make a cash payment of $3,000,000 on or before February 17, 2027 (the "Final Option Requirement"). While the Final Option Requirement remains outstanding, the Company is required to make the following payments:

- $50,000 on January 1, 2024 (paid);
- $75,000 on January 1, 2025;
- $100,000 on January 1, 2026; and
- $125,000 on January 1, 2027.

During the three and six months ended June 30, 2024, the Company incurred exploration and evaluation expenditures of $14,240 and $14,240, respectively (2023 - $nil and $nil, respectively), related to DOT project.

9. FLOW-THROUGH PREMIUM LIABILITY

On September 19, 2023, the Company issued 457,487 flow-through units at $0.273 per unit for gross proceeds of $125,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $20,833 was recorded (Note 11(b)).

On December 22, 2023, the Company issued 237,893 flow-through units at $0.273 for gross proceeds of $65,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $10,834 was recorded (Note 11(b)).

On March 12, 2024, the Company issued 1,200,000 flow-through units at $0.20 for gross proceeds of $240,000. The flow-through units were issued at a premium of $0.05 per unit. As a result, a flow-through premium liability of $24,000 was recorded (Note 11(b)).

During the three and six months ended June, 2024, the Company incurred $66,122 and $70,423, respectively (2023 - $nil and $nil, respectively) of qualifying exploration expenditures. As a result, amortization of flow-through premium liability of $8,631 and $9,061, respectively (2023 - $nil and $nil, respectively) was recorded.

A summary of the Company's flow-through premium liability and remaining eligible expenditure obligation is as follows:

	Flow-through funding and eligible expenditures	**Flow-through premium liability**
	$	$
Balance, December 31, 2022	-	-
Flow-through funds raised	190,000	31,667
Eligible expenditures renounced	(8,928)	(1,488)
Balance, December 31, 2023	181,072	30,179
Flow-through funds raised	240,000	24,000
Eligible expenditures renounced	(70,423)	(9,061)
Balance, June 30, 2024	**350,649**	**45,118**

10. LOAN PAYABLE

On June 26, 2024, the Company was advanced $500,000 under a loan agreement with SilverCo Mining Corp. The loan principal and interest, at a rate of 5% per annum, is repayable the earliest of the date the Company completes an equity financing for a minimum gross proceeds of $2,000,000; or December 26, 2024.

11. SHARE CAPITAL

a) Authorized share capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued and outstanding

During the six months ended June 30, 2024, the Company had the following share capital transactions:

- On January 5, 2024, the Company issued 99,282 units at $0.228 per unit for gross proceeds of $22,606. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.360 per share until January 5, 2026. Proceeds were allocated using the proportionate method. As a result, $18,761 was allocated to share capital and $3,845 was allocated to reserves.
- On March 12, 2024, the Company consolidated the number of common shares at an approximate rate of 1.098. The historical share data in these financial statements has been retrospectively updated to present the shares on a post-consolidation basis.
- On March 12, 2024, pursuant to closing the RTO, the Company issued 7,810,000 common shares of the Company to the Former Quetzal's shareholders (Note 5).
- On March 12, 2024, the Company issued 1,200,000 flow-through units at a price of $0.20 per flow-through unit for gross proceeds of $240,000. The flow-through units were issued at a premium of $0.020 per unit. As a result, a flow-through premium liability of $24,000 was recorded. Each flow-through unit consists of one flow-through share and one share purchase warrant which entitles the holder to purchase one common share of the Company at a price of $0.30 per share until March 12, 2026. Remaining proceeds were allocated using the proportionate method. As a result, $169,355 was allocated to share capital and $70,645 was allocated to reserves. The Company paid a cash finder's fee equal to $43,900, issued 299,378 common shares at $0.18 per share for a fair value of $53,888 and issued 120,000 finder's warrants with a fair value of $9,011. Each finder's warrant entitles the holder to purchase one common share of the Company at $0.30 per share and expires on March 12, 2026.
- On May 30, 2024, the Company issued 3,623,290 common shares at $0.200 per share for a fair value of $724,658 to Princeton Copper Corp. as a payment under the Agreement (Note 8(a)).

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On February 17, 2023, the Company issued 6,258,411 common shares at $0.213 per share to 1390120 as payment of the option agreement to acquire a 100% interest in the DOT project, for a total fair value of $1,330,000 (Note 8(d)).
- On September 19, 2023, the Company completed a private placement of 1,196,888 units at $0.228 per unit for gross proceeds of $272,525. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.360 per share until September 19, 2025. Proceeds were allocated using the proportionate method. As a result, $225,796 was allocated to share capital and $46,729 was allocated to reserves. In connection with the private placement, the Company paid cash share issuance costs of $10,845 and issued 10,540 finders' warrants with a fair value of $927. Each finders' warrant entitles the holder to purchase one common share of the Company at a price of $0.360 per share until September 19, 2025.
- On September 19, 2023, the Company issued 457,487 flow-through units at $0.273 per unit for gross proceeds of $125,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $20,833 was recorded. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.410 per share until September 19, 2025. Remaining proceeds were allocated using the proportionate method. As a result, $87,320 was allocated to share capital and $16,847 was allocated to reserves.

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

- On October 26, 2023, the Company issued 842,072 units at $0.228 per unit for gross proceeds of $191,734. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.360 per share until October 26, 2025. Proceeds were allocated using the proportionate method. As a result, $158,940 was allocated to share capital and $32,794 was allocated to reserves.
- On December 22, 2023, the Company issued 3,618,474 units at $0.228 per unit for gross proceeds of $823,903. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.360 per share until December 22, 2025. Proceeds were allocated using the proportionate method. As a result, $683,850 was allocated to share capital and $140,053 was allocated to reserves. In connection with the private placement, the Company paid cash share issuance costs of $7,369.
- On December 22, 2023, the Company issued 237,893 flow-through units at $0.273 for gross proceeds of $65,000. The flow-through units were issued at a premium of $0.045 per unit. As a result, a flow-through premium liability of $10,834 was recorded. Each flow-through unit consists of one flow-through share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase one common share of the Company at a price of $0.410 per share until December 22, 2025. Remaining proceeds were allocated using the proportionate method. As a result, $45,487 was allocated to share capital and $8,679 was allocated to reserves.
- During the year ended December 31, 2023, the Company received proceeds of $2,606 for common shares that were issued on January 5, 2024.

c) Warrants

On January 5, 2024, the Company issued 49,641 warrants with a fair value of $3,845 in a unit private placement.

On March 12, 2024, in connection with the RTO (Note 5), the Company acquired 500,000 warrants. The exercise price of the warrants is $0.20 per share with the expiry date of October 15, 2026 with a fair value of $52,134.

On March 12, 2024, the Company issued 1,200,000 warrants with a fair value of $70,645 in a flow-through unit private placement and 120,000 finder's warrants with a fair value of $9,011.

A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for the warrants issued during the six months ended June 30, 2024 and the year ended December 31, 2023 is as follows:

	2024	2023
Share price	**$0.18**	$0.23
Exercise price	**$0.20**	$0.41
Expected life	**2 years**	2 years
Risk-free interest rate	**4.16%**	4.32%
Expected volatility	**100.00%**	100.00%
Expected annual dividend yield	**0.00%**	0.00%

A summary of the Company's warrant activity is as follows:

	Number of warrants	**Weighted average exercise price**
	#	$
Balance, December 31, 2022	-	-
Issued	3,186,945	0.37
Balance, December 31, 2023	3,186,945	0.37
Issued	1,869,642	0.27
Balance, June 30, 2024	**5,056,587**	**0.33**

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

A summary of the Company's warrants outstanding as at June 30, 2024 is as follows:

	Weighted average exercise price	Number of warrants	Weighted average remaining life
	$	#	Years
September 19, 2025	0.37	837,727	1.22
October 26, 2025	0.36	421,037	1.32
December 22, 2025	0.36	1,928,181	1.48
January 5, 2026	0.36	49,642	1.52
March 12, 2026	0.30	1,320,000	1.70
October 15, 2026	0.20	500,000	2.29
	0.33	**5,056,587**	**1.56**

d) Stock options

The Company's stock option plan (the "Option Plan") was approved by the Company's Board of Directors and shareholders on April 30, 2022. The Company established the Option Plan for the benefit of employees, officers, directors, and consultants of the Company and its affiliates. The maximum number of outstanding options available under the Option Plan is limited to 10% of the issued common shares and the options are exercisable within a maximum of ten years from the grant date. The Board of Directors has the exclusive power over the granting of stock options, the exercise price, the term, and their vesting and cancellation provisions.

On March 12, 2024, in connection with the RTO (Note 5), the Company acquired 781,000 stock options that are fully vested. The exercise price of the options is $0.20 per option with the expiry date of October 15, 2026 with a fair value of $81,433. A summary of the Company's weighted average inputs used in the Black-Scholes option pricing model for the stock options is as follows:

Share price	$0.18
Exercise price	$0.20
Expected life	3 years
Risk-free interest rate	4.16%
Expected volatility	100.00%
Expected annual dividend yield	0.00%

The weighted average remaining life in years represents the remaining period of the options granted are expected to remain unexercised. The expected volatility is based on the historical volatility of comparable companies. The risk-free interest rate is based on Canada government bonds with a term similar to the expected life of the stock options.

A summary of the Company's stock option activity is as follows:

	Number of stock options	Exercise price
	#	$
Balance, December 31, 2023 and 2022	2,348,567	0.05
Granted	781,000	0.20
Balance, June 30, 2024	**3,129,567**	**0.08**

(Unaudited - Expressed in Canadian dollars, except where noted)

11. SHARE CAPITAL (continued)

A summary of the Company's stock options outstanding and exercisable as at June 30, 2024 is as follows:

	Weighted average exercise price	**Number of stock options outstanding and exercisable**	**Weighted average remaining life**
	$	#	Years
October 15, 2026	0.20	781,000	2.29
April 30, 2027	0.05	2,348,567	2.83
	0.08	**3,129,567**	**2.70**

12. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

Unless otherwise noted, related party transactions were incurred in the normal course of operations and measured at the amount established and agreed upon by the related parties.

A summary of the Company's related party transactions is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	**2024**	2023
	$	$	**$**	$
Management compensation	**54,960**	-	**109,920**	-
Professional fees	**18,287**	-	**36,181**	-
	73,247	-	**146,101**	-

As at June 30, 2024, $nil (December 31, 2023 - $145,265) is owed to the Company's related parties. The amounts are unsecured, due on demand and are non-interest bearing.

As at June 30, 2024, the Company has amount due from related party of $nil (December 31, 2023 - $311,000) and included in subscriptions receivable.

During the year ended December 31, 2023, the Company received advances of $35,010 from a director of the Company, which were recorded as accounts payable and accrued liabilities and were repaid in full during the six months ended June 30, 2024. The advances are unsecured, due on demand and are non-interest bearing.

13. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its mineral properties to commercial production.

The capital structure of the Company currently consists of shareholders' equity, which was $3,267,216 as at June 30, 2024 (December 31, 2023 - $2,487,503). The Company manages its capital structure and makes adjustments to it for changes in economic conditions and the risk characteristics of the underlying assets, being mineral properties.

In order to maintain or adjust its capital structure, the Company may issue new shares through equity offerings or sell assets to fund operations. Management reviews the Company's capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid, and highly-rated financial instruments, such as cash, which is held with major financial institutions. There have not been changes to the Company's capital management policy during the six months ended June 30, 2024.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company classifies its cash, deposits, accounts payable and accrued liabilities, loan payable as well as due to related parties at amortized cost. As at June 30, 2024, the Company believes that the carrying values of cash, deposits, accounts payable and accrued liabilities, loan payable, as well as due to related parties approximate their fair values because of their nature and relatively short maturity dates or durations.

The Company is exposed to certain financial risks by its financial instruments. The risk exposures and their impact on the Company's financial statements are summarized below.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet an obligation under contract. As at June 30, 2024 and December 31, 2023, the Company's credit risk relates primarily to cash and deposits. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company considers the credit risk related to cash and deposits to be minimal.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. As a result, the Company is exposed to liquidity risk through accounts payable and accrued liabilities as well due to related parties. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures.

As at June 30, 2024, the Company's cash balance of $328,474 (December 31, 2023 - $502,833) will not be sufficient to meet its obligations related to its accounts payable and accrued liabilities balance of $329,009 (December 31, 2023 - $86,092) as well as due to related parties $nil (December 31, 2023 - $145,265). The Company will be required to raise additional capital in the future to fund its operations.

c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk as at June 30, 2024 and December 31, 2023 as its financial instruments are not subject to variable interest rates.

d) Foreign currency risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company is exposed to foreign currency risk, as certain monetary financial instruments are denominated in MXN and US$.