

**WORLD COPPER LTD.**  
**(An Exploration Stage Company)**

**Interim Condensed Consolidated Financial Statements**  
**(Unaudited – Prepared by Management)**

**Six months ended June 30, 2024**  
**Expressed in Canadian Dollars**

**Corporate Head Office**  
1570 – 200 Burrard Street  
Vancouver, BC  
V6C 3L6

**WORLD COPPER LTD.**  
(An Exploration Stage Company)  
Interim Condensed Consolidated Financial Statements  
(Expressed in Canadian Dollars)  
June 30, 2024

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**WORLD COPPER LTD.**

Interim Condensed Consolidated Statements of Financial Position

As at June 30, 2024 and December 31, 2023

(Unaudited - Expressed in Canadian Dollars)

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 30,365	\$ 14,329
Receivables	123,618	92,612
Prepays	621,871	139,230
Deferred financing costs (Note 14)	230,378	-
	<u>1,006,232</u>	<u>246,171</u>
<b>Non-Current</b>		
Deposits	7,587	7,587
Equipment (Note 5)	3,150	6,300
Exploration and evaluation assets (Note 6)	34,701,409	42,671,160
	<u>34,712,146</u>	<u>49,655,047</u>
<b>Total Assets</b>	<b>\$ 35,718,378</b>	<b>\$ 42,931,218</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 2,196,855	\$ 2,244,029
Due to Wealth Minerals Ltd. (Note 10)	112,450	112,450
Related party loans (Notes 7)	2,136,619	4,442,692
Loans payable (Note 7)	61,344	60,000
	<u>4,507,268</u>	<u>6,859,171</u>
<b>Total Liabilities</b>	<b>4,507,268</b>	<b>6,859,171</b>
<b>Shareholders' Equity</b>		
Capital stock (Note 8)	59,878,336	55,189,437
Subscriptions received (Note 14)	110,189	-
Share-based payment reserves (Notes 8, 9, and 10)	2,571,971	2,454,238
Deficit	(31,349,386)	(21,571,628)
	<u>31,211,110</u>	<u>36,072,047</u>
<b>Total Shareholders' Equity</b>	<b>31,211,110</b>	<b>36,072,047</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$ 35,718,378</b>	<b>\$ 42,931,218</b>

**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 interim condensed consolidated financial statements.

**WORLD COPPER LTD.**

## Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

Three and Six Months ended June 30, 2024, and 2023

(Unaudited - Expressed in Canadian Dollars)

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
<b>EXPENSES</b>				
Accretion (Notes 7)	\$ 2,625	\$ 148,694	\$ 34,884	\$ 186,588
Consulting fees (Note 10)	307,767	447,671	486,182	863,298
Depreciation (Note 5)	1,575	1,250	3,150	2,500
Exploration and evaluation (Note 6)	337,606	105,994	419,762	361,885
Foreign exchange loss	55,879	(36,567)	65,507	120,244
Insurance	12,978	19,541	26,958	43,961
Interest (Notes 7)	14,880	99,569	124,342	197,153
Office and miscellaneous	52,977	13,361	65,602	50,451
Professional fees	113,618	110,136	205,928	165,068
Rent (Note 10)	24,909	31,183	54,164	56,665
Share-based payments (Notes 9 and 10)	1,173,826	25,452	1,173,826	76,230
Shareholder communications	140,407	205,916	249,932	416,170
Transfer agent and regulatory fees	45,685	25,809	53,295	45,411
Travel	60,886	33,468	104,058	113,754
Wages and benefits (Note 10)	3,840	65,195	23,909	132,344
<b>Loss before the following</b>	<b>(2,349,458)</b>	<b>(1,296,672)</b>	<b>(3,091,499)</b>	<b>(2,831,722)</b>
Recovery of exploration and evaluation (Note 6)	-	2,422,778	-	2,422,778
Gain on write off of debt	197,435	-	197,435	-
Loss on write off of receivables	(8,448)	-	(8,448)	-
Loss on sale of investment (Note 4)	-	-	-	(60,000)
Loss on extinguishment (Note 7)	-	-	-	(696,201)
Write-down of exploration and evaluation asset (Note 6)	(7,969,751)	-	(7,969,751)	-
<b>Net (Loss) Income and Comprehensive (Loss)</b>				
<b>Income for the Period</b>	<b>\$ (10,130,222)</b>	<b>\$ 1,126,106</b>	<b>\$ (10,872,263)</b>	<b>\$ (1,165,145)</b>
<b>Basic and diluted income (loss) per common share</b>	<b>\$ (0.06)</b>	<b>\$ 0.01</b>	<b>\$ (0.07)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding</b>	<b>183,603,900</b>	<b>124,018,287</b>	<b>154,305,449</b>	<b>118,887,812</b>

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

**WORLD COPPER LTD.**

## Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

For the periods ended June 30, 2024, and December 31, 2023

(Unaudited - Expressed in Canadian Dollars)

	Number of Shares	Capital Stock	Subscriptions Received	Share-based Payment Reserve	Deficit	Total Shareholders' Equity
<b>Balance, December 31, 2022</b>	<b>113,700,331</b>	<b>\$ 53,175,656</b>	<b>\$ -</b>	<b>\$ 2,343,305</b>	<b>\$ (18,829,220)</b>	<b>\$ 36,689,741</b>
Shares issued – private placement (Note 8)	11,306,667	2,035,200	-	-	-	2,035,200
Share issue costs – paid in cash (Note 8)	-	(19,025)	-	-	-	(19,025)
Finder fee warrants – on private placements (Note 8)	-	(2,244)	-	2,244	-	-
Share-based payments (Note 9)	-	-	-	76,230	-	76,230
Warrants issued on loan extensions (Note 7)	-	-	-	937,647	-	937,647
Transfer of expired warrants	-	-	-	(50,197)	50,197	-
Loss for the period	-	-	-	-	(1,165,145)	(1,165,145)
<b>Balance, June 30, 2023</b>	<b>125,006,998</b>	<b>\$ 55,189,587</b>	<b>\$ -</b>	<b>\$ 3,309,229</b>	<b>\$ (19,944,168)</b>	<b>38,554,648</b>
Share issue costs – paid in cash (Note 8)	-	(150)	-	-	-	(150)
Share-based payments (Note 9)	-	-	-	8,715	-	8,715
Transfer of cancelled options	-	-	-	(514,081)	514,081	-
Transfer of expired warrants	-	-	-	(349,625)	349,625	-
Loss for the period	-	-	-	-	(2,491,166)	(2,491,166)
<b>Balance, December 31, 2023</b>	<b>125,006,998</b>	<b>55,189,437</b>	<b>-</b>	<b>2,454,238</b>	<b>(21,571,628)</b>	<b>36,072,047</b>
Shares issued – private placement (Note 8)	69,547,069	4,868,295	-	-	-	4,868,295
Share issue costs – paid in cash (Note 8)	-	(140,984)	-	-	-	(140,984)
Finder fee warrants – on private placements (Note 8)	-	(38,412)	-	38,412	-	-
Subscriptions received (Note 14)	-	-	110,189	-	-	110,189
Share-based payments (Note 9)	-	-	-	1,173,826	-	1,173,826
Transfer of cancelled options	-	-	-	(156,858)	156,858	-
Transfer of expired warrants	-	-	-	(937,647)	937,647	-
Loss for the period	-	-	-	-	(10,872,263)	(10,872,263)
<b>Balance, June 30, 2024</b>	<b>194,554,067</b>	<b>\$ 59,878,336</b>	<b>\$ 110,189</b>	<b>\$ 2,571,971</b>	<b>\$ (31,349,386)</b>	<b>\$ 31,211,110</b>

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

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## Interim Condensed Consolidated Statements of Cash Flows

For the periods ended June 30, 2024, and 2023

(Unaudited - Expressed in Canadian Dollars)

	<b>Six months ended June 30, 2024</b>	<b>Six months ended June 30, 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period	\$ (10,872,263)	\$ (1,165,145)
Item not affecting cash:		
Accretion on loans	34,884	186,588
Depreciation	3,150	2,500
Accrued interest on loans	123,336	196,105
Foreign exchange on loans	94,288	73,281
Loss on sale of investments	-	60,000
Loss on extinguishment	-	696,201
Gain on settlement of debt	(197,435)	-
Loss on sale settlement of receivables	8,448	-
Share-based payments	1,173,826	76,230
Write-down of exploration and evaluation asset	7,969,751	-
Changes in non-cash working capital items:		
Receivables	(39,454)	(25,486)
Prepays	(482,641)	250,754
Accounts payable and accrued liabilities	150,261	(572,554)
Net cash used in operating activities	<u>(2,033,849)</u>	<u>(221,526)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Proceeds on sale of marketable securities	-	500,000
Net cash provided by investing activity	<u>-</u>	<u>500,000</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loan repayments	(2,557,237)	-
Share subscriptions	110,189	-
Proceeds from issuance of shares	4,868,295	2,035,200
Share issue costs	(140,984)	(19,025)
Deferred financing costs	(230,378)	-
Due to Wealth Minerals	-	37
Net cash provided by financing activities	<u>2,049,885</u>	<u>2,016,212</u>
<b>Change in cash for the period</b>	<b>16,036</b>	<b>2,294,686</b>
<b>Cash, beginning of period</b>	<b>14,329</b>	<b>7,409</b>
<b>Cash, end of period</b>	<b>\$ 30,365</b>	<b>\$ 2,302,095</b>
Cash paid for interest	\$ 1,537,401	\$ -
Cash paid for tax	\$ -	\$ -

**Significant non-cash financing and investing transactions during the period ended June 30, 2024 included:**

- Issued 765,900 warrants valued at \$38,412 as finder's fees for private placements (Note 8).

**Significant non-cash financing and investing transactions during the period ended June 30, 2023 included:**

- Issued 36,497 warrants valued at \$2,244 as finder's fees for private placements (Note 8).
- Issued 10,321,657 warrants with a value of \$937,647 on loan extensions (Notes 7 and 8).

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

## **WORLD COPPER LTD.**

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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### **1. NATURE OF OPERATIONS AND GOING CONCERN**

World Copper Ltd. (“the Company”) was incorporated under the Business Corporations Act (British Columbia) on June 16, 2006 and began trading under the symbol “WCU.V” on the TSX Venture Exchange (“TSXV”) on January 26, 2021.

The Company is an exploration stage junior mining company currently engaged in the identification, acquisition, and exploration of mineral resources in Chile and the United States. The Company’s head office and records office are located at #1570 – 200 Burrard Street, Vancouver, British Columbia, V6C 3L6, Canada.

These interim condensed 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 a net loss of \$10,872,263 during the period ended June 30, 2024 (June 30, 2023 - \$1,165,145) and as at of June 30, 2024, has a working capital deficiency of \$3,501,036 (December 31, 2023 - \$6,613,000) and an accumulated deficit of \$31,349,386 (December 31, 2023 - \$21,571,628). 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 and loans 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 interim condensed 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.

### **2. BASIS OF PRESENTATION**

#### **a) Basis of presentation**

These interim condensed consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with International Accounting Standard (“IAS”) 34, Interim Financial Reporting. Accordingly, these interim consolidated financial statements do not include all of the information required for full IFRS financial statements and therefore should be read in conjunction with the Company’s most recent annual consolidated financial statements for the year ended December 31, 2023, which were prepared in accordance with IFRS as issued by IASB.

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 interim condensed consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The Board of Directors approved these consolidated interim condensed financial statements for issue on August 28, 2024.

#### **b) Functional and presentation currency**

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

## WORLD COPPER LTD.

Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

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### 2. BASIS OF PRESENTATION (Continued)

#### c) Principles of consolidation

These interim condensed 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 interim condensed 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 interim condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries listed in the following table:

	Country of Incorporation	Principal Activity
SASC Metallurgy Corp. ("SASC")	Canada	Mineral exploration
Zonia Holdings Corp. ("Zonia")	Canada	Mineral exploration
Escalones Copper Corp. ("Escalones")	Canada	Mineral exploration
Cardero Copper (USA) Inc.	USA	Mineral exploration
TriMetals Mining Chile SCM ("TriMetals")	Chile	Mineral exploration
Wealth Copper Chile S.p.A	Chile	Mineral exploration

#### d) Critical estimates, judgments and assumptions

The preparation of the Company's interim condensed 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 interim condensed financial statements and the reported amounts of revenues and expenses during the reporting period. 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:

##### 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:

##### **Share-based payments**

Share-based payment 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. Share-based payment expense also utilizes subjective assumption on forfeiture rate. Changes in these input assumptions can significantly affect the fair value estimate.

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Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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### **2. BASIS OF PRESENTATION (Continued)**

#### **d) Critical estimates, judgments and assumptions (Continued)**

##### **Critical accounting estimates (Continued)**

###### **Interest rates**

The Company estimates a market interest rate in determining the fair value of the loans payable. The determination of market interest rate is subjective and could significantly affect the fair value estimate.

###### **Fair value of warrants**

Estimating the fair value of warrants issued on extinguishment of debt requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the issuance. The Company uses the Black-Scholes option pricing model for valuation of warrants. Option pricing models require the input of subjective assumptions including expected price volatility, life of options, and forfeiture rates. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity settled benefits.

###### **Significant judgments**

The preparation of these interim condensed 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 interim condensed consolidated financial statements.

###### **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.

###### **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. During the year ended December 31, 2023, the Company determined there were indicators of impairment on some of its properties. The Company estimated the recoverable amount, being the higher of value-in-use and fair value less cost of disposal, in order to determine the extent of the impairment (Note 6). There are no indicators of impairment on the Company's remaining exploration assets as at June 30, 2024.

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Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

(Unaudited - Expressed in Canadian Dollars)

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### **2. BASIS OF PRESENTATION (Continued)**

#### **d) Critical estimates, judgments and assumptions (Continued)**

##### **Significant judgments (Continued)**

###### **Value Added Tax**

Expenditures incurred by the Company in Chile are subject to Chilean Value Added Tax (“VAT”). Under Chilean law, VAT paid can be used in the future to offset amounts resulting from VAT charged on sales. Under certain circumstances and subject to approval from tax authorities, a company can also apply for early refund of VAT prior to generating sales. The Company has applied for a refund of VAT and records the refund in the period in which it is received.

###### **Compound instruments**

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

###### **Modification versus extinguishment of financial liability**

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

### **3. MATERIAL ACCOUNTING POLICIES**

The material accounting policies and methods of application applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company’s most recent audited consolidated financial statement for the year ended December 31, 2023.

### **4. MARKETABLE SECURITIES**

During the year ended December 31, 2022, the Company received 2,000,000 common shares of Electric Royalties Ltd. The shares were initially recorded at \$470,000, the fair market value on the date of acquisition, and adjusted to \$560,000, their fair market value on December 31, 2022.

During the year ended December 31, 2023, the securities were sold for \$500,000 at a loss of \$60,000 to an entity related via common management and board of directors.

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Notes to the Interim Condensed Consolidated Financial Statements

June 30, 2024

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**5. EQUIPMENT**

	Office Equipment	Computer Equipment	Total
<b>Cost</b>			
Balance at December 31, 2021, 2022 and June 30, 2024	\$ 12,306	\$ 3,979	\$ 16,285
<b>Accumulated depreciation</b>			
Balance at December 31, 2022	\$ 3,006	\$ 2,000	\$ 5,006
Depreciation	3,000	1,979	4,979
Balance at December 31, 2023	6,006	3,979	9,985
Depreciation	3,150	-	3,150
Balance at June 30, 2024	\$ 9,156	\$ 3,979	\$ 13,135
<b>Carrying amounts</b>			
At December 31, 2023	\$ 6,300	\$ -	\$ 6,300
At June 30, 2024	\$ 3,150	\$ -	\$ 3,150

**6. EXPLORATION AND EVALUATION ASSETS**

	Zonia Property, USA	Escalones Property, Chile	Cristal Property, Chile	Total
<b>Acquisition costs capitalized</b>				
<b>Balance, December 31, 2022</b>	<b>\$ 34,701,408</b>	<b>\$ 7,385,934</b>	<b>\$ 279,367</b>	<b>\$ 42,366,709</b>
Acquisition costs - cash	-	583,818	-	583,818
Impairment	-	-	(279,367)	(279,367)
<b>Balance, December 31, 2023</b>	<b>34,701,408</b>	<b>7,969,752</b>	<b>-</b>	<b>42,671,160</b>
Acquisition costs - cash	-	-	-	-
Impairment	-	(7,969,751)	-	(7,969,751)
<b>Balance, June 30, 2024</b>	<b>\$ 34,701,408</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 34,701,409</b>
<b>Exploration and evaluation expenses - 2024</b>				
Assays	\$ 3,853	\$ -	\$ -	\$ 3,853
Consulting	193,269	-	-	193,269
Environmental	1,927	-	-	1,927
Field and camp supplies	34,353	9,833	-	44,186
Geophysical	50,740	-	-	50,740
Property taxes, lease and other	(13,006)	70,110	-	57,104
Transportation and equipment rentals	68,683	-	-	68,683
<b>Period ended June 30, 2024</b>	<b>\$ 339,819</b>	<b>\$ 79,943</b>	<b>\$ -</b>	<b>\$ 419,762</b>

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Notes to the Interim Condensed Consolidated Financial Statements

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(Unaudited - Expressed in Canadian Dollars)

**6. EXPLORATION AND EVALUATION ASSETS (Continued)**

<b>Exploration and evaluation expenses - 2023</b>	Zonia Property, USA	Escalones Property, Chile	Cristal Property, Chile	Total
Assays	\$ 3,056	\$ -	\$ -	\$ 3,056
Community relations	-	940	-	940
Consulting	64,279	-	-	64,279
Environmental	1,368	-	-	1,368
Field and camp supplies	6,999	9,013	-	16,012
Geological	10,461	-	-	10,461
Geophysical	11,179	-	-	11,179
Property taxes, lease and other	21,136	140,071	-	161,207
Drilling, Roads & Trenches	85,295	2,141	-	87,436
Transportation and equipment rentals	3,518	2,429	-	5,947
<b>Expenditures</b>	<b>207,291</b>	<b>154,594</b>	-	<b>361,885</b>
Expense recovery (Chilean VAT)	-	(2,422,778)	-	(2,422,778)
<b>Period ended June 30, 2023</b>	<b>\$ 207,291</b>	<b>\$ (2,268,184)</b>	<b>\$ -</b>	<b>\$ (2,060,893)</b>

**Escalones Property, Chile**

During the year ended December 31, 2019, the Company became party to an option agreement for the Escalones property. The remaining payments required to earn a 100% interest in the Escalones property, amended on May 24, 2021, are as follows:

- i) paying USD\$60,000 on or before June 30, 2020 (paid);
- ii) paying USD\$140,000 on or before December 31, 2020 (paid);
- iii) paying USD\$150,000 on or before May 24, 2021 amendment date (paid);
- iv) paying USD\$150,000 on or before September 30, 2021 (paid);
- v) paying USD\$200,000 on or before July 12, 2022 (paid);
- vi) paying USD\$150,000 on or before September 30, 2022 (paid);
- vii) paying USD\$165,000 on or before November 30, 2022 (paid);
- viii) paying USD\$216,000 on or before July 6, 2023 (paid);
- ix) paying USD\$216,000 on or before September 30, 2023 (paid);
- x) paying USD\$218,000 on or before December 31, 2024;
- xi) paying USD\$800,000 on or before June 30, 2025;
- xii) paying USD\$800,000 on or before December 31, 2025;
- xiii) paying USD\$800,000 on or before June 30, 2026; and
- xiv) paying USD\$450,000 on or before December 31, 2026.

An additional payment of USD \$350,000 is required to be made with the final payment on or before December 31, 2026. The Company has granted a 2% net smelter returns royalty (“NSR”) to the underlying Escalones Property owner.

The Company has made the decision to write down the Escalones Project to a nominal value of \$1 subsequent to the period ended June 30, 2024. The write-down is warranted due to the continued uncertainty regarding any future re-categorization of the Sanctuary of Nature (within which the Escalones Project is located) and the lapse of a pre-existing easement. The Company has been communicating with the landowner to secure a flexible management plan in order for the area in which the Escalones Project is located to be categorized as a multiple-use conservation area, and has also been renegotiating access rights to the Escalones Project. There is uncertainty as to the outcome of any future re-categorization of the Sanctuary of Nature and the surface access rights negotiations, and any potential impacts of same on the exploration of the Escalones Project. The uncertainty is an indicator of impairment, and accordingly, an impairment expense of \$7,969,751 was recorded in the condensed consolidated statements of loss and comprehensive loss for the period ended June 30, 2024. The estimated recoverable value was based on its value-in-use of \$1, estimated in accordance with Level 3 of the fair value hierarchy.

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Notes to the Interim Condensed Consolidated Financial Statements

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### **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.

The Company has made cash payments of USD\$200,000 towards the option.

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

- i) paying USD\$500,000 on or before second anniversary of closing (January 15, 2023\*);
- ii) paying USD\$700,000 on or before third anniversary of closing (January 15, 2024\*); and
- iii) paying USD\$3,000,000 on or before fourth anniversary of closing (January 15, 2025).

\* The January 15, 2023 and 2024 payments were not paid nor payable as the Company and the Vendor could not renegotiate new terms and returned the Property back to the Vendor during the current period.

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

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

During the year ended December 31, 2023, the Company impaired the cost of \$279,367 bringing the carrying value of the Cristal Property to \$Nil in accordance with Level 3 of the fair value hierarchy. The Company has not incurred any exploration expenditures on the property in the past two fiscal years nor does it plan to incur exploration expenditures subsequent to December 31, 2023. As the Cristal property has been in the exploration stage, there are no projected cash flows available to determine an appropriate value-in-use. Therefore, a value-in-use model is not further considered. During the period the Company informed the Optionor that it was not proceeding with the agreement and returned the Cristal Property.

#### **Zonia, Arizona USA**

Pursuant to an option agreement dated August 27, 2015, and as amended on October 3, 2018, between the Company and Redstone Resources Corporation ("Redstone"), the Company completed the acquisition of a 100% interest in the Zonia copper project.

On August 17, 2022, the Company granted to Electric Royalties Ltd. ("Electric Royalties"): (i) a 0.5% Gross Revenue Royalty ("GRR") on the Zonia Project; (ii) an option to acquire a further 0.5% GRR on the Zonia Project for an additional cash payment of \$3.0 million; and (iii) an option to acquire a 1% GRR on the Zonia Norte deposit, for a cash payment of \$3.0 million.

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### **7. LOANS PAYABLE**

#### **DIRECTORS' LOAN**

The Company has loans aggregating \$150,000 plus accrued interest, due to E.L. II Properties Trust (related to a Director of the Company) and two former directors of Zonia. The loans bear interest at a rate of 8% and 12% per annum, compounded annually, repayable on varying dates of May 22, 2023 and May 22, 2024 (Subsequently extended to May 22, 2026 per amending agreement with E.L. II Properties Trust – Note 14) and August 15, 2024 (extended from June 2, 2024 with the two former directors).

#### **ZONIA LOAN**

The Company has a facility agreement with E.L. II Properties Trust (related to a Director of the Company), an unsecured credit facility (the “Facility”) of USD\$630,000 plus accrued interest. The Facility bears interest at 8% per annum with the balance due on February 22, 2024 (Subsequently extended to February 22, 2026 per amending agreement with E.L. II Properties Trust – Note 14).

#### **OTHER LOAN ADVANCES**

The Company has three loan agreements with E.L. II Properties Trust (related to a Director of the Company), for unsecured loans (the “Loan Advances”) in the aggregate of USD\$750,265 plus accrued interest. The loans bear interest at 8% per annum with the balances of each of the three loans due on February 22, 2026 (Subsequently extended to February 22, 2026 per amending agreement with E.L. II Properties Trust – Note 14).

#### **DIVIDEND LOAN**

The Company has a loan agreement with E.L. II Properties Trust and Kopple Family Partnership, L.P. (related to a Director of the Company), for an unsecured loan (the “Dividend Loan”) in the aggregate of \$1,019,836 plus accrued interest. The loan was repaid on April 29, 2024, with residual interest outstanding, payable on demand and bears interest at 8% per annum.

#### **EXTENTION – ZONIA AND OTHER LOAN ADVANCES**

On January 10, 2023, the Company extended the due dates on advances from E.L. II Properties Trust. Four loans in the aggregate amount of USD\$1,065,265 were extended to February 22, 2024. The Company issued 10,321,657 non-transferable bonus warrants at an exercise price of \$0.14 CAD per share expiring on February 22, 2024. The issued warrants contain a clause that restricts exercise if exercising causes the holders' ownership to exceed 19.99%. In accordance with IFRS 9 – *Financial Instruments*, the Company determined the extension of the loans and grant of bonus warrants meet the definition of a substantial modification and was accounted for as an extinguishment of debt. The fair value of the liability portion at the time of amendment was determined based on an estimated discount rate of 23%, the bonus warrants of \$937,647 were valued using Black-Scholes option pricing model with the following assumptions: risk-free rate of 4.25%, expected volatility of 87%, expected dividend of \$Nil, and expected life of 1 year. Consequently, a loss on extinguishment of debt of \$696,201 was recognized in the consolidated statements of loss and comprehensive loss (Notes 10 and 12).

On May 16, 2024, the Company entered an agreement to extend the due dates on advances from E.L. II Properties Trust (related to a Director of the Company). Four loans in the aggregate amount of USD\$1,380,265 and CAD\$85,000 were to be extended to have new due dates of February 22, 2026, and May 22, 2026, as noted above. Subsequent to period-end, the Company also agreed to issue 7,251,925 non-transferable bonus warrants at an exercise price of \$0.135 CAD per share expiring on the earlier of (i) the expiry date prescribed by the policies of the TSXV, and (ii) the date, which is two years following their issuance, subject to receipt of the approval of the TSXV of this Agreement and the Bonus Warrants. The issued warrants contain a clause that restricts exercise if exercising causes the holders' ownership to exceed 19.99%. The agreement was subject to TSXV approval which was received subsequent to period end (see Note 14).

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**7. LOANS PAYABLE (Continued)**

On April 29, 2024, the Company repaid the following amounts on the outstanding loans:

	Principal	Accrued Interest	Total
<b>Loans payable:</b>			
Directors' Loans	\$ -	\$ 50,362	\$ 50,362
Zonia Loan	-	584,070	584,070
Other Loan Advances	-	693,658	693,658
Dividend Loan	1,019,836	209,311	1,229,147
<b>Total Repaid</b>	<b>\$ 1,019,836</b>	<b>\$ 1,537,401</b>	<b>\$ 2,557,237</b>

Summary of outstanding loans payable on June 30, 2024 and December 31, 2023:

	Principal	Accrued Interest	Accretion Discount	Total
<b>Loans payable – December 31, 2023:</b>				
Directors' Loans	\$ 150,000	\$ 93,350	\$ (7,018)	\$ 236,332
Zonia Loan	833,238	551,041	(27,173)	1,357,106
Other Loan Advances	992,300	643,721	-	1,636,021
Dividend Loan	1,019,836	193,397	-	1,213,233
CEBA Loan	60,000	-	-	60,000
<b>Balance – December 31, 2023</b>	<b>3,055,374</b>	<b>1,481,509</b>	<b>(34,191)</b>	<b>4,502,692</b>
Less current portion	(3,055,374)	(1,481,509)	34,191	(4,502,692)
<b>Long term portion</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Loans payable – June 30, 2024:</b>				
Directors' Loans	\$ 150,000	\$ 53,950	\$ -	\$ 203,950
Zonia Loan	862,281	31,104	-	893,385
Other Loan Advances	1,026,888	(3,988)	-	1,022,900
Dividend Loan	-	16,384	-	16,384
CEBA Loan	60,000	1,344	-	61,344
<b>Balance – June 30, 2024</b>	<b>2,099,169</b>	<b>98,794</b>	<b>-</b>	<b>2,197,963</b>
Less current portion	(2,099,169)	(98,794)	-	(2,197,963)
<b>Long term portion</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Subsequent to June 30, 2024, the Company received TSXV approval of Loan Extension and the Bonus Warrants, as such the outstanding principal and interest related to the Zonia and Other loans outstanding at June 30, 2024 have subsequently been reclassified as non-current.

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**7. LOANS PAYABLE (Continued)**

The amounts owing as at June 30, 2024 and December 31, 2023, from a director and former directors of the Company's subsidiary are as follows:

	Directors' Loans	Zonia Loan	Other Loan Advances	Dividend Loan	Total
<b>Loans payable:</b>					
<b>Balance – December 31, 2022</b>	<b>\$ 198,106</b>	<b>\$ 1,119,781</b>	<b>\$ 1,488,535</b>	<b>\$ 1,120,840</b>	<b>3,927,262</b>
Equity portion of compound instruments	-	-	(937,647)	-	(937,647)
Interest expense	21,944	106,628	184,519	92,393	405,484
Loss on Extinguishment	-	-	696,201	-	696,201
Accretion	16,282	159,891	107,439	-	283,612
Foreign exchange adjustment	-	(29,194)	96,974	-	67,780
<b>Balance – December 31, 2023</b>	<b>\$ 236,332</b>	<b>\$ 1,357,106</b>	<b>\$ 1,636,021</b>	<b>\$ 1,213,233</b>	<b>4,442,692</b>
Interest expense	10,963	49,702	29,029	32,298	121,992
Accretion	7,018	27,866	-	-	34,884
Foreign exchange adjustment	-	42,781	51,507	-	94,288
Repaid	(50,363)	(584,070)	(693,657)	(1,229,147)	(2,557,237)
<b>Balance – June 30, 2024</b>	<b>\$ 203,950</b>	<b>\$ 893,385</b>	<b>\$ 1,022,900</b>	<b>\$ 16,384</b>	<b>2,136,619</b>

**CEBA LOAN**

The Company has a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account ("CEBA") in the amount of \$60,000 and has an interest rate of 0% to be repaid by December 31, 2023, of which \$20,000 of the loan will be forgiven if \$40,000 is repaid in full on or before December 31, 2023. During the six months ended June 30, 2024, under the CEBA Loan Program, the Company's CEBA loan was converted to a term loan with repayment of the loan due on or before December 31, 2026, together with any accrued and unpaid interest at 5% per annum from January 19, 2024. As at June 30, 2024 the Company accrued \$1,344 in interest with a carrying value of principal and interest of \$61,344.

**8. CAPITAL STOCK****Authorized share capital**

Unlimited number of common shares without par value.

**Issued share capital**

During the period ended June 30, 2024, the Company:

- i) On April 12, 2024, the Company issued 53,015,112 units at \$0.07 per unit for gross proceeds of \$3,711,058 in the first of two tranches of a private placement. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of \$0.17 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSX Venture Exchange ("TSXV") is equal to or greater than \$0.30 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 \$85,393 in cash and issued 765,900 finder's warrants valued at \$38,412. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.17 for a period of 24 months from the date of issuance.

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Notes to the Interim Condensed Consolidated Financial Statements

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**8. CAPITAL STOCK (Continued)**

- ii) On April 26, 2024, the Company issued 16,531,957 units at \$0.07 per unit for gross proceeds of \$1,157,237 in the second of two tranches of a private placement. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of \$0.17 per share. The expiry of the Warrants may be accelerated if the closing price of the Company's common shares on the TSX Venture Exchange ("TSXV") is equal to or greater than \$0.30 for a minimum of twenty consecutive trading days and a notice of acceleration is provided in accordance with the terms of the Warrants. No finder's fees were payable pursuant to this tranche.
- iii) Other share issuance costs totaling \$55,591 were paid during the period ended June 30, 2024.

During the year ended December 31, 2023, the Company:

- i) On March 31, 2023, issued 7,974,344 units at \$0.18 per unit for gross proceeds of \$1,435,382 in the first of two tranches of a private placement. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of \$0.30 per share. In connection with the issuance, the Company paid aggregate finder's fees consisting of \$5,813 in cash and issued 32,297 finder's warrants valued at \$2,038. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.30 for a period of 24 months from the date of issuance.
- ii) On April 27, 2023, the Company issued 3,332,323 units at \$0.18 per unit for gross proceeds of \$599,818 in the second of two tranches of a private placement. Each unit consisted of one common share and one-half of one common share purchase warrant (a "Warrant"). Each whole Warrant entitles the holder to acquire one additional share of the Company for a period of two years from the date of issuance at a price of \$0.30 per share. In connection with the issuance, the Company paid aggregate finder's fees consisting of \$756 in cash and issued 4,200 finder's warrants valued at \$206. Each finder's warrant entitles the holder thereof to purchase one common share at a price of \$0.30 for a period of 24 months from the date of issuance.
- iii) Other share issuance costs total \$12,606 were paid during the year ended December 31, 2023.
- iv) Held 3,308,780 shares in escrow as at December 31, 2023, which were released subsequent to year-end in January 2024.

**Warrants**

Warrant transactions are summarized as follows:

	Number of Warrants	Weighted average exercise price
<b>Outstanding, December 31, 2022</b>	<b>28,063,071</b>	<b>\$ 0.60</b>
Issued	16,011,490	0.20
Expired	(8,200,833)	0.60
<b>Outstanding, December 31, 2023</b>	<b>35,873,728</b>	<b>\$ 0.42</b>
Issued	35,539,438	0.17
Expired	(10,321,657)	0.14
<b>Outstanding, June 30, 2024</b>	<b>61,091,509</b>	<b>\$ 0.32</b>

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**8. CAPITAL STOCK (Continued)****Warrants (Continued)**

The following warrants were outstanding at June 30, 2024, and December 31, 2023:

Expiry Date	Exercise Price	Number of Warrants	
		June 30, 2024	December 31, 2023
February 22, 2024	\$0.14	-	10,321,657
July 21, 2024 *	\$0.60	2,132,206	2,132,206
August 31, 2024	\$0.60	2,638,251	2,638,251
March 31, 2025	\$0.30	3,987,174	3,987,174
March 31, 2025 <sup>(1)</sup>	\$0.30	32,297	32,297
April 27, 2025	\$0.30	1,666,162	1,666,162
April 27, 2025 <sup>(1)</sup>	\$0.30	4,200	4,200
August 31, 2025 <sup>(1)</sup>	\$0.30	194,844	194,844
September 15, 2025 <sup>(2)</sup>	\$0.60	500,000	500,000
October 15, 2025 <sup>(2)</sup>	\$0.60	536,218	536,218
July 27, 2025 <sup>(2)</sup>	\$0.60	7,042,996	7,042,996
July 27, 2025 <sup>(2)</sup>	\$0.60	6,817,723	6,817,723
April 12, 2026	\$0.17	26,507,559	-
April 12, 2026 <sup>(1)</sup>	\$0.17	765,900	-
April 26, 2026	\$0.17	8,265,979	-
		<b>61,091,509</b>	<b>35,873,728</b>

<sup>(1)</sup> Finder's warrants<sup>(2)</sup> Warrant exercises subject to special warrant shares to be issued (see Special Warrant below)

\* Expired subsequent to the period unexercised

The finder's warrants issued during the period ended June 30, 2024, (December 31, 2023), were valued using the Black-Scholes option pricing model with the following weighted average assumptions:

	Period ended June 30, 2024	Year ended December 31, 2023
Risk-free interest rate average	4.17%	3.74%
Expected life	2.00 years	2.00 years
Expected annualized volatility	92.34%	79.09%
Expected dividend rate	-	-

The loan bonus warrants issued during the year ended December 31, 2023 (Note 7), were valued using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year ended December 31, 2023
Risk-free interest rate average	4.25%
Expected life	1.00 years
Expected annualized volatility	87.80%
Expected dividend rate	-

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Notes to the Interim Condensed Consolidated Financial Statements

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### **8. CAPITAL STOCK (Continued)**

#### **Warrants (Continued)**

##### **Special Warrant**

On September 25, 2019, the Company acquired 100% of the common shares of the SASC Metallurgy Corp., Escalones Copper Corp., and TriMetals Mining Chile SCM (collectively the “TMI Group”), which included a 100% interest in the Escalones property from Gold Springs Resource Corp. (“Gold Springs”). As part of the acquisition, the Company 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 Ltd. (“Wealth Minerals”), a related party via common management and board of directors, acquired 13,225,198 common shares and remaining special warrants of the Company held by Gold Springs.

As at June 30, 2024, 6,384,400 (December 31, 2023 – 6,384,400) special warrants remain outstanding.

### **9. STOCK OPTION PLAN AND SHARE-BASED PAYMENTS**

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

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

During the period ended June 30, 2024, the Company granted incentive stock options to directors, officers, employees, and consultants of the Company to purchase up to 10,265,000 common shares in the capital stock of the Company. The options are exercisable on or before May 13, 2027, at a price of \$0.20 per share.

During the period ended June 30, 2024, the Company granted incentive stock options to a consultant of the Company to purchase up to 100,000 common shares in the capital stock of the Company. The options are exercisable on or before June 13, 2026, at a price of \$0.22 per share.

During the year ended December 31, 2023, no incentive stock options were granted. The stock-based compensation of \$76,230 during the period ended June 30, 2023, is related to vesting provisions on the August 23, 2022 grant.

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. The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected average option term is the average expected period to exercise, based on the historical activity patterns for each individually vesting tranche. The expected dividend rate is estimated at 0.00% as the Company does not have a history of issuing and paying dividends.

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

Stock option transactions are summarized as follows:

	Number of Options	Weighted Average Exercise Price
<b>Outstanding, December 31, 2022</b>	<b>10,755,000</b>	<b>0.29</b>
Cancelled	(3,000,000)	0.27
<b>Outstanding, December 31, 2023</b>	<b>7,755,000</b>	<b>0.30</b>
Issued	10,365,000	0.20
Cancelled	(800,000)	0.31
<b>Outstanding, June 30, 2024</b>	<b>17,320,000</b>	<b>0.24</b>

The following incentive stock options were outstanding and exercisable at June 30, 2024 and December 31, 2023:

Expiry Date	Exercise Price	June 30, 2024	December 31, 2023
August 23, 2025	\$0.31	1,000,000	1,000,000
August 19, 2025	\$0.31	4,200,000	5,000,000
September 30, 2025	\$0.27	1,755,000	1,755,000
June 13, 2026	\$0.22	100,000	-
May 13, 2027	\$0.20	10,265,000	-
		<b>17,320,000</b>	<b>7,755,000</b>

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:

	Period ended June 30, 2024
Risk-free interest rate average	4.16%
Expected life	2.99 years
Expected annualized volatility	89.12%
Expected dividend rate	0.00%

**10. 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 periods ended June 30, 2024, and 2023 was as follows:

	June 30, 2024	June 30, 2023
Management fees, included in consulting fees	\$ 251,500	\$ 114,000
Directors' fees, included in consulting fees	8,071	10,851
Legal fees, included in professional fees	124,756	-
Legal fees, included in deferred financing costs	230,378	-
Wages and benefits	-	123,918
Share-based payment	884,083	-
Rent	54,164	56,665

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**10. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT COMPENSATION (Continued)**

The amounts due to the related parties are as follows:

	June 30, 2024	December 31, 2023
Included in accounts payable and accrued liabilities:		
Due to directors	\$ 377,640	\$ 92,929
Due to former directors	88,424	108,000
Due to the CEO	15,573	-
Due to the former CEO	90,250	149,690
Due to the CFO	7,350	14,700
Due to the corporate secretary – Consulting fees	43,575	30,975
Due to the corporate secretary – Rent	78,840	63,899
Due to the corporate secretary – Expense reimbursements	106,370	28,703
	808,022	488,896
Included in due to related parties:		
Due to Wealth Minerals	112,450	112,450
	\$ 920,472	\$ 601,346

Included in due to former CEO is a termination benefit of \$90,250 (December 31, 2023 - \$149,690) accrued to the former CEO.

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

For related party loans, please refer to Note 7.

**11. 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 period ended June 30, 2024.

**12. FINANCIAL INSTRUMENTS**

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

*Credit risk*

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. The Company's credit risk is primarily attributable to accounts receivable and cash. 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 June 30, 2024, the Company had cash of \$30,365 (December 31, 2023 - \$14,329).

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Notes to the Interim Condensed Consolidated Financial Statements

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**12. FINANCIAL INSTRUMENTS (Continued)***Interest rate risk*

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

*Liquidity risk*

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. At June 30, 2024, the Company had a cash balance of \$30,365 (December 31, 2023 - \$14,329) to settle current liabilities of \$4,507,268 (December 31, 2023 - \$6,859,171). 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 and loans payable which have varying payment terms as noted in Note 7. The Company expects to fund these liabilities through the use of existing cash resources and will need to obtain additional equity financing. The Company's undiscounted financial liabilities are due as follows:

As at June 30, 2024:

	0 to 3 months	3 to 6 months	6 to 12 months	More than 12 months	Total
Accounts payable and accrued liabilities	\$ 2,196,855	\$ -	\$ -	\$ -	\$ 2,196,855
Loans payable	2,136,619	-	-	61,344	2,197,963
Due to Wealth Minerals Ltd.	112,450	-	-	-	112,450
	\$ 4,445,924	\$ -	\$ -	\$ 61,344	\$ 4,507,268

As at December 31, 2023:

	0 to 3 months	3 to 6 months	6 to 12 months	More than 12 months	Total
Accounts payable and accrued liabilities	\$ 2,244,029	\$ -	\$ -	\$ -	\$ 2,244,029
Loans payable	3,080,300	243,350	1,213,233	-	4,536,883
Due to Wealth Minerals Ltd.	112,450	-	-	-	112,450
	\$ 5,436,779	\$ 243,350	\$ 1,213,233	\$ -	\$ 6,893,362

*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 June 30, 2024 and December 31, 2023

*Foreign currency risk*

The Company is exposed to foreign currency risk as certain monetary financial instruments are denominated in Chilean and United States currencies. Canadian dollar denominated balances generated foreign exchange gains and losses that are reported on the consolidated statement of loss and comprehensive loss. A strengthening of 10% in the Chilean and US dollars against the Canadian dollar would have increased the Company's net loss and comprehensive loss by \$297,500 (December 31, 2023 - \$408,747) due to the impact of the exchange rate fluctuation on Canadian dollar denominated financial instruments.

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**12. FINANCIAL INSTRUMENTS (Continued)**

At June 30, 2024, the Company had the following financial instruments denominated in foreign currencies (presented in Canadian dollars):

	Chilean Pesos	United States Dollars	Total
Cash	\$ 2,619	\$ 12,332	\$ 14,951
Accounts payable and accrued liabilities	(754,830)	(319,275)	(1,074,105)
Loans	-	(1,916,285)	(1,916,285)
Net	\$ (752,211)	\$ (2,223,228)	\$ (2,975,439)

*Fair value*

The fair value of the Company's cash, receivables excluding GST, deposits, accounts payable and accrued liabilities, amounts due to Wealth Minerals Ltd, and loan payable approximates the carrying amount due to their short-term maturity of the instruments. The fair value of loans payable is determined by using discounted cash flows based on the expected amounts and timing of the cash flows discounted using a market rate of interest adjusted for appropriate credit risk.

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

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

As at June 30, 2024, the Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, due to Wealth Minerals Ltd., and loans payable. The fair values of financial assets and financial liabilities approximate their fair value due to the short-term nature of these items. The Company's fair value hierarchy is as follows:

As at	June 30, 2024		
	Level 1	Level 2	Level 3
Accounts payable	\$ 2,196,855	\$ -	\$ -
Loans payable	2,197,963	-	-
Due to Wealth Minerals	-	112,450	-

  

As at	December 31, 2023		
	Level 1	Level 2	Level 3
Accounts payable	\$ 2,244,029	\$ -	\$ -
Loans payable	4,502,692	-	-
Due to Wealth Minerals	-	112,450	-

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**13. GEOGRAPHIC SEGMENTED INFORMATION**

The Company has one operating segment, being the mineral resource industry with its exploration and evaluation assets in the United States and Chile. The Company's equipment and exploration and evaluation assets at June 30, 2024 and December 31, 2023 are located in the USA and Chile as follows:

	USA	Chile	Total
June 30, 2024			
Equipment	\$ 3,150	\$ -	\$ 3,150
Exploration and evaluation assets	34,701,408	1	34,701,409
	<u>\$ 34,704,558</u>	<u>\$ 1</u>	<u>\$ 34,704,559</u>
December 31, 2023			
Equipment	\$ 6,300	\$ -	\$ 6,300
Exploration and evaluation assets	34,701,408	7,969,752	42,671,160
	<u>\$ 34,707,708</u>	<u>\$ 7,969,752</u>	<u>\$ 42,677,460</u>

**14. SUBSEQUENT EVENTS**

Subsequent to period end, the Company established an at-the-market equity program (the "ATM Program") that allows the issuance and sale of common shares from treasury having an aggregate gross sales amount of up to \$25 million to the public, over a two year period (subject to earlier termination), from time to time through BMO Capital Markets (the "Agent"), as sole agent. Sales of the Common Shares under the ATM program will be made pursuant to the terms and conditions of an equity distribution agreement (the "Distribution Agreement") dated July 17, 2024, between the Company and the Agent. Subsequent to period end, the Company issued 4,926,500 shares under the ATM Program at an average price of \$0.093 per share for gross proceeds of \$459,576, commissions paid \$13,787 and net proceeds received \$445,789. As at June 30, 2024, the Company had received share subscriptions of \$110,189 for shares issued subsequent to period end under the ATM program and had incurred \$230,378 in deferred financing costs related to the ATM program.

Subsequent to period end, TSXV accepted the extension and amendment of loans with E.L. II Properties Trust (the "Lender") (Note 7). Pursuant to the Amendment, the Company issued to the Lender an aggregate of 7,251,925 nontransferable bonus common share purchase warrants (each, a "Bonus Warrant"), each exercisable to purchase one common share of the Company at an exercise price of \$0.135 per share for a period of two years. The Bonus Warrants will be subject to a hold period of four months and one day in Canada from the date of issuance of the Bonus Warrants. The terms of the Bonus Warrants restrict their exercise if doing so would result in the Lender, together with any persons or companies acting jointly or in concert with the Lender and any of its affiliates, beneficially owning, or exercising control or direction over, 19.99% or more of the total issued and outstanding common shares of the Company, calculated on a partially diluted basis.