



Coppertino Metals Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)

For the three months ended March 31, 2022

Coppertino Metals Inc.

Condensed Consolidated Interim Statements of Financial Position
Unaudited (Expressed in Canadian dollars)

	As at March 31, 2022	As at December 31, 2021
Assets		
Current assets:		
Cash	\$ 2,229,020	\$ 2,965,269
Accounts receivable	19,760	20,175
Prepaid expenses and deposits	579,247	512,668
	2,828,027	3,498,112
Non-current assets:		
Mineral property interests (Note 3)	6,429,986	6,370,754
	\$ 9,258,013	\$ 9,868,866
Total assets		
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,063,703	\$ 837,468
	1,063,703	837,468
Equity:		
Share capital (Note 4)	13,288,433	13,288,433
Accumulated other comprehensive loss	(253,202)	(171,304)
Deficit	(4,840,921)	(4,085,731)
	8,194,310	9,031,398
	\$ 9,258,013	\$ 9,868,866
Total liabilities and equity		

Going concern (Note 1(c)); Commitments (Note 5 (a)); Subsequent events (Note 5(a) and (c))

Approved on behalf of the Board of Directors:

"Ivan Bebek"

President, Chief Executive Officer and Director

"Jeffrey Mason"

Director

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

Coppertino Metals Inc.

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
Unaudited (Expressed in Canadian dollars)

	Three months ended March 31,	
	2022	2021
Operating expenses:		
Exploration and evaluation	\$ 339,824	\$ 398,423
Fees, salaries and other employee benefits	198,388	205,364
Legal and professional	49,424	104,652
Marketing and investor relations	63,052	35,323
Office and administration	70,272	63,881
Project investigation	26,508	20,377
Regulatory and transfer agent	5,051	-
	752,519	828,020
Other expenses		
Foreign exchange loss	2,671	4,689
Loss for the period	\$ 755,190	\$ 832,709
Other comprehensive loss		
Unrealized currency loss on translation	81,898	55,956
Comprehensive loss for the period	\$ 837,088	\$ 888,665
Basic and diluted loss per share	\$ 0.01	\$ 0.01
Basic and diluted weighted average number of shares	112,340,434	112,340,434

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

Coppernico Metals Inc.

Condensed Consolidated Interim Statements of Changes in Equity
Unaudited (Expressed in Canadian dollars, except share amounts)

	Attributable to common shareholders of the Company				
	Number of common shares	Share capital	Other comprehensive loss	Deficit	Total
Balance at December 31, 2020	112,340,434	\$ 13,288,433	\$ (175,082)	\$ (892,426)	\$ 12,220,925
Other comprehensive loss	-	-	(55,956)	-	(55,956)
Net loss	-	-	-	(832,709)	(832,709)
Balance at March 31, 2021	112,340,434	\$ 13,288,433	\$ (231,038)	\$ (1,725,135)	\$ 11,332,260
Balance at December 31, 2021	112,340,434	\$ 13,288,433	\$ (171,304)	\$ (4,085,731)	\$ 9,031,398
Other comprehensive loss	-	-	(81,898)	-	(81,898)
Net loss	-	-	-	(755,190)	(755,190)
Balance at March 31, 2022	112,340,434	\$ 13,288,433	\$ (253,202)	\$ (4,840,921)	\$ 8,194,310

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

Coppernico Metals Inc.

Condensed Consolidated Interim Statements of Cash Flows
Unaudited (Expressed in Canadian dollars)

	Three months ended March 31	
	2022	2021
Operating activities:		
Loss for the period	\$ (755,190)	\$ (832,709)
Non-cash transactions:		
Unrealized foreign exchange (gain) loss	(3,021)	10,930
Changes in non-cash working capital:		
Accounts receivable	415	781
Prepaid expenses and deposits	(64,489)	(18,688)
Accounts payable and accrued liabilities	237,945	80,374
Cash used in operating activities	(584,340)	(759,312)
Investing activities:		
Mineral property additions (Note 4)	(149,411)	(185,041)
Cash used in investing activities	(149,411)	(185,041)
Effect of foreign exchange on cash	(2,498)	(2,997)
Decrease in cash	(736,249)	(947,350)
Cash, beginning of the period	2,965,269	7,850,131
Cash, end of the period	\$ 2,229,020	\$ 6,902,781

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

Coppernico Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in Canadian dollars)

Three months ended March 31, 2022 and 2021

1. Business Overview

(a) Corporate information

Coppernico Metals Inc. (formerly Sombrero Resources Inc., the “Company” or “Coppernico”) was incorporated under the British Columbia Business Corporations Act on July 23, 2020. Coppernico is an unlisted reporting issuer in the province of British Columbia, Alberta, and Ontario and its head office and principal address is located at 1177 West Hastings Street, Suite 1630, Vancouver, British Columbia, Canada, V6E 2K3.

The Company is principally engaged in the acquisition and exploration of mineral property interests.

On June 22, 2021, the Company announced it had filed an election with the Canada Revenue Agency to become a public corporation under the Income Tax Act (Canada) (the “Tax Act”). As a result of making this election, the shares of the Company are considered to be qualified investments under the Tax Act and the Regulations thereto.

(b) Nature of operations

Coppernico’s primary assets are the Sombrero copper-gold district located in southern Peru and the Takana project located in southeastern Peru. The Sombrero district (including the Sombrero project plus ancillary concessions) covers approximately 130,000 hectares in which it holds direct and indirect interest through a combination of staking and option agreements. On July 22, 2021, the Company entered into an option agreement in respect of the Takana project, which covers 50,300 hectares of high-grade copper-nickel occurrences.

The Company has not yet determined whether the properties contain mineral reserves where extraction is both technically feasible and commercially viable.

As a normal part of the exploration process, Coppernico seeks to enter into access and use agreements with local communities surrounding its projects. The process of securing such agreements requires achieving local community consensus and can be challenging; however, positive dialogue continues with the communities and management believes that agreements will continue to be maintained and updated, although there can be no certainty at this time about their timing or extent. The Company continues to have regular communications with the communities and is actively working towards securing access to the project areas.

(c) Going concern

As at March 31, 2022, the Company has net working capital of \$1,764,324 while it incurred a net loss of \$755,190 for the three months ended March 31, 2022. The Company has no operating revenue to date and no operating revenue to support its activities. With no source of revenue, there is no assurance that sufficient funding will be available to conduct further exploration of its mineral properties. The ability to continue as a going concern remains dependent upon Coppernico’s ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

Management expects its working capital will be sufficient to pursue its operational activities for the next twelve months.

These condensed consolidated interim financial statements do not give effect to adjustments to the carrying values and classification of assets and liabilities that would be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

Coppertino Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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Three months ended March 31, 2022 and 2021

(d) Response to COVID-19

The situation in Canada and Peru with respect to the management of COVID-19 remains fluid and permitted activities are subject to change; the Company is continually reviewing the situation along with provincial and government guidelines and allowing work to be undertaken as long as it is confident that its employees and communities are safe to do so.

As the situation surrounding COVID-19 remains fluid and subject to change, the Company continues to monitor the situation and will respond appropriately.

2. Basis of presentation

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies followed in these condensed consolidated interim financial statements are the same as those applied in the Company’s most recent audited consolidated financial statements for the year ended December 31, 2021.

These condensed consolidated interim financial statements were approved and authorized for issuance on May 13, 2022, by the Board of Directors.

(b) Basis of measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis.

(c) Basis of consolidation

Subsidiaries are consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. Control exists when the Company has power over an investee, exposure or rights, to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Company’s returns. These condensed consolidated interim financial statements reflect adjustments in all historical periods as if the subsidiaries had always been controlled by the Company.

The condensed consolidated interim financial statements include the financial statements of the Company and its subsidiary as follows:

Subsidiary	Place of incorporation	Functional Currency	Beneficial Interest
Sombrero Minerales, S.A.C.	Peru	USD	100%

Intercompany balances and transactions have been eliminated on consolidation.

Coppertino Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Unaudited (Expressed in Canadian dollars)

Three months ended March 31, 2022 and 2021

(d) Functional and presentation currency

The Company's functional and presentation currency is the Canadian dollar. These condensed consolidated interim financial statements are presented in Canadian dollars, unless otherwise noted. Amounts denominated in US dollars are denoted as US\$.

(e) Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the condensed consolidated interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates. The Company's critical accounting judgements and estimates were presented in Note 2 of the audited annual consolidated financial statements for the year ended December 31, 2021, and have been consistently applied in the preparation of these condensed consolidated interim financial statements. No new estimates and judgements were applied for the period ended March 31, 2022.

3. Mineral property interests

A continuity of the Company's mineral property interests is as follows:

	Sombrero	Takana	Total
Balance as at December 31, 2020	\$ 5,053,193	\$ -	\$ 5,053,193
Mineral property additions	1,104,496	222,016	1,326,512
Currency translation adjustment	(12,361)	3,410	(8,951)
Balance as at December 31, 2021	\$ 6,145,328	\$ 225,426	\$ 6,370,754
Mineral property additions	149,411	-	149,411
Currency translation adjustment	(85,129)	(5,050)	(90,179)
Balance as at March 31, 2022	\$ 6,209,610	\$ 220,376	\$ 6,429,986

On January 5, 2022, the Company paid the annual US\$100,000 holding payment under the terms of the Aceros Option, an option over three concessions at the Sombrero Project held by Corporacion Aceros Arequipa S.A. ("Aceros"). The option payment was subject to 18% Value Added Tax ("IGV") in Peru which is not recoverable.

There have been no further developments regarding the Sombrero district (including the Sombrero project plus ancillary concessions) or the Takana district since the Company's most recent audited annual consolidated financial statements.

4. Share capital

(a) Authorized - Unlimited common shares without par value.

(b) Common share issuances

There were no common share issuances during the three months ended March 31, 2022 (three months ended March 31, 2021 – none).

Coppernico Metals Inc.

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5. Related party balances and transactions

All transactions with related parties have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

(a) Related party transactions

	Three months ended March,	
	2022	2021
Universal Mineral Services Ltd. ("UMS Canada")		
Exploration and evaluation	\$ 5,702	\$ 4,077
Fees, salaries and other employee benefits	63,568	55,942
Legal and professional	11,105	5,413
Marketing and investor relations	12,893	6,587
Office and administration	60,888	41,133
Project investigation	16,711	3,028
Regulatory and transfer agent	51	-
Universal Mineral Services Peru S.A.C. ("UMS Peru")		
Exploration and evaluation	49,780	-
Fees, salaries and other employee benefits	9,934	-
Office and administration	3,573	-
Project investigation	3,859	-
Total transactions for the period	\$ 238,064	\$ 116,180

UMS Canada provides geological, financial and transactional advisory services as well as administrative services to the Company on an ongoing, cost recovery basis. Having these services available through UMS Canada on an as needed basis, allows the Company to maintain a more efficient and cost-effective corporate overhead structure by hiring fewer full-time employees and engaging outside professional advisory firms less frequently. The service agreement with UMS Canada has an indefinite term and can be terminated by either party upon providing due notice. UMS Canada is party to an office lease agreement with a term of ten years, for which certain rent expenses will be payable by the Company. As at March 31, 2022, the Company expects to incur approximately \$1 million in respect of its share of future rent.

Throughout the year ended December 31, 2021, UMS Canada was owned by Ivan Bebek and Shawn Wallace who are directors of Coppernico. On December 31, 2021, these two shareholders sold their shares in UMS Canada for nominal consideration and at the same time resigned as directors of UMS Canada. Steven Cook, who acquired the UMS Canada shares, is also a director of Coppernico and on the date of transfer also took over as sole director of UMS Canada. On April 1, 2022, UMS Canada was restructured whereby Mr. Cook transferred his ownership equally to the four public companies which share its services, including Coppernico, for nominal consideration. As a result, Coppernico now has a 25% shareholding in its shared service company, UMS Canada.

On April 1, 2021, UMS Peru, a company incorporated by UMS Canada under Peruvian law, began providing administrative and geological services to Sombrero Minerales S.A.C. and the Peruvian subsidiaries of another exploration company (Tier One Silver Inc. or "Tier One"). In order to comply with Peruvian transfer pricing rules, UMS Peru charges its services at cost plus a markup of 5% for administrative services and 7% for geological services. On May 1, 2022, UMS Canada transferred its ownership of UMS Peru to be jointly owned 50% by the Company and 50% by Tier One for nominal consideration.

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(b) Related party balances

As at March 31, 2022, \$69,069 (December 31, 2021 - \$63,021) was included in accounts payable, and \$370,000 (December 31, 2021 - \$370,000) in prepaid expenses and deposits relating to transactions with UMS Canada.

As at March 31, 2022, \$16,575 (December 31, 2021 - \$nil) was included in accounts payable, and \$73,726 (December 31, 2021 - \$75,202) was included in prepaid expenses and deposits relating to transactions with UMS Peru.

(c) Key management compensation

In addition to the transactions disclosed above, the Company provided the following compensation to key management members, being its four executives and five non-executive directors:

	Three months ended March 31,	
	2022	2021
Salary and benefits provided to executives	\$ 151,657	\$ 144,160
Fees paid to non-executive directors	31,297	30,805
	\$ 182,954	\$ 174,965

On April 4, 2022, subsequent to the end of the period, the Company announced it had appointed Marie-Hélène Turgeon to the Board of Directors.

6. Financial instruments

The Company's financial instruments consist of cash and cash equivalents, deposits, accounts receivable, accounts payable and accrued liabilities. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The following summarizes fair value hierarchy under which the Company's financial instruments are valued:

Level 1 – fair values based on unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – fair values based on inputs that are observable for the asset or liability, either directly or indirectly; and

Level 3 – fair values based on inputs for the asset or liability that are not based on observable market data.

As at March 31, 2022 and December 31, 2021 there were no financial instruments measured at fair value.

Coppernico Metals Inc.

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The Company's financial instruments are exposed to credit risk and liquidity risk. As at March 31, 2022, the primary risks were as follows:

a) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's primary source of liquidity is equity. The funds are primarily used to finance working capital and to make certain annual payments to ensure that all the Company's mineral properties remain in good standing. As at March 31, 2022, approximately US\$500,000 has been recorded within accounts payable related to concession holding fees which are due in June 2022. The Company has working capital of \$1,764,324 as at March 31, 2022 (December 31, 2021 - \$2,660,664) which includes cash of \$2,229,020 (December 31, 2021 - \$2,965,269), that is entirely unrestricted. The Company did not have long term liabilities, and there are no other commitments held by the Company at the balance sheet date other than as disclosed in Note 5 (a).

b) Market risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Significant market risk to which the Company is exposed is as follows:

i) Currency risk

The Company is exposed to currency risk by having balances and transactions in currencies that are different from the functional currency of the Company and its subsidiary. As at March 31, 2022 and December 31, 2021, the Company's foreign currency exposure relates primarily to cash, deposits, and accounts payable and accrued liabilities that are in U.S. dollars within the Company, and in Peruvian soles within the subsidiary.

The currency risk exposure for financial instruments denominated in foreign currencies is as follows:

	March 31, 2022	December 31, 2021
Financial assets	\$ 2,273	\$ 48,047
Financial liabilities	(10,520)	(13,409)
Net exposure	\$ (8,247)	\$ 34,638

A 10% increase or decrease in either the U.S. dollar or Peruvian soles exchange rate would not have a material impact on the Company's net loss.

7. Segmented information

The Company operates as one operating segment, being the acquisition and exploration of mineral resource properties.

Coppernico was not subjected to restrictions on its cash and cash equivalents as at March 31, 2022 and December 31, 2021.

Coppernico Metals Inc.

Notes to the Condensed Consolidated Interim Financial Statements

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8. Management of capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue acquisition, exploration of resource properties, and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. The capital of the Company is determined as follows:

	March 31, 2021	December 31, 2020
Equity	\$ 8,194,310	\$ 9,031,398
Less cash	(2,229,020)	(2,965,269)
	\$ 5,965,290	\$ 6,066,129

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares or debt, acquire or dispose of assets or adjust the amount of cash and investments.

In order to maximize ongoing exploration efforts, the Company does not pay out dividends, does not have any long-term debt and is not subject to any externally imposed capital requirements.

The Company currently has sufficient working capital and is able to meet its ongoing current obligations as they become due. However, the Company will likely require additional capital in the future to meet its company objectives, being the acquisition and exploration of mineral properties. Future liquidity will depend upon the Company's ability to arrange additional debt or equity financing, as the Company relies on equity financings to fund its exploration and corporate activities.