



## **COAST COPPER CORP.**

(An Exploration Stage Corporation)

### **CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2024**

**(Unaudited - Expressed in Canadian Dollars)**

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## **NOTICE OF NO AUDITOR REVIEW**

The accompanying unaudited condensed interim financial statements have been prepared by management and approved by the Audit Committee and Board of Directors of Coast Copper Corp.

Coast Copper Corp.'s independent auditors have not performed a review of these condensed interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditors.

**COAST COPPER CORP.**  
**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2024	December 31, 2023
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash		24,000	36,727
Receivables		7,929	11,689
Receivable from Skeena	3	949,106	933,659
Prepaid expenses and deposits		2,619	6,918
Marketable securities	4	149,186	283,149
		<u>1,132,840</u>	<u>1,272,142</u>
<b>Non-Current</b>			
Exploration and evaluation assets	5	719,119	707,291
Property		2,996	3,422
Receivable from Skeena	3	498,387	490,409
Reclamation deposit		13,642	13,642
		<u>1,234,144</u>	<u>1,214,764</u>
		<u>2,366,984</u>	<u>2,486,906</u>
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	10(b)	254,922	205,687
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6, 11(a)	10,047,738	10,047,738
Other equity reserves	6(e)	379,277	361,299
Deficit		(8,314,953)	(8,127,818)
		<u>2,112,062</u>	<u>2,281,219</u>
		<u>2,366,984</u>	<u>2,486,906</u>

**Nature of operations and going concern (Note 1)**

**Subsequent events (Notes 5(a)(i), 6 (c) and 11)**

Approved on behalf of the Board:

"Dale Wallster", Director

"Adam Travis", Director

**COAST COPPER CORP.**  
**CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
(Unaudited - expressed in Canadian dollars)

	Note	<u>2024</u>	<u>2023</u>
		\$	\$
<b>Expenses</b>			
Amortization		426	421
Consulting	10(a)	13,000	28,167
Director fees	10(a)	16,500	16,500
Exploration expenditures	5, 10(a)	31,696	86,138
Investor relations		16,636	48,519
Office and administration		12,420	14,356
Professional fees		12,444	20,414
Salaries and personnel costs	10(a)	53,733	59,649
Share-based payments expense	6(e), 10(a)	17,978	18,696
Transfer agent, regulatory and filing fees		8,386	10,284
Travel and accomodation		1,159	-
		<u>184,378</u>	<u>303,144</u>
<b>Other items</b>			
Accretion of receivable from Skeena	3	(23,425)	(37,397)
Interest income		(9)	(46)
Realized loss on sale of marketable securities	4	13,867	(29,706)
Unrealized loss on marketable securities	4	12,324	59,771
Write-off of exploration and evaluation assets	5(a)(viii)	-	34,878
		<u>2,757</u>	<u>27,500</u>
<b>Loss and comprehensive loss for the period</b>		<u>(187,135)</u>	<u>(330,644)</u>
<b>Basic and diluted loss per share</b>		\$ (0.00)	\$ (0.01)
<b>Basic and diluted weighted average number of shares outstanding</b>		64,801,690	64,001,690

**COAST COPPER CORP.**  
**STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
(Unaudited - expressed in Canadian dollars)

	Note	Number of shares	Share capital \$	Other equity reserves \$	Deficit \$	Total \$
<b>Balance, December 31, 2022</b>		<b>64,001,690</b>	<b>9,995,738</b>	<b>394,729</b>	<b>(7,234,851)</b>	<b>3,155,616</b>
Loss for the period		-	-	-	(330,644)	(330,644)
Share-based payments expense	6(e)	-	-	18,696	-	18,696
<b>Balance, March 31, 2023</b>		<b>64,001,690</b>	<b>9,995,738</b>	<b>413,425</b>	<b>(7,565,495)</b>	<b>2,843,668</b>
Loss for the period		-	-	-	(641,369)	(641,369)
Shares issued pursuant to acquisition of mineral properties		800,000	52,000	-	-	52,000
Share-based payments expense		-	-	26,920	-	26,920
Reclass of expired warrants		-	-	(23,590)	23,590	-
Reclass of cancelled stock options		-	-	(55,456)	55,456	-
<b>Balance, December 31, 2023</b>		<b>64,801,690</b>	<b>10,047,738</b>	<b>361,299</b>	<b>(8,127,818)</b>	<b>2,281,219</b>
Loss for the period		-	-	-	(187,135)	(187,135)
Share-based payments expense	6(e)	-	-	17,978	-	17,978
<b>Balance, March 31, 2024</b>		<b>64,801,690</b>	<b>10,047,738</b>	<b>379,277</b>	<b>(8,314,953)</b>	<b>2,112,062</b>

**COAST COPPER CORP.**  
**CONDENSED INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED MARCH 31**  
(Unaudited - expressed in Canadian dollars)

	Note	<u>2024</u>	<u>2023</u>
		\$	\$
<b>Operating Activities</b>			
Loss for the period		(187,135)	(330,644)
Items not involving cash:			
Amortization		426	421
Accretion of Skeena receivable	3	(23,425)	(37,397)
Realized gain on sale of marketable securities	4	13,867	(29,706)
Share-based payments expense	6(e)	17,978	18,696
Unrealized loss on marketable securities	4	12,324	59,771
Write-off of exploration and evaluation asset	5(a)(viii)	-	34,878
Net change in non-cash working capital	7	<u>45,466</u>	<u>42,660</u>
<b>Cash used in operating activities</b>		<u>(120,499)</u>	<u>(241,321)</u>
<b>Investing Activities</b>			
Acquisition of exploration and evaluation assets	5, 7	-	(3,113)
Proceeds on sale of Skeena shares	4	<u>107,772</u>	<u>279,706</u>
<b>Cash provided by investing activities</b>		<u>107,772</u>	<u>276,593</u>
<b>Net decrease in cash</b>		<u>(12,727)</u>	35,272
Cash, beginning of period		<u>36,727</u>	<u>80,898</u>
<b>Cash, end of period</b>		<u><u>24,000</u></u>	<u><u>116,170</u></u>
<b>Supplemental cash flow information</b>	7		

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

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

Coast Copper Corp. ("**Coast Copper**" or the "**Corporation**") was incorporated as Roughrider Exploration Limited on December 7, 2011 under the British Columbia Business Corporations Act. Effective September 28, 2021, the Corporation changed its name from Roughrider Exploration Limited to Coast Copper Corp. The Corporation is listed on the TSX Venture Exchange ("**TSX-V**") as a Tier 2 Mining Issuer under the trading symbol "**COCO**". The principal business of the Corporation is the exploration and evaluation of mineral properties. The principal focus of the Corporation is exploring its portfolio of mineral properties, including the Empire Mine property located on northern Vancouver Island, British Columbia ("**BC**"). The Company's sole operating and geographical segment is the exploration and evaluation of mineral interests in Canada.

The address of the Corporation's head office and registered office is Suite 904 - 409 Granville Street, Vancouver, BC, Canada, V6C 1T2.

These condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Corporation had a loss of \$187,135 for the three months ended March 31, 2024 (2023: \$330,644). At March 31, 2024, the Corporation had an accumulated deficit of \$8,314,953. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Corporation has incurred operating losses in its exploration operations and its ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete their development and fund their operations until commercially successful and future production or proceeds from the disposition thereof. While the Corporation has been successful in securing financing to date, there can be no assurances that it will be able to do so in the future, therefore, a material uncertainty exists that may cast significant doubt about the Corporation's ability to continue as a going concern.

These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses and the statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

Recent global issues, including the ongoing COVID-19 pandemic and geopolitical conflicts have adversely affected workplaces, economies, supply chains and financial markets globally. It is not possible for the Corporation to predict the duration or magnitude of the adverse results of these issues and their effects on the Corporation's business or results of operations at this time.

**2. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 – *Interim Financial Reporting* ("**IAS 34**") as issued by the International Accounting Standards Board ("**IASB**") using accounting principles consistent with International Financial Reporting Standards ("**IFRS**") as issued by the IASB.

These condensed interim financial statements should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2023 which include the accounting policies used in the preparation of these condensed interim financial statements.

These condensed interim financial statements were prepared on a historical cost basis using the accrual basis of accounting, except for cash flow information.

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

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**2. BASIS OF PREPARATION** (continued)

The Board of Directors (the “**Board**”) approved these condensed interim financial statements on May 29, 2024.

**3. RECEIVABLE FROM SKEENA**

On October 18, 2022, the Corporation completed the sale of its 100% interest in the Gin, Eldorado and Bonanza properties (collectively the “**Red Chris Properties**”), which are located in the Golden Triangle area of northern B.C., to Skeena Resources Limited (“**Skeena**”) for aggregate proceeds of \$3,000,000 in cash and shares (“**Purchase Price**”), with payments as follows:

	<b>Cash</b>	<b>Share issuance</b>	<b>Total</b>
	\$	\$	\$
Upon Closing (October 18, 2022)	250,000 (received)	250,000 (received)	500,000
April 18, 2023	250,000 (received)	250,000 (received)	500,000
October 18, 2023	250,000 (received)	250,000 (received)	500,000
April 18, 2024	250,000 (see Note 11(b))	250,000 (see Note 11(b))	500,000
October 18, 2024	250,000	250,000	500,000
April 18, 2025	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
	<b>1,500,000</b>	<b>1,500,000</b>	<b>3,000,000</b>

As a result of a portion of the cash and shares being recoverable over a 30-month period, the original \$2,500,000 receivable portion of the proceeds was discounted to a fair value of \$2,268,688 on the closing date (“**Closing Date**”).

As part of the Purchase Price, the Corporation received the first tranche cash payment of \$250,000 and 39,936 common shares of Skeena with a value of \$250,000. Under the terms of an asset purchase agreement, at each six-month anniversary of the Closing Date, ending 30 months from the Closing Date, Skeena shall pay Coast Copper \$250,000 in cash and shall issue Skeena common shares to Coast Copper with a value of \$250,000. Each tranche of Skeena shares issued under this transaction will be subject to a hold period expiring four months and one day from the date of issuance.

In April 2023, the Corporation received the second tranche cash payment of \$250,000 and 30,413 common shares of Skeena with a value of \$250,000.

In October 2023, the Corporation received the third tranche cash payment of \$250,000 and 39,872 common shares of Skeena with a value of \$250,000.

In connection with the Red Chris Properties sale, the Corporation’s Chief Executive Officer (“**CEO**”) and Chair of the Board were each awarded cash bonuses of up to \$36,000, for an aggregate total of up to \$72,000. The first tranche of \$12,000 was paid in November 2022, the second tranche of \$12,000 was paid in May 2023, the third tranche of \$12,000 was paid in October 2023 and the fourth tranche was paid in April 2024. The remaining \$24,000 will be paid in two equal instalments, ending in April 2025. The remaining bonus payments are conditional on collection of the Skeena receivables and will be recorded upon collection.

The Eldorado property is subject to a 2% net smelter returns (“**NSR**”) royalty, half of which is owned by Cazador Resources Ltd. (“**Cazador**”), a private company controlled by the Corporation’s CEO.



**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

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**3. RECEIVABLE FROM SKEENA** (continued)

As a result of the sale of the Red Chris Properties, the Corporation recorded a receivable from Skeena which was calculated using a discount rate of 8% over the remaining term. The receivable will be accreted to operations over the life of the receivable.

The continuity of the receivable from Skeena is as follows:

	\$
Balance December 31, 2023	1,424,068
Accretion of receivable	<u>23,425</u>
Balance, March 31, 2024	<u><u>1,447,493</u></u>
Current portion	949,106
Non-current portion	<u>498,387</u>
	<u><u>1,447,493</u></u>

As of March 31, 2024, the future receipts of cash and shares from Skeena were as follows:

Year ending December 31:	\$
2024	1,000,000
2025	<u>500,000</u>
	1,500,000
Less: amount representing future accretion	<u>(52,507)</u>
Present value of net receivable payments	<u><u>1,447,493</u></u>

**4. MARKETABLE SECURITIES**

Marketable securities are financial assets measured at fair value through profit or loss ("FVTPL"). At December 31, 2023, they consisted of an investment of 865,817 free-trading common shares of EuroPacific Metals Inc. ("**EuroPacific**") (Note 5(a)(ii)) and 20,472 free-trading common shares of Skeena. The fair value of marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation.

During the three months ended March 31, 2024, the Corporation sold 19,400 common shares of Skeena for gross proceeds of \$107,772, recording a loss on sale of marketable securities of \$13,867.

	\$
Balance December 31, 2023	283,149
Proceeds on sale of FVTPL investments (19,400 Skeena shares)	(107,772)
Realized loss on sale of FVTPL investments (19,400 Skeena shares)	(13,867)
Unrealized loss	<u>(12,324)</u>
Balance, March 31, 2024	<u><u>149,186</u></u>

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

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**5. EXPLORATION AND EVALUATION ASSETS**

**a) BRITISH COLUMBIA**

**i) EMPIRE MINE PROPERTY**

On September 22, 2020, the Corporation entered into an option agreement to acquire a 100% interest in the Empire Mine property (the “**Empire Option Agreement**”) from Mirva Properties Ltd. (“**Mirva**”). The Empire Mine property consists of mineral claims (the “**Greater Empire Claims**”) and crown grants (the “**Quatsino Crown Grants**”) all located in the Rupert District on northern Vancouver Island, BC, near Port McNeill.

In order to earn a 100% interest in the Greater Empire Claims, the Corporation needed to make aggregate cash payments of \$750,000, issue 3,000,000 common shares of the Corporation to Mirva and complete work commitments totaling \$2,000,000 over a four-year period.

On May 27, 2024, the Corporation made the final payment of cash and shares to Mirva, earning a 100% interest in the Greater Empire Claims. Total payments were as follows:

	<b>Cash payment</b>	<b>Share issuance</b>	<b>Work commitment</b>
	\$		\$
Upon regulatory approval	50,000 (paid)	200,000 (issued)	N/A
By September 22, 2021	100,000 (paid)	400,000 (issued)	200,000 (completed)
By September 22, 2022	150,000 (paid)	600,000 (issued)	400,000 (completed)
By September 22, 2023	200,000 (paid)	800,000 (issued)	600,000 (completed)
By September 22, 2024	<u>250,000 (paid)</u>	<u>1,000,000 (issued)</u>	<u>800,000 (completed)</u>
	<b>750,000</b>	<b>3,000,000</b>	<b>2,000,000</b>

The share issuances of 200,000, 400,000, 600,000 and 800,000 common shares were each valued at \$38,000, \$36,000, \$36,000 and \$52,000, respectively.

In order to earn a 100% interest in the Quatsino Crown Grants, the Corporation must pay Mirva the equivalent of \$500,000 with either a cash payment or equivalent value in common shares of the Corporation, at the Corporation’s election, on or before September 22, 2025.

The Corporation has the option to extend the Quatsino Crown Grants payment date to September 22, 2026 for an additional payment of \$35,000, to September 22, 2027 for a further additional payment of \$55,000 and to September 22, 2028 for a further additional payment of \$75,000.

Mirva has retained a 2% NSR royalty on the Empire Mine property, of which 1% may be purchased for \$1,000,000 at any time up to 120 days after commencement of commercial production. The Empire Option Agreement has been structured such that this NSR royalty plus all other NSR royalties which may currently exist and be payable on the Empire Mine property will not exceed in aggregate 2.5% before buydowns.

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

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**5. EXPLORATION AND EVALUATION ASSETS (continued)**

**a) BRITISH COLUMBIA (continued)**

**ii) SCOTTIE WEST PROPERTY**

In May 2020, the Corporation staked the Scottie West property located in the Golden Triangle area of northern BC, near the District of Stewart.

On November 20, 2020, the Corporation entered into a farm-out agreement with EuroPacific whereby EuroPacific can earn a 70% interest in the Corporation's Scottie West property by making aggregate cash payments of \$500,000, issuing common shares of EuroPacific to the Corporation with a total value of \$500,000 and incurring a minimum of \$1,000,000 of exploration expenditures on the property over a four-year period.

By November 19, 2022, the Corporation had received cash payments totaling \$50,000 from EuroPacific and 865,817 common shares of EuroPacific with a total value of \$75,000. In addition, EuroPacific had incurred more than \$300,000 of exploration expenditures on the Scottie West property.

On November 20, 2022, the Corporation received notice from EuroPacific that it will not be continuing with the farm-out agreement, and consequently the farm-out agreement was terminated.

The carrying value of the Scottie West property at March 31, 2024 is \$3,113.

**iii) HOME BREW PROPERTY**

The Corporation owns a 100% interest in four mineral claims in south central BC called the Home Brew property, with a carrying value of \$8,726 at March 31, 2024.

**iv) KNOB HILL NW PROPERTY**

The Corporation owns a 100% interest in mineral claims on northern Vancouver Island called the Knob Hill northwest property, with a carrying value of \$16,172 at March 31, 2024.

**v) SULLY PROPERTY**

During the three months ended March 31, 2024, the Corporation staked three mineral claims in southeastern BC called the Sully property for a total of \$8,985.

**vi) OTHER PROPERTIES**

During the three months ended March 31, 2024, the Corporation staked certain mineral claims in BC and will be evaluating the properties in 2024. The carrying value was \$2,447 at March 31, 2024.

**vii) JACOBIE AND POLLEY EAST PROPERTIES**

In June 2022, the Corporation sold its Jacobie and Polley East mineral claims for \$1,583 and \$722, respectively. The Corporation has retained a 1% NSR royalty on the properties, half of which can be repurchased for \$750,000.

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

**5. EXPLORATION AND EVALUATION ASSETS (continued)**

**a) BRITISH COLUMBIA (continued)**

**viii) SHOVELNOSE SOUTH PROPERTY**

In April 2022, the Corporation staked the Shovelnose South property located in south-central BC. Total staking costs were \$34,878. During the three months ended March 31, 2024, the Corporation allowed the Shovelnose South claims to lapse and consequently wrote off to operations the capitalized costs of \$34,878.

**b) SASKATCHEWAN**

**GENESIS PROPERTY**

The Corporation owns a 50% interest in the Genesis property, with a carrying value of \$Nil, located in the Athabasca Basin region of Canada.

**Exploration and evaluation assets**

A summary of the changes in exploration and evaluation assets is presented below:

	Empire Mine \$	Scottie West \$	Home Brew \$	Knob Hill NW \$	Sully \$	Other Property \$	Total \$
Balance, December 31, 2023	679,280	3,113	8,726	16,172	-	-	<b>707,291</b>
Staking (Note 7)	396	-	-	-	8,985	2,447	<b>11,828</b>
Balance, March 31, 2024	<u>679,676</u>	<u>3,113</u>	<u>8,726</u>	<u>16,172</u>	<u>8,985</u>	<u>2,447</u>	<b><u>719,119</u></b>

**Exploration expenditures**

The Corporation's exploration expenditures for the three months ended March 31, 2024 were as follows:

	Empire \$	Knob Hill NW \$	Sully \$	Total \$
Geological consulting	26,301	112	2,380	<b>28,793</b>
Labour and benefits	2,903	-	-	<b>2,903</b>
	<u>29,204</u>	<u>112</u>	<u>2,380</u>	<b><u>31,696</u></b>

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
(Unaudited - expressed in Canadian dollars)

**6. SHARE CAPITAL AND RESERVES**

**a) Authorized**

An unlimited number of common shares without par value  
An unlimited number of preference shares without par value

**b) Share issuance details**

There were no share issuances during the three months ended March 31, 2024 or March 31, 2023.

**c) Stock options**

The Corporation has a 20% fixed long-term incentive plan whereby the Corporation may grant certain awards to directors, officers, employees and consultants, including stock options, to an aggregate maximum of 12,800,338 common shares. The exercise price, term and vesting period of each option are determined by the Board within regulatory guidelines.

A summary of the changes in stock options is presented below:

	Number of options	Weighted average exercise price \$
Balance, December 31, 2023 and March 31, 2024	6,610,000	0.09

The following stock options were outstanding as at March 31, 2024:

Outstanding	Exercisable	Weighted average Exercise Price (outstanding) \$	Expiry Date	Weighted average remaining life (in years)	
100,000	1	100,000	0.12	April 11, 2024	0.03
150,000	1	150,000	0.05	April 11, 2024	0.03
1,200,000	1,200,000	200,000	0.18	June 1, 2025	1.17
200,000	200,000	1,990,000	0.18	January 11, 2026	1.78
1,990,000	1,990,000	1,295,000	0.10	October 28, 2026	2.58
1,295,000	1,295,000	100,000	0.05	November 24, 2027	3.65
100,000	100,000	1,575,000	0.07	March 3, 2028	3.93
<u>1,575,000</u>	<u>393,750</u>	<u>0.05</u>	November 27, 2028	<u>4.66</u>	
<u>6,610,000</u>	<u>5,428,750</u>	<u>0.09</u>		<u>2.93</u>	

1 Subsequent to March 31, 2024 these stock options expired unexercised.

**COAST COPPER CORP.**  
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**6. SHARE CAPITAL AND RESERVES (continued)**

**d) Share purchase warrants**

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price
		\$
Balance December 31, 2023 and March 31, 2024	8,000,000	0.10

The following warrants were outstanding as at March 31, 2024:

Outstanding	Exercisable	Exercise Price	Expiry Date
		\$	
8,000,000 <sup>1</sup>	8,000,000	0.10	September 28, 2024

<sup>1</sup> If the volume-weighted average price of the Corporation's common shares on the TSX Venture Exchange is greater than \$0.20 per share for a period of 10 consecutive trading days, the Corporation may elect to accelerate the expiry date of part or all of the 8,000,000 warrants by giving notice thereof to the holders of the warrants, and in such case that portion of the warrants would be subject to an expiry date that is 30 business days after the date on which such notice is given by the Corporation.

**e) Share-based payments expense**

The share-based payments expense for the stock options, based on vesting schedules, during the three months ended March 31, 2024 was \$17,978 (2023: \$18,696).

The fair value of the stock options that vested during the three months ended March 31, 2024 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2024	2023
Risk-free interest rate	3.64%	3.77%
Expected stock price volatility	79%	79%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

The weighted average fair value at grant date of options that vested during the three months ended March 31, 2024 was \$0.03 (2023: \$0.03).

Expected volatility is based on historical price volatility to the extent of the expected life of the option.

**COAST COPPER CORP.**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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(Unaudited - expressed in Canadian dollars)

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**7. SUPPLEMENTAL CASH FLOW INFORMATION**

The net change in non-cash operating working capital balances for the three months ended March 31 consisted of the following:

	2024	2023
	\$	\$
Receivables	3,760	60,729
Prepaid expenses	4,299	3,041
Accounts payable and accrued liabilities	37,407	(21,110)
	<u>45,466</u>	<u>42,660</u>

The non-cash investing transaction for the three months ended March 31, 2024 consisted of the Corporation acquiring \$11,828 of exploration and evaluation assets via staking that are included in accounts payable and accrued liabilities.

There were no non-cash investing transactions for the three months ended March 31, 2023.

**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Corporation examines the various financial instruments to which it is exposed and assesses the impact and likelihood of those risks. These risks include credit risk, liquidity risk and market risk (including interest rate, currency and other price risk). The risk related to financial instruments is managed by senior management of the Corporation under directions approved by the Board.

**Financial instruments**

Cash, receivables, receivable from Skeena, reclamation deposit and accounts payable and accrued liabilities are carried at amortized cost as they approximate their fair values due to the short-term nature of the financial instruments. Marketable securities are measured using level 1 of the fair value hierarchy.

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

**Financial risk factors**

The Corporation's risk exposures and the impact on the Corporation's condensed interim financial statements is summarized below:

**a) Credit risk**

Financial instruments that potentially subject the Corporation to a significant concentration of credit risk consist primarily of cash and receivables. The Corporation limits its exposure to credit loss by placing its cash with a major Canadian bank. At March 31, 2024, the Corporation also holds a receivable from Skeena in the amount of \$1,447,493, using a discount rate of 8%, pursuant to the Red Chris Properties sale. The Corporation assesses expected credit risk from Skeena by assessing the maturity and ability to make payments and has not assessed a significant risk of collection.

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**8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT** (continued)

**Financial risk factors** (continued)

**b) *Liquidity risk***

Liquidity risk is the risk that the Corporation cannot meet its financial obligations associated with financial liabilities in full. The Corporation is exposed to liquidity risk and manages it through the management of its capital structure, as outlined below. The majority of the Corporation's current financial liabilities are anticipated to mature within the next fiscal period. The Corporation intends to settle these with funds from its positive working capital position. The Corporation remains exposed to liquidity risk.

**c) *Market risk***

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

**(i) *Interest rate risk***

Interest rate risk on cash is minimal because these investments generally have a fixed yield rate. As at March 31, 2024, the Corporation did not have any interest-bearing debt.

**(ii) *Foreign currency risk***

The Corporation could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at March 31, 2024, the Corporation did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Corporation at present.

**(iii) *Price risk***

The Corporation may at times have limited indirect exposure to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Corporation's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities.

**9. CAPITAL MANAGEMENT**

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Corporation's strategy remains unchanged from the year ended December 31, 2023.

The Corporation considers the items included in shareholders' equity as capital. The Corporation manages the capital structure and makes adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Corporation may issue new shares, or acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Corporation prepares annual expenditure budgets that are updated as necessary. The annual budgets are approved by the Board.



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**9. CAPITAL MANAGEMENT** (continued)

In order to maximize ongoing exploration efforts, the Corporation does not pay dividends. The Corporation's treasury management policy is to invest its cash in highly rated liquid short-term interest-bearing investments with an initial term to maturity of twelve months or less.

The Corporation is not subject to externally imposed capital requirements.

**10. RELATED PARTY TRANSACTIONS**

*Key management compensation*

Key management personnel at the Corporation are the Directors and Officers of the Corporation. Key management personnel, or their related parties, may hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

In addition to key management personnel, the Corporation transacted with the following related parties during the three months ended March 31, 2024 and/or 2023:

- Cazador, a private company controlled by the Corporation's CEO, Adam Travis; and
- Thomas Morgan & Co Ltd. ("TMCL"), a private company controlled by the Corporation's Chair of the Board, Fletcher Morgan.

**a) Related Party Transactions**

The Corporation's related party transactions for the three months ended March 31 were as follows:

		<u>2024</u>	<u>2023</u>
		\$	\$
Consulting fees	1	13,000	28,167
Director fees	2	16,500	16,500
Geological fees	3	13,000	10,833
Salaries	4	22,500	22,500
Share-based payments expense	5	13,800	13,168
		<u>78,800</u>	<u>91,168</u>

- 1 Consulting fees for the three months ended March 31, 2024 and 2023 consisted exclusively of CEO fees earned by Mr. Travis through Cazador.
- 2 Director fees for the three months ended March 31, 2024 and 2023 consisted of amounts of \$7,500 earned by Mr. Morgan through TMCL and \$4,500 earned by each of the Corporation's independent Board members, Messrs. Dale Wallster and Dan Berkshire.
- 3 Geological fees for the three months ended March 31, 2024 and 2023 consisted exclusively of fees earned by the CEO through Cazador, all of which were included in exploration expenditures.
- 4 Salaries consisted exclusively of amounts earned by the CFO.
- 5 Share-based payments expense is a non-cash item that consisted of the fair value of stock options that have been granted to key management personnel.

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**10. RELATED PARTY TRANSACTIONS** (continued)

**b) Related Party Balances**

Related party balances, which are included in accounts payable and accrued liabilities on the statement of financial position, consisted of the following:

		March 31, 2024	December 31, 2023
		\$	\$
Due to Cazador	1	116,032	85,077
Due to the CFO	2	-	1,343
Due to TMCL	3	7,875	-
Bonuses payable	4	13,704	13,704
		<u>137,611</u>	<u>100,124</u>

1 Amounts due to Cazador at March 31, 2024 consisted of \$75,075 (December 31, 2023: \$61,425) for CEO and geological fees and \$40,957 (December 31, 2023: \$23,652) for reimbursable expenses including certain staking fees.

2 Amounts due to the CFO consisted exclusively of reimbursable expenses.

3 Amounts due to TMCL consisted of director fees for the three months ended March 31, 2024.

4 Bonuses payable consisted of \$9,126 owed to Cazador and \$4,578 owed to the Corporation's CFO.

**11. SUBSEQUENT EVENTS**

- a) On May 16, 2024, the Corporation completed a non-brokered private placement, issuing 8,750,000 units ("Units") at an issue price of \$0.06 per Unit for gross proceeds of \$525,000 (the "Offering").

Each Unit consisted of one common share in the capital of the Corporation and one non-transferable common share purchase warrant, with each warrant entitling the holder to acquire an additional common share of the Corporation at an exercise price of \$0.12 per share with an expiry date of May 16, 2027.

Finders acting in connection with the Offering received aggregate cash fees of \$8,820 and a total of 147,000 finders' warrants, with the warrants having the same terms as those in the Offering.

- b) Subsequent to March 31, 2024, the Corporation received the fourth tranche cash payment of \$250,000 and 40,193 common shares of Skeena with a value of \$250,000 pursuant to the Red Chris Properties sale (Note 3).