US COPPER CORP

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIODS ENDED MARCH 31, 2023 & 2022

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying unaudited condensed interim consolidated financial statements of US Copper Corp. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34 Interim Financial Reporting of International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company’s affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

“Stephen Dunn” (signed)
Chief Executive Officer

“Rich Morrow” (signed)
Chief Financial Officer

NOTICE TO READER
The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements for the three months ended March 31, 2023 and 2022 have not been reviewed by the Company's auditors.

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Unaudited Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

As at,	*March 31, 2023* $	*December 31, 2022* $
ASSETS		
Current		
Cash and cash equivalents (Note 5)	**1,728,700**	1,880,449
Marketable securities (Note 6)	**110,000**	110,000
Trade and other receivables (Note 7)	**12,810**	7,788
	1,851,510	1,998,237
Capital assets (Note 8)	**33,361**	35,116
Total assets	**1,884,871**	2,033,353
LIABILITIES		
Current		
Trade and other payables (Notes 9 and 11)	**19,170**	32,274
Total liabilities	**19,170**	32,274
EQUITY		
Share capital (Note 12 (a))	**16,813,483**	16,813,483
Reserve for warrants (Note 13)	**594,800**	654,800
Reserve for share based payments (Note 14)	**3,514,786**	3,454,786
Accumulated deficit	**(19,057,368)**	(18,921,990)
Total equity	**1,865,701**	2,001,079
Total liabilities and equity	**1,884,871**	2,033,353

Nature of Operations and Going Concern (Note 1)
Commitments and Contingencies (Notes 10 and 15)
Subsequent Events (Notes 10, and 12 (b))

Approved on behalf of the Board of Directors on May 25, 2023:

"Stephen Dunn" (signed)
Director

"James Fairbairn" (signed)
Director

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

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Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

Three month periods ended March 31,	**2023** **$**	2022 $
Professional fees	**12,240**	14,760
Management and consulting fees (Note 11)	**15,000**	15,000
Share based payments (Notes 12 (c) and 14)	**-**	15,000
Office, general and administration	**(9,876)**	12,581
Investors relations, promotion and travel	**6,966**	82,677
Exploration and evaluation expenditures (Note 10)	**111,048**	95,333
Net loss and comprehensive loss	**135,378**	235,351
Loss per share - basic and diluted	**0.00**	0.00
Weighted average number of common shares - basic and diluted (000's)	**112,155**	112,155

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Unaudited Condensed Interim Consolidated Statements of Changes in Equity

(Expressed in Canadian dollars)

	Share Capital		Reserves			
	Number of shares	Amount	Warrants	Share based payments	Accumulated deficit	Total
Balance at December 31, 2021	112,154,62	$ 16,813,483	$ 723,100	$ 3,371,486	$ (18,244,319)	$ 2,663,750
Share based payments	-	-	-	15,000	-	15,000
Reserve transferred on expiry of warrants	-	-	(68,300)	68,300	-	-
Net loss for the year	-	-	-	-	(677,671)	(677,671)
Balance at December 31, 2022	**112,154,62**	**$ 16,813,483**	**$ 654,800**	**$ 3,454,786**	**$ (18,921,990)**	**$ 2,001,079**
Reserve transferred on expiry of warrants	**-**	**-**	**(60,000)**	**60,000**	**-**	**-**
Net loss for the period	**-**	**-**	**-**	**-**	**(135,378)**	**(135,378)**
Balance at March 31, 2023	**112,154,627**	**$ 16,813,483**	**$ 594,800**	**$ 3,514,786**	**$ (19,057,368)**	**$ 1,865,701**

Balance at December 31, 2021	112,154,62	$ 16,813,483	$ 723,100	$ 3,371,486	$ (18,244,319)	$ 2,663,750
Share based payments	-	-	-	15,000	-	15,000
Net loss for the period	-	-	-	-	(235,351)	(235,351)
Balance at March 31, 2022	112,154,627	$ 16,813,483	$ 723,100	$ 3,386,486	$ (18,479,670)	$ 2,443,399

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Unaudited Condensed Interim Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Three month periods ended March 31,	**2023** **$**	2022 $
Operating activities		
Net loss for the period	**(135,378)**	(235,351)
Adjustments to reconcile net loss to net cash used in operating activities:		
Share based payments	**-**	15,000
Amortization	**1,755**	2,200
Change in non-cash working capital		
Trade and other receivables	**(5,022)**	(6,945)
Prepaid expenses	**-**	50,000
Trade and other payables	**(13,104)**	3,527
Cash used in operating activities	**(151,749)**	(171,569)
Decrease in cash and cash equivalents	**(151,749)**	(171,569)
Cash and cash equivalents, beginning of period	**1,880,449**	2,531,780
Cash and cash equivalents, end of period	**1,728,700**	2,360,211

Supplementary Information

Interest paid	-	-
Income tax paid	-	-

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

1. NATURE OF OPERATIONS AND GOING CONCERN

US Copper Corp. ("US Copper" or the "Company") is a public company amalgamated under the laws of Canada on August 30, 2010. The Company's head office is located at 330 Zeller Dr., Kitchener, ON, N2A 0B5. The Company is an exploration stage company and currently has interests in exploration properties in Ontario, Canada and, through wholly owned subsidiaries, has interests in exploration properties in Nevada and California, USA. Substantially all of the Company's efforts are devoted to financing, exploring and evaluating these properties. There has been no determination whether the Company's interests in mineral properties contain mineral reserves which are economically recoverable.

As at March 31, 2023, the Company had working capital of $1,832,340 (December 31, 2022 – $1,965,963), had not yet achieved profitable operations, had accumulated deficit of $19,057,368 (December 31, 2022 – $18,921,990) and expects to incur further losses in the development of its business. These conditions indicate the existence of a material uncertainty that cast significant doubt as to whether the Company can continue as a going concern.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, and the ability of the Company to raise alternative financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis, all of which are uncertain. Failure to achieve the above could have a significant impact on the Company's ability to continue as a going concern.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and evaluation activities, and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, non-compliance with regulatory requirements or aboriginal land claims.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance and presentation

These unaudited condensed interim consolidated financial statements financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("IAS") 34 'Interim Financial Reporting' ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") as at May 25, 2023. These unaudited condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on May 25, 2023.

2. BASIS OF PREPARATION (continued)

2.1 Statement of compliance and presentation (continued)

The notes herein include only significant transactions and events occurring since the Company's last fiscal year end and are not fully inclusive of all matters required to be disclosed in the annual audited consolidated financial statements. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with our most recent annual audited consolidated financial statements for the year ended December 31, 2022.

2.2 Future accounting policies and standards adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2023 and, accordingly, have not been applied in preparing these unaudited condensed interim consolidated financial statements. The Company has assessed the impact of the application of these standards or amendments on the unaudited condensed interim consolidated financial statements of the Company and does not expect them to have a material impact on the unaudited condensed interim consolidated financial statements of the Company once adopted.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

Standards adopted
At January 1, 2023 the Company adopted the following standards/amendments for which there was no impact on the Company's unaudited condensed interim consolidated financial statements:

IAS 1 was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 8 – Accounting policies, changes in accounting estimates and errors ("IAS 8") was amended in February 2021. The IASB issued 'Definition of Accounting Estimates' to help entities distinguish between accounting policies and accounting estimates. The amendments are effective for year ends beginning on or after January 1, 2023.

These amendments were adopted by the Company on January 1, 2023 and did not have a material impact on the Company's unaudited condensed interim consolidated financial statements.

2. BASIS OF PREPARATION (continued)

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these unaudited condensed interim consolidated financial statements using accounting policies consistent with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the unaudited condensed interim consolidated financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to valuation of deferred income tax amounts and the calculation of share-based payments and warrants.

Significant estimates and judgments made by management in the preparation of these unaudited condensed interim consolidated financial statements are outlined below:

Going concern assumption
Going concern presentation of the unaudited condensed interim consolidated financial statements assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Income taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Valuation of share based payments and warrants
The Black-Scholes option pricing model is used to determine the fair value for share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Decommissioning provisions
These are made based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time that the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

2. BASIS OF PREPARATION (continued)

2.3 Use of management estimates, judgments and measurement uncertainty (continued)

Functional currency

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the parent company and its Canadian and US subsidiaries is the Canadian dollar.

3. CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and evaluation of mineral properties. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include all components of shareholders' equity. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. 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 were no changes in the Company's approach to capital management during the three month period ended March 31, 2023, and the year ended December 31, 2022.

The Company considers its capital to be equity, which is comprised of share capital, reserve for warrants and share based payments and accumulated deficit, which as at March 31, 2023, totaled $1,865,701 (December 31, 2022 – $2,001,079).

The Company's objective when managing capital is to obtain adequate levels of funding to support its exploration activities, to obtain corporate and administrative functions necessary to support organizational functioning and to obtain sufficient funding to further the identification of mineral deposits.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner. The Company invests all capital that is surplus to its immediate operational needs in interest bearing accounts with a Canadian financial institution.

4. FINANCIAL RISK FACTORS

Credit Risk

The Company's credit risk is primarily attributable to cash and cash equivalents. The Company has no significant concentration of credit risk arising from operations. The Company's current policy is to invest excess cash in interest bearing deposits issued by its banking institutions.

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The Company’s maximum exposure to credit risk as at March 31, 2023, is the carrying value of cash and cash equivalents, and trade and other receivables. The majority of the Company’s cash is held in Canadian chartered banks.

Market Risk

Foreign Currency Risk
The Company's exploration and evaluation activities are substantially denominated in Canadian dollars and United States dollars. The Company's funds are predominantly kept in Canadian dollars, with a major Canadian financial institution.

Equity Price Risk
Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company’s maximum exposure to fair value fluctuations as at March 31, 2023, is the fair value of marketable securities. The Company's other financial instruments (cash and cash equivalents, trade and other receivables, and trade and other payables) are not subject to equity price risk.

Fair Value

Marketable securities are classified as fair value through profit and loss (“FVTPL”) and investments are classified as available for sale, which are both measured at fair value. Fair value of marketable securities and investments are determined based on bid-ask spread at each reporting date and is categorized as Level 1 measurement under the fair value hierarchy. Cash and cash equivalents and trade and other receivables are measured at amortized cost which approximates fair value due to their short-term nature. Trade and other payables and CEBA Loan are measured at amortized cost which also approximates fair value due to their short-term nature.

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

Liquidity Risk

The Company’s approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2023, the Company had current assets of $1,851,510 (December 31, 2022 - $1,998,237) and current liabilities of $19,170 (December 31, 2022 - $32,274). The Company’s trade and other payables and receivables are subject to normal trade terms. As at March 31, 2023, the Company had working capital of $1,832,340 (December 31, 2022 - $1,965,963).

Interest Rate Risk

The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.

(Expressed in Canadian dollars)

5. CASH AND CASH EQUIVALENTS

The balance at March 31, 2023, consists of cash on deposit with Canadian banks in general non-interest-bearing accounts totaling $76,000 (December 31, 2022 - $185,511) and $1,652,700 (December 31, 2022 - $1,694,938) in short-term guaranteed cashable investment certificates and fixed instruments with remaining fixed maturities on the date of purchase of less than 90 days.

6. MARKETABLE SECURITIES

As at March 31, 2023, marketable securities consisted of shares in publicly-traded a cost of $152,000 (December 31, 2022 - $152,000) and a fair value of $110,000 (December 31, 2022 - $110,000). The Company recorded an unrealized loss on marketable securities during the three month period ended March 31, 2023, of $Nil (2022 - $Nil) as a result of this revaluation to market value. See note 9 for further details on acquisition of marketable securities.

7. TRADE AND OTHER RECEIVABLES

The Company's trade and other receivables arise from harmonized sales tax ("HST") due from the Canadian government. The HST receivable is not past due as at March 31, 2023.

	As at,	
	March 31, 2023	December 31, 2022
HST receivable	**$ 12,810**	$ 7,788
Total trade and other receivables	**$ 12,810**	$ 7,788

At March 31, 2023, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 4. The Company holds no collateral for any receivable amounts outstanding as at March 31, 2023.

8. Capital Assets

	Vehicles	**Total**
Cost		
As at March 31, 2023, December 31, 2022 and 2021	**$ 43,916**	**$ 43,916**
Accumulated amortization		
As at December 31, 2021	$ -	$ -
Amortization	**8,800**	**8,800**
As at December 31, 2022	**$ 8,800**	**$ 8,800**
Amortization	**1,755**	**1,755**
As at March 31, 2023	**$ 10,555**	**$ 10,555**
Net book value		
As at December 31, 2022	$ 35,116	$ 35,116
As at March 31, 2023	**$ 33,361**	**$ 33,361**

Amortization for the three month period ended March 31, 2023 of $1,755 (2022 - $2,200) is included in exploration and evaluation expenditures.

(Expressed in Canadian dollars)

9. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to exploration activities and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of the trade and other payables:

	As at,	
	March 31, 2023	December 31, 2022
Less than or equal to 90 days	**$ 19,170**	$ 32,274
Total trade and other payables	**$ 19,170**	$ 32,274

10. EXPLORATION AND EVALUATION EXPENDITURES

The evaluation and exploration expenses for the Company are segregated as follows:

	Three month period ended March 31,	
	2023	2022
Black Warrior	**$ -**	$ -
Moonlight-Superior	**108,837**	95,333
Timore	**1,195**	-
Warren Whiteside	**1,016**	-
Exploration and evaluation expenditures	**$ 111,048**	$ 95,333

Black Warrior
On May 20, 2008, the Company acquired a 100% interest in 2 patented claims near Silver Peak in Esmeralda County, Nevada for US$25,000.

Moonlight-Superior
Effective June 28, 2013, the Company purchased a 100% interest in the Superior Project, subject to an underlying production royalty, which included 132 unpatented mining claims and a lease on 36 patented claims in Plumas County, California for $50,000. The conditions of the lease include an annual lease payment of US$20,000 per year and an annual work obligation of US$25,000. The Company has a right to purchase the leased patented claims, and if purchased, the leased patented claims will be subject to an annual royalty payment schedule.

During the year ended December 31, 2015, the Company restaked the area in a more efficient way resulting in title to 47 unpatented claims. During the year ended December 31, 2016, the Company staked 57 additional claims. In addition, during the year ended December 31, 2018, the Company staked an additional 6 claims adjacent to the Superior Mine and an additional 35 new federal mining claims adjacent to the Engels Mine.

On February 26, 2016, the Company entered into an agreement with Canyon Copper Corp (“Canyon”) to acquire a 100% interest in the Moonlight Property (the “Agreement”), subject to an underlying production royalty. Under the terms of the Agreement US Copper acquired a 100% interest in the Moonlight Property for consideration of $375,000 and 2,750,000 common shares of the Company as follows:

10. EXPLORATION AND EVALUATION EXPENDITURES (continued)

Moonlight-Superior (continued)

- Cash Payments: $5,000 due on signing (paid), $20,000 due on or before June 1, 2016 (paid); and $350,000 (Paid in February 2018) due on or before March 4, 2019.
- Common Share Issuances: 2,000,000 common shares on or before 5 days after TSXV approval, which was received on March 4, 2016 (issued with a fair market value of $140,000), 750,000 common shares on or before 5 days after 1st anniversary of TSXV approval if the final payment has not yet been paid (issued with a fair market value of $60,000).

In addition, the advanced royalty holders, being Lester Storey and Metamin Enterprises Inc., (the "Advanced Royalty Holders") have approved the following: (i) elimination of the advanced royalty payments, (ii) an increase in each of the Advance Royalty Holder's net smelter returns from 1.0% to 1.25%, in exchange for the issuance of 300,000 common shares of the Company to each of the Advance Royalty Holders (issued with a fair market value of $42,000).

During the year ended December 31, 2020, the Company elected to not renew 75 unpatented claims. During the year ended December 31, 2021, the Company re-staked 47 unpatented claims. As at March 31, 2023, the Company holds a total of 329 (December 31, 2022 – 329) unpatented claims and a lease on 36 patented claims.

Timore
The Company owns a 100% interest in patented claims covering 1 property near Timmins, Ontario and 1 property near Red Lake, Ontario.

Warren Whiteside
The Company owns a 100% interest in 14 patented mining claims in Whiteside Township in Ontario.

On August 23, 2021, the Company optioned the Warren Whiteside property (the "**Property**") to Li3 Lithium Corp. (*formerly Western Troy Capital Resources Inc.)* ("**Li3**") for consideration of 2,500,000 common shares in the capital of Li3 ("**Li3 Shares**") and exploration expenditures, payable as follows (the "**Transaction**"):

- upon signing the Agreement and after all regulatory approvals, Li3 will issue 200,000 Li3 Shares (received - fair market value on the date of the agreement of $32,000);
- on or before February 1, 2022, Li3will issue 800,000 Li3 Shares following the completion of not less than three diamond drilling holes of an aggregate of at least 450 feet on the Property and completing a technical report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (received - fair market value on date received on May 6, 2022 of $120,000);
- and on or before December 1, 2022, Li3 will issue 1,500,000 Li3 Shares.

In the event that Li3 does not complete any of the above compensation, the Property and all consideration received to date would remain with the Company.

This Transaction is considered a related party transaction for accounting purposes as the Company and Li3 share a common officer, who is also a director of both Companies as well as a second director in common. The common officer and directors recused themselves from voting on any approvals related to the Transaction.

Subsequent to March 31, 2023, the Company was notified by Li3, that Li3 had elected to drop its option on the Property.

(Expressed in Canadian dollars)

11. RELATED PARTY DISCLOSURES

Certain corporate entities and consultants that are related to the Company's officers and directors provide consulting and other services to US Copper. All transactions were conducted in the normal course of operations and are measured as follows:

As at,		**March 31, 2023**		December 31, 2022
Amount included in trade and other payables, due to directors and/or officers	**$**	**Nil**	$	Nil

Amounts due to directors and officers are non-interest bearing and have no set terms of repayment.

Transactions during the three month period ended March 31,		**2023**		2022
Balances:				
Short-term benefits	**$**	**15,000**	$	15,000
Total compensation paid to key management	**$**	**15,000**	$	15,000

12. SHARE CAPITAL

(a) Common Shares

US Copper's authorized share capital consists of an unlimited number of common shares and with no par value. The issued and outstanding common shares are as follows:

	Number of Shares		**Stated Value**
Balance, March 31, 2023 and December 31, 2022 and 2021	**112,154,627**	**$**	**16,813,483**

(b) Warrants

The outstanding warrants at March 31, 2023, are comprised as follows:

Date of Expiry	**Type**	**No. of Warrants**	**Weighted Average Exercise Price $**
April 27, 2023	Warrants – Private Placement	3,600,000[1]	0.05
May 19, 2023[2]	Warrants – Private Placement	5,000,000	0.25
November 19, 2023	Warrants – Private Placement	26,400,000	0.10
Total		**35,000,000**	**0.12**

[1] Subsequent to March 31, 2023, 3,000,000 warrants were exercised for cash proceeds of $150,000 and 600,000 of these warrants expired unexercised.
[2] Subsequent to March 31, 2023, the expiry term of these warrants was extended nine months to February 19, 2024.

The weighted average remaining life of the outstanding warrants at March 31, 2023 is 0.51 years (December 31, 2022 – 0.71 years).

(Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

(b) Warrants (continued)

Continuity of the warrants to purchase common shares for the three month period ended March 31, 2023 and the year ended December 31, 2022:

For the,	Period ended March 31, 2023		Year ended December 31, 2022	
	Weighted Average Exercise Price ($)	No. of Warrants	Weighted Average Exercise Price ($)	No. of Warrants
Outstanding at beginning of period/year	**0.12**	**37,500,000**	0.12	45,900,000
Transactions during the period/year:				
Expired	**0.15**	**(2,500,000)**	0.10	(8,400,000)
Outstanding and exercisable at end of period/year	**0.12**	**35,000,000**	0.12	37,500,000

(c) Options

US Copper has a 10% rolling stock option plan pursuant to which options to purchase common shares may be granted to certain officers, directors, employees and consultants. As at March 31, 2023, the Company had 4,790,462 (December 31, 2022 - 4,790,462) options remaining available for issuance under the plan.

Continuity of the unexercised options to purchase common shares is as follows:

For the,	Period ended March 31, 2023		Year ended December 31, 2022	
	Weighted Average Exercise Price ($)	No. of Options	Weighted Average Exercise Price ($)	No. of Options
Outstanding at beginning of period/year	**0.14**	**6,425,000**	0.13	6,775,000
Transactions during the period/year:				
Granted	**-**	**-**	0.10	400,000
Expired	**-**	**-**	0.10	(750,000)
Outstanding and Exercisable at end of period/year	**0.14**	**6,425,000**	0.14	6,425,000

The following table provides additional information about outstanding stock options at March 31, 2023:

Range of Exercise Prices ($)	No. of Options Outstanding and Exercisable	Weighted Average Exercise Price ($)	Weighted Average Remaining Life (Years)
0.10	**1,700,000**	**0.10**	**0.73**
0.12 – 0.13	**3,275,000**	**0.12**	**0.99**
0.20 – 0.22	**1,450,000**	**0.21**	**0.95**
0.10 – 0.22	**6,425,000**	**0.14**	**0.91**

(Expressed in Canadian dollars)

12. SHARE CAPITAL (continued)

(c) Options (continued)

The following table summarizes the assumptions used in the Black-Scholes valuation model for determining the fair value for the stock options granted during the year ended December 31, 2022:

		Mar-10-22	Total
Number of options granted		400,000	400,000
Risk-free interest rate		1.57%	
Expected life years		3.0	
Expected volatility		82%	
Exercise price	$	0.10	
Market price	$	0.08	
Vesting		Immediately	
Expected dividends		-	
Fair value of options granted as share based payments	$	15,000	$ 15,000
Vesting of fair value of share based payments	$	15,000	$ 15,000

The weighted average grant-date fair value of options granted as compensation during the three month period ended March 31, 2023 was $Nil (year ended December 31, 2022 – $0.04) per option issued.

13. RESERVE FOR WARRANTS

Reserve for warrants is comprised of the following:

For the period/year ending,	**March 31, 2023**	December 31, 2022
Balance, beginning of the period/year	**654,800**	723,100
Reserves transferred on expiry of warrants	**(60,000)**	(68,300)
Balance, end of period/year	**$ 594,800**	$ 654,800

14. RESERVE FOR SHARE BASED PAYMENTS

Reserve for share based payments is comprised of the following:

For the period/year ending,	**March 31, 2023**	December 31, 2022
Balance, beginning of the period/year	**$ 3,454,786**	$ 3,371,486
Share based payments granted	**-**	15,000
Reserves transferred on expiry of warrants	**60,000**	68,300
Balance, end of period/year	**$ 3,514,786**	$ 3,454,786

(Expressed in Canadian dollars)

15. COMMITMENTS AND CONTINGENCIES

The Company's activities are subject to environmental regulation (including regular environmental impact assessments and permitting) in each of the jurisdictions in which its mineral properties are located. Such regulations cover a wide variety of matters including, without limitation, prevention of waste, pollution and protection of the environment, labour relations and worker safety. The Company may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of its properties or which may be produced as a result of its operations. It is likely that environmental legislation and permitting will evolve in a manner which will require stricter standards and enforcement. This may include increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a higher degree of responsibility for companies, their directors and employees.

The Company has not determined and is not aware whether any provision for such costs is required and is unable to determine the impact on its financial position, if any, of environmental laws and regulations that may be enacted in the future due to the uncertainty surrounding the form that these laws and regulations may take.

16. SEGMENTED INFORMATION

Operating Segments

At March 31, 2023 and December 31, 2022, the Company's operations comprise a single reporting operating segment engaged in mineral exploration in Canada and the United States.

An operating segment is defined as a component of the Company:
- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

Geographic Information

The Company currently has one reportable segment as at March 31, 2023 and December 31, 2022, being the exploration and evaluation of mineral properties in Canada and the United States. The following is a detailed breakdown of the Company's assets by geographical location:

Identifiable assets as at,	**March 31, 2023**	December 31, 2022
Canada	**$ 1,851,510**	$ 1,998,237
United States	**33,361**	35,116
	$ 1,884,871	$ 2,033,353