Marimaca Copper Corp.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2024 and 2023
(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2024, and December 31, 2023.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

		As at March 31, 2024		As at December 31, 2023
Assets				
Current assets				
Cash	**$**	**12,685**	$	16,692
Amounts receivable and prepaid expenses (Note 3)		**7,118**		6,974
		19,803		23,666
Non-current assets				
Amounts receivable		**331**		237
Property, plant and equipment		**218**		172
Exploration and evaluation assets (Note 4)		**73,822**		71,524
Total assets	**$**	**94,174**	$	95,599
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 5)	**$**	**911**	$	1,076
Lease liabilities		**40**		85
		951		1,161
Non-current liabilities				
Lease liabilities		**58**		43
Total liabilities		**1,009**		1,204
Shareholders' equity (Note 6)				
Common shares		**207,030**		206,306
Contributed surplus		**35,123**		34,338
Accumulated other comprehensive income ("AOCI")		**50**		65
Deficit		**(149,038)**		(146,314)
Total equity		**93,165**		94,395
Total liabilities and equity	**$**	**94,174**	$	95,599

Nature of Operations and Liquidity Risk (Note 1)

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	For the three months ended March 31,	
	2024	2023
Expenses		
Exploration expenditures	**$ 47**	$ -
Depreciation and amortization	**29**	3
Legal and filing fees	**37**	90
Other corporate costs	**364**	319
Salaries and management fees	**909**	624
Share-based compensation (Note 6(b))	**1,509**	400
Operating loss	**(2,895)**	(1,436)
Finance income	**302**	104
Change in fair value of derivative	**-**	(4)
Foreign exchange (loss) gain	**(150)**	77
Other non-operating income	**19**	-
Net loss	**$ (2,724)**	$ (1,259)
Items that may be reclassified subsequently to net income:		
Foreign currency translation adjustment	**(15)**	5
Comprehensive loss	**$ (2,739)**	**$ (1,254)**
Loss per share		
Basic and diluted loss per share	**$ (0.03)**	$ (0.01)
Weighted average number of shares outstanding (000's)		
Basic	**93,203**	88,226
Diluted	**93,203**	88,226

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Shareholders' Equity

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Number of shares #000's	Amount	Contribute Surplus	AOCI	Deficit	Total
Balance - January 1, 2023	88,226	$ 192,800	$ 30,553	$ 112	$ (139,201)	$ 84,264
Private placement	4,640	15,019	-	-	-	15,019
Warrants	-	(2,002)	2,002	-	-	-
Options exercised	308	489	(356)	-	-	133
Share-based compensation	-		2,139	-	-	2,139
Net loss	-	-	-	-	(7,113)	(7,113)
Other comprehensive income	-	-	-	(47)	-	(47)
Balance - December 31, 2023	93,174	$ 206,306	$ 34,338	$ 65	$ (146,314)	$ 94,395
Balance - January 1, 2024	**93,174**	**$ 206,306**	**$ 34,338**	**$ 65**	**$ (146,314)**	**$ 94,395**
Options exercised	**52**	**560**	**(560)**	**-**	**-**	**-**
RSUs Exercised	**40**	**164**	**(164)**	**-**	**-**	**-**
Share-based compensation	**-**	**-**	**1,509**	**-**	**-**	**1,509**
Net loss	**-**	**-**	**-**	**(15)**	**(2,724)**	**(2,739)**
Balance - March 31, 2024	**93,266**	**$ 207,030**	**$ 35,123**	**$ 50**	**$ (149,038)**	**$ 93,165**

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2024 and 2023

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

		For the three months ended March 31,		
		2024		2023
Cash flows from operating activities				
Net loss from continuing operations		**(2,724)**		(1,259)
Items not affecting cash				
Depreciation and amortization		**29**		3
Unrealized foreign exchange		**122**		219
Change in fair value of derivative		**-**		4
Share-based compensation (Notes 6(b))		**1,509**		400
		(1,064)		**(633)**
Change in non-cash operating working capital				
(Decrease) in amounts receivable and prepaid expenses		**(238)**		(25)
(Decrease) increase in accounts payable and accruals		**(164)**		197
Cash used in operating actvities	**$**	**(1,466)**	$	(461)
Cash flows from financing activities				
Lease payments		**(31)**		-
Cash provided (used) in financing activities	**$**	**(31)**	$	-
Cash flows from investing activities				
Property, plant and equipment		**(75)**		(3)
Exploration and evaluation assets - capitalized expenditures		**(2,298)**		(1,752)
Cash used in investing activities	**$**	**(2,373)**	$	(1,755)
Effect of exchange rate changes on cash		**(137)**		(214)
Increase (decrease) in cash		(4,007)		(2,430)
Cash: beginning of the period		**16,692**		14,636
Cash: end of the period	**$**	**12,685**	$	12,206

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

Note 1 - Nature of operations and liquidity risk

(a) Nature of operations
Marimaca Copper Corp. ("Marimaca Copper" or the "Company") was incorporated under *the Business Corporations* Act (British Columbia). Marimaca Copper is an exploration and development company focused on base metal projects in Chile.

The Company's principal asset is the Marimaca Copper Project (the "Marimaca Project"), located in the Antofagasta Region of northern Chile. The Marimaca Project comprises a set of concessions (the "1-23 Claims"), properties 100% owned and optioned by the Company, combined with the adjacent La Atómica and Atahualpa claims over which Marimaca Copper has the right to explore and exploit resources and this larger area is referred to as the "Marimaca District".

The Company's registered office is Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, Canada.

(b) Liquidity risk
These interim condensed consolidated financial statements have been prepared in accordance with IFRS, as defined below, applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue in operation for at least the next twelve months.

The Company is an exploration and development company that currently does not generate operational revenue from its assets. At March 31, 2024, the Company had working capital of $18.9 million (December 31, 2023 – $22.5 million), which management believes is sufficient to meet its property option payments, its obligations and to continue to fund operations for at least the next twelve months.

Beyond the next 12 months, the Company's ability to continue as a going concern and to advance the Marimaca Project will be dependent upon its ability to obtain the necessary financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

Note 2 - Basis of preparation and material accounting policies

a) Statement of compliance
These condensed interim consolidated financial statements include the accounts of Marimaca Copper and its wholly-owned subsidiaries (its "subsidiaries") (hereinafter together with Marimaca Copper, the "Company"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023 ("2023 annual financial statements"), and were prepared using the same accounting policies. All amounts are expressed in thousands of U.S. dollars ($), unless otherwise noted. References to C$ are to Canadian dollars.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 13, 2024.

The results of operations for the three months ended March 31, 2024, ("Q1 2024") are not necessarily indicative of the results to be expected for the full year. Seasonality is not considered to have a significant impact over the condensed interim consolidated financial statements.

b) Significant judgements, estimates and assumptions

The preparation of condensed interim consolidated financial statements in accordance with IFRS requires the Company to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period. The areas of judgement and estimation are consistent with those reported in the annual consolidated financial statements for the year ended December 31, 2023, and the following discusses the most significant accounting judgements and estimates that the Company has made in the preparation of these condensed interim consolidated financial statements:

i) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management has assessed for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of March 31, 2024.

ii) Share-based compensation

The Company applies the fair value method of accounting using the Black-Scholes model to determine the fair value of stock-options granted to employees, consultants and directors. The model includes significant assumptions as to the estimated life of the stock options, the forfeiture rate and the volatility of the stock. The Company uses historical data to estimate the expected future volatility of the stock, the estimated lives of the stock options and the forfeiture rate.

Stock options granted might include performance conditions related to the achievement of specified performance targets or a milestone and might pertain either to the performance of the Company as a whole or to some part of the enterprise, such as a subsidiary. The measurement of compensation costs for a stock-based award with a performance condition that will determine the number of options or shares to which all employees receiving the award will be entitled, is based on the best estimate of the outcome of the performance condition. The Company estimates forfeitures awards by individual employees and recognizes them as they occur. Management assesses all the factors and uses its judgment to calculate these estimates.

c) New Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted.

IFRS 18, Presentation and Disclosure in Financial Statements

The IASB issued the IFRS 18, Presentation and Disclosure in Financial Statements, which is mandatory for accounting periods after January 1, 2027. The Company is currently assessing the impact of this new IFRS Accounting Standard on its financial statements and will update the Company's accounting policies as applicable; no retrospective adjustments to the Condensed Interim Condensed Financial Statements are expected as a result of adopting this new standard.

Note 3 - Sale of Minera Rayrock Ltda ("Rayrock")

On March 3, 2022, the Company entered into an agreement to sell its wholly-owned indirect subsidiary, Rayrock, which holds the Ivan plant, to a third party ("5Q"). The transaction closed on March 21, 2022. Under the terms of the agreement, 5Q acquired 100% of the issued and outstanding shares of Rayrock.

In December 2023, a majority stake in 5Q was acquired by Chilean company Cobres y Metales SpA ("CyM"). On December 29, 2023, the Company signed a Memorandum of Understanding ("MOU") in which Marimaca agreed to amend the deferred payment considerations of the original sale of Rayrock, replacing the previous payment schedule and contingent payments, to a single payment of $7.0 million, subject to actual payment of such amount in full no later than June 30, 2024. No changes applied to the 1.5% net smelter return royalty ("NSR") granted to the Company on certain concessions held by Rayrock. As a result, a net receivable of $6.6 million was recorded on December 31, 2023. As of March 31, 2024, the Rayrock receivable had its value accreted to $6.8 million, resulting in an interest income of $0.2 million in Q1 2024 ($nil-Q1 2023).

Note 4 - Exploration and evaluation assets

(In thousands of US dollars)		Marimaca Project		Marimaca District		Other		Total
January 1, 2023	$	58,202	$	2,206	$	994	$	61,402
Exploration and evaluation costs		7,655		467		-		8,122
Property acquisition costs		2,000		-		-		2,000
December 31, 2023	$	67,857	$	2,673	$	994	$	71,524
Exploration and evaluation costs		**1,891**		**407**		**-**		**2,298**
March 31, 2024	**$**	**69,748**	**$**	**3,080**	**$**	**994**	**$**	**73,822**

Osisko Gold Royalties Ltd. Transaction

In 2022, the Company entered into a Royalty Agreement with Osisko Gold Royalties Ltd ("Osisko"), whereby Marimaca granted an unsecured 1.0% NSR to Osisko on concessions that currently host the Marimaca Oxide Deposit as well as certain rights including a right of first refusal with respect to any royalty, stream, or similar interest in connection with project financing of the Marimaca Project. Under the Investment Agreement the Company agreed to exercise certain buyback rights in respect of royalties granted under the 1-23 Purchase Agreement and La Atomica option agreement prior to commercial production, which total $6.0 million in aggregate.

Certain concessions that make up the Marimaca Project are under option agreements as follows:

Llanos and Mercedes ("Ll&M")
The Llanos and Mercedes claims are subject to a 1% NSR with a purchase option for the NSR of $0.5 million, exercisable up to 24 months from the start of commercial production.

The Company owns all the concessions that make up the Marimaca Project and any historical option agreements relating to concessions have been exercised.

Note 5 - Accounts payable and accrued liabilities

(In thousands of US dollars)		**March 31, 2024**		December 31, 2023
Accounts payable	**$**	**90**	$	423
Accrued liabilities		**821**		653
	$	**911**	$	1,076

Note 6 – Shareholders' equity

a) Share capital

Authorized
The Company authorized capital includes an unlimited number of common shares (93,266,369 common shares issued and outstanding as at March 31, 2024) having no par value.

b) Stock options and RSU

During Q1 2024, no stock options were granted (Q1 2023 – nil stock options and nil RSUs, respectively) under the Company's Omnibus Plan.

During the three months ended March 31, 2024, the Company awarded to management and directors with 0.9 million RSUs (Q1 2023 – nil). The fair value of the RSUs, which is determined with reference to the trading price of the Company's common shares immediately preceding the date of issuance, was determined to be C$3.2 million in 2024 (Q1 2023 – $nil).

For the three months ended March 31, 2024, the Company recorded $1.5 million in share-based compensation ($0.4 million and three months ended March 31, 2023) associated with the vesting of granted stock options and RSUs.

c) Warrants

In July 2023, the Company issued 4.6 million Warrants in connection with the completion of the non-brokered private placement with Mitsubishi Corporation ("Mitsubishi"), in which it issued 4,640,371 units ("Units") at a price of C$4.31 per unit. Each unit comprised one common share of the Company (a "Common Share") and one Common Share purchase warrant of the Company (each whole warrant, a "Warrant"). Each Warrant entitled the holder to purchase one additional Common Share at an exercise price of C$5.60 for a period of 24 months following the closing.

	2024			2023		
	Number of Warrants	**Weighed average exercise price**	**Weighed average remaining life (years)**	Number of Warrants	Weighed average exercise price	Weighed average remaining life (years)
Outstanding - January 1	**4,640,371**	**5.60**	**1.52**	-	-	-
Issued	-	-	-	4,640,371	5.60	2.00
Exercised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
Outstanding - December 31	**4,640,371**	**5.60**	**1.27**	4,640,371	5.60	1.52

Note 7 - Related party transactions

Key management personnel
The Company considers directors and officers of the Company to be key management personnel. Compensation was as follows:

(In thousands of US dollars)		**March 31, 2024**		March 31, 2023
Short-term benefits (1)	**$**	**939**	$	532
Share-based payments (2)		**985**		341
Total	**$**	**1,924**	$	873

(1) Includes salary, benefits and short-term accrued incentives/other bonuses earned in the period.
(2) Represents the expense of stock options and restricted share units during the period.

Note 8 - Segmented information

The chief operating decision-maker organizes and manages the business under one operating segment. The table below shows the geographical location of various assets and liabilities held by the Company as at March 31, 2024 and the net loss associated with each location for the three months ended March 31, 2024.

(In thousands of US dollars)	Chile	Canada	Total
March 31, 2024			
Current assets	7,939	11,864	$ **19,803**
Non-current assets	74,350	21	**74,371**
Total assets	82,289	11,885	**94,174**
Current liabilities	748	203	**951**
Non-current liabilities	58	-	**58**
Total liabilities	806	203	**1,009**
Net loss	(247)	(2,492)	**(2,739)**

Note 9 - Financial instruments

As at March 31, 2024, the Company's carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Credit risk
Credit risk is a risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations as agreed. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company deposits its cash with high credit quality financial institutions as determined by rating agencies.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates in the market. The Company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; foreign exchange gains and losses in these situations impact earnings.

The Company's significant subsidiaries are located in Chile and although their functional currency is the U.S. dollar, they are subject to currency risk because they maintain certain cash, amounts receivable and accounts payables and accrued liabilities in Chilean pesos. The parent company is in Canada and its functional currency is the Canadian dollar and also maintains cash and accounts payables and accrued liabilities in Canadian and US dollars.

Total currency exposure from foreign currencies is equivalent to $0.4 million as at March 31, 2024 ($0.5 million as of December 31, 2023). Based on the net exposures as of March 31, 2024, and assuming that all other variables remain constant, a change of 10% in the Canadian dollar and/or Chilean peso against the US dollar would result in a change in the Company's net loss of approximately $0.03 million, respectively. The Company manages and monitors the currency risk on a regular basis.

As at March 31, 2024, the Company held its cash as follows: 91% in U.S. dollars, 0.3% in Canadian dollars and 8.7% in Chilean pesos, with 91.3% of cash held in Canadian banks and 8.7% held in Chilean banks, as at March 31, 2024.

Interest rate risk
Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Cash and accounts receivables are the only financial instruments the Company holds that are impacted by interest. There is limited interest rate risk associated with the Company´s cash balance and the accounts receivable.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and/or loans as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs.