



**COAST COPPER CORP.
(FORMERLY ROUGHRIDER EXPLORATION LIMITED)**

(An Exploration Stage Company)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

(Expressed in Canadian Dollars)

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.

The Company'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. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian dollars)

	Note	September 30, 2021	December 31, 2020
ASSETS		\$	\$
Current			
Cash		627,359	1,463,598
Receivables		28,557	43,635
Prepaid expenses and deposits		37,233	6,250
Marketable securities	3	80,000	25,000
		773,149	1,538,483
Non-Current			
Exploration and evaluation assets	4	912,669	763,986
Reclamation deposit		13,642	-
		926,311	763,986
		1,699,460	2,302,469
LIABILITIES			
Current			
Accounts payable and accrued liabilities	9(b)	127,392	166,307
SHAREHOLDERS' EQUITY			
Share capital	5	8,256,247	8,220,247
Other equity reserves		275,495	298,682
Deficit		(6,959,674)	(6,382,767)
		1,572,068	2,136,162
		1,699,460	2,302,469

Subsequent Events (Note 10)

Approved on behalf of the Board:

"Dale Wallster", Director

"Adam Travis", Director

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		\$	\$	\$	\$
Expenses					
Consulting	9(a)	40,231	79,498	125,931	166,998
Exploration expenditures	4, 9(a)	108,584	172,530	398,919	189,651
Investor relations		2,079	3,910	13,648	7,703
Office and administration		11,663	4,116	21,452	8,400
Professional fees		19,731	45,872	50,827	101,114
Salaries and personnel costs		21,028	142	50,152	12,386
Share-based payments expense	5(e), 9(a)	-	-	23,635	249,718
Transfer agent, regulatory and filing fees		1,994	5,007	10,423	20,541
Travel and accommodation		1,423	802	1,423	802
		206,733	311,877	696,410	757,313
Other items					
Interest income		(603)	-	(2,290)	-
Miscellaneous income	4(a)(iii)	-	-	(15,391)	-
Unrealized loss (gain) on marketable securities	3	5,000	-	(55,000)	-
		4,397	-	(72,681)	-
Loss and comprehensive loss for the period		(211,130)	(311,877)	(623,729)	(757,313)
Basic and diluted loss per share		\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.03)
Basic and diluted weighted average number of shares outstanding		40,939,499	37,797,590	40,936,616	27,371,608

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(Unaudited - Expressed in Canadian dollars)

	Note	Number of shares	Share capital \$	Other equity reserves \$	Deficit \$	Total \$
Balance, December 31, 2019		13,806,551	5,209,518	21,000	(5,477,847)	(247,329)
Loss for the period		-	-	-	(757,313)	(757,313)
Private placements, net of share issue costs	5(b)	15,925,000	2,312,296	49,037	-	2,361,333
Shares issued pursuant to acquisition of mineral properties	4(a)(ii), 5(b)	11,000,000	660,000	-	-	660,000
Exercise of warrants	5(b)	3,600	433	(73)	-	360
Share-based payments expense	5(e)	-	-	249,718	-	249,718
Reclass of forfeited stock options	5(e)	-	-	(4,200)	4,200	-
Balance, September 30, 2020		40,735,151	8,182,247	315,482	(6,230,960)	2,266,769
Loss for the period		-	-	-	(168,607)	(168,607)
Reclass of forfeited stock options		-	-	(16,800)	16,800	-
Shares issued pursuant to acquisition of mineral properties		200,000	38,000	-	-	38,000
Balance, December 31, 2020		40,935,151	8,220,247	298,682	(6,382,767)	2,136,162
Loss for the period		-	-	-	(623,729)	(623,729)
Shares issued pursuant to acquisition of mineral properties	5(b)	400,000	36,000	-	-	36,000
Share-based payments expense	5(e)	-	-	23,635	-	23,635
Reclass of forfeited stock options	5(e)	-	-	(46,822)	46,822	-
Balance, September 30, 2021		41,335,151	8,256,247	275,495	(6,959,674)	1,572,068

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30
(Unaudited - Expressed in Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
		\$	\$	\$	\$
Operating Activities					
Loss for the period		(211,130)	(311,877)	(623,729)	(757,313)
Items not involving cash:					
Share-based payments expense	5(e)	-	-	23,635	249,718
Unrealized loss (gain) on marketable securities	3	5,000	-	(55,000)	-
Net change in non-cash working capital	6	(32,222)	(4,686)	(54,820)	(244,514)
Cash used in operating activities		(238,352)	(316,563)	(709,914)	(752,109)
Investing Activities					
Acquisition of exploration and evaluation assets	4	(100,000)	-	(112,683)	(24,876)
Reclamation deposit		-	-	(13,642)	-
Cash used in investing activities		(100,000)	-	(126,325)	(24,876)
Financing Activities					
Proceeds received pursuant to private placements	5(b)	-	1,800,000	-	2,492,500
Share issue costs	5(b)	-	(102,532)	-	(131,167)
Proceeds pursuant to exercise of warrants		-	360	-	360
Cash provided by financing activities		-	1,697,828	-	2,361,693
Net increase (decrease) in cash		(338,352)	1,381,265	(836,239)	1,584,708
Cash, beginning of period		965,711	362,453	1,463,598	159,010
Cash, end of period		627,359	1,743,718	627,359	1,743,718
Supplemental cash flow information	6				

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Coast Copper Corp. ("**Coast Copper**" or the "**Company**"), formerly Roughrider Exploration Limited, was incorporated on December 7, 2011 under the British Columbia Business Corporations Act. Effective September 28, 2021, the Company changed its name from Roughrider Exploration Limited to Coast Copper Corp. The Company 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 Company is the exploration and evaluation of mineral properties. The principal focus of the Company is exploring its portfolio of mineral properties, including the Empire Mine property located on northern Vancouver Island, British Columbia ("**BC**") and the Golden Triangle properties in central BC, its sole operating and geographical segment.

The address of the Company's head office is Suite 904 - 409 Granville Street, Vancouver, BC, Canada, V6C 1T2. The address of the Company's registered office is 2500 - 700 West Georgia Street, Vancouver, BC, Canada, V7Y 1B3.

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 Company realized a loss of \$623,729 for the nine months ended September 30, 2021 (2020: \$757,313). At September 30, 2021, the Company had an accumulated deficit of \$6,959,674. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

The Company 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 Company 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 Company 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 Company'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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or ability to raise funds.

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 Company's audited financial statements for the year ended December 31, 2020 which include the accounting policies used in the preparation of these condensed interim financial statements.

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

2. BASIS OF PREPARATION (continued)

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

The Board of Directors (the “**Board**”) approved these financial statements on November 26, 2021.

3. MARKETABLE SECURITIES

Marketable securities are financial assets measured at fair value through profit or loss (“**FVTPL**”) and consist of an investment of 500,000 free-trading common shares of Goldplay Mining Inc. (“**Goldplay**”) (Note 4(a)(iii)). The fair value of marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation.

A summary of the changes in FVTPL investments is presented below:

	\$
Balance December 31, 2020	25,000
Unrealized gain	55,000
	<u>80,000</u>
Balance, September 30, 2021	<u>80,000</u>

In November 2021, the Company received 365,817 common shares of Goldplay valued at \$50,000 in relation to Goldplay’s first anniversary obligations (Note 4(a)(iii)), which will be recorded in the quarter ended December 31, 2021.

4. EXPLORATION AND EVALUATION ASSETS

a) BRITISH COLUMBIA

i) EMPIRE MINE PROPERTY

On September 22, 2020, the Company 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 Company must make aggregate cash payments of \$750,000, issue 3,000,000 common shares of the Company to Mirva and complete work commitments totaling \$2,000,000 over a four-year period, as follows:

	Cash payment	Share issuance	Work commitment
	\$		\$
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	600,000	400,000
By September 22, 2023	200,000	800,000	600,000
By September 22, 2024	250,000	1,000,000	800,000

During the nine months ended September 30, 2021, the Company paid Mirva a cash payment of \$100,000 and issued 400,000 common shares of the Company with a value of \$36,000 to Mirva.

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) BRITISH COLUMBIA (continued)

i) EMPIRE MINE PROPERTY (continued)

In order to earn a 100% interest in the Quatsino Crown Grants, the Company must pay Mirva the equivalent of \$500,000 with either a cash payment or equivalent value in common shares of the Company, at the Company's election, on or before the fifth anniversary date of the Empire Option Agreement.

Mirva has retained a 2% net smelter return ("**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.

ii) GIN, ELDERADO AND BONANZA PROPERTIES

On April 13, 2020, the Company purchased a 100% interest in the Gin, Eldorado and Bonanza properties from Cazador (Note 9), Rene Bernard, an individual, and Elemental (Note 9), in consideration for 11,000,000 common shares of the Company (the "**Golden Triangle Acquisition**"), which were valued at \$660,000. The properties are located in the Golden Triangle area of northern BC.

Certain claims on the Eldorado property are subject to a 2% NSR royalty, of which Cazador owns 50%.

iii) SCOTTIE WEST PROPERTY

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

On November 20, 2020, the Company entered into a farm-out agreement with Goldplay whereby Goldplay can earn a 70% interest in the Company's Scottie West property by making aggregate cash payments of \$500,000, issuing common shares of Goldplay to the Company 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, as follows:

	Cash payment	Share issuance	Work commitment
	\$		\$
Upon closing	25,000 (received)	500,000 (received)	N/A
By November 20, 2021	25,000 (received)	\$50,000 (received)	200,000 (completed)
By November 20, 2022	50,000	\$75,000	100,000
By November 20, 2023	150,000	\$150,000	300,000
By November 20, 2024	250,000	\$200,000	400,000

Note that for years one through four, Goldplay must issue shares by dividing the dollar amount by the 10-day volume-weighted average price of its publicly listed shares immediately prior to the date of the share issuance.

The value of the 500,000 common shares of Goldplay received by the Company was \$25,000. The common shares are recorded as marketable securities (Note 3).

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

a) BRITISH COLUMBIA (continued)

iii) SCOTTIE WEST PROPERTY (continued)

In November 2021, the Company received a cash payment of \$25,000 from Goldplay and 365,817 common shares of Goldplay valued at \$50,000 in relation to Goldplay's first anniversary obligations, which will be recorded in the quarter ended December 31, 2021.

Upon Goldplay's successful completion of the farm-out, the Company and Goldplay will form a joint venture on the property. The Company will retain a 2% NSR royalty of which Goldplay can repurchase 1% of the NSR royalty for \$2,000,000 at any time after a production decision has been made.

During the nine months ended September 30, 2021, the Company received an amount of \$15,391 from Goldplay as reimbursement for certain exploration expenditures the Company incurred in 2020. The Company recorded this amount as miscellaneous income.

iv) STERLING PROPERTY

The Company owns a 100% interest in certain claims in the Sterling property, with a carrying value of \$Nil, located near Houston, BC.

v) KNOB HILL PROPERTY

In February 2021, the Company staked the Knob Hill property located approximately 60 kilometres from the Empire Mine property on northern Vancouver Island. Total cost of the staking was \$6,974.

vi) SANDY PROPERTY

In March 2021, the Company staked the Sandy property located in southeastern BC, close to the town of Nelson. Total cost of the staking was \$1,065.

b) SASKATCHEWAN

GENESIS PROPERTY

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

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

	Gin	Eldorado	Bonanza	Empire Mine	Scottie West	Knob Hill	Sandy	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance, December 31, 2020	198,000	398,238	66,000	101,748	-	-	-	763,986
Option payments	-	-	-	100,000	-	-	-	100,000
Issuance of shares	-	-	-	36,000	-	-	-	36,000
Staking	-	-	-	1,082	3,562	6,974	1,065	12,683
Change during the period	-	-	-	137,082	3,562	6,974	1,065	148,683
Balance, September 30, 2021	198,000	398,238	66,000	238,830	3,562	6,974	1,065	912,669

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

4. EXPLORATION AND EVALUATION ASSETS (continued)

The Company's exploration expenditures for the nine months ended September 30, 2021 were as follows:

	Empire	Gin	Eldorado	Scottie West	Home Brew	Knob Hill	Other Properties	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Analysis	7,549	-	-	-	-	4,929	-	12,478
Camp	3,772	-	-	-	-	388	-	4,160
Communications	1,592	-	-	-	-	-	-	1,592
Community engagement	8,102	965	2,081	-	-	-	465	11,613
Field equipment	16,156	-	310	310	-	330	-	17,106
Fuel	1,903	-	173	217	-	63	-	2,356
Helicopter	-	-	2,809	-	-	-	-	2,809
Geological consulting	190,787	606	6,293	2,358	2,678	6,121	892	209,735
Geophysics	36,550	27,001	34,906	-	-	-	-	98,457
Overhead	10,697	726	1,695	656	275	-	-	14,049
Permitting	2,196	-	270	-	-	-	-	2,466
Travel and accommodation	20,804	894	44	-	-	356	-	22,098
	<u>300,108</u>	<u>30,192</u>	<u>48,581</u>	<u>3,541</u>	<u>2,953</u>	<u>12,187</u>	<u>1,357</u>	<u>398,919</u>

5. SHARE CAPITAL

a) Authorized

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

b) Share issuance details

Nine months ended September 30, 2021

On September 30, 2021, the Company issued 400,000 common shares of the Company with a value of \$36,000 to Mirva pursuant to the Empire Option Agreement (Note 4(a)(i)).

Nine months ended September 30, 2020

- On March 25, 2020, the Company completed the first tranche of a non-brokered private placement, issuing 4,925,000 common shares at a price of \$0.10 per share for gross proceeds of \$492,500. Share issue costs totaled \$30,826 including \$10,860 paid as finders' fees and 108,600 share purchase warrants issued as finders' fees with a fair value of \$2,192 (Note 5(d)). Each warrant was exercisable into one common share of the Company at a price of \$0.10 per share with an expiry of March 25, 2022.
- On April 13, 2020, the Company completed the second and final tranche of the non-brokered private placement, issuing 2,000,000 common shares of the Company at a price of \$0.10 per share for gross proceeds of \$200,000.
- On April 13, 2020, the Company issued 11,000,000 common shares of the Company pursuant to the Golden Triangle Acquisition.

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

b) Share issuance details (continued)

Nine months ended September 30, 2020 (continued)

- On July 31, 2020 the Company completed a non-brokered private placement by issuing 9,000,000 units at a price of \$0.20 per unit for gross proceeds of \$1,800,000. Each unit consisted of one common share of the Company and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire an additional common share of the Company at an exercise price of \$0.30 per share with an expiry date of July 31, 2022.

Share issue costs totaled \$149,378 including \$90,300 paid as finders' fees and 397,250 share purchase warrants issued as finders' fees with a fair value of \$46,845. Each warrant has the same terms as those in the private placement.

If, at any time after completion, the volume weighted average trading price of the Company's common shares on the TSX-V, or other principal exchange on which the common shares are listed, is greater than \$0.40 for 10 consecutive days, the Company may, at its option, deliver a notice to the holders of the warrants accelerating the expiry date to the date that is 30 days following the date of such notice.

- During the nine months ended September 30, 2020, 3,600 warrants with an exercise price of \$0.10 were exercised for proceeds of \$360.

c) Stock options

The Company has a Rolling Stock Option Plan whereby the Company may grant options to directors, officers, employees and consultants of up to an aggregate maximum of 10% of the common shares outstanding at the time of the grant. 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, 2020	2,000,000	0.18
Granted	200,000	0.18
Forfeited	(375,000)	0.18
Balance, September 30, 2021	<u>1,825,000</u>	<u>0.18</u>

The following stock options were outstanding as at September 30, 2021:

Outstanding	Exercisable	Weighted average Exercise Price \$	Expiry Date	Weighted average remaining life (in years)
1,625,000	1,625,000	0.18	June 1, 2025	3.67
<u>200,000</u>	<u>200,000</u>	<u>0.18</u>	January 11, 2026	<u>4.28</u>
<u>1,825,000</u>	<u>1,825,000</u>	<u>0.18</u>		<u>3.73</u>

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (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, 2020 and September 30, 2021	5,002,250	0.30

The following warrants were outstanding as at September 30, 2021:

Outstanding	Exercisable	Exercise Price \$	Expiry Date
105,000	105,000	0.10	March 25, 2022
4,897,250	4,897,250	0.30	July 31, 2022
<u>5,002,250</u>	<u>5,002,250</u>		

The fair value of the 108,600 warrants issued as finders' fees pursuant to the private placement described in Note 5(b) was \$2,192 using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.66%
Expected stock price volatility	88%
Expected dividend yield	0.0%
Expected option life in years	2.0

The fair value of the 397,250 warrants issued as finders' fees pursuant to the private placement completed on July 31, 2020 was \$46,845 using the Black-Scholes option pricing model with the following weighted average assumptions:

Risk-free interest rate	0.23%
Expected stock price volatility	82%
Expected dividend yield	0.0%
Expected option life in years	2.0

e) Share-based payments expense

The share-based payments expense for the stock options that vested during the nine months ended September 30, 2021 was \$23,635 (2020: \$249,718).

The weighted average fair value at grant date of options granted during the nine months ended September 30, 2021 was \$0.12 (2020: \$0.12).

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5. SHARE CAPITAL (continued)

e) Share-based payments expense (continued)

The fair value of the stock options that were granted during the nine months ended September 30, 2021 and 2020 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2021	2020
Risk-free interest rate	0.33%	0.33%
Expected stock price volatility	93%	91%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

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

During the nine months ended September 30, 2021, the Company reclassified \$46,822 (2020: \$4,200) from other equity reserves to deficit with respect to options that were forfeited.

6. SUPPLEMENTAL CASH FLOW INFORMATION

The net change in non-cash operating working capital balances for the nine months ended September 30 consisted of the following:

	2021	2020
	\$	\$
Receivables	15,078	(26,583)
Prepaid expenses	(30,983)	(6,375)
Accounts payable and accrued liabilities	(38,915)	(211,556)
	<u>(54,820)</u>	<u>(244,514)</u>

The non-cash investing transaction for the nine months ended September 30, 2021 consisted of the Company issuing 400,000 common shares with a value of \$36,000 to Mirva pursuant to the Empire Option Agreement.

The non-cash investing and financing transactions for the nine months ended September 30, 2020 consisted of the Company:

- issuing 11,000,000 common shares valued at \$660,000 pursuant to the Golden Triangle Acquisition;
- issuing 108,600 warrants as finders' warrants valued at \$2,192 pursuant to the private placement completed on March 25, 2020; and
- issuing 397,250 warrants as finders' fees valued at \$46,845 pursuant to the private placement completed on July 31, 2020.

COAST COPPER CORP. (FORMERLY ROUGHRIDER EXPLORATION LIMITED)
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
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7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company 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 Company under directions approved by the Board. The Company's Board has not approved the use of derivative financial products.

Financial instruments

Cash, receivables 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 Company's risk exposures and the impact on the Company's financial statements is summarized below:

a) *Credit risk*

Financial instruments that potentially subject the Company to a significant concentration of credit risk consist primarily of cash and receivables. The Company limits its exposure to credit loss by placing its cash with a major Canadian bank. The Company's only significant receivable at June 30, 2021 relates to a goods and services tax refund from the Government of Canada, who is not considered a default risk.

b) *Liquidity risk*

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company is exposed to liquidity risk and manages it through the management of its capital structure, as outlined below. All of the Company's current financial liabilities are anticipated to mature within the next fiscal period. The Company intends to settle these with funds from its positive working capital position. The Company 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 September 30, 2021, the Company did not have any interest-bearing debt.

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7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

c) Market risk (continued)

(ii) Foreign currency risk

The Company 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 September 30, 2021, the Company did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Company at present.

(iii) Price risk

The Company 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 Company'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.

8. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company's strategy remains unchanged from the year ended December 31, 2020.

The Company considers the items included in shareholders' equity as capital. The Company 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 Company may issue new shares, or acquire or dispose of assets.

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

In order to maximize ongoing exploration efforts, the Company does not pay dividends. The Company'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 Company is not subject to externally imposed capital requirements.

9. RELATED PARTY TRANSACTIONS

Key management compensation

Key management personnel at the Company are the Directors and Officers of the Company. 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.

These transactions are in the normal course of operations and are measured at their exchange amount, which is the amount agreed upon by the transacting parties.

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9. RELATED PARTY TRANSACTIONS (continued)

In addition to key management personnel, the Company transacted with the following related parties during the nine months ended September 30, 2021 and/or 2020:

- Cazador Resources Ltd. (“**Cazador**”), a private company controlled by the Company’s CEO, Adam Travis;
- Elemental Partners LLP (“**Elemental**”), a partnership controlled by the Company’s Chair of the Board, Fletcher Morgan;
- Farris LLP, a law firm for which Jay Sujir, a former director of the Company directors is a partner;
- Beneath the Surface Capital, a private company controlled by Scott Gibson, a former director and former CEO of the Company; and
- TSquared Accounting Inc. (“**TSquared**”), a private company controlled by the Company’s CFO, Tim Thiessen.

a) Related Party Transactions

The Company’s related party transactions for the nine months ended September 30 were as follows:

		2021	2020
		\$	\$
Consulting fees	1	121,008	142,925
Equipment rentals		3,534	-
Geological fees	2	71,742	13,000
Legal fees	3	-	71,987
Office and administration	4	-	3,000
Salaries	4	-	12,100
Share-based payments expense	5	23,635	209,139
Share issue costs	3	-	11,468
		<u>219,919</u>	<u>463,619</u>

1 Consulting fees consisted of fees of \$56,333 earned by the CEO, Mr. Travis through Cazador, fees of \$58,500 earned by the CFO, Mr. Thiessen through TSquared and \$6,175 earned by the Company’s Office Manager through Cazador. The consulting fees for the nine months ended September 30, 2020 consisted of fees of \$58,500 earned by the CEO, Mr. Travis through Cazador, fees of \$29,500 earned by the CFO, Mr. Thiessen through TSquared, fees of \$23,825 earned by the Company’s Office Manager through Cazador, fees of \$16,100 earned by Beneath the Surface Capital and fees of \$15,000 earned by Elemental.

2 Geological fees consisted of fees of \$61,342 earned by the CEO through Cazador, and \$10,400 earned by a director of the Company, Dan Berkshire, all of which were included in exploration expenditures. Geological fees for the nine months ended September 30, 2020 consisted of fees earned by the CEO through Cazador.

3 Legal fees and share issue costs for the nine months ended September 30, 2020 consisted of amounts charged by Farris LLP. The legal fees were included in professional fees on the condensed interim statement of loss and comprehensive loss and the share issue costs were netted against share capital (see Note 5(b)).

4 Office and administration costs and salaries consisted of amounts charged by Beneath the Surface Capital.

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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9. RELATED PARTY TRANSACTIONS (continued)

b) Related Party Balances

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

	September 30, 2021	December 31, 2020
Current liabilities	\$	\$
Due to Cazador	13,650	27,853
Due to Dave Tupper, VP of Exploration	-	1,911
Due to Farris LLP	-	6,768
Due to TSquared	6,825	13,650
Due to Dan Berkshire	10,290	-
	<u>30,765</u>	<u>50,182</u>

10. SUBSEQUENT EVENTS

In addition to subsequent events disclosed elsewhere in these condensed interim financial statements, the following events occurred subsequent to September 30, 2021.

- a) On October 25, 2021, 250,000 stock options with an exercise price of \$0.18 were forfeited.
- b) On October 27, 2021, the Company engaged Mars Investor Relations Inc. ("**MARS**") a full-service investor relations and consulting services company focused on the junior mining sector. Under the terms of the agreement, the Company will compensate MARS \$180,000 over the 12-month initial term of the agreement. As part of the engagement, the Company granted MARS 500,000 stock options with each stock option exercisable into one common share of the Company at an exercise price of \$0.10 per share until October 27, 2026, subject to certain vesting requirements (the "**MARS Options**").
- c) On October 27, 2021, the Company granted 2,015,000 stock options to Directors, Officers, employees and consultants of the Company, with the stock options having the same terms as the MARS Options.
- d) Subject to final TSX-V approval, on November 26, 2021, the Company completed a non-brokered private placement comprised of 8,961,539 flow-through units of the Company ("**FT Units**") at an issue price of \$0.13 per FT Unit and 5,000,000 non flow-through units of the Company ("**NFT Units**") at an issue price of \$0.10 per NFT Unit for gross proceeds of \$1,665,000 (the "**Offering**").

Each FT Unit consists of one common share in the capital of the Company on a flow-through basis and one-half of one non-transferable common share purchase warrant, with each whole warrant entitling the holder to acquire an additional common share of the Company at an exercise price of \$0.15 per share with an expiry date of 18 months after completion of the Offering (the "**Closing Date**"). Each NFT Unit consists of one common share in the capital of the Company and one-half of one non-transferable common share purchase warrant, with the warrants having the exact same terms as the warrants associated with the FT Units.

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10. SUBSEQUENT EVENTS (continued)

In connection with the Offering, certain finders earned a total of \$60,960 in cash and 517,385 finders' warrants, with each finders' warrant having the same terms as the Offering warrants. All securities issued in the Offering will be subject to a statutory hold period of four months and a day from the Closing Date.

The gross proceeds raised from the issuance of FT Units will be used by the Company to incur eligible Canadian exploration expenses ("CEE") that will qualify as FT mining expenditures as such terms are defined in the Income Tax Act (Canada) related to the Company's projects in British Columbia. The Company will renounce such CEE with an effective date of no later than December 31, 2021, with CEE to be incurred prior to December 31, 2022. The net proceeds from the issuance of NFT Units will be used for working capital and general corporate purposes.