



COAST COPPER CORP.

(An Exploration Stage Corporation)

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023

(Unaudited - 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 of Coast Copper Corp.

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

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

	Note	September 30, 2023	December 31, 2022
ASSETS		\$	\$
Current			
Cash		57,870	80,898
Receivables		7,317	69,319
Receivable from Skeena	3	918,377	874,756
Prepaid expenses and deposits		5,761	7,852
Marketable securities	4	21,646	335,746
		1,010,971	1,368,571
Non-Current			
Exploration and evaluation assets	5	699,120	470,834
Property		3,853	5,131
Receivable from Skeena	3	980,770	1,424,068
Reclamation deposit		13,642	13,642
		1,697,385	1,913,675
		2,708,356	3,282,246
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10(b)	178,010	126,630
SHAREHOLDERS' EQUITY			
Share capital	6	10,047,738	9,995,738
Other equity reserves	6(e)	406,884	394,729
Deficit		(7,924,276)	(7,234,851)
		2,530,346	3,155,616
		2,708,356	3,282,246

Nature of operations and going concern (Note 1)

Subsequent event (Note 3)

Approved on behalf of the Board:

"Dale Wallster", Director

"Adam Travis", Director

COAST COPPER CORP.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited - expressed in Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Expenses					
Amortization		430	-	1,278	-
Bonuses	10(a)	-	-	12,000	-
Consulting	10(a)	19,500	16,250	69,333	57,235
Director fees	10(a)	16,500	16,500	49,500	49,500
Exploration expenditures (recovery)	5, 10(a)	(20,323)	100,193	181,241	1,103,418
Investor relations		6,582	36,096	74,579	185,781
Office and administration		10,924	19,339	41,154	41,105
Professional fees		10,000	24,767	40,635	62,540
Salaries and personnel costs	10(a)	56,526	50,059	174,386	160,034
Share-based payments expense	6(e), 10(a)	5,800	16,509	35,745	103,920
Transfer agent, regulatory and filing fees		1,261	(641)	12,668	16,704
Travel and accommodation		852	648	852	648
		<u>108,052</u>	<u>279,720</u>	<u>693,371</u>	<u>1,780,885</u>
Other items					
Accretion of receivable from Skeena	3	(31,068)	-	(100,323)	-
Interest income		(2,297)	(258)	(2,736)	(1,809)
Realized loss on sale of marketable securities	4	53,431	-	23,725	-
Settlement of flow-through share premium liability on incurring eligible expenditures		-	-	-	(116,837)
Unrealized loss (gain) on marketable securities	4	(51,332)	17,316	64,100	86,581
Write-off of exploration and evaluation assets	5(a)(vi)	-	-	34,878	1,066
		<u>(31,266)</u>	<u>17,058</u>	<u>19,644</u>	<u>(30,999)</u>
Loss and comprehensive loss for the period		<u>(76,786)</u>	<u>(296,778)</u>	<u>(713,015)</u>	<u>(1,749,886)</u>
Basic and diluted loss per share		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Basic and diluted weighted average number of shares outstanding		64,079,951	55,566,907	64,028,064	55,430,811

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

	Note	Number of shares	Share capital \$	Other equity reserves \$	Deficit \$	Total \$
Balance, December 31, 2021		55,296,690	9,555,622	326,658	(7,585,497)	2,296,783
Loss for the period		-	-	-	(1,749,886)	(1,749,886)
Private placement, net of share issue costs	6(b)	8,000,000	391,497			391,497
Shares issued pursuant to acquisition of mineral properties	6(b)	600,000	36,000			36,000
Shares issued pursuant to warrant exercise	6(b)	105,000	10,500	-	-	10,500
Reclass of exercised warrants	6(e)	-	2,119	(2,119)	-	-
Share-based payments expense	6(e)	-	-	103,920	-	103,920
Reclass of expired warrants	6(e)	-	-	(46,845)	46,845	-
Balance, September 30, 2022		64,001,690	9,995,738	381,614	(9,288,538)	1,088,814
Income for the period		-	-	-	2,053,687	2,053,687
Share-based payments expense		-	-	13,115	-	13,115
Balance, December 31, 2022		64,001,690	9,995,738	394,729	(7,234,851)	3,155,616
Loss for the period		-	-	-	(713,015)	(713,015)
Shares issued pursuant to acquisition of mineral properties	6(b)	800,000	52,000	-	-	52,000
Share-based payments expense	6(e)	-	-	35,745	-	35,745
Reclass of expired warrants	6(e)	-	-	(23,590)	23,590	-
Balance, September 30, 2023		64,801,690	10,047,738	406,884	(7,924,276)	2,530,346

COAST COPPER CORP.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(Unaudited - expressed in Canadian dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2023	2022	2023	2022
		\$	\$	\$	\$
Operating Activities					
Loss for the period		(76,786)	(296,778)	(713,015)	(1,749,886)
Items not involving cash:					
Amortization		430	-	1,278	-
Accretion of Skeena receivable	3	(31,068)	-	(100,323)	-
Realized loss on sale of marketable securities	4	53,431	-	23,725	-
Settlement of flow-through share premium liability		-	-	-	(116,837)
Share-based payments expense	6(e)	5,800	16,509	35,745	103,920
Unrealized loss (gain) on marketable securities	4	(51,332)	17,316	64,100	86,581
Write-off of exploration and evaluation asset	5(a)(vi)	-	-	34,878	1,066
Net change in non-cash working capital	7	76,309	(134,635)	107,422	91,635
Cash used in operating activities		(23,216)	(397,588)	(546,190)	(1,583,521)
Investing Activities					
Acquisition of exploration and evaluation assets	5	(200,000)	(152,306)	(203,113)	(189,962)
Proceeds on sale of Skeena shares	4	196,569	-	476,275	-
Purchase of property		-	(5,698)	-	(5,698)
Receipt of cash pursuant to Red Chris sale	3	-	-	250,000	-
Sale of exploration and evaluation assets		-	2,305	-	2,305
Cash provided by (used in) investing activities		(3,431)	(155,699)	523,162	(193,355)
Financing Activities					
Proceeds received pursuant to private placement	6(b)	-	400,000	-	400,000
Share issue costs	6(b)	-	(8,503)	-	(8,503)
Proceeds pursuant to exercise of warrants	6(b)	-	-	-	10,500
Cash provided by financing activities		-	391,497	-	401,997
Net increase (decrease) in cash		(26,647)	(161,790)	(23,028)	(1,374,879)
Cash, beginning of period		84,517	236,175	80,898	1,449,264
Cash, end of period		57,870	74,385	57,870	74,385
Supplemental cash flow information	7				

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

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

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

These condensed interim financial statements have been prepared on the going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Corporation had a loss of \$713,015 for the nine months ended September 30, 2023 (2022: \$1,749,886). At September 30, 2023, the Corporation had an accumulated deficit of \$7,924,276. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

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

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

Recent global issues, including the ongoing COVID-19 pandemic and the 2022 Russian invasion of Ukraine have adversely affected workplaces, economies, supply chains and financial markets globally. It is not possible for the Corporation to predict the duration or magnitude of the adverse results of these issues and their effects on the Corporation's business or results of operations at this time.

2. BASIS OF PREPARATION

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

These condensed interim financial statements should be read in conjunction with the Corporation's audited financial statements for the year ended December 31, 2022 which include the accounting policies used in the preparation of these condensed interim financial statements.

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

2. BASIS OF PREPARATION (continue)

The Board of Directors (the “**Board**”) approved these condensed interim financial statements on November 27, 2023.

3. RECEIVABLE FROM SKEENA

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

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

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

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

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

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

In connection with the Red Chris Properties sale, the Corporation’s Chief Executive Officer (“**CEO**”) and Chair of the Board were each awarded cash bonuses of up to \$36,000, for an aggregate total of up to \$72,000. The first tranche of \$12,000 was paid in November 2022, the second tranche of \$12,000 was paid in May 2023 and the third tranche of \$12,000 was paid in October 2023. The remaining \$36,000 will be paid in three equal instalments, ending 30 months from the Closing Date. The remaining bonus payments are conditional on collection of the Skeena receivables and will be recorded upon collection.

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

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

3. RECEIVABLE FROM SKEENA (continued)

The continuity of the receivable from Skeena is as follows:

	\$
Balance December 31, 2022	2,298,824
Receipt of cash	(250,000)
Receipt of 30,413 Skeena common shares	(250,000)
Accretion of receivable	100,323
	<u>1,899,147</u>
Balance, September 30, 2023	<u>1,899,147</u>
Current portion	918,377
Non-current portion	980,770
	<u>1,899,147</u>

As of September 30, 2023, the future receipts of cash and shares from Skeena were as follows:

Year ending December 31:	\$
2023	500,000 *
2024	1,000,000
2025	500,000
	<u>2,000,000</u>
Less: amount representing accretion	(100,853)
Present value of net receivable payments	<u>1,899,147</u>

* As noted on Page 8, the Corporation received \$500,000 in cash and common shares of Skeena in October 2023.

4. MARKETABLE SECURITIES

Marketable securities are financial assets measured at fair value through profit or loss (“FVTPL”). At September 30, 2023, they consisted of an investment of 865,817 free-trading common shares of EuroPacific Metals Inc. (“EuroPacific”) (formerly Goldplay Mining Inc.) (Note 5(a)(ii)). The fair value of marketable securities has been determined by reference to published price quotations in an active market, a Level 1 valuation.

During the nine months ended September 30, 2023, the Corporation sold the first two tranches of 70,375 common shares of Skeena for gross proceeds of \$476,275, recording a loss on sale of marketable securities of \$23,725.

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

	\$
Balance December 31, 2022	335,746
Receipt of FVTPL investments (30,413 Skeena shares)	250,000
Proceeds on sale of FVTPL investments (70,375 Skeena shares)	(476,275)
Realized loss on sale of FVTPL investments (70,375 Skeena shares)	(23,725)
Unrealized loss	(64,100)
	<u>21,646</u>
Balance, September 30, 2023	<u>21,646</u>

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS

a) BRITISH COLUMBIA

i) EMPIRE MINE PROPERTY

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

In order to earn a 100% interest in the Greater Empire Claims, the Corporation must make aggregate cash payments of \$750,000, issue 3,000,000 common shares of the Corporation to Mirva and complete work commitments totaling \$2,000,000 over a four-year period, 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 (paid)	600,000 (issued)	400,000 (completed)
By September 22, 2023	200,000 (paid)	800,000 (issued)	600,000 (completed)
By September 22, 2024	<u>250,000</u>	<u>1,000,000</u>	<u>800,000</u> (completed)
	750,000	3,000,000	2,000,000

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

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

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

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

ii) SCOTTIE WEST PROPERTY

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

a) BRITISH COLUMBIA (continued)

ii) SCOTTIE WEST PROPERTY (continued)

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

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

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

During the nine months ended September 30, 2023, the Corporation staked one additional Scottie West claim for \$3,113.

iii) HOME BREW PROPERTY

The Corporation owns a 100% interest in two mineral claims located in south central BC, called the Home Brew property, with a carrying value of \$2,500 at September 30, 2023.

iv) KNOB HILL PROPERTY

In September 2023, the Corporation staked three new claims for \$8,051 on its Knob Hill property on northern Vancouver Island. As a result, the Corporation owns a 100% interest in six mineral claims with a carrying value of \$16,172 at September 30, 2023.

v) JACOBIE AND POLLEY EAST PROPERTIES

In January 2022, the Corporation staked the Jacobie and Polley East properties both located in central BC. Total cost of the staking was \$1,583 and \$722, respectively. In June 2022, the Corporation sold the Jacobie and Polley East claims for \$1,583 and \$722, respectively. The Corporation has retained a 1% NSR royalty on the properties, half of which can be repurchased for \$750,000.

vi) SHOVELNOSE SOUTH PROPERTY

In April 2022, the Corporation staked the Shovelnose South property located in south-central BC. Total staking costs were \$34,878. During the nine months ended September 30, 2023, the Corporation allowed the Shovelnose South claims to lapse and consequently wrote off to operations the capitalized costs of \$34,878.

b) SASKATCHEWAN

GENESIS PROPERTY

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation assets

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

	Note	Empire Mine	Scottie West	Home Brew	Knob Hill	Shovelnose South	Total
		\$	\$	\$	\$	\$	\$
Balance, December 31, 2022		425,335	-	2,500	8,121	34,878	470,834
Option payments	5(a)(i)	200,000	-	-	-	-	200,000
Issuance of shares	5(a)(i)	52,000	-	-	-	-	52,000
Staking		-	3,113	-	8,051	-	11,164
Write off	5(a)(vi)	-	-	-	-	(34,878)	(34,878)
Change during the period		252,000	3,113	-	8,051	(34,878)	228,286
Balance, September 30, 2023		677,335	3,113	2,500	16,172	-	699,120

Exploration expenditures

The Corporation's exploration expenditures for the nine months ended September 30, 2023 were as follows:

	Empire	Knob Hill	Scottie West	Total
	\$	\$	\$	\$
Analysis	5,561	776	231	6,568
Camp	1,862	-	-	1,862
Community engagement	497	-	-	497
Field equipment	9,150	48	1,376	10,574
Fuel	3,373	-	651	4,024
Geological consulting	83,830	953	20,879	105,662
Labour and benefits	3,003	-	-	3,003
Overhead	113,698	-	-	113,698
Resource modeling	60,764	-	-	60,764
Travel and accommodation	9,085	-	3,499	12,584
	290,823	1,777	26,636	319,236
Government refund	(135,945)	(1,765)	(285)	(137,995)
	154,878	12	26,351	181,241

6. SHARE CAPITAL AND RESERVES

a) Authorized

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

b) Share issuance details

Nine months ended September 30, 2023

During the nine months ended September 30, 2023, the Corporation issued 800,000 common shares of the Corporation with a value of \$52,000 to Mirva pursuant to the Empire Option Agreement.

Nine months ended September 30, 2022

On September 30, 2022, the Corporation completed a non-brokered private placement offering of a total of 8,000,000 units of the Corporation at an issue price of \$0.05 per unit for gross proceeds of \$400,000. Each unit consisted of one common share in the capital of the Corporation and one non-transferable common share purchase warrant, with each warrant entitling the holder to acquire an additional common share of the Corporation at an exercise price of \$0.10 per share until September 28, 2024. Share issue costs totaled \$8,503 including a finder fee of \$500.

On September 21, 2022, the Corporation issued 600,000 common shares of the Corporation with a value of \$36,000 to Mirva pursuant to the Empire Option Agreement.

In March 2022, 105,000 common shares of the Corporation were issued pursuant to the exercise of 105,000 warrants with an exercise price of \$0.10 per share for proceeds of \$10,500.

c) Stock options

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

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

	Number of options	Weighted average exercise price \$
Balance, December 31, 2022	5,645,000	0.13
Granted	100,000	0.07
Balance, September 30, 2023	5,745,000	0.11

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

c) Stock options (continued)

The following stock options were outstanding as at September 30, 2023:

Outstanding	Exercisable	Weighted average Exercise Price (outstanding) \$	Expiry Date	Weighted average remaining life (in years)
1,375,000	1,375,000	0.18	June 1, 2025	1.67
200,000	200,000	0.18	January 11, 2026	2.28
2,515,000	2,515,000	0.10	October 28, 2026	3.08
100,000	100,000	0.12	April 8, 2027	3.52
1,455,000	1,091,250	0.05	November 24, 2027	4.15
100,000	50,000	0.07	March 3, 2028	4.43
<u>5,745,000</u>	<u>5,331,250</u>	<u>0.11</u>		<u>3.02</u>

d) Share purchase warrants

A summary of the changes in warrants is presented below:

	Number of warrants	Weighted average exercise price \$
Balance, December 31, 2022	15,498,151	0.12
Expired	(7,498,151)	0.15
Balance, September 30, 2023	<u>8,000,000</u>	<u>0.10</u>

The following warrants were outstanding as at September 30, 2023:

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

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

e) Share-based payments expense

The share-based payments expense for the stock options, based on vesting schedules, during the nine months ended September 30, 2023 was \$35,745 (2022: \$103,920).

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

6. SHARE CAPITAL AND RESERVES (continued)

e) Share-based payments expense (continued)

The fair value of the stock options that were granted during the nine months ended September 30, 2023 was calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	2023	2022
Risk-free interest rate	3.15%	3.81%
Expected stock price volatility	79%	79%
Expected dividend yield	0.0%	0.0%
Expected option life in years	5.0	5.0

The weighted average fair value at grant date of options granted during the nine months ended September 30, 2023 was \$0.05 (2022: \$0.03).

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, 2023, the Corporation reclassified \$23,590 (2022: \$46,845) from other equity reserves to deficit pursuant to warrants that expired and \$Nil (2022: \$2,119) from other equity reserves to share capital pursuant to warrants that were exercised.

7. 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:

	2023	2022
	\$	\$
Receivables	62,002	62,075
Prepaid expenses	2,091	50,302
Accounts payable and accrued liabilities	43,329	(20,742)
	<u>107,422</u>	<u>91,635</u>

The non-cash investing transactions for the nine months ended September 30, 2023 and September 30, 2022 consisted of the Corporation:

- receiving 70,375 (2022: 39,936) common shares of Skeena, valued at \$500,000 (2022: \$250,000), pursuant to the Red Chris Properties sale; and
- issuing 800,000 common shares (2022: 600,000) with a value of \$52,000 (2022: \$36,000) to Mirva pursuant to the Empire Option Agreement.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial instruments

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

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

Financial risk factors

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

a) Credit risk

Financial instruments that potentially subject the Corporation to a significant concentration of credit risk consist primarily of cash and receivables. The Corporation limits its exposure to credit loss by placing its cash with a major Canadian bank. At September 30, 2023, the Corporation also holds a receivable from Skeena in the amount of \$1,899,147, using a discount rate of 8%, pursuant to the Red Chris Properties sale. The Corporation assesses expected credit risk from Skeena by assessing the maturity and ability to make payments and has not assessed a significant risk of collection.

b) Liquidity risk

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

c) Market risk

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

(i) Interest rate risk

Interest rate risk on cash is minimal because these investments generally have a fixed yield rate. As at September 30, 2023, the Corporation did not have any interest-bearing debt.

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

Financial risk factors (continued)

c) **Market risk** (continued)

(ii) **Foreign currency risk**

The Corporation could be exposed to foreign currency risk on fluctuations related to cash, and accounts payable and accrued liabilities that are denominated in a foreign currency. As at September 30, 2023, the Corporation did not have any significant exposure to foreign currencies and so considers foreign currency risk insignificant to the Corporation at present.

(iii) **Price risk**

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

9. CAPITAL MANAGEMENT

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Corporation's strategy remains unchanged from the year ended December 31, 2022.

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

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

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

The Corporation is not subject to externally imposed capital requirements.

10. RELATED PARTY TRANSACTIONS

Key management compensation

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

COAST COPPER CORP.
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Unaudited - expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (continued)

In addition to key management personnel, the Corporation transacted with the following related parties during the nine months ended September 30, 2023 and/or 2022:

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

a) Related Party Transactions

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

		2023	2022
		\$	\$
Bonuses	1	12,000	-
Consulting fees	2	69,335	55,250
Director fees	3	49,500	49,500
Equipment rentals (exploration)	4	6,203	3,692
Geological fees	5	47,665	57,109
Salaries	6	67,500	67,500
Share-based payments expense	7	23,682	68,028
		275,885	301,079

- 1 Bonuses consisted of cash payments of \$6,000 to each of Cazador and TMCL pursuant to the Red Chris Properties sale.
- 2 Consulting fees consisted exclusively of CEO fees earned by Mr. Travis through Cazador.
- 3 Director fees for the nine months ended September 30, 2023 and 2022 consisted of amounts of \$22,500 earned by Mr. Morgan through TMCL and \$13,500 earned by each of the Corporation's independent Board members, Messrs. Dale Wallster and Dan Berkshire.
- 4 Equipment rentals consisted exclusively of rentals from Cazador.
- 5 Geological fees consisted exclusively of fees earned by the CEO through Cazador, which were included in exploration expenditures.
- 6 Salaries consisted exclusively of amounts earned by the CFO, Tim Thiessen.
- 7 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.

b) Related Party Balances

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

	September 30, 2023	December 31, 2022
	\$	\$
Due to Cazador	54,600	55,705