



**Condensed Consolidated Financial Statements**  
(unaudited – prepared by management)  
(expressed in Canadian dollars)

**For the Three Months Ended June 30, 2024 and 2023**

## **NOTICE TO READER**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Vancouver, B.C.  
August 21, 2024

**SURGE COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**  
(unaudited – expressed in Canadian dollars)  
**As at June 30, 2024 and March 31, 2024**

	Note	As at June 30, 2024	As at March 31, 2024
<b>ASSETS</b>			
Current			
Cash and cash equivalents	14	\$ 6,622,209	\$ 84,658
GST receivable		33,513	13,736
Other receivable	6	29,310	4,400
Prepaid expenses		202,944	88,052
<b>Total Current Assets</b>		<b>6,887,976</b>	<b>190,846</b>
Non-Current			
Exploration and evaluation costs	5,6	51,075,727	51,057,481
Right-of-use asset	8	61,025	67,806
Equipment and camp buildings	7	23,257	24,711
<b>Total Non-Current Assets</b>		<b>51,160,009</b>	<b>51,149,998</b>
<b>Total Assets</b>		<b>\$ 58,047,985</b>	<b>\$ 51,340,844</b>
<b>LIABILITIES</b>			
Current			
Trade and other payables	9	\$ 433,461	\$ 507,694
Flow-through premium liability		1,057,589	314,123
Current portion of lease liability	8	28,733	28,733
<b>Total Current Liabilities</b>		<b>1,519,783</b>	<b>850,550</b>
Non-Current			
Lease obligation liability	8	44,451	51,634
Deferred income tax liability		4,011,000	4,011,000
<b>Total Non-Current Liabilities</b>		<b>4,055,451</b>	<b>4,062,634</b>
<b>Total Liabilities</b>		<b>5,575,234</b>	<b>4,913,184</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	72,702,555	66,465,142
Contributed surplus	11	13,393,129	13,059,226
Deficit		(33,622,933)	(33,096,708)
<b>Total Shareholders' Equity</b>		<b>52,472,751</b>	<b>46,427,660</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 58,047,985</b>	<b>\$ 51,340,844</b>
Corporate information and nature of operations	1		
Subsequent events	16		
Signed on behalf of the Board by:			
"Leif Nilsson"		Director	
"Jim Pettit"		Director	

See accompanying notes to the condensed consolidated interim financial statements.

**SURGE COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**  
(unaudited - expressed in Canadian dollars)  
**For the Three Months Ended June 30, 2024 and 2023**

		<b>For the three months ended June 30,</b>	
	<b>Note</b>	<b>2024</b>	<b>2023</b>
<b>EXPENSES</b>			
Amortization	7,8	\$ 8,235	\$ 9,017
Consulting		20,100	15,000
Management and administration fees	10	141,084	139,795
Marketing and conferences		62,952	33,546
Office		26,545	18,562
Professional fees		6,500	6,500
Share-based payments	11	333,903	323,750
Shareholder communications		4,400	10,850
Transfer agent and filing fees		15,402	10,552
Travel and promotion		35,136	12,842
		(654,257)	(580,414)
<b>OTHER INCOME (EXPENSE):</b>			
Miscellaneous revenue		882	135
Interest Income		14,026	21,697
Interest Expense		(1,843)	(2,853)
Rental income		6,600	6,600
Other income on realization of flow-through premium liability	11	108,367	234,912
<b>LOSS BEFORE INCOME TAXES</b>		<b>(526,225)</b>	<b>(319,923)</b>
<b>INCOME TAXES</b>		<b>-</b>	<b>-</b>
<b>NET LOSS AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$ (526,225)</b>	<b>\$ (118,295)</b>
<b>LOSS PER SHARE - BASIC</b>		<b>\$ (0.002)</b>	<b>\$ (0.002)</b>
<b>LOSS PER SHARE - DILUTED</b>		<b>\$ (0.002)</b>	<b>\$ (0.002)</b>
<b>WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>		<b>246,338,383</b>	<b>195,137,976</b>

See accompanying notes to the condensed consolidated interim financial statements.

**SURGE COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**  
(unaudited - expressed in Canadian dollars)  
**For the Three Months Ended June 30, 2024 and 2023**

	<b>For the Three Months Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (526,225)	\$ (319,923)
Items not affecting cash:		
Amortization	8,235	9,017
Flow-through share premium	(108,367)	(234,912)
Share-based payments	333,903	323,750
	(292,454)	(222,068)
Changes in non-cash working capital items:		
Taxes recoverable	(19,776)	9,992
Other receivable	(24,910)	(1,200)
Prepaid expenses	(114,892)	(2,779)
Trade and other payables	(74,234)	223,074
Current portion of lease liability	(7,183)	(5,792)
Cash used in operating activities	(533,449)	1,227
<b>INVESTING ACTIVITIES</b>		
Exploration and evaluation assets	(274,104)	(594,190)
BCMETC credit	255,858	-
Cash used in investing activities	(18,246)	(594,190)
<b>FINANCING ACTIVITIES</b>		
Net proceeds from share issuance	7,089,246	168,916
Cash provided by financing activities	7,089,246	168,916
<b>NET CHANGE IN CASH</b>	<b>6,537,551</b>	<b>(424,047)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING</b>		
<b>OF THE PERIOD</b>	<b>84,658</b>	<b>2,821,995</b>
<b>CASH AND CASH EQUIVALENTS - END OF THE</b>		
<b>PERIOD</b>	<b>\$ 6,622,209</b>	<b>\$ 2,397,948</b>

See accompanying notes to the condensed consolidated interim financial statements.

**SURGE COPPER CORP.****CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

(expressed in Canadian dollars)

**For the Three Months Ended June 30, 2024 and 2023**

	Number of Shares	Capital Stock	Contributed Surplus	Deficit	Total Equity
Balance, April 1, 2023	194,547,412	\$ 63,850,642	\$ 12,211,778	\$ (31,362,119)	\$ 44,700,301
Share purchase warrant exercises	1,876,833	168,916	-	-	168,916
Share-based payments	-	-	323,750	-	323,750
Net loss and comprehensive loss for the period	-	-	-	(319,923)	(319,923)
<b>Balance, June 30, 2023</b>	<b>196,424,245</b>	<b>\$ 64,019,558</b>	<b>\$ 12,535,528</b>	<b>\$ (31,682,042)</b>	<b>\$ 44,873,044</b>
Balance, April 1, 2024	224,449,345	\$ 66,465,142	\$ 13,059,226	\$ (33,096,708)	\$ 46,427,660
Issued for cash – non-flow through shares	51,373,414	4,930,474	-	-	4,930,474
Issued for cash – charity-flow-through shares	8,966,668	2,196,834	-	-	2,196,834
Flow-through share premiums	-	(851,833)	-	-	(851,833)
Share issue costs	-	(38,062)	-	-	(38,062)
Share-based payments	-	-	333,903	-	333,903
Net loss and comprehensive loss for the period	-	-	-	(526,225)	(526,225)
<b>Balance, June 30, 2024</b>	<b>284,789,427</b>	<b>\$ 72,702,555</b>	<b>\$ 13,393,129</b>	<b>\$ (33,622,933)</b>	<b>\$ 52,472,751</b>

See accompanying notes to consolidated financial statements

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
(unaudited - expressed in Canadian dollars)  
For the Three Months ended June 30, 2024 and June 30, 2023

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### **1. CORPORATE INFORMATION**

The Company is engaged principally in the acquisition, exploration and development of mineral properties. The recovery of the Company's investment in mineral properties and attainment of profitable operations is principally dependent upon financing being arranged by the Company to continue operations, explore and develop the mineral properties and the discovery, development and sale of ore reserves.

The Company was incorporated under the Business Corporations Act of British Columbia by Certificate of Incorporation dated November 29, 1965. The Company is listed on the TSX Venture Exchange ("TSX-V"), having the symbol SURG-V, as a Tier 2 mining issuer.

The address of the Company's corporate office and principal place of business is Suite 888 - 700 West Georgia Street, Vancouver, British Columbia, V7Y 1G5.

### **2. BASIS OF PREPARATION**

#### **(a) Statement of Compliance**

The condensed unaudited consolidated interim financial statements of the Company for the three months ending June 30, 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These unaudited condensed consolidated interim financial statements have been prepared in full compliance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"). Accordingly, these unaudited condensed consolidated interim financial statements follow the same accounting principles and methods of application as the audited annual consolidated financial statements for the year ended March 31, 2024 but may condense or omit certain disclosures that otherwise would be present in annual financial statements prepared in accordance with IFRS. These financial statements should therefore be read in conjunction with the audited annual consolidated financial statements for the year ended March 31, 2024. Results for the period ended June 30, 2024, are not necessarily indicative of future results. These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 21, 2024.

#### **(b) Basis of Presentation and Measurement**

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis and include the accounts of the Company and its wholly-owned subsidiary, Ootsa Ventures Ltd. All material intercompany accounts and transactions have been eliminated.

The unaudited condensed consolidated interim financial statements are presented in Canadian dollars, which is also the Company's and its subsidiary's functional currency.

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

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### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates remain unchanged from those set out in Note 3 of the audited Consolidated Financial Statements for the year ended March 31, 2024.

There have been no material revisions to the accounting policies reported in the Company's audited Consolidated Financial Statements for the Year Ended March 31, 2024.

#### **(a) Going Concern of Operations**

These consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. However, there are currently material uncertainties in respect to these assumptions which cast significant doubt as to the Company's ability to continue as a going concern. The Company has incurred losses since inception, has no recurring source of revenue and has an accumulated deficit of \$33,622,933 at June 30, 2024. The Company will need to raise sufficient funds in order to finance ongoing exploration, development and administrative expenses. The Company has no assurance that such financing will be available or be available on favourable terms. Factors that could affect the availability of financing include the Company's performance, the state of international debt and equity markets, investor perceptions and expectations and the global financial and metals markets. If successful, the Company would obtain additional financing through, but not limited to, the issuance of additional equity.

#### **b) Significant Accounting Judgments, Estimates and Assumptions**

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments and share-based payments, the recognition and valuation of provisions for restoration and environmental liabilities, the recoverability and measurement of deferred tax assets and liabilities, and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
(unaudited - expressed in Canadian dollars)  
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### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

There have been no material revisions to the nature of judgments and amount of changes in estimates of amounts reported in the Company's unaudited Condensed Consolidated Interim Financial Statements for the three months ended June 30, 2024.

### **5. RECLAMATION BONDS**

Included in Mineral Exploration and Evaluation Costs as at June 30, 2024, is the Company's aggregate reclamation bonds posted with the Mining and Minerals Division of the British Columbia Government in the amount of \$412,400 (March 31, 2024 - \$412,400).

The bonds cover the future site restoration costs with respect to the Berg Property and the Ootsa Property. All or part of the \$412,400 can be recovered subject to the inspection of the sites and assessment of the restoration costs by the Mining and Minerals Division of the British Columbia Government.

The bonds have not been discounted from their future value because the Company estimates the bonds may be settled within 2 years and the discounting cost being considered immaterial. The Company believes that the amount of the bonds includes sufficient risk premium.

Recovery of the posted bonds remains subject to the inspection of the sites and assessment of the restoration costs by the Mining and Minerals Division of the British Columbia Government.

### **6. MINERAL PROPERTIES INTERESTS**

#### Berg Property, British Columbia

As at June 30, 2024, the Company owned a 100% interest in the Berg Property, located in central British Columbia, comprised of 91 mineral claims and one mining lease, totalling 34,798.2 hectares.

Material transactions and royalty obligations in respect of this property are:

- On December 15, 2020, the Company entered into a definitive option agreement to acquire a 70% interest in the Berg Property, 34,798 hectares in size and contiguous to the Ootsa Property, from Thompson Creek Metals Company Inc. ("TCM"), a wholly-owned subsidiary of Centerra Gold Inc. To complete the option, Surge was required to issue \$5 million of its common shares (\$4.6 million issued) and spend \$8 million on exploration over a period of up to five years (completed).
- On December 22, 2023, the Company entered into a definitive purchase agreement (the "Purchase Agreement") with TCM to acquire a 100% interest in the Berg Property for consideration of an additional 21,221,165 common shares (fair value \$1,591,587) of Surge, resulting in TCM owning approximately 15% of Surge's outstanding common shares. The Purchase Agreement replaced the December 15, 2020 Option Agreement detailed above. On January 19, 2024 the transaction was completed.

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
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### **6. MINERAL PROPERTY INTERESTS (continued)**

- A 1% NSR royalty is held by a subsidiary of Royal Gold, Inc. on eight of the mineral claims and the one mining lease, including those which host the main Berg deposit.

#### Ootsa Property, British Columbia

As at June 30, 2024, the Company owned a 100% interest in the Ootsa Property, located in central British Columbia, comprised of 140 mineral claims totalling 90,701.3 hectares.

Beyond claims acquired by staking, material transactions and royalty obligations in respect of this property are:

- Fourteen claims totalling 574.6 hectares, known as the Ox claims, are subject to a 2% Net Smelter Returns (“NSR”) royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time for \$500,000, and to purchase the remaining 1% NSR at any time for an additional \$1,000,000.
- Five claims totalling 3,450.4 hectares, known as the Seel claims, are subject to a 1% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of this 1% NSR royalty any time for \$1,000,000.
- Two claims totalling 383.4 hectares known as the Swing claims (the Captain Mine) are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time by the payment to the vendor of \$500,000 or the Company may purchase the entire 2% NSR at any time for \$1,000,000.
- One claim totalling 211.3 hectares, known as the Troitsa Peak claim, is subject to a 1% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 1% royalty for \$500,000.
- One claim totalling 76.4 hectares adjacent to the Company’s Berg Property, is subject to a 2.5% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 60% of the 2.5% NSR royalty (i.e. 1.5%) at any time for \$1,500,000.
- Two claims totalling 1,568.23 hectares adjacent to the Company’s Berg/Ootsa property, are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 2% NSR royalty at any time for \$1,500,000 and the remaining 1% NSR royalty at any time for an additional \$2,000,000.

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
(unaudited - expressed in Canadian dollars)  
For the Three Months ended June 30, 2024 and June 30, 2023

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### **6. MINERAL PROPERTY INTERESTS (continued)**

- Two claims totalling 572 hectares, known as the Sylvia claims, are subject to a 2% NSR royalty. The purchase agreement with the vendor entitles the Company to purchase 50% of the 1% NSR royalty at any time for \$1,000,000.

#### Auro Property, British Columbia

In March 2012, the Company sold all of its mineral interests known as the Auro and Auro South properties to New Gold Inc. Under the terms of the purchase agreement, the Company retained a 2% NSR on these properties.

#### British Columbia Mineral Tax Credits (“BCMETC”)

The completion of certain qualified exploration costs by the Company entitles it to refundable tax credits as part of an exploration incentive plan offered by the Province of British Columbia. No amount has been accrued for fiscal 2025. Exploration spending of amounts renounced to investors from the issuance of flow-through shares is not eligible to be claimed for BCMETC purposes.

**SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

**6. MINERAL PROPERTY INTERESTS (continued)**

Expenditures on mineral property acquisition and deferred exploration and development costs for the three months ended June 30, 2024 and for the year ended March 31, 2024 are as follows:

**Three months ended June 30, 2024**

	<b>Ootsa Property</b>	<b>Berg Property</b>	<b>Total</b>
Property acquisition costs:			
Balance, beginning of the period	\$ 1,692,561	6,201,075	7,893,636
Cash costs	-	-	-
Shares issued	-	-	-
Balance, end of the period	1,692,561	6,201,075	7,893,636
Deferred exploration and evaluation costs:			
Balance, beginning of the period	34,960,918	8,202,927	43,163,845
Incurred during the period:			
Geology	21,275	33,653	54,928
Field costs	40,003	39,975	79,978
Assaying	-	104,476	104,476
Camp costs	-	14,269	14,269
Fuel	-	428	428
Insurance	-	3,260	3,260
Wages and related expenses	-	1,765	1,765
BCMETC credit	-	(255,858)	(255,858)
Total expenditures during the period	76,706	(58,460)	18,246
Balance, end of the period	35,037,624	8,144,467	43,182,091
Total deferred costs, end of the period	\$ 36,730,185	\$ 14,345,542	\$ 51,075,727

**SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

**6. MINERAL PROPERTY INTERESTS (continued)****Fiscal 2024**

	<b>Ootsa Property</b>	<b>Berg Property</b>	<b>Total</b>
Property acquisition costs:			
Balance, beginning of the period	\$ 1,692,561	\$ 4,400,000	\$ 6,092,561
Cash costs	-	9,488	9,488
Shares issued	-	1,791,587	1,791,587
Balance, end of the period	1,692,561	6,201,075	7,893,636
Deferred exploration and evaluation costs:			
Balance, beginning of the period	34,841,494	6,318,485	41,159,979
Incurred during the period:			
Drilling	-	402,792	402,792
Barge	1,000	5,040	6,040
Consulting fees – First Nations	15,000	-	15,000
Geology	44,573	565,591	610,164
Field costs	45,608	397,211	442,819
Assaying	142	78,182	78,324
Travel	2,740	10,843	13,583
Camp costs	9,857	144,535	154,392
Fuel	504	29,472	29,976
Insurance	-	4,597	4,597
Wages and related expenses	-	246,179	246,179
Total expenditures during the period	119,424	1,884,442	2,003,866
Balance, end of the period	34,960,918	8,202,927	43,163,845
Total deferred costs, end of the period	\$ 36,653,479	\$ 14,404,002	\$ 51,057,481

**SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

**6. EQUIPMENT AND CAMP BUILDINGS**

	<b>Office Equipment</b>	<b>Camp Vehicles and Equipment</b>	<b>Total</b>
<b>Cost</b>			
Balance at March 31, 2023	\$ 41,992	\$ 152,659	\$ 194,651
Additions	-	-	-
Disposals	-	-	-
Balance at March 31, 2024	\$ 41,992	\$ 152,659	\$ 194,651
Additions	-	-	-
Disposals	-	-	-
Balance at June 30, 2024	\$ 41,992	\$ 152,659	\$ 194,651
<b>Depreciation and impairment</b>			
Balance at March 31, 2023	\$ 41,252	\$ 119,746	\$ 160,998
Additions	740	8,202	8,942
Disposals	-	-	-
Balance at March 31, 2024	\$ 41,992	\$ 127,948	\$ 169,940
Additions	-	1,455	1,455
Disposals	-	-	-
Balance at June 30, 2024	\$ 41,992	\$ 129,403	\$ 171,395
<b>Carrying amounts – NBV</b>			
At June 30, 2024	\$ -	\$ 23,256	\$ 23,256
At March 31, 2024	\$ -	\$ 24,711	\$ 24,711

**SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

**7. RIGHT OF USE ASSET AND LEASE LIABILITY**

In October 2021, the Company has extended the lease with terms running through September 2026. Upon commencement, the Company recognized a right-of-use asset of \$135,611 and a lease liability of \$135,611. The lease liability was discounted using an estimated incremental borrowing rate of 12.0% per annum.

The continuity of the right-of-use asset for the three months ended June 30, 2024 is as follows:

	<b>Right-of-use asset</b>
As at March 31, 2023	94,928
Amortization	(27,122)
As at March 31, 2024	\$ 67,806
Amortization	6,781
As at June 30, 2024	61,025

Minimum lease payments in respect of lease liabilities and the effect of discounting as at June 30, 2024 are as follows:

	<b>Lease liability</b>
Less than one year	\$ 28,733
More than one year	44,451
As at June 30, 2024	\$ 73,184

The continuity of the lease liability for the three months ended June 30, 2024 is as follows:

	<b>Lease liability</b>
As at March 31, 2023	\$ 105,033
Principal payments	(24,666)
As at March 31, 2024	80,367
Principal payments	(7,183)
As at June 30, 2024	\$ 73,184

## **SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements  
(unaudited - expressed in Canadian dollars)  
For the Three Months ended June 30, 2024 and June 30, 2023

### **8. TRADE AND OTHER PAYABLES**

The Company's trade and other payables on June 30, 2024 and March 31, 2024 are as follows:

	<b>As at June 30, 2024</b>	<b>As at March 31, 2024</b>
Trade payables	\$ 201,332	\$ 208,796
Amount due to related parties	199,629	272,898
Accrued expenses	32,500	26,000
	<b>\$ 433,461</b>	<b>\$ 507,694</b>

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

### **9. RELATED PARTY TRANSACTIONS**

During the three months ended June 30, 2024 the following amounts were paid. All comparative amounts are for the three months ended June 30, 2023.

- (a) Management wages and director fees of \$132,700 (2023 - \$133,082) were paid to directors or officers of the Company or to companies controlled by directors or officers of the Company.
- (b) Consulting and geological fees of \$41,250 (2023 - \$32,340) were paid to Companies controlled by directors or officers of the Company.
- (c) Included in accounts payable and accrued liabilities at June 30, 2024 is \$199,629 (2023 - \$230,439) owing to the senior management and directors of the Company for unpaid management fees.

During the months ended June 30, 2024, the Company earned \$6,600 (2023 - \$6,600) in office sublease revenue from a company with common officers.

The above transactions, occurring in the normal course of operations, are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors.

**SURGE COPPER CORP.**

Notes to the Condensed Consolidated Interim Financial Statements

(unaudited - expressed in Canadian dollars)

For the Three Months ended June 30, 2024 and June 30, 2023

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

The Company incurred the following transactions with key management personnel and companies controlled by directors of the Company.

	<b>For the three months ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
Key management personnel compensation comprised of:		
Short term employee benefits:		
Management and administration	\$ 132,700	\$ 133,082
	\$ 132,700	\$ 133,082
Share-based payments	333,903	323,750
	\$ 466,603	\$ 456,832

**11. SHARE CAPITAL AND CONTRIBUTED SURPLUS**

(a) Authorized: Unlimited number of common shares without par value.

(b) Issued and fully paid:

	<b>Number of Shares</b>	<b>Amount</b>
Balance – March 31, 2023	194,547,412	\$ 63,850,642
Exercise of share purchase warrants	1,876,833	168,916
Shares issued in lieu of discretionary bonuses	1,544,540	204,431
RSU, DSU settlements	2,402,252	449,566
Property acquisitions	24,078,308	1,791,587
Balance – March 31, 2024	224,449,345	\$ 66,465,142
Issued for cash – non-flow through shares	51,373,414	4,930,474
Issued for cash – charity-flow-through shares	8,966,668	2,196,834
Flow-through share premiums	-	(851,833)
Share issue costs	-	(38,062)
Balance – June 30, 2024	284,789,427	\$ 72,702,555

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Notes to the Condensed Consolidated Interim Financial Statements

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### **11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)**

#### (b) Issued and Fully Paid (continued)

##### Transactions during the Three Months Ended June 30, 2024

- i) On April 24, 2024, the Company completed a non-brokered private placement consisting of 10,000,000 common shares for total gross proceeds of \$1,000,000. The common shares are subject to a hold period of four months and one day from the date of issuance. The Company paid finders fees totaling \$6,000.
- ii) On May 31, 2024, the Company completed a non-brokered private placement with a strategic investor, African Rainbow Minerals Limited (“ARM”), consisting of 41,373,414 common shares, representing a 15.0% interest in the Company on a non-diluted basis, at a price of \$0.095 per share for total gross proceeds of \$3,930,474. The common shares are subject to a hold period of four months and one day from the date of issuance.

The Company and ARM have entered into an investor rights agreement (the “IRA”) which grants ARM certain rights in the event it maintains minimum ownership thresholds in the Company, including the right to maintain its ownership position through future equity financings, and the right to appoint a member to a technical advisory committee to be formed following closing of the Strategic Placement. Additionally, the IRA includes a covenant from ARM, for a period of two years, to vote in favour of management’s recommendations on routine matters to be approved by the shareholders of the Company. Furthermore, ARM has agreed in the IRA to a two-year standstill with respect to the acquisition of additional securities of the Company which would result in ARM owning greater than 19.9% of the then issued and outstanding common shares of the Company on a non-diluted basis, subject to exceptions customary for a standstill of this nature. In the event that ARM’s ownership interest increases, subsequent to the expiry of the standstill, to at least 19.9% of the Company’s issued and outstanding common shares on a non-diluted basis, ARM will have the right to nominate one director to the Company’s board of directors.

- iii) On June 21, 2024, the Company completed a non-brokered private placement consisting of 8,966,668 charity flow-through shares (“CFT shares”) at a price of \$0.245 for total gross proceeds of \$2,196,834. The CFT Shares qualify as “flow-through shares” within the meaning of the Income Tax Act (Canada) (the “Tax Act”). The aggregate gross proceeds raised from the Offering must be used before December 31, 2025 for exploration expenditures that constitute “Canadian exploration expenses” qualifying as “flow-through critical mineral mining expenditures”. The common shares are subject to a hold period of four months and one day from the date of issuance. The Company paid finders fees totaling \$4,410.

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**11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)**Transactions during the Year Ended March 31, 2024

i) During the year ended March 31, 2024, 1,876,833 share purchase warrants were exercised for proceeds of \$168,916.

(c) Share Purchase Warrants:

A continuity schedule of outstanding share purchase warrants is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, March 31, 2023	65,434,817	\$0.26
Exercised	(1,876,833)	\$0.09
Expired	(63,557,984)	\$0.26
Balance, March 31, 2024 and June 30, 2024	-	-

As at June 30, 2024 there were no outstanding share purchase warrants.

(d) Agents' warrants

A continuity schedule of outstanding agents' warrants is as follows:

	<b>Number of Warrants</b>	<b>Weighted Average Exercise Price</b>
Balance, March 31, 2023	1,420,402	\$0.45
Expired	(1,420,402)	\$0.45
Balance, March 31, 2024 and June 30, 2024	-	-

As at June 30, 2024 there are no outstanding agent warrants.

(e) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's balance sheet include 'Contributed Surplus' and 'Accumulated Deficit'.

'Contributed Surplus' is used to recognize the value of stock option grants and share warrants prior to exercise. 'Accumulated Deficit' is used to record the Company's change in deficit from earnings from year to year.

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### **11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)**

(f) Share Compensation Plan:

The Company's Share Compensation Plan ("Plan") includes stock options ("Options"), restricted share units ("RSUs") and deferred share units ("DSUs"). The Plan received shareholder approval at the Company's AGM held on September 21, 2022. The maximum number of Common Shares reserved for issuance under the Share Compensation Plan shall be no more than 10% of the Company's issued and outstanding share capital at the time of any RSU, Option, or DSU award or grant.

The maximum aggregate number of Common Shares issuable pursuant to all Security Based Compensation granted or issued under the Plan to any one Participant (as such term is defined in the Plan) in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares, calculated as at the date that such Security Based Compensation is granted or issued to the Participant. The exercise price of each Option granted under the plan may not be less than the Discounted Market Price (as that term is defined in the policies of the TSXV).

Options may be granted for a maximum term of ten years from the date of the grant, are non-transferable and expire within 90 days of termination of employment or holding office as director or officer of the Company. Unless otherwise stated, Options vest when granted.

#### *Stock options*

A summary of the Company's option transactions for the three months ended June 30, 2023 and the year ended March 31, 2023 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life (years)
Balance, March 31, 2023	5,500,000	\$0.51	3.14
No transactions	-	-	
Balance, March 31, 2024 and June 30, 2024	5,500,000	\$0.51	1.98

The weighted average share price of options exercised, as at the date of exercise, during the three months ended June 30, 2024 was \$Nil (2023 - \$Nil).

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**11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)**

As at June 30, 2024 outstanding stock options are:

Number of Options	Exercise Price	Expiry Date
1,800,000	\$0.69	January 4, 2026
200,000	\$0.44	April 23, 2026
2,500,000	\$0.42	June 23, 2026
800,000	\$0.42	October 15, 2026
200,000	\$0.31	December 20, 2026
<b>5,500,000</b>		

*Restricted Share Units*

Under the Plan, RSUs are granted to employees, directors, officers and consultants as approved by the Company's Board of Directors. Each RSU represents a unit with the underlying value equal to the value of one common share of the Company, vests over a specified period of service in accordance with the Plan and can be equity or cash settled at the discretion of the Company.

A summary of the Company's RSU transactions for the three months ended June 30, 2024 and March 31, 2024 is as follows:

	Number of RSUs	Weighted Average Value at Date of Grant
Balance, March 31, 2023	8,043,609	\$ 0.202
Settled	(2,402,252)	0.187
Balance, March 31, 2024	5,641,357	\$ 0.202
Granted <sup>(1)</sup>	6,700,000	0.15
Balance, June 30, 2024	12,341,357	\$ 0.175

<sup>1)</sup> RSUs granted on June 21, 2024. Vesting 1/3, after 12, 24 and 36 months

For the three months ended June 30, 2024, Nil RSUs were forfeited, Nil RSUs were settled in cash and Nil RSUs were settled in issuance of shares.

For the year ended March 31, 2024, Nil RSUs were forfeited, Nil RSUs were settled in cash and 2,402,252 RSUs were settled in issuance of shares.

For the three months ended June 30, 2024 \$210,817 share-based compensation expense relating to the vesting of RSUs was recorded.

For the year ended March 31, 2024, \$727,741 of share-based compensation expense relating to the vesting of RSUs was recorded.

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Notes to the Condensed Consolidated Interim Financial Statements

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For the Three Months ended June 30, 2024 and June 30, 2023

**11. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)***Deferred Share Units*

Under the Plan, DSUs are granted to non-executive directors as approved by the Company's Board of Directors. Each DSU represents a unit with the underlying value equal to the value of one common share of the Company, vests over a specified period of service in accordance with the Plan and can be equity or cash settled at the discretion of the Company.

A summary of the Company's DSU transactions for the three months ended June 30, 2024 and for the year ended March 31, 2024 is as follows:

	Number of DSUs	Weighted Average Value at Date of Grant
Balance, March 31, 2023	5,411,132	\$ 0.205
No transactions	-	-
Balance, March 31, 2024	5,411,132	\$ 0.205
Granted <sup>(1)</sup>	4,233,334	0.15
Balance, June 30, 2024	9,644,466	\$ 0.175

<sup>1)</sup> DSUs granted on June 21, 2024. 12-month minimum vesting period.

For the three months ended June 30, 2024, Nil DSUs were forfeited, Nil DSUs were settled in cash and Nil DSUs were settled in issuance of shares.

For the year ended March 31, 2024, Nil DSUs were forfeited, Nil DSUs were settled in cash and Nil DSUs were settled in issuance of shares.

For the three months ended June 30, 2024 \$123,086 share-based compensation expense relating to the vesting of DSUs was recorded.

For the year ended March 31, 2024, \$422,226 of share-based compensation expense relating to the vesting of DSUs was recorded.

**(g) Contributed Surplus:**

A continuity of contributed surplus is as follows:

	For the Three Months Ended June 30, 2024	For the Year Ended March 31, 2024
Balance, beginning of year	\$ 13,059,226	\$ 12,211,778
Stock-based compensation - expensed	333,903	1,297,014
Settlements, RSUs and DSUs	-	(449,566)
Balance, end of period	\$ 13,393,129	\$ 13,059,226

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### **12. FINANCIAL INSTRUMENTS, MANAGEMENT OF CAPITAL AND FINANCIAL RISK**

All financial instruments are included on the Company's balance sheet and measured at either fair value or amortized cost.

The Company's financial assets consist of cash and cash equivalents and amounts receivable, which are designated as loans and receivables and measured at amortized cost.

The Company's financial liabilities consist of accounts payable and accrued liabilities and due to related parties, which are designated as other financial liabilities and measured at amortized cost.

The carrying values of the Company's financial instruments measured at amortized costs approximate their fair values due to their short-term nature.

The capital of the Company consists of shareholders' equity - \$52,472,751 (March 31, 2024 - \$46,427,660).

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. There were no changes in the Company's approach to capital management during the year.

The Company is not subject to any externally imposed capital requirements. The Company relies on capital markets to support continued growth.

### **13. SEGMENTED INFORMATION**

During the three months ended June 30, 2024 and for the year ended March 31, 2024 the Company operated in one reportable operating segment, being the acquisition, exploration and development of mineral properties in British Columbia. Administrative expenses and working capital balances are located in Canada.

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Notes to the Condensed Consolidated Interim Financial Statements  
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### **14. NON-CASH TRANSACTIONS**

Investing and financing activities that do not have a direct impact on current cash flows are excluded from the statements of cash flows. The following transactions have been excluded from the statements of cash flows.

#### During the three months ended June 30, 2024

For the three months ended June 30, 2024, the Company recorded \$333,903 as share-based payments in relation to the vesting of RSUs and DSUs.

#### During the year ended March 31, 2024:

The issuance of 2,857,143 common shares valued at \$200,000 for exploration and evaluation assets.

The issuance of 21,221,165 common shares valued at \$1,591,587 for exploration and evaluation assets.

On January 31, 2024 and March 4, 2024, the Company settled 639,947 RSUs and 1,762,305 RSUs with a realized value of \$449,566.

### **15. COMMITMENTS AND CONTINGENCIES**

Effective with a commencement date of October 1, 2021, the Company is committed to an operating lease on its office premises expiring on September 30, 2026. The Company's lease commitments for the total annual basic lease payments are as follows:

2025	\$ 27,078
2026	\$ 37,120
2027	\$ 18,815

### **16. SUBSEQUENT EVENTS**

- i) On July 18, 2024, the Company completed a non-brokered private placement with ARM consisting of 1,582,353 common shares at a price of \$0.15 for total gross proceeds of \$237,353. This investment represents ARM exercising its right to top up their share holdings to maintain its 15.0% interest in the Company on a non-diluted basis. The common shares are subject to a hold period of four months and one day from the date of issuance.
- ii) On July 18, 2024, the Company has granted 175,000 incentive stock options to a consultant with an exercise price of \$0.15. The stock options vest in four equal tranches every six months over a period of two years and expire five years from the date of grant.
- iii) On August 1, 2024, the Company has staked one claim totaling 1258.13 hectares for a total cost of \$2,202.