

For personal use only



marimaca
C O P P E R C O R P.

Marimaca Copper Corp.

Condensed Interim Consolidated Financial Statements
For the Three Months Ended March 31, 2025 and 2024
(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

The accompanying unaudited condensed interim consolidated 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 unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

For personal use only

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Financial Position

As at March 31, 2025, and December 31, 2024.

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

	As at March 31, 2025	As at December 31, 2024
Assets		
Current assets		
Cash	\$ 14,399	\$ 22,648
Amounts receivable (Note 3)	2,307	2,308
Prepaid expenses	546	512
	17,252	25,468
Non-current assets		
Amounts receivable (Note 3)	2,454	2,427
Property, plant and equipment	191	238
Exploration and evaluation assets (Note 4)	90,096	84,249
Total assets	\$ 109,993	\$ 112,382
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,999	\$ 2,760
Lease liabilities	25	45
	2,024	2,805
Shareholders' equity (Note 5)		
Common shares	231,301	230,928
Contributed surplus	38,563	38,297
Accumulated other comprehensive income ("AOCI")	420	418
Deficit	(162,315)	(160,066)
Total equity	107,969	109,577
Total liabilities and equity	\$ 109,993	\$ 112,382
Nature of Operations and Liquidity Risk (Note 1)		

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2025 and 2024

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

	For the three months ended March 31,	
	2025	2024
Expenses		
Exploration expenditures	\$ 762	\$ 47
Depreciation and amortization	61	29
Legal and filing fees	196	37
Other corporate costs	492	364
Salaries and management fees	355	909
Share-based compensation	639	1,509
Operating loss	(2,505)	(2,895)
Finance income	158	302
Foreign exchange gain/(loss)	23	(150)
Other non-operating income	75	19
Net loss	\$ (2,249)	\$ (2,724)
Items that may be reclassified subsequently to net income:		
Foreign currency translation adjustment	2	(15)
Comprehensive loss	\$ (2,247)	\$ (2,739)
Loss per share		
Basic and diluted loss per share	\$ (0.02)	\$ (0.03)
Weighted average number of shares outstanding (000's)		
Basic	105,576	93,203
Diluted	105,576	93,203

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Shareholders' Equity

For the three months ended March 31, 2025 and 2024

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

	Number of shares #000's	Amount	Contributed Surplus	AOCI	Deficit	Total
Balance - January 1, 2024	93,174	\$ 206,306	\$ 34,338	\$ 65	\$ (146,314)	\$ 94,395
Shares issued under equity offering	1,000	2,657	-	-	-	2,657
Shares issued under Private Placement	6,725	21,157	-	-	-	21,157
Warrants	-	(162)	162	-	-	-
Options exercised	65	771	(771)	-	-	-
Restricted Stock Units redeemed	53	199	(199)	-	-	-
Share-based compensation	-	-	4,767	-	-	4,767
Net loss	-	-	-	-	(13,752)	(13,752)
Other comprehensive income	-	-	-	353	-	353
Balance - December 31, 2024	101,017	\$ 230,928	\$ 38,297	\$ 418	\$ (160,066)	\$ 109,577
Balance - January 1, 2025	101,017	230,928	38,297	418	(160,066)	\$ 109,577
Options exercised	94	160	(160)	-	-	-
Restricted Stock Units redeemed	57	213	(213)	-	-	-
Share-based compensation	-	-	639	-	-	639
Net loss	-	-	-	-	(2,249)	(2,249)
Other comprehensive income	-	-	-	2	-	2
Balance - March 31, 2025	101,168	\$ 231,301	\$ 38,563	\$ 420	\$ (162,315)	\$ 107,969

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

Marimaca Copper Corp.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

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

	For the three months ended March 31,	
	2025	2024
Cash flows from operating activities		
Net loss	(2,249)	(2,724)
Items not affecting cash		
Depreciation and amortization	61	29
Unrealized foreign exchange	(110)	122
Share-based compensation (Notes 5)	639	1,509
	(1,659)	(1,064)
Change in non-cash operating working capital		
Decrease in amounts receivable and prepaid expenses	(61)	(238)
Decrease in accounts payable and accruals	(762)	(164)
Cash used in operating activities	\$ (2,482)	\$ (1,466)
Cash flows from financing activities		
Lease payments	(20)	(31)
Cash used in financing activities	\$ (20)	\$ (31)
Cash flows from investing activities		
Property, plant and equipment	(12)	(75)
Exploration and evaluation assets - capitalized expenditures	(5,847)	(2,298)
Cash used in investing activities	\$ (5,859)	\$ (2,373)
Effect of exchange rate changes on cash	112	(137)
Decrease in cash	(8,249)	(4,007)
Cash: beginning of the period	22,648	16,692
Cash: end of the period	\$ 14,399	\$ 12,685

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

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

Note 1 - Nature of operations and liquidity risk

(a) Nature of operations

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

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

The Company’s registered office is Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada. The Company is listed on the Toronto Stock Exchange (the “Exchange” or “TSX”) under the symbol “MARI”. On March 31, 2025, Australia Eastern Daylight Time (“AEDT”), the Company was admitted to the official list of the Australian Securities Exchange (“ASX”) under the ticker “MC2” and its shares are settled on the ASX in the form of CHESS Depository Interests (“CDIS”).

(b) Liquidity risk

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”), applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue in operation for at least the next twelve months.

The Company is an exploration and development company that currently does not generate operational revenue from its assets. At March 31, 2025, the Company had working capital of \$15.2 million (December 31, 2024 – \$22.7 million), which management believes is sufficient to meet its property option payments, its obligations and to continue to fund operations for at least the next twelve months.

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

Note 2 - Basis of preparation and material accounting policies

a) Statement of compliance

These condensed interim consolidated financial statements include the accounts of Marimaca Copper and its wholly-owned subsidiaries (its “subsidiaries”) (hereinafter together with Marimaca Copper, the “Company”). These unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements, including IAS 34 *Interim Financial Reporting*. These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended December 31, 2024 (“2024 annual financial statements”), and were prepared using the same accounting policies. All amounts are expressed in thousands of U.S. dollars (\$), unless otherwise noted. References to C\$ are to Canadian dollars.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors on May 12, 2025.

The results of operations for the three Months Ended March 31, 2025, (“Q1 2025”) are not necessarily indicative of the results to be expected for the full year. Seasonality is not considered to have a significant impact over the condensed interim consolidated financial statements.

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

b) Significant judgements, estimates and assumptions

The preparation of condensed interim consolidated financial statements in accordance with IFRS Accounting Standards requires the Company to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period. The areas of judgement and estimation are consistent with those reported in the annual consolidated financial statements for the year ended December 31, 2024, and the following discusses the most significant accounting judgements and estimates that the Company has made in the preparation of these condensed interim consolidated financial statements:

i) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management has assessed for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of March 31, 2025.

ii) Expected credit losses

Accounts receivables are recorded at fair value on initial recognition and amortised cost on subsequent remeasurement. The carrying amounts for accounts receivable are net of lifetime expected credit losses ("ECL"). Estimating the ECL allowance for receivables requires management to exercise judgment in selecting estimation techniques, choosing key inputs, and making significant assumptions about future economic conditions and customer credit behaviour, including the probability of customer defaults and potential losses.

Management uses historical data to calculate the ECL for accounts receivables. Adjustments are made based on current and future economic conditions and specific risks for individual debtors. Significant judgment is required for these adjustments. Additionally, large and aging receivable balances need careful assessment for impairment provisions at the reporting date. As at March 31, 2025, the Company's receivable related to an outstanding balance from the sale of Minera Rayrock Limitada in 2022 for which the Company has security over the exploration property rights held by the entity in the event of non-payment of the agreed upon sales consideration. Following non-payment of the receivable on the due date, a liquidator was appointed for Minera Rayrock Limitada. Further details on the ECL scenarios and key assumptions in the estimation of an expected credit loss are disclosed in note 3. Although the Company has made its best estimates. Such estimates are subject to inherent uncertainty and differences in what the Company may realize could be significant.

iii) Share-based compensation

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

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

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

c) New Accounting Standards Issued But Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting periods commencing on or after January 1, 2025. Many are not applicable or do not have a significant impact to the Company and have therefore not been summarised in these interim financial statements. The following have standard has not yet been adopted.

IFRS 18, Presentation and Disclosure in Financial Statements

The IASB issued the IFRS 18, Presentation and Disclosure in Financial Statements, which is mandatory for accounting periods after January 1, 2027. The Company is currently assessing the impact of this new IFRS Accounting Standard on its financial statements and will update the Company's accounting policies as applicable.

Classification and Measurement of Financial Instruments (Amendment to IFRS 9 and IFRS 7)

The amendments establish that financial assets and liabilities will be recognized and derecognized at settlement date, except for regular-way purchases or sales meeting specific criteria for a new exception. This allows companies to opt for early derecognition of certain financial liabilities settled via electronic payment systems.

The amendments also provide guidelines for assessing the cash flow characteristics of financial assets, covering all contingent cash flows, including those related to environmental, social, and governance (ESG) features. Additionally, new disclosure requirements are introduced along with updates to existing ones.

This amendment is effective for annual periods beginning on or after January 1, 2026. The impact of these amendments on the Company's financial statements has not yet been evaluated.

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

By means of an agreement dated March 18, 2022, the Company sold and transferred 100% of the equity interest of its wholly-owned indirect subsidiary Minera Rayrock Limitada (currently Minera Cobre Verde SpA "MCV"), owner of the Ivan plant, to non-related parties 5Q SpA ("5Q") and Fondo de Inversiones Privado Neith ("FIP"), for an aggregate amount of \$10.3 million, to be paid according to the payment schedule agreed thereby (the "Purchase Price"). In December 2023, FIP transferred its stake in MCV to Cobres y Metales SpA ("CyM"). As a result thereof, 5Q and CyM remained liable before the Company for payment of the Purchase Price. As of the date hereof, the Company has received \$0.5 million as part of the Purchase Price.

On December 29, 2023, the Company, 5Q and CyM signed a Memorandum of Understanding ("MOU") to amend the Purchase Price's payment schedule, and agreed to a single payment of \$7.0 million, subject to actual payment of such amount in full no later than June 30, 2024.

On July 23, 2024, the Company has amended the MOU, which has included the Rayrock assets and common shares as guarantee, and rescheduling the contingent payment as follows:

- 1st Instalment – \$2 million by August 15, 2024;
- 2nd Instalment – \$2.5 million until September 30, 2024; and
- 3rd Instalment – \$2.5 million not earlier than September 30, 2024, and not later than December 31, 2024.

Payment of the Purchase Price are duly secured, including pledge over MCV's shares, pledge over Ivan plant and over MCV's mining tenements located in the Antofagasta region of Chile. As of March 31, 2025, valuation of the underlying assets provided by a third party exceeds the value of the account receivable.

5Q failed to meet the first installment of the amended payment calendar, and therefore, on September 10, 2024, the Company submitted a petition for liquidation of MCV, in order to commence a liquidation process. The company is the majority creditor in the liquidation process. As a result of these events the company assessed the recoverability of the account receivable in the context of the liquidation process, and concluded that an impairment of \$2.3 million as of December 31, 2024 was required. As of March 31, 2025, the company has a net receivable of \$4.8 million (\$4.7 million as of December 31, 2024). Management estimated the recoverable amount of the account receivable using probability weighted scenarios which incorporated expectations of the liquidation process as well as the valuation of the underlying assets subject to liquidation, the associated costs and the ultimate recoverable amounts.

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

Note 4 - Exploration and evaluation assets

(In thousands of US dollars)	Marimaca Project	Marimaca District	Other	Total
January 1, 2024	\$ 67,857	\$ 2,673	\$ 994	\$ 71,524
Exploration and evaluation costs	6,958	5,467	-	12,425
Property acquisition costs	-	300	-	300
December 31, 2024	\$ 74,815	\$ 8,440	\$ 994	\$ 84,249
Exploration and evaluation costs	3,770	2,077	-	5,847
March 31, 2025	\$ 78,585	\$ 10,517	\$ 994	\$ 90,096

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

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

Pampa Medina

Under the terms of an October 2024 option agreement, the Company may acquire the Pampa Medina property for a total consideration of \$12 million payable as follows: \$0.15 million upon signing (paid); \$0.35 million on the 12-month anniversary; \$0.5 million on the 24-month anniversary; \$1.5 million on the 36-month anniversary; \$2.5 million on the 48-month anniversary, and \$7.0 million on the 60 month anniversary. These claims are subject to a 1.5% net smelter royalty ("NSR") with an option to buy back 1.0% of the NSR for \$2 million, exercisable within a term of 24 months from the start of commercial production.

The Company may withdraw from the Agreement at any time, before completing all the installments agreed under the Agreement. Under the terms of the option, the Company has the right to perform exploration activities on the property.

Madrugador Project

Under the terms of a December 2024 option agreement, the Company may acquire the Madrugador Project property for a total consideration of \$12 million payable as follows: \$0.15 million upon signing (paid); \$0.25 million on the 12-month anniversary; \$0.4 million on the 24-month anniversary; \$1.2 million on the 36-month anniversary; \$3.0 million on the 48-month anniversary, and \$7.0 million on the 60month anniversary. These claims are subject to a 1.5% NSR with an option to buy back 1.0% of the royalty for \$1.5 million, at any time and a right of first refusal on any sale of the royalty to a third party.

The Company may withdraw from the Agreement at any time, before completing all the installments agreed under the Agreement. Under the terms of the option, the Company has the right to perform exploration activities on the property.

Note 5 – Shareholders' equity

a) Share capital

Authorized

The Company authorized capital includes an unlimited number of common shares (101,167,684 common shares issued and outstanding as at March 31, 2025) having no par value.

b) Stock options and RSU

During the three and three months ended March 31, 2025, no stock options were granted by the Company under the Company's Omnibus Plan (Q1 2024 – nil options granted).

During the three and months ended March 31, 2025, no RSUs were granted by the Company. During the three months ended March 31, 2024, the Company awarded to management and directors with 0.9 million RSUs. The fair value of the RSUs,

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

which is determined with reference to the trading price of the Company's common shares immediately preceding the date of issuance, was determined to be C\$3.2 million in 2024.

For the three months ended March 31, 2025, the Company recorded \$0.6 million and \$1.5 million in share-based compensation, associated with the vesting of granted stock options and RSUs.

Note 6 - Related party transactions

Key management personnel

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

<i>(In thousands of US dollars)</i>	For the three months ended March 31,	
	2025	2024
Short-term benefits ⁽¹⁾	\$ 523	\$ 939
Share-based payments ⁽²⁾	610	985
Total	\$ 1,133	\$ 1,924

⁽¹⁾ Includes salary, benefits and short-term accrued incentives/other bonuses earned in the period.

⁽²⁾ Represents the expense of stock options and restricted share units during the period.

Note 7 - Segmented information

The chief operating decision-maker organizes and manages the business under one operating segment. The table below shows the geographical location of various assets and liabilities held by the Company as at March 31, 2025 and the net loss associated with each location for the Three Months Ended March 31, 2025.

<i>(In thousands of US dollars)</i>	Chile	Canada	Total
March 31, 2025			
Current assets	5,398	11,854	\$ 17,252
Non-current assets	92,721	20	92,741
Total assets	98,119	11,874	109,993
Current liabilities	1,914	110	2,024
Total liabilities	1,914	110	2,024
Net loss	(816)	(1,433)	(2,249)

Marimaca Copper Corp.

Notes to the Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

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

Note 8 - Financial instruments

For the three months ended March 31, 2025, the Company's carrying values of cash and cash equivalents, amounts receivable net of estimated ECL allowances, accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity. The estimated fair value of amounts receivable net of estimated ECL allowances is an estimate that involves the use of scenarios, estimates of collateral value and realization costs.

Credit risk

Credit risk is a risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations as agreed. Financial instruments that potentially subject the Company to credit risk consist of cash, and accounts receivable, which are the maximum amounts exposed to credit risk. The Company deposits its cash with high credit quality financial institutions as determined by rating agencies. As per note 3, the Company has recorded an expected credit loss on the receivable as December 31, 2024.

Currency risk

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

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

Total currency exposure from foreign currencies is equivalent to \$3 million as at March 31, 2025 (\$1.5 million as of December 31, 2024). Based on the net exposures as of March 31, 2025, and assuming that all other variables remain constant, a change of 10% in the Canadian dollar and/or Chilean peso against the US dollar would result in a change in the Company's net loss of approximately \$0.3 million, respectively. The Company manages and monitors the currency risk on a regular basis.

As at March 31, 2025, the Company held its cash as follows: 68% in U.S. dollars, 14% in Canadian dollars and 18% in Chilean pesos, with 79.5% of cash held in Canadian banks and 20.5% held in Chilean banks, as at March 31, 2025.

Interest rate risk

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and/or loans as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis, and matches the maturity dates of its cash equivalents to capital and operating needs. The Company's accounts payable and accrued liabilities are all payable within normal trade terms, which are typically up to a maximum of 30 days.