



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

**(Unaudited)**

*(Expressed in thousands of United States Dollars)*

**GUNNISON COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited and expressed in thousands of United States dollars)

	Note	March 31, 2026	December 31, 2025
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 10,544	\$ 20,613
Short term investments		904	140
Amounts receivable		3,381	1,301
Due from Nuton	10	10,494	12,652
Prepaid expenses		1,380	1,289
Inventory	5	26,526	19,923
		<u>53,229</u>	<u>55,918</u>
<b>Inventory</b>	<b>5</b>	<b>3,257</b>	<b>2,099</b>
<b>Property, plant and equipment</b>	<b>6</b>	<b>260,748</b>	<b>245,777</b>
<b>Restricted cash</b>	<b>7</b>	<b>10,798</b>	<b>10,698</b>
		<u>328,032</u>	<u>314,492</u>
<b>Total Assets</b>		<b>\$ 328,032</b>	<b>\$ 314,492</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	8	\$ 1,440	\$ 2,130
Accounts payable and accrued liabilities - Nuton	9	18,464	27,612
Amounts due to related parties	16	1,234	172
Nuton deferred income and revenue	10	71,478	46,737
Derivative liabilities	11	12,011	13,187
Debentures	14	6,837	6,503
Debt	13	-	3,958
		<u>111,464</u>	<u>100,299</u>
<b>Accounts payable and accrued liabilities</b>	<b>8</b>	<b>7,739</b>	<b>2,208</b>
<b>Nuton stage 2 payable</b>	<b>10</b>	<b>50,969</b>	<b>46,423</b>
<b>Nuton deferred income and revenue</b>	<b>10</b>	<b>124,403</b>	<b>141,625</b>
<b>Derivative liabilities</b>	<b>11</b>	<b>74,555</b>	<b>72,530</b>
<b>Decommissioning and restoration obligation</b>	<b>12</b>	<b>13,568</b>	<b>12,953</b>
		<u>382,698</u>	<u>376,038</u>
<b>Total Liabilities</b>		<b>382,698</b>	<b>376,038</b>
<b>Equity</b>			
Capital stock	15	132,912	128,479
Other equity reserves	15	16,443	15,662
Deficit		(203,192)	(204,858)
Accumulated other comprehensive loss		(829)	(829)
		<u>(54,666)</u>	<u>(61,546)</u>
<b>Total Equity</b>		<b>(54,666)</b>	<b>(61,546)</b>
<b>Total Liabilities and Equity</b>		<b>\$ 328,032</b>	<b>\$ 314,492</b>
<b>Subsequent Events</b>	<b>22</b>		

Approved on May 13, 2026 on behalf of the Board of Directors:

/signed/

/signed/

**Jason Howe**

**Fred DuVal**

Director

Director

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

**GUNNISON COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)**

(Unaudited and expressed in thousands of United States dollars)

	Note	For the three months ended March 31,	
		2026	2025
<b>Revenue</b>			
Revenue	3	20,104	\$ 559
Cost of sales	4	(8,717)	(1,326)
<b>Income (Loss) from mine operations</b>		<b>11,387</b>	<b>(767)</b>
<b>Operating Expenses</b>			
Selling and administration - Gunnison		\$ (987)	\$ (486)
Selling and administration - Johnson Camp		(1,934)	(299)
Evaluation and permitting		(998)	(20)
Share based compensation	15	(275)	(70)
Depreciation	6	(71)	(40)
<b>Total Operating Expenses</b>		<b>(4,265)</b>	<b>(915)</b>
<b>Other Items</b>			
Loss on derivative at fair value	11	(1,341)	(18,651)
Financing expense	17	(517)	(1,062)
Interest income		105	161
Gain (loss) on foreign exchange		(68)	10
Fair value loss on Nuton Stage 2 payable	10	(4,546)	(1,779)
Gain on extinguishment of debt	13	208	505
Other income		703	65
<b>Total Other Items</b>		<b>(5,456)</b>	<b>(20,751)</b>
<b>Income (Loss) and comprehensive Income (Loss) for the period</b>		<b>\$ 1,666</b>	<b>\$ (22,433)</b>
<b>Income (Loss) per common share:</b>			
Basic and Diluted		\$ 0.00	\$ (0.07)
Weighted average number of common shares outstanding:			
Basic and Diluted	15	419,373,131	315,415,858
Diluted	15	468,619,757	315,415,858

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

**GUNNISON COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited and expressed in thousands of United States dollars)

		Three Months Ended March 31,	
	Note	2026	2025
<b>CASH FLOWS RELATED TO OPERATING ACTIVITIES</b>			
Income (loss) and comprehensive loss for the period		\$ 1,666	\$ (22,433)
Items not affecting cash:			
Loss on derivative at fair value	11,15	1,341	18,651
Depreciation	6	71	40
Accretion of decommissioning and restoration obligation	12	156	171
Share-based compensation	15	288	71
Financing expense	13,14	334	306
Gain on marketable securities		(35)	(32)
Deferred income	10	(607)	(340)
Deferred revenue	10	(9,093)	-
Gain on extinguishment of debt	13	(208)	(505)
Fair value movement on Nuton Stage 2 payable	10	4,546	1,779
Fair Value movement on conversion option	13	-	328
Operating cash flow before change in non-cash working capital		<u>(1,541)</u>	<u>(1,964)</u>
Non-cash working capital item changes:			
Receivables		(2,080)	(392)
Prepaid expenses		(91)	(393)
Inventory	5	(7,761)	(124)
Accounts payable and accrued liabilities	8,9	(693)	(793)
Amounts due to related parties	16	1,062	(6)
Insurance liabilities		-	27
Change in non-cash working capital		<u>(9,563)</u>	<u>(1,681)</u>
<b>Net cash used by operating activities</b>		<u>(11,104)</u>	<u>(3,645)</u>
<b>CASH FLOWS RELATED TO INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(49)	(4,268)
Purchase of short term investments		(729)	-
Restricted cash	5	(100)	(98)
Nuton stage 2 project expenditure	10	(21,402)	(22,104)
<b>Net cash used by investing activities</b>		<u>(22,280)</u>	<u>(26,470)</u>
<b>CASH FLOWS RELATED TO FINANCING ACTIVITIES</b>			
Proceeds from warrants exercised	13	683	-
Nuton stage 2 funds received	10	22,532	24,622
Nuton Gunnison Sulfide Viability stage 1 funds received	10	-	3,000
Nebari principal payments	13	-	(206)
Nuton collateral funding		100	-
<b>Net cash provided by financing activities</b>		<u>23,315</u>	<u>27,416</u>
<b>Net change in cash and cash equivalents</b>		<u>(10,069)</u>	<u>(2,699)</u>
<b>Effect of foreign exchange on cash and cash equivalents</b>		-	(1)
<b>Cash and cash equivalents, beginning of year</b>		<u>20,613</u>	<u>8,249</u>
<b>Cash and cash equivalents, end of period</b>		<u>\$ 10,544</u>	<u>\$ 5,549</u>
<b>Supplemental cash flow disclosures:</b>			
Interest paid		\$ 25	\$ 577

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

**GUNNISON COPPER CORP.**  
**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025**

(Unaudited and expressed in thousands of United States dollars, except for shares and per share amounts)

	Capital Stock		Other Equity Reserves	Deficit	Accumulated Other Comprehensive Loss	Total
	Number of Common shares	Amount				
<b>Balance, December 31, 2024</b>	315,415,858	\$ 112,828	\$ 14,532	\$ (148,433)	\$ (829)	(21,902)
Share-based compensation	-	-	70	-	-	70
Income (Loss) for the period	-	-	-	(22,433)	-	(22,433)
<b>Balance, March 31, 2025</b>	<b>315,415,858</b>	<b>\$ 112,828</b>	<b>\$ 14,602</b>	<b>\$ (170,866)</b>	<b>\$ (829)</b>	<b>\$ (44,265)</b>
<b>Balance, December 31, 2025</b>	402,854,376	\$ 128,479	\$ 15,662	\$ (204,858)	\$ (829)	\$ (61,546)
Share issuance (note 11,15)	17,882,685	3,750	-	-	-	3,750
Warrants exercised	2,066,540	683	493	-	-	1,176
Share-based compensation	-	-	288	-	-	288
Income (Loss) for the period	-	-	-	1,666	-	1,666
<b>Balance, March 31, 2026</b>	<b>422,803,601</b>	<b>\$ 132,912</b>	<b>\$ 16,443</b>	<b>\$ (203,192)</b>	<b>\$ (829)</b>	<b>\$ (54,666)</b>

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

**GUNNISON COPPER CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Unaudited and expressed in thousands of United States dollars)

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**1. NATURE OF OPERATIONS**

Gunnison Copper Corp. (“Gunnison” or the “Company”) was incorporated under the laws of the Province of British Columbia, Canada on June 9, 2005 and trades on the Toronto Stock Exchange under the symbol “GCU”. The address of the Company’s registered office is Suite 2400, 1055 West Georgia Street, Vancouver, BC, Canada V6E 3P3.

The principal business of Gunnison is the acquisition, exploration and development of copper mineral properties and the construction and operation of copper mines in Arizona, USA. The Company is focused on the development of the Gunnison Copper Project which is designed to be a large-scale open pit operation producing finished copper cathodes. In addition, Gunnison has expanded and restarted the Johnson Camp Mine (“JCM”) in partnership with Nuton LLC (“Nuton”), a Rio Tinto Venture, to demonstrate the use of its sulfide copper heap leaching technology.

**2. BASIS OF PRESENTATION AND SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**a. Statement of compliance**

The Company prepares the annual consolidated financial statements in accordance with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”). These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and note disclosures required by IFRS Accounting Standards for annual financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2025.

The accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company’s audited consolidated financial statements for the year ended December 31, 2025 with the addition of the below :

*New standards and interpretations adopted*

In May 2024, the IASB issued amendments to IFRS 9 and 7 to clarify the recognition or derecognition of a financial asset or liability, with a new exception for some financial liabilities settled through an electronic cash transfer system. The amendments also add guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, by introducing an additional SPPI test for financial assets with contingent features that are not related directly to a change in basic lending risks or costs. In addition, the amendments will add new disclosures for certain instruments with contractual terms that can change cash flows. Lastly, the amendments will require additional disclosures for equity instruments designated at fair value through other comprehensive income. The amendments are effective for reporting periods beginning on or after January 1, 2026, with early application permitted. The amendments have been adopted by the Company, and the amendments did not result in any material changes to the condensed consolidated financial statements.

In December 2024, the IASB issued amendments to IFRS 9 and 7 to clarify the application of the 'own-use' exemption and provide guidance on hedge accounting for companies that hedge their purchase or sales of electricity using renewable power purchase agreements. The amendments also introduce new disclosure requirements. The amendments are effective for reporting periods beginning on or after January 1, 2026. The amendments have been adopted by the Company, and the amendments did not result in any material changes to the condensed consolidated financial statements.

**GUNNISON COPPER CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Unaudited and expressed in thousands of United States dollars)

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*New standards issued but not yet effective*

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 will replace IAS 1 Presentation of Financial Statements. The standard amends the presentation of the statement of income by introducing a newly defined 'operating profit' subtotal and a requirement for income and expenses to be allocated between three new distinct categories based on a company's main business activities, which are Operating, Financing and Investing. In addition, organizations will need to disclose certain 'non-GAAP' measures known as management defined performance measures. The standard will be effective from January 1, 2027 with early adoption permitted and requires retrospective application. The Company is assessing the impact of adoption of this amendment on its condensed consolidated financial statements.

All dollar figures are expressed in United States dollars unless otherwise indicated. Canadian dollars are expressed as "CAD\$".

**b. Estimation uncertainty and judgments in applying the Company's accounting policies**

The preparation of the condensed consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported. A summary of the Company's critical estimates and judgments is provided in Note 2, Basis of Presentation and Summary of Material Accounting Policies, of the audited consolidated financial statements for the year ended December 31, 2025 and 2024. The following judgements and sources of estimation uncertainty remain relevant to the quarter:

**Accounting policy Judgements**

*Characterization of the Stream arrangement*

As set out in Note 11, the Company applied judgment in determining the characterization of the Stream arrangement for both accounting and tax purposes including the Company's assessment that the partially prepaid sale of copper is currently a derivative liability for accounting purposes.

*Accounting treatment of the Nuton Stage 2 arrangement*

As set out in Note 10, the Company applied significant judgment in assessing the appropriate accounting treatment for the Stage 2 work program by considering the specific terms and nature of the agreement with Nuton. In assessing the Stage 2 work program proceeds received, management identified both a borrowing component from Nuton and a mining and processing demonstration services that will be provided to Nuton during the Stage 2 work program. The borrowing is conditionally repayable from revenues generated from commercial quantities of copper products produced from the related mining operations net of agreed upon direct and indirect costs. Changes in spot prices of copper will impact the timing of repayment of the borrowing from any future revenues generated. As a result of the repayment provisions, including indexing to copper prices, the borrowing has been accounted for in its entirety at fair value through profit or loss with a residual amount allocated to deferred revenue for the mining and processing demonstration services that will be provided to produce copper. Further details on the overall Nuton Stage 2 arrangement are disclosed in Note 10.

*Commercial Production*

Commercial production is the level of activities intended by management for a mine, or a mine and processing complex, to be capable of operating in the manner intended by management. The Company considers a range of factors when determining the level of activity that represents commercial production for a particular project, including a predetermined percentage of design capacity for the mine and SX/EW plant; achievement of

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continuous production, ramp-ups, or other output; or specific factors such as recoveries, grades, or inventory build-ups. Management considers average actual metrics including, but not limited to: (i) throughput levels reaching approximately 60% or more of design capacity, (ii) product quality consistent with design specifications, and (iii) the ability to operate in a continuous and reliable manner over a sustained period. Management assesses the operation's ability to sustain production over a period of approximately one to three months, depending on the complexity related to the stability of continuous operation. Commercial production is considered to have commenced, and depreciation expense is recognized, at the beginning of the month after criteria have been met. As at March 31, 2026 commercial production has not been met.

*Evaluation of indicators of impairment*

The evaluation of asset carrying values for indicators of impairment requires that management makes significant judgments in assessing whether changes to certain factors would be considered an indicator of impairment which includes both internal and external factors such as: a reduction in quantity of the recoverable reserves and resources; a reduction in metal prices; increases to forecasted capital and operating costs; and delays to the timing of achieving commercial production. If impairment indicators are identified, impairment testing is required. The recoverable amount of the cash-generating unit to which the assets belong that is used in the impairment testing is determined as the higher of its fair value less costs of disposal and its value in use. During the period ended March 31, 2026, no indicators of impairment were identified on the Company's property, plant and equipment.

*Revenue*

The determination that mining and processing demonstration services in relation to the Nuton Stage 2 arrangement are an output of the Company's ordinary activities was based on management's judgement. This determination was made as these services are currently a significant component of the Company's operation. As a result, management has included this in revenues (See Note 3).

The Company has applied judgement that it is the principal in the Option Agreement as it controls and operates the assets of JCM throughout Stage 2 and has control of the copper cathode before it is sold to the offtaker. As a result, the company recognizes revenues and associated expenses on a gross basis.

*Liquidity*

The assessment of the Company's ability to continue as a going concern involves judgment as it relies on the Company's estimation of future cash flows for at least the next 12 months from the financial statement date, and the availability of funds to meet those cash flow requirements. Management evaluated the effect of the overall working capital amounts related to Nuton and the JCM Stage 2 arrangement, as well as the Triple Flag stream obligations and determined they do not immediately impact the Company's liquidity. Additionally, management expects the Company's outstanding convertible debentures will be converted into common shares of the Company prior to maturity, as well as to monetize its 48C tax credits in the near term. Management believes that the Company's current financial resources are sufficient to fund ongoing corporate and Nuton Stage 2 arrangement activities for at least the next 12 months. Should the Company's expectations not be realized, it may be required to curtail spending and advancements on its Gunnison Project.

***Key Sources of Estimation Uncertainty***

*Valuation of Nuton Stage 2 arrangement funding*

For the Nuton Stage 2 funding received, the borrowing is initially recognized at fair value based on the present value of future cashflows, with the residual representing deferred mining and processing demonstration services revenue. The key assumptions used to measure the fair value of the borrowing are future copper prices, the

**GUNNISON COPPER CORP.**  
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Johnson Camp Mine production profile for Stage 2 work program, expected operating costs for the Stage 2 work program and the discount rate. The borrowing is subsequently accounted for at fair value through profit and loss as the arrangement is exposed to changes in operational and market assumptions. The deferred mining and processing demonstration services revenue is amortized on a units of production basis over the course of Stage 2. The production profile for the Stage 2 work program is based on a mineral resource model only, and therefore there is increased risk and uncertainty in achieving anticipated mineral recoveries.

*Stream Obligation*

The carrying value of the stream obligation represents management’s best estimate of the fair value of the arrangement. The fair value incorporates the Company’s estimates of the copper forward price curve, the long-term copper price volatility, the discount rate, which factors in the Company’s credit spread and the Johnson Camp Mine and Gunnison open-pit life of mine production, schedules and expectations including expansion plans and a significant assumption of weighted probability of successfully achieving the production schedules (See Note 11). The underlying production profiles used for the basis of the stream obligation are based on mineral resource models only and therefore there is increased risk and uncertainty in achieving mineral recoveries.

*Decommissioning and Restoration Obligation (“DRO”)*

The Company’s provision for reclamation and closure cost obligations represents management’s best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, assumptions of risks associated with the timing of future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amount of related mining properties (See Note 12)

*Valuation of Inventory*

Inventory is carried at the lower of cost and net realizable value (NRV). The determination of NRV for stockpiled ore and heap leach inventory includes management’s best estimate of significant assumptions including recoverable pounds of copper, costs of completion and future copper prices.

The determination of the long-term inventory for heap leach inventory represents management’s best estimate of the timing of copper recoveries based on the recovery curve, ore properties and heap leach conditions.

**3. REVENUES**

The summary for revenues for the period ended March 31, 2026 and 2025 are summarized below:

	<b>Three Months Ended March 31,</b>	
	<b>2026</b>	<b>2025</b>
Copper cathode	\$ 10,796	\$ 406
Deferred mining and processing demonstration service revenue	9,093	-
Limestone and rock products	215	153
<b>Revenues</b>	<b>\$ 20,104</b>	<b>\$ 559</b>

Limestone and rock products in the comparative period have been reclassified to revenues to align with the current year’s presentation.

**GUNNISON COPPER CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

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**4. COST OF SALES**

The summary for cost of sales for the period ended March 31, 2026 and 2025 are summarized below.

	Three months ended March 31,	
	2026	2025
Production costs	\$ 5,553	\$ 2,204
Royalties and selling costs	1,411	304
Inventory valuation adjustment	1,753	272
<b>Cost of Sales</b>	<b>\$ 8,717</b>	<b>\$ 2,780</b>

**5. INVENTORY**

The summary for inventory as at March 31, 2026 and December 31, 2025 are summarized below.

	March 31, 2026	December 31, 2025
Materials & supplies	\$ 3,323	\$ 3,070
Stockpile ore	3,902	3,473
Heap leach	17,247	11,598
Copper in solution	682	967
Finished goods	1,372	815
	<b>\$ 26,526</b>	<b>\$ 19,923</b>

Disclosed as non-current

Heap leach	3,257	2,099
	<b>\$ 3,257</b>	<b>\$ 2,099</b>

During the three months ended March 31, 2026, the Company recorded a write-down of \$1,753 (three months ended March 31, 2025 - \$272) to adjust the stockpile ore value to NRV.

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**6. PROPERTY, PLANT AND EQUIPMENT**

	Land & Mineral Properties	Plant	Vehicles & Mobile Equipment	Office Equipment & Capitalized Leases	Gunnison Construction	Johnson Camp Mine Construction in Progress	Total
<b>Cost</b>							
At January 1, 2025	9,975	12,242	584	1,366	16,444	73,713	114,324
Additions	-	45	546	14	-	136,276	136,881
Change in Decommissioning and Restoration Obligation	(2,718)	-	-	-	-	-	(2,718)
At December 31, 2025	<u>7,257</u>	<u>12,287</u>	<u>1,130</u>	<u>1,380</u>	<u>16,444</u>	<u>209,989</u>	<u>248,487</u>
<b>Accumulated Depreciation</b>							
At January 1, 2025	(695)	(114)	(584)	(815)	-	(206)	(2,414)
Depreciation	-	-	(67)	(229)	-	-	(296)
At December 31, 2025	<u>(695)</u>	<u>(114)</u>	<u>(651)</u>	<u>(1,044)</u>	<u>-</u>	<u>(206)</u>	<u>(2,710)</u>
<b>Net carrying amount</b>	<b><u>6,562</u></b>	<b><u>12,173</u></b>	<b><u>479</u></b>	<b><u>336</u></b>	<b><u>16,444</u></b>	<b><u>209,783</u></b>	<b><u>245,777</u></b>
<b>Cost</b>							
At January 1, 2026	7,257	12,287	1,130	1,380	16,444	209,989	248,487
Additions	-	-	49	-	-	14,534	14,583
Change in Decommissioning and Restoration Obligation	459	-	-	-	-	-	459
At March 31, 2026	<u>7,716</u>	<u>12,287</u>	<u>1,179</u>	<u>1,380</u>	<u>16,444</u>	<u>224,523</u>	<u>263,529</u>
<b>Accumulated Depreciation</b>							
At January 1, 2026	(695)	(114)	(651)	(1,044)	-	(206)	(2,710)
Depreciation	-	-	(28)	(43)	-	-	(71)
At March 31, 2026	<u>(695)</u>	<u>(114)</u>	<u>(679)</u>	<u>(1,087)</u>	<u>-</u>	<u>(206)</u>	<u>(2,781)</u>
<b>Net carrying amount</b>	<b><u>7,021</u></b>	<b><u>12,173</u></b>	<b><u>500</u></b>	<b><u>293</u></b>	<b><u>16,444</u></b>	<b><u>224,317</u></b>	<b><u>260,748</u></b>

**GUNNISON COPPER CORP.**  
**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2026**

(Unaudited and expressed in thousands of United States dollars)

**7. RESTRICTED CASH**

As of March 31, 2026, the Company has restricted cash deposits of \$10,798 (December 31, 2025 - \$10,698) as collateral to secure the issuance of reclamation bonds totaling \$18,303 (December 31, 2025 -\$18,303).

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Accounts payable and accrued liabilities	\$ 1,346	\$ 2,006
Lease liabilities	94	124
	<u>\$ 1,440</u>	<u>\$ 2,130</u>
Disclosed as non-current		
Lease liabilities	\$ 8	\$ 11
Due to Nuton	7,731	2,197
	<u>\$ 7,739</u>	<u>\$ 2,208</u>

Accounts payable and accrued liabilities include the Company's current and non-current obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid, not relating to the JCM Mine and Nuton Stage 2 work program. Due to Nuton of \$7,731 (December 31, 2025 - \$2,197) is for cash and interest earned on collateral paid by Nuton for Johnson Camp Mine and Gunnison Copper Project environmental bonding. The amounts due to Nuton are separate to the Nuton stage 2 framework and are not considered direct or indirect stage 2 work program costs (Note 10). The Company is required to repay Nuton the funded collateral and accrued interest once all reclamation process costs are funded and remediation obligations are completed.

**9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - NUTON**

Accounts payable and accrued liabilities - Nuton include the Company's current obligations to suppliers of goods or services acquired on trade credit for goods received or services provided that have been invoiced but not yet paid, which relate to the JCM Mine operations and Nuton Stage 2 work program as well as certain corporate payables which are reimbursable by Nuton.

	<u>March 31, 2026</u>	<u>December 31, 2025</u>
Accounts payable - Nuton	\$ 6,966	\$ 11,483
Accrued liabilities - Nuton	11,498	16,129
	<u>\$ 18,464</u>	<u>\$ 27,612</u>

**10. NUTON PROJECT**

Johnson Camp Mine – Stage 2

*Infrastructure Payment*

On July 31, 2023, the Company entered into an Option Agreement (the "Option Agreement") with Nuton to further evaluate the use of its Nuton™ copper heap leaching technologies at Gunnison's JCM Mine. Under the Option Agreement, Gunnison remains the operator and Nuton funds Gunnison's costs associated with a two-stage work program at JCM. Stage 1 was completed in 2024 and on May 15, 2024, Nuton elected to proceed to Stage 2 of the existing Option Agreement. After the completion of Stage 2, Nuton, in its sole and absolute discretion may elect to form a joint venture on JCM per mutually agreeable terms whereby Nuton will hold an initial 49% and Gunnison an

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initial 51%, or terminate the Option Agreement by providing notice to the Company in accordance with the terms of the Option Agreement

Nuton made a non-refundable \$5,000 payment to the Company for the non-exclusive access to existing infrastructure at the Johnson Camp mine for the Stage 2 work program. Nuton is also responsible for funding all of Gunnison's costs associated with Stage 2. The full Stage 2 work program is anticipated to take up to 73 months, and, if successful, will demonstrate key elements of the Nuton technologies at industrial scale. Stage 2 includes construction of a leachpad and related infrastructure, mining and heap leach processing, refurbishment of the SX/EW plant, and production of finished copper cathode. As at March 31, 2026 there are 49 months remaining in the stage 2 program.

The Company has accounted for the \$5,000 non-refundable payment as deferred income and will amortize the amount over the 73 months anticipated for the Stage 2 program on a straight-line basis. During the three months ended March 31, 2026, the Company recognized income of \$205 (three months ended March 31, 2025 - \$205), relating to the amortization of the \$5,000 infrastructure access payment received.

<b>Nuton Stage 2 - Deferred Income (Infrastructure Payment)</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 3,664	\$ 4,486
Nuton access rights	-	-
Deferred income	(205)	(822)
<b>Balance, end of period</b>	<b>\$ 3,459</b>	<b>\$ 3,664</b>
<i>Current</i>	822	822
<i>Non current</i>	2,637	2,842

*Stage 2 Funding*

The Company also receives from Nuton quarterly pre-payments based on the approved work program budget for Stage 2. Each time Stage 2 proceeds are received as advances or additional attributable costs are incurred by Nuton directly and relate to Stage 2 (Nuton managed costs), a Stage 2 project payable is recognized at fair value, with a residual amount allocable to deferred mining and processing demonstration services revenue (representing the estimated selling price, including margin for mine processing services relating to the demonstration of Nuton's technology). The borrowing is subsequently accounted for at fair value through profit and loss. The deferred mining and processing demonstration services revenue is amortized over the expected payback schedule, based on units of production. Stage 2 construction costs are capitalized to construction in progress and subsequently transferred to the relevant property, plant and equipment category once assets are ready for their intended use. Prior to the amendment effective September 30, 2025 discussed below, Nuton was to receive 100% of the net revenue generated from commercial quantities of copper products produced from JCM as a result of the Stage 2 work program, until recoupment of the Stage 2 work program funding (subject only to payments by the Company owing under any existing royalty or streaming obligations (Note 11)). Once, and if, the Stage 2 work program funding is repaid, the Company retains any additional copper revenue. The assumptions used in the measurement of the liability are the Johnson Camp Mine production profile for Stage 2 which is based on the information compiled by qualified persons, expected operating costs, future copper prices and the discount rate.

Management and Nuton have agreed that Nuton will fund agreed upon direct and indirect costs of the Company for the Stage 2 Work Program pursuant to an approved by Nuton budget from May 15, 2024 for the duration of the Stage 2 Work Program.

Effective September 30, 2025 the Company and Nuton signed an amendment to the Operating Agreement which changed the timing of Stage 2 Work Program funding from a gross to net basis.

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While Nuton continues to fund 100% of the agreed direct and indirect costs for the Stage 2 Work Program (subject to their election to continue the program), under the revised net funding mechanism, the Company holds and uses 100% of the copper revenue generated (subject only to payments by the Company owing under any existing third party royalty or streaming obligations (Note 11)) to reduce the agreed upon pre-payment on a quarterly basis. In the event expenditures are less than the net copper revenues, the Company is required to repay those amounts on quarterly basis. The timing of these estimated repayments form the basis of measurement of the Nuton Stage 2 Payable subsequent to the contract amendment on September 30, 2025. The assumptions used in the measurement of the liability continue to be the Johnson Camp Mine production profile for Stage 2 which is based on the information compiled by qualified persons, expected operating costs, future copper prices and the discount rate.

During the three months ended March 31, 2026 \$22,532 in cash was received. Nuton managed costs of \$2,280 (March 31, 2025 - \$4,447) were incurred by Nuton for offsite development and assembly of specialized equipment that will be installed at Johnson Camp Mine. In addition, there was a net decrease of \$2,158 in the due from Nuton accounts receivable related to accrued Stage 2 costs incurred as at March 31, 2026, but not yet funded by Nuton. Both the Nuton controlled costs and the due from Nuton costs are recoverable by Nuton from the sales revenue of Johnson Camp Mine. The total change in Nuton stage 2 funding for the three Months ended March 31, 2026 was \$22,653(three months ended March 31, 2025 – \$20,174) representing Nuton managed costs incurred and amounts received or receivable. Of the amounts recognized in March 31, 2026, no amounts were recognized to the Nuton Stage 2 Payable (three months ended March 31, 2025 – \$21,700) and, \$22,653 (three months ended March 31, 2025- \$4,967) was allocated to deferred revenue. In the three months ended March 31, 2026, \$5,434 was reclassified as Due to Nuton reflecting Nuton Collateral funding received by the Company in previous periods but not eligible to be repaid from the Stage 2 copper revenue generated (Note 8).

For the period ended March 31, 2026, \$9,093 has been recognized on a units of production basis in revenue, representing the value of the mining and processing demonstration services provided by the Company to Nuton. For the period ended March 31, 2026, a fair value loss was recognized through profit and loss of \$4,546 based on the revaluation of the Nuton Stage 2 Payable to fair value at March 31, 2026. Management determined the fair value of the Nuton Stage 2 payable at March 31, 2026 using a discount rate of 15.50%.

<b>Nuton Stage 2 Payable</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 46,423	\$ 38,423
Recognized during the period	-	94,982
Modified due to amendment	-	(110,237)
Fair value loss on Nuton Stage 2 payable	(4,546)	23,255
<b>Balance, end of period</b>	<b>\$ 41,877</b>	<b>\$ 46,423</b>

<i>Current</i>	-	-
<i>Non current</i>	50,969	46,423

<b>Nuton Stage 2 - Deferred revenue</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 183,039	\$ 7,134
Recognized at time of receipt	22,653	70,141
Reclassified to Due to Nuton	(5,434)	-
Modified due to amendment	-	110,237
Recognized to revenue	(9,093)	(4,473)
<b>Balance, end of period</b>	<b>\$ 191,165</b>	<b>\$ 183,039</b>

<i>Current</i>	69,399	44,306
<i>Non current</i>	121,766	138,733

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Gunnison Sulfide Viability – Stage 1

On March 13, 2025, the Company received \$3,000 from Nuton for a Stage 1 viability testing program of Nuton Technologies on sulfide mineralization at the Stage 1 Gunnison Program.

The Company has accounted for the \$3,000 as deferred income and will amortize the amount over the 22 months anticipated for the Stage 1 program on a straight-line basis. During the period, the Company recognized income of \$402 (three months ended March 31, 2025 – \$134), relating to the amortization of the \$3,000 payment received.

<b>Gunnison Sulfide Viability - Stage 1 - Deferred Income</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 1,659	\$ -
Recognized on inception	-	3,000
Deferred income	(402)	(1,341)
<b>Balance, end of period</b>	<b>\$ 1,257</b>	<b>\$ 1,659</b>
<i>Current</i>	1,257	1,609
<i>Non current</i>	-	50

**11. DERIVATIVE LIABILITIES**

Stream

On October 30, 2018 the Company entered into an agreement for a \$75,000 project financing package (collectively, the “Financing”) with Triple Flag Mining Finance Bermuda Ltd. (“Triple Flag”) for the purposes of developing the Gunnison Copper Project. The Financing consisted of a \$65,000 copper metal stream (the “Stream”) and a concurrent \$10,000 private placement of common shares.

Under the terms of the metals purchase and sale agreement (the “Stream Agreement”) between Triple Flag and Gunnison and its subsidiary Excelsior Arizona, Triple Flag paid \$65,000 against the future sale and delivery by Excelsior Arizona of a percentage of the refined copper production generated from the mining of oxide mineralization from Gunnison’s Projects owned at the time of executing the Stream Agreement. Gunnison will sell to Triple Flag a percentage of refined copper at a price equal to 25% of the copper spot price. The exact percentages of copper production to be sold to Triple Flag varies according to the total production capacity, based on a sliding scale. Under the terms of the stream agreement, Triple Flag has the option to increase the delivery amount of the Stream (the “expansion option”). To exercise the expansion option Triple Flag must pay the company an additional \$65,000.

The percentages applicable at certain production levels are detailed in the table below.

<u>Scenario Description</u>	<u>Stage 1</u> <u>(25M lbs/yr)</u>	<u>Stage 2</u> <u>(75M lbs/yr)</u>	<u>Stage 3</u> <u>(125M lbs/yr)</u>
Stage 1 Upfront Deposit	16.50%	5.75%	3.50%

The stream obligation is recorded at fair value at each statement of financial position date as the Company has determined that the stream obligation is a derivative liability carried at fair value through profit or loss (FVTPL).

As at March 31, 2026 the fair value of the stream obligation was valued using a Monte Carlo simulation model. The significant assumptions developed by management used in the Monte Carlo simulation model included: the copper forward price curve, the long-term copper price volatility of 26.96% (December 31, 2025 – 24.55%), a discount rate which factors in the Company’s credit spread of 7.11% (December 31, 2025 – 6.77%) and the Johnson

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Camp Mine and Gunnison open-pit life of mine production schedules and expectations including expansion plans and weighted probability of successfully achieving the production schedules.

The Monte Carlo simulation model was prepared by an independent valuation specialist and the life of mine production schedules and expectations including expansion plans are based on the information compiled by qualified persons. The mine production assumptions used are as follows: (a) Gunnison Copper Project stream deliveries based on the open pit PEA published in Q1 2026 beginning in 2032 for a 21 year mine life with a probability weighting; (b) Johnson Camp Mine Nuton Stage 2 with a remaining four year mine life with a probability weighting and (c) Johnson Camp Mine post-stage 2 production for a 13 year mine life with a probability weighting (d) the probability of the exercise of the expansion option of the stream delivery amount.

The following table summarizes the fair value of the derivative liabilities, relating to the stream, during the period ended March 31, 2026:

<b>Derivative liabilities - Stream</b>	
<b>Fair value at December 31, 2024</b>	<b>\$ 59,383</b>
Deliveries	(793)
Loss during the period	19,473
<b>Fair value at December 31, 2025</b>	<b>\$ 78,063</b>
Deliveries	(779)
Loss during the period	3,371
<b>Fair value at March 31, 2026</b>	<b>\$ 80,655</b>
<i>Current</i>	6,100
<i>Non current</i>	74,555

As at March 31, 2026, the current portion of the derivative liabilities is \$6,100 based upon the production schedules and other inputs used in the valuation.

Pursuant to the Stream Agreement, the Company is required to maintain a leverage ratio of 3.5:1.0. The leverage ratio is calculated as the ratio of indebtedness of the Company to net income (adjusted for certain items). On November 30, 2023, the Company and Triple Flag executed an amendment to the Stream Agreement which suspends the applicability of the leverage until September 30, 2026 (the "Leverage Ratio Grace Period").

Warrants

The following table summarizes the fair value of the derivative liabilities, relating to warrants, during the period ended March 31, 2026:

<b>Derivative liabilities - Warrants</b>	
<b>Fair value at December 31, 2024</b>	<b>\$ -</b>
Issued	5,165
Loss during the period	2,489
<b>Fair value at December 31, 2025</b>	<b>\$ 7,654</b>
Warrants exercised	\$ (492)
Gain during the period	(1,251)
<b>Fair value at March 31, 2026</b>	<b>\$ 5,911</b>
<i>Current</i>	5,911
<i>Non current</i>	-

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As At March 31, 2026, the derivative liability warrants were valued at \$5,911, a corresponding gain of \$1,251 has been recognized in the financial statements as part of the Derivative liabilities for the period. The stock price at the time of revaluation was \$0.41 (December 31, 2025 -\$0.42), the risk-free rate of return used was 3.67% (December 31, 2025 – 3.48%) and the annualized volatility was 77.43% (December 31, 2025 - 90.62%).

**12. DECOMMISSIONING AND RESTORATION OBLIGATION**

The Company's decommissioning and restoration obligation (DRO) represents management's best estimate of the present value of costs that are expected to be incurred for mine closure and reclamation and rehabilitation costs for the Gunnison Copper Project and JCM. The primary assumptions that affect the present value calculation are the inflation rate and the discount rate. For the update prepared as of March 31, 2026, the Company used a long term inflation rate of 2.0% (December 31, 2025– 2.0%) and a discount rate of 3.81% (December 31, 2025 – 3.55%) and 4.88% (December 31, 2025 – 4.79%) in calculating the present value of the obligation of the Gunnison Copper Project and Johnson Camp Mine, respectively. The current inflation rate used is based on target inflation rates set by the Federal Reserve. The discount rate is based on the 3-year and 20-year treasury bond index.

As of March 31, 2026 the Company reviewed the assumptions used in the present value calculation for the projects and adjusted the obligation to \$13,568. The update resulted in a net increase of \$615, primarily due to changes in rates and estimates of \$459 and accretion of \$156.

For Gunnison Copper Project, the estimated undiscounted reclamation obligation related to the wellfield is \$3,566 (December 31, 2025 - \$3,566). The costs and activities are expected to begin in three years. As of March 31, 2026, the discounted reclamation obligation is \$3,397.

For Johnson Camp Mine, the estimated undiscounted reclamation obligation is \$15,771 (December 31, 2025 - \$14,729). The costs and activities related to the leach pads are expected to begin the year after the final year of mine life and the other activities are expected to begin three years after the final year of mine life. The mine is assumed to have a 15-year mine life. As of March 31, 2026, the discounted reclamation obligation is \$10,170. Changes in the ARO for the period ended March 31, 2026 and the year ended December 31, 2025 are summarized below.

<b>Decommissioning and restoration obligation</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 12,953	\$ 14,916
Change in estimate	459	(2,718)
Accretion expense	156	755
<b>Balance, end of period</b>	<b>\$ 13,568</b>	<b>\$ 12,953</b>

**13. DEBT**

**Nebari Credit Facility**

During the period ended March 31, 2026 the company settled all outstanding principal and interest owed on the Nebari Credit facility. Principal of \$3,750 was converted into 17,882,685 shares, in accordance with the terms of the Second ARCA and final interest of \$25 was paid in full discharging the Company's obligations under the credit facility. A gain of \$208 was recognized upon derecognition.

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<b>Debt</b>	
<b>Balance, December 31, 2025</b>	\$ 3,958
Conversion of debt to equity	(3,750)
Gain on derecognition of debt	(208)
<b>Balance, March 31, 2026</b>	<b>\$ -</b>
<i>Current</i>	-
<i>Non current</i>	-

**14. DEBENTURES**

The Company has issued two debenture offerings. The First Debenture Offering was issued for \$3,000 in principal. The terms of the debentures include:

- a maturity date of September 30, 2026 (the “First Debenture Maturity Date”), with the principal amount, together with any accrued and unpaid interest, payable on the First Debenture Maturity Date, unless earlier converted in accordance with the terms;
- the debentures bear interest at the rate of 10% per annum, which interest will be payable on the Maturity Date, unless earlier converted into common shares
- the principal amount of the debentures is convertible into Common Shares at the option of the holder at a conversion price of USD\$0.19 per Common Share;
- the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days prior to the date of conversion at the option of the holder; and
- the debentures are unsecured.

The First Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. The fair value of the liability component was determined to be \$2,128 with an effective interest rate of 21.2%, and the equity component was measured as the residual amount of \$872.

The Second Debenture Offering issued \$2,400 principal amount of debentures. The terms of the debenture include:

- a maturity date of September 30, 2026 (the “Second Debenture Maturity Date”) and the principal amount, together with any accrued and unpaid interest, will be payable on the Second Debenture Maturity Date, unless earlier converted in accordance with their terms;
- the debentures bear interest at the rate of 10.5% per annum plus the Rate Supplement, which interest will be payable on the Second Debenture Maturity Date, unless earlier converted into Common Shares;
- subject to the receipt of disinterested shareholder approval from the holders of the Common Shares at a duly and validly called meeting (the “Shareholder Approval”), the principal amount of the debenture is convertible into Common Shares at the option of the holder (or at the option of the Company on 30 days prior notice) at a conversion price of USD\$0.11405 per Common Share;
- subject to receipt of the Shareholder Approval, the accrued and unpaid interest is convertible into Common Shares at a conversion price equal to the volume weighted average trading price on the Toronto Stock Exchange for the five trading days prior to the date of conversion; and
- the debentures are unsecured.

The Shareholder Approval was received at the Company’s Annual General Meeting held on June 18, 2024.

The Second Debenture Offering was accounted for as a compound financial instrument with a debt host and equity conversion feature. On initial recognition, the fair value of the liability component was determined to be \$2,011 with an effective interest rate of 19.6%, and the equity component was measured as the residual amount of \$389. The amendment of the Nebari Debt includes cross party agreements that defers the interest payments on the debentures to September 30, 2026.

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Changes in the debentures for the three months ended March 31, 2026, and year ended December 31, 2025, are summarized below.

<b>Debentures</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
<b>Balance, beginning of period</b>	\$ 6,503	\$ 5,308
Accretion	334	1,195
<b>Balance, end of period</b>	<b>\$ 6,837</b>	<b>\$ 6,503</b>
<i>Current</i>	6,837	6,503

**15. CAPITAL STOCK AND OTHER EQUITY RESERVES**

Common Shares

The authorized share capital of the Company consists of an unlimited number of common shares with no par value and an unlimited number of non-voting common shares with no par value. As of March 31, 2026, there were 422,803,601 common shares outstanding and nil non-voting common shares outstanding. During the three month period ended March 31, 2026 the company issued 17,882,685 shares to for the conversion of \$3,750 in principal (Note 13). An additional 2,066,540 shares were issued upon the exercise of warrants in the period.

Stock Options

The Company’s stock option plan (the “Plan”) provides for the grant of incentive stock options to employees, consultants, officers, and directors of the Company. The Plan reserves for issuance, along with the Company’s other Security-Based Compensation Plans, a maximum of 10% of the issued and outstanding Common Shares at the time of a grant of options.

Options granted under the Plan have a maximum term of ten years. The exercise price of the options is determined by the Board of Directors and is not less than the closing price of the common shares on the last trading day prior to the date the options are granted. The vesting terms are at the Board of Directors’ discretion.

The Plan is an evergreen plan which provides that if any option has been exercised, then the number of common shares into which such option was exercised shall become available to be issued upon the exercise of options subsequently granted under the Plan. The Plan will operate in conjunction with the Restricted Share Unit Plan (the “RSU Plan”) and the Performance Share Unit Plan (the “PSU Plan”). The Stock Option Plan, RSU Plan and PSU Plan are collectively referred to as the “Security-Based Compensation Plans”.

The following is a summary of stock option activity for the three months period ended March 31, 2026, and the year ended December 31, 2025:

	<b>Number of Options</b>	<b>Weighted average Exercise Price (CAD\$)</b>
<b>Outstanding, December 31, 2024</b>	19,075,000	\$ 0.38
Granted	16,195,000	\$ 0.30
Expired	(9,240,000)	\$ 0.51
<b>Outstanding, December 31, 2025</b>	<b>26,030,000</b>	\$ 0.28
Granted	725,000	\$ 0.58
Expired	(1,110,000)	\$ (0.49)
<b>Outstanding, March 31, 2025</b>	<b>25,645,000</b>	\$ 0.32
Exercisable, December 31, 2025	12,948,750	\$ 0.26

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During the three months period ended March 31, 2026, no stock options were exercised.

As of March 31, 2026, the following stock options were outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining life		
			(years)	Expiry Date	
535,000	535,000	CAD\$	\$ 0.410	0.75	December 31, 2026
650,000	650,000	CAD\$	\$ 0.270	1.09	May 2, 2027
200,000	200,000	CAD\$	\$ 0.230	1.09	May 2, 2027
5,165,000	5,165,000	CAD\$	\$ 0.260	1.84	February 1, 2028
3,500,000	2,625,000	CAD\$	\$ 0.150	3.43	September 3, 2029
9,770,000	2,648,750	CAD\$	\$ 0.300	4.02	April 7, 2030
3,000,000	750,000	CAD\$	\$ 0.300	4.12	May 14, 2030
1,000,000	250,000	CAD\$	\$ 0.300	4.33	July 30, 2030
500,000	125,000	CAD\$	\$ 0.300	4.33	July 31, 2030
100,000	-	CAD\$	\$ 0.285	4.64	November 19, 2030
500,000	-	CAD\$	\$ 0.390	4.70	December 11, 2030
725,000	-	CAD\$	\$ 0.580	4.84	February 2, 2031
<b>25,645,000</b>	<b>12,948,750</b>				

The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for the risk-free interest rate, dividend yield, expected volatility, forfeiture rate, and expected life of the options. During the three months ended March 31, 2026, the company issued 725,000 stock options at a fair value of CAD\$262. The risk-free rate for these options was 2.92%. The dividend yield was 0.00%. The expected volatility was 79.23%. The forfeiture rate was 9.82% and the vesting terms of the options is 24 months from the grant date.

The Company recognized share-based compensation costs of \$288 for period ended March 31, 2026 (March 31, 2025 - \$71) of which \$13 (March 31, 2025 - \$1) was included in cost of sales.

Earnings per share

Earnings per share	March 31, 2026	March 31, 2025
<b>Weighted average common shares outstanding</b>		
Basic	419,373,131	315,415,858
Plus incremental shares from:		
Assumed conversion: Stock options	12,413,750	-
Assumed conversion: Convertible debt	36,832,876	-
<b>Diluted weighted average common shares outstanding</b>	<b>468,619,757</b>	<b>315,415,858</b>

The calculation of dilutive weighted-average number of common shares excludes the impact of 55,124,166 shares for the Three months ended March 31, 2026 (March 31, 2025 - \$nil). The shares excluded relate to stock options and warrants as the exercise price related to the particular security exceeded the market price of the Company's common shares at March 31, 2026, or the inclusion of the share units had an anti-dilutive effect on net income.

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Warrants

The following is a summary of warrant activity for the three months ended March 31, 2026, and the year ended December 31, 2025:

	Number of warrants	Weighted average Exercise Price (CAD\$)
<b>Outstanding, December 31, 2025</b>	<b>56,655,706</b>	\$ 0.50
Exercised	(2,066,540)	\$ 0.45
<b>Outstanding, March 31, 2026</b>	<b>54,589,166</b>	\$ 0.50
Exerciseable, March 31, 2026	54,589,166	\$ 0.50

During the three months ended March 31, 2026, 2,066,540 shares were issued on the exercise of 2,066,540 warrants with a weighted average exercise price of \$0.45. The proceeds from the warrants exercised were CAD\$930. The stock prices at the time of revaluation ranged from \$0.60 to \$0.51, the risk-free rate of return used ranged from 3.67% to 3.48% and the annualized volatility ranged from 90.93% to 91.46%.

**16. RELATED PARTY TRANSACTIONS**

Related parties and related party transactions are summarized below.

Key Management Personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consists of the Company's Board of Directors and corporate officers, including the Company's Chief Executive Officer and President, SVP Business Development, SVP/Chief Financial Officer, SVP/Chief Operating Officer, and Corporate Secretary.

Remuneration attributed to key management personnel is summarized as follows:

	Three months ended March 31,	
	2026	2025
Salaries, fees and benefits	\$ 804	\$ 422
Share-based compensation	238	17
<b>Total</b>	<b>\$ 1,042</b>	<b>\$ 439</b>

Salaries, fees and benefits to key management includes all salaries, bonuses, fees, and other employment benefits, pursuant to contractual employment agreements, consultancy or management services arrangements.

As of March 31, 2026, amounts accrued and due to key management personnel and other related parties include the following:

- Directors and Officers - \$1,234 (December 31, 2025 - \$172)

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**17. FINANCING EXPENSES**

Financing expenses for the three months ended March 31, 2026 and 2025 are summarized below.

Financing Expenses	Three months ended March 31,	
	2026	2025
Nebari debt interest	\$ 25	\$ 577
Nebari debt accretion	-	34
Debenture accretion	334	272
ARO accretion	156	171
Insurance financing interest	-	4
Capital lease interest	2	4
<b>Total</b>	<b>\$ 517</b>	<b>\$ 1,062</b>

**18. SEGMENTED INFORMATION**

The Company operates in two reportable operating segments in the United States: (a) Gunnison and (b) Johnson Camp Mine cash generating units. Corporate and other activities include the Company's exploration activities. Corporate activities are not considered a segment and are included as a reconciliation to total consolidated results. Accounting policies for each reported segment are the same as those of the Company. Results from operating activities represents the profit earned by each segment without allocation of corporate costs. This is the measure reported to the chief operating decision-maker, Gunnison's President and Chief Executive Officer, for the purposes of resource allocation and the assessment of segment performance. Total assets and liabilities do not reflect intercompany balances, which have been eliminated on consolidation.

The company's segments are summarized as follows:

	For the three months ended March 31, 2026				
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Revenue	\$ -	\$ 20,104	\$ 20,104	\$ -	\$ 20,104
Cost of Sales	-	(8,717)	(8,717)	-	(8,717)
Income from Mine Operations	-	11,387	11,387	-	11,387
Operating Expenses	(955)	(2,000)	(2,955)	(1,310)	(4,265)
Other Items					
Gain (loss) on derivative at fair value	(1,458)	(1,134)	(2,592)	1,251	(1,341)
Financing expense	-	(157)	(157)	(360)	(517)
Interest income	-	65	65	40	105
Unrealized gain on foreign exchange	-	-	-	(68)	(68)
Fair value loss on Nuton Stage 2 payable	-	(4,546)	(4,546)	-	(4,546)
Gain on extinguishment of Debt	-	-	-	208	208
Other income (loss)	-	659	659	44	703
Income (loss) and comprehensive Income (loss) for the period	\$ (2,413)	\$ 4,274	\$ 1,861	\$ (195)	\$ 1,666

	March 31, 2026				
	Gunnison Copper Project	Johnson Camp Mine	Total operating Segments	Corporate & Other	Total
Cash	\$ -	\$ 4,198	\$ 4,198	\$ 6,346	\$ 10,544
Current Assets	115	45,955	46,070	7,159	53,229
Property, plant and equipment	16,432	244,284	260,716	32	260,748
Total Assets	19,834	307,026	326,860	1,172	328,032
Current Liabilities	306	96,145	96,451	15,013	111,464
Total Liabilities	42,426	325,155	367,581	15,117	382,698

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For the three months ended March 31, 2025					
	Gunnison Copper	Johnson	Total operating	Corporate	Total
	Project	Camp Mine	Segments	& Other	
Revenue	\$ -	\$ 559	\$ 559	\$ -	\$ 559
Cost of Sales	-	(1,326)	(1,326)	-	(1,326)
Loss from Mine Operations	-	(767)	(767)	-	(767)
Operating Expenses	(9)	(121)	(130)	(785)	(915)
Other Items					
Loss on derivative at fair value	(7,897)	(10,754)	(18,651)	-	(18,651)
Financing expense	-	(789)	(789)	(273)	(1,062)
Interest income	-	145	145	16	161
Unrealized gain on foreign exchange	-	-	-	10	10
Fair value loss on Nuton Stage 2 payable	-	(1,779)	(1,779)	-	(1,779)
Gain on extinguishment of Debt	-	-	-	505	505
Other income	-	65	65	-	65
Loss and comprehensive loss for the period	\$ (7,906)	\$ (14,000)	\$ (21,906)	\$ (527)	\$ (22,433)

December 31, 2025					
	Gunnison Copper	Johnson	Total operating	Corporate	Total
	Project	Camp Mine	Segments	& Other	
Cash	\$ -	\$ 12,551	\$ 12,551	\$ 8,062	\$ 20,613
Current Assets	43	45,904	45,947	9,971	55,918
Property, plant and equipment	16,475	229,244	245,719	58	245,777
Total Assets	19,495	294,613	314,108	384	314,492
Current Liabilities	242	80,005	80,247	20,052	100,299
Total Liabilities	40,915	314,935	355,850	20,188	376,038

**19. FINANCIAL INSTRUMENTS**

The Company has exposure to a variety of financial risks: market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk from its use of financial instruments.

This note presents information about the Company's exposure to each of these risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Risk management is the responsibility of management and is carried out under policies approved by the Board of Directors. Material risks are monitored and are regularly discussed with the Audit Committee and Board of Directors.

Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates and interest rates will affect the Company's cash flows or value of its financial instruments.

*Currency risk*

The Company is subject to currency risk on financial instruments which are denominated in currencies that are not the same as the functional currency of the entity that holds them. Exchange gains and losses relating to these financial instruments would impact earnings (loss).

The Company is exposed to currency risk through cash and cash equivalents, accounts payable and accrued liabilities which are denominated in CAD\$. The balances in these accounts are not significant, therefore, the Company's exposure to currency risk is considered minimal. The Company has not hedged its exposure to currency fluctuations at this time.

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*Interest rate risk*

The Company is subject to interest rate risk with respect to its investments in cash and cash equivalents and the stream obligation. The Company's current policy is to invest excess cash in guaranteed investment certificates issued by its Canadian banking institution. The Company periodically monitors the investment it makes and is satisfied with the credit ratings of its banks.

The Company's outstanding debt obligations are at fixed interest rates (except the Second Debenture Offering - see below) and accounted for on the basis of amortized cost. Therefore, the carrying value of the Company's debt is not exposed to cash flow changes in market interest rates. The Second Debenture Offering is fixed at 10.5% per annum plus the greater of the forward-looking secured overnight financing rate (administered by CME Group Benchmark Administration Limited or a successor administrator) for a term of 3 months or 1.5%.

A 1% increase in the rate supplement for the Second Debenture Offering would increase interest payments \$2/mo, whereas a 1% decrease in the rate supplement would decrease the Second Debenture Offering interest payments \$2/mo.

A 1% increase in the discount rate of the Nuton payables would decrease the payables by \$930 whereas a 1% decrease in the discount rate would increase the payables by \$957.

A 1% increase in the risk free rate of the stream liabilities would decrease the derivative liabilities by \$6,355, a 1% decrease in the discount rate would increase the derivative liabilities by \$5,442.

*Commodity price risk*

The Company is subject to commodity price risk from fluctuations in the market prices for copper. Commodity price risks are affected by many factors that are outside the Company's control including global or regional consumption patterns, the supply of and demand for metals, speculative activities, the availability and costs of metal substitutes, inflation, and political and economic conditions. The financial instrument impacted by commodity prices is the Stream obligation.

A 10% increase in the market price of copper would increase derivative liabilities by \$8,968, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$8,593.

A 10% increase in the market price of copper would increase Nuton Stage 2 payable by \$11,711, whereas a 10% decrease in the market price of copper would decrease derivative liabilities by \$11,961.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents, accounts receivable, receivables due from Nuton and restricted cash.

The Company limits its exposure to credit risk on financial assets through investing its cash and cash equivalents with reputable North American financial institutions, and recognize amounts due from Nuton for costs incurred relating to the stage 2 program but not yet funded by Nuton.

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Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of its financial assets and liabilities. Cash flow forecasting is performed regularly. The Company also holds surety bonds to support future environmental obligations.

The Company has the following guaranteed commitments and contractual obligations as of March 31, 2026:

<b>Contractual Obligations</b>	<b>Total</b>	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>4-5 years</b>	<b>After 5 years</b>
Accounts Payable and Accrued Liabilities	\$ 27,643	\$ 19,904	\$ -	\$ 7,739	\$ -
Nuton Stage 2 payable	69,693	-	69,693	-	-
Debentures	6,837	6,837	-	-	-
Derivative liabilities - Stream	80,655	6,100	74,555	-	-
<b>Total Contractual Obligations</b>	<b>\$ 184,828</b>	<b>\$ 32,841</b>	<b>\$ 144,248</b>	<b>\$ 7,739</b>	<b>\$ -</b>

As of March 31, 2026, the Company has current assets of \$53,229 (December 31, 2025 – \$55,918) to settle current liabilities of \$111,464 (December 31, 2025 – \$100,299). Included in current assets is cash and cash equivalents of \$10,544 (December 31, 2025- \$20,613) and \$10,494 (December 31, 2025 – \$12,652) Due from Nuton. Cash and cash equivalents consist of \$4,198 (December 31, 2025 – 12,551) of Nuton Cash and \$6,346 (December 31, 2025 – \$8,062) of Non Nuton cash. Current liabilities include \$18,464 (December 31, 2025 – \$27,612) of accounts payable which relate to direct and indirect costs that are funded by Nuton, Nuton Deferred income and revenue of \$71,478 which represents the Company's obligation to provide mining and processing demonstration services to Nuton.

Fair value estimation

The Company's financial assets and liabilities are measured and recognized according to a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities that the Company is able to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The carrying values of cash and cash equivalents, receivables, restricted cash, accounts payable and accrued liabilities, debt and amounts due to related parties approximate their fair values due to the short-term maturity of these financial instruments. Derivative liabilities and Nuton Stage 2 payable are Level 3.

<b>Financial Instruments, March 31, 2026</b>	<b>FVTPL</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Derivative liabilities	86,566	-	-	86,566
Nuton Stage 2 payable	50,969	-	-	50,969
Marketable securities	904	904	-	-
	<b>\$ 138,439</b>	<b>\$ 904</b>	<b>\$ -</b>	<b>\$ 137,535</b>

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**20. SUBSEQUENT EVENTS**

On May 5, 2026, the Company received \$23,260 in funding from Nuton for amounts Due from Nuton, upcoming Stage 2 operating and construction costs.

On May 5, 2026, the Company entered into a buyback option agreement with Altius Royalty Corporation and Triple Flag entities, providing the Company with the right to reduce certain existing royalties and terminate an expansion-related stream option at its Gunnison Copper Project in Arizona. The agreement grants the Company the option to reduce the 3.0% Triple Flag gross revenue royalty to 2.0%, and to reduce the Altius gross revenue royalty by 0.5%, as well as to terminate Triple Flag's expansion option. The Parties intend that the foregoing options be exercisable only as a single, indivisible package and only in connection with a qualifying change of control transaction announced on or before March 31, 2028. The total consideration payable upon exercise is US\$65 million.