



FARADAY COPPER

Faraday Copper Corp.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(Unaudited - expressed in Canadian dollars)

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian dollars)

	Note	March 31, 2025	December 31, 2024
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	10	7,551,568	17,003,895
Other receivables	9	177,628	92,632
Prepaid expenses and deposits		341,630	347,238
Current assets		8,070,826	17,443,765
Property and equipment	4	18,179,077	18,037,072
Resource properties	5	4,955,328	4,955,328
Other long-term assets		141,891	142,020
Total assets		31,347,122	40,578,185
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	2,257,454	3,441,524
Due to related parties	9	254,889	873,036
Total liabilities		2,512,343	4,314,560
SHAREHOLDERS' EQUITY			
Share capital	8b	117,118,307	117,059,415
Reserves	8	14,456,413	14,095,979
Accumulated other comprehensive income		5,089,369	5,117,110
Deficit		(107,829,310)	(100,008,879)
Total shareholders' equity		28,834,779	36,263,625
Total liabilities and shareholders' equity		31,347,122	40,578,185

Nature of operations and going concern (Note 1)
Commitments (Note 11)

Approved and authorized for issue on behalf of the Board of Directors:

<u>/s/ Russell Ball</u>	<u>/s/ Paul Harbidge</u>
Director	Director

FARADAY COPPER CORP.**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**

(Unaudited - expressed in Canadian dollars, except for per share amounts and number of shares)

		Three months ended March 31,	
	Note	2025	2024
		\$	\$
Operating expenses			
Amortization	4	64,299	49,697
Consulting and management fees	9	-	28,002
Exploration and evaluation expenses	6	6,484,508	4,464,210
General and administration		681,672	695,542
Professional fees		91,378	78,597
Shareholder costs and investor relations		86,563	30,929
Share-based compensation	8(d), 8(e), 9	384,126	269,617
Travel		52,353	19,699
Total operating expenses		7,844,899	5,636,293
Foreign exchange loss (gain)		123,051	(65,002)
Interest income	10	(51,813)	(71,456)
Other income	9	(95,706)	-
Net loss		7,820,431	5,499,835
Other comprehensive loss (income)			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange differences on translation of foreign operations		27,741	(428,628)
Comprehensive loss		7,848,172	5,071,207
Net loss per share:			
Basic and diluted		0.04	0.03
Weighted average number of common shares:			
Basic and diluted		205,496,019	176,585,370

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

FARADAY COPPER CORP.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - expressed in Canadian dollars, except number of shares)

		Share capital		Reserves		Accumulated other comprehensive income	Deficit	Total shareholders' equity
	Note	Number #	Amount \$	Warrants \$	Options \$	\$	\$	\$
Balance, December 31, 2023		176,566,975	94,798,827	2,776,475	10,308,172	3,682,085	(77,460,170)	34,105,389
Share-based compensation		-	-	-	269,617	-	-	269,617
Settlement of RSUs	8(b), 8(e)	18,600	13,392	-	(28,800)	-	-	(15,408)
Currency translation adjustment		-	-	-	-	428,628	-	428,628
Net loss		-	-	-	-	-	(5,499,835)	(5,499,835)
Balance, March 31, 2024		176,585,575	94,812,219	2,776,475	10,548,989	4,110,713	(82,960,005)	29,288,391
Share-based compensation		-	-	-	839,458	-	-	839,458
Shares issued for equity placement, net of issuance costs	8(b)	28,750,000	22,138,253	-	-	-	-	22,138,253
Shares issued for options exercise	8(b), 8(d)	100,000	108,943	-	(68,943)	-	-	40,000
Currency translation adjustment		-	-	-	-	1,006,397	-	1,006,397
Net loss		-	-	-	-	-	(17,048,874)	(17,048,874)
Balance, December 31, 2024		205,435,575	117,059,415	2,776,475	11,319,504	5,117,110	(100,008,879)	36,263,625
Share-based compensation		-	-	-	384,126	-	-	384,126
Shares issued for options exercise	8(b), 8(d)	80,000	58,892	-	(23,692)	-	-	35,200
Currency translation adjustment		-	-	-	-	(27,741)	-	(27,741)
Net loss		-	-	-	-	-	(7,820,431)	(7,820,431)
Balance, March 31, 2025		205,515,575	117,118,307	2,776,475	11,679,938	5,089,369	(107,829,310)	28,834,779

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

FARADAY COPPER CORP.**Condensed Interim Consolidated Statements of Cash Flows**

(Unaudited - expressed in Canadian dollars, except where noted)

	Three months ended	
	2025	March 31, 2024
	\$	\$
Operating activities:		
Net loss for the period	(7,820,431)	(5,499,835)
Adjustments for:		
Amortization	64,299	49,697
Share-based compensation	384,126	269,617
Changes in non-cash working capital:		
Other receivables	(84,996)	11,843
Prepaid expenses and deposits	5,608	27,319
Accounts payable and accrued liabilities	(1,184,070)	(91,107)
Due to related parties	(618,147)	(534,713)
Cash used in operating activities	(9,253,611)	(5,767,179)
Investing activities:		
Purchases of property and equipment	(222,601)	(393,496)
Cash used in investing activities	(222,601)	(393,496)
Financing activities:		
Payments on exercise of RSUs	-	(10,486)
Proceeds from exercise of options	35,200	-
Cash provided by (used in) financing activities	35,200	(10,486)
Effect of foreign exchange on cash and cash equivalents	(11,315)	24,654
Changes in cash and cash equivalents	(9,452,327)	(6,146,507)
Cash and cash equivalents, beginning of the period	17,003,895	14,901,206
Cash and cash equivalents, end of the period	7,551,568	8,754,699
Supplemental cash flow information:		
Cash received from interest included in operating activities	51,813	71,456

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

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

Faraday Copper Corp. (the "Company") was incorporated on October 21, 2014 under the Business Corporations Act (British Columbia). The Company's registered office is located at Suite 2400, 745 Thurlow Street, Vancouver, British Columbia, V6E 0C5. The Company's head office and principal address is located at 2800 - 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1L2. The Company's shares are traded on the Toronto Stock Exchange and OTCQX under the symbol "FDY" and "CPPKF", respectively, and its principal business is the acquisition and development of resource properties.

Going concern

These unaudited condensed interim consolidated financial statements (the "Interim Financial Statements") for the three months ended March 31, 2025 and 2024 have been prepared based on accounting principles applicable to a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company is a resource exploration stage company, which does not generate any revenue and has been relying mainly on equity-based financing to fund its operations. For the three months ended March 31, 2025, the Company incurred a net loss of \$7,820,431 (March 31, 2024 - \$5,499,835). The Company will require additional financing either through equity or debt financing, sale of assets, joint venture arrangements, or a combination thereof to meet its administrative costs and to continue to explore and develop its resource properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. As such, there is a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These Interim Financial Statements do not include any adjustments to the amounts and classification of assets and liabilities that may be necessary should the Company be unable to continue as a going concern, and any such adjustments may be material.

2. BASIS OF PREPARATION**a) Statement of compliance**

These Interim Financial Statements were approved by the Board of Directors and authorized for issue on May 12, 2025.

These Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. Certain disclosures included in the annual financial statements prepared in accordance with IFRS® Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board have been condensed or omitted, and accordingly, these Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2024 and 2023 ("Annual Financial Statements").

b) Basis of presentation

These Interim Financial Statements have been prepared using the historical cost basis, except for certain financial assets and liabilities which are measured at fair value, as specified by IFRS Accounting Standards for each type of asset, liability, income, and expense as set out in the accounting policies below.

c) Functional and presentation currency

These Interim Financial Statements are presented in Canadian dollars ("Canadian dollar" or "CAD"), which is also the functional currency, except as otherwise noted. The functional currency is the currency of the primary economic environment in which an entity operates. References to "CAD" are to Canadian dollars and references to "USD" or "US\$" are to United States dollars.

d) Basis of consolidation

These Interim Financial Statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Subsidiaries are included in the financial statements from the date control commences until the date control ceases. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

2. BASIS OF PRESENTATION (continued)

A summary of the Company's subsidiaries included in these Interim Financial Statements as at March 31, 2025 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
CopperBank Royalties Corp.	Canada	100%	CAD	Holding
Enxco International Inc.	USA	100%	USD	Exploration
Redhawk Copper Inc.	USA	100%	USD	Exploration
Redhawk Ranch Land Holdings LLC	USA	100%	USD	Holding
Redhawk Resources, Inc. ("Redhawk")	Canada	100%	CAD	Holding

As at March 31, 2025, the Company has one operating segment, a mineral exploration group focused on projects located in the United States of America.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These Interim Financial Statements were prepared using accounting policies consistent with those described in the Annual Financial Statements.

4. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Building	Land	Equipment	Vehicle	Total
	\$	\$	\$	\$	\$
Cost					
Balance, December 31, 2023	2,830,896	13,275,115	304,538	115,565	16,526,114
Additions	37,328	360,368	139,458	-	537,154
Foreign exchange	248,929	1,167,319	26,779	10,162	1,453,189
Balance, December 31, 2024	3,117,153	14,802,802	470,775	125,727	18,516,457
Additions	-	-	222,601	-	222,601
Foreign exchange	(2,816)	(13,374)	(425)	(114)	(16,729)
Balance, March 31, 2025	3,114,337	14,789,428	692,951	125,613	18,722,329
Accumulated amortization					
Balance, December 31, 2023	147,370	-	88,315	11,557	247,242
Amortization	106,662	-	79,804	23,936	210,402
Foreign exchange	12,959	-	7,766	1,016	21,741
Balance, December 31, 2024	266,991	-	175,885	36,509	479,385
Amortization	27,944	-	30,085	6,270	64,299
Foreign exchange	(241)	-	(158)	(33)	(432)
Balance, March 31, 2025	294,694	-	205,812	42,746	543,252
Net book value					
Balance, December 31, 2024	2,850,162	14,802,802	294,890	89,218	18,037,072
Balance, March 31, 2025	2,819,643	14,789,428	487,139	82,867	18,179,077

On January 5, 2024, the Company completed the acquisition of additional land in Arizona, included in land for \$360,368 (US\$250,447) which included \$35,940 (US\$25,000) deposit classified as other long-term assets as at December 31, 2023.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

5. RESOURCE PROPERTIES**Copper Creek Project, Arizona**

The Company acquired 100% of the Copper Creek project through the acquisition of Redhawk for a value of \$4,955,328 in 2018. All permits of this resource property are in good standing. During the three months ended March 31, 2025, there have been no additions to acquisition costs (March 31, 2024 - \$nil).

- **D & G Mining Agreement**

In November 2005, Redhawk entered into a lease-to-purchase agreement with a third party for additional property within the Copper Creek boundaries. Redhawk has the option to purchase the property for US\$3,000,000 until May 2033.

Redhawk paid US\$80,000 in both 2006 and 2007 and US\$100,000 annually from 2008 to 2017. Starting May 2018, Redhawk is required to make two payments per year of US\$25,000 due by May 31 and by November 30, until the end of May 2033.

Commencing January 1, 2022, 50% of the annual payments made prior to exercising the option to purchase will be applied against the purchase price in the event that Redhawk exercises its property purchase option. As of March 31, 2025, the purchase option has not been executed. All options payments to date have been made to keep the option in good standing.

- **Freeport Mineral Corporation Agreement**

In April 2007, Redhawk entered into a purchase agreement with Freeport Mineral Corporation ("Freeport") to acquire additional mining claims within the Copper Creek boundaries. The additional mining claims are subject to a 1% net smelter return royalty.

On May 30, 2018, Redhawk entered into an amendment to the Fourth Workout Agreement with Freeport. The substance of the amended agreement is a conversion of interest and principal owing to Freeport into production decision royalty payments. The total will be US\$3,000,000 paid in six equal annual instalments of US\$500,000 per annum. The payments are contingent upon Redhawk or successors achieving a defined commercial production of minerals. As a result of this amendment, no liabilities in connection with this agreement have been recorded as of March 31, 2025 and December 31, 2024.

Contact Copper Project, Nevada

The Company owns a 100% interest in the Contact Copper project located in Elko County, Nevada. All permits of this resource property are in good standing. During the three months ended March 31, 2025, there have been no additions to acquisition costs (March 31, 2024 - \$nil).

6. EXPLORATION AND EVALUATION EXPENSES

A summary of the Company's exploration and evaluation expenses by property is as follows:

	Three months ended March 31,	
	2025	2024
	\$	\$
Copper Creek Project		
Exploration, geological and laboratory	4,830,082	2,966,351
Engineering & studies	152,894	193,092
Environmental, social, and governance	384,888	354,776
Legal	35,496	22,564
Payroll	899,309	813,832
Permit maintenance and land access	7,306	9,655
Administration and other costs	145,463	86,253
	6,455,438	4,446,523
Contact Copper Project		
Administration and other costs	29,070	17,687
Total	6,484,508	4,464,210

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	March 31, 2025	December 31, 2024
	\$	\$
Exploration and evaluation expenses	1,971,708	3,023,701
General and administration	285,746	417,823
	2,257,454	3,441,524

8. SHARE CAPITAL**a) Authorized**

The Company is authorized to issue an unlimited number of common shares without par value. As at March 31, 2025, the Company had 205,515,575 common shares issued and outstanding (December 31, 2024 - 205,435,575).

b) Issued and outstanding

During the three months ended March 31, 2025, the Company had the following share capital transactions:

- The Company issued 80,000 common shares pursuant to the exercise of 80,000 stock options with an exercise price of \$0.44. The Company received gross proceeds of \$35,200 and transferred \$23,692 from the Company's options reserve into share capital.

During the year ended December 31, 2024, the Company had the following share capital transactions:

- The Company issued an aggregate of 18,600 common shares net of withholding tax, to settle 40,000 RSUs. The total grant date fair value of the vested RSUs was \$28,800. A total of 21,400 common shares were withheld in lieu of withholding taxes in the amount of \$10,486. The fair value of common shares issued was \$13,392.
- On May 30, 2024, the Company closed a bought deal financing and issued 28,750,000 common shares at a price of \$0.80 per share for net proceeds of \$22,138,253, which included share issuance costs of \$861,747.
- The Company issued 100,000 common shares pursuant to the exercise of 100,000 stock options with an exercise price of \$0.40. The Company received gross proceeds of \$40,000 and reallocated \$68,943 from the Company's options reserve into share capital.

c) Warrants

As at March 31, 2025, the Company had 12,500,000 warrants outstanding (December 31, 2024 - 12,500,000) all of which have an exercise price of \$0.60 and expire on September 16, 2026. As at March 31, 2025, the remaining life of these warrants is 1.46 years (December 31, 2024 - 1.71 years).

d) Options

On September 2, 2021, the Company adopted a Long-Term Incentive Plan (the "LTIP"), which provides for the granting of deferred share units, restricted share units ("RSU"), performance share units, and stock options ("Options"). The maximum number of common shares reserved for issuance under the LTIP (with any other share-based compensation arrangement, including the Legacy Plan) will be 19,296,967.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

On May 12, 2023, following a vote by shareholders, the LTIP was replaced by the Company's amended and restated long term incentive plan (the "Amended and Restated LTIP"), which is substantially similar to the LTIP, except, the Amended and Restated LTIP provides for the granting of deferred share units, RSUs, performance share units, and Options to its employees, directors, consultants, and officers for a maximum of 10% of issued and outstanding Common Shares, instead of conversion from a fixed reserve plan of 19,296,967 common shares as per the LTIP.

Options under both plans had a maximum term of five years and terminate up to 90 days following the date on which an optionee ceases to be an employee, director, consultant, or officer and up to 30 days following the date on which an optionee who is engaged to provide investor relations activities ceases to be engaged to provide such services. In the case of death, the option terminates at the earlier of twelve months after the date of death and the expiration of the option period.

A summary of the Company's stock options activity is as follows:

	Number of options	Weighted average exercise price
	#	\$
Outstanding, December 31, 2023	11,439,000	0.46
Exercised	(100,000)	0.40
Outstanding, December 31, 2024	11,339,000	0.46
Exercised	(80,000)	0.44
Outstanding, March 31, 2025	11,259,000	0.46
Exercisable balance, March 31, 2025	11,229,000	0.46

A summary of the Company's stock options outstanding at March 31, 2025, is as follows:

Expiry date	Number of outstanding options	Number of exercisable options	Weighted average exercise price	Weighted average life (years)
	#	#	\$	#
July 24, 2025	100,000	100,000	0.23	0.32
June 8, 2026	325,000	325,000	0.60	1.19
September 2, 2026	9,550,000	9,550,000	0.40	1.42
February 1, 2027	120,000	120,000	0.80	1.84
February 16, 2027	224,000	224,000	0.94	1.88
April 1, 2027	500,000	500,000	0.86	2.00
April 25, 2027	350,000	350,000	0.91	2.07
August 16, 2027	90,000	60,000	0.49	2.38
	11,259,000	11,229,000	0.46	1.47

The weighted average remaining contractual life of the Company's options as at March 31, 2025, was 1.47 years (December 31, 2024 - 1.71 years). During the three months ended March 31, 2025, the Company incurred share-based compensation related to options of \$896 in connection with options vested (March 31, 2024 - \$37,094).

e) Restricted share units

When the Company issues RSUs, it records a share-based compensation expense in the year or period which the RSUs are granted and/or vested. The expense is measured using a deemed price that is based on the volume weighted average trading price of the Company's common shares for the five trading days immediately preceding the grant date as prescribed in the Company's Amended and Restated LTIP.

During the three months ended March 31, 2025, the Company incurred share-based compensation related to RSUs of \$383,230 in connection with RSUs vested (March 31, 2024 - \$232,523).

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

8. SHARE CAPITAL (continued)

A summary of the Company's RSUs is as follows:

	Number of non-vested RSUs	Weighted average issue price
	#	\$
Non-vested balance, December 31, 2023	2,006,364	0.71
Granted	2,060,176	0.54
Vested and settled	(999,454)	0.79
Non-vested balance, December 31, 2024 ⁽¹⁾	3,067,086	0.60
Granted	3,198,630	0.70
Vested	(1,150,844)	0.62
Non-vested balance, March 31, 2025⁽¹⁾	5,114,872	0.66

(1) As at March 31, 2025, 8,137,168 RSUs are outstanding (December 31, 2024 - 4,938,538).

A summary of the Company's non-vested RSUs at March 31, 2025, is as follows:

Vesting date ⁽¹⁾	Weighted average issue price	Number of non-vested RSUs
	\$	#
November 9, 2025	0.46	78,667
January 31, 2026	0.62	1,150,845
February 6, 2026	0.70	1,066,205
January 31, 2027	0.54	686,730
February 6, 2027	0.70	1,066,212
February 6, 2028	0.70	1,066,213
	0.66	5,114,872

(1) RSUs vest over a period of two to three years. Vesting dates listed above represent the end of the two-year or three-year term.

9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2025 and 2024, the Company incurred transactions with key management personnel, being the Chief Executive Officer, Chief Financial Officer, Vice President Projects & Evaluations, and Vice President of Exploration; as well as the directors of the Company.

A summary of the Company's related party transactions is as follows:

	Three months ended March 31,	
	2025	2024
	\$	\$
Consulting and management fees	-	3,373
Director fees	56,250	56,250
Salaries and other compensation	502,171	498,458
Share-based compensation	254,332	208,787
	812,753	766,868

During the year ended December 31, 2024, the Company entered into a services agreement with Fireweed Metals Corp. ("Fireweed") to provide key management services for a fee. The Company and Fireweed became related parties effective September 30, 2024, and recorded \$91,618 of fees earned from related party in other income on the consolidated statements of loss and comprehensive loss for the year ended December 31, 2024.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

9. RELATED PARTY TRANSACTIONS (continued)

The Company and Fireweed ceased to be related parties as of February 27, 2025, and \$64,082 of fees were earned as related party income for the three months ended March 31, 2025 (2024 - \$nil). The services agreement was terminated on March 31, 2025. Income received from Fireweed was recorded as other income on the condensed interim consolidated statements of loss and comprehensive loss. As at March 31, 2025, \$66,410 was receivable from Fireweed and was recorded as other receivables on the condensed interim consolidated statements of financial position (December 31, 2024 - \$nil).

As at March 31, 2025, amount due to related parties comprised of amounts owing to key management members and directors totalling \$254,889 (December 31, 2024 - \$873,036) in relation to the services rendered. Due to related parties is unsecured and non-interest-bearing and with no specific terms of repayment.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments are exposed to several financial and market risks, including credit, interest rate and liquidity risks. The Company may, or may not, establish from time-to-time active policies to manage these risks. The Company does not currently have in place any active hedging or derivative trading policies to manage these risks since the Company's management does not believe that the current size, scale and pattern of cash flow of its operations would warrant such hedging activities.

Fair value of financial instruments

The fair value hierarchy established by IFRS 13 *Fair Value Measurement* has three levels to classify the inputs to valuation techniques used to measure fair value described as follows:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the assets or liabilities either directly or indirectly; and

Level 3 - Inputs that are not based on observable market data.

The fair values of the Company's cash and cash equivalents, other receivables except for Goods and Services Tax receivables, accounts payable and accrued liabilities, and due to related parties are equivalent to their carrying values due to their short-term nature.

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 financial instruments that potentially subject the Company to a significant concentration of credit risk consist of cash and cash equivalents. The Company mitigates its exposure to credit loss associated with cash and cash equivalents by placing its cash and cash equivalents in major financial institutions. As at March 31, 2025, the Company had cash equivalents of \$6,830,218 in term deposits (December 31, 2024 - \$14,201,500) that are cashable in no more than 90 days and bear interest up to 5.05% (December 31, 2024 - 5.05%). Interest income on term deposits during the three months ended March 31, 2025 was \$51,813 (2024 - \$71,456).

The Company's other receivables include amounts due from Fireweed under a service fee agreement. The credit risk associated with these receivables is considered minimal, as the Company has historically not experienced any issues with collection (Note 9).

Liquidity risk

Liquidity risk is the risk that the Company may be unable to meet its financial obligations as they fall due or that it will be required to meet them at excessive cost. To mitigate the risk, the Company reviews its working capital position regularly to ensure there is sufficient capital in order to meet short-term business requirements, after taking into account the Company's holdings of cash. The Company's cash and cash equivalents are maintained in business accounts and invested in term deposits that are cashable in no more than 90 days and bear interest up to 5.05% (December 31, 2024 - 5.05%). The Company manages its liquidity risk mainly through raising funds from private placements. The Company's accounts payable and accrued liabilities are due within 90 days of March 31, 2025 and due to related parties has no specific terms of repayment.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2025 and 2024**

(Unaudited - expressed in Canadian dollars, except where noted)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

The Company's operating cash requirements are continuously monitored and adjusted as input variables change. As these variables change, liquidity risks may necessitate the need for the Company to pursue equity issuances, obtain project or debt financing, or enter into joint arrangements. There is no assurance that the necessary financing will be available in a timely manner.

Interest rate risk

Interest rate risk is the risk that the Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As at March 31, 2025, the Company did not have debt instruments exposed to variable interest rate.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of the Company's assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in its functional currency. The Company does not manage currency risk through hedging or other currency management tools.

A summary of the Company's financial assets and liabilities that are denominated in US dollars and are presented in the Company's functional currency is as follows:

	March 31,		December 31,	
	2025		2024	
	US\$	\$	US\$	\$
Cash	2,114,617	3,039,973	2,132,694	3,068,733
Accounts payable and accrued liabilities	(1,338,992)	(1,924,935)	(2,067,113)	(2,974,369)
	775,625	1,115,038	65,581	94,364

As at March 31, 2025, a 5% change in the US dollar against the Canadian dollar would result in a \$55,752 impact on the net loss to the Company.

11. COMMITMENTS

On May 1, 2024, the Company entered into a management services agreement (the "Agreement") with a management services company for the use of certain shared office facilities and related services. As part of the terms of the Agreement, the Company is required to pay a basic fee per month, plus applicable taxes. Effective January 1, 2025, the basic fee was \$33,000 per month and is subject to adjustment. The Agreement expires on April 30, 2029. The Company is required to make a one-time termination payment as determined by the Agreement and the management services company, if the Company were to terminate the agreement prior to its expiry.