

Copperbank Resources Corp.

Condensed Consolidated

Interim Financial Statements

Three months ended March 31, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

NOTICE TO READERS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the accompanying condensed consolidated interim financial statements.

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

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	March 31, 2021	December 31, 2020
		\$	\$
Assets			
Current assets			
Cash		511,080	36,407
Other receivable		31,512	22,908
Prepaid expenses and deposit		133,504	30,798
		676,096	90,113
Property and equipment	6	194,564	200,994
Reclamation deposit	4	8,301	8,356
Resource properties	4	5,595,007	5,576,579
Total Assets		6,473,968	5,876,042
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		240,391	366,524
Convertible debenture	8	263,000	263,000
Note payable, current	4	–	63,660
Due to related parties	7	–	88,950
		503,391	782,134
Loans payable	9	40,000	175,599
		543,391	957,733
Shareholders' equity (deficiency)			
Share capital	5	26,779,092	25,478,317
Reserves		24,277,206	24,187,349
Deficit		(45,125,721)	(44,747,357)
		5,930,577	4,918,309
Shareholders' Equity and Liabilities		6,473,968	5,876,042
<i>Nature of operations and going concern</i>	1		

Approved for issuance by the board of directors on May 27, 2021

"Gavin Dirom"
Director

"Gianni Kovacevic"
Director

See accompanying notes to the condensed consolidated interim financial statements

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

Three months ended March 31,	Note	2021	2020
		\$	\$
EXPENSES			
Amortization		3,705	3,362
Consulting and management fees	7	94,500	95,220
Mineral property maintenance and consulting	4	5,382	8,816
Filing fees and shareholders' services		6,516	2,652
Insurance		2,277	1,500
Office and administration		27,020	14,265
Professional fees		6,590	22,652
Promotion, advertisement and shareholder relations		116,645	35,258
Share-based compensation	5	112,947	40,809
Travel		1,307	32,014
Loss from operations		(376,889)	(255,918)
Foreign exchange gain (loss)		(1,475)	-
Net loss		(378,364)	(255,918)
Other comprehensive loss:			
Exchange gain (loss) on translating foreign operations		(4,640)	515,054
Comprehensive loss		(383,004)	259,136
Loss per share, basic and diluted		(0.00)	(0.00)
Weighted average number of outstanding shares		79,297,699	75,256,942

See accompanying notes to the condensed consolidated interim financial statements

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited - Expressed in Canadian dollars)

	Common shares		Reserves				Accumulated other comprehensive loss	Deficit	Total
	Number	Amount	Warrants	Options	Other				
		\$	\$	\$	\$	\$	\$	\$	
December 31, 2019	73,778,272	24,587,337	2,776,475	1,695,444	16,182,235	3,228,548	(43,687,676)	4,782,363	
Share-based compensation	–	–	–	40,809	–	–	–	40,809	
Share issuance for cash	2,041,583	489,980	–	–	–	–	–	489,980	
Shares issued for mineral property option payment	250,000	70,000	–	–	–	–	–	70,000	
Translation from the foreign subsidiary	–	–	–	–	–	515,054	–	515,054	
Net loss	–	–	–	–	–	–	(255,918)	(255,918)	
March 31, 2020	76,069,855	25,147,317	2,776,475	1,736,253	16,182,235	3,743,602	(43,943,594)	5,642,288	
December 31, 2020	77,657,355	25,478,317	2,776,475	1,998,038	16,182,235	3,230,601	(44,747,357)	4,918,309	
Share-based compensation	–	–	–	112,947	–	–	–	112,947	
Share issuance for cash	3,592,358	1,257,325	–	–	–	–	–	1,257,325	
Shares issued for option exercise	125,000	43,450	–	(18,450)	–	–	–	25,000	
Translation from the foreign subsidiary	–	–	–	–	–	(4,640)	–	(4,640)	
Net loss	–	–	–	–	–	–	(378,364)	(378,364)	
March 31, 2021	81,374,713	26,779,092	2,776,475	2,092,535	16,182,235	3,225,961	(45,125,721)	5,930,577	

See accompanying notes to the condensed consolidated interim financial statements

Copperbank Resources Corp.
Condensed Consolidated Interim Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

Three months ended March 31,	2021	2020
	\$	\$
Operating Activities		
Net loss for the period	(378,364)	(255,918)
Items not involving cash		
Amortization	3,705	3,362
Share-based compensation	112,947	40,809
Changes in non-cash working capital		
Accounts payable and accrued liabilities	(123,447)	(8,368)
Due to related party	(88,950)	(51,000)
Receivable	(8,604)	(5,854)
Prepaid expenses and deposits	(102,706)	2,493
Cash Used in Operating Activities	(585,419)	(274,476)
Financing Activities		
Obligation to issue shares	–	(70,000)
Repayment of loan payable	(135,599)	–
Repayment of note payable	(62,608)	–
Shares issuance for cash	1,282,325	489,980
Cash provided by Financing Activities	1,084,118	419,980
Investing Activities		
Expenditure of resource properties	(23,598)	(24,298)
Cash Used in Investing Activities	(23,598)	(24,298)
Effect of change in foreign currency	(428)	1,164
Net Increase in Cash	474,673	122,371
Cash, beginning of period	36,407	16,240
Cash, end of period	511,080	138,611

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Copperbank Resources Corp. (the “Company” or “Copperbank”) was incorporated on October 21, 2014 under the *Business Corporations Act* (British Columbia). The Company’s registered office is Suite 910 – 800 West Pender St., Vancouver, British Columbia, V6C 2V6. The Company’s head office and principal address is located at 1500-409 Granville St., Vancouver, British Columbia, V6C 1T2. The Company’s shares are traded on the Canadian Securities Exchange (“CSE”) under the symbol “CBK”, and its principal business is the acquisition and development of mineral properties.

At the time these consolidated financial statements were prepared, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company’s business and financing opportunities and access to mineral properties to conduct exploration activities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing at the properties, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease.

Going concern

These consolidated financial statements 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. Accordingly, these consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company is a resource exploration stage company, which does not generate any revenue and has been relying on equity-based financing to fund its operations. The Company has recurring losses since inception and had an accumulated deficit of \$45,125,721 as at March 31, 2021 (December 31, 2020 - \$44,747,357). 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 mineral properties. There is no assurance that sufficient future funding will be available on a timely basis or on terms acceptable to the Company. These conditions indicate the existence of material uncertainties that cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern is in significant doubt.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and maintain an adequate level of financial resources to discharge its ongoing obligations. Management seeks to raise capital, when necessary, to meet its funding requirements and has undertaken available cost-cutting measures. There can be no assurance that management’s plan will be successful, as it is dependent on prevailing capital market conditions and the availability of other financing opportunities. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements together with the comparative figures herein have been prepared in accordance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

These condensed consolidated interim financial statements do not include all the information required of a full annual financial report and is intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed interim financial statements be read in conjunction with the audited annual financial statements of the Company for the most recent year ended December 31, 2020.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These consolidated financial statements incorporate the accounts of the Company and its wholly owned subsidiaries, Enexo International Inc. (“Enexo US”) (USA), 1016079 B.C Ltd. (Canada), Copperbank Resources Alaska Inc. (USA), Copperbank Royalties Corp., Redhawk Resources, Inc. (Canada), Redhawk Copper Inc. (USA), Redhawk Resources (USA), Inc., and Copper Creek Project LLC (USA). A subsidiary is an entity in which the Company has control, where control requires exposure or rights to variable returns and the ability to affect those returns through power over the investees. All intercompany transactions and balances have been eliminated on consolidation.

Significant estimates and judgments

Apart from making estimates and assumptions as described below, the Company’s management makes critical judgments in the process of applying its accounting policies that have a significant effect on the amounts recognized in the Company’s consolidated financial statements. The significant judgments that the Company’s management has made in the process of applying the Company’s accounting policies, apart from those involving estimation uncertainties, that have the most significant effect include, but are not limited to:

- The indicators of impairment of property and equipment and resource properties

Assets or cash-generating units (“CGUs”) are evaluated at each reporting date to determine whether there are any indications of impairment. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company’s property and equipment and resource properties.

Significant judgment is required when determining whether facts and circumstances suggest that the carrying amount of resource properties may exceed its recoverable amount. The retention of regulatory permits and licenses; the Company’s ability to obtain financing for exploration and development activities and its future plans on the resource properties; current and future metal prices; and market sentiment are all factors considered by the Company.

In respect of the carrying value of property and equipment recorded on the consolidated statements of financial position, management has determined that it continues to be appropriately recorded, as there has been no obsolescence or physical damage to the assets and there are no indications that the value of the assets have declined more than what is expected from the passage of time or normal use.

- The determination of the Company and its subsidiaries’ functional currency

The determination of the functional currency for the Company and each of its subsidiaries was based on management's judgment of the underlying transactions, events and conditions relevant to each entity.

- The recognition of deferred income tax assets

The Company has not recognized a deferred tax asset as management believes that it is not probable that taxable profit will be available against which a deductible temporary difference can be utilized.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant estimates and judgments (continued)

during the reporting period. Significant areas requiring the use of management estimates include:

- Interest rate used in determining the fair value of liability component of its convertible debentures and long-term debt.
- The inputs used in the Black-Scholes option pricing model to calculate the fair value of options.

While management believes that these estimates are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

New accounting policies

The Company has not adopted new accounting policies since its recent year ended December 31, 2020.

4. RESOURCE PROPERTIES

The continuity of the mineral properties is as follows:

	Pyramid	Copper Creek	Total
	\$	\$	\$
Balance, December 31, 2019	-	5,361,729	5,361,729
Annual option fees and maintenance of permits	176,515	222,523	399,038
Impairment	(176,515)	-	(176,515)
Effect of change in foreign exchange rate	-	(7,673)	(7,673)
Balance, December 31, 2020	-	5,576,579	5,576,579
Annual option fees and maintenance of permits	-	23,598	23,598
Effect of change in foreign exchange rate	-	(5,170)	(5,170)
Balance, March 31, 2021	-	5,595,007	5,595,007

Copper Creek Mineral Properties, Arizona

i) The Company acquired 100% of the Copper Creek Project through the acquisition of Redhawk Resources Inc. (“Redhawk”) with a value of \$4,955,328 during the year ended December 31, 2018.

ii) 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 paid US\$80,000 in both 2006 and 2007 and was required to pay US\$100,000 in November 2008 and annually thereafter until the end of year fifteen. In May 2018, the agreement was amended to reduce the annual payments to US\$50,000.

Redhawk has the option to purchase the property for US\$3,000,000. Commencing January 1, 2022, 50% of the yearly lease 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.

iii) 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

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
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4. RESOURCE PROPERTIES (Continued)

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 promissory note has been recorded as at March 31, 2021 and December 31, 2020.

iv) Morgan Agreements - In December 2012, Redhawk acquired patented land from two unrelated parties for total consideration of US\$1.2 million. Redhawk is required to pay \$63,660 (US\$50,000) in 2020 (2019 - \$64,940 (US\$50,000)). The outstanding balance related to this obligation was \$63,660 as at December 31, 2020 which was paid in March 2021.

Contact Property, Nevada

The Company owns a 100% interest in the Contact property located in Elko County, Nevada. This property was fully impaired during fiscal 2015. The Company intends to keep the permit of this resource property in good standing.

As at March 31, 2021, the Company had deposited \$8,301 (2020 - \$8,356) for the reclamation deposits of the Contact property in Nevada and for the Copper Creek property in Arizona.

5. SHARE CAPITAL

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

On July 8, 2020, the Company consolidated its outstanding common shares on a four-for-one basis. The presentation of number of shares, warrants, stock options and loss per share in these financial statements have been retrospectively adjusted for this share consolidation.

During three months ended March 31, 2021:

In February 2021 the Company closed a private placement, issuing 3,592,358 common shares at a price of \$0.35 per share for proceeds of \$ 1,257,325.

In March 2021, the Company issued 125,000 common shares for proceeds of \$25,000 for exercise of options at \$0.20 per share. An amount of \$18,450 has been moved from the Company's option reserve to share capital to account for this exercise of options.

During the year ended December 31, 2020:

In January 2020, the Company closed a private placement, issuing 1,250,000 common shares at a price of \$0.24 per share for net proceeds of \$300,000.

In February 2020, the Company closed a private placement, issuing 791,583 common shares at \$0.24 per share for net proceeds of \$189,980. The Company also issued 250,000 common shares to settle the share issuance obligation of \$70,000 at December 31, 2019.

In May 2020, the Company closed a private placement, issuing 337,500 common shares at \$0.24 per share for gross proceeds of \$81,000.

In July 2020, the Company closed a private placement, issuing 1,250,000 common shares at \$0.20 per share for gross proceeds of \$250,000.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

c) Warrants

As at March 31, 2021 and December 31, 2020, the following warrants were outstanding:

<u>Expiry Date</u>	<u>Exercise Price</u>	<u>Outstanding</u>
August 21, 2022	\$ 1.00	1,293,341

Continuity is as follows:

The number of outstanding and exercisable warrants as at December 31, 2019, December 31, 2020, and March 31, 2021 remained unchanged as there were no exercises or issuances during these periods.

As at March 31, 2021, the weighted average exercise price and remaining life of these warrants was \$1.00 per share and 1.39 years.

d) Options

The Company has a “rolling” stock option plan (the “Plan”) that allows the Company to grant options to its employees, directors, consultants and officers for a maximum of 10% of outstanding shares to be issued.

Options have 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.

On March 18, 2021, the Company granted 210,000 incentive stock options, with an exercise price of \$0.65, to two consultants of the Company. These options can be exercised for a period of three years from the date of grant, are subject to the policies of the Canadian Securities Exchange and contain vesting provisions whereby 25% of these options will vest six months from the date of grant and 25% vesting every six months thereafter.

During the three months ended March 31, 2021, the Company incurred share-based compensation of \$112,947 in connection with options vested (2020 - \$40,809). The Company used the Black Scholes option pricing model and the following assumptions to determine the fair values of the stock options granted in the year:

	<u>2021</u>	<u>2020</u>
Risk-free interest rate	0.53%	0.34%
Expected life of the option	3 years	5 years
Annualized volatility	125%	145%
Dividend Rate	0.00 %	0.00 %

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

5. SHARE CAPITAL (Continued)

d) Options (continued)

As at March 31, 2021, the following stock options were outstanding:

Expiry Date	Exercise Price	Outstanding	Exercisable
February 24, 2022	\$0.40	1,237,500	1,237,500
July 28, 2022	\$0.52	162,500	162,500
May 10 to May 21, 2023	\$0.40	2,000,000	2,000,000
February 28, 2024	\$0.40	250,000	250,000
July 24, 2025	\$0.23	3,800,000	950,000
March 18, 2024	\$0.65	210,000	-
		7,660,000	4,600,000

Continuity of the option outstanding is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2019	5,012,500	\$0.40
Forfeited	(600,000)	\$0.40
Expired	(637,500)	\$0.40
Granted	3,800,000	\$0.23
Outstanding, December 31, 2020	7,575,000	\$0.31
Exercised	(125,000)	\$0.20
Granted	210,000	\$0.65
Outstanding, March 31, 2021	7,660,000	\$0.31
Exercisable, March 31, 2021	4,600,000	\$0.37

The remaining contractual life of the Company's options as at March 31, 2021 was 3.05 (2020 – 3.25) years.

Subsequent to the period ended March 31, 2021, 137,500 options with exercise prices of \$0.40 were exercised into common shares of the Company.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

Continuity of the Property and equipment is as follows:

	Building	Land	Total
	\$	\$	\$
Cost			
Balance, December 31, 2020	210,312	31,830	242,142
Foreign exchange adjustment	(2,593)	(393)	(2,986)
Balance, March 31, 2021	207,719	31,437	239,156
Amortization			
Balance, December 31, 2020	41,148	-	41,148
Addition	3,705	-	3,705
Foreign exchange adjustment	(261)	-	(261)
Balance, March 31, 2021	44,592	-	44,592
Net book value			
Balance, December 31, 2020	186,462	32,471	218,933
Balance, March 31, 2021	163,127	31,437	194,564

7. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2021 and 2020, the Company incurred the following transactions with key management members and the directors of the Company:

	Nature	2021	2020
		\$	\$
Key management	Management fees	84,000	84,000
Key management and directors	Share-based compensation	69,942	37,190

As at March 31, 2021, amount due to related parties comprised of amounts owing to key management members of \$Nil (2020 - \$88,950). Due to related parties has the same terms as the Company's trade payables, which is unsecured and non-interest-bearing and with no specific terms.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

8. CONVERTIBLE DEBENTURE

On June 17, 2019 the Company closed a non-brokered private placement of convertible debentures (“CDs”) for gross proceeds of \$263,000. Each CD has an issue price of \$1,000, a term of two years from the date of issuance and bears an interest at a rate of 15% per annum, calculated monthly and payable monthly in cash with the first payment being due on July 14, 2019 (paid) and with the entire amount maturing and payable on June 14, 2021. Each Debenture is convertible into common shares of the Company at the option of the holder at any time prior to maturity at a conversion price of \$0.28 per common share. The Company will have the option to redeem the CD at a redeemable price equal to their principal amount plus accrued and unpaid interest. The interest rate on the CD is approximately the market interest rate in determining the fair value of the liability component. Thus, no value has been assigned to the equity component.

During the three months ended March 31, 2021, the Company has incurred interest expense of \$9,525 on the convertible debentures (2020 – \$10,143).

9. LOANS PAYABLE

CEBA LOAN

In connection to the outbreak of COVID-19, the Company received \$40,000 in Canada Emergency Business Account (“CEBA”) loan from the Government of Canada. The CEBA loan is non-interest bearing and matures on December 31, 2022. Repaying the loan balance on or before December 31, 2022 will result in loan forgiveness of 25%. The principal balance of \$40,000 (2020 - \$40,000) is included in loan payable at March 31, 2021.

DEBT REPAYMENT AGREEMENT

In connection with a debt payment agreement (the “Agreement”) with the original optionor (the “Optionor”) of the Pyramid Project, the Company owed the Optionor \$173,710 (USD \$125,000) plus interest at the rate of 10% per annum, which is due on March 4, 2022. The Company is required to pay to the Optionor at least 20% of the net proceeds from any debt or equity financing or sale of any assets. During the three months ended March 31, 2021, the Company paid \$137,471 to repay the principal and accrued interest. As at March 31, 2021, the remaining balance of this debt is \$Nil (2020- \$135,599).

10. FINANCIAL INSTRUMENTS

The Company’s financial instruments are exposed to several financial and market risks, including credit, interest rate, liquidity and commodity 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 accounts receivable, deposits and accounts payable are equivalent to their carrying values due to their short-term nature.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS (Continued)

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, 2021, the Company had cash equivalents of \$2,300 in term deposits (2020 - \$2,300).

Liquidity risk and fair value hierarchy

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. 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 is invested in business accounts, which are available on demand. The Company manages its liquidity risk mainly through raising funds from private placements and amounts from related parties.

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.

Commodity risk

The Company is subject to commodity price risk arising from the fluctuation of metal price beyond the Company's control. The Company may have difficulties to identify and acquire economically viable projects for the Company to invest in if metal prices are depressed for an extended period.

Interest rate risk

The Company is exposed to the risk that the value of financial instruments will change due to movements in market interest rates. As of March 31, 2021, the Company did not have debt instruments exposed to variable interest rate. The risk is not significant.

Foreign currency risk

Foreign currency 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.

As at March 31, 2021 and December 31, 2020, the Company's exposure to foreign currency risk on its financial instruments is as follows:

	March 31, 2021	December 31, 2020
Cash	US\$ 2,947	US\$ 19,200
Note payable	-	50,000
Loans payable	-	106,803
Canadian dollar equivalent	\$ 3,699	\$ 224,087

A 5% change in the US dollar against the Canadian dollar at March 31, 2021 would result in an immaterial impact to the Company.

Copperbank Resources Corp.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months Ended March 31, 2021 and 2020
(Unaudited - Expressed in Canadian dollars)

12. SEGMENTED INFORMATION

The Company operates primarily in one business segment, which is the exploration and development of resource properties located in the United States. The Company's non-current assets were \$5,797,872 (2020- \$5,785,929), which comprised mainly of resource properties, property and equipment, and reclamation bonds that are in the United States.