



FARADAY COPPER

Faraday Copper Corp.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024 and 2023

(Unaudited - Expressed in Canadian dollars)

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

	Note	September 30, 2024	December 31, 2023
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	10	22,093,221	14,901,206
Other receivables		213,605	137,204
Prepaid expenses and deposits		222,674	242,271
Current assets		22,529,500	15,280,681
Property and equipment	4	16,929,516	16,278,872
Resource properties	5	4,955,328	4,955,328
Other long-term assets		133,235	77,405
Total assets		44,547,579	36,592,286
LIABILITIES			
Current			
Accounts payable and accrued liabilities	7	1,670,595	1,738,326
Due to related parties	9	660,265	748,571
Total liabilities		2,330,860	2,486,897
SHAREHOLDERS' EQUITY			
Share capital	8b	116,950,472	94,798,827
Reserves		13,918,126	13,084,647
Accumulated other comprehensive income		4,076,485	3,682,085
Deficit		(92,728,364)	(77,460,170)
Total shareholders' equity		42,216,719	34,105,389
Total liabilities and shareholders' equity		44,547,579	36,592,286

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

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

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 September 30,		Nine months ended September 30,	
	Note	2024	2023	2024	2023
		\$	\$	\$	\$
Operating expenses					
Amortization	4	50,334	33,943	151,368	87,984
Consulting and management fees	9	15,021	23,600	58,813	224,600
Exploration and evaluation expenses	6	3,468,057	1,625,138	12,264,415	11,034,502
General and administration		629,639	352,130	1,894,648	1,551,880
Professional fees		135,264	26,904	360,149	497,271
Shareholder costs and investor relations		58,788	27,501	199,871	234,146
Share-based compensation	8,9	269,620	576,957	862,279	1,885,728
Travel		18,998	61,476	67,012	251,795
Total operating expenses		4,645,721	2,727,649	15,858,555	15,767,906
Foreign exchange loss		228,108	-	160,747	-
Interest income	10	(531,970)	(177,625)	(751,108)	(552,872)
Net loss		4,341,859	2,550,024	15,268,194	15,215,034
Other comprehensive loss (income)					
Items that will not be reclassified subsequently to profit or loss:					
Foreign exchange differences on translation of foreign operations		254,912	(549,529)	(394,400)	280,609
Comprehensive loss		4,596,771	2,000,495	14,873,794	15,495,643
Net loss per share:					
Basic and diluted		0.02	0.01	0.08	0.09
Weighted average number of common shares:					
Basic and diluted		205,335,575	175,969,891	189,491,529	167,269,885

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)

	Note	Share capital		Reserves		Accumulated other comprehensive income	Deficit	Total shareholders' equity
		Number	Amount	Warrants	Options			
		#	\$	\$	\$	\$	\$	\$
Balance, December 31, 2022		123,261,021	54,165,787	2,776,475	9,264,041	4,174,698	(56,960,206)	13,420,795
Share-based compensation		-	-	-	1,885,728	-	-	1,885,728
Shares issued for equity placement, net of issuance costs	8(b)	49,999,700	38,437,854	-	-	-	-	38,437,854
Shares issued for options exercise	8(d)	2,668,750	1,832,858	-	(826,858)	-	-	1,006,000
Settlement of RSUs	8(e)	40,420	33,030	-	(33,030)	-	-	-
Currency translation adjustment		-	-	-	-	(280,609)	-	(280,609)
Net loss		-	-	-	-	-	(15,215,034)	(15,215,034)
Balance, September 30, 2023		175,969,891	94,469,529	2,776,475	10,289,881	3,894,089	(72,175,240)	39,254,734
Share-based compensation		-	-	-	277,676	-	-	277,676
Shares issued for options exercise	8(d)	500,000	263,281	-	(114,282)	-	-	148,999
Settlement of RSUs	8(e)	97,084	66,017	-	(145,103)	-	-	(79,086)
Currency translation adjustment		-	-	-	-	(212,004)	-	(212,004)
Net loss		-	-	-	-	-	(5,284,930)	(5,284,930)
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		-	-	-	862,279	-	-	862,279
Shares issued for equity placement, net of issuance costs	8(b)	28,750,000	22,138,253	-	-	-	-	22,138,253
Settlement of RSUs	8(e)	18,600	13,392	-	(28,800)	-	-	(15,408)
Currency translation adjustment		-	-	-	-	394,400	-	394,400
Net loss		-	-	-	-	-	(15,268,194)	(15,268,194)
Balance, September 30, 2024		205,335,575	116,950,472	2,776,475	11,141,651	4,076,485	(92,728,364)	42,216,719

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)

	Nine months ended September 30,	
	2024	2023
	\$	\$
Operating activities:		
Net loss	(15,268,194)	(15,215,034)
Adjustments for:		
Amortization	151,368	87,984
Share-based compensation	862,279	1,885,728
Changes in non-cash working capital:		
Other receivables	(76,401)	5,116
Other assets	(89,705)	-
Prepaid expenses and deposits	19,597	(10,378)
Accounts payable and accrued liabilities	(67,731)	(1,538,276)
Due to related parties	(88,306)	(150,279)
Cash used in operating activities	(14,557,093)	(14,935,139)
Investing activities:		
Purchases of property and equipment	(432,123)	(13,768,540)
Cash used in investing activities	(432,123)	(13,768,540)
Financing activities:		
Proceeds from equity placements	23,000,000	38,437,854
Share issuance costs	(861,747)	-
Proceeds from exercise of options	-	1,006,000
Cash provided by financing activities	22,138,253	39,443,854
Effect of foreign exchange on cash and cash equivalents	42,978	(320,739)
Changes in cash and cash equivalents	7,192,015	10,419,436
Cash and cash equivalents, beginning of the period	14,901,206	9,535,039
Cash and cash equivalents, end of the period	22,093,221	19,954,475
Supplemental cash flow information:		
Transfer from other long-term assets to property and equipment	-	333,926
Cash received from interest included in operating activities	751,108	528,349

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

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 and nine months ended September 30, 2024 and 2023 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 and nine months ended September 30, 2024, the Company incurred a net loss of \$4,341,859 and \$15,268,194, respectively (September 30, 2023 - \$2,550,024 and \$15,215,034, respectively). 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 November 3, 2024.

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 International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS® Accounting Standards") 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, 2023 and 2022 ("Annual Financial Statements").

b) Basis of presentation

These 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

The 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 and nine months ended September 30, 2024 and 2023**

(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 September 30, 2024 is as follows:

Name of subsidiary	Country of incorporation	Percentage ownership	Functional currency	Principal activity
CopperBank Royalties Corp.	Canada	100%	CAD	Holding
Enexo 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

During the year ended December 31, 2023, the Company dissolved the operations of its inactive subsidiaries Copper Creek Project LLC and 1016079 B.C. Ltd. As such, the financial statements subsequent to the date of dissolution comprise the financial statements of the Company and its wholly owned subsidiaries.

As at September 30, 2024, the Company has one operating segment, a mineral exploration group focused on projects located in the United States of America.

3. MATERIAL ACCOUNTING POLICIES

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, 2022	1,313,069	33,860	212,246	-	1,559,175
Additions	1,548,657	13,242,050	97,275	115,565	15,003,547
Foreign exchange	(30,830)	(795)	(4,983)	-	(36,608)
Balance, December 31, 2023	2,830,896	13,275,115	304,538	115,565	16,526,114
Additions	35,019	338,078	92,901	-	465,998
Foreign exchange	58,433	274,014	6,286	2,385	341,118
Balance, September 30, 2024	2,924,348	13,887,207	403,725	117,950	17,333,230
Accumulated amortization					
Balance, December 31, 2022	89,535	-	25,586	-	115,121
Amortization	59,933	-	63,330	11,557	134,820
Foreign exchange	(2,098)	-	(601)	-	(2,699)
Balance, December 31, 2023	147,370	-	88,315	11,557	247,242
Amortization	80,175	-	53,318	17,875	151,368
Foreign exchange	3,042	-	1,823	239	5,104
Balance, September 30, 2024	230,587	-	143,456	29,671	403,714
Net book value					
Balance, December 31, 2023	2,683,526	13,275,115	216,223	104,008	16,278,872
Balance, September 30, 2024	2,693,761	13,887,207	260,269	88,279	16,929,516

On January 5, 2024, the Company completed the acquisition of additional land in Arizona, included in land for \$338,078 (US\$250,447) which included \$33,748 (US\$25,000) deposit classified as other long-term assets as at December 31, 2023.

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 and nine months ended September 30, 2024, there have been no additions to acquisition costs (September 30, 2023 - \$nil and \$nil, respectively).

- 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 September 30, 2024, the purchase option has not been executed.

- 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 promissory note has been recorded as of September 30, 2024 and December 31, 2023.

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 and nine months ended September 30, 2024, there have been no additions to acquisition costs (September 30, 2023 - \$nil and \$nil, respectively).

6. EXPLORATION AND EVALUATION EXPENSES

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Copper Creek Project				
Exploration, geological and laboratory	1,937,037	568,753	7,854,995	6,359,082
Engineering & studies	41,522	82,110	451,698	1,173,846
Environmental, social, and governance	232,139	11,534	882,074	162,428
Legal	23,855	31,043	83,588	358,283
Payroll	814,518	597,338	2,381,208	2,212,473
Permit maintenance and land access	120,312	113,692	163,343	169,726
Administration and other costs	191,906	97,403	306,100	418,316
	3,361,289	1,501,873	12,123,006	10,854,154
Contact Copper Project				
Administration and other costs	106,768	123,265	141,409	180,348
Total	3,468,057	1,625,138	12,264,415	11,034,502

FARADAY COPPER CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023
(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:

	September 30, 2024	December 31, 2023
	\$	\$
Exploration and evaluation expenses	1,225,049	1,446,970
General and administration	445,546	291,356
	1,670,595	1,738,326

8. SHARE CAPITAL

a) Authorized

The Company is authorized to issue an unlimited number of common shares without par value. As at September 30, 2024, the Company had 205,335,575 common shares issued and outstanding (December 31, 2023 - 176,566,975).

b) Issued and outstanding

During the nine months ended September 30, 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.

During the year ended December 31, 2023, the Company had the following share capital transactions:

- On February 14, 2023, the Company closed a bought deal financing and issued 49,999,700 common shares at a price of \$0.80 per share for net proceeds of \$38,437,854, which included share issuance costs of \$1,561,906.
- The Company issued 3,168,750 common shares pursuant to the exercise of 3,168,750 stock options with exercise prices varying from \$0.23 and \$0.65. The Company received gross proceeds of \$1,155,000 and reallocated \$941,140 from the Company's options reserve into share capital.
- The Company issued an aggregate of 137,504 common shares net of withholding tax in settlement of 246,667 RSUs. The total grant date fair value of the vested RSUs was \$591,708. A total of 109,163 common shares were withheld in lieu of withholding taxes in the amount of \$67,088. The fair value of common shares issued was \$99,047.

c) Warrants

As at September 30, 2024, the Company had 12,500,000 warrants outstanding (December 31, 2023 - 12,500,000) all of which have an exercise price of \$0.60 and expire on September 16, 2026. As at September 30, 2024, the remaining life of these warrants is 1.96 years (December 31, 2023 - 2.71 years).

d) Options

On September 2, 2021, the Company adopted a new 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 and nine months ended September 30, 2024 and 2023**

(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, 2022	14,857,750	0.44
Cancelled	(250,000)	0.40
Exercised	(3,168,750)	0.36
Outstanding, September 30, 2024 and December 31, 2023	11,439,000	0.46
Exercisable balance, September 30, 2024	11,409,000	0.46

A summary of the Company's stock options outstanding at September 30, 2024, 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	0.81
September 8, 2025	80,000	80,000	0.44	0.94
June 8, 2026	325,000	325,000	0.60	1.69
September 2, 2026	9,650,000	9,650,000	0.40	1.92
February 1, 2027	120,000	120,000	0.80	2.34
February 16, 2027	224,000	224,000	0.94	2.38
April 1, 2027	500,000	500,000	0.86	2.50
April 25, 2027	350,000	350,000	0.91	2.57
August 16, 2027	90,000	60,000	0.49	2.88
	11,439,000	11,409,000	0.46	1.97

The weighted average remaining contractual life of the Company's options as at September 30, 2024, was 1.97 years (December 31, 2023 - 2.72 years).

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 restricted share units rolling plan.

During the three and nine months ended September 30, 2024, the Company incurred share-based compensation related to RSUs of \$248,910 and \$783,164, respectively, in connection with RSUs vested (September 30, 2023 - \$250,264 and \$821,856, respectively).

FARADAY COPPER CORP.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024 and 2023

(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, 2022	1,812,667	0.88
Granted	1,436,573	0.75
Settled	(1,158,665)	1.02
Cancelled	(84,211)	0.82
Non-vested balance, December 31, 2023 ⁽¹⁾	2,006,364	0.71
Granted	2,060,176	0.54
Settled	(920,787)	0.82
Non-vested balance, September 30, 2024⁽¹⁾	3,145,753	0.56

(1) As at September 30, 2024, 4,938,538 RSUs are outstanding (December 31, 2023 - 2,918,362).

A summary of the Company's non-vested RSUs at September 30, 2024, is as follows:

Vesting date ⁽¹⁾	Weighted average issue price	Number of non-vested RSUs
	\$	#
November 9, 2024	0.46	78,667
January 31, 2025	0.62	1,150,844
November 9, 2025	0.46	78,667
January 31, 2026	0.54	1,150,845
January 31, 2027	0.54	686,730
	0.56	3,145,753

(1) RSUs vests 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 and nine months ended September 30, 2024 and 2023, the Company incurred transactions with key management personnel, being the Chief Executive Officer, Chief Financial Officer, Vice President Studies & 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 September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Consulting and management fees	315	-	4,903	-
Director fees	56,250	42,000	168,750	126,000
Salaries and other compensation	490,085	482,447	1,482,137	1,378,683
Share-based compensation	183,085	418,664	594,148	1,287,767
	729,735	943,111	2,249,938	2,792,450

As at September 30, 2024, amount due to related parties comprised of amounts owing to key management members and directors totalling \$660,265 (December 31, 2023 - \$748,571) 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, 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 September 30, 2024, the Company had cash equivalents of \$21,653,439 in term deposits (December 31, 2023 - \$11,832,227) that are cashable in no more than 90 days and bear interest up to 5.05% (December 31, 2023 - 5.9%). Interest income on term deposits during the three and nine months ended September 30, 2024 was \$531,970 and \$751,108, respectively (September 30, 2023 - \$177,625 and \$552,872, respectively).

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, 2023 - 5.9%). 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 September 30, 2024 and due to related parties has no specific terms of repayment.

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 September 30, 2024, 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.

FARADAY COPPER CORP.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

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

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

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

	September 30,		December 31,	
	2024		2023	
	US\$	\$	US\$	\$
Cash	3,652,587	4,930,627	2,017,746	2,668,671
Accounts payable and accrued liabilities	(893,736)	(1,206,454)	(1,039,971)	(1,375,465)
	2,758,851	3,724,173	977,775	1,293,206

As at September 30, 2024, a 5% change in the US dollar against the Canadian dollar would result in a \$186,209 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 of \$30,000 per month, plus applicable taxes. 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.