

Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name	Three Valley Copper Corp.					
Reporting Year	From	1/1/2021	To:	12/31/2021	Date submitted	5/27/2022

Reporting Entity ESTMA Identification Number	E936832	<input checked="" type="radio"/> Original Submission
		<input type="radio"/> Amended Report

Other Subsidiaries Included (optional field)	Minera Tres Valles SpA
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Not Consolidated

Not Substituted

Attestation by Reporting Entity

In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Full Name of Director or Officer of Reporting Entity	Michael Staresinic	Date	5/27/2022
Position Title	CEO		

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Reporting Entity Name	Three Valley Copper Corp.		
Reporting Entity ESTMA Identification Number	E936832		
Subsidiary Reporting Entities (if necessary)			

Payments by Payee

Country	Payee Name ¹	Departments, Agency, etc... within Payee that Received Payments ²	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid to Payee	Notes ³⁴
Chile	GOVERNMENT OF CHILE				460,000					460,000	Payment made in Chilean Pesos
Chile	TRES VALLES FOUNDATION								100,000	100,000	Payment made in Chilean Pesos

Additional Notes: Payments made in Chilean Pesos were translated into US Dollars using the exchange rate at the time the payment was made. The average exchange rate used for 2021 was 744 Chilean Pesos per 1 US Dollar.

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Subsidiary Reporting Entities (if necessary)			

Payments by Project

Country	Project Name ¹	Taxes	Royalties	Fees	Production Entitlements	Bonuses	Dividends	Infrastructure Improvement Payments	Total Amount paid by Project	Notes ²³
Chile	MINERA TRES VALLES SPA			460,000				100,000	560,000	Payments made in Chilean Pesos

Additional Notes³: Payments made in Chilean Pesos were translated into US Dollars using the exchange rate at the time the payment was made. The average exchange rate used for 2021 was 744 Chilean Pesos per 1 US Dollar.

THREE VALLEY COPPER CORP. - ESTMA BASIS OF PRESENTATION

INTRODUCTION

Three Valley Copper Corp. and its subsidiaries (collectively the “Company” or “TVC”) has prepared the following consolidated report (the “Report”) of payments made to government entities for the year ended December 31, 2021 as required by the Extractive Sector Transparency Measures Act S.C. 2014, c.39, s.376 (“ESTMA” or the “Act”).

The information in this report was prepared by TVC for the sole purpose of complying with TVC’s obligations under the Act. The information contained in this report is provided solely for the benefit of Natural Resources Canada (“NRCan”) and in connection with TVC’s obligations under the Act. This report may not be used or relied upon by any other person or for any other purpose without TVC’s express prior written consent.

BASIS OF PRESENTATION

The Report has been prepared in accordance with the requirements of the Act and the NRCan Technical Reporting Specifications. The Technical Reporting Specifications provides specifications with regards to the form and manner of reporting. The following is a summary of judgments and definitions that the Company has made for the purpose of preparing the Report.

1. Reporting Currency

Reportable payments to governments have been disclosed in U.S. dollars, unless otherwise shown. Payments denominated in currencies other than U.S. dollars were translated using the exchange rate at the time the payment was made.

2. Rounding

All figures have been rounded to the nearest US\$10,000

3. Payee

For purposes of the Act, a payee is:

- a) Any government in Canada or in a foreign state.
- b) A body that is established by two or more governments.
- c) Any trust, board, commission, corporation or body or other authority that is established to exercise or perform, or that exercises or performs, a power, duty or function of a government for a government referred to in paragraph (a) above or a body referred to in paragraph (b) above.

Payees include governments at any level, including national, regional, state/provincial or local/municipal levels. Payees include Crown corporations and other state-owned enterprises that are exercising or performing a power, duty or function of government. Aboriginal groups and organizations within Canada and in other jurisdictions may be regarded as governments for purposes of qualifying as a payee under the Act. However, the Act defers the requirement to report on payments made to Aboriginal governments in Canada, with reporting on these payments beginning on June 1, 2017. For the year ended December 31, 2021, there were no reportable payments to an Aboriginal payee.

The individual department, agency or other body of the payee that received the payment is disclosed, where practical, in a supplementary note to the Report.

4. Activities Within the Scope of the Report

Payments made to payees relating to the commercial development of oil, gas and minerals (“commercial development”) are disclosed in this Report. TVC makes payments related to its initial processing activities which are integrated with its extraction operations and comprise commercial development. The Report excludes payments that are not related to TVC’s commercial development activities, as defined by the Act and in the associated Guidance document published by NRCan.

5. Project

Payments are reported at the project level except for payments that are not attributable to a specific project and are reported at the entity level. Corporate income taxes, which are typically not levied at a project level, are an example of this. A “project” means the operational activities that are governed by a single contract, license, lease, concession or similar legal agreement and form the basis for payment liabilities with a government. However, if multiple such agreements are substantially interconnected, TVC has aggregated such interconnected agreements into a single “Project” for reporting purposes, as permitted under the Act and the associated Technical Reporting Specifications published by NRCan.

6. Cash and In-kind Payments

Payments are reported on a cash basis, meaning they are reported in the period in which they are paid and therefore exclude any accruals related to payments due to governments. In-kind payments are converted to an equivalent cash value based on cost or, if cost is not determinable, the in-kind payment is reported at the fair market value. The valuation method for each payment, if applicable, has been disclosed in a supplementary note to the Report. Payments to the “same payee” that meet or exceed the \$100,000 Canadian Dollar equivalent in one category of payment are disclosed. For the year ended December 31, 2021, there were no in-kind payments to report.

7. Payment Categories

The information is reported under the following payment categories.

Taxes

This category may include taxes paid by TVC on its income, profits or production. Taxes reported include income and profit taxes, capital gains taxes, capital taxes, property taxes, mining taxes, windfall profits taxes and certain provincial resource surcharges. Consumption taxes, personal income taxes, withholding taxes and other taxes that do not relate to the commercial development of minerals, such as payroll tax, stamp tax and personal asset tax, are excluded.

For the year ended December 31, 2021, there were no reportable tax payments to a payee.

Royalties

These are payments for the rights to extract oil and gas resources, typically at a set percentage of revenue less any deductions that may be taken. Royalties paid in kind are also reported under this category. For the year ended December 31, 2021, there were no reportable royalty payments to a payee.

Fees

This category may include rental fees, entry fees and regulatory charges as well as fees or other consideration for licenses, permits or concessions. Amounts paid in ordinary course commercial transactions in exchange for services provided by a payee are excluded.

Production entitlements

A payee’s share of oil, gas or mineral production under a production sharing agreement or a similar contractual or legislated arrangement is reported under this category. For the year ended December 31, 2021, there were no reportable production entitlement payments to a payee.

Bonuses

Signing, discovery, production and any other type of bonuses paid to a payee are reported under this category. For the year ended December 31, 2021, there were no reportable bonus payments to a payee.

Dividends

These are dividend payments other than dividends paid to a payee as an ordinary shareholder of TVC. For the year ended December 31, 2021, there were no reportable dividend payments to a payee.

Infrastructure improvement payments

These are payments which relate to the construction of infrastructure that do not relate primarily to the operational purposes of TVC.