C3 METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2024 and 2023
(Information as at December 5, 2024 unless otherwise noted)

INTRODUCTION

This management's discussion and analysis ("MD&A") provides results of operations and financial condition for the years ended August 31, 2024 and 2023. It was approved by the Board of Directors on December 5, 2024.

The consolidated financial statements include all of the assets, liabilities and expenses of C3 Metals and its wholly-owned subsidiaries, Carube Resources Inc., Carube Resources Jamaica Limited ("CRJL"), Rodinia Jamaica Limited ("RJL"), Latin America Resource Group Limited ("LARG"), C3 Metals Peru S.A.C. ("C3 Peru") and Molino Azul S.A.C. ("Molino"). The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol CCCM and on the OTCQB Venture Market under the symbol CUAUF.

This MD&A should be read in conjunction with the Company's consolidated annual financial statements for the years ended August 31, 2024 and 2023 which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All figures are presented in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements" relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. C3 Metals undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

QUALIFIED PERSON

The technical information contained in this MD&A has been approved by Stephen Hughes, P.Geo., the Company's Vice President Exploration and a Director, who is a Qualified Person as defined by National Instrument 43-101.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

C3 Metals is a junior minerals exploration company focused on creating substantive value through the discovery and development of large copper and gold deposits. The Company holds the 30,280 hectare Jasperoide project, a high-grade copper-gold skarn and porphyry system located in the prolific Andahuaylas-Yauri Porphyry-Skarn belt of southern Peru. Mineralization at the Jasperoide project is hosted in a similar geological setting to the nearby major mining operations at Las Bambas (MMG), Constancia (Hudbay) and Antapaccay (Glencore). C3 Metals also holds a 100% interest in mineral exploration licences covering 17,855 hectares and a 50% interest in 9,870 hectares of highly prospective copper-gold terrain in Jamaica. The Company also holds a 2% net smelter return ("NSR") royalty on Cascade Copper Corp.'s ("Cascade Copper") Rogers Creek project.

The Company has not determined whether its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for exploration and evaluation assets is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

RECENT DEVELOPMENTS

On October 22, 2024, the Company announced the results of a partially completed surface mapping and sampling program on its Khaleesi project in southern Peru. The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect that forms part of the greater Jasperoide project. More details are included under *Exploration Projects, Activities and Expenditures* below.

On October 9, 2024, the Company closed a non-brokered private placement with the issuance of 14,999,999 common shares at a price of $0.30 per common share for gross proceeds of $4,500,000.

On August 13, 2024, the Company announced that its wholly owned subsidiary, Molino, had executed a surface access rights agreement with the Cancahuani community at its Khaleesi project. Surface access has been the critical path item for the Declaration of Environmental Impact to proceed. The Company has already completed the CIRA (change impact and risk analysis) process, which determined the non-existence of archeological remains in the Khaleesi project area.

On July 9, 2024, the Company provided an update following hurricane Beryl which caused significant damage across Jamaica. The Company reported its team on the ground is safe and no injuries were reported. Overall, the Company's equipment, drill rig, drill core and rock samples are secure with no damage to these items. The Company sustained damage to the roofs of its core logging and core storage facilities, but the structures of these buildings remain intact. Heavy winds and rainfall resulted in significant damage to the existing infrastructure of the Company's project areas. There was only one access road into the Bellas Gate project area, and the Arthurs Seat and Super Block project areas were inaccessible. All project areas were without power due to significant damage of multiple power line polls uprooted during the storm event. Multiple landslides were reported, resulting in the roads in which C3 Metals' uses to access various porphyry and epithermal prospects being impassible at that time. In addition, prepared drill pad sites and drill access trails were damaged and will also require repair.

Drill assay results related to the Company's drilling in Jamaica during 2024 for both the Connors and Camel Hill copper-gold porphyry prospects within the Bellas Gate project were announced on June 5 and May 15, 2024. More details are included under *Exploration Projects, Activities and Expenditures* below.

On March 28, 2024, the Company provided an update on its copper-gold exploration program and provided a summary of its exploration objectives on its district-scale mineral concession package in Jamaica.

On February 24, 2024, the Company entered into a joint arrangement with Geophysx Jamaica Limited ("Geophysx") for the exploration and development of the Super Block project. The Super Block project will combine Geophysx's Special Exclusive Prospecting Licences (SEPLs) covering the past producing Pennants Mine and surrounding areas with the Company's Main Ridge SEPL and a portion of its Arthurs Seat SEPL. This joint arrangement is structured as a joint operation, whereby the Company and Geophysx (the "Participants") share control and have rights to the assets and obligations for the liabilities of the arrangement.

The Company and Geophysx have agreed to share the costs and any future revenues associated with the exploration and development activities relative to each Participant's participating interest, which is initially a 50% participating interest for each of the Participants. If a Participant fails to contribute their share of funding, their participating interest will be diluted on a proportionate basis. In the case that either Participant is diluted to a 5% interest, such interest will be converted to a 3% NSR royalty on the Super Block project of which 2% can be repurchased for US$2,000,000.

As part of the conditions subsequent to closing, both Participants are required to receive approval for the subdivision of their existing SEPLs by the Jamaican Ministry of Agriculture, Fisheries and Mining in order to form the new Super Block SEPLs. On August 29, 2024, GP C3 JV Limited was incorporated to hold the Super Block SEPLs in trust with each Participant to hold 50% of its common shares. As at the date of this MD&A, the new Super Block SEPLs have been issued by the Jamaican governmental authority. Additionally, the Company anticipates receiving its shares in GP C3 JV Limited during December 2024. Once received, the Super Block SEPLs will be transferred to GP C3 JV Limited, which will satisfy the conditions subsequent. Currently, these matters must be completed by January 31, 2025 or the Agreement may be subject to early termination. However, the Participants can mutually agree to extend this deadline if needed to complete the conditions subsequent.

Drill assay results related to the Company's drilling in Jamaica during 2023 for both the Provost and Camel Hill copper-gold porphyry prospects within the Bellas Gate project were announced on September 12, September 25, October 4, October 11 and November 27, 2023. On January 9, 2024, the Company provided a summary of the 2023 drilling results and provided an update on the planned 2024 drilling program primarily at Bellas Gate. Details related to drill results for the Bellas Gate project and an update on the 2024 drilling plans are included under *Exploration Projects, Activities and Expenditures* below.

On November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of $0.91 per common share for gross proceeds of $8,050,000. In connection with the private placement, the Company paid eligible finders cash commissions of $42,600 and an advisory fee of $107,100.

On November 1, 2023, the Company announced that the board of directors had approved the consolidation of the common shares of the Company on the basis of one post-consolidation share for every thirteen pre-consolidation shares held (the "Share Consolidation") subject to receipt of all necessary approvals including that of the TSX-V. Board of director approval followed shareholder approval of the Share Consolidation at the Company's last annual and special meeting of shareholders held on March 3, 2023. The Share Consolidation became effective at market open on December 19, 2023 and resulted in 804,504,235 pre-consolidation shares being consolidated to 61,884,802 post-consolidation shares. The exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in this MD&A have been retroactively adjusted to reflect the Share Consolidation.

On September 26, 2023, the Company announced that it had received the authorisation for expanded activities from the Peruvian Ministry of Energy and Mines for a recently modified Declaration of Environmental Impact permit for the Jasperoide project. This modified drill permit increases the area permitted for exploration drilling by 74% and consists of an additional 24 drill platforms and 53 additional drill holes.

On August 29, 2023, the Company entered into a Royalty Purchase Agreement with an affiliated company of Geophysx Jamaica Ltd., pursuant to which the Company agreed to sell and transfer all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the purchase agreement with Geophysx Jamaica Ltd dated June 19, 2019 for cash consideration of $1,625,940 (US$1,200,000). The transaction closed on August 31, 2023 with the cash consideration received on this date.

On May 23, 2023, the Company announced its initial mineral resource estimate for the Montana de Cobre Zone ("MCZ") on its Jasperoide project. The key highlights of the MCZ mineral resource estimate include:

- Measured and indicated mineral resources - 51.9 million ("M") tonnes ("t") at 0.50% total copper and 0.20 g/t gold for 569.1 million pounds of copper and 326,800 ounces of gold.
- Mineral resources are reported based on a conceptual constraining pit shell to demonstrate reasonable prospects for eventual economic, open pit extraction. Assumptions include $3.75/lb copper price and an estimated 75% copper recovery. Calculated breakeven cut-off grade is 0.14% copper.

- The MCZ deposit comprises a shallow-dipping copper-gold skarn that is oxidized to greater than 200m vertical depth and with a 50m to 250m true thickness.
- Copper oxide mineralization at the MCZ increases significantly with depth, with multiple drill holes intersecting 30m to 80m thick zones of greater than 2.0% copper oxide mineralization.

On July 6, 2023, the Company filed on SEDAR+ an independent technical report entitled "*Jasperoide Copper-Gold Project Cusco Region, Peru NI 43-101 Technical Report, Mineral Resource Estimate*", co-authored by Michael G. Hester (FAusIMM), Simon Mortimer (M.Sc., FAIG) and Adam Johnston (FAusIMM(CP)) dated July 5, 2023 with an effective date of May 23, 2023. This technical report supported the disclosures regarding the mineral resource estimate announced on May 23, 2023.

On May 2, 2023, the Company announced that it had obtained approval to commence exploration drilling at its 100% owned Main Ridge project in Jamaica. The Main Ridge project covers 3,000-hectares and is located immediately adjacent to the past producing Pennants Gold Mine and to the west of the Company's Arthurs Seat project. The Main Ridge drill permit is valid through April 2028.
On April 21 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common shares at a price of $0.65 per common share for gross proceeds of $5,000,000. In connection with this financing, the Company paid certain eligible finders cash commissions of $93,900.

On September 6, 2022, Dan Symons was appointed as the new President, CEO and a director of the Company. Mr. Symons brings over 15 years of mining industry related experience in business development, corporate development and investor relations with a number of highly successful junior-mid tier growth companies. Mr. Symons joins C3 Metals from Argonaut Gold where he most recently held the position of Vice President, Corporate Development and Investor Relations. Prior to this he was a key member of the Romarco Minerals Inc. executive management team in the role of Vice President, Business Development and Investor Relations. Mr. Symons has been actively involved in multiple M&A transactions totalling over $800 million and equity and debt financings totalling over $650 million and $500 million, respectively. Mr. Symons is an active member of the Canadian Investor Relations Institute. Mr. Symons holds an Honours B.A. from Concordia University in Montreal.

EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

PERU – JASPEROIDE PROJECT

The Company holds a 100% beneficial interest in 60 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 62 exploration concessions are located in the Andahuaylas-Yauri belt of Peru proximal to Las Bambas (MMG), Haquira (First Quantum) and Constancia (Hudbay). The Jasperoide project concessions cover a total area of 30,280 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration.

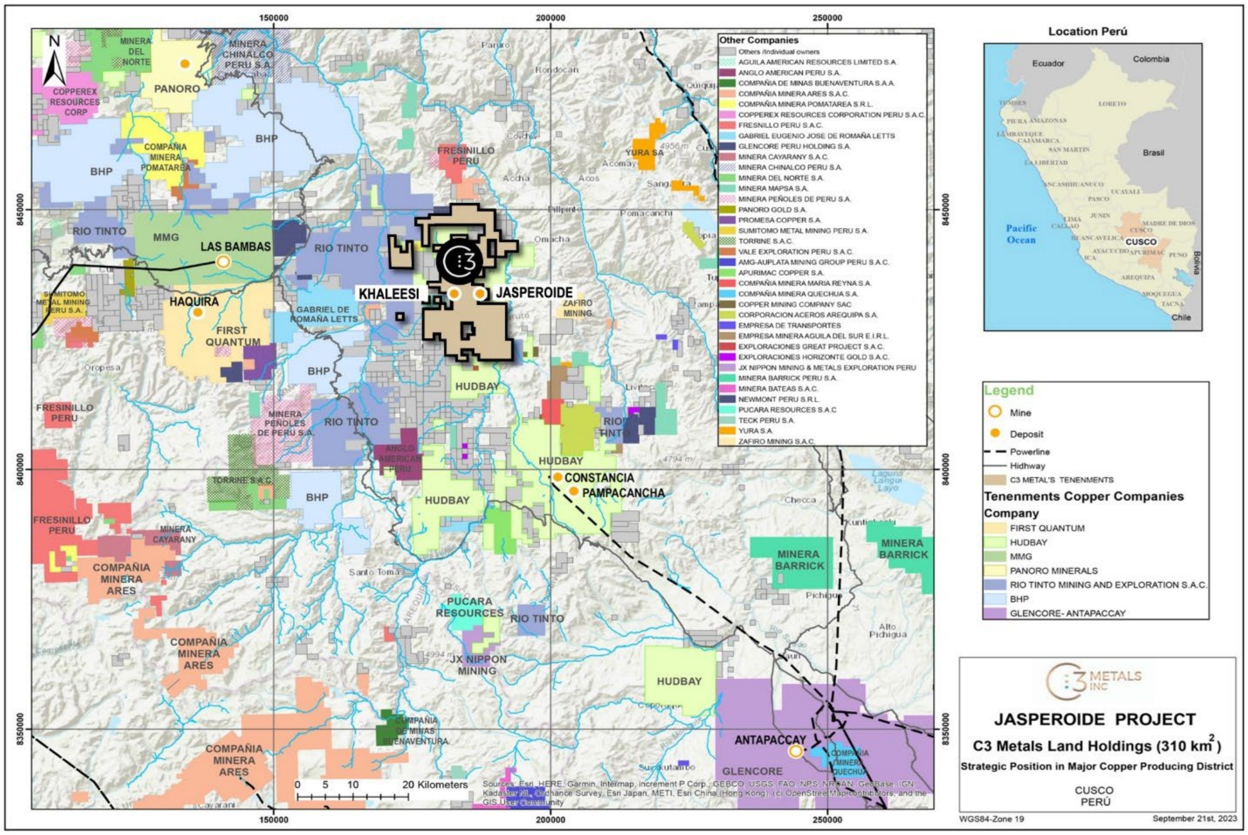


Figure 1 – Jasperoide project location, southern Peru

On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG. At that time, LARG's wholly-owned subsidiary, C3 Peru, held a 100% beneficial interest in eight exploration concessions and had two option agreements (La Bruja Option Agreement and Ares Option Agreement) to earn a potential 100% beneficial interest in five additional concessions.

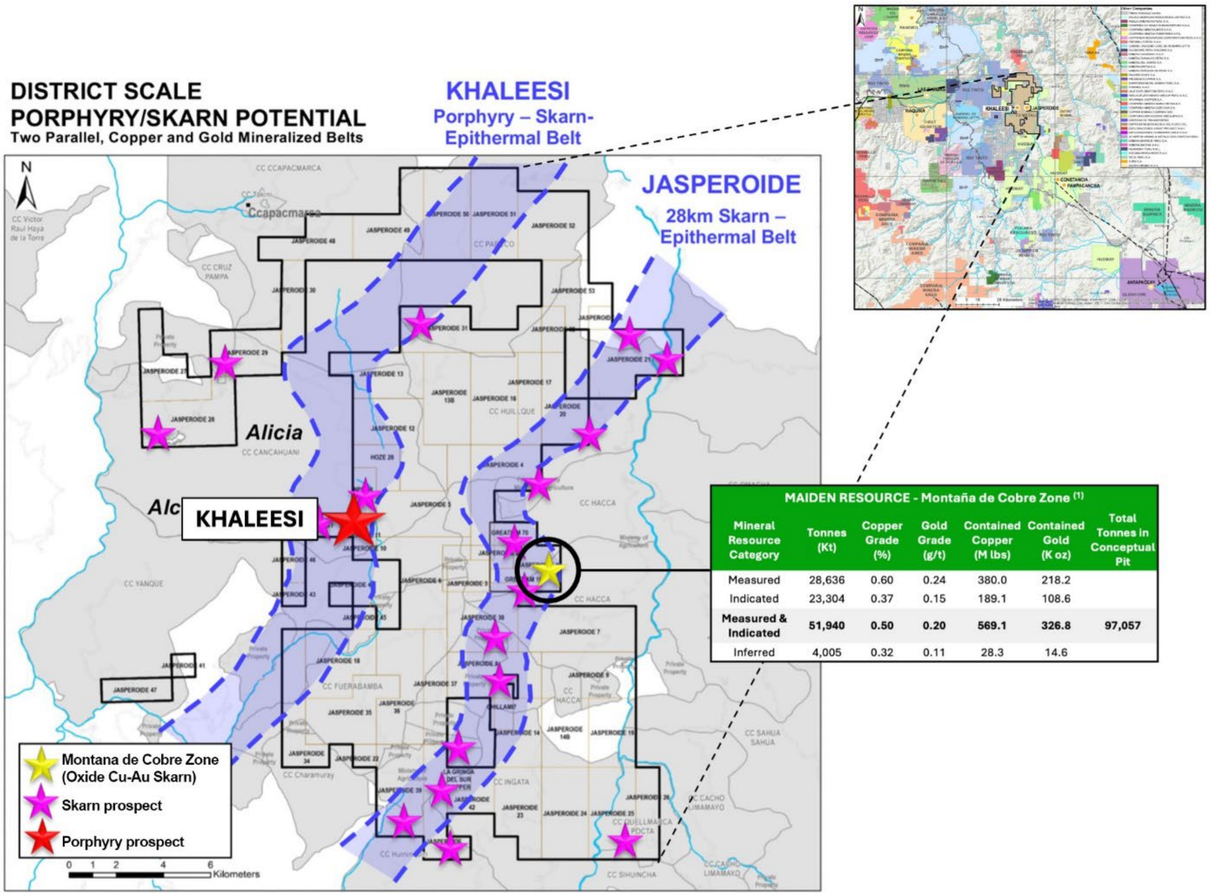
The La Bruja Option Agreement between C3 Peru and Inversiones La Bruja S.A.C. ("La Bruja") provides for an option to earn a 100% interest in the equity shares of La Bruja subject to minimum cumulative exploration expenditures of US$2,000,000 and total cash option payments of US$2,000,000. As at August 31, 2024, cash option payments totaling US$980,000 had been provided with a balance of US$1,070,000 outstanding. Between June 2020 and February 2024, amending agreements to adjust the timing of cash option payments and exploration expenditure requirements were concluded. The remaining cash option payments, totalling US$1,070,000, are due on or before the following dates: US$50,000 by December 31, 2024; US$250,000 by August 31, 2025; US$350,000 by August 31, 2026; and, US$420,000 by August 31, 2027. The minimum cumulative exploration expenditures of US$2,000,000 requirement was met in 2021. Following the earn-in of a 100% interest in the concessions a NSR royalty of 1.5% would be payable to the former shareholders of La Bruja.

The Ares Option Agreement between C3 Peru and Compania Minera Ares S.A.C. ("Ares"), a subsidiary of Hochschild PLC ("Hochschild") provided the Company with the right to earn an initial 51% interest in three concessions subject to incurring cumulative exploration expenditures of US$5,000,000 (including LARG and C3 Peru expenditures prior to the February 26, 2020 acquisition date and including certain administrative costs) by October 2023. This condition was met in June 2021, when the Company exceeded the cumulative expenditure requirements. During Fiscal 2022, the Company concluded a binding Heads of Agreement and acquired 100% of Hochschild's interest in the three concessions. In connection with the acquisition, the Company granted a 2% NSR royalty in favour of Ares in respect of the Ares mineral concessions subject to the right of the Company to purchase 1% of the NSR (thereby reducing the NSR to 1%) for a price of US$1,000,000 at any time, replacing the previously granted 1.5% net smelter returns royalty that had no buy back provision. In addition, the 2% NSR royalty applies to a five kilometre area of interest from the borders of the three concessions.

On September 26, 2023, the Company announced that it had received a modified drill permit from the Peruvian Ministry of Energy and Mines that increases the area permitted for exploration drilling by 74% and consists of an additional 24 drill platforms and 53 additional drill holes. This increase to the drill permit area will allow C3 Metals to systematically test two additional skarn targets: Cresta Verde and Callejon De Oro. These skarn targets are immediately to the northwest and south of the Montana de Cobre skarn deposit.

On August 13, 2024, the Company announced that its wholly owned subsidiary, Molino, had executed a surface access rights agreement with the Cancahuani community at its Khaleesi project. The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect and is located approximately 8km west of a 28km magnetite skarn belt where 13 skarn prospects have been identified. The first of these 13 skarns that the Company systematically drill tested was Montana de Cobre, which yielded a maiden Measured and Indicated Mineral Resource of 51.9 million tonnes at 0.50% total copper and 0.20% gold for 569.1 million pounds of copper and 326,800 ounces of gold (See NI 43-101 Technical Report titled *Jasperoide Copper-Gold Project Cusco Region, Peru* dated July 5, 2023 posted on the Company’s SEDAR+ profile). Khaleesi sits on a parallel porphyry and skarn belt approximately 8km to the west of Montana de Cobre.

Khaleesi hosts outcropping skarn and porphyry style copper-gold mineralization with proximal high-grade polymetallic epithermal veins and the mineralization is in a similar geological setting to the nearby major mining operations at Las Bambas (MMG), Constancia and Pampacancha (Hudbay) and Antapaccay (Glencore) located less than 45km away within the same district. The Ferrobamba Formation is an important host for copper-gold mineralization due to its highly reactive nature to hydrothermal fluids.



MAIDEN RESOURCE - Montaña de Cobre Zone (1)

Mineral Resource Category	Tonnes (Kt)	Copper Grade (%)	Gold Grade (g/t)	Contained Copper (M lbs)	Contained Gold (K oz)	Total Tonnes in Conceptual Pit
Measured	28,636	0.60	0.24	380.0	218.2	
Indicated	23,304	0.37	0.15	189.1	108.6	
Measured & Indicated	**51,940**	**0.50**	**0.20**	**569.1**	**326.8**	**97,057**
Inferred	4,005	0.32	0.11	28.3	14.6	

Figure 2 – The Company's 300 sq. km mineral concession package showing two parallel mineralized copper-gold skarn-porphyry belts and the locations of the Montana de Cobre mineral resource and the Khaleesi project.

On October 22, 2024, the Company announced the results of a partially completed surface mapping and sampling program on its Khaleesi project. Highlights of this program include:

- Approximately 50% of surface mapping was completed with pervasive prograde magnetite skarn and retrograde garnet-diopside skarns identified over a 1,200m by 500m area (Figure 3).
- Skarn locally contains strong hypogene (chalcopyrite-bornite) and supergene (chrysocolla, malachite, azurite) mineralization.
    - Rock chips define anomalous copper zone 600m by 600m.
    - Rock chips assayed up to 2.82% copper, 6.0 g/t gold, 57.7 g/t silver and 284ppm molybdenum (Figure 4).
- Stockwork and sheeted quartz veins mapped over 600m by 300m area, cutting through marbleized limestone of the Ferrobamba Formation – a highly favourable rock unit in the district, as it acts as a "sponge" to hydrothermal fluids.
    - Elevated molybdenum and arsenic geochemistry in rock chip samples from the marble suggest potential for a porphyry system beneath the marbleized limestone.
- Rafts of magnetite and garnet skarn occur within marbleized limestone.
- Copper dominated epithermal veins containing bornite-chalcopyrite outcrop inconsistently for +2km, transitioning distally to galena-sphalerite rich (lead, zinc, silver) veins in the northwest.

- Grid soil geochemical sampling, Induced Polarization and ground magnetic geophysical surveys will be carried out to advance the copper-gold targets to drill status.

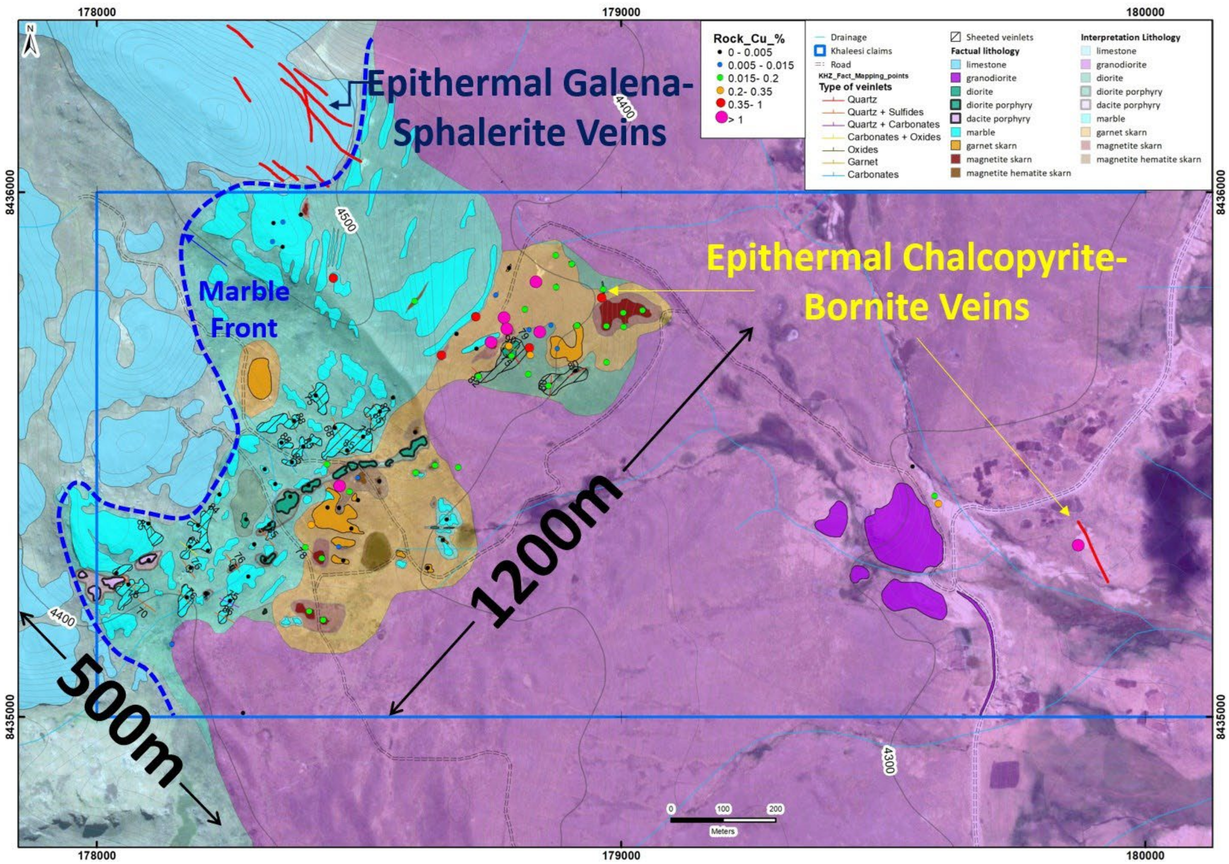


Figure 3 – Khaleesi map showing pervasive magnetite and garnet-diopside skarn alteration near to an intrusive diorite containing porphyry-style B-veins. Also showing copper in rock chip geochemistry.

Figure 4 – (Top Left) Garnet skarn with copper oxides, Rock sample P017010 assayed 2.82% copper; (Top Right) Garnet-magnetite skarn with copper sulphides and oxides, Rock sample P017020 assayed 1.11% copper and 0.19g/t gold; (Bottom Left) magnetite skarn, Rock sample P017021 assayed 1.13% copper and 0.17g/t gold; (Bottom Right) Quartz boxwork vein with goethite and hematite, a cutting marbleized limestone of the Ferrobamba Formation, rock sample P017045 assayed 2.55g/t gold, 19.3ppm molybdenum and 264ppm arsenic.

The undrilled Khaleesi project is a high priority target due to the size of the footprint and its proximity to major producing mines. With a surface access agreement in place with the Cancahuani Community, the Company plans to complete surface mapping and sampling over the 2,000 hectare Khaleesi project area. The Company is also planning to undertake soil sampling, Induced Polarization and ground magnetic geophysical surveys over the main project area. These programs should provide essential data prior to drilling and will run concurrently with drill permitting, which is advancing and considered prescriptive now that a surface access agreement is in place.

Exploration and Evaluation Expenditures

During the year ended August 31, 2024, a total of $1,072,200 was capitalized to the Jasperoide project related to exploration and evaluation costs. Components of total costs capitalized comprised: $217,360 related to licence acquisition and renewal fees; $40,570 related to cash payments for the La Bruja option agreement; $340,505 relating to geology and general field costs; $54,900 of drilling related costs; $59,053 related to environmental costs; $277,400 related to community and social development; $22,911 related to health and safety costs; and, $59,501 related to Peruvian IVA tax on these expenditures. As at August 31, 2024, the carrying value of the Jasperoide Project was $35,308,039 (August 31, 2023 - $34,975,849).

JAMAICA

In Jamaica, the Company has 100% ownership of Special Exclusive Prospecting Licences ("SEPL") covering 17,855 hectares, including Bellas Gate, Browns Hall, Hungry Gully, Arthurs Seat, and a 50% interest in 9,870 hectares related to the Super Block project. The Bellas Gate project is comprised of the Bellas Gate and Browns Hall licences and is subject to two NSR royalties, including a 2% NSR royalty in favour of OZ Minerals Ltd. which provides a partial buyback right and a total payment cap, and a 2% NSR royalty in favour of Clarendon Consolidated Minerals Ltd. The Arthurs Seat licence is subject to a 1% NSR royalty in favour of OZ Minerals Ltd. with a partial buyback right. The Hungry Gully licence is wholly-owned and the licences making up the Super Block are owned 50% by the Company.

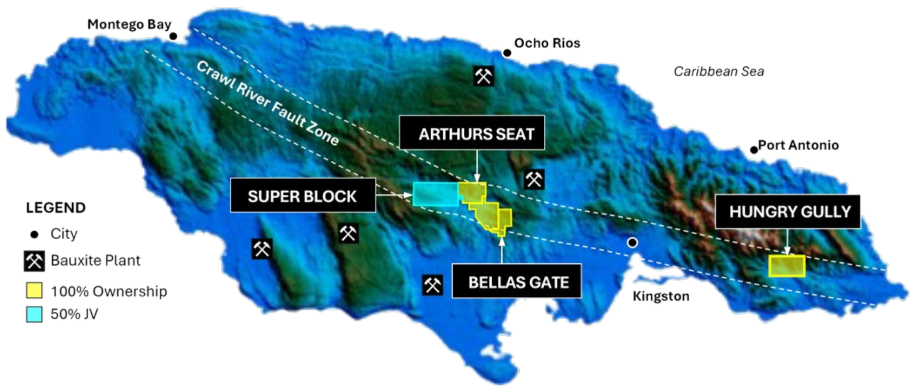


Figure 5 – C3 Metals' mineral properties in Jamaica

The Company also held a 1% NSR royalty on its previously owned Berkshire Hall, Mount Ogle, Shirley Castle and Windsor Castle licences that were sold to Geophysx in 2019. Under the terms of that agreement, Geophysx had the right to buy down 50% (representing 0.5%) of the NSR royalty for US$50,000 per each 0.1% of the NSR royalty (total of US$250,000) and the balance of the NSR royalty for US$70,000 per each 0.1% of the NSR royalty (total of US$350,000). Additional consideration from Geophysx for the purchase of these properties includes future cash payments to the Company at milestones following commencement of commercial production that could total US$240,000.

On August 29, 2023, the Company entered into a Royalty Purchase Agreement with an affiliated company of Geophysx, pursuant to which the Company agreed to sell and transfer all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the above purchase agreement with Geophysx dated June 19, 2019 for cash consideration of $1,625,940 (US$1,200,000). The transaction closed on August 31, 2023 with the cash consideration received on this date. The Company has no continuing interest in the licences related to this purchase agreement.

2023 Drilling Highlights

During 2023, the Company completed over 9,300 metres of drilling at its 100% owned copper-gold projects in Jamaica. Exploration work in 2023 confirmed 16 porphyry, 40 epithermal copper-gold prospects and multiple volcanic redbed copper prospects along a 30km strike extent (Figure 6). Drill holes completed during 2023 highlight significant porphyry potential that remains open at depth and along strike. The 2023 drilling campaign confirmed a cluster of high level, uneroded porphyry systems and associated fully preserved epithermal base and precious metal veins (low, intermediate, and high sulphidation). Drillhole assays have confirmed a significant potential for a meaningful copper-gold porphyry discovery in this highly prospective, yet significantly underexplored porphyry-epithermal belt.

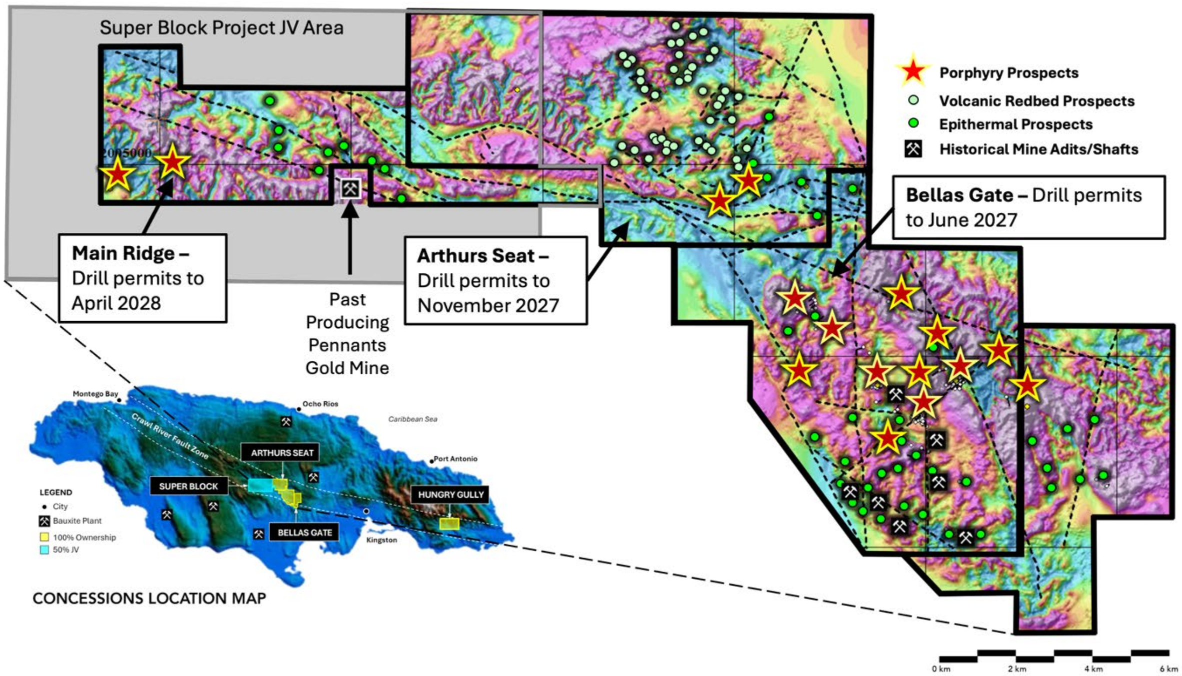


Figure 6 – Project location map showing C3 Metals' tenement map and the 16 copper-gold porphyry and 40 epithermal prospects confirmed along a 30km strike extent.

2024 Exploration

To date, the 2024 Jamaica drill program has largely focused on the Bellas Gate project where two district scale porphyry copper-gold and epithermal copper-gold-silver vein corridors extend over 10km of strike extent.

A cluster of copper-gold mineralized porphyries has been identified associated with a 4km zone of strong porphyry alteration mapped at surface. Drilling has been focused on progressively stepping out along strike to determine the potential for continuous copper-gold mineralization in this highly prospective zone.

Work is also planned to further develop other priority copper-gold prospects, which include (Figure 7):

- **Coffee** - Magnetic anomaly and coincident 2.5km by 2.5km copper-in-soil anomaly;
- **Pleasant Hill** - Magnetic and induced polarization (IP) anomalies and coincident 700m by 600m copper-in-soil anomaly;
- **Cocoa Ridge** - Magnetic anomaly and coincident 900m by 500m copper-in-soil anomaly;
- **Stamford Hill – Charing Cross** epithermal field - Spanish and British historical adits and shafts exploited multiple high-grade copper-gold-silver epithermal veins up to 10m wide; and,

* **Arthurs Seat**- an untested porphyry target. Discrete magnetic anomaly over a high tenor 1,200m by 800m copper in soil anomaly.

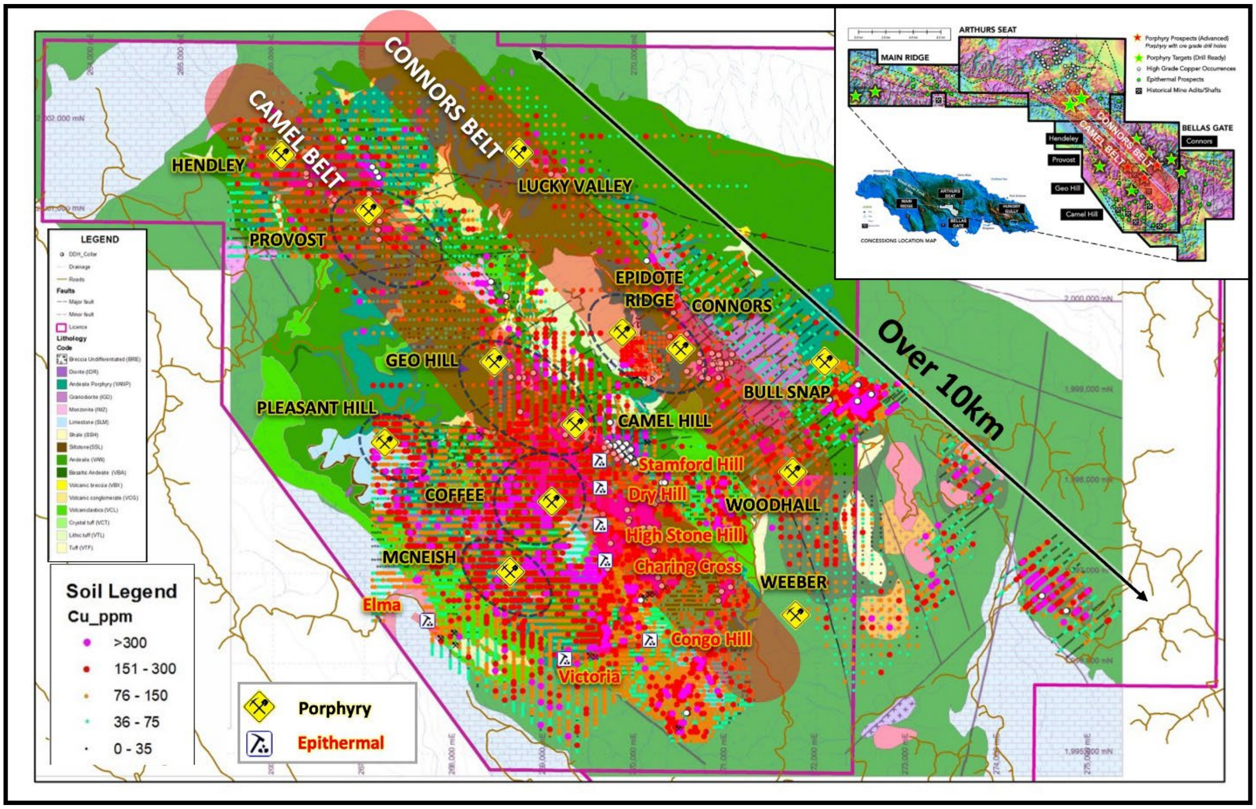


Figure 7 – Map of Bellas Gate showing copper-in-soil geochemistry and two major structural corridors.

Bellas Gate

During August 2023, two drill rigs were mobilized to Jamaica to commence follow up drilling at the Bellas Gate copper-gold project in Jamaica, focused initially on the Camel Belt. BC Diamond Drilling ("BCDD") were contracted for a minimum of 6,000 metres of diamond drilling using a drill rig with a depth capacity of greater than 1,000 metres, and C3 Metals' owned man-portable rig had drilled over 3,000m, testing near surface porphyry and epithermal prospects to a nominal vertical depth of approximately 500 metres.

On September 25, 2023, the Company announced assays from the first two holes of the 8,500m drill program. The holes were drilled at the northwestern area along the Camel Belt, at the Provost Prospect and drilling highlights included:

* Longest interval of copper-gold mineralization ever intersected at the Bellas Gate project.
* 390.7m at 0.37% copper and 0.19 g/t gold from 64.1m, including 279.5m at 0.43% copper and 0.24 g/t gold intersected in drill hole PVT0900-002.
* PVT0900-002 terminated in highly altered diorite and andesite cut by pyrite – magnetite ± chalcopyrite ± molybdenite in veins, with an intense anhydrite overprint.
* Multi-phase system with porphyry style alteration and mineralization overprinted or telescoped by intermediate and high-sulphidation epithermal copper-gold mineralization.

On October 4, 2023, the Company announced assays received for the first drill hole of the 2023 program at the Camel Hill copper-gold porphyry prospect, approximately 4km southeast from the Provost porphyry. Drilling highlights included:

- CMH8350-001 assayed 207.8m at 0.43% copper and 0.20 g/t gold from 22.0m, including 135.0m at 0.52% copper and 0.27 g/t gold.
- Lower half of the CMH8350-001 intersected strongly altered diorite porphyry with pyrite-rich (5-15%) quartz stockwork veining.
- Diatreme breccia with vuggy residual quartz fragments indicates preserved high-sulphidation alteration and mineralized system at depth.

On October 11, 2023, the Company reported assays for PVT0900-003, the third hole completed on the Provost porphyry target. PVT0900-003 (418.6m) terminated 150m short of target depth due to drilling difficulties in a fault zone, highlights include:

- PVT0900-003 intersected 112m at 0.35% copper and 0.13 g/t gold from 305.8m.
- The last 1.1m of the hole ended in high-grade epithermal style mineralization grading 1.27% copper and 4,090 g/t silver.
- This hole extended known copper-gold mineralization at Provost by 150m to the northwest.

On November 27, 2023, the Company reported assays from two additional holes drilled at the Provost porphyry target. Drilling highlights included:

- PVT0825-001 (596.7m) intersected 280.7m at 0.37% copper and 0.21 g/t gold from 227.0m, including 61.7m at 0.50% copper and 0.39 g/t gold from 446.0m (Figure 4).
- Bornite and hypogene chalcocite mineralization, as well as potassic alteration, were confirmed at approximately 500m depth.
- The presence of bornite mineralization and potassic alteration corresponded with a spike in grades to 1.14% copper and 1.19 g/t gold over a 2.5m interval.

On May 15, 2024, the Company reported assays from a hole at the Connors porphyry target. Drilling highlights included:

- CON9325-002 intersected 79.0m at 0.71% copper and 0.49 g/t gold (1.06% CuEq) from 128.0m, including 46.0m at 0.95% copper and 0.69 g/t gold (1.45% CuEq).
- CON9325-002 was collared at the Connors copper-gold porphyry prospect at the Bellas Gate project. It was designed to test below drill hole CON9325-001, which intersected 309.0m at 0.44% copper and 0.33 g/t gold (0.67% CuEq1) from 15m (see press release dated September 12, 2022).

On June 5, 2024, the Company reported assays from an additional hole drilled at the Camel Hill copper-gold porphyry prospect. Drilling highlights include:

- CMH8390-001 assayed 294m at 0.30% copper and 0.13 g/t gold (0.39% CuEq1) from surface. After going through a barren dyke, the hole resumed in mineralization and terminated in 0.36% copper at 600m.

- CMH8390-001 confirms strongly altered diorite porphyry with chalcopyrite-rich quartz stockwork veining.
- Two additional holes (GOH9075-001 and GOH9075-002) drilled at Geo Hill approximately 1.2km north-northwest of CMH8390-001 intersected low to moderate grade copper-gold mineralization over broad intervals.
- Geo Hill and Camel Hill appear to be spatially and genetically associated and represent a large porphyry complex that has only been partially drill tested.

Exploration and Evaluation Expenditures

During the year ended August 31, 2024, a total of $6,000,404 was capitalized to the Bellas Gate project related to exploration and evaluation costs. Components of total costs capitalized comprised: $199 related to licence renewal fees; $1,308,743 related to geology and general field costs; $4,394,556 related to drilling and drill core assay; $41,742 related to environmental costs; $199,817 related to community and social development; and, $55,347 related to health and safety costs. As at August 31, 2024, the carrying value of the Bellas Gate project was $17,497,921 (August 31, 2023 - $11,637,635).

Super Block

On February 24, 2024, the Company entered into a joint arrangement with Geophysx for the exploration and development of the Super Block project. The Super Block project will combine Geophysx's SEPLs covering the past producing Pennants Mine and surrounding areas with the Company's Main Ridge SEPL and a portion of its Arthurs Seat. This joint arrangement is structured as a joint operation, whereby the Participants share control and have rights to the assets and obligations for the liabilities of the arrangement.

The Company and Geophysx have agreed to share the costs and any future revenues associated with the exploration and development activities relative to each Participant's participating interest, which is initially a 50% participating interest for each of the Participants. If a Participant fails to contribute their share of funding, their participating interest will be diluted on a proportionate basis. In the case that either Participant is diluted to a 5% interest, such interest will be converted to a 3% NSR royalty on the Super Block project of which 2% can be repurchased for US$2,000,000.

A Management Committee has been established and is responsible for determining the overall policies, objectives, procedures, methods, and actions under the Agreement. Each Participant has elected two members to the Management Committee, and the voting power of the members is proportionate to their respective participating interests. For a decision to be made, a majority vote is required.

The Company is the operator of the Super Block project and will conduct all exploration and evaluation activities, as well as be responsible for proposing annual work plans and budgets to be approved by the Management Committee. The Company will receive a 5% operator administrative fee up until such time that a production decision is made on the Super Block project, which is offset against office, general, and administrative expense.

On close of the Agreement, the Company transferred the carrying value of the Main Ridge SEPL and the relevant portion of the Arthurs Seat SEPL, with a combined carrying value of $1,446,725, to the Super Block project within exploration and evaluation assets. Subsequent to the initial contribution of the SEPLs to the joint arrangement, the Company's share of the assets, liabilities, revenues, and expenses related to the joint arrangement will be included in the consolidated financial statements on a proportionate basis.

As part of the conditions subsequent to closing, both Participants are required to receive approval for the subdivision of their existing SEPLs by the Jamaican Ministry of Agriculture, Fisheries and Mining in order to form the new Super Block SEPLs. On August 29, 2024, GP C3 JV Limited was incorporated to hold the Super Block SEPLs in trust with each Participant to hold 50% of its common shares. As at the date of this MD&A, the new Super Block SEPLs have been issued by the Jamaican governmental authority. Additionally, the Company anticipates receiving its shares in GP C3 JV Limited during December 2024. Once received, the Super Block SEPLs will be transferred to GP C3 JV Limited, which will satisfy the conditions subsequent. Currently, these matters must be completed by January 31, 2025 or the Agreement may be subject to early termination. However, the Participants can mutually agree to extend this deadline if needed to complete the conditions subsequent.

Exploration and Evaluation Expenditures

During the year ended August 31, 2024, a total of $1,687,538 was capitalized to the Super Block project related to exploration and evaluation costs. Components of total costs capitalized comprised: A value of $1,446,725 related the combined carrying value of the Main Ridge SEPL and the portion of the Arthurs Seat SEPL contributed to the Super Block project; $53 related to licence acquisition and renewal fees; $155,481 related to geology and general field costs; $58,288 related to drilling and drill core assay; $9,427 related to environmental costs; $15,283 related to community and social development; and, $2,281 related to health and safety costs. As at August 31, 2024, the carrying value of the Super Block project was $1,686,153 (August 31, 2023 - $nil).

Other Jamaican Licences

Exploration and Evaluation Expenditures

During the year ended August 31, 2024, a total of $297,538 was capitalized to the other Jamaican licences related to exploration and evaluation costs and a value of $1,446,725 was transferred to the Super Block project. Components of total costs capitalized comprised: $414 related to licence renewal fees; $196,554 relating to geology and general field costs; $78,137 of drilling related costs; $5,662 related to environmental costs; $12,043 related to community and social development; and, $4,728 related to health and safety costs. As at August 31, 2024, the carrying value of the other Jamaican licences was $3,736,583 (August 31, 2023 - $4,913,188).

SELECTED ANNUAL INFORMATION

The following table contains selected interim financial information for the fiscal years ended August 31, 2024, 2023 and 2022.

	Year ended August 31, 2024 $	Year ended August 31, 2023 $	Year ended August 31, 2022 $
Revenue	Nil	Nil	Nil
Total expenses	(2,334,389)	(2,505,714)	(3,582,271)
Total other income (expenses)	41,798	1,578,442	(236,690)
Net loss for the year	(2,292,591)	(927,272)	(3,818,961)
Basic and diluted loss per common share	(0.04)	(0.02)	(0.09)
Cash dividend per common share	Nil	Nil	Nil

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Total Expenses

For the year ended August 31, 2024, total expenses were $2,334,389 and were comprised of: $612,664 related to promotion and investor relations; $70,735 related to regulatory authority and transfer agent fees; $225,714 with respect to professional fees for legal, accounting and audit services; $1,267,550 with respect to office, general and administrative costs; and, $157,726 with respect to non-cash share based compensation expense related to stock options.

Total expenses, before other income and expenses were lower by $171,325 during fiscal 2024 when compared to fiscal 2023. Promotion and investor relations costs were higher by $93,756. Higher costs were incurred related to promotional campaigns to increase investor awareness and attendance at investor conferences and roadshows (including related travel), and higher fees were paid to investor relations contractors. Regulatory and transfer agent fees were higher by $6,399 related to fees paid to the Company's transfer agent in relation to the share consolidation. Professional fee expenses were higher by $66,281 related to auditor fees for the review of the interim financial statements and legal fees incurred in connection with the Agreement with Geophysx. Office, general and administrative costs were lower by $63,011 primarily related to a headcount reduction at the Company's Peruvian subsidiary, lower rental costs for the Company's head office and a fee received offset against general and administrative costs for the Company's role as operator in accordance with the Agreement with Geophysx. Share based compensation expenses were lower by $274,750 in fiscal 2024 compared to fiscal 2023. The share based compensation expense relates to non-cash charges for stock options that were granted in August 2023.

Other expenses and income

Other expenses and income during the year ended August 31, 2024 totaled a net income of $41,798. Interest income earned on cash balances for the year ended was $134,990. A loss on the fair value of

Cascade Copper Corp. marketable securities of $21,875 was recorded. A foreign exchange loss of $71,317 related to the revaluation of cash held in United States dollars, was also recorded.

Net Loss and Loss per Common Share

For the year ended August 31, 2024, net loss was $2,292,591 (fiscal 2023 – $927,272). Basic and diluted loss per common share was $0.04 (fiscal 2023 – $0.02). As the Company incurred a net loss for each of these periods, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the periods presented.

Other Comprehensive Loss (Income)

Upon consolidation, the financial statements of the Jamaican subsidiaries (CRJL and RJL) and Peruvian subsidiaries (C3 Peru and Molino) are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the period. All resulting foreign exchange translation adjustments are recognized in other comprehensive loss (income). During the year ended August 31, 2024, a foreign currency translation loss of $973,108 (fiscal 2023 – gain of $1,771,398) was recorded in other comprehensive income / loss.

SUMMARY OF INTERIM FINANCIAL INFORMATION AND FOURTH QUARTER EVENTS

The following table contains select financial information for each of the Company's eight most recently completed quarters.

	Fiscal 2024				Fiscal 2023			
	Q1	**Q2**	**Q3**	**Q4**	**Q1**	**Q2**	**Q3**	**Q4**
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses								
Promotion and investor relations	226,983	102,137	208,460	75,084	250,367	145,895	52,696	69,950
Regulatory	14,483	27,246	16,306	12,700	13,774	17,458	17,091	16,013
Professional fees	58,314	67,300	67,309	32,791	29,796	48,873	41,615	39,149
Office, general and administrative	310,142	362,829	315,925	278,654	350,142	365,482	327,185	287,752
Share based compensation	42,533	42,533	43,000	29,660	116,565	116,565	108,342	91,004
Other expenses (income) total	12,429	(5,213)	(37,238)	(11,776)	61,794	(19,880)	(771)	(1,619,585)
Net loss (income)	**664,884**	**596,832**	**613,762**	**417,113**	**822,438**	**674,393**	**546,158**	**(1,115,717)**
Income (loss) per common share	(0.01)	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	0.02

Overall, promotion and investor relation expenses were higher during fiscal 2024 compared to fiscal 2023. Higher costs were incurred during fiscal 2024 related to promotional campaigns to increase investor awareness, attendance at investor conferences and roadshows (including related travel), and higher fees were paid to investor relations contractors. Regulatory fees were higher in the second quarter related to fees paid to the Company's transfer agent in relation to the share consolidation. With the exception of the fourth quarter, professional fees were higher related to auditor fees for the review of the interim financial statements and legal fees incurred in relation to the Agreement with Geophysx. Office, general and administrative costs were lower related to a headcount reduction at the Company's Peruvian subsidiary, lower rental costs for the Company's head office and a fee received offset against general and administrative costs for the Company's role as operator in accordance with the Agreement with Geophysx. Share based compensation includes expenses recorded related to stock options that were granted in August 2023 with a one year vesting period.

Other income and expenses during fiscal 2024 were lower by $1,536,644 related to a gain on sale of an NSR royalty to Geophysx of $1,625,940 during the fourth quarter of fiscal 2023. The total loss on marketable securities amounted to $21,875 relating to the revaluation of the Cascade Copper Corp. common shares held during fiscal 2024. It also includes interest income on cash balances of $134,990 that was evenly distributed across the quarters and a foreign exchange loss of $71,317 with a significant portion of this loss being recorded in the first and second quarter of fiscal 2024.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2024, the Company held cash and cash equivalents of $1,521,374 (August 31, 2023 – $2,832,823) and had working capital of $1,354,037 (August 31, 2023 – $2,646,854). The Company has financed its operations primarily with equity financing.

Subsequent to year end, on October 9, 2024, the Company closed a non-brokered private placement of 14,999,999 common shares at a price of $0.30 per common share for gross proceeds of $4,500,000.

Given the Company's plans for significant exploration expenditures on its projects during fiscal 2025, the Company will require additional funding to be able to acquire, advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; the generation of profits from operations; or, the sale of property assets in the future.

Financing Activity During Fiscal 2024

On November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of $0.91 per common share for gross proceeds of $8,050,000. In connection with the private placement, the Company paid eligible finders cash commissions of $42,600 and an advisory fee of $107,100.

Financing Activity During Fiscal 2023

On April 21 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common shares at a price of $0.65 per common share for gross proceeds of $5,000,000. In connection with this financing, the Company paid certain eligible finders cash commissions of $93,900.

At August 31, 2021, the Company had a balance of 113,100 common shares of Tocvan received under the terms of the option agreement for the Rogers Creek, BC project. During September 2021, the Company received 500,000 additional Tocvan common shares in connection with its sale of the Rogers Creek project to Tocvan. During April 2022, the Company sold 30,000 shares realizing proceeds of $26,970. During November and December 2022, the Company sold the remaining 583,100 shares realizing proceeds of $271,211. As at August 31, 2023, the Company had no remaining investment in the common shares of Tocvan.

Contractual Obligations

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments. Any commitments under exploration option agreements or joint arrangement agreements are cancellable at the Company's option but would result in forfeiture of rights under such agreements.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, broker warrants, stock options, restricted share units and deferred share units as at December 5, 2024, August 31, 2024 and August 31, 2023 is as follows:

	December 5, 2024	August 31, 2024	August 31, 2023
Common shares	76,884,801	61,884,802	53,038,655
Broker warrants	-	-	462,771
Stock options	3,510,748	3,510,748	3,927,666
Restricted share units (RSUs)	156,643	156,643	156,643
Deferred share units (DSUs)	15,117	15,117	15,117
Fully diluted shares outstanding	80,567,309	65,567,310	57,600,852

On October 9, 2024, the Company closed a non-brokered private placement of 14,999,999 common shares at a price of $0.30 per common share for gross proceeds of $4,500,000.

During the year ended August 31, 2024, a total of 349,997 stock options with an exercise price of $1.04 expired and a total of 66,921 stock options with exercise prices of $0.65 and $1.04 were forfeited.

On November 1, 2023, the Company announced that the board of directors had approved the Share Consolidation on the basis of one post-consolidation share for every thirteen pre-consolidation shares. The Share Consolidation became effective at market open on December 19, 2023 and resulted in 804,504,235 pre-consolidation shares being consolidated to 61,884,802 post-consolidation shares. The exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in this MD&A have been retroactively adjusted to reflect the Share Consolidation.

On November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of $0.91 per common share for gross proceeds of $8,050,000.

On November 9, 2023, a total of 462,771 broker warrants exercisable for common shares at $2.47 per share expired.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted deposits, marketable securities, accounts payable and accrued liabilities. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, price risk, currency risk and interest rate risk are disclosed in note 14 to the consolidated financial statements for the years ended August 31, 2024 and 2023.

RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of CEO, CFO, Vice President, and Director. Compensation awarded to key management is set out in note 13 to the consolidated financial statements for the years ended August 31, 2024 and, 2023

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of equity instruments including warrants, broker warrants and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 3 to the consolidated financial statements for the years ended August 31, 2024 and 2023.

NEW AND REVISED ACCOUNTING STANDARDS

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (Committee) that are mandatory for accounting years beginning on or after January 1, 2023. The Company adopted these amendments for the first time for its annual reporting period commencing September 1, 2023. Apart from the summary below, these pronouncements did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Certain other pronouncements were issued by the IASB or the Committee that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

New IFRS Accounting Standard - IFRS 18: Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued a new standard – IFRS 18: *Presentation and Disclosure in Financial Statements* with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: 1) the structure of the statement of profit or loss; 2) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and 3) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; however, many of the other existing principles in IAS 1 are retained with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027. Retrospective application is required and early application is permitted. The Company has not yet adopted IFRS 18 and is currently assessing the effect of this new standard on the consolidated financial statements.

The following pronouncements have been adopted during the year ended August 31, 2024:

Amendments to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements

The IASB amended IAS 1: *Presentation of Financial Statements* to require entities to disclose their material rather than their significant accounting policies. The amendments define 'material accounting policy information' as information that, when considered together with other information included in an entity's financial statements, can reasonably be expected to influence the decisions that primary users of general purpose financial statements make on the basis of those financial statements. It also explains how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The amendment to IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. The following factors should be considered.

Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits, with the discovery of copper and gold deposits being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that the deposit can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over a significant period of time with which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, the current wars in Ukraine and the Middle East, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects.

Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company has not been subject to any adverse consequences of such developments to date. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has taken reasonable measures to ensure proper title to its property mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities. The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Given the Company remains in the exploration stage its exposure to environmental risks is considered to be limited. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Foreign Political Risk

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations, taxation and changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

Repatriation of Earnings

There is no assurance that any countries, other than Canada, in which the Company carries on business or may carry on business in the future, will not impose restrictions on the repatriation of earnings to foreign entities.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface landowners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Company’s business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt Company's business functions, including Company's exploration activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Company may rely on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data could, among other potential impacts, result in: (i) expensive remediation efforts; (ii) distraction of management; (iii) damage to the Company's reputation or its relationship with customers, vendors, employees and joint venture partners; or (iv) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the Company’s ability to conduct exploration programs at its projects and could affect the cost of any future mine development or production and could adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations.

Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in the natural resources industry could harm the reputation of the Company.

CORPORATE INFORMATION

Officers and Directors

- Dan Symons, BA (Hons.) – Chief Executive Officer, President and Director
- John McNeice, B. Comm. (Hons.), CA, CPA – Chief Financial Officer
- Stephen Hughes, B.Sc. (Hons.), APGNS (P. Geo.), FSEG – Vice President, Exploration and Director
- Antony Manini, B.Sc., FAusIMM, FSEG – Director and Chairman of the Board
- Kimberly Ann Arntson – Director
- Zimi Meka, B. Eng. (Mech) Hons., FAusIMM, MAICD, FIEAust – Director
- Fernando Pickmann, LLM – Director
- Yale Simpson, BApSc. – Director

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Independent Auditor
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Corporate Legal Counsel
Irwin Lowy LLP, Toronto, Canada