



(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis
For the three months ended March 31, 2023

Dated: May 11, 2023

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2023 (In Canadian dollars, unless otherwise noted)

1. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2023, AND THE PERIOD UP TO MAY 11, 2023

- On February 22, 2023, the Company closed the first tranche of its non-brokered private placement. The Company issued 8,950,119 common shares at a price of \$0.30 per common share for gross proceeds of \$2,685,036 including shares to settle the SAFE financial liability that was held as at December 31, 2022, but is now extinguished. Further, on May 5, 2023, the Company closed the second tranche of this private placement, issuing 1,335,000 common shares at a price of \$0.30 per common share for gross proceeds of \$400,500.

Participation in the placement by insiders of the Company totals 916,666 common shares for gross proceeds of \$275,000.

- On January 27, 2023, the Company announced that it had received an effective two-year extension of its environmental approval, the Declaración de Impacto Ambiental ("DIA"), until February 4, 2025, from the Peruvian Ministry of Energy and Mines for its Sombrero copper-gold project ("Sombrero project") in southern Peru. The DIA covers an area of 973.76 hectares and allows the Company to drill up to 48 holes from 38 platforms on the Ccasccabamba Sombrero Main target area, where Coppernico has completed the majority of its work to date within the total 130,000-hectare land package.
- On January 27, 2023, Coppernico announced it has expanded its business plan to become a multi-jurisdictional, international exploration company, currently evaluating additional exploration opportunities in the Americas in an effort to capitalize on highly underexplored regions of prospective, large-scale discovery opportunities ahead of the improving commodity markets. To that end, the Company began focusing its efforts on its Sombrero project and other new exploration opportunities; and had consequently relinquished the option agreement on its Takana district claims.
- On January 27, 2023, Coppernico announced the appointment of Christian Rios to Senior Vice President ("SVP") of Corporate Development from his former role as the SVP of Operations in Peru. Mr. Rios is a professional geologist (P.Geo.) with over twenty years of experience in exploration, mining development, and operations, specializing in Peru. The Company also announced that Michael Henrichsen, Chief Geological Officer, resigned from his role and will remain a consultant to Coppernico.

< Refer to the section 2.1 for cautionary wording concerning forward-looking statements >

2. DATE AND FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") of Coppernico has been prepared by management to assist the reader to assess material changes in the condensed consolidated interim financial statements and results of operations of the Company as at March 31, 2023, and for the three-month period then ended.

This MD&A should be read in conjunction with the condensed consolidated interim financial statements of the Company and related notes thereto as at and for the three months ended March 31, 2023 (the "financial statements"). All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is May 11, 2023.

2.1 Forward-looking statements and risk factors

Certain statements made in this MD&A contain forward-looking information within the meaning of applicable Canadian and United States securities laws ("forward-looking statements"). These forward-looking statements are presented for the purpose of assisting the Company's shareholders and prospective investors in understanding management's intentions and views regarding future outcomes and are inherently uncertain and should not be heavily relied upon. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, identify such forward-looking statements. Specific forward-looking statements in this MD&A may include, but are not limited to: the Company's ability to execute on its exploration and financing plans, the likelihood of discovering resources; the potential for access to and exploration of the Company's projects, permitting timelines; government regulation of mining operations; environmental and climate-related risks; the possible impairment of mining interests; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of

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estimated exploration expenditures and capital raises for the Company; the liquidity of the common shares in the capital of the Company and other events or conditions that may occur in the future; the Company's intention to grow its business and its operations; the Company's competitive position; changes to government regulation, in particular Peruvian; and the impact of the COVID-19 pandemic on the Company's operations and the economy generally.

The forward-looking statements contained in this MD&A represent the Company's views as of the date hereof. The assumptions related to these plans, estimates, projections, beliefs and opinions may change without notice and in unanticipated ways. Many assumptions may prove to be incorrect, including the Company's budgeting plans, expected costs, assumptions regarding market conditions and other factors upon which the Company has based its expenditure and funding expectations; the Company's ability to obtain or renew the licenses and permits necessary for exploration; that operations and financial markets will not in the long term be adversely impacted by the COVID-19 pandemic; the Company's ability to complete and successfully integrate acquisitions; the possible effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues; the Company's expectations regarding the future demand for, and supply and price of, precious metals; the Company's ability to recruit and retain qualified personnel; the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals.

Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or accurately predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially and adversely from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A include, but are not limited to: risks in investigating, optioning or otherwise acquiring interests in mineral projects of merit followed by the high risk of exploration failure, risks in our ability to secure governmental permits and a social license to explore the projects, risks that the financial markets will lose their appetite to finance junior resources issuers; fluctuations in the current and projected prices for precious and base metals; technical risks and hazards associated with the mineral exploration including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding; the uncertainty in the process of estimation and valuation of any mineral resources that may be discovered, changes in tax, title and mining laws and regulations impacting exploration activities; the risk of the Company's mineral properties being subject to unknown prior unregistered agreements, transfers or claims and other defects in title; general opposition to mining activities and attendant legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's limited business history and history of losses and negative cash flow, which will continue into the foreseeable future; our inability to pay dividends, the continued involvement of our key management team and our ability to secure the specialized skill and knowledge necessary to operate in the mining industry; our ability to ultimately meet the listing criteria of a recognized stock exchange upon which may delay or negate any intention to application to list the Company's shares; relations with and potential demands and claims by local communities and non-governmental organizations, including indigenous populations and affected local communities with whom we are required to pursue local community surface access agreements in order to explore; the expenses and other requirements of being a public company; risks associated with the significant resources required to maintain regulatory compliance as a public company; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; risks relating to the Company's public perception; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic and other uninsurable risks. While we have sought to provide a list of the principal risks, these are the known risks and hence cannot be This is not an exhaustive list of the risks and other factors that may affect any of the Company's forward-looking statements as there are likely also unknown risks. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's website at www.coppernicometals.com. These documents are for supplemental information purposes only and not incorporated by reference in this MD&A.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

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3. DESCRIPTION OF THE BUSINESS

The Company is assembling a world-class exploration portfolio in the Americas and is seeking to create significant value for its shareholders through exploration and potential discovery. The Company is currently focused on its flagship Sombrero project in southern Peru and is reviewing additional premium projects in the Americas. The Company is an unlisted reporting issuer in British Columbia, Alberta and Ontario. Management is targeting to apply for listing on the Toronto Stock Exchange ("TSX") in 2023 and has initiated this process.

As at the date of this MD&A, the corporate organization structure includes: one wholly owned subsidiary in Peru, Sombrero Minerales S.A.C; a 50% owned Peruvian service company, Universal Mineral Services Peru S.A.C. ("UMS Peru"); and a 25% owned Canadian service company, Universal Mineral Services Ltd. ("UMS Canada"). The arrangements that support the investment in UMS Canada and UMS Peru are described in Note 4 to the financial statements.

The Company's primary asset is the Sombrero copper-gold district located in southern Peru. The Sombrero district (including the Sombrero project plus ancillary concessions) covers approximately 130,000 hectares in which it holds direct and indirect interest through a combination of staking and option agreements.

3.1 Climate related risks

The Company acknowledges the impact that climate change may have on its ability to travel to the communities and perform onsite work where permitted. Significant rainfall events are known to occur, but no such events occurred to date in 2023.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended March 31, 2023, and 2022 (Q1 2023 vs. Q1 2022)

During the three months ended March 31, 2023, the Company reported a loss of \$1,038,733 compared to a loss of \$755,190 for the same period in 2022. Significant variances within operating expenses and other expenses resulted in a combined \$283,543 increase in the current period's loss, and are discussed as follows:

- Project investigation costs in Q1 2023 increased to \$226,928 from \$26,508 in Q1 2022 due to increased activity by the Company in evaluating additional premium projects in the Americas as the Company moves to diversify and enhance its portfolio. This cost primarily relates to the increased personnel cost relating to project reviews, including the recruitment of Tim Kingsley as VP Exploration in March 2022, and the Q1 2023 accrual of the 2022 bonus costs relating to project investigation staff which were awarded post year-end.
- Fees, salaries and other employee benefits increased to \$277,715 from \$198,388 in Q1 2022, due to increased administrative support required with the increase in project investigation activities.

4.2 Summary of quarterly results

Three months ended	Loss for the period	Comprehensive loss	Loss per share
March 31, 2023	\$ 1,038,733	\$ 1,042,480	\$ 0.01
December 31, 2022	1,008,508	1,081,427	0.01
September 30, 2022	979,944	605,225	0.01
June 30, 2022	1,108,862	945,203	0.01
March 31, 2022	755,190	837,088	0.01
December 31, 2021	866,703	902,732	0.01
September 30, 2021	681,449	530,529	0.01
June 30, 2021	812,444	867,601	0.01

During the last eight quarters, the Company has incurred losses and comprehensive losses. These losses result from: the Company's expenditure on its exploration and evaluation properties to keep them in good standing; project investigation costs as the Company looks to add additional projects to its portfolio; salaries and other employee benefits and professional fees all of which are required to be compliant as a public company; and to promote the

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Company's activities in the market. These expenses are controlled by management and fluctuate depending on the funding available to the Company to pursue opportunities in the market.

In addition to the above, the Company recognizes impairment charges, such as the \$238,425 in the quarter ended December 31, 2022, when it terminates its options in certain properties, causing unusual changes in the quarterly results.

4.3 Summary of project costs and impairment

During the three months ended March 31, 2023, the Company made an option payment of \$159,599 towards its mineral property assets, relating to the scheduled annual payment on the Aceros option.

	Sombrero		Takana		Total
Balance as at December 31, 2021	\$	6,145,328	\$	225,426	\$ 6,370,754
Mineral property additions		205,527		-	205,527
Mineral property impairment		(100,320)		(238,425)	(338,745)
Currency translation adjustment		412,112		12,999	425,111
Balance as at December 31, 2022	\$	6,662,647	\$	-	\$ 6,662,647
Mineral property additions		159,599		-	159,599
Currency translation adjustment		(5,157)		-	(5,157)
Balance as at March 31, 2023	\$	6,817,089	\$	-	\$ 6,817,089

Exploration and evaluation costs	Sombrero	
Concession holding	\$	131,759
Community and environmental		3,883
Project support		211,543
Total for the period ended March 31, 2023	\$	347,185

4.4 Future operations and community involvement

The Company continues to be in regular communication with the Huancasancos and Lucanamarca communities that surround the Sombrero district and is actively working toward securing long-term access agreements with them. There have been recent positive developments with a community within the Sombrero land position; the Company has obtained the majority of the signatures for a three-year community access agreement and expects this process to be concluded in the near future. Once this agreement is legally in place, the Company will advance its drill permitting efforts, and has well-developed plans to complete field work which will prioritize drill targets. In addition, the Company plans to expand the DIA to cover further communities surrounding the Sombrero district. The Company continues to support these communities through Agroideas, a government organization that sponsors agricultural programs within the local area.

In order to diversify and enhance the Company's portfolio, management has elected to pursue additional premium exploration projects in Ecuador and Peru. The Company is reviewing several opportunities with a focus on base and precious metal projects that could be ready for drilling in 2023.

The Company plans to apply to list its shares on the TSX; the Company's listing is targeted for later in 2023.

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5. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

5.1 Financial position and liquidity

	March 31, 2023	December 31, 2022
Working capital surplus (deficit)	\$ 530,627	\$ (1,231,158)
Cash	1,410,389	300,862
Mineral property interests	6,817,089	6,662,647
Current liabilities	1,125,840	1,777,906

	Three months ended	
	March 31, 2023	March 31, 2022
Cash used in operating activities	\$ (833,548)	\$ (584,340)
Cash used in investing activities	(159,599)	(149,411)
Cash provided by financing activities	2,102,736	-

The Company's primary source of liquidity is equity. The funds are primarily used to finance working capital and to make certain annual payments to ensure that all the Company's mineral properties remain in good standing. The Company has a working capital surplus of \$530,627 as at March 31, 2023 (December 31, 2022 - working capital deficit of \$1,231,158) which includes cash of \$1,410,389 (December 31, 2022 - \$300,862), that is entirely unrestricted. There were no commitments held by the Company at the balance sheet date, other than that disclosed in Note 4 of the financial statements.

During the three months ended March 31, 2023, the Company used cash of \$833,548 in operating activities compared to \$584,340 during the three months ended March 31, 2022. The cash outflow during 2023 increased compared with the cash outflow in 2022 due to the increase in project investigation on new exploration activity.

During the three months ended March 31, 2023, the Company used cash in investing activities of \$159,599 whereas \$149,411 was used in the same period of 2022, relating to mineral property additions. The mineral property additions in the first quarter of both 2023 and 2022, were the scheduled Aceros option holding payments, translated at the applicable rates into Canadian dollars.

During the three months ended March 31, 2023, the Company received cash from financing activities of \$2,102,736 whereas \$nil was received in the three months ended March 31, 2022. The first \$1,953,100 of this cash received during the first quarter of 2023 relates to the first tranche of the equity financing announced on January 27, 2023, and closed on February 22, 2023, and the remaining \$200,000 relates to the second tranche which was closed on May 5, 2023, offset by share issuance costs of \$50,364.

The Company has incurred operating losses to date and does not generate operating revenue to support its activities. With no source of operating revenue, there is no assurance that sufficient funding will be available to conduct further acquisition and exploration of mineral properties. The ability to continue as a going concern remains dependent upon Coppertino's ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

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5.2 Capital resources

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity financings to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed from the prior year.

6. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements. Earn-in arrangements are not viewed as off-balance sheet arrangements, and there are no other commitments held by the Company at the balance sheet date other than the commitment disclosed in Note 4 to the financial statements for the three months ended March 31, 2023.

7. PROPOSED TRANSACTIONS

As at March 31, 2023, and as at the date of this MD&A, the Company had no proposed transactions.

8. RELATED PARTY TRANSACTIONS

Related party transactions are those with entities over which the Company has control or significant influence, or with key management personnel, being persons having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions for the three months ended March 31, 2023, and 2022, is as follows:

8.1 UMS Canada and UMS Peru

All transactions with UMS Canada and UMS Peru have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Three months ended March 31,	
	2023	2022
Exploration and evaluation	\$ 92,764	\$ 55,482
Project investigation	127,864	20,570
Marketing and investor relations	24,742	12,893
General and administration	225,422	149,119
Total transactions for the period	\$ 470,792	\$ 238,064

As at March 31, 2023, \$137,767 (December 31, 2022 - \$92,014) was included in accounts payable and accrued liabilities and \$110,000 (December 31, 2022 - \$120,000) in prepaid expenses and deposits relating to transactions with UMS Canada.

As at March 31, 2023, \$15,969 (December 31, 2022 - \$nil) was included in prepaid expenses and deposits relating to transactions with UMS Peru.

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8.2 Key management compensation

The Company provided the following compensation to key management and board members, being its four executives, of which one is a director, and six non-executive directors:

	Three months ended March 31,	
	2023	2022
Fees, salaries and other employee benefits provided to executives	\$ 297,180	\$ 151,657
Fees, salaries and other employee benefits paid to non-executive directors	38,836	31,297
	\$ 336,016	\$ 182,954

As at March 31, 2023 the Company had an outstanding accounts payable balance with key management personnel of \$141,695 (December 31, 2022 - \$95,896).

9. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the condensed consolidated interim financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

In preparing the Company's condensed consolidated interim financial statements for the three months ended March 31, 2023, the Company applied the significant accounting estimates and judgements disclosed in Note 3 of its audited consolidated financial statements for the year ended December 31, 2022.

10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has reviewed new and revised accounting pronouncements that are effective for periods after December 31, 2022, and noted that these do not have an impact the financial statements of the Company.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards as they are not applicable to the Company's financial statements.

11. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at March 31, 2022, the Company's financial instruments consist of cash, amounts receivable, deposits, as well as accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in note 7 to the Company's financial statements.

12. SUBSEQUENT EVENT

On May 5, 2023, subsequent to the reporting period, the Company closed the second tranche of its non-brokered private placement announced on January 27, 2023 (the "Placement"). The Company issued 1,335,000 common shares at a price of \$0.30 per common share for gross proceeds of \$400,500. Net proceeds from the Placement will be used to fund exploration at the Sombrero project pending an access agreement, potential project acquisitions in the Americas, and general working capital.

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13. OTHER REQUIRED DISCLOSURE

13.1 Capital structure

The Company is authorized to issue an unlimited number of common shares without par value. As at the dates shown in the table, the Company had the following outstanding securities:

	March 31, 2023	Date of this MD&A
Common shares	121,290,553	122,625,553

13.2 Interim Officer Appointment

The Company's Chief Financial Officer ("CFO"), Elizabeth Senez, is taking four months of parental leave from May 15, 2023, and the Board of Coppernico has appointed Oliver Foeste, CPA, CA as CFO of the Company. Mr. Foeste is the founder and Managing Partner of Invictus Accounting Group LLP and has significant executive, director, finance, and public company compliance experience across a number of industry sectors including mining. Prior to Invictus, Mr. Foeste was in senior finance and accounting roles at TSX, TSXV, and NYSE listed issuers, and earned his CPA at Deloitte and a boutique tax advisory firm.

13.3 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out therein.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com under Coppernico Metal Inc.'s profile.

On behalf of the Board of Directors

"Ivan Bebek"

Ivan Bebek

President, Chief Executive Officer, and Director

May 11, 2023