(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis

For the year ended December 31, 2023

Dated: March 11, 2024

1. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2023, AND THE PERIOD UP TO MARCH 11, 2024.

- On February 20, 2024, Coppernico Metals Inc. ("Coppernico" or the "Company") announced that it had initiated field work activities, through its Peruvian subsidiary Sombrero Minerales S.A.C., on its Sombrero project located in Ayacucho, Peru. The current exploration programs are designed to enhance and expand existing targets and advance the Company's understanding of four underexplored but high-priority exploration areas within the currently accessible concessions. The exploration work is being completed concurrently with the final stages of drill permitting for the Sombrero Main target area; further details about the drill program are expected to be released in the coming weeks as the Company prepares for its inaugural drill program this year. The Company also announced the appointment of Margarita Cardona as Investor Relations Manager.

- On January 17, 2024, the Company announced that it had closed the third tranche of its non-brokered private placement (the "September 2023 Placement"). The September 2023 Placement was initially announced on September 28, 2023, and subsequently, on October 20, 2023, the terms and conditions were amended to a C$0.15 unit consisting of a common share and a share purchase warrant, exercisable at C$0.30 until the fifth anniversary of listing the common shares on a recognized stock exchange. In total, the Company issued 15,862,049 units in the September 2023 Placement for total gross proceeds of $2,379,307. Participation in the placement by insiders of the Company totalled 1,726,017 units for gross proceeds of $258,903. The funds from the September 2023 Placement are intended to be used to complete the required social access agreement and drill permits process and, once complete, for the restart of surface exploration work at Sombrero, as well as for general working capital.

- On January 17, 2024, the Company announced that the Company's Board of Directors has appointed Mr. Keenan Jennings, MBA, MSc., as a Board Director effective January 13, 2024. Most recently, Mr. Jennings was Vice President, Metals Exploration at BHP during which time he led and enhanced BHP's global exploration efforts, delivering key discoveries such as the iron oxide copper-gold Oak Dam project in South Australia and the copper porphyry Ocelot project in Arizona, USA. He has over 35 years of experience in global mineral exploration, project evaluation and acquisition/divestiture, mine development and production, plus C-Suite strategy with some of the world's leading mining companies.

- On January 11, 2024, the Company announced the appointment of Stacy Rowa, CPA, as Chief Financial Officer, effective January 1, 2024. Ms. Rowa has replaced the former CFO, who resigned effective December 31, 2023. The Company also announced that Mr. Shawn Wallace had retired from his role as Chair of the Board of Directors and as a Board Director of Coppernico to focus on his role as Chief Executive Officer ("CEO") at Torq Resources and will remain a strategic advisor to the Company. Coppernico's CEO, Ivan Bebek, will serve as interim Chair.

- On November 27, 2023, Coppernico announced that it had received its notarized three-year renewable social access agreement (the "Social Access Agreement") with the Huancasancos community at its flagship Sombrero project. The Company's local Peruvian community team has worked closely with the community for over seven years where it has developed and supported multiple social and sustainable agricultural programs. During that time, the Company maintained consistent and transparent communication and collaboration with the local community which has resulted in a positive working environment and long-term relationship. Coppernico is looking forward to expanding its ESG initiatives through the creation of jobs and additional social and sustainable agricultural programs. The Social Access Agreement will allow the Company to conduct exploration work, including drilling.

- On June 28, 2023, the Company reduced its land position at its Sombrero claims which resulted in a lower number of concessions held from approximately 133,000 to approximately 103,000 hectares. This was due to lower technical interest in those claims that were dropped and the perceived challenges of claims that overlapped towns / cities and agricultural areas. The Company has maintained all of its priority claims of interest based on their geological potential and accessibility.

- On May 5, 2023, the Company closed the second tranche of its non-brokered private placement (the "January 2023 Placement"). In total, between the two tranches, the Company issued 10,285,119 common shares at a price of $0.30 per common share for gross proceeds of $3,085,536. The January 2023 Placement included shares to settle the simple agreement for future equity ("SAFE") financial liability that was held as at December 31, 2022, thereby fully extinguishing the liability. Participation in the placement by insiders of the Company totalled 916,666 common shares for gross proceeds of $275,000. The Company has used the funds for exploration activity at its Sombrero project and to fund general working capital.

- 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 project. The DIA covers an area of 972.92 hectares and allows the Company to drill up to 48 holes from 38 platforms on the Sombrero Main target area, where Coppernico has completed the majority of its work to date.

- On January 27, 2023, Coppernico announced it had expanded its business plan to become a multi-jurisdictional, international exploration company by evaluating additional exploration opportunities in South America 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, while concurrently relinquishing the option agreement on its Takana district claims in Peru.

- 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 Peru resident 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 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 consolidated financial statements and results of operations of the Company as at December 31, 2023, and for the year then ended.

This MD&A should be read in conjunction with the consolidated financial statements of the Company and related notes thereto as at and for the year ended December 31, 2023, and 2022 (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 March 11, 2024.

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 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; 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 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 an 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 the SEDAR+ website at www.sedarplus.ca 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.

3. DESCRIPTION OF THE BUSINESS

Coppernico is assembling a world-class exploration portfolio in South America and is seeking to create significant value for its shareholders through exploration and potential discovery. The Company's primary asset is its Sombrero copper-gold district in southern Peru. The Sombrero district, which includes the Company's flagship Sombrero project as well as its ancillary concessions, covers approximately 103,000 hectares in which it holds a direct and an indirect interest through a combination of staking and option agreements. The Company's current focus is its Sombrero project and is also reviewing additional premium projects in South America to enhance its portfolio.

Coppernico is a public company and an unlisted reporting issuer in British Columbia, Alberta and Ontario. The Company plans to be listed on a recognized stock exchange once it meets minimum listing requirements of the stock exchange on which it seeks to list.

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 7 to the financial statements.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended December 31, 2023, and 2022 (Q4 2023 vs. Q4 2022)

During the three months ended December 31, 2023, the Company reported a loss of $1,146,808 compared to a loss of $1,008,508 for the same period in 2022. Significant variances within operating expenses resulted in a combined $138,300 increase in the current period's loss, and are discussed as follows:

- Exploration and evaluation in Q4 2023 increased to $649,219 from $300,646 in Q4 2022 as efforts were turned back to exploration and specifically preparation for the Company's pending drill program once the Social Access Agreement was negotiated.

- Project investigation costs in Q4 2023 decreased to $120,468 from $168,122 in Q4 2022 as the focus turned back to exploration and the Company narrowed the criteria for potential acquisition targets thereby reducing the portfolio of projects under review.

- Mineral property impairment costs were $nil in Q4 2023 compared to $238,425 in Q4 2022 in relation to the termination of the Tanaka district option during the 2022 period.

- During Q4 2023 the Company recorded a total impairment charge of $57,583 (investment of $41,976 and deposit of $15,607) against its investment in the UMS Peru joint venture and associated working capital deposit after making the decision to wind up the entity. No such impairment was recorded in the prior comparative period.

4.2 Year ended December 31, 2023, and 2022 (YTD 2023 vs. YTD 2022)

During the year ended December 31, 2023, the Company reported a loss of $3,671,018 compared to a loss of $3,852,504 for the same period in 2022. Significant variances within operating expenses resulted in a combined $181,486 decrease in the current period's loss, and are discussed as follows:

- Exploration and evaluation costs in YTD 2023 decreased to $1,364,207 from $1,438,069 in YTD 2022 due to the Company reducing its land position on the Sombrero claims in the current year. This land reduction resulted in a reversal of the 2022 accrued validity fees of $135,762 during the second quarter of 2023, which was combined with lower concession holding fees for the reduced land position in 2023. Additionally, the Company incurred $246,028 of expenditures on the Takana district in 2022 which it relinquished in December 2022 and thus no expenditures were incurred in 2023. These reductions in exploration and evaluation costs in 2023 were partially offset by an increase in the community relations activities which ramped up as the Company progressed its negotiations with the local communities toward surface access agreements. In Q4 2023, the Company signed the Surface Access Agreement enabling Coppernico to resume exploration activities on a key area of the project and thus shifting the Company's focus back to ground exploration.

- Fees, salaries, and other employee benefits in YTD 2023 increased to $930,743 from $764,176 in YTD 2022, as the Company became more active in 2023 and needed additional administrative support in relation to its project investigation efforts and the completion of its two private equity placements during the year.

- Project investigation costs in YTD 2023 increased to $585,619 from $546,167 in YTD 2022 due to increased activity by the Company in evaluating additional projects in South America as the Company worked to diversify and enhance its portfolio. The increase primarily relates to the increased personnel cost incurred on project reviews, including the accrual of the 2022 bonuses for project investigation staff which were awarded in Q1 2023.

In addition to the operating loss noted above, during YTD 2022 the Company recorded a mineral impairment loss of $338,745 related to the termination of the Takana and Soldaduyocc mineral property options. While no mineral impairment losses were recognized in the current period in 2023, the Company did record a $57,583 impairment charge in relation to its investment in UMS Peru, as this service-provider company is in the process of being wound up.

for the year ended December 31, 2023 (In Canadian dollars, unless otherwise noted)

4.3 Summary of quarterly results

Three months ended		Loss for the period		Comprehensive loss		Loss per share
December 31, 2023	**$**	**1,146,808**	**$**	**1,276,395**	**$**	**0.01**
September 30, 2023		804,229		672,004		0.01
June 30, 2023		681,248		803,360		0.01
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

During the last eight quarters, the Company has incurred losses and comprehensive losses. These losses result from: the Company's expenditure on exploration and evaluation of its mineral properties including costs to keep them in good standing and to progress its community relations and social initiatives; project investigation costs as the Company looks to add additional projects to its portfolio; salaries and other employee benefits and professional fees; and to promote the Company's activities in the capital markets. These expenses will fluctuate depending on the funding available to the Company to pursue opportunities in the market.

In addition to the above, the Company recognized impairment charges of $57,583 in Q4 2023 to write off its investment in UMS Peru, and $238,425 in Q4 2022 and $100,320 Q2 2022, which related to the termination of options the Company had over certain mineral properties, causing unusual changes in the quarterly results.

4.4 Summary of project costs

During the year ended December 31, 2023, the Company had mineral property additions of $181,619, which primarily related to the scheduled annual payments on the Aceros and Mollecruz options at the Sombrero project.

		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		**181,619**		**-**		**181,619**
Currency translation adjustment		**(155,647)**		**-**		**(155,647)**
Balance as at December 31, 2023	**$**	**6,688,619**	**$**	**-**	**$**	**6,688,619**

The comparative figures in the following table relate only to Sombrero; the costs incurred in 2022 for the Takana district, which was relinquished in December 2022, are not included:

Exploration and evaluation costs - Sombrero		**Years ended December 31,**		
		2023		2022
Concession holding	$	617,257	$	706,512
Community and environmental		423,756		269,823
Project support		323,194		215,706
Total for the year	**$**	**1,364,207**	$	1,192,041

4.5 Future operations and community involvement

In Q4 2023, Coppernico finalized its notarized three-year renewable Social Access Agreement with the Huancasancos community at its Sombrero project. With this agreement in place, the Company has recommenced surface exploration and continued to advance its drill permitting which is now in the final stages as of the date of this MD&A. The Company is currently finalizing drill targeting with the expectation of commencing its inaugural drill program subject to final permit approvals and securing financing. The Company also plans to advance exploration of other areas of the project covered by the Social Access Agreement in an effort to expand the pipeline of Sombrero Project targets for future drill programs.

for the year ended December 31, 2023 (In Canadian dollars, unless otherwise noted)

Over the last seven years, the Company's local Peruvian community relations team has worked closely with the local communities to develop consistent and transparent communication and collaboration which has resulted in a positive working environment and long-term relationships. The Company recognizes the importance of these relationships with the local communities and continues to support them through Agroideas, a government organization that sponsors agricultural programs within the local area. Coppernico looks forward to expanding its ESG initiatives through the creation of jobs and additional social and sustainable agricultural programs. The Company continues to work with neighbouring communities with the goal of achieving additional social access to other highly prospective exploration targets.

In order to diversify and enhance the Company's portfolio, management continues to pursue additional premium exploration projects in South America. The Company has been reviewing multiple opportunities with a focus on base and precious metals projects that are drill ready, from which it has recently selected certain key projects to focus on.

The Company is currently preparing a prospectus to raise sufficient capital to complete the Company's exploration objectives and provide working capital for a 12–18-month period. There can be no certainty this planned offering will be successful.

5. SELECTED ANNUAL INFORMATION

		December 31, 2023		December 31, 2022		December 31, 2021
Interest income	$	**25,964**	$	-	$	-
Loss for the year		**3,671,018**		3,852,504		3,193,305
Comprehensive loss for the year		**3,794,239**		3,468,943		3,189,527
Basic and diluted loss per share		**0.03**		0.03		0.03
Total assets		**8,465,979**		7,340,361		9,868,866
Total non-current liabilities		**169,975**		-		-

The Company generated no revenues from operations during the years presented above. See Discussion of Operations for factors that have caused the year-to-year variation between YTD 2023 and YTD 2022 in the loss and loss per share data.

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

6.1 Financial position and liquidity

		December 31, 2023		December 31, 2022
Working capital (deficit)	**$**	**198,483**	$	(1,231,158)
Cash		**1,170,801**		300,862
Mineral property interests		**6,688,619**		6,662,647
Current liabilities		**1,282,542**		1,777,906

		Years ended December 31,		
		2023		2022
Cash used in operating activities	**$**	**(3,559,565)**	$	(3,168,882)
Cash used in investing activities		**(139,784)**		(206,695)
Cash provided by financing activities		**4,570,791**		724,056

The Company's primary source of liquidity is equity issuances. 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 $198,483 as at December 31, 2023 (December 31, 2022 - working capital deficit of $1,231,158), which includes cash of $1,170,801 (December 31, 2022 - $300,862), that is entirely unrestricted.

As at December 31, 2023, the Company has commitments under the Social Access Agreement to incur certain expenditures and support the community with specified initiatives, for which an accrual has been recorded on the statement of financial position. Additionally, the Company has certain commitments related to the premises it occupies on a shared basis under the UMS Canada lease obligation disclosed in Note 7 of the financial statements.

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As at December 31, 2023, the Company has total current liabilities of $1,282,542, which include current accounts payable and accrued liabilities, as well as loans and interest payable, and are due to be paid within 12 months. In addition, the Company has recorded non-current accrued liabilities related to 2023 concession penalty fees associated with its Sombrero project totaling $169,975 which are due by June 30, 2025.

During the year ended December 31, 2023, the Company used cash of $3,559,565 in operating activities compared to $3,168,882 during the year ended December 31, 2022. The cash outflow during 2023 increased compared with the cash outflow in 2022 primarily due to the impact on cash of changes in working capital.

During the year ended December 31, 2023, the Company used cash in investing activities of $139,784 whereas $206,695 was used in the same period of 2022. Cash used in both periods was primarily related to mineral property additions resulting from its scheduled option payments that were translated at the applicable exchange rates into Canadian dollars.

During the year ended December 31, 2023, the Company received cash from financing activities of $4,570,791 whereas $724,056 was received in the year ended December 31, 2022. During 2023, the Company completed two private equity placements and received loan promissory notes for $75,000, compared to the funds that were received in 2022 in relation to the SAFE financing.

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. As of the date of this MD&A, the Company currently projects that it needs approximately $3.8 million for the next 12 months to cover general corporate compliance and overhead costs ($2.0 million) and project related costs to keep its Sombrero project, permits and community relationships in good standing ($1.8 million). Additional funds would be required in order to undertake exploration activities, the amount of which is dependent on the size and extent of the planned program.

The ability to continue as a going concern remains dependent upon Coppernico'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.

6.2 Capital resources

The properties in which the Company currently has an interest are in the exploration stage; as such, the Company like virtually all junior explorers, relies on equity financings to fund its activities. During the year ended December 31, 2023, the Company completed two equity offerings as summarized below.

On May 5, 2023, the Company closed the January 2023 Placement in which 10,285,119 common shares were issued at a price of $0.30 per common share for gross proceeds of $3,085,536. The Company intended to and did use the funds for exploration activity at its Sombrero project and to fund general working capital. A summary of the proceeds and use of funds is as follows:

January 2023 Placement	**Number of common shares**		**Source/Use of Proceeds**
Shares issued at $0.30 per unit	10,285,119	$	3,085,536
Share issuance costs			(63,209)
Net proceeds		$	3,022,327
Actual use of proceeds			
Sombrero project expenditures			(663,594)
General working capital			(1,932,040)
Expenditures on project investigation			(426,693)
Proceeds remaining at December 31, 2023		$	-

On December 20, 2023, the Company closed a second tranche of the September 2023 Placement. In the two tranches combined, the Company issued 14,963,716 units for gross proceeds of $2,244,557. The funds from the September 2023 Placement are intended to be used to complete the required social access agreement and drill permits process and, once complete, for the restart of surface exploration work at Sombrero, as well as for general working capital. A summary of the proceeds and use of funds is as follows:

for the year ended December 31, 2023 (In Canadian dollars, unless otherwise noted)

September 2023 Placement	**Number of common shares**	**Source/Use of Proceeds**
Units issued at $0.15 per unit	14,963,716	$ 2,244,557
Share issuance costs		(21,638)
Net proceeds		$ 2,222,919
Actual use of proceeds		
Sombrero project expenditures		(647,924)
General working capital		(283,726)
Expenditures on project investigation		(120,468)
Proceeds remaining at December 31, 2023		$ 1,170,801

Subsequent to the December 31, 2023 year end, the Company closed the third and final tranche of its September 2023 Placement. The Company issued 898,333 units for gross proceeds of $134,750 on the same terms as the other two tranches.

7. 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 those discussed in section 6.1 above.

8. PROPOSED TRANSACTIONS

As at December 31, 2023, and as at the date of this MD&A, the Company has no proposed material asset or business acquisitions or dispositions.

9. 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 years ended December 31, 2023, and 2022, is as follows:

9.1 UMS Canada and UMS Peru

UMS Canada and UMS Peru are two service provider companies whose ownership is shared with other public companies which have some overlap of insiders and shareholders. 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.

	Years ended December 31,	
	2023	2022
Exploration and evaluation	**$ 289,233**	$ 377,033
Project investigation	**363,149**	350,996
Marketing and investor relations	**127,090**	55,422
General and administration	**802,987**	736,507
Total transactions for the year	**$ 1,582,459**	$ 1,519,958

As at December 31, 2023, $130,388 (December 31, 2022 - $92,014) was included in accounts payable and accrued liabilities and $114,712 (December 31, 2022 - $120,000) in prepaid expenses, deposits and other relating to transactions with UMS Canada. Including the original deposit of $150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit balance of $134,324 with UMS Canada as at December 31, 2023.

As at December 31, 2023, the Company had a working capital deposit with UMS Peru in the amount of $15,607 (December 31, 2022 - $nil) which the Company does not expect to recover and therefore an impairment charge for the full amount has been recorded through the statement of loss for the year ended December 31, 2023.

for the year ended December 31, 2023 (In Canadian dollars, unless otherwise noted)

9.2 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:

		Year ended December 31,		
		2023		2022
Fees, salaries and other employee benefits provided to executives	**$**	**805,652**	$	526,120
Fees, salaries and other employee benefits to non-executive directors		**161,188**		149,700
	$	**966,840**	$	675,820

As at December 31, 2023, in addition to the loan discussed below, the Company had an outstanding accounts payable balance with key management personnel of $115,101 which primarily related to the approved 2022 bonus awarded by the Board in the first quarter of 2023. (December 31, 2022 - $95,896).

During the year ended December 31, 2023, five directors of the Company loaned a total of $75,000 in cash to the Company under an unsecured promissory note arrangement at annualized interest rate of 12% and with the intention of being repaid by the Company on the earlier of 90 days from the date of loaning the funds or two days following a financing of at least $1,000,000. These funds were advanced between August 30 and September 1. As additional compensation for the loan, each of the lending directors would receive common share purchase warrants (the "Bonus Warrants") exercisable at a price per share equal to the next common share equity financing of the Company in an amount of at least $1,000,000. The Bonus Warrants will have a three-year term from the date of exercise pricing determination.

On October 20, 2023, $25,000 of the loan, plus accrued interest, was converted into shares of the Company and on November 30, 2023, repayment terms for the remaining $50,000 of loans were extended to January 31, 2024. Subsequent to the December 31, 2023 year end, the remaining balance was paid in full, inclusive of accrued interest, and the Bonus Warrants were issued at an exercise price of $0.15 per common share.

10. 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 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.

Accounting judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Functional currency

The functional currency of the Company's subsidiary is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency to be the Canadian dollar, while the functional currency of its Peruvian subsidiary is the United States dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

ii) Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that the acquisition of mineral properties and related costs incurred, which have been recognized on the consolidated statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

iii) Indications of impairment of assets

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

iv) Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability or equity instrument depending on the substance of the contractual arrangement. Judgment is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition.
For financial instruments that do not have quoted market prices or observable inputs, judgments are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

i) Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

ii) Reclamation obligations

Management assesses its reclamation obligations annually and when circumstances suggest that a material change to the obligations may have occurred. Significant estimates and assumptions are made in determining the provision for rehabilitation and site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the reclamation asset and liability.

As the Company's projects are in early-stage exploration, management estimated the provision to be $nil as at December 31, 2023 and December 31, 2022.

iii) Income taxes

The provision for income taxes and composition of income tax assets and liabilities requires management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

iv) Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

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.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 2023, the Company's financial instruments consist of cash, amounts receivable, deposits, accounts payable and accrued liabilities, as well as short term loans and interest payable, 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.

for the year ended December 31, 2023 (In Canadian dollars, unless otherwise noted)

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 13 to the Company's financial statements.

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:

	December 31, 2023	Date of this MD&A
Common shares	**137,589,269**	**138,487,602**
Share purchase warrants	**14,963,716**	**15,982,049**

13.2 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.sedarplus.ca under Coppernico Metal Inc.'s profile.

On behalf of the Board of Directors

"Ivan Bebek"
Ivan Bebek
President, Chief Executive Officer, and Director
March 11, 2024