



(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis
For the three and six months ended June 30, 2024

Dated: August 14, 2024

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

1. HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND SUBSEQUENT EVENTS UP TO THE DATE OF FILING

1.1 Operational highlights

- On August 9, 2024, Coppernico Metals Inc. ("Coppernico" or the "Company") announced that it was actively drilling the second drill hole in a comprehensive multiple target testing program at its Sombrero project located in Ayacucho, Peru and was looking forward to providing continuous updates on its drilling program over the next twelve months.
- On July 24, 2024, the Company announced that, through its Peruvian subsidiary, Sombrero Minerales S.A.C. ("Sombrero Minerales"), it had commenced an inaugural core drilling program at the Ccascabamba (previously referred to as Sombrero Main) target area within its Sombrero copper-gold project. The 2024 drilling program ("Phase 1") is expected to consist of 6,500 metres using one drill rig.
- On June 12, 2024, the Company announced that, through Sombrero Minerales, it had entered an agreement with AK Drilling International S.A. ("AK Drilling"), a Peru-based drilling company, to commence an initial drill program at the Ccascabamba target area within its Sombrero copper-gold property. Under the agreement, which has a term of one year, the Company has committed to a minimum of 3,000 metres of diamond core drilling although it expects to complete up to 6,500 metres. AK Drilling was selected on the basis of its strong operational performance and attention to safety and environmental management. The drill program will target skarn style mineralization along the highly prospective and extensive contact zone between the Ccascabamba intrusive complex and Ferrobamba limestone. Mapping and sampling in the areas of Corrales, Hojota, and the area south of Fierrazo have demonstrated broad zones of mineralization on surface which appear to extend underneath post mineralization cover. The drill program will start to test an approximate 2.5 km long section of the intrusive contact zone along its southern margin and underneath the post mineral cover.
- On April 24, 2024, and March 26, 2024, the Company announced that Sombrero Minerales had received all the permits, including the water permit and start of activities permit (together the "Permit"), required for drilling at its Sombrero property. The Permit covers an area of 972.92 hectares, including the Ccascabamba target area. The groundwork activities that commenced in February 2024 were progressing as scheduled and were supporting final drill target preparation and exploration across new targets. The Company holds the environmental permit ("DIA"), enabling the drilling of up to 49 holes to be drilled from 38 drill pads within the Ccascabamba target area.
- On February 20, 2024, the Company announced that it had initiated field work activities on its Sombrero property in the Ccascabamba target area. The current exploration programs were designed to enhance and expand existing targets and advance the Company's understanding of four high-priority exploration areas within the currently accessible concessions. The exploration work was being completed concurrently with the final stages of drill permitting for the Ccascabamba target area (subsequently obtained as per above).
- Since obtaining its Huancasancos community access agreement, a form of social licence, to explore on-site in Q4 2023, the Company has continued to engage positively with its host communities and has worked to ensure the safety and well-being of its employees, contractors, and related stakeholders. The Total Recorded Incident Frequency Rate ("TRIFR") stands at nil for all contractors and employees at site.

1.2 Corporate highlights

- On August 13, 2024, the common shares of the Company commenced trading on the Toronto Stock Exchange ("TSX") under the trading symbol "COPR".
- On July 15, 2024, the Company announced the nomination of Mary-Jane ("MJ") McQuhae, MBA, to stand for election as director at the Company's upcoming annual general meeting to be held on August 21, 2024. The Company also announced that Gordon Fretwell has been appointed as Lead Independent Director ("LID") and adopted a LID charter available on the Company's website.
- On May 27, 2024, the Company filed a technical report on its Sombrero property titled Technical Report on the Sombrero Main/Nioc Project, Ayacucho Department, Peru (the "Sombrero Technical Report"). The Sombrero Technical Report was prepared in accordance with Canadian NI 43-101 – Standards of Disclosure for Mineral Projects and has an effective date of April 17, 2024 (subsequently the Company has renamed the Sombrero

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

Main target area to the Ccascabamba target area). Concurrently with filing the Sombrero Technical Report, the Company filed its initial Annual Information Form ("AIF") for the fiscal year ended December 31, 2023. These documents are available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.coppernicometals.com.

- On May 16, 2024, the Company closed a \$19.37 million private placement equity financing (the "May 2024 Offering") which included participation by Teck Resources Limited ("Teck"). As part of the May 2024 Offering, which consisted of both a non-brokered and brokered portion, the Company issued an aggregate of 38,750,580 units at \$0.50 per unit of which Teck acquired 17,546,580 units, 9,870,000 units were issued as part of the non-brokered portion, and 11,334,000 units were sold by a syndicate of agents. The net proceeds from the May 2024 Offering will be used primarily for drilling of the drill permitted Ccascabamba target area at the Sombrero project and as agreed with Teck, the \$8.77 million of proceeds provided by Teck will be directed towards exploration of the Sombrero project.

Each unit issued under the May 2024 Offering consisted of one common share of the Company, one half of a share purchase warrant (each whole share purchase warrant, a warrant) and one special warrant. Each warrant is exercisable to acquire an additional share at a price of \$0.75 until May 16, 2026. If the closing price of the Company's common shares on a recognized stock exchange meets or exceeds \$1.25 for 20 out of any 30 consecutive trading days ending at least four months after May 16, 2024, the Company may accelerate the expiry date of the warrants to a date that is not less than 30 days from the date when such notice is given. The special warrants would have entitled the holder to a bonus in the event of a delayed stock exchange listing, but they have expired as of August 13, 2024. In connection with the May 2024 Offering, the Company paid total cash fees of \$690,519 and issued 854,640 compensation options collectively to the agents and other finders, including its financial advisor. Each compensation option entitles the holder thereof to subscribe for one common share at \$0.50 until May 16, 2026.

Until May 16, 2026, provided that Teck retains at least an 8% shareholding in the Company, Teck will have a pre-emptive right to participate in future Coppernico equity financings in an amount necessary to maintain its shareholding percentage. This purchase right is subject to customary carve-outs for incentive options and strategic acquisitions in respect of which it will be offered the right to top up once a year at market for the equivalent number of shares in which it could not participate. During this period Teck will also have a right to match any third-party investor that purchases a number of shares from treasury greater than the number of shares held by Teck. Teck also agreed to standstill to a maximum 14.15% unless and until a third party seeks to acquire control and in certain other stated events. Teck has agreed to a 12-month voluntary hold period on its securities. After the twelve-month period, Teck shall have the right to sell its shares and warrants in excess of 2% of the outstanding shares, subject to the Company retaining a right to designate an alternative purchaser(s) within ten business days of receipt of the notice of intention to sell from Teck. A copy of the Teck subscription has been filed on www.sedarplus.ca.

- On April 9, 2024, the Company announced that Mr. Steve Cook, an independent Board Director, retired from his role and will remain as an advisor to the Company.
- On February 20, 2024, the Company announced the appointment of Margarita Cardona as Investor Relations Manager. Katie Bromley, Corporate Communications Manager, is currently on leave.
- On January 17, 2024, the Company announced that it had closed the third tranche of its non-brokered private equity 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 \$0.15 unit consisting of a common share and a share purchase warrant, exercisable at \$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 were used as intended to complete the required social access agreement and drill permits process and for the restart of surface exploration work at the Ccascabamba (previously called Sombrero Main) target area of the Sombrero property, as well as for general working capital.
- On January 17, 2024, the Company announced that the Company's Board of Directors had 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

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

mineral exploration, project evaluation and acquisition/divestiture, mine development and production, plus C-Suite strategy development and implementation 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 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 Inc. and will remain an advisor to the Company. Coppernico's CEO, Ivan Bebek, will serve as interim Chair.

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 interim consolidated financial statements and results of operations of the Company as at June 30, 2024, and for the three and six month periods then ended (certain specified information is current to the date of filing).

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company and related notes thereto as at and for the three and six months ended June 30, 2024 (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 August 14, 2024. Information is as of June 30, 2024, unless otherwise noted.

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; and changes to government regulation, in particular Peruvian.

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, base and 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

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

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; the Company's inability to pay dividends; the continued involvement of the key management team and the ability to secure the specialized skill and knowledge necessary to operate in the mining industry; relations with and potential demands and claims by local communities and non-governmental organizations, including indigenous populations and affected local communities with whom the Company is 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 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 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, including its Annual Information Form, 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.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

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 but may not necessarily indicate future results from operations.

3. DESCRIPTION OF THE BUSINESS

Coppernico is assembling what it believes to be 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 key mineral property asset is its Sombrero copper-gold district-scale project in southern Peru.

While the Ccascabamba area of the Sombrero project is Coppernico's current focus, the Company continues to consider how to optimize its portfolio and potential projects pipeline. The optimization process includes both the right sizing of its greater Sombrero property footprint by either farming out, divesting of, or relinquishing less prospective areas, and the review of additional premium projects in South America for potential acquisition.

On August 13, 2024, the common shares of the Company commenced trading on the TSX under the trading symbol "COPR".

As at the date of this MD&A, the corporate organization structure includes: one wholly owned subsidiary in Peru, Sombrero Minerales; 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 6 to the financial statements.

3.1 Sombrero copper-gold project

The Sombrero property covers approximately 102,700 hectares in which it holds, through its Peruvian subsidiary Sombrero Minerales, direct and indirect interests through a combination of staking and option agreements. The Company is currently focused on the highest priority and most advanced Ccascabamba (previously referred to as

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

Sombrero Main) and Nioc areas which together cover approximately 16,300 hectares within the Sombrero land package. The Ccascabamba target area is fully permitted for drilling and the Company recently commenced its inaugural drill program in this area.

2024 Activity and Plans

In February 2024, the Company initiated field work activities on its Sombrero property in the Ccascabamba target area. The surface program was designed to enhance and expand existing targets and advance the Company's understanding of high-priority exploration areas to further prepare for the Company's inaugural drill program. Surface field work, focused on mapping with the goal of refining final drill targets, was conducted between February and June 2024. Having completed the drill permitting process in April 2024, the Company commenced its inaugural core drilling program at the Ccascabamba target area on July 12, 2024. The program is discovery-based and aims to identify sub surface zones of copper-rich skarn mineralization identified in surface mapping and channel sampling. The program will further target new copper skarn mineralization along the southern margin of the Ccascabamba intrusive complex both at depth and along strike. As at the date of this MD&A, the Company has drilled approximately 804 metres of the planned 6,500 metres 2024 Phase 1 drill program and has commenced drilling on its third hole. No assay results have been received to date.

Concurrent with the commencement of drilling, the Company is also in the process of reviewing its extensive land package. The reconnaissance work being completed is aimed at identifying targets and helping to refine the Company's holdings for future exploration.

3.2 Qualified person

Tim Kingsley, M.Sc., CPG, Coppernico's VP of Exploration, is the "Qualified Person" (as defined in NI 43-101) with respect to the technical disclosures in this MD&A.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended June 30, 2024, and 2023 (Q2 2024 vs. Q2 2023)

During the three months ended June 30, 2024, the Company reported a loss of \$1,204,391 compared to a loss of \$681,248 for the same period in 2023. Significant variances within operating expenses resulted in a combined \$523,143 increase in the current period's loss, and are explained as follows:

- Exploration and evaluation in Q2 2024 increased to \$689,635 from \$116,111 in Q2 2023 as the Company completed surface work to finalize drill targeting and commenced preparation, including the construction of roads and drill platforms, for the mid-July 2024 commencement of the inaugural drill campaign at the Ccascabamba target area. In Q2 2023, exploration related expenditures were limited to concession holding costs and community relations activities while the Company made efforts to secure social access.
- Fees, salaries and other employee benefits in Q2 2024 decreased to \$200,615 from \$225,738 in Q2 2023, due to an overall decrease in administrative support actioned in 2023, when the Company was minimizing costs while it worked towards gaining access at its Sombrero property. Now that access has been achieved and the drill program in the Ccascabamba target area has started, the Company will look to supplement its team, both administrative and technical, with contractors where possible to maintain flexibility and avoid taking on obligated fixed costs.
- Marketing and investor relations costs increased to \$142,173 in Q2 2024 from \$71,379 in Q2 2023 driven by the Company's increased corporate communication activities aimed at improving brand awareness, equity financings and enhancing communication in anticipation of a stock exchange listing.
- Project investigation costs in Q2 2024 decreased to \$9,408 from \$ 93,797 in Q2 2023 reflecting the Company's shift away from seeking additional project opportunities for Coppernico's portfolio to exploration activities at the Sombrero project, including drill permitting and preparation, as aforementioned.

4.2 Six months ended June 30, 2024, and 2023 (YTD 2024 vs YTD 2023)

During the six months ended June 30, 2024, the Company reported a loss of \$2,438,973 compared to a loss of \$1,719,981 for the same period in 2023 reflecting an increase of \$718,992. Significant variances within operating expenses for the comparable six-month period are generally driven by the same factors discussed above for the three-

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

month period, namely the recommencement of exploration activities at the Sombrero project including surface programs and preparation for the recently commenced drill program, as well as enhanced corporate communications programs to increase brand awareness and equity financings, while the Company prepared for listing on a Canadian stock exchange.

4.3 Summary of quarterly results

Three months ended	Loss for the period	Comprehensive loss	Loss per share
June 30, 2024	\$ 1,204,391	\$ 1,153,078	\$ 0.01
March 31, 2024	1,234,582	1,096,312	0.01
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

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 prepare for drilling at the Ccascabamba (formerly Sombrero Main) target area and to keep the Sombrero concessions 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 non-listed public reporting issuer company; and to promote the Company's activities in the market. These expenses are monitored and controlled by management and fluctuate depending on the level of activities and the corresponding funding available to the Company to pursue opportunities.

In addition to the above, the Company recognized impairment charges of \$57,583 in the quarter ended December 31, 2023, to write off its investment in UMS Peru, and \$238,425 in Q4 2022, which related to the termination of the option that the Company had over the Takana mineral properties, causing somewhat unusual changes in the respective quarterly results.

4.4 Summary of project costs

During the six months ended June 30, 2024, the Company had mineral property additions of \$158,409, which primarily related to the scheduled annual payments on the Aceros option within the Sombrero property.

	Sombrero property
Balance as at December 31, 2022	\$ 6,662,647
Mineral property additions	181,619
Currency translation adjustment	(155,647)
Balance as at December 31, 2023	\$ 6,688,619
Mineral property additions	158,409
Currency translation adjustment	229,187
Balance as at June 30, 2024	\$ 7,076,215

The Company also incurred exploration and evaluation costs on its Sombrero project as follows:

	Three months ended June 30		Six months ended June 30	
	2024	2023	2024	2023
Surface exploration	\$ 217,252	\$ -	\$ 430,905	\$ -
Exploration drilling	107,770	-	107,770	-
Concession holding costs (recoveries)	120,234	(55,401)	523,722	76,358
Community and environmental	164,443	112,019	278,961	115,902
Project support	79,936	59,493	159,525	271,036
Total for the period	\$ 689,635	\$ 116,111	\$ 1,500,883	\$ 463,296

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

4.5 Health, safety, environmental and communities

Coppernico strives to provide a safe and healthy workplace for all its employees and contractors through designing and implementing safety and health standards and practices that meet or exceed the industry standards and applicable regulations. For the six months ended June 30, 2024, and up to the date of this MD&A, there have been no reportable injuries or occupational illnesses, resulting in a TRIFR of zero. During the period, the Company refreshed its risk register and Emergency Management Plans and consider them fit-for-purpose for the range of activities currently being undertaken.

The Company monitors a range of environmental parameters, including water consumption, fuel consumption, solid waste management, and areas of ground disturbance. The Company's Health, Safety, Environment and Communities Committee reviews these on a monthly basis and at the time of writing considers them in line with expectations for the nature of work being undertaken. Should any deviation from this be noted, it is reported to the authorities, local communities, and the Board in a timely manner, with remedial actions undertaken.

Coppernico continues to enhance its environmental, social and corporate governance ("ESG") initiatives through the creation of jobs and additional social and sustainable agricultural programs in Peru. The Company continues to work with local and neighbouring communities with the goal of achieving social access to additional highly prospective exploration targets.

4.6 Future operations

Since November 2023, the Company has achieved various key milestones, being the completion of the social access agreement, securing final drill permits, recommencement of surface exploration, raising \$19.37 million to pursue its business objective of exploring the Sombrero property, commencing its inaugural drill program at the Ccascabamba target area and listing its shares on the TSX.

With the funds from the May 2024 Offering, the Company has commenced its inaugural drill program which is planned to be completed as follows:

- Phase 1 drill program consisting of 16 diamond core drill holes for approximately 6,500 metres of drilling in 2024 – the average depth is anticipated to be approximately 400 metres per hole; however, actual depth will vary based on the results of each hole (the Company has completed drill hole 1 and is advancing on drill hole 2); and,
- Phase 2 is planned to commence in 2025 to test additional prospective target areas and follow up on Phase 1 results.

The drill program has been planned on the basis of taking a methodical approach with each phase looking to test new prospective areas and each subsequent phase will be guided by results returned from previous phases. The Company's permit allows for 49 holes from 38 drill pads and all planned Phase 1 and Phase 2 drilling are within this permitted area. Based on current plans, the Company is funded for a minimum of 11,500 metres of drilling and working capital through 2025.

In order to optimize the Company's mineral exploration portfolio, management continues to review rationalizing its Sombrero property land package by assessing if all areas continue to warrant the escalating holding costs. In addition, the Company regularly reviews additional premium exploration projects in South America.

5. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

5.1 Financial position and liquidity

	June 30, 2024	December 31, 2023
Working capital surplus	\$ 15,897,211	\$ 198,483
Cash	16,473,597	1,170,801
Mineral property interests	7,076,215	6,688,619
Current liabilities	1,290,705	1,282,542

Coppertino Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

	Six months ended June 30	
	2024	2023
Cash used in operating activities	\$ (2,977,471)	\$ (2,202,685)
Cash used in investing activities	(145,909)	(141,575)
Cash provided by financing activities	18,416,816	2,298,271

The Company's primary source of liquidity is equity issuances, the funds from which are primarily used to finance working capital, undertake its exploration activities and to make certain annual payments to ensure that all of the Company's mineral properties remain in good standing. As at June 30, 2024, the Company has a working capital surplus of \$15,897,211 (December 31, 2023 - \$198,483), which includes cash of \$16,473,597 (December 31, 2023 - \$1,170,801) and current liabilities totalling \$1,290,705 (December 31, 2023 - \$1,282,542).

Within current liabilities at June 30, 2024, the Company has recorded \$600,722 pertaining to 2023 and 2024 Sombrero project government concession fees which are due by June 30, 2025. The recorded amount assumes the Company will choose to continue to maintain the full land package. The amount also includes financial amounts that the Company has committed to incur under its social access agreement to support the community with specified initiatives. In relation to the core diamond drilling contract that the Company entered on June 24, 2024, with AK Drilling, the Company is committed to a minimum of 3,000 metres of core diamond drilling over the one-year term, and upon signing, was obligated to make a payment of US\$50,000 which has been accrued as at June 30, 2024. Additionally, the Company has certain commitments related to the office premises it occupies on a shared basis under the UMS Canada lease obligation disclosed in Note 6 of the financial statements.

During the six months ended June 30, 2024, the Company used cash of \$2,977,471 in operating activities. The cash outflow during the period was higher than the comparable period of 2023 due to increased exploration activities to prepare for the inaugural drilling campaign.

During the six months ended June 30, 2024, the Company used cash in investing activities of \$145,909 which is comparable to the \$141,575 used in the same period of 2023. Cash used in both periods was primarily related to mineral property additions pertaining to scheduled option payments translated at the applicable exchange rates into Canadian dollars, partially offset by interest received on cash deposits.

During the six months ended June 30, 2024, cash provided by financing activities was \$18,416,816 compared to \$2,298,271 in the six months ended June 30, 2023. The significant increase in investor interest in the current year period is likely attributable to the major milestones achieved by the Company in recent months including gaining social access, securing drill permits and recommencing field work in preparation for drilling.

As of the date of this MD&A, the Company forecasts that its working capital surplus, is more than sufficient to satisfy its commitments and cover its 12 month working capital needs described herein. The Company currently projects 12-month expenditures of approximately \$1.6 million to cover general corporate compliance and overhead costs, \$0.9 million for corporate communications and marketing, and \$2.1 million for project related costs, which includes \$1.1 million for its property related payments to maintain the full land package, and \$1.0 million to keep its Sombrero permits and community relationships in good standing. The projected compliance and overhead costs exclude approximately \$0.2 million anticipated in relation to the finalization of its listing on the TSX. The Company is also making efforts to broaden its corporate communications and investor outreach while the Company ramps up exploration activities. In addition to the expenditures noted above, expenditures will be incurred in order to undertake exploration activities, the amount of which is dependent on the size and extent of the planned exploration program. The Company currently plans to drill up to 11,500 metres over the next 12 months for an all-in cost of approximately \$8.3 million, broken into phases as discussed in the Sombrero Technical Report and subsequent disclosures referenced above. The estimated cost of drilling includes all direct and ancillary costs, including project support, and on-going budgets will be adjusted subject to actual experience now that drilling has commenced.

The Company has incurred operating losses to date and does not generate operating revenue to support its activities; hence, it primarily relies on equity financings. To that end, the Company recently completed the May 2024 Offering for \$19,375,290, and as at June 30, 2024, the Company has a strong working capital position that, based on current plans, will allow the Company to execute on its business plans for at least the next 12 months. The Company's longer term ability to continue as a going concern remains dependent upon its ability to continue to obtain the financing, if available, to fund exploration and maintenance of its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources.

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

5.2 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 six months ended June 30, 2024, the Company completed two equity offerings as summarized below.

On May 16, 2024, the Company closed the \$19.37 million May 2024 Offering in which it issued an aggregate of 38,750,580 units at \$0.50 per unit. The net proceeds from the May 2024 Offering will primarily be used for drilling of the drill permitted Ccascabamba target area at the Company's flagship Sombrero project, and more specifically, the Company has agreed with Teck that the \$8.77 million of proceeds from their investment will be directed towards the exploration of the Sombrero project.

A summary of the proceeds and use of funds is as follows:

May 2024 Offering	Number of common shares	Source/Use of Proceeds
Units issued at \$0.50 per unit	38,750,580	\$ 19,375,290
Share issuance costs		(1,060,596)
Net proceeds		\$ 18,314,694
Actual use of proceeds to June 30, 2024		
Expenditures on Sombrero project		(1,061,851)
General working capital		(779,246)
Proceeds remaining as at June 30, 2024		\$ 16,473,597

On January 17, 2024, the Company closed a third and final tranche of the September 2023 Placement in which the Company issued an additional 898,333 units for gross proceeds of \$134,750 bringing the total units issued to 15,862,049 for gross proceeds of \$2,379,307. The funds from the September 2023 Placement were intended to be, and have been, used to complete the required social access agreement and drill permits process and, once complete, for the restart of surface exploration work at the Ccascabamba target area within the Sombrero property, as well as for general working capital.

A summary of the proceeds and use of funds is as follows:

September 2023 Placement	Number of common shares	Source/Use of Proceeds
Units issued at \$0.15 per unit	15,862,049	\$ 2,379,307
Share issuance costs		(24,002)
Net proceeds		\$ 2,355,305
Actual use of proceeds to June 30, 2024		
Expenditures on Sombrero project		(1,581,992)
General working capital		(637,926)
Expenditures on project investigation		(135,387)
Proceeds remaining as at June 30, 2024		\$ -

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 those described in section 5.1 above.

7. PROPOSED TRANSACTIONS

As at June 30, 2024, and as at the date of this MD&A, the Company had no proposed transactions.

Copperrnico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

8. RELATED PARTY TRANSACTIONS

Related party transactions, as defined by IFRS (and for clarity, not NI 61-101 which has a different definition), 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. Due to the Company having an ownership interest in both UMS Canada and UMS Peru they are classified as related parties. 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.

A summary of the Company's related party transactions for the three and six months ended June 30, 2024, and 2023, 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Exploration and evaluation	\$ 113,581	\$ 99,803	\$ 194,727	\$ 192,567
Project investigation	539	67,805	4,664	195,669
Marketing and investor relations	8,676	40,045	31,104	64,787
General and administration	177,939	211,312	337,270	436,733
Total transactions for the period	\$ 300,735	\$ 418,965	\$ 567,765	\$ 889,756

As at June 30, 2024, \$113,043 (December 31, 2023 - \$130,388) was included in accounts payable and accrued liabilities and \$100,076 (December 31, 2023 - \$114,712) in prepaid expenses and deposits 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 \$137,033 with UMS Canada as at June 30, 2024.

As at December 31, 2023, and remaining as at June 30, 2024, the Company had a working capital deposit with UMS Peru in the amount of US\$11,800; however, the amount was written down to \$nil as at December 31, 2023, as it is not expected to be recovered, and there has been no change as of June 30, 2024.

8.2 Key management transactions

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 independent directors:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Fees, salaries and other employee benefits provided to executives	\$ 189,655	\$ 189,570	\$ 376,382	\$ 486,750
Fees, salaries and other employee benefits to non-executive independent directors	31,085	42,280	58,172	81,116
	\$ 220,740	\$ 231,850	\$ 434,554	\$ 567,866

As at June 30, 2024, the Company had an outstanding accounts payable balance with key management personnel of \$129,824 which primarily related to the approved, but deferred and unpaid, 2022 short-term compensation awarded by the Board in the first quarter of 2023 (December 31, 2023 - \$115,101).

During the six months ended June 30, 2024, the Company repaid to five Board Directors of the Company a total of \$52,354 in relation to amounts loaned in 2023 under an unsecured promissory note arrangement, plus accrued interest. In accordance with the promissory notes, on January 29, 2024, the lending Directors were issued a total of 120,000 common share purchase warrants exercisable for a three-year period at \$0.15 per common share.

During the six months ended June 30, 2024, a Board Director of the Company loaned \$120,000 to the Company under an unsecured promissory note arrangement at an annualized simple interest rate of 12% and with the intention of being

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

repaid by the Company on the earlier of May 31, 2024, or two days following a financing of at least \$1,000,000. The funds were loaned on May 9, 2024, and repaid in full on May 17, 2024, together with accrued interest of \$551.

On August 6, 2024, a total of 4,900,000 share purchase options were issued to key management personnel.

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 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 financial statements, 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, 2023.

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, 2023, and noted that these did not have an impact on 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 June 30, 2024, 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 the current 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 12 to the Company's financial statements.

12. OTHER REQUIRED DISCLOSURE

12.1 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:

	June 30, 2024	Date of this MD&A
Common shares	177,238,182	177,238,182
Share purchase options	-	7,900,000
Share purchase warrants	36,211,978	36,211,978
Special warrants	38,750,580	-

Special warrants were issued in connection with the May 2024 Offering and entitled the holders thereof to receive, without payment of any further consideration, 0.05 additional May 2024 Offering units if the common shares of the Company were not listed on a recognized Canadian stock exchange by August 14, 2024. Accordingly, the special warrants expired on August 13, 2024, when the Company's shares commenced trading on the TSX.

On May 22, 2024, the Company adopted a Long-Term Incentive Plan ("LTI Plan") with the objective of encouraging additional share ownership by its employees, officers and directors. The LTI plan provides for the awarding of share options, performance share units, restricted share units and deferred share units. The LTI Plan limits the number of shares reserved for issuance under the LTI Plan, together with all other security-based compensation arrangements of the Company to 10% of the issued and outstanding shares. On August 6, 2024, the Company granted 7,795,000 share options to employees, officers, directors and other service providers at an exercise price of \$0.50.

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations
for the three and six months ended June 30, 2024 (In Canadian dollars, unless otherwise noted)

12.2 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

August 14, 2024