



(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis
For the year ended December 31, 2024

Dated: March 13, 2025

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2024 (In Canadian dollars, unless otherwise noted)

1. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2024, AND SUBSEQUENT EVENTS UP TO THE DATE OF FILING

1.1 Operational highlights

- On March 3, 2025, Coppernico Metals Inc. ("Coppernico" or the "Company"), provided an update on its ongoing exploration program, being conducted through its wholly owned private Peruvian subsidiary, Sombrero Minerales SAC ("Sombrero Minerales"), at its Sombrero copper-gold project ("Sombrero Project") in Peru. The Company noted the following highlights:
 - The Company had drilled approximately 7,100 metres ("m") and was drilling its 18th hole (as of the date of the MD&A the Company has drilled approximately 7,800 m and is currently drilling its 20th hole);
 - Pending assay results are expected to be released in the coming weeks.
 - The Company has identified two new high-potential exploration targets;
 - The Tipicancha epithermal target, southwest of the Ccascabamba (previously referred to as Sombrero Main) target area; and,
 - The Antapampa target, an iron-skarn occurrence north of the Nioc target area.
 - The Company is in the process of expanding its permits to incorporate key targets including Fierrazo and Tipicancha, with a planned temporary drilling pause after the 20th hole to optimize capital allocation and logistics, and to complete a technical assessment of assay and other recent surface exploration data before resuming drilling.
- On January 17, 2025, Coppernico provided a corporate update, including the latest exploration findings from its 2024 diamond drilling program at its Sombrero Project. The 2024 drill program consisted of approximately 5,203 metres of drilling across 12 holes and focused on testing high-priority targets within the Ccascabamba target area. Notable findings from the program included initial assay results from holes 1 through 5 at the Corrales and Hojota targets which indicated significant potential for copper and gold mineralization, showing grades comparable to those at the analogous Las Bambas mine. Assay highlights included 19 m of 0.50% Copper ("Cu") and 27 m of 0.21% Cu drilled in hole 4. Other key 2024 achievements from the Sombrero Project included the Company's progress on expanded permit applications, strengthened community relationships through positive and constructive engagement with its host communities, safety excellence resulting from the Company's commitment to ensure the safety and well-being of its employees, contractors, and related stakeholders achieving a total recorded incident frequency rate ("TRIFR") of zero, and environmental responsibility demonstrated through its reclamation initiatives and progressive reclamation activities.
- On November 12, 2024, the Company provided a drilling update noting that, to date, the Company had identified six significant targets within the Ccascabamba target area with initial drilling having tested only small sections of the first two targets. Notable findings from the first five holes drilled included results from hole 4 (summarized above), which is on the margin of a large and prospective chargeability zone subsequently drill tested by holes 6 through 8, for which assay results are pending. Other highlights for the Hojota target included hole 4 showing a strong link between elevated chargeability and increased sulfide content, and broad intervals with anomalous Cu and Zn values, representing important validation of the scale and potential of the target, and hole 5 demonstrating the widespread development of skarn alteration across the Ccascabamba target area. For the Corrales target holes, 1-3 showed garnet skarn alteration at surface, accompanied by elevated Cu, Zn and Manganese ("Mn") indicating a vector to Cu mineralization to the north, west and east as well as marble and recrystallized limestone zones below 50-100m depth, and brittle fault zones with hematite and magnetite mineralization with elevated Cu values.
- On September 9, 2024, the Company provided an update on drilling progress and noted that preliminary findings had provided valuable insights into the geological setting and potential of the project and at the time, the fourth drill hole of the program testing the Hojota target was underway and had intersected broad zones of garnet skarn alteration, sulphide mineralization and porphyry related intrusions and alteration.
- On July 24, 2024, the Company announced that it had commenced an inaugural core drilling program at the Ccascabamba target area within its Sombrero Project. The 2024 drilling program was expected to consist of 6,500 m 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 Project. Under the agreement, which has a term of one year, the Company has committed to a minimum of 3,000 m of diamond core drilling which has been

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met and exceeded as of the date of this MD&A. The drill program was planned to 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 had demonstrated broad zones of mineralization on surface which appear to extend underneath post mineralization cover. The drill program would 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 Project. 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 Project 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).

1.2 Corporate highlights

- On January 17, 2025, Coppernico, provided a corporate update outlining key corporate achievements from 2024 including the commencement of trading of the Company's common shares on each of the Toronto Stock Exchange ("TSX") and OTCQB Venture Market ("OTCQB"); completion of a \$19.37 million financing, including a 9.9% equity investment from Teck Resources Limited ("Teck") detailed below; ending the 2024 year with a strong cash position of approximately \$11.2 million for future programs; and strategic budget allocation throughout 2024 ensuring resources were efficiently allocated to advance its exploration, community and capital markets initiatives.
- On November 15, 2024, the Company announced that its common shares commenced trading on OTCQB under the symbol "CPPMF". This quotation on the OTCQB Market, operated by OTC Markets Group in New York, marked an important step in expanding Coppernico's exposure and more direct accessibility to U.S. investors. The Company's shares continue to be eligible for book-entry delivery and depository services of the Depository Trust Company to facilitate electronic settlement of transfers of its common shares in the United States, providing a more convenient trading experience for current and future shareholders. Financial disclosure and Real-Time Level 2 quotes in USD for the Company are available to investors on the OTC Markets website.
- On August 22, 2024, the Company announced the voting results for the election of its Board of Directors at the Annual General Meeting (the "Meeting") of Shareholders held on August 21, 2024, in Vancouver, British Columbia. All director nominees as listed in the Company's Information Circular dated July 5, 2024, and SEDAR+ filed July 12, 2024, were elected as directors of the Company at the Meeting to serve until the next Meeting.
- 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 (she was subsequently elected per above). The Company also announced that Gordon Fretwell had been appointed as Lead Independent Director ("LID") and the Board adopted a LID charter, available on the Company's website.
- On May 27, 2024, the Company publicly filed, at www.sedarplus.ca, a technical report on its Sombrero Project 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 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

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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. 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 were intended to be, and have been, 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 would be and have been 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 (which has expired). Each share purchase 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. In connection with the May 2024 Offering, the Company paid total cash fees of \$690,519 and issued 854,640 compensation warrants collectively to the agents and other finders, including its financial advisor. Each compensation warrant entitles the holder thereof to subscribe for one common share at \$0.50 until May 16, 2026.

In connection with the above financing, Teck has the pre-emptive right, until May 16, 2026, and provided it retains at least an 8% shareholding in the Company, 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 when Katie Bromley, Corporate Communications Manager, went 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 target area of the Sombrero Project, 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 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.

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- 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 of the Board.

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, 2024, 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, 2024, and 2023 (the "financial statements"). All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is March 13, 2025.

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 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

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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. 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 a mineral exploration company focused on creating value for shareholders and stakeholders through diligent project evaluation and exploration excellence in pursuit of the discovery of world-class copper-gold deposits in the Americas. The Company is currently focused on the Sombrero Project in southern Peru.

While the Ccascabamba target 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 Project footprint by either farming out, divesting of, or relinquishing less prospective areas, and the evaluation of additional projects for potential acquisition should they meet quality and value thresholds.

The common shares of the Company commenced trading on the TSX, on August 13, 2024, under the trading symbol "COPR" and on the OTCQB on November 15, 2024, under the trading symbol "CPPMF".

The corporate organization structure includes: one wholly owned private 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 private 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 Project covers approximately 102,300 hectares (1,023 square kilometres) 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 and Nioc target areas which together cover approximately 16,300 hectares within the Sombrero Project land package. The Ccascabamba target area is fully permitted for drilling and in July 2024 the Company commenced its inaugural drill program in this area.

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2024 Activity and 2025 Plans

In February 2024, the Company initiated field work activities on its Sombrero Project 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, and was conducted between February and June 2024.

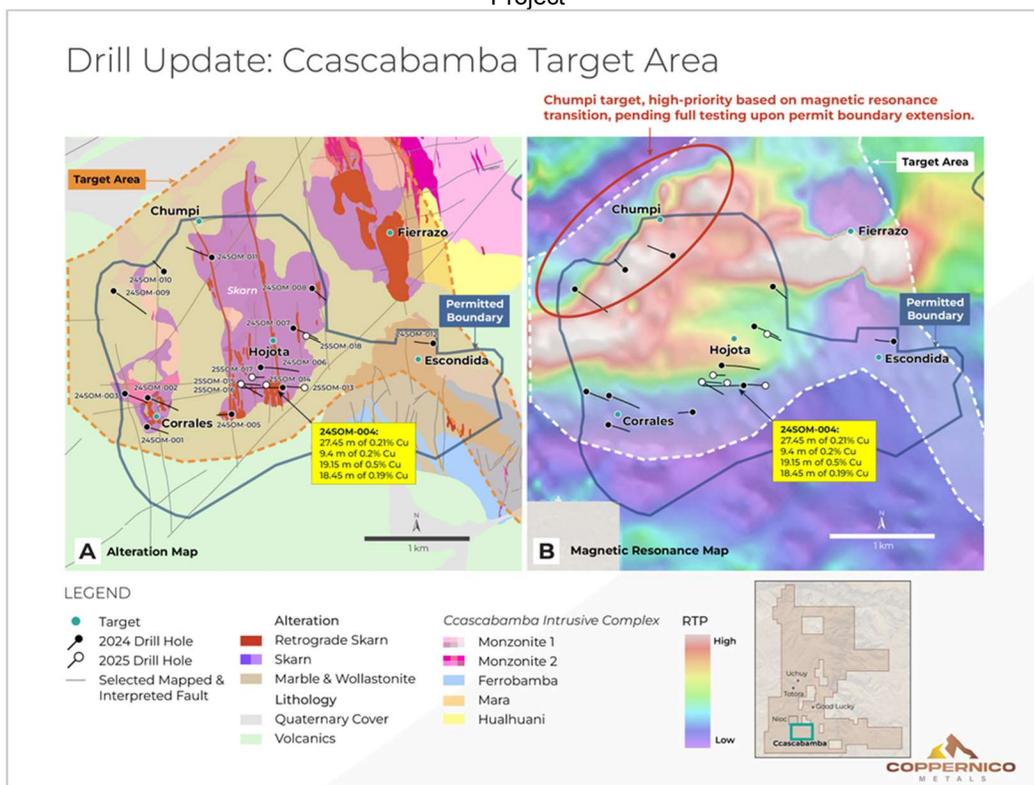
Having completed the drill permitting process in April 2024, the Company commenced its inaugural core drilling program at the Ccascabamba target area on July 12, 2024. The program is discovery-based aimed at targeting sub surface zones of copper-rich skarn mineralization along the southern margin of the Ccascabamba intrusive complex.

During the year, the Company completed 5,203 m of diamond drilling over 12 holes and as at the date of this MD&A, Coppernico has successfully completed approximately 7,800 m of drilling having recently commenced hole 20, with ongoing work focusing on key targets within the Ccascabamba target area. (Figure 1).

Phase 1

Focused exclusively on the Ccascabamba target area, Phase 1 includes Hojota, Corrales, Chumpi, and Escondida targets (Figure 1A). Holes 14 through 17 have intersected mineralization suggesting a potential extension down dip and along strike of the high-priority zone previously identified in hole 4 (Figure 2) which included 19.15 m of 0.50% Cu from 91.95 m depth (see press release dated November 12, 2024). While initial observations are encouraging, assay results are still pending and are expected to be released in the coming weeks.

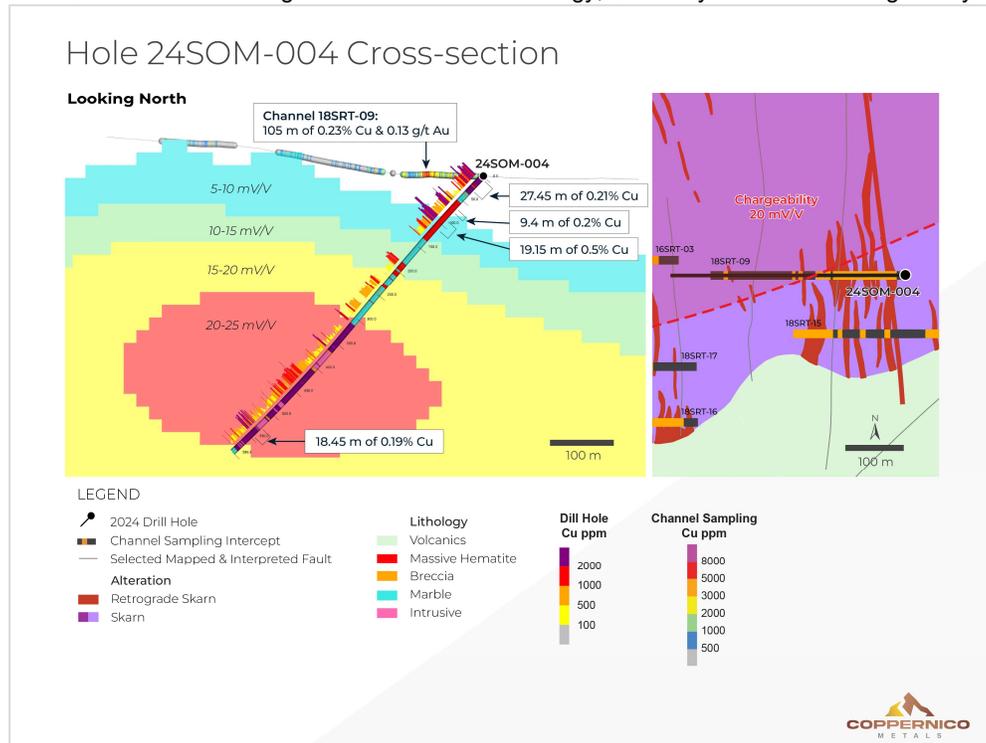
Figure 1: Drilling program to date and permitted drilling area at the Ccascabamba target area within the Sombrero Project



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Figure 2: Cross-section looking north of hole 4 with lithology, Cu assay results and chargeability model.



The final three drill holes (18-20) were designed based on the insight gained from previous drilling and to test significant new targets that had yet to be drilled. With the completion of the 20th hole, Phase 1 drilling will conclude, allowing for a planned temporary pause in field activities. During this period, the Company will await pending assay results, advance permit approvals, and refine its technical understanding to optimize the next phase of exploration.

Phase 2

The Phase 1 drilling campaign has delivered results in line with the Company's exploration thesis, with intercepts confirming the presence of widespread skarn alteration and associated mineralization with each additional drill hole helping vector towards higher-grade zones. Given the observed correlation between magnetic anomalies and causative intrusion boundaries with potential mineralized zones, Coppernico is actively working to extend the permitted area to further evaluate this exploration thesis (Figure 1B) ahead of commencing field operations in Phase 2.

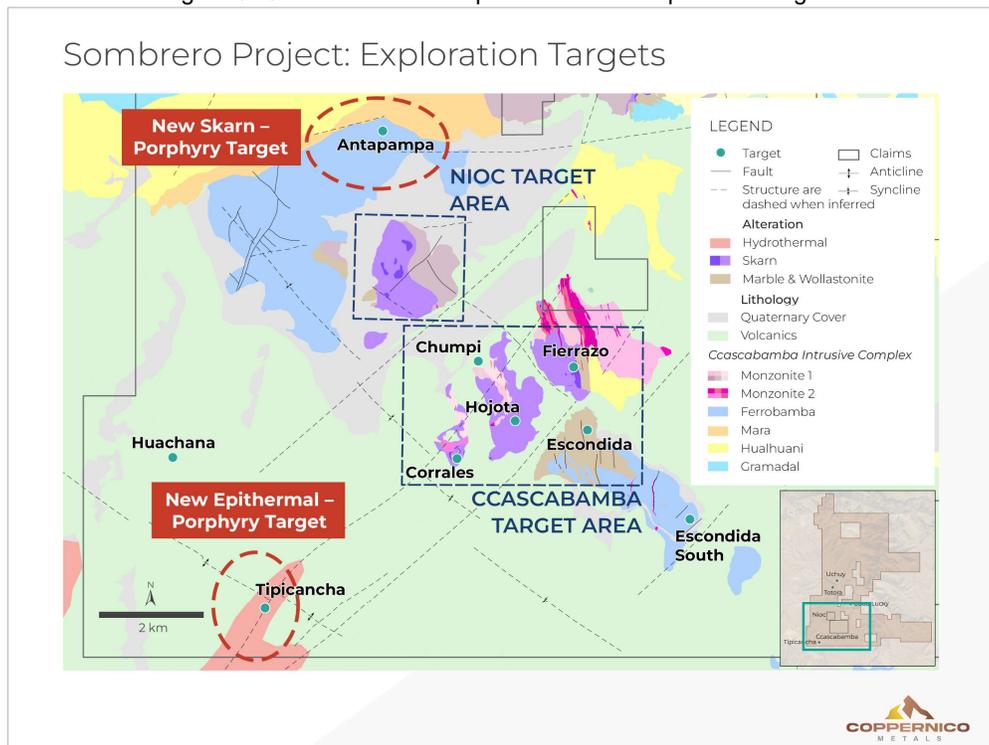
New Exploration Targets: Tipicancha and Antapampa

As a result of the Company's 2024 surface exploration across the wider tenement areas, the Company has also identified two new high-potential exploration targets (Figure 3) through detailed mapping and sampling which has outlined the Tipicancha epithermal target southwest of the Ccascabamba target area, and a newly discovered iron-skarn occurrence has been located approximately 1.5 km north of the Nioc target area, referred to as the Antapampa target where Coppernico initiated surface mapping and sampling in February. The Tipicancha target falls within the Huancasancos community, where Coppernico holds an existing agreement to carry out exploration activities and further work in this area will focus on refining the system's full extent and testing deeper zones for porphyry potential. The Antapampa target is located within the neighbouring community, where the Company is in the advanced stages of negotiating a community access agreement which, once finalized, will allow for further exploration in this relatively unexplored area.

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Figure 3: General location map of the current exploration targets.



Other Objectives for 2025

The Company is advancing applications to extend existing permits to access areas where historical drilling has indicated elevated mineralization values. The EIA-Sd drill permit application is currently in progress and seeks to expand the permitted boundaries and increase the number of drill holes, covering Fierrazo, Tipicancha, Chumpi, and Escondida South targets.

A temporary pause in drilling is planned for after the Company completes its 20th hole, expected sometime in the coming days, until it secures full drilling access in these areas. This approach aligns with the Company's disciplined capital preservation strategy, ensuring resources are preserved for future drilling in key areas, while allowing the technical team to evaluate results before resuming drilling.

Once assay results have been received, the Company will issue a detailed update, presenting a complete assessment of the drilling data. Coppernico will continue to refine its drill targeting through geophysical surveys and structural mapping, further optimizing exploration efforts.

3.2 Qualified person and technical disclosures

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

2024 Sombrero Drilling Protocol

Analytical samples were taken by sawing HQ or NQ diameter core into equal halves on site and one of the halves was sent to the ALS Lab in Lima, Peru for preparation and analysis. Preparation included crushing core sample to 90% < 2mm and pulverizing 1,000 g of crushed material to better than 95% < 106 microns. All samples are assayed using 30 g nominal weight fire assay with atomic absorption finish (ALS Laboratory Code Au-AA23) and multi-element using four acid digest ICP-AES/ICP-MS method (ALS Laboratory Code ME-MS61). Where MS61 results were greater or near 10,000 ppm Cu, or 10,000 ppm Zn the assays were repeated with an ore grade four acid digest method (ALS Laboratory Code Cu-OG62). QA/QC programs for 2024 core samples using internal standard samples, blanks, and duplicates, lab duplicates, lab standards, and lab blanks indicate good overall accuracy and precision.

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4. DISCUSSION OF OPERATIONS

4.1 Three months ended December 31, 2024, and 2023 (Q4 2024 vs. Q4 2023)

During the three months ended December 31, 2024, the Company reported a loss of \$3,388,248 compared to a loss of \$1,146,808 for the same period in 2023. Significant variances within operating expenses resulted in a combined \$2,241,440 increase in the current period's loss, and are discussed as follows:

- Exploration and evaluation costs in Q4 2024 increased to \$2,532,808 from \$649,219 in Q4 2023 as the Company continued its inaugural diamond drill campaign at the Ccascabamba target area of its Sombrero Project which commenced in Q3 2024. In addition to drilling and surface exploration programs that were ongoing through Q4 2024, costs included \$78,318 of share-based compensation related to the Company's first share option grant. Comparatively, in Q4 2023, the Company was just turning its attention back to exploration activities after securing its social access agreement in November 2023, and there was no share-based compensation for the quarter.
- Fees, salaries and other employee benefits in Q4 2024 increased to \$509,679 from \$232,128 in Q4 2023, due to the inclusion of \$197,636 of share-based compensation related to the Company's first share option grant. Additional costs were also accrued in the current quarter reflecting the award of short-term incentive compensation to the Company's finance, corporate secretarial, and administrative team for their role in achieving various corporate milestones in 2024. Also, having now commenced trading on the TSX and OTCQB and with an active drill program, the Company has supplemented its previously reduced administrative team to help support the higher activity levels.
- Marketing and investor relations costs increased to \$343,182 in Q4 2024, from \$36,391 in Q4 2023, primarily driven by the Company's increased corporate communication activities, including attendance at conferences, aimed at improving brand awareness and equity financings and enhancing communication of its exploration and corporate activities. Now as an active exploration and publicly trading company, it is expected that corporate communications and investor outreach activities will remain at appropriately elevated levels with the aim to enhance trading liquidity and broaden the Company's exposure to a larger pool of investors.
- Legal and professional fees increased to \$74,692 in Q4 2024 compared to \$20,193 in Q4 2023. The increase is primarily attributed to two factors: higher auditor fees and the engagement of a third-party consultant to conduct, under management supervision, a thorough evaluation of the company's internal control system. Being listed on the TSX, the company must comply with quarterly and annual certification requirements which include evaluating the design and effectiveness of its internal controls over financial reporting on an annual basis.
- Project investigation costs in Q4 2024 decreased to \$15,879 from \$120,468 in Q4 2023 as the focus throughout 2024 was turned back to exploration and the Company narrowed the criteria for potential acquisition targets thereby reducing the portfolio of projects under review.

4.2 Year ended December 31, 2024, and 2023 (YTD 2024 vs. YTD 2023)

During the year ended December 31, 2024, the Company reported a loss of \$9,169,926 compared to a loss of \$3,671,018 for the same period in 2023, reflecting an increase of \$5,498,908. Significant variances for the comparable year were generally driven by the same factors discussed above for the three-month period. More specifically the primary driver of increased expenditures in 2024 was the drilling campaign that required significant capital investment and made up 48% of the exploration and evaluation costs in 2024, while surface work and community, environmental, health and safety costs together made up another 29% of this total (see table in 4.4.2 below). Additionally, the Company's commencement of trading on both the TSX and OTCQB led to increased compliance-related costs, namely regulatory and transfer agent costs and legal and professional fees, and consequently an uptick in marketing and investors relations activities as the Company participated in industry conferences and enhanced its communication efforts to keep stakeholders informed of the ongoing activities. While project investigation costs were substantially lower in 2024, this represented a reallocation of the Company's resources from project investigation to active exploration and drilling.

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4.3 Summary of quarterly results

Three months ended	Interest income	Loss for the period	Comprehensive loss	Loss per Share
December 31, 2024	\$ 145,516	\$ 3,388,248	\$ 2,985,044	\$ 0.02
September 30, 2024	199,309	3,342,705	3,421,190	0.02
June 30, 2024	19,225	1,204,391	1,153,078	0.01
March 31, 2024	9,146	1,234,582	1,096,312	0.01
December 31, 2023	3,384	1,146,808	1,276,395	0.01
September 30, 2023	3,851	804,229	672,004	0.01
June 30, 2023	15,843	681,248	803,360	0.01
March 31, 2023	2,886	1,038,733	1,042,480	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 including preparing for, commencing and continuing with the ongoing drilling at the Ccascabamba target area; to keep the Sombrero Project concessions in good standing; salaries and other employee benefits and professional fees all of which are required to be compliant as a public reporting issuer/listed 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.

4.4 Summary of project costs

4.4.1 Mineral property

A continuity of the Company's mineral property interests is as follows:

	Sombrero Project
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	182,323
Recognition of provision for site reclamation and closure	432,826
Currency translation adjustment	592,188
Balance as at December 31, 2024	\$ 7,895,956

4.4.2 Exploration and evaluation

	Years ended December 31,	
	2024	2023
Surface exploration	\$ 674,333	\$ -
Exploration drilling	2,995,838	-
Concession holding costs	754,232	617,257
Community, environmental, health and safety	1,145,744	423,756
Project support	362,592	323,194
Share-based payments	218,884	-
Total for the year	\$ 6,151,623	\$ 1,364,207

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 year ended December 31, 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 year, the Company refreshed its risk register

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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 routinely reviews these parameters 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, as required, 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. Throughout the duration of its 2024 drill program, the Company has conducted progressive closure both in accordance with its drill permit and in consideration of the needs of its host communities, demonstrating its commitment to environmental and social responsibility. 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 and community involvement

Having completed approximately 7,800 m of drilling in its Phase 1 drill program at the Ccascabamba target area, the Company's current plan is to complete hole 20, which, along with holes 18 and 19, was designed based on the insight gained from previous drilling and to test significant new targets that have yet to be drilled. Once complete, a temporary pause on drilling is scheduled to allow the Company to advance expanded permits, await and, once received, evaluate pending assay results and refine its technical understanding to optimize the next phase of exploration, along with logistics planning for the next phase of drilling. This approach also aligns with the Company's disciplined capital preservation strategy, ensuring resources are reserved for and directed to future drilling in key areas. Phase 2 of drilling will commence once the expanded EIA-Sd drill permit is secured which will open up access to areas where historical drilling has indicated significant mineralization potential. Coppernico remains fully funded for its 2025 exploration plans.

In tandem with the continued exploration and permit expansion efforts, the Company is exploring opportunities for portfolio diversification to spread geological and geopolitical risks as well as to increase optionality in its portfolio and potential projects pipeline. The optimization process includes both the right-sizing of its greater Sombrero Project footprint by either farming out, divesting of, or relinquishing less prospective areas, and by assessing potential acquisitions.

5. SELECTED ANNUAL INFORMATION

	December 31, 2024	December 31, 2023	December 31, 2022
Interest income	\$ 373,196	\$ 25,964	\$ -
Loss for the year	9,169,926	3,671,018	3,852,504
Comprehensive loss for the year	8,655,624	3,794,239	3,468,943
Basic and diluted loss per share	0.06	0.03	0.03
Total assets	20,096,757	8,465,979	7,340,361
Total non-current liabilities	222,105	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 2024 and YTD 2023 in the loss and loss per share data.

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

6.1 Financial position and liquidity

	December 31, 2024	December 31, 2023
Working capital	\$ 9,764,148	\$ 198,483
Cash	11,225,074	1,170,801
Mineral property interests	7,895,956	6,688,619
Current liabilities	2,237,199	1,282,542

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	Years ended December 31,	
	2024	2023
Cash used in operating activities	\$ (8,598,951)	\$ (3,559,565)
Cash provided (used) in investing activities	198,916	(139,784)
Cash provided by financing activities	18,414,175	4,570,791

The Company's primary source of liquidity is equity issuances. The funds are primarily used to finance exploration and evaluation, personnel, other operating expenses, 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 \$9,764,148 as at December 31, 2024 (December 31, 2023 - working capital surplus of \$198,483), which includes cash of \$11,225,074 (December 31, 2023 - \$1,170,801), that is entirely unrestricted.

As at December 31, 2024, the Company has total current liabilities of \$2,237,199 which include \$837,106 pertaining to 2024 Sombrero Project government concession fees and 2023 penalty fees which are due by June 30, 2025. The recorded amount assumes the Company will choose to continue to maintain the full land package. Penalties are legislated fees payable to the government, in the event that the Company does not expend the government mandated minimum investment amount on exploration properties. In the case that adequate amounts are expended on the exploration properties and the minimum investment is met, penalty fees are eliminated. As at December 31, 2024, the Company has not accrued \$473,711 of penalty fees that would be payable in 2026 if minimum required investments were not achieved in 2024 as the Company's expenditures on the concessions are in excess of the required minimum investments. The Company is required to report its 2024 expenditures to the Peruvian authorities in 2025 for their review and approval and therefore the final amount owing, if any, is contingent on their review findings.

Current liabilities also include financial amounts that the Company has committed to incur under its social access agreement to support the community with specified initiatives, and the Company's current provision of \$222,273 recorded in relation to reclamation and closure obligations it has at the Sombrero Project. 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 6 of the financial statements.

During the year ended December 31, 2024, the Company used cash of \$8,598,951 in operating activities compared to \$3,559,565 during the year ended December 31, 2023. The cash outflow during 2024 increased compared with the cash outflow in 2023 primarily due to higher activity levels as previously discussed.

During the year ended December 31, 2024, the Company received cash from investing activities of \$198,916 whereas \$139,784 was used in 2023. The cash income received in the current year resulted from interest income on a higher cash balance which was partially offset by the addition of mineral property related to annual option payments.

During the year ended December 31, 2024, the Company received cash from financing activities of \$18,414,175 whereas \$4,570,791 was received in the comparable year ended December 31, 2023. The significant increase in investor interest in the current year is likely attributable to the major milestones achieved by the Company including gaining social access and securing drill permits which allowed for the recommencement of field work, including 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. Based on current plans, 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 \$2.7 million for project related costs, which includes \$1.0 million for its property related payments to maintain the full land package, and \$1.7 million to keep its Sombrero Project community relationships in good standing and to maintain and expand its permits, including \$0.3 million of reclamation work. 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 forecasts all-in program costs of approximately \$1.6 million over the next 12 months to complete the remaining drilling planned for Phase 1 before the temporary pause, and additional surface work to follow up on newly identified targets and continue drill targeting for a Phase 2 drill program. The estimated program costs include all direct and ancillary drilling costs, including project support. Budgets will continue to be adjusted subject to actual experience as drilling and other work programs continue.

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 completed the May 2024 Offering for \$19,375,290, and as at December 31, 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

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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.

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, 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 were intended to be, and have been, used primarily for drilling of the Ccascabamba target area at the Company's Sombrero Project, and more specifically, the Company agreed with Teck that the \$8.77 million of proceeds from their investment would be and has been 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 December 31, 2024		
Expenditures on Sombrero Project		(5,127,262)
Expenditures on project investigation		(21,613)
General working capital		(1,940,745)
Proceeds remaining as at December 31, 2024		\$ 11,225,074

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 used as intended 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 Project, 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 December 31, 2024		
Expenditures on Sombrero Project		(1,430,143)
General working capital		(799,184)
Expenditures on project investigation		(125,978)
Proceeds remaining as at December 31, 2024		\$ -

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.

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8. PROPOSED TRANSACTIONS

As at December 31, 2024, and as at the date of this MD&A, the Company had no proposed material asset or business acquisitions or dispositions.

9. 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.

A summary of the Company's related party transactions for the years ended December 31, 2024, and 2023, is as follows:

9.1 UMS Canada and UMS Peru

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.

	Years ended December 31,	
	2024	2023
Exploration and evaluation	\$ 533,434	\$ 289,233
Project investigation	52,914	363,149
Marketing and investor relations	55,547	127,090
General and administration	773,620	802,987
Total transactions for the year	\$ 1,415,515	\$ 1,582,459

As at December 31, 2024, \$120,763 (December 31, 2023 - \$130,388) was included in accounts payable and accrued liabilities and \$194,815 (December 31, 2023 - \$114,712) 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 \$224,052 with UMS Canada as at December 31, 2024.

As at December 31, 2023, and remaining at December 31, 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 December 31, 2024.

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 independent directors:

	Years ended December 31,	
	2024	2023
Fees, salaries and other employee benefits provided to executives	\$ 950,054	\$ 805,652
Fees, salaries and other employee benefits to non-executive independent directors	132,574	161,188
Share-based compensation	556,236	-
Total	\$ 1,638,864	\$ 966,840

As at December 31, 2024, the Company had an outstanding accounts payable balance with key management personnel of \$122,662 which is primarily related to accrued short-term incentive compensation awards approved by the Board in Q1 2025 in relation to key corporate objectives achieved in 2024 (December 31, 2023 - \$115,101).

During the year ended December 31, 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.

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During the year ended December 31, 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 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.

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.

Readers should also refer to Note 3 of the December 31, 2024, consolidated financial statements, for the Company's summary of material accounting policies.

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.

v) 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.

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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 site reclamation and closure, as there are numerous factors that will affect the ultimate liability that becomes 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 expenditures 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, which is recorded within mineral property interests, and the liability.

As at December 31, 2024, the Company recognized a provision of \$444,378 (US\$308,832) (2023 - \$nil) for estimated site reclamation and closure costs in relation to the site disturbances that have resulted from the ongoing drill program at the Sombrero Project that started July 2024.

iii) Share-based payments

The Company determines the fair value of share options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility and expected life of the option. Prior to the listing of the Company's shares on the TSX, the share price was also a subjective input into the pricing model. Changes in these inputs and the underlying assumptions used to develop them can materially affect the fair value estimate. The portion of share-based compensation recorded is based on the vesting schedule of the share options.

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

Application of new and revised accounting standards

The Company adopted the following new accounting standards and amendments to accounting standards, effective January 1, 2024:

On January 23, 2020, and October 31, 2022, the IASB issued amendments to IAS 1 to clarify that the classification of liabilities as current or non-current should be based on rights that exist at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. For liabilities with covenants, the amendments clarify that only covenants with which an entity is required to comply on or before the reporting date affect the classification as current or non-current. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

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On September 22, 2022, the IASB issued amendments to IFRS 16 to add subsequent measurement requirements for sale and leaseback transactions, particularly those with variable lease payments. The amendments require the seller-lessee to subsequently measure lease liabilities in a way such that it does not recognize any gain or loss relating to the right of use it retains. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

On May 25, 2023, the IASB issued amendments to IAS 7 requiring entities to provide qualitative and quantitative information about their supplier finance arrangements. In connection with the amendments to IAS 7, the IASB also issued amendments to IFRS 7 requiring entities to disclose whether they have accessed, or have access to, supplier finance arrangements that would provide the entity with extended payment terms or the suppliers with early payment terms. The adoption of the amended Standard, effective January 1, 2024, did not impact the financial statements of the Company.

Standards issued but not yet effective

On April 9, 2024, the IASB issued a new standard, IFRS 18 Presentation and Disclosure in Financial Statements, to improve the reporting of financial performance. IFRS 18 introduces categories and defined subtotals in the statement of profit or loss, disclosures on management-defined performance measures, and requirements to improve the aggregation and disaggregation of information in the financial statements. As a result of IFRS 18, amendments to IAS 7 were also issued to require that entities use the operating profit subtotal as the starting point for the indirect method of reporting cash flows from operating activities and also to remove presentation alternatives for interest and dividends paid and received. IFRS 18 replaces IAS 1 Presentation of Financial Statements and will be effective for annual reporting periods beginning on or after 1 January 2027, and is to be applied retrospectively, with early adoption permitted. The Company is in the process of assessing the impact of this new accounting standard on the consolidated financial statements.

On May 30, 2024, the IASB issued Amendments IFRS 9 and IFRS 7 which clarify the date of initial recognition or derecognition of financial liabilities, including financial liabilities that are settled in cash using an electronic payment system. The amendments also introduce additional disclosure requirements to enhance transparency regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the impact of the amendments on the consolidated financial statements.

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at December 31, 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 these financial instruments approximate their carrying values due to their short-term nature.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in Note 15 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, 2024	Date of this MD&A
Common shares	177,304,848	177,304,848
Share purchase options	7,795,000	7,795,000
Share purchase warrants	36,145,312	36,145,312

13.2 Disclosure controls and procedures

National Instrument 52-109 ("NI 52-109") requires that reporting issuers certify certain matters in their annual and interim filings, and specifically, non-venture issuers must establish and maintain disclosure controls and procedures ("DC&P"), and internal controls over financial reporting ("ICFR").

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DC&P means controls and other procedures that are 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.

ICFR means a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the issuer;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS, and that receipts and expenditures of the issuer are being made only in accordance with authorizations of management and directors of the issuer; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the issuer's assets or incurring liabilities or other obligations that could have a material effect on the consolidated financial statements.

Effective August 13, 2024, the date on which the Company's common shares were listed on the TSX, the Company ceased to be a venture issuer. As a non-venture issuer, Coppernico's management is responsible for the establishment and maintenance of a system of internal control over financial reporting.

As required by NI 52-109, the CEO and the CFO have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework established in 'Internal Control - Integrated Framework (COSO Framework)' published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), 2013. Based on that evaluation, management, under the supervision of the CEO and the CFO, have concluded that the design and operation of the Company's internal controls over financial reporting were effective as at December 31, 2024. There were no changes in the Company's internal controls over financial reporting in Q4 2024, the first period for which the Company is required to certify the design and effectiveness of its internal controls, that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

In designing such controls, it should be recognized that due to inherent limitations, any control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

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 13, 2025