



(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis
For the three months ended March 31, 2025

Dated: May 14, 2025

Coppernico Metals Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2025 (In Canadian dollars, unless otherwise noted)

1. HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2025, AND SUBSEQUENT EVENTS UP TO THE DATE OF FILING

1.1 Operational highlights

- On May 14, 2025, Coppernico Metals Inc. ("Coppernico" or the "Company"), reported the remaining assay results from its Phase 1 drill program at its Sombrero Project in Peru. The program, conducted through its wholly owned Peruvian subsidiary, Sombrero Minerales SAC, included 8,232.9 metres ("m") of diamond drilling over 20 holes designed to test large-scale geophysical and geochemical anomalies within the Ccascabamba (previously referred to as Sombrero Main) target area. The results confirm broad intervals of copper-gold mineralization supporting the technical team's skarn-porphyry geological model and reinforcing the district-scale potential of the Sombrero Project. Drilling is now temporarily paused as the Company pursues expanded permits for access to priority targets. The Company also summarized key highlights from the program, which included notable intercepts from drill holes 6-20, as discussed below in section 3.1.

Additionally, the Company noted that regional exploration programs are underway, designed to rationalize and optimize the Company's land position and advance a growing pipeline of high-impact exploration targets across the broader Sombrero Project.

- On March 3, and January 17, 2025, the Company, provided updates on its exploration program, being conducted on its Sombrero Project which included the following highlights:
 - The Company had drilled approximately 7,100 m and was drilling its 18th hole as of March 3, 2025;
 - 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 with assay highlights including 19 m of 0.50% Copper ("Cu") and 27 m of 0.21% Cu drilled in hole 4.
 - Pending assay results were expected to be released in the coming weeks (and have now been released per the May 14, 2025, update above and as summarized in section 3.1).
 - The Company has identified two new high-potential exploration targets;
 - The Tipicancha epithermal target, southwest of the Ccascabamba target area; and,
 - The Antapampa target, an iron-skarn occurrence north of the Nioc target area.
 - The Company was, and still is, in the process of expanding its permits to incorporate key targets including Fierrazo and Tipicancha, with a planned temporary drilling pause, which as of the date of this MD&A has been initiated, to optimize capital allocation and logistics, and to complete a technical assessment of assay and other recent surface exploration data before resuming drilling.
 - The Company has continued to strengthen community relationships through positive and constructive engagement with its host communities and has demonstrated the Company's commitments to safety excellence, achieving a total recorded incident frequency rate ("TRIFR") of zero, and environmental responsibility, reflected by its reclamation initiatives and progressive reclamation activities.

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"); 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.

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 March 31, 2025, and for the period then ended.

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 months ended March 31, 2025, and 2024 (the "financial statements"). All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") accounting standards as issued by the International Accounting Standards Board and all dollar amounts presented are Canadian dollars unless otherwise stated.

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The effective date of this MD&A is May 14, 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 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 2024 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.

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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 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 trade on the TSX under the trading symbol "COPR" and on the OTCQB 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 5 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 the area in which the Company recently completed its Phase 1 drill program as discussed below.

2025 Activity

In the first three months of 2025, the Company continued its inaugural core drilling program at the Ccascabamba target area completing an additional 3,030 m before concluding Phase 1 and implementing a temporary pause in drilling. Over the course of the Phase 1 drill program, which commenced in July 2024, the Company completed a total of 8,232.9 m over 20 holes.

In a news release dated May 14, 2025, the Company provided an overview of Phase 1 drill program highlights as follows:

- **Large System:** Drilling to date has not yet defined the limits of the skarn system, with mineralization and alteration remaining open well beyond the currently permitted area. Surface mapping, geophysical data and historical drilling suggest continuity and highlights the potential for the discovery of major extensions in future phases.
- **Notable Intercepts from Drill Holes 6-20:**
 - 25SOM-013 – 9.85 m @ 0.26% Cu and 0.46 g/t gold ("Au")
 - 25SOM-016 – 9.40 m @ 0.19% Cu
 - 25SOM-017 – 18.10 m @ 0.18% Cu and 0.7 g/t Au
 - 25SOM-018 – 21.85 m @ 0.22% Cu
 - 24SOM-007 – 9.15 m @ 0.21% Cu

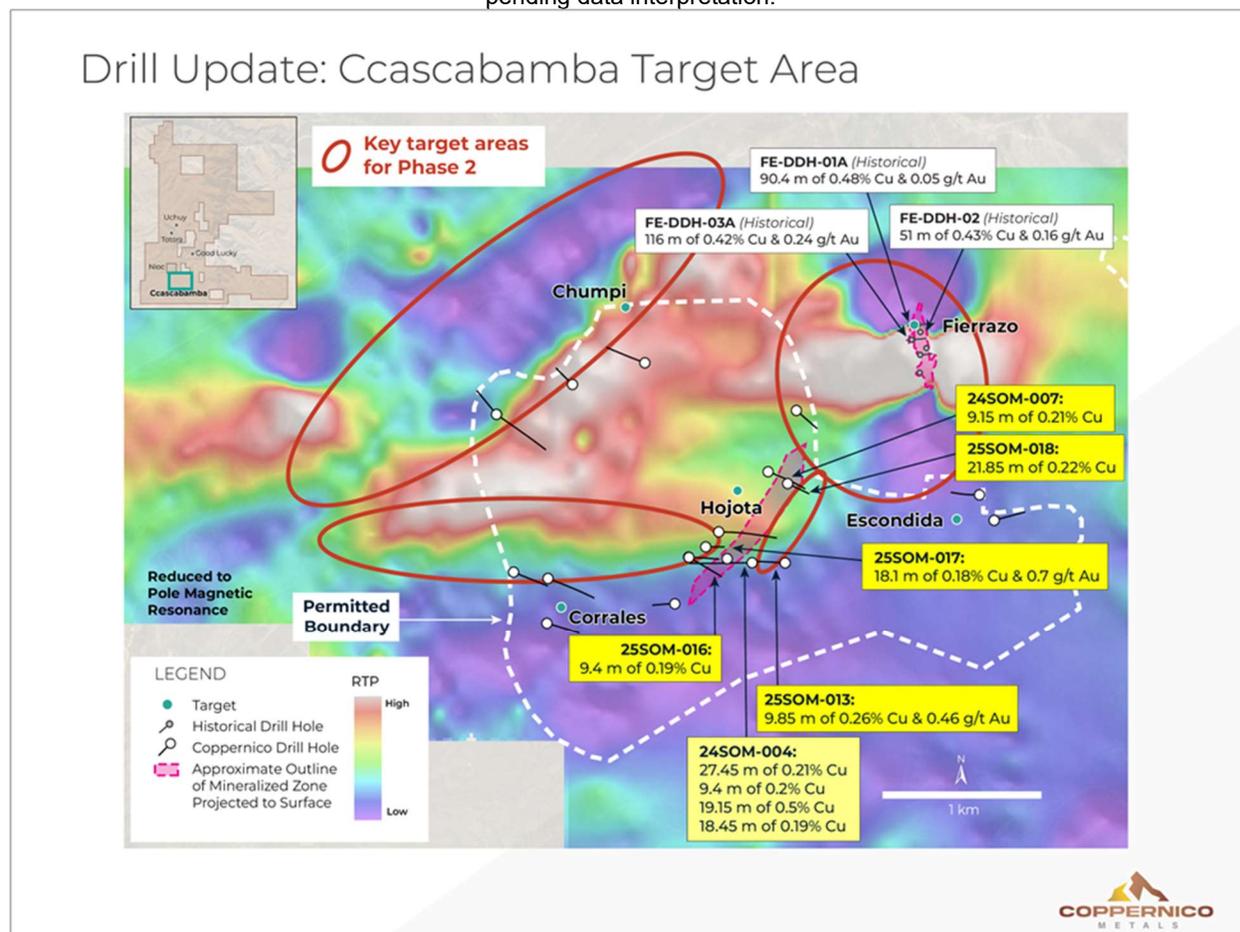
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- **Intrusive Igneous Rock Architecture:** Drilling to date has defined a complex network of causative intrusions, particularly around the Hojota area, where much of the Phase 1 drill program was focused.
- **Zonation and Controls:** Mineralization appears to be controlled by an interplay of factors including proximity to causative intrusions, favorable host lithologies and zones of impermeability and structural complexity, including intersecting fault sets.
- **Robust Skarn Alteration:** Alteration zones exceeding 300 meters in width have been defined, characterized by multiple skarn-forming events and broad breccia zones.
- **High-Priority Targets Beyond Current Permits:** Several compelling targets lie outside the currently permitted drill polygon, where the data is pointing to even more prospective zones for future drilling.

Geological and geochemical results from the Phase 1 drill program demonstrate continuity of copper-gold mineralization across broad intervals and multiple zones. Prospective contact zones between intrusive rocks and limestone, highlighted by magnetic data (Figure 1), indicate strong exploration potential beyond the current drill permitted area (particularly at Chumpi and at Fierrazo, where historical drill holes show strong potential) which supports the decision to advance an expanded permit application that is actively progressing. Within the existing drill permit (notably at Hojota and Corrales), the intrusion – limestone contact zone has been only partly tested with widely spaced holes, these areas will remain targets for future drill phases.

Figure 1: Plan map of Phase 1 drilling at the Ccascabamba target area showing drill hole locations. Magnetics highlight prospective intrusion-limestone contacts, guiding follow-up at Fierrazo, Chumpi, Hojota and Corrales, pending data interpretation.



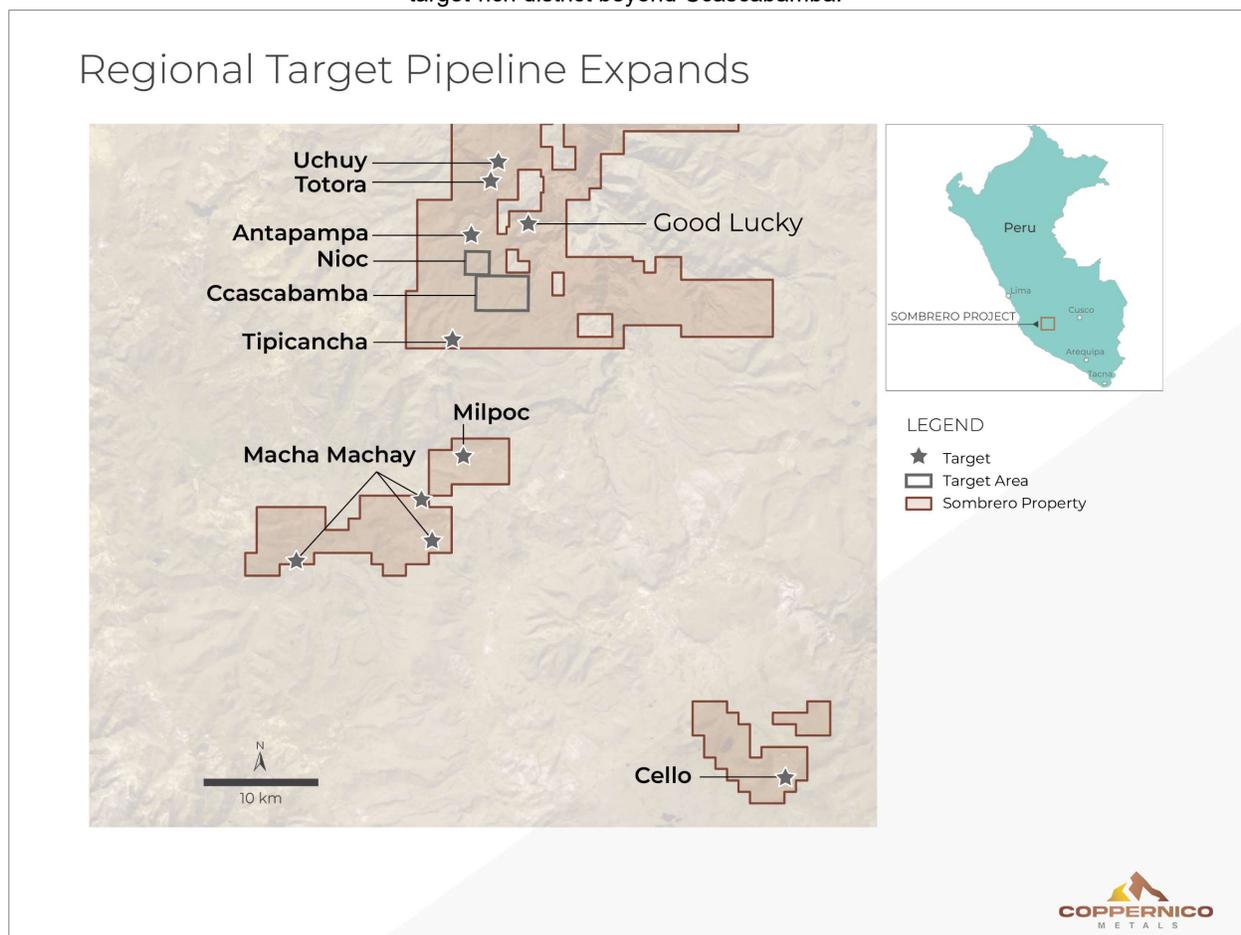
During Q1 2025, the Company also continued to conduct surface exploration in areas where two new high-potential exploration targets were recently identified through detailed mapping and sampling. Surface work has outlined the Tipicancha epithermal target southwest of the Ccascabamba target area, and 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

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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. This target is being rapidly advanced toward drill-ready status. 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. In addition to the Tipicancha, Antapampa, and Nioc target areas, early stage, 1:10,000 scale mapping has identified multiple, new sulphide bearing alteration systems within the Macha Machay and Cello claim groups and further work is planned to assess the scale and potential of these new epithermal / porphyry targets. On-going regional exploration programs are designed to optimize the Company's land position and advance a growing pipeline of high-impact exploration targets across the broader Sombrero Project (Figure 2).

Figure 2: Identified target pipeline at various stages of exploration across the Sombrero Project, underscoring a target-rich district beyond Ccascabamba.



Throughout the quarter, the Company also continued its progressive reclamation and when drilling concluded as planned at the end of Q1, resources were reallocated to remediation efforts in order to minimize the Company's footprint from the work completed to date and yet maintain access and platforms in key areas for future drilling.

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. The current pause in drilling will allow for time to pursue full drilling access in these areas while also exercising the Company's disciplined capital preservation strategy, ensuring resources are preserved for future drilling in key areas.

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With the full suite of assay results from Phase 1 drilling now in hand, the Company plans to continue to refine its geological model and drill targeting through geophysical surveys and structural mapping, further optimizing exploration efforts and preparing for a second phase of drilling once expanded permits are received.

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 and 2025 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 2024/2025 core samples using internal standard samples, blanks, and duplicates, lab duplicates, lab standards, and lab blanks indicate good overall accuracy and precision.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended March 31, 2025, and 2024 (Q1 2025 vs. Q1 2024)

During the three months ended March 31, 2025, the Company reported a loss of \$3,270,466 compared to a loss of \$1,234,582 for the same period in 2024. Significant variances within operating expenses resulted in a combined \$2,035,884 increase in the current period's loss, and are discussed as follows:

- Exploration and evaluation costs in Q1 2025 increased to \$2,506,633 from \$811,248 in Q1 2024 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 Q1 2025, costs included \$47,442 of share-based compensation related to the Company's first share option grant to technical employees and service providers. Comparatively, in Q1 2024, 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 Q1 2025 increased to \$403,122 from \$207,182 in Q1 2024, mainly due to the inclusion of \$119,415 of share-based compensation related to the Company's first share option grant to its directors, as well as finance and administrative employees and service providers. Also, in Q3 2024, the Company supplemented its previously reduced finance and administrative team to help support the higher activity levels associated with ongoing exploration at Sombrero and maintaining compliance as a publicly listed company with its shares trading on the TSX and OTCQB.
- Legal and professional fees decreased to \$34,352 in Q1 2025 compared to \$60,967 in Q1 2024 which were high in the comparative period due to the Company's preparation for listing its shares on the TSX.
- Marketing and investor relations costs increased to \$312,415 in Q1 2025, from \$89,211 in Q1 2024, 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.
- Regulatory and transfer agent fees increased to \$21,562 in Q1 2025 compared to \$4,026 in Q1 2024 as a result of being a publicly trading company on each of the TSX and OTCQB which require the payment of annual exchange fees and the filing of annual disclosure documents, including an annual information form.

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4.2 Summary of quarterly results

Three months ended	Interest income	Loss for the period	Comprehensive loss	Loss per Share
March 31, 2025	\$ 88,247	\$ 3,270,466	\$ 3,282,113	\$ 0.02
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

During the last eight quarters, the Company has incurred losses and comprehensive losses. These losses result from: the Company's expenditures 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.

4.3 Summary of project costs

4.3.1 Mineral property

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

	Sombrero Project
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
Mineral property additions	169,799
Recognition of provision for site reclamation and closure	21,107
Currency translation adjustment	(7,113)
Balance as at March 31, 2025	\$ 8,079,749

4.3.2 Exploration and evaluation

	Three months ended March 31,	
	2025	2024
Surface exploration	\$ 201,242	\$ 213,653
Exploration drilling	1,667,230	-
Concession holding	159,724	403,488
Community, environment, health and safety	346,108	114,518
Project support	84,887	79,589
Share-based payments	47,442	-
Total for the period	\$ 2,506,633	\$ 811,248

4.4 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 three months ended March 31, 2025, and up to the date of this MD&A, there have been no reportable injuries or occupational illnesses, resulting in a TRIFR of zero.

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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 and will continue to prioritize these initiatives both during the current pause in drilling and into future work programs, recognizing the mutually beneficial nature of the relationships that have been built. The Company continues to work with local and neighbouring communities with the goal of achieving social access to additional highly prospective exploration targets. This includes holding regular meetings, maintaining open communication channels, and gathering feedback to ensure that community perspectives are reflected in the Company's activities. Additionally, the Company has demonstrated its commitment to environmental and social responsibility, conducting progressive closure throughout the duration of its drill program. Since initiating the planned pause in drilling in late March 2025, the Company has completed a more focused remediation program leaving open only what is expected to be used for future drilling and/or by the local community and landowners. The reclamation work has been done both in accordance with the Company's drill permit and in consideration of the needs of its host communities.

4.5 Future operations

Having completed approximately 8,232.9 m of drilling in its Phase 1 drill program at the Ccascabamba target area which concluded in late March 2025, a planned temporary pause on drilling has now been initiated. The pause will allow the Company to advance expanded permits, evaluate final assay results and refine its technical understanding to optimize the next phase of exploration, along with logistics planning for the Phase 2 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 continues to explore 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. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

5.1 Financial position and liquidity

	March 31, 2025	December 31, 2024
Working capital	\$ 6,553,926	\$ 9,764,148
Cash	8,090,083	11,225,074
Mineral property interests	8,079,749	7,895,956
Current liabilities	(2,066,986)	(2,237,199)
Non-current liabilities	(345,899)	(222,105)

	Three months ended March 31, 2025	2024
Cash used in operating activities	\$ (2,958,277)	\$ (844,996)
Cash used in investing activities	(174,659)	(165,134)
Cash provided by financing activities	-	80,032

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 \$6,553,926 as at March 31, 2025 (December 31, 2024 - \$9,764,148), which includes cash of \$8,090,083 (December 31, 2024 - \$11,225,074), that is entirely unrestricted.

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As at March 31, 2025, the Company has total current liabilities of \$2,066,986 (December 31, 2024, - \$2,237,199) due to be paid within 12 months, consisting of current accounts payable and accrued liabilities of \$1,841,520, which include the 2024 Sombrero Project government concession fees and 2023 and 2024 penalty fees totaling \$869,154, due by June 30, 2025. 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 fully met on any applicable concession, penalty fees on that concession are eliminated. 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 \$225,466 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 5 of the financial statements.

The Company has non-current accrued liabilities related to 2025 concession fees associated with its Sombrero Project totaling \$103,141 which are due by June 30, 2026. In addition, the Company has a non-current reclamation and closure provision of \$242,758 expected to be incurred in 2026.

The Company has not accrued \$475,178 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 related concessions are in excess of the required minimum investments on these concessions. The Company reported its 2024 expenditures to the Peruvian authorities in April 2025 for their review and approval and therefore the final amount owing, if any, is contingent on their review findings.

During the three months ended March 31, 2025, the Company used cash of \$2,958,277 in operating activities compared to \$844,996 during the three months ended March 31, 2024. The cash outflow during 2025 increased compared with the cash outflow in 2024 primarily due to higher activity levels as previously discussed.

During the three months ended March 31, 2025, the Company used cash in investing activities of \$174,659 whereas \$165,134 was used in 2023. In both periods, the Company paid the annual holding payment of US\$118,000, inclusive of 18% IGTV, required under the terms of the Aceros Option and in Q1 2025, the Company also purchased a piece of equipment for the Sombrero Project. These expenditures were partially offset in both quarters by interest income earned, which in Q1 2025 was higher due to the higher cash balance on hand.

During the three months ended March 31, 2025, the Company did not generate any cash from financing activities as the Company has a strong cash position and therefore no equity financing was undertaken during the quarter. In the comparable three-month period, the Company received net proceeds of \$132,386 in relation to closing the third tranche of its September 2023 private placement and repaid \$52,354 of loans and interest to five directors as disclosed in Note 11(b) of the financial statements and section 8.2 below.

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. As previously discussed, a temporary pause in drilling has been initiated while the Company continues to grow its pipeline of copper targets through ongoing mapping and sampling programs in the Nioc and Tipicancha target areas in an effort to progress them to drill-ready, and to advance permitting efforts to support the next phase of drilling, which will allow for broader systematic testing where mineralization and alteration have been found to extend beyond the currently permitted area, and across some of the newly defined target areas. Based on current plans, the Company projects 12-month expenditures of approximately \$1.7 million to cover general corporate compliance and overhead costs, \$1.0 million for corporate communications and marketing, and \$2.6 million for project related costs, which includes \$1.0 million for its property related payments, and \$1.6 million to keep its Sombrero Project community relationships in good standing and to maintain and expand its permits, including \$0.2 million of reclamation work. In addition to the expenditures noted above, expenditures will be incurred in order to conduct exploration activities, the amount of which is dependent on the size and extent of the planned exploration program and the timing of expanded drill permits which will dictate the recommencement of drilling. The Company's 12 month forecast currently includes surface work costs of approximately \$0.4 million to follow up on newly identified targets and continue drill targeting for a Phase 2 drill program notwithstanding exploration plans and related expenditures could be accelerated subject to exploration findings and progress of permit applications.

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 March 31, 2025, the Company has a strong working capital position that, based on current plans discussed above, 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

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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.

5.2 Capital resources

The Sombrero Project is in the exploration stage; as such, the Company, like virtually all junior explorers, relies on equity financings to fund its activities. The Company also has share purchase options and warrants outstanding that could be a potential source of capital for the Company.

Exercisable securities

Expiry date	Security type	Securities outstanding	Exercise price
May 16, 2026	Warrants	19,375,289	\$ 0.75
May 16, 2026	Warrants	854,640	0.50
January 29, 2027	Warrants	120,000	0.15
August 6, 2029	Options	7,795,000	0.50
August 13, 2029	Warrants	15,795,383	0.30

Equity Financings

On May 16, 2024, the Company closed the \$19.37 million private placement equity financing (the "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 at December 31, 2024		\$ 11,225,074
Actual use of proceeds to March 31, 2025		
Expenditures on Sombrero Project		(2,622,099)
Expenditures on project investigation		(3,715)
General working capital		(509,177)
Proceeds remaining as at March 31, 2025		\$ 8,090,083

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 discussed in section 5.1 above.

7. PROPOSED TRANSACTIONS

As at March 31, 2025, and as at the date of this MD&A, the Company had no proposed material asset or business acquisitions or dispositions.

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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.

A summary of the Company's related party transactions for the three months ended March 31, 2025, and 2024, is as follows:

8.1 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.

	Three months ended March 31,	
	2025	2024
Exploration and evaluation	\$ 158,012	\$ 81,146
Project investigation	134	4,125
Marketing and investor relations	-	22,428
General and administration	211,258	159,331
Total transactions for the period	\$ 369,404	\$ 267,030

As at March 31, 2025, \$115,848 (December 31, 2024 - \$120,763) was included in accounts payable and accrued liabilities and \$188,412 (December 31, 2024 - \$194,815) in prepaid expenses, deposits and other relating to transactions with UMS Canada. Including the initial deposit of \$150,000 advanced to UMS Canada for working capital purposes, the Company had a net deposit balance of \$222,565 with UMS Canada as at March 31, 2025.

8.2 Key management compensation

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

	Three months ended March 31,	
	2025	2024
Salaries and other employee benefits provided to executives	\$ 214,315	\$ 186,727
Fees paid to non-executive independent directors	37,995	27,087
Share-based compensation	118,792	-
Total	\$ 371,102	\$ 213,814

As at March 31, 2025, the Company had an outstanding accounts payable balance with key management personnel of \$77,389 (December 31, 2024 - \$122,662).

During the three months ended March 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.

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 judgments disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2024.

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10. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The accounting policies followed in the financial statements are the same as those applied in the Company's most recent audited annual consolidated financial statements for the year ended December 31, 2024, as disclosed in Note 3 therein, with the exception of those new and amended standards discussed below.

Application of new and amended accounting standards

The Company adopted the following amendments to accounting standards, effective January 1, 2025:

On August 14, 2023, the IASB issued amendments to IAS 21 "Lack of Exchangeability" which contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments to IAS 21 are effective for annual periods beginning on or after January 1, 2025. The adoption of the new standard did not have an impact on 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.

11. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

As at March 31, 2025, 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 13 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:

	March 31, 2025	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

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12.2 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").

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, which was the first period for which the Company was required to certify the design and effectiveness of its internal controls. There were no changes in the Company's internal controls over financial reporting in Q1 2025 that have 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

May 14, 2025