

CMC METALS LTD.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
Nine months ended June 30, 2024
(Expressed in Canadian dollars)

General

The following Management Discussion and Analysis (“MD&A”) of Financial Condition and Results of Operations, prepared August 29, 2024, should be read in conjunction with the accompanying condensed interim consolidated financial statements for the nine months ended June 30, 2024 and audited consolidated financial statements for the year ended September 30, 2023 and related notes included in this report. These statements often can be identified by the use of terms such as "may," "will," "expect," "believes," "anticipate," "estimate," or "continue," or the negative thereof. The Company intends that such forward-looking statements be subject to the safe harbours for such statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgement as to risks, uncertainties and important factors beyond the control of the Company that could cause actual results and events to differ materially from historical results of operations and events from those presently anticipated or projected. The Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

The Company’s shares are listed on the TSX Venture Exchange (the “Exchange”) under the symbol “CMB”. Additional information related to the Company is available on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.cmcmetals.ca.

Description of Business

The Company was incorporated under the laws of the Province of Alberta on June 21, 1996 and continued into the Province of British Columbia and changed its name to CMC Metals Ltd. from Bellevue Capital Corp., on July 4, 2005. The Company was extra-territorially registered in the Yukon on September 14, 2005, and Newfoundland and Labrador on April 1, 2021.

On April 7, 2010, the Company incorporated a wholly-owned subsidiary, 0877887 B.C. Ltd. (“0877887 B.C.”), under the Business Corporations Act of British Columbia. On April 12, 2012, the Company incorporated in the state of California, a 100% wholly-owned subsidiary, CMC Metals Corp.

On November 30, 2023, pursuant to the sale agreement dated September 15, 2023, the Company completed the sale of its wholly-owned subsidiary, 0877887 B.C. Ltd., and all of assets, rights and responsibilities of the Bishop mill located in California, United States, with 1436132 B.C. Ltd. (“Purchaser”), a private Canadian company. However, the Purchaser was unable to meet the terms of the agreement and therefore, on March 29, 2024, the Purchaser entered into a binding Letter of Intent (“LOI”) agreement with North Bay Resources Inc. (“NBRI”), a public company listed on the OTC-US market, to acquire 55.5% of 0877887 B.C. Ltd. and all assets, rights, and responsibilities of the Bishop mill from the Purchaser. NBRI will assume certain obligations of the sale agreement between the Company and the Purchaser.

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiary CMC Metals Corp.

These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

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The condensed interim consolidated financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The continuing operations of the Company are dependent upon its ability to obtain continued financial support, raise adequate financing and to fund profitable operations in the future.

The Company’s business financial condition and results of operations may be further negatively affected by economic and other consequences from Russia’s military action against Ukraine and the sanctions imposed in response to that action in late February 2022. While the Company expects any direct impacts, and the war in the Ukraine, and the escalation of war between Israel and Hamas in Gaza to the business to be limited, the indirect impacts on the economy and on the mining industry and other industries in general could negatively affect the business.

Discussion of Operations and Financial Condition

Operations Summary

The Company has properties in British Columbia, Yukon and Newfoundland. It is primarily focussed on pursuing high grade silver polymetallic deposits and is also involved in properties with potential for gold mineralization.

British Columbia and Yukon

The Company has three properties in the Rancheria Silver District that is a 130 km long by 50 km wide belt that straddles the Yukon and British Columbia border. CMC has been actively exploring the northern end of this silver district at its Silver Hart and Blue Heaven properties and from those efforts identified successful exploration strategies and knowledge of the district. It subsequently optioned additional properties in the central part of the District, namely Silverknife and Amy which is now has 100 percent ownership. The Rancheria Silver District is located approximately 300 km east of Whitehorse, Yukon.

In Yukon, exploration in 2021 on the Silver Hart project yielding highly positive exploration results and identifying major targets for carbonate replacement (“CRD”) style deposits similar to the Silvertip mine located immediately adjacent to the Silverknife property. Additional drilling was conducted in 2022 resulting in a new vein discovery and the potential to further expand resources on the property. Initial trenching conducted on the Blue Heaven property yield highly positive results that require additional follow-up.

The Company shifted its attention to its properties on the British Columbia portion of the Rancheria Silver District in 2023. A small exploration program was conducted on the Silverknife property that was prioritized due to the fact that;

- the property is proximal to the Silvertip Mine (Coeur Mining Inc.) that is one of the highest-grade silver-lead-zinc carbonate replacement style deposits in the world. Coeur have noted that the area around Silvertip is highly prospective for additional CRD deposits.
- large conductivity anomalies identified in a 2021 airborne survey were identified and were coincident with gravity anomalies;
- the geology including the McDame limestone underlies the northern part of the Silverknife property in the Tootsee North Zone. The McDame limestone is the host unit to the Silvertip deposit.

Due to these factors and others, the Company undertook an initial drill program focussed in the Tootsee South and Silverknife Prospect Zones. Lack of access prevented the Company to target areas of high exploration prospectivity

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in the Tootsee North area which remains the primary target on the property and is unexplored to date. Limited drilling on the property was conducted. Work on access to the Tootsee North area was initiated and planning is underway to complete access to facilitate exploration and drilling in the area in 2024 and beyond. Other targets in the central parts of the property where significant geochemical anomalies coincident with conductivity anomalies are yet to be explored and require detailed mapping and potentially a helicopter supported drill program. The Company expects it will take a few years of exploration on the Silverknife Property to fully determine the potential of the area.

Preliminary sampling and a data compilation effort have been completed on the Amy property. Results to date indicate that the property has considerable potential to host a high-grade silver-gold-lead-zinc carbonate replacement deposit.

The Company also 100 percent owns the Logjam property in south-central Yukon which has identified gold and silver potential. *The Logjam property is available for option.*

Newfoundland and Labrador

In 2020 the Company ventured into the Newfoundland area with the intention of identifying properties with known mineralization, identified potential for base and precious metal mineralization, road accessible and that could be acquired under reasonable terms. Recently Newfoundland has been viewed as one of the top gold exploration jurisdictions in the world arising from the significant discoveries at Newfound Gold’s Queensway Project.

The Company initially optioned three properties Terra Nova, Rodney Pond and Bridal Veil. In 2023 it released its options on Terra Nova and Rodney Pond in an effort to rationalize property holdings. However, it secured a 100 percent interest in the Bridal Veil property, located a mere 15 kilometers east of the Queensway project, that has been identified by the Newfoundland Geological Survey as having the potential to host orogenic gold. CMC has identified several gold in soil/till anomalies on the property. The property is transected by the Trans Canada Highway, numerous roads and the former Newfoundland railway bed. *The Bridal Veil property is available for option.*

Further details on these properties are available on the Company website at www.cmcmetals.ca and have also been presented in previous management discussions.

Other Projects

Logjam Property, Yukon

Logjam is a 100% owned property of the Company located in south-central Yukon, approximately 250 km from Whitehorse and 185 km west of Watson Lake. The property is accessible through a road extending 20 km northwards from the Yukon-Alaska Highway.

Mineralization at Logjam comprises of no less than 10 polymetallic veins containing gold, silver, lead, zinc, copper and to a lesser extent antimony, bismuth and tungsten. Logjam has seen a lot of historical work completed on the project including 701 meters of underground development in two adits (5600 and 5150 levels) and 2,971 meters of drilling. Limited exploration has taken place since the mid 1980’s but it is considered that the property has exploration potential to host a polymetallic deposit.

In 2020 and 2021, the Company completed brief reconnaissance and sampling efforts of rusty altered outcrops along the trail route extending from Largo Resources’ Northern Dancer claims through a cross section of the stratigraphy in the southern part of the Property. This was to follow up on historical results identifying the possible existence of

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gold-silver-lead-zinc and copper mineralization in that area. At time of writing the results from this effort are pending as results on samples submitted for assaying are yet to be received.

The Company also received a permit to upgrade the road access to the property enabling vehicular traffic to the site and to be able to conduct a range of exploration activities such as prospecting, geological mapping, geochemistry, and trenching. The Company is currently undertaking an evaluation of the Property to determine best steps forward which may include optioning the property or securing a partnership arrangement to advance exploration on the Property.

Bishop Mill Processing Facility, Bishop, California

As of November 30, 2023, following the sale of its subsidiary 0877887 BC Ltd, the Company no longer owns the Bishop Mill Property.

Other Activities

The Company has completed the development of an ESG (environmental, social and governance) manual to help develop Company policies and guide all work activities to ensure that they are being implemented in a corporate responsible manner. The initiative was designed to be the first step of a multi-phase project that is designed to ensure that the corporate philosophy and operational plans of the Company serve to mitigate and adapt project impacts on the environment, climate change, local participation, indigenous concerns and participation, local communities, project benefits, employee safety and satisfaction.

This ESG project is now expected to evolve over the foreseeable future in particular in the area of addressing the needs and concerns of local indigenous groups and communities directly affected by our projects. In this manner it is hopeful that the outcome of these activities will serve to increase the competitiveness of our projects and de-risk both short- and long-term goals and objectives. Determining how indigenous knowledge and participation within this project is deemed fundamental to the future success of the Company.

Liquidity & Capital Resources

As at June 30, 2024, the Company had working capital of \$547,768 (September 30, 2023 working capital deficiency – \$578,067), had not yet achieved profitable operations, has accumulated losses of \$31,754,052 (September 30, 2023 - \$32,322,837) since its inception and expects to incur further losses in the development of its business, all of which indicate the existence of a material uncertainty that may cast substantial doubt about the Company’s ability to continue as a going concern.

The Company believes that the current capital resources is not sufficient to pay overhead expenses and its exploration expenditure commitment for the next twelve months and will need to seek additional funding for overhead expenses and any future commitments. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company’s liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares, shares for debt, loans and related party loans to fund ongoing operations and investments. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

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During the nine months ended June 30, 2024:

On October 23, 2023, the Company issued 350,000 common shares at a fair value of \$24,500 pursuant to the Bridal Veil property option agreement.

On November 8, 2023, the Company issued 3,571,400 FT units at a price of \$0.07 per FT unit for aggregate gross proceeds of \$249,998. Each FT unit consists of one FT share of the company and one NFT transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.10 per share on or before November 8, 2025. In connection to the financing, the Company paid a finders fees of \$15,001 and issued 214,284, non-transferable finders’ warrants exercisable at \$0.07 per share expiring on November 8, 2025. The Company fair value the finders’ warrants at \$6,430 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 4.17%; annual dividends - nil; expected life - 24 months; expected stock price volatility- 114%. The Company recognized a flow-through premium of \$35,714 on the private placement.

On February 1, 2024, the Company issued 2,000,000 common shares at a fair value of \$80,000 pursuant to the Amy and Silverknife property option agreement.

On June 26, 2024, the Company issued 5,000,000 common shares at a fair value of \$175,000 pursuant to the Blue Heaven property option agreement.

On June 26, 2024, the Company completed the first tranche of financing and issued an aggregate of 2,782,143 NFT units at a unit price of \$0.035 and 1,000,000 FT units at a unit price of \$0.04 for aggregate gross proceeds of \$137,375, of which \$6,125 was received subsequently. Each NFT unit consists of one common share of the Company and one transferable NFT share purchase warrant. Each FT unit consists of one FT share of the Company and one NFT transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per share on or before June 25, 2026. In connection to the financing, the Company issued 4,500 non-transferable finders’ warrants exercisable at \$0.07 per share expiring on June 25, 2026. The Company fair value the finders’ warrants at \$134 using the Black-Scholes Option Pricing Model with the following assumptions: risk free interest rate – 4.04%; annual dividends - Nil; expected life - 24 months; expected stock price volatility- 159%. The Company recognized a flow-through premium of \$5,000 on the private placement.

Results of Operations

The following discussion and analysis explain trends in the Company’s financial condition and results of operations. This discussion and analysis of the results of operations and financial condition of the Company should be read in conjunction with the audited financial statements and the notes thereto for that period. Unless expressly stated otherwise, all references to dollar amounts in this section are in Canadian dollars.

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Annual Information

The following is a summary of the results of financial operations of the Company for the years ended September 30, 2023, 2022, and 2021.

	September 30, 2023	September 30, 2022	September 30, 2021
Revenues	Nil	Nil	Nil
Operating expenses	\$(3,633,739)	\$(4,442,610)	\$(3,124,826)
Net loss and comprehensive loss for the year	\$(3,494,643)	\$(4,269,431)	\$(3,040,580)
Total assets	\$946,212	\$1,711,256	\$1,019,449
Total long term debt	\$607,694	\$607,961	\$417,368
Cash dividends declared per share	N/A	N/A	N/A

Quarterly Information

The quarterly results were derived from condensed interim consolidated financial statements using IFRS. The quarterly results for following selected financial data should be read in conjunction with the Company’s audited consolidated financial statements and quarterly management prepared condensed interim consolidated financial statements.

	Quarter Ended 06/30/2023	Quarter Ended 03/31/2023	Quarter Ended 12/31/2022	Quarter Ended 09/30/2022
Net Income (loss)	\$(864,610)	\$(878,128)	\$(416,008)	\$(2,327,389)
Income (loss) per share	\$(0.01)	\$(0.01)	\$(0.00)	\$(0.03)

	Quarter Ended 06/30/2024	Quarter Ended 03/31/2024	Quarter Ended 12/31/2023	Quarter Ended 09/30/2023
Net Income (loss)	\$(210,616)	\$(14,193)	\$793,594	\$(1,335,896)
Income (loss) per share	\$(0.00)	\$(0.00)	\$0.01	\$(0.01)

During the quarter ended June 30, 2022, the net loss included \$512,905 in exploration expenditures.

During the quarter ended September 30, 2022, the net loss included \$1,867,963 in exploration expenditures and year-end adjustments.

During the quarter ended December 31, 2022, the net loss included \$285,065 in exploration expenditures.

During the quarter ended March 31, 2023, the net loss included \$378,711 in exploration expenditures.

During the quarter ended June 30, 2023, the net loss included \$678,757 in exploration expenditures.

During the quarter ended September 30, 2023, the net loss included \$1,129,924 in exploration expenditures.

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During the quarter ended December 31, 2023, the net income included \$1,708,842 in gain of sale of subsidiary and \$528,940 in bad debt.

During the quarter ended March 31, 2024, the net loss included \$165,678 in exploration expenditures.

During the quarter ended June 30, 2024, the net loss included \$237,685 in exploration expenditures and unrealized gain on marketable securities for \$137,064.

Results of Operations:

During the three months ended June 30, 2024:

There was no source of revenue for the Company during the three months ended June 30, 2024. During the three months ended June 30, 2024, the Company recorded a net loss and comprehensive loss of \$210,616 as compared to the net loss and comprehensive loss of \$864,610 for the comparable quarter. Total expenses for the current quarter was \$361,105 as compared to \$906,487 for the comparable quarter. The decrease in expenses were related to the following:

Total exploration expenditures for the current quarter were \$237,685 as compared to \$678,757 for the comparable quarter. During the comparable quarter, a majority of the exploration expenditures were spent on the Silver Hart property as the Company completed a drilling program and the Amy and Silverknife property.

The above decrease was offset by the following increase:

Share-based payments for the quarter was \$29,543 as compared to \$Nil for the comparable quarter. During the current quarter, the Company recognized \$29,543 vested and accrued to June 30, 2024, for stock options. The Company fair valued these stock options using the Black-Scholes Option Pricing Model. Share-based payments is a non-cash transaction.

During the nine months ended June 30, 2024:

There was no source of revenue for the Company during the nine months ended June 30, 2024. During the nine months ended June 30, 2024, the Company recorded a net income and comprehensive income of \$568,785 as compared to the net loss and comprehensive loss of \$2,158,746 for the comparable period. Total expenses for the current period was \$1,234,541 as compared to \$2,267,574 for the comparable period. The majority of the expenses related to the following:

Total exploration expenditures for the current period were decreased to \$574,840 as compared to \$1,342,533 for the comparable period.

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	Silver Hart	Bishop Mill	Bridal Veil	Amy and Silverknife	Terra Nova	Blue Heaven	Total
Costs incurred during the period:							
Acquisition costs	\$ -	\$ -	\$ 24,500	\$ 80,000	\$ -	\$ 175,000	\$ 279,500
Accommodation	-	-	-	31,165	-	-	31,165
Contractors	24,982	-	-	113,605	-	-	138,587
Clean up costs	-	5,333	-	-	-	-	5,333
Drilling	893	-	-	99,623	-	-	100,516
Field office	3,024	-	2,114	8,121	-	3,788	17,047
Travel expenses	175	-	-	12,517	-	-	12,692
Option payment received	-	-	-	-	(10,000)	-	(10,000)
For the nine months ended June 30, 2024	\$ 29,074	\$ 5,333	\$ 26,614	\$ 345,031	\$ (10,000)	\$ 178,788	\$ 574,840

Marketing fees have decreased to \$70,690 as compared to \$125,718 for the comparable period. During the current period, the Company did not engage new consultants for marketing and investor relations.

Share-based payments for the period was \$105,278 as compared to \$272,025 for the comparable period. During the current period, the Company granted 2,100,000 stock options to directors and consultants of the Company which was fair valued at \$126,420. The Company fair valued these stock options using the Black-Scholes Option Pricing Model. Share-based payments is a non-cash transaction.

On December 20, 2023 and amended on February 1, 2024, the Company entered into a share purchase agreement with Sailfish Royalty Corp. (“Sailfish”), that grants the option to acquire all of the issued and outstanding shares of Swordfish Silver Corp., through Sailfish de Mexico SA de CV, holds the mineral rights of the Gavilanes silver exploration property located in the municipality of San Dimas, state of Durango, Mexico. Upon entering into the agreement, the Company subsequently reimbursed Sailfish for certain fees incurred by Sailfish with respect to the property in the 2023 calendar year in the amount of US\$9,903. As consideration, the Company will pay an aggregate of US\$3,500,000 in cash and issue 1,000,000 common shares along with common shares worth \$1,200,000. The Company is committed to incurring exploration expenditures on the property totaling \$5,000,000. The Company, in lieu of many any further option payments, immediately purchase all the shares by paying to Sailfish US\$4,000,000 in cash less any cash payments made to Sailfish.

During the nine months ended June 30, 2024, the Company terminated the share purchase agreement and incurred property investigation costs of \$136,801.

Other items

On November 30, 2023, pursuant to the sale agreement dated September 15, 2023 and amended on March 29, 2024, the Company completed the sale of its wholly-owned subsidiary, 0877887 B.C. Ltd., and all assets, rights, and responsibilities of the Bishop mill located in California, United States, to 1436132 B.C. Ltd. (“Purchaser”), a private Canadian company. Concurrently, on March 29, 2024, the Purchaser entered into a share purchase agreement with North Bay Resources Inc. (“NBRI”), a publicly traded company, to acquire 55.5% of 0877887 B.C. Ltd. and all assets, rights, and responsibilities of the Bishop mill from the Purchaser.

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NBRI will assume certain obligations of the sale agreement between the Company and the Purchaser. During the nine months ended June 30, 2024, the Company reported a gain on sale of subsidiary of \$1,641,379.

During the nine months ended June 30, 2024, the Company received \$289,998 from the issue of flow-through shares. A flow through premium liability of \$40,714 was initially recognized and the Company recognized \$28,004 as other income and has \$12,710 in flow-through premium and a commitment to incur an additional \$93,796 in exploration expenditures by December 31, 2024.

Fourth Quarter

N/A

Related Party Transactions

The Company entered the following transactions with related parties:

- a) incurred exploration expenditures of \$103,883 (June 30, 2023 - \$129,600) with a director or a company controlled by a director and officer of the Company.
- b) incurred share-based payments of \$97,758 (June 30, 2023 - \$194,649) with directors and officers of the Company.
- c) incurred consulting fees of \$136,668 (June 30, 2023 - \$161,422) with a director, the former CFO and a company controlled by a director and officer of the Company.
- d) incurred property investigation costs of \$95,000 (June 30, 2023 - \$Nil) with the CFO and the directors of the Company.

On June 30, 2024, prepaid expenses include \$3,000 (September 30, 2023 - \$37,246) in prepaid exploration expenditures to a director and a company controlled by a director of the Company.

On June 30, 2024, a total of \$170,557 (September 30, 2023 - \$8,865) was owing to directors and a company controlled by a director of the Company, unsecured, non-interest bearing, no specific terms of repayment.

On June 26, 2024, the Company completed a non-brokered FT private placement with the CEO of the Company for 1,000,000 FT units at a unit price of \$0.04 for total proceeds of 40,000. Each FT unit consists of one FT share of the Company and one NFT transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per share on or before June 25, 2026.

Off Balance Sheet Agreements

None

Proposed transactions

None

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Subsequent event

On July 4, 2024, the Company completed the second tranche of financing for gross proceeds of \$25,025 consisting of 715,000 NFT units at a price of \$0.035 per NFT unit. Each NFT unit consists of one common share of the company and one NFT transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share of the Company at a price of \$0.07 per share on or before July 3, 2026.

Recent Accounting Pronouncements

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods are as follows:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2024. The adoption of this standard is not expected to have any impact on the Company’s financial statements.

Risk, Uncertainties and Outlook

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines.

The ability to raise working capital directly impacts the ability of the Company to undertake any planned exploration programs. Currently sufficient work has been undertaken on all of its current mineral property interests for a number of years, however, if the Company is unable to perform sufficient exploration work in future years or with exploration partners, it may be necessary to write-down additional mineral property interests in future periods. The Company’s exploration activities and its potential mining and processing operations are subject to various laws governing land use, the protection of the environment, prospecting, development, production, contractor availability, commodity prices, exports, taxes, labour standards, occupational safety and health, waste disposal, toxic substances, mine safety and other matters. The Company believes it is in substantial compliance with all material laws and regulations which currently apply to its activities. There is no assurance that the Company will be able to obtain all permits required for exploration, any future development and construction of mining facilities and conduct of mining operations on reasonable terms or that new legislation or modifications to existing legislation, would not have an adverse effect on any exploration or mining project which the Company might undertake.

The Company has been performing reclamation activities on an on-going basis. As such, management feels that there is no significant reclamation liability outstanding on properties owned by the Company.

The Company’s ability to continue as a going concern is contingent on its ability to obtain additional financing. Several adverse conditions cast significant doubt on the validity of this assumption. The current financial equity market conditions and the inhospitable funding environment make it difficult to raise funds by private placements of shares. The junior resource industry has been severely adversely affected by the world economic situation, as it is considered to be a high-risk investment. There is no assurance that the Company will be successful with any financing ventures. It is dependent upon the continuing financial support of shareholders and obtaining financing to continue exploration of its mineral property interests.

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While the Company is expending its best efforts to achieve its plans by examining various financing alternatives including reorganizations, mergers, sales of assets, and settlement of debts by share issuances, or other form of equity financing, there is no assurance that any such activity will generate funds that will be available for operations.

The condensed interim consolidated financial statements do not include any adjustments to the recoverability and classification of recorded assets, or the amounts of, and classification of liabilities that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material. The amounts shown as mineral properties and related deferred costs represent costs net of recoveries to date, less amounts written off, and do not necessarily represent present or future values. Recoverability of the amounts shown for mineral properties is dependent upon the discovery of economically recoverable mineral reserves, securing and maintaining title and beneficial interest in the properties, the ability of the Company to obtain financing necessary to complete the exploration and development of its mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company’s primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with one major bank in Canada. As most of the Company’s cash is held in one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. The Company’s secondary exposure to risk is on its other receivables and reclamation bond. This risk is minimal as receivables consist primarily of refundable government goods and services taxes and the reclamation bond is held with government authorities.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company’s normal operating requirements on an ongoing basis.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company’s access to financing is always uncertain. There can be no assurance of continued access to significant equity funding.

The Company has a working capital of \$547,768 as at June 30, 2024 (September 30, 2023 working capital deficiency - \$578,067). Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company’s subsidiary is not exposed to material currency risk as its functional currency is the Canadian dollar. The Company does not hedge its exposure to fluctuations in foreign exchange rates.

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Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest earned on cash is at nominal interest rates and therefore, the Company does not consider interest rate risk to be significant.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital, net of accumulated deficit. There were no changes in the Company's approach to capital management during the quarter. The Company is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the period.

The Company is not subject to any externally imposed capital requirements.

Share Capital

As at June 30, 2024 and of the date of the MD&A, the Company had the following shares or equities outstanding.

Security description	As at	
	June 30, 2024	MD&A date
Common shares – issued and outstanding	156,989,707	157,704,707
Share purchase warrants 1 for 1 basis	16,196,829	16,911,829
Stock options	7,460,000	7,460,000
Common shares – fully diluted	180,646,536	182,076,536

Forward-looking Statements

The Management Discussion and Analysis of Financial Condition and Results of Operations contain certain statements that may be deemed “forward-looking statements”. All statements in this document, other than statements of historical fact, that address events or developments that the Company expects to occur, are forward looking statements. Forward looking statements are statements that are not historical facts and generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “intends”, “estimates”, “projects”, “potential”, “interprets” and similar expressions, or that events or conditions “will”, “would”, “may”, “could” or “should” occur. Forward-looking statements in this document include statements regarding future exploration programs and joint venture partner participation, liquidity and effects of accounting policy changes. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing, inability to obtain required regulatory or governmental approvals and general economic, market or business conditions.

Investors are cautioned that any such statements are no guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements. Forward

CMC METALS LTD.

MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)

Nine months ended June 30, 2024

(Expressed in Canadian dollars)

looking statements are based on beliefs, estimates and opinions of the Company’s management on the date the statements are made. The Company undertakes no obligations to update these forward-looking statements in the event that management’s beliefs, estimates or opinions, or other factors, should change except as required by law.

These statements are based on a number of assumptions, including, among others, assumptions regarding general business and economic conditions, the timing of receipt of regulatory and governmental approvals for the transactions described herein, the ability of the Company and other relevant parties to satisfy stock exchange and other regulatory requirements in a timely manner, the availability of financing for the Company’s proposed transactions and exploration and development programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause results to differ materially.