

C3 METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended August 31, 2022 and 2021

(Information as at December 8, 2022 unless otherwise noted)



INTRODUCTION

This management's discussion and analysis ("MD&A") provides results of operations and financial condition for the years ended August 31, 2022 and 2021. It was approved by the Board of Directors on December 8, 2022.

On July 31, 2020, the Company changed its name to C3 Metals Inc. (referred to herein collectively with its subsidiaries as "C3 Metals" or the "Company"). On June 18, 2015, Miocene Resources Limited ("Miocene") completed a reverse takeover with Carube Resources Inc. ("CRI"). The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol CCCM and on the OTCQB Venture Market under the symbol CUAUF.

The consolidated financial statements include all of the assets, liabilities and expenses of C3 Metals and its wholly-owned subsidiaries, Carube Resources Inc., Carube Resources Jamaica Limited ("CRJL"), Rodinia Jamaica Limited ("RJL"), Latin America Resource Group Limited ("LARG"), C3 Metals Peru S.A.C. ("C3 Peru") and Molino Azul S.A.C. ("Molino").

This MD&A should be read in conjunction with the Company's consolidated annual financial statements for the periods ended August 31, 2022 and 2021 which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All figures are presented in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING STATEMENTS

This MD&A contains certain statements that may be deemed "forward-looking statements" relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects, the failure to obtain sufficient funding for operating, capital and exploration requirements and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results. Potential shareholders and prospective

investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. C3 Metals undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

QUALIFIED PERSON

The technical information contained in this MD&A has been approved by Stephen Hughes, P.Geo., the Company's Vice President Exploration and a Director, who is a Qualified Person as defined by National Instrument 43-101.

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

C3 Metals is a junior minerals exploration company focused on creating substantive value through the discovery and development of large copper and gold deposits. The Company's holds the 26,800 hectare Jasperoide project, a high-grade copper-gold skarn and porphyry system located in the prolific Andahuaylas-Yauri Porphyry-Skarn belt of southern Peru (the "Jasperoide Project"). Mineralization at the Jasperoide Project is hosted in a similar geological setting to the nearby major mining operations at Las Bambas (MMG), Constancia (Hudbay) and Antapaccay (Glencore). C3 Metals also holds a 100% interest in five licenses covering 20,700 hectares of highly prospective copper-gold terrain in Jamaica. The Company also holds a 2% net smelters return ("NSR") royalty on Cascade Copper Corp.'s ("Cascade Copper") Rogers Creek project.

The Company has not determined whether its properties contain mineral resources that are economically recoverable. The recoverability of amounts recorded for mineral exploration properties and deferred exploration expenditures is dependent upon the discovery of economically recoverable resources, the ability of the Company to obtain the necessary financing to complete the development of these resources and upon attaining future profitable production from the properties or sufficient proceeds from disposition of the properties.

RECENT DEVELOPMENTS

Since January 2021, the Company has been undertaking exploration work at its Jasperoide Project. An initial Phase 1 drilling program, planned for 3,500 metres, commenced in February 2021. The Phase 1 drilling program was expanded to 10,000 metres and was completed at the end of October 2021. A Phase 2 drilling program commenced in February 2022 to test deeper copper-gold porphyry and stacked skarn targets that were identified in the Phase 1 drilling program and infill areas with low drill-data density at Montaña de Cobre Zone. During November 2022, the Company announced the completion of Phase 2 drilling and the results from the final six drill holes of the Phase 2 program. In total, 73 holes were drilled in the Phase 1 and Phase 2 programs for a total of 20,070 metres.

Updates on the Company's exploration activities including assay results at the Jasperoide Project were announced on May 25th, June 16th, July 27th, September 8th and 30th, December 13th, 2021, and January 12th, February 23rd, May 17th, September 9th, and November 1st, 2022. Further details on the Jasperoide exploration program are included under *Exploration Projects, Activities and Expenditures*.

In February 2021, the Company closed a brokered private placement financing in two tranches raising total gross proceeds of \$7,414,509 with the issuance of 52,960,779 common shares. In connection with the financing, the Company paid aggregate cash commissions and corporate finance fees of \$518,446 and issued a total of 3,706,900 broker warrants to the agents. Each broker warrant entitled the holder to purchase one common share at a price of \$0.14 per share until their expiry date on February 18, 2022.

On March 29, 2021, the Company announced that during the period from mid-January to late March 2021, a total of 23,440,751 warrants and 8,060,000 stock options were exercised resulting in cash proceeds to the Company of approximately \$2.8 million.

On June 22, 2021, the Company entered into a binding agreement with Rodinia Resources Pty Limited ("Rodinia") to purchase 1.5% of the 2% net smelter return ("NSR") royalty related to the Hungry Gully and Main Ridge licenses in Jamaica for cash consideration of \$93,497 (US\$75,000) and the issuance of 190,062 common shares valued at \$29,840. The agreement also provided the Company with a right of first refusal to purchase the remaining 0.5% NSR royalty. On February 22, 2022, the Company announced that it had purchased the remaining 0.5% NSR royalty for cash consideration of \$31,785 (US\$25,000).

On July 13, 2021, the Company entered into a binding Heads of Agreement to acquire 100% of Hochschild Mining PLC's ("Hochschild") interest in the Jasperoide copper-gold project in Peru. This acquisition closed on October 13, 2021. Consolidation of the ownership in Jasperoide was facilitated through an amendment of the original Master Agreement entered into by C3 Peru in 2017. The transaction, between C3 Peru and Compania Minera Ares S.A.C. ("Ares"), a wholly owned subsidiary of Hochschild provided for the payment to Hochschild of 25,001,540 common shares of the Company and the grant of a 1.5% NSR royalty in favour of Ares in respect of the Hochschild Jasperoide mineral concessions subject to the right of the Company to purchase 1% of the NSR royalty (thereby reducing the NSR royalty to 0.5%) for a price of US\$1,000,000 at any time, replacing the previously granted 1.5% net smelter returns royalty that had no buy back provision. The common shares issued were subject to contractual resale restrictions providing that the common shares may not be sold, transferred, optioned, encumbered, pledged or hypothecated in any way, except as follows: (i) as to 25% on the date which is four months from the date of issuance; (ii) as to 25% on the date which is eight months from the date of issuance; and (iii) as to 50% on the date which is 12 months from the date of issuance.

On September 29, 2021, the Company and Tocvan Ventures Corp. ("Tocvan") entered into a purchase and sale agreement for the Rogers Creek project whereby Tocvan acquired a 100% interest in the project and the prior option earn-in agreement was terminated. As consideration, the Company received 500,000 common shares of Tocvan and an agreement that \$75,000 in common shares will be issued in a newly formed company called Cascade Copper Corp., based on the prelisting finance price when listed on the Canadian Securities Exchange. Tocvan will, subject to shareholder and regulatory approval, spin out its 100% interest in the Rogers Creek project into Cascade Copper Corp., which will focus on copper porphyry exploration assets in southern British Columbia. The Company will retain a 2% NSR royalty on the Rogers Creek project where 1% can be repurchased for \$1 million.

On November 9, 2021, the Company closed a bought deal private placement with the issuance of 101,582,178 common shares at \$0.19 per common share for gross proceeds of \$19,300,614. Cash commissions totaling \$1,150,541 were paid to the underwriters and a total of 6,016,031 compensation warrants exercisable for common shares at \$0.19 were issued with an expiry date of November 9, 2023.

On December 7, 2021, the Company announced that its common shares were approved to trade on the OTCQB Venture Market, under the symbol CUAUF and that the shares are eligible for settlement through the Depository Trust Company, a subsidiary of the Depository Trust & Clearing Corp. that manages the electronic clearing and settlement of publicly-traded companies in the United States.

On March 24, 2022, the Company announced that it had secured a drill rig to undertake a 5,000 metre core drilling program in Jamaica to test several compelling high priority copper-gold porphyry targets and on May 27, 2022, the Company announced that the drill program had commenced. Initial drill results were announced on September 12, 2022. On November 28, 2022, the Company provided an update on the drilling program at the Bellas Gate project that has intersected multiple zones of high-level porphyry and epithermal style copper-gold-silver mineralization. C3 Metals holds a 100% interest in three licenses which cover an overlooked and under explored porphyry/epithermal copper-gold belt in Jamaica.

On June 2, 2022, the Company announced the discovery of high-grade copper and silver at the Arthurs Seat project in Jamaica. Arthurs Seat is one of the four 100% owned Jamaican projects held by the Company and is adjacent to the Company's Bellas Gate project. On September 13, October 12, November 7 and November 29, 2022, the Company provided exploration updates announcing rock chip assay results and significant expansion in the epithermal gold-copper vein swarm discovery and that it had obtained a permit to commence drilling at the Arthur Seat Project. Further details on the Jamaican exploration programs are included under *Exploration Projects, Activities and Expenditures*.

On June 20, 2022, Kevin Tomlinson stepped down from the position of President and CEO for personal reasons and effective June 30, 2022, Mr. Tomlinson resigned as a director of the Company. Mr. Tony Manini, Chairman of the Company took over the role of Executive Chairman to lead the Company through to the appointment of a new CEO.

On July 7, 2022, the Company announced that it has significantly expanded its land holdings around its highly prospective Jasperoide Project in the world class Andahuaylas-Yauri skarn/porphyry copper belt of southern Peru. The Company and its subsidiaries now hold 268 km² (26,798 hectares) comprising 100% of 49 claims covering 263 km² (26,298 hectares) and the right to earn 100% in two additional third-party claims covering 5 sq km (500 hectares).

On September 6, 2022, Dan Symons was appointed as the new President, CEO and a director of the Company. Mr. Symons brings over 15 years of mining industry related experience in business development, corporate development and investor relations with a number of highly successful junior-mid tier growth companies. Mr. Symons joins C3 Metals from Argonaut Gold where he most recently held the position of Vice President, Corporate Development and Investor Relations at Argonaut Gold Ltd. Prior to this he was a key member of the Romarco Minerals Inc. executive management team in the role of Vice President, Business Development and Investor Relations. Mr. Symons has been actively involved in multiple M&A transactions totalling over \$800 million and equity and debt financings totalling over \$650

million and \$500 million, respectively. Mr. Symons is an active member of the Canadian Investor Relations Institute. Mr. Symons holds an Honours B.A. from Concordia University in Montreal.

EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

PERU – JASPEROIDE PROJECT

The Company holds a 100% beneficial interest in 49 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These exploration concessions are located in the Andahuaylas-Yauri belt of Peru proximal to Las Bambas (MMG), Haquira (First Quantum) and Constancia (Hudbay). The Jasperoide Project concessions cover a total area of 26,798 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration.

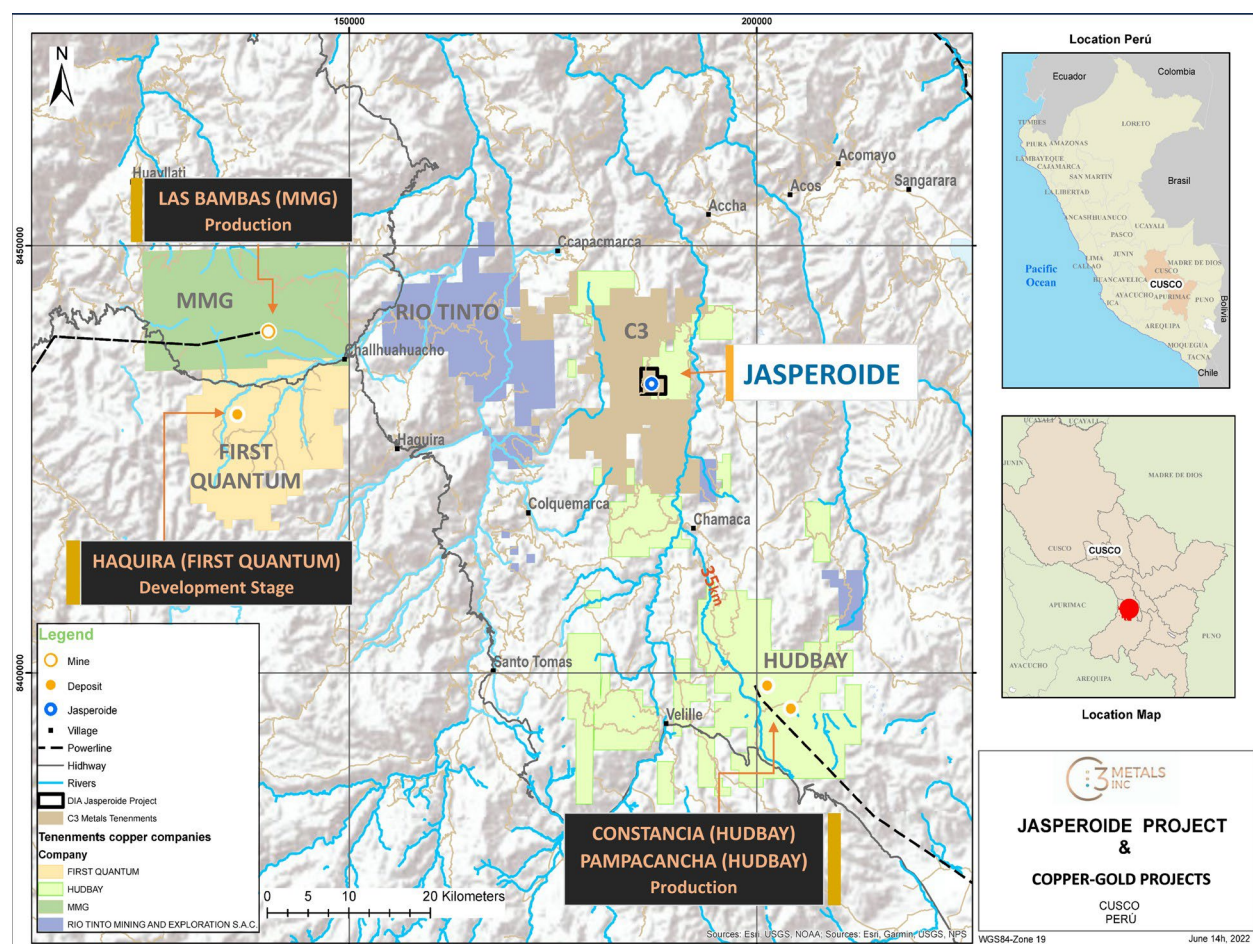


Figure 1 - Jasperoide Project location, southern Peru

On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG which through its wholly-owned subsidiary, C3 Peru, held a 100% beneficial interest in eight exploration concessions and had two option agreements (La Bruja Option Agreement and Ares Option Agreement) to earn a potential 100% beneficial interest in five additional concessions.

The La Bruja Option Agreement between C3 Peru and Inversiones La Bruja S.A.C. ("La Bruja") provides for an option to earn a 100% interest in the equity shares of La Bruja subject to minimum cumulative exploration expenditures of US\$2,000,000 and total cash option payments of US\$2,000,000. As at August 31, 2022, cash option payments totaling US\$750,000 had been provided with a balance of US\$1,250,000 outstanding. During June 2020 and July and October 2022, amending agreements to adjust the timing of cash option payments and exploration expenditure requirements were concluded. Future payments are due on or before the following dates: US\$200,000 by February 23, 2023; US\$200,000 by August 23, 2023; US\$350,000 by February 23, 2024; and, US\$500,000 by August 23, 2024. During the fourth quarter of fiscal 2021 cumulative exploration expenditures had been incurred exceeding the total minimum of US\$2,000,000 required prior to August 31, 2023. Following the earn-in of a 100% interest in the concessions a NSR royalty of 1.5% would be payable to the former shareholders of La Bruja.

The Ares Option Agreement between C3 Peru and Compania Minera Ares S.A.C. ("Ares"), a subsidiary of Hochschild PLC ("Hochschild") provided the Company with the right to earn an initial 51% interest in these concessions subject to incurring cumulative exploration expenditures of US\$5,000,000 (including LARG and KA Oro expenditures prior to the February 26, 2020 acquisition date and including certain administrative costs) by October 2023. During June 2021, the Company exceeded the cumulative expenditure requirements and on July 13, 2021, the Company entered into a binding Heads of Agreement to acquire 100% of Hochschild's interest in the three concessions which closed effective October 13, 2021. As consideration for the acquisition, the Company issued 25,001,540 common shares of the Company to Hochschild. In connection with the acquisition, the Company granted a 1.5% NSR royalty in favour of Ares in respect of the Hochschild mineral concessions subject to the right of the Company to purchase 1% of the NSR royalty (thereby reducing the NSR royalty to 0.5%) for a price of US\$1,000,000 at any time, replacing the previously granted 1.5% NSR royalty that had no buy back provision.

Exploration Activities

Copper-gold mineralization at the Jasperoide Project is associated with skarn-altered carbonate rocks of the Ferrobamba formation (exoskarn) and granodiorite and tonalite intrusive rocks (endoskarn). Exoskarn comprises a partially to completely replaced dolomite with an alteration assemblage of coarse garnet, diopside and lesser epidote. Endoskarn is characterized by pervasive to fracture controlled garnet, epidote and diopside alteration in granodiorite and tonalite. Late-stage retrograde alteration overprints both the endoskarn and exoskarn and is characterized by intense magnetite flooding with lesser quartz, calcite and specular hematite.

In 2020, C3 Metals undertook a comprehensive review of all historical data for the Jasperoide porphyry and skarn district and identified three high-priority skarn targets at Montaña de Cobre, Cresta Verde and Callejon de Oro Zones. Epithermal style gold veins that crosscut the skarns suggest there is also potential for a porphyry copper-gold system at depth.

In early 2021, the Company completed a core resampling program on core from seven holes that were drilled by Hochschild in 2011 to 2012, totaling approximately 645 metres. The program was initiated to confirm the distribution and tenor of the skarn-hosted copper-gold mineralization and to verify historical results for future resource calculations. Results confirmed both the successful verification of, and significant copper intercepts in, all seven historical holes and show a strong correlation between the

spatial distribution of the mineralization and grades in comparison to the historical and 2020 resampled half core.

In February 2021, the Company initiated its Phase 1 drill program of 3,500 metres in 15 holes commencing at the Montaña de Cobre Zone. In May 2021, the Phase 1 drill program was expanded to 10,000 metres and was completed on October 31, 2021 with the drilling of 10,043.75 metres in 36 holes. At the Montaña de Cobre Zone, drilling confirmed a well-developed copper-gold oxide system laterally extensive for up to 500m and continuous for 300m along strike. Drilling encountered high-grade, skarn hosted copper-gold mineralization, including 229m @ 0.99% Cu and 0.43g/t Au (see May 25, 2021 press release). At the Cresta Verde Zone, the Phase 1 drilling program intersected broad zones of skarn with 5-30% sulphides (pyrite, pyrrhotite and chalcopyrite) including a breccia containing 50-90% sulphides that is interpreted as the “colder” part of the hydrothermal system, evidenced by a high pyrite to chalcopyrite ratio. Based on the results of the Phase 1 drilling program, a Phase 2 drilling program was planned at the Montaña de Cobre Zone and the Cresta Verde Zone to infill areas of low drill density test the deeper levels of the Jasperoide hydrothermal system.

Also in 2021, the Company completed an 1,800-line-kilometre helicopter-borne magnetic and radiometric survey and a 43-line-kilometre ground induced polarization (IP) survey to guide deeper drilling of high-grade copper-gold mineralization and to define additional targets for drilling.

The Phase 2 drill program commenced in January 2022 and was undertaken by a larger drill rig with the capability to test for stacked skarns and porphyry targets at deeper levels. The Phase 2 drill program was designed to test for skarn and porphyry copper-gold mineralization at the Montaña de Cobre and Cresta Verde Zones.

In May 2022, the Company announced that the first hole of the deep core drilling intersected hydrothermal alteration coincident with a large Hybrid CSAMT anomaly below Montaña de Cobre, confirming a deeper seated hydrothermal system is the driving force behind the well-developed skarns at surface. The Phase 2 drilling program tested multiple targets at Montaña de Cobre, Cresta Verde, Callejón de Oro and a newly identified target at Domo Verde Zone (see Figure 2) with priority targets having been defined by copper and gold soil geochemical anomalies with coincident Hybrid-CSAMT, IP-Chargeability and magnetic anomalies.



Figure 2 - Domo Verde Zone, dome-like feature with copper oxide located north of the Benoni Fault

The Phase 2 drilling program was successful in delineating a copper and gold oxide skarn body that measures up to 650m by 600m, with a variable true thickness of 50m to 250m. Selected high grade assays include JAS2650-05 reported 53.2m at 3.11% Cu and 0.46 g/t Au from 92.6m (press release May 25, 2021), JAS2700-03 reported 118.7m at 1.15% Cu and 0.37 g/t Au from 87.3m (press release July 27, 2021), JAS2750-05 reported 229.5m at 0.99% Cu and 0.43 g/t Au from surface (press release September 30, 2021), JAS2900-02 reported 81.6m at 0.89% Cu, 0.25g/t Au from 21.0m (press release September 9, 2022) and JAS3000-05 reported 35.7m at 0.62% Cu, 0.37g/t Au from 30.3m (press release May 17, 2022). The Company is now updating the 3D geologic block model for Jasperoide and will be undertaking sighter metallurgy leach and flotation test work on the copper-gold oxide mineralization at Montaña de Cobre to assess recoveries, acid consumption and variability characteristics for the different material types within the deposit delineated to date.

Acquisition Costs

During the year ended August 31, 2022, the Company incurred license acquisition and renewal costs of \$1,248,103 which includes the acquisition of four exploration concessions through an auction process, acquiring the right to 28 new exploration concessions and entering into four different purchase agreements with various Peruvian companies or individuals to acquire six mining concessions, all together covering a total area of 21,800 hectares. Of the concessions acquired, three concessions are subject to a 0.5% NSR royalty up to a maximum amount of US\$300,000. The Company also acquired 100% of Hochschild's interest in the Jasperoide Project through the issuance of 25,001,540 common shares of the Company valued at \$5,100,314 and the grant of a 1.5% NSR royalty. In August 2022, The La Bruja cash option payment of \$331,617 (US\$250,000) was paid. As at August 31, 2022, the carrying value of property acquisition costs for the Jasperoide project was \$14,974,172.

Exploration Expenditures

During the year ended August 31, 2022, the Company incurred a total of \$9,506,356 with respect to Jasperoide Project exploration costs. Components of total costs comprised: \$2,523,250 relating to geology and general field costs; \$184,496 related to geophysics; \$3,657,255 related to drilling and drill

core assay; \$163,952 related to environmental costs; \$1,638,549 related to community and social development; \$261,194 related to health and safety costs; and, \$1,076,136 related to Peruvian IVA tax on these expenditures. As at August 31, 2022, the carrying value of the Jasperoide Project deferred exploration expenditures totals \$15,665,755.

JAMAICA

In Jamaica, the Company has 100% ownership of five licences covering 207 square kilometres including Bellas Gate, Browns Hall, Main Ridge, Hungry Gully and Arthurs Seat. The Bellas Gate Project is comprised of the Bellas Gate and Browns Hall licenses and is subject to two NSR royalties, including a 2% NSR royalty in favour of OZ Minerals Ltd. which provides a partial buyback right and a total payment cap, and a 2% NSR royalty in favour of Clarendon Consolidated Minerals Ltd. The Main Ridge and Hungry Gully licenses are wholly-owned by the Company.

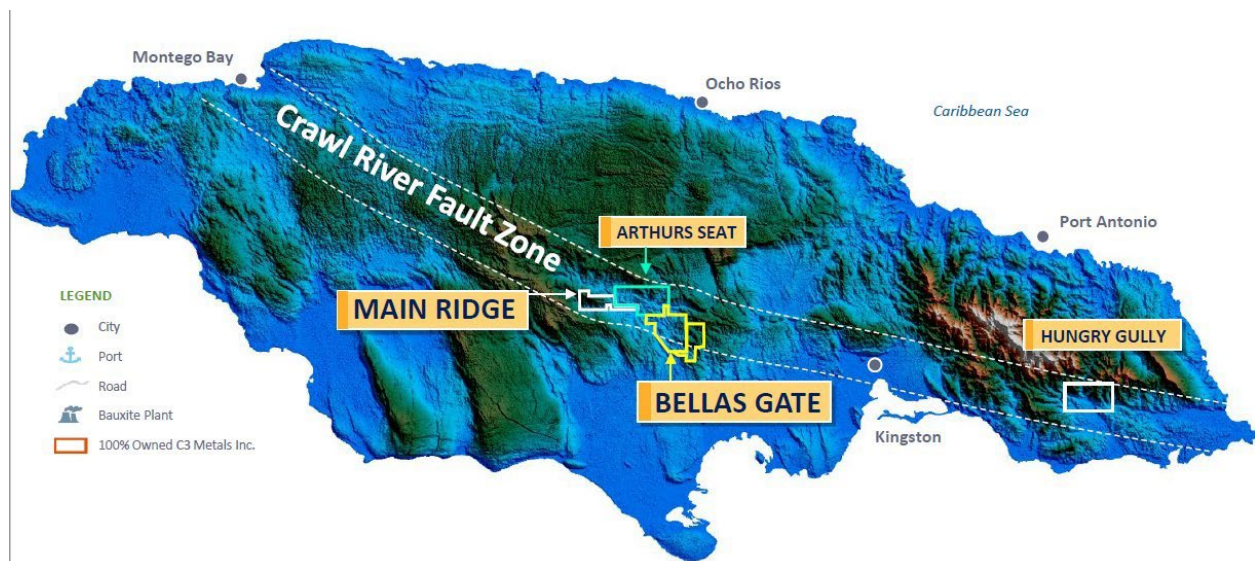


Figure 3 - C3 Metals' mineral properties in Jamaica

The Company also holds a 1% NSR royalty on its previously owned Berkshire Hall, Mount Ogle, Shirley Castle and Windsor Castle licenses that were sold to Geophysx Jamaica Ltd. ("Geophysx") in 2019. Under the terms of that agreement, Geophysx has the right to buy down 50% (representing 0.5%) of the NSR royalty for US\$50,000 per each 0.1% of the NSR royalty (total of US\$250,000) and the balance of the NSR royalty for US\$70,000 per each 0.1% of the NSR royalty (total of US\$350,000). Additional consideration from Geophysx for the purchase of these properties includes future cash payments to the Company at milestones following commencement of commercial production that could total US\$240,000.

Exploration Activities

The Central Inlier of Jamaica is an important copper-gold porphyry belt that is host to multiple copper-gold porphyry and related gold-base metal quartz-carbonate epithermal style vein systems. Jamaica is highly prospective as it lies within a significant structural corridor that is host to several large deposits to the east including Romero, Pueblo Viejo and Tanama (see Figure 4).

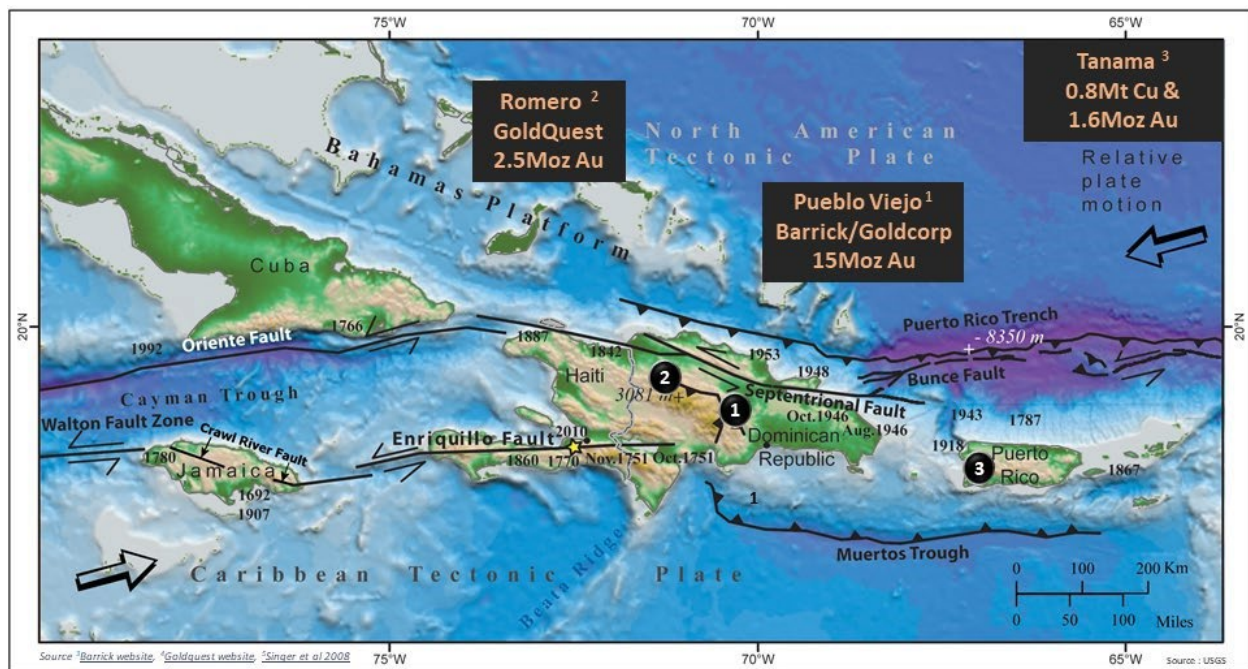


Figure 4 - Plate tectonic setting of Jamaica, showing nearby copper-gold deposits

The Crawl River Fault and associated splays act as first-order fluid conduits and are closely associated with a significant number of mineral prospects and occurrences at the Bellas Gate, Main Ridge and Arthurs Seat properties (see Figure 4 above). An ASD spectrometer was used to accurately identify and map the alteration mineral assemblages at high-priority copper and gold porphyry and epithermal targets.

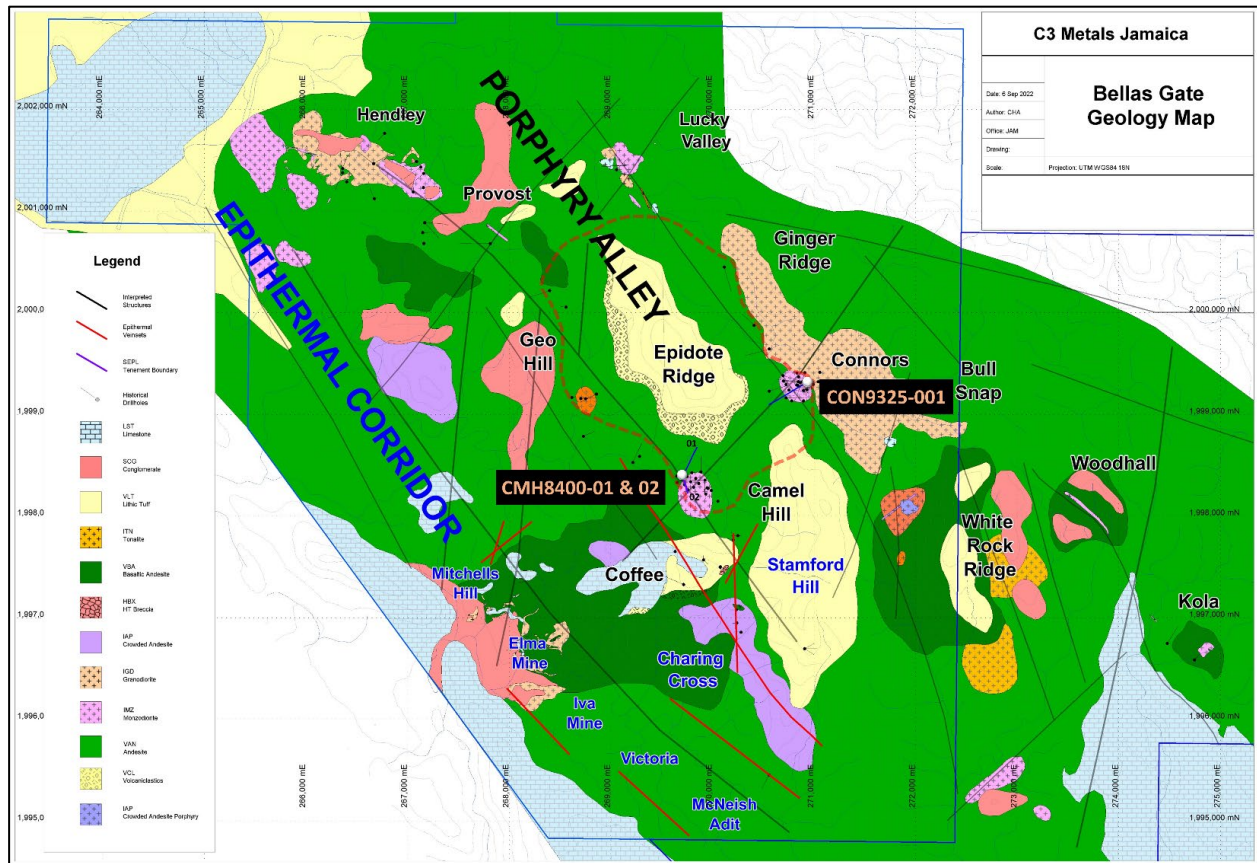
Bellas Gate Project

The Bellas Gate Project is comprised of the Bellas Gate and Browns Hall SEPLs (Special Exclusive Prospecting License) located within deformed, altered and mineralized Cretaceous rocks, within the Central Inlier of Jamaica. In 2021, the Company undertook a review of historical data and a 12 week field mapping, alteration and sampling program. The study identified two high priority copper and gold porphyry copper-gold prospects located proximal to the Connors and Camel Hill porphyry projects, namely Epidote Ridge and Coffee (described in the Company's August 30, 2021 press release). Epidote Ridge and Coffee represent compelling porphyry and epithermal vein targets that have been rapidly advanced to drill ready status.

In May 2022, the Company commenced a planned 5,000m drill program at Bellas Gate to test multiple porphyry copper targets identified within the regionally significant Crawl River-Rio Minho Fault Zone ("CRFZ"). Drilling will also target epithermal gold prospects (see May 27, 2022 press release). On September 12, 2022, the Company announced partial results from CON9325-001, the first hole drilled at Bellas Gate, that intersected 309 metres at 0.44% Cu and 0.33 g/t Au beginning 15 metres down hole, and that assays are pending on the two additional holes completed at Camel Hill, on the south side of Epidote Ridge target area within Bellas Gate. On the partial results, it was confirmed that:

- Assays comparable to porphyry copper-gold deposits currently in production, with operating copper mines currently producing at an average grade of just over 0.50% copper;
- Drilling confirms copper-gold mineralization at Connors is open to the west and at depth;
- Mineralization is associated with strong magnetite alteration; and
- Magnetic and IP data supports the interpretation that mineralization continues down-dip to the west.

CON9325-001 tested an interpreted hydrothermal channel way plunging to the east of Connors under Epidote Ridge – see Figure 5 for target area and Figure 6 for interpreted geology.



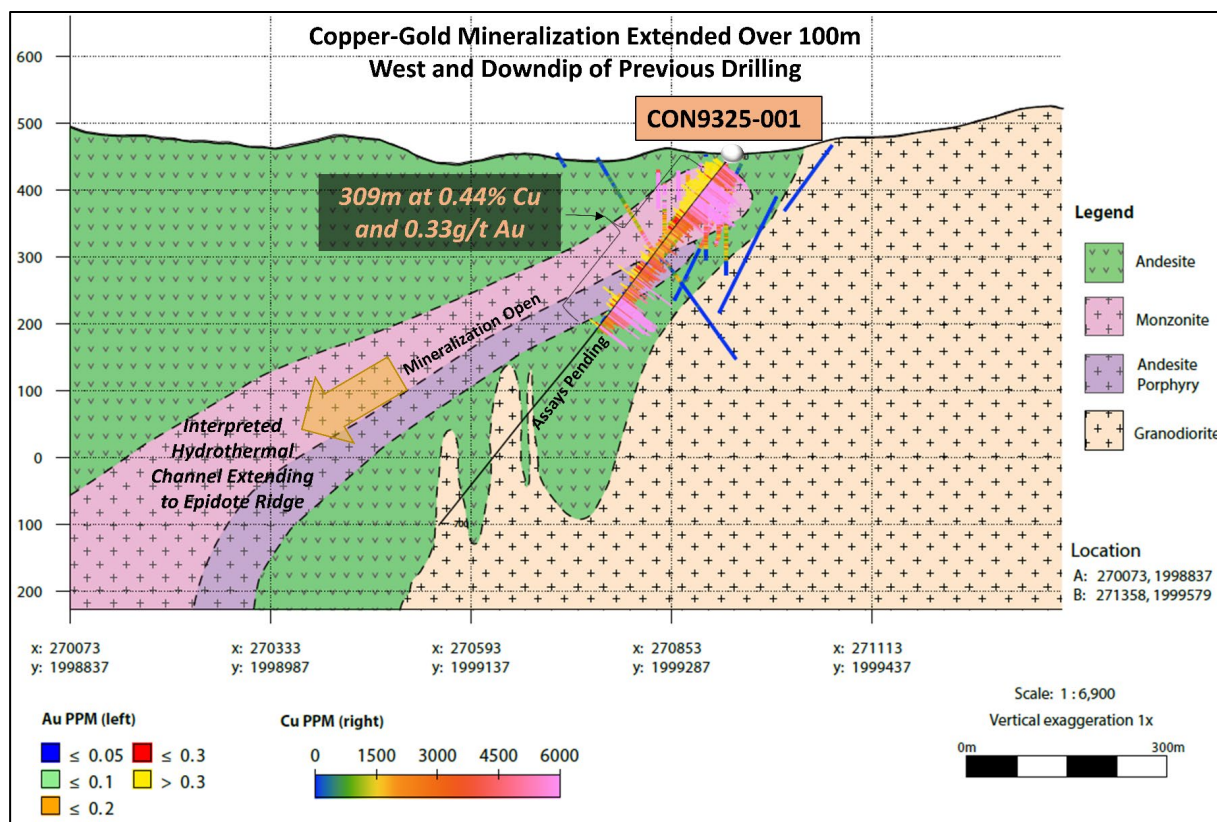


Figure 6 - Cross section through CON9325-001 showing assays and interpreted geology.

On November 28, 2022, the Company announced that it has intersected multiple zones of high-level porphyry and epithermal style copper-gold-silver mineralization at Bellas Gate. Two holes were drilled to test a large coincident magnetic and IP chargeability anomaly at the Camel Hill target that is contiguous with the Connors Porphyry target. Both drill holes at Camel Hill intersected copper-gold-silver porphyry mineralization within 10.0 and 6.0 metres from surface, respectively. Intense biotite and magnetite alteration, as well as a large magnetic and chargeability anomaly, suggest significant depth potential. The mineralization tested to date is predominantly hosted by volcanics and is interpreted to be high in the porphyry system. The table below summarises the significant intercepts from the Camel Hill target:

Hole	From (m)	To (m)	Length (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mineralization Style
CMH8400-001	10.00	188.50	178.50	0.37	0.16	0.88	Porphyry
CMH8400-002	6.00	114.00	108.00	0.42	0.26	1.69	Porphyry
	353.00	377.00	24.00	0.60	0.07	2.71	Porphyry
	392.00	393.30	1.30	4.58	0.18	82.80	Epithermal
	403.00	545.00	142.00	0.35	0.08	2.00	Porphyry
	405.00	409.00	4.00	2.15	0.39	32.00	Epithermal

At a slice depth of -800 meters, multiple large-scale magnetic anomalies were shown. The dashed polygon in Figure 7 below shows the outline of coincident IP chargeability anomaly at the deepest slice depth of -400 meters.

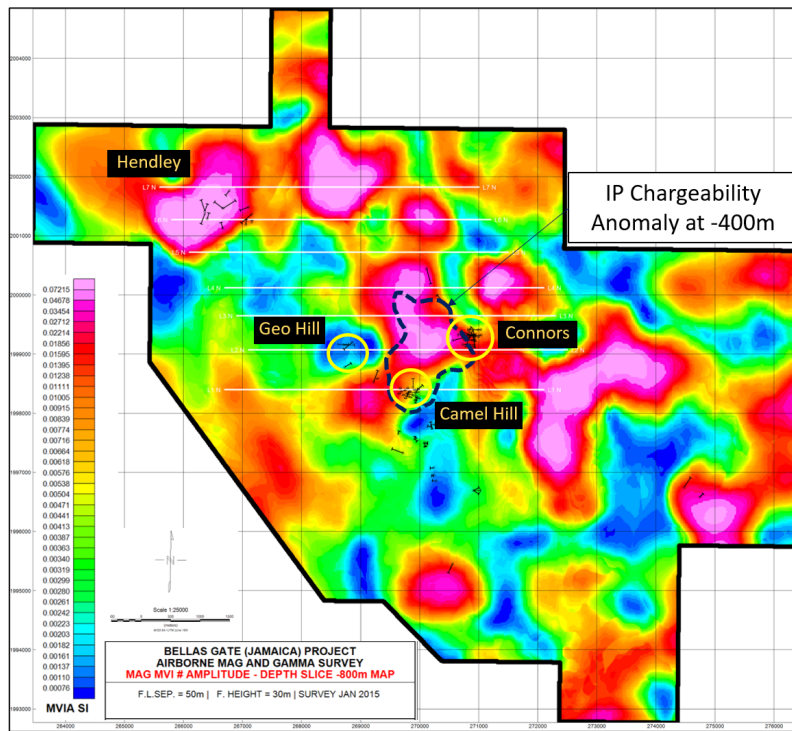


Figure 7 - Map showing Bellas Gate Magnetic MVI Image.

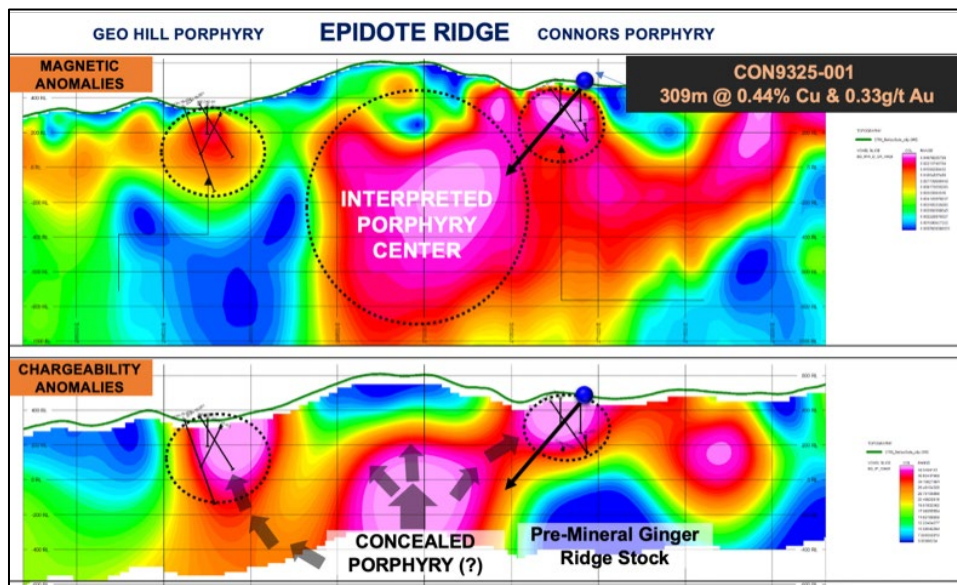


Figure 8 - Cross section through Geo Hill – Epidote Ridge – Connors showing coincident magnetic (Top) and IP chargeability anomalies (Bottom) at Bellas Gate.

Plus Minerals (Imants Kavalieris and Khashgeral Bat-Erdene), a consulting company with extensive experience evaluating some of the world's largest porphyry copper-gold systems, has completed an ASD spectrometer alteration study on the Camel Hill and Connors drill core. The independent study concluded:

- Early potassic alteration overprinted by late stage tremolite-actinolite-chlorite-magnetite veins;
- A and B porphyry style quartz veins associated with gold-rich chalcopyrite-pyrite mineralization;
- Unusually intense biotite-magnetite alteration in andesitic wall rocks that broadens at depth;
- Porphyry intrusions at Connors and Camel Hill are inferred to have stalled in andesitic wall rocks and appear to widen at depth; and
- High-grade intermediate sulfidation Au-Ag-base metal-carbonate veins are potentially an extension of the Stamford Hill vein to the southeast.

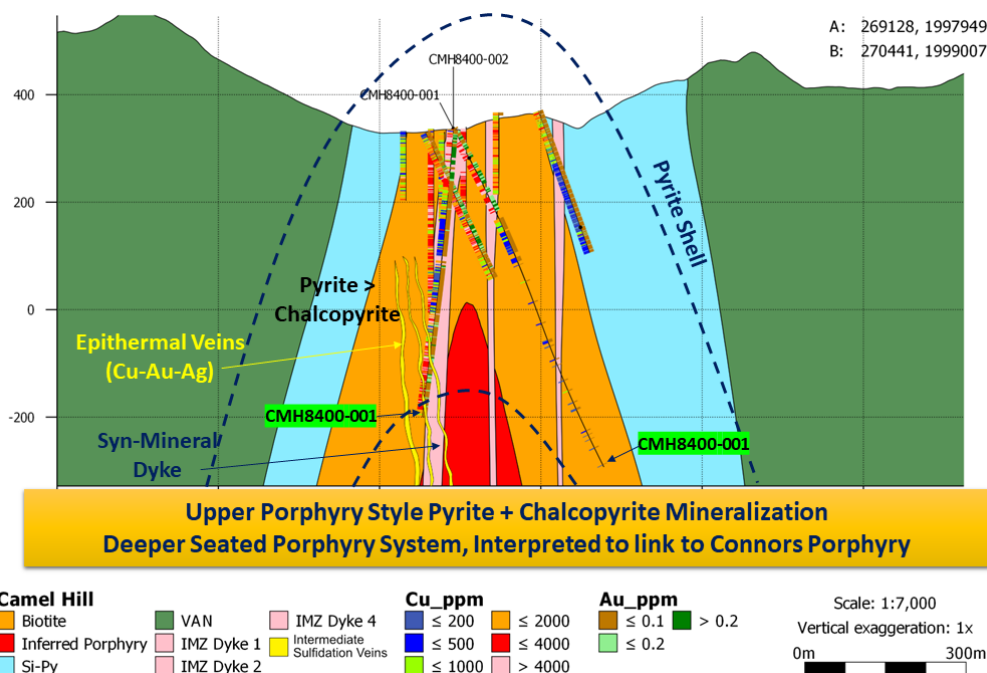


Figure 9 - Cross section through drill holes CMH8400-001 & 002 showing assays and interpreted geology.

As the current drill rig does not have the capacity to reach beyond 700 metres depth, the Company is planning a remapping program over the Bellas Gate Project area before continuing to drill test the porphyry systems. The Company intends to continue drill testing the porphyry targets once a larger drill rig is sourced and mobilized to site. The current drill rig has now been re-directed to undertake a maiden drilling program at the Arthurs Seat Project where epithermal gold-copper quartz veins that have been mapped over widths to 40m. The Company anticipates drilling at Arthurs Seat will commence during December 2022.

Arthurs Seat

The property is contiguous to Bellas Gate and historical work confirmed over 50 copper occurrences. On June 2, September 13, October 12, November 7 and November 29, 2022, the Company provided updates on exploration activities at Arthur Seat, which report copper-silver mineralization over a broad area and

- 1,775 rock chip samples assayed through November 2022;
- Copper-gold-silver mineralized zone over an 8.0 km by 4.5 km with 161 rock chip assays grading greater than 1% copper (see Figure 10);
- Epithermal quartz vein swarm over 5.0 km by 3.0 km with 41 rock chip samples grading greater than 1 g/t gold (see Figure 11);
- Recent assays from quartz veins in the most easterly zone reported up to 58.1 g/t gold, 16.5% copper and 4,890 g/t silver (see Figure 12), and 43.2 g/t gold from the most westerly zone (see Figure 11);
- Discrete zones of interpreted redbed-style, high-grade copper-silver mineralization discovered in the northwest project area completely separate from the vein hosted gold-copper-silver epithermal style mineralization in the southeast.

[illegible]

Figure 10 - Geology map showing footprint of copper-gold-silver mineralization extending 8.0 km by 4.5 km. Interpreted redbed style copper-silver mineralization in rock chip samples highlighted in dashed outlines. All rock chip samples assaying greater than 1% copper are shown as magenta triangles.

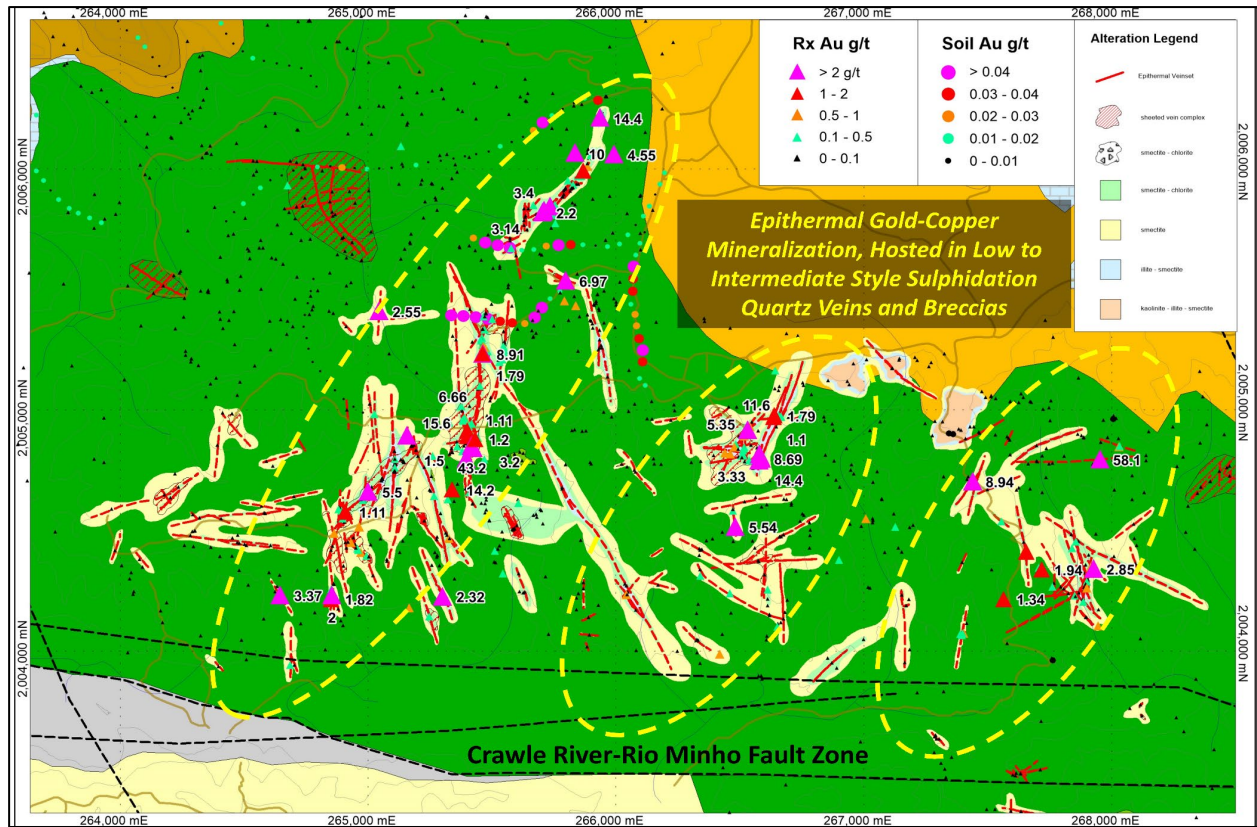


Figure 11 - Map showing 5.0 km by 3.0 km area of high-density, low-intermediate sulphidation epithermal vein swarm. Location of vein discoveries highlighted in dashed yellow. Rock chip samples assaying greater than 2.0 g/t Au are shown as magenta triangles.

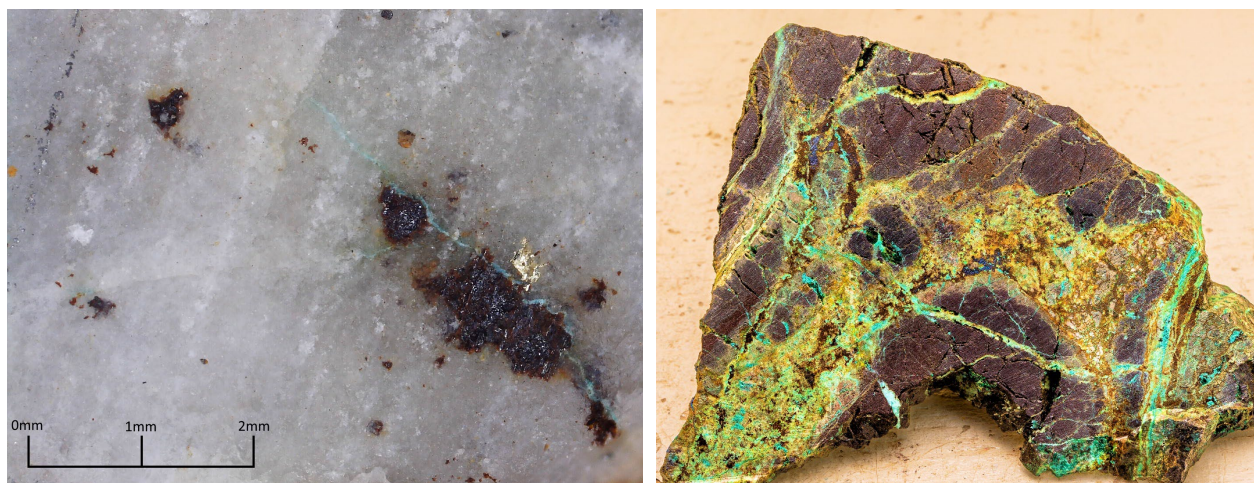


Figure 12 - Rock chip samples from epithermal vein swarm at Arthurs Seat (Left) USB Microscope 20X image showing free gold adjacent to bornite; sample assayed 58.1 g/t gold. (Right) Rock chip showing significant secondary copper in basalt with bornite, tennantite/tetrahedrite; sample assayed 16.5% copper, 4,890 g/t silver and 0.50 g/t gold.

The recent discovery of epithermal quartz veins to the west and south of the important CRFZ suggests the potential to expand the epithermal mineralization further. C3 Metals is continuing the mapping and sampling program over the entire 6,000-hectare Arthurs Seat concession and has expanded the program to include the northern area of the Bellas Gate concession and the Main Ridge concession, which have only seen minimal surface work to date.

Main Ridge

Soil survey data confirms two highly prospective epithermal targets at Main Ridge, comprising 1) a coincident gold in rock + soil geochemical anomaly that extends for over two kilometres west-northwest of the former Pennants gold mine and 2) high-grade copper-silver mineralization exposed along the Rio Minho Valley structural zone that parallels the Bennet Gold Zone.

Mapping and sampling along the Bennet Gold Zone identified significant gold-silver mineralization with rock chips assaying up to 19.3 g/t gold. Channel sampling along the Rio Minho Valley structural zone returned up to 16.0 metres at 1.22% copper and 7.8 g/t silver and higher grades such as 2m @ 6.07% Copper and 19.4g/t silver.

The Company is currently evaluating and ranking the mineral occurrences at Main Ridge and if warranted, may budget for an initial drill program in 2023.

Hungry Gully

Soil geochemistry surveys were completed by the Company during 2014 and 2015. In 2022, the Company plans on undertaking surface exploration mapping and sampling to evaluate the south project area.

Acquisition Costs

As at August 31, 2022, the Company had a capitalized balance of \$1,741,145 (August 31, 2021 - \$1,738,909) with respect to property costs for the Bellas Gate Project and \$1,030,241 (August 31, 2021 - \$997,683) for the other Jamaica licenses. During the year ended August 31, 2022, licence renewal fees were \$1,800 for all Jamaican licenses and the Company acquired the remaining NSR royalty on the Main Ridge and Hungry Gully licenses for cash of \$31,785 (US\$25,000).

Exploration Expenditures

As at August 31, 2022, exploration expenditures incurred directly by the Company for the Bellas Gate Project have a total carrying value of \$6,560,786 (August 31, 2021 - \$4,160,598). These costs are comprised of the Company's direct exploration expenditures. Costs incurred by the Company during the year ended August 31, 2022 total \$2,248,478 and are related primarily to geology costs of \$879,711, drilling related costs of \$1,233,103, environmental costs of \$6,672, community and social development costs of \$69,681, and health and safety costs of \$57,418.

As at August 31, 2022, the carrying value of exploration costs for the other Jamaica licenses total \$1,211,992 (August 31, 2021 - \$790,561). During the year ended August 31, 2022, the Company

incurred total costs of \$394,346 primarily at Arthurs Seat and Main Ridge. These costs related primarily to geological field work for \$326,712; drilling related costs of \$57,546, environmental costs of \$2,172, and community and social development costs of \$7,180.

CANADIAN PROJECTS

British Columbia

In 2021, the Company divested of its interest in the Rogers Creek property and wrote off the Mackenzie property. In September 2021, the Company entered into a purchase and sale agreement with Tocvan to sell its 100% interest in the Rogers Creek project in exchange for 500,000 Tocvan common shares and common shares in a newly formed company called Cascade Copper Corp., having a value of \$75,000, based on the prelisting finance price when listed on the Canadian Securities Exchange. During April 2022, Tocvan assigned its 100% interest in the Rogers Creek project to Cascade Copper Corp., which will focus on copper porphyry exploration assets in southern British Columbia. The Company will retain a 2% NSR royalty on the Rogers Creek project where 1% can be repurchased for \$1 million. The purchase and sale agreement superseded a May 2018 option earn-in agreement with Tocvan which provided Tocvan with the right to earn an 80% interest in the project in exchange for the issuance of 1,300,000 Tocvan common shares over the initial four year earn-in period. Initial payments of \$25,000 cash and 500,000 common shares were received in March 2019 and a further 200,000 Tocvan common shares were received in June 2020.

As at August 31, 2021, the Company recorded an impairment charge of \$3,039,374 with respect to prior property and exploration expenditures for the Rogers Creek and Mackenzie projects. During December 2021, the Mackenzie project claims lapsed.

Nova Scotia

During the year ended August 31, 2021, the Company determined that it would not continue with exploration at the Stewart Brook Gold project that comprised a 100% interest in four licences covering 46 square kilometres in Guysborough County, Nova Scotia. An impairment charge of \$39,797 was recorded with respect to prior property costs and exploration expenditures for the project.

SELECTED ANNUAL INFORMATION

The following tables contain selected annual financial information for the fiscal years ended August 31, 2022, 2021 and 2020.

	Year ended August 31, 2022 \$	Year ended August 31, 2021 \$	Year ended August 31, 2020 \$
Revenue	Nil	Nil	Nil
Total expenses	(3,582,271)	(6,226,968)	(958,983)
Other income (expense)	(236,690)	699,500	196,660
Net loss for the period	(3,818,961)	(5,527,468)	(762,323)

Basic and diluted loss per common share	(0.01)	(0.01)	(0.00)
Cash dividend per common share	Nil	Nil	Nil

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Expenses

For the year ended August 31, 2022, total expenses before interest, other income and foreign exchange loss were \$3,582,271 and were comprised of: \$741,458 related to promotion and investor relations; \$96,165 related to regulatory authority and transfer agent fees; \$264,927 with respect to professional fees for legal, accounting and audit services; \$1,660,229 with respect to office, general and administrative costs; and, \$816,125 with respect to non-cash share based compensation expense related to stock options and restricted share units.

Total expenses, before other income and expenses were lower by \$2,644,697 during fiscal 2022 when compared to fiscal 2021. Promotion and investor relations costs were higher by \$416,198. Increased costs related to new promotional campaigns to increase investor awareness including social media campaigns and to increased attendance at industry and investor conferences and related travel. Regulatory and transfer agent fees were \$2,230 higher during fiscal 2022 and relate primarily to TSX-V fees and OTC Markets listing fees in the United States. Professional fee expenses were higher by \$94,790 primarily related to higher legal costs in Peru related to new property acquisition and expanded operations. Office, general and administrative costs were higher by \$475,228 primarily related to increased costs in Peru driven by significant expansion of activity at the Jasperoide, Peru project and to severance costs paid to the Company's former CEO. Administrative costs for telecommunication, internet and insurance were also higher due to expanded activities. The share based compensation expense recorded in fiscal 2022 was \$552,587 lower compared to fiscal 2021. The share based compensation expense relates to non-cash charges for stock options and restricted share units that were granted in both fiscal 2022 and 2021. During fiscal 2021, the Company recorded impairment charges totaling \$3,079,171 related to the Rogers Creek and Mackenzie projects in British Columbia and the Stewart Brook project in Nova Scotia. No impairment charges were recorded during fiscal 2022.

Other Income and Expense

Other income and expenses during the year ended August 31, 2022 totaled a net expense of \$236,690. Interest income on cash balances for the year ended August 31, 2022 was \$75,619. A loss on the Tocvan marketable securities of \$224,297 was recorded and a foreign exchange loss of \$88,012 was also recorded relating primarily to activity in Peru.

Net Loss and Loss per Common Share

For the year ended August 31, 2022, net loss was \$3,818,961 (fiscal 2021 – \$5,527,468). Basic and diluted loss per common share was \$0.01 (fiscal 2021 – \$0.01). As the Company incurred a net loss for each of

these years, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the years presented.

Other Comprehensive Loss (Income)

Upon consolidation, the financial statements of the Jamaican subsidiaries (CRJL and RJL) and Peruvian subsidiaries (C3 Peru and Molino) are translated into Canadian dollars as follows: assets and liabilities - at the closing rate at the date of the statement of financial position, and income and expenses - at the average rate for the period. All resulting foreign exchange translation adjustments are recognized in other comprehensive loss (income). During the year ended August 31, 2022, a foreign currency translation gain of \$1,396,559 (fiscal 2021 – loss of \$539,670) was recorded in other comprehensive income / loss.

SUMMARY OF INTERIM FINANCIAL INFORMATION AND FOURTH QUARTER EVENTS

The following table contains select financial information for each of the Company's eight most recently completed quarters.

C\$	Fiscal 2022				Fiscal 2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses								
Promotion and investor relations	250,268	153,123	215,307	122,760	56,221	96,119	82,476	90,444
Regulatory	36,128	13,160	17,442	29,435	6,271	8,173	38,279	41,212
Professional Fees	69,939	53,343	97,137	44,508	22,192	32,751	45,458	69,736
G&A	354,445	363,374	399,783	542,627	238,964	313,829	312,303	319,905
Project evaluation	2,200	1,167	Nil	Nil	1,412	Nil	2,805	535
Share based compensation	301,424	231,309	37,840	245,552	Nil	281,300	785,988	301,424
Exploration expenditures and property impairment	Nil	Nil	Nil	Nil	Nil	Nil	39,797	3,039,734
Other expenses (income) total	(16,730)	120,993	(37,043)	169,470	(48,956)	(296,086)	(348,425)	(6,033)
Net loss	997,674	936,469	730,466	1,154,352	276,104	436,086	958,681	3,856,597
Loss per common share	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

Promotion and investor relations expenses were higher in all four quarters of fiscal 2022 related to new promotional campaigns to increase investor awareness including social media campaigns and to increased attendance at industry and investor conferences and related travel. Professional fees were higher during the first, second and third quarter primarily related to higher legal costs in Peru related to new property acquisition and expanded operations. Office, general and administrative costs were higher

in all four quarters primarily related to higher costs in Peru driven by significant expansion of activity at the Jasperoide, Peru project. During the fourth quarter of fiscal 2022, a severance payment was made to the former CEO upon his departure from the Company. Share based compensation includes expenses recorded related to stock options and restricted share units that were granted in fiscal 2021, but vested in fiscal 2022, and were primarily recorded in the first and second quarter of fiscal 2022. The stock based compensation expense for the fourth quarter of fiscal 2022 relates to the stock options and restricted share units that were granted on August 15, 2022. During the third quarter of fiscal 2021, the Company recorded an impairment charge with respect to the Stewart Brook, Nova Scotia project. During the fourth quarter of fiscal 2021, the Company recorded an impairment charge related to the Rogers Creek and Mackenzie, British Columbia projects.

Other income and expenses during the year ended August 31, 2022 included a total loss of \$224,297 on the Tocvan marketable securities with significant portions of this loss occurring in the second and fourth quarters of fiscal 2022. It also includes interest income on cash balances of \$75,619 that was evenly distributed across the quarters and a foreign exchange loss with a significant portion of this loss being recorded in the second quarter of fiscal 2022. During the year ended August 31, 2021 the Company recorded total gains of \$744,684 on the Tocvan marketable securities with significant portions of this gain occurring in the second and third quarters of fiscal 2021.

There were no significant unusual fourth quarter events during either fiscal 2022 or 2021.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2022, the Company held cash and cash equivalents of \$7,302,637 (August 31, 2021 – \$5,846,804) and had working capital of \$7,265,263 (August 31, 2021 – \$5,128,807). The Company has financed its operations primarily with equity financing.

Financing Activity During Fiscal 2022

On November 9, 2021 the Company closed a bought deal private placement with a total of 101,582,178 common shares issued for gross proceeds of \$19,300,614. Cash commissions totaling \$1,150,541 were paid to the underwriters and a total of 6,016,031 compensation warrants exercisable for common shares at \$0.19 were issued with an expiry date of November 9, 2023.

During September 2021, the Company received 500,000 additional Tocvan common shares in connection with the purchase and sale agreement for the Rogers Creek project. These common shares were valued at \$450,000 at the time of receipt. As at August 31, 2022, the Company held a total of 583,100 Tocvan common shares having a fair value of \$326,536.

Financing Activity During Fiscal 2021

During February 2021, the Company closed a brokered private placement financing in two tranches raising total gross proceeds of \$7,414,509 with the issuance of 52,960,779 common shares. In connection with this financing, the Company paid cash commissions and a corporate finance fee in the aggregate amount of \$518,446 and issued a total of 3,706,900 broker warrants exercisable at \$0.14 per share to the agents. These broker warrants expired on February 18, 2022.

During the period of January through March of 2021, a total of 23,344,751 warrants due to expire during March 2021 were exercised for proceeds to the Company of \$2,334,475; a total of 458,800 broker warrants were exercised for proceeds of \$23,840; and, 8,060,000 stock options were exercised for proceeds of \$481,000.

Given the Company's plans for significant exploration expenditures focused on both the Jasperoide, Peru project and the Jamaican projects during 2023, the Company will require additional funding to be able to acquire, advance and retain mineral exploration property interests and to meet ongoing requirements for general operations. The ability of the Company to continue as a going concern is dependent on its ability to raise required financing whether through equity or debt financing; through joint ventures; the generation of profits from operations; or, the sale of property assets in the future.

Contractual Obligations

The Company does not have any fixed contractual obligations or commitments for capital or operating leases, purchase obligations or other long-term commitments. Any commitments under exploration option agreements are cancellable at the Company's option but would result in forfeiture of rights under such agreements.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, warrants, broker warrants, stock options, restricted share units and deferred share units as at December 8, 2022, August 31, 2022 and August 31, 2021 is as follows:

	December 8, 2022	August 31, 2022	August 31, 2021
Common shares	589,504,235	589,504,235	460,182,703
Warrants	-	5,200,000	5,200,000
Broker warrants	6,016,031	6,016,031	6,000,300
Stock options	51,660,000	51,660,000	38,345,000
Restricted share units (RSUs)	2,036,364	2,036,364	1,500,000
Deferred share units (DSUs)	737,680	737,680	1,551,694
Fully diluted shares outstanding	649,954,310	655,154,310	512,779,697

On September 4, 2022, 5,200,000 warrants exercisable for common shares at \$0.08 expired.

On August 15, 2022, the Company granted a total of 15,400,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at \$0.08 per share and expire on August 15, 2027. On January 31, 2022, the Company granted a total of 1,000,000 stock options to a consultant of the Company. These stock options are exercisable at \$0.125 per share and expire on January 31, 2023. During fiscal 2022, a total of 2,585,000 options with an exercise price of \$0.10 expired.

On August 15, 2022, the Company granted 2,036,364 RSUs to an Officer. These RSUs will vest over a one year period. During February 2022, the Company issued 1,500,000 common shares valued at \$165,000 for vested restricted share units and issued 814,014 common shares valued at \$76,167 for deferred share units. On December 3, 2021, a total of 423,800 broker warrants were exercised for proceeds of \$21,190. On November 9, 2021, the Company closed a bought deal private placement with a total of 101,582,178 common shares issued for gross proceeds of \$19,300,614. The underwriters were issued a total of 6,016,031 compensation warrants exercisable for common shares at \$0.19 with an expiry date of November 9, 2023.

During October 2021, the Company issued 25,001,540 common shares of the Company valued at \$5,100,314 to Ares for its interest in the Jasperoide project.

During January through March 2021, a total of 23,344,751 warrants due to expire during March 2021 were exercised, a balance of 684,999 warrants expired. Additionally, a total of 458,800 broker warrants and 8,060,000 stock options were exercised during this period.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted deposits, marketable securities, accounts payable and accrued liabilities. Details relating to financial instruments and risk management associated with credit risk, liquidity risk, price risk, currency risk and interest rate risk are disclosed in note 12 to the annual consolidated financial statements for the years ended August 31, 2022 and 2021.

RELATED PARTY TRANSACTIONS AND COMPENSATION OF KEY MANAGEMENT

The Company has contracts for management and geological services with its officers, directors and companies controlled by its officers and directors. Key management includes all persons named or performing the duties of CEO, CFO, Vice President, and Director. Compensation awarded to key management for the fiscal years ended August 31, 2022 and 2020 is set out in note 11 to the annual consolidated financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures in the notes thereto. These estimates and assumptions are based on management's best knowledge of current events and actions that the Company may undertake in the future. Actual results may differ from those estimates. The most significant items requiring the use of management estimates and valuation

assumptions are related to the recoverable value of mineral exploration properties and deferred exploration expenditures; the valuation of equity instruments including warrants, broker warrants and stock options; and, the ability of the Company to continue as a going concern.

Details with respect to critical accounting estimates, judgments and estimation uncertainties are disclosed in note 3 to the annual consolidated financial statements for the years ended August 31, 2022 and 2021.

NEW ACCOUNTING STANDARDS

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the International Financial Reporting Interpretations Committee (IFRIC) that are mandatory for accounting years beginning on or after January 1, 2022. Many are not applicable or do not have a significant impact on the Company and have been excluded from the summary below.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policies. The amendments aim to help entities provide accounting policy disclosures that are more useful to the users of the financial statements by replacing significant accounting policies with the requirement of disclosing only those accounting policies that are material. The amendments further clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The IASB has developed guidance and examples to help entities apply materiality judgments to accounting policy disclosure. The amendments are applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2. The Company is currently evaluating the potential impact of these amendments on the Company's consolidated financial statements.

RISKS AND UNCERTAINTIES

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development of its business. The following factors should be considered.

Exploration Stage Company

The Company is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits, with the discovery of copper and gold deposits being the Company's focus. The Company's property interests are in the exploration stage only and are without a known economic mineral deposit. Accordingly, there is little likelihood that the Company will realize any profits in the short to medium term. Any profitability in the future from the Company's business will be dependent upon locating an economic mineral deposit, which itself is subject to numerous risk factors. Further, there can be no assurance, even if an economic deposit of minerals is located, that the deposit can be commercially mined. The exploration and development of mineral deposits involve a high degree of financial risk over

a significant period of time with which even a combination of careful evaluation, experience and knowledge of management may not eliminate. While discovery of additional ore-bearing structures may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves by drilling and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current business relationships or exploration programs of the Company will result in profitable commercial mining operations. The profitability of the Company's operations will be, in part, directly related to the cost and success of exploration programs on its properties which may be affected by a number of factors. Substantial expenditures are required to establish reserves which are sufficient to commercially mine and to construct, complete and install mining and processing facilities in those properties that are actually mined and developed.

Economic Risk

The prices of copper, gold, silver and other metals fluctuate. The future direction of the price of any metal or mineral will depend on numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of commodities, and therefore on the economic viability of the Company's properties, cannot accurately be predicted. As the Company is only at the exploration stage, it is not yet possible for it to adopt specific strategies for controlling the impact of fluctuations in the price of the commodities for which it explores.

Management; Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's management and advisors in supervising and providing for the effective management of the business and the operations of the Company and in selecting and developing new investment and expansion opportunities. The Company may need to recruit additional qualified contractors and service providers to supplement existing management. The Company will be dependent on a relatively small number of key persons, the loss of any one of whom could have an adverse effect on the Company.

Industry Conditions

The exploration and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a deposit may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish reserves, to develop processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the current exploration and development programs planned by the Company or its joint venture partners will result in a profitable commercial operation.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as commodity prices which are highly cyclical and government regulations, including regulations relating to

prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Mining operations generally involve a high degree of risk. The Company's operations will be subject to all the hazards and risks normally encountered in the exploration and development of minerals, including unusual and unexpected geology formations, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to life or property, environmental damage and possible legal liability.

Value of Common Shares

The value of the Company's common shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the success of the Company's business strategy, competition or other applicable regulations which may affect the business of the Company and other factors.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other interests, many of which have greater financial resources than it has, for the opportunity to participate in promising projects. Significant capital investment is required to achieve commercial production from successful exploration efforts.

Additional Funding and Financing Risk

Additional funds will be required for future exploration and development. The source of future funds available to the Company is through the sale of additional equity capital or borrowing of funds. There is no assurance that such funding will be available to the Company. Furthermore, even if such financing is successfully completed, there can be no assurance that it will be obtained on terms favourable to the Company or will provide the Company with sufficient funds to meet its objectives, which may adversely affect the Company's business and financial position. In addition, any future equity financings by the Company may result in substantial dilution for existing shareholders.

Environmental Risk

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company has not been subject to any adverse consequences of such developments to date. There can be no assurance that future changes to environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on the properties in which the Company holds interests that have been caused by previous or existing owners or operators.

Title to Property

Although the Company has taken reasonable measures to ensure proper title to its property mineral rights, there is no guarantee that the mineral rights to all of its properties will not be challenged or impugned. Third parties may have valid claims underlying portions of the Company's interests.

Uninsured Hazards

The Company may not always be able or may choose not to obtain insurance for many of the risks that it faces. In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in an increase in costs and a decline in the value of the Company's securities. The Company is currently not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Given the Company remains in the exploration stage its exposure to environmental risks is considered to be limited. The Company may periodically evaluate the cost and coverage of the insurance that is available against certain environmental risks to determine if it would be appropriate to obtain such insurance. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate the Company's available funds or could exceed the available funds that the Company has and result in bankruptcy. Should the Company be unable to fully fund the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Conflicts of Interest

Certain directors and officers of the Company also serve as directors or officers of other companies involved in natural resource exploration, development and production. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

Foreign Political Risk

The Company's properties or business operations may be exposed to various degrees of political, economic and other risks and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of governmental orders, permits or agreements pertaining to property rights, political unrest, labour disputes, limitations on repatriation of earnings, limitations on foreign ownership, inability to obtain or delays in obtaining necessary exploration or mining permits, opposition to exploration and mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, rates of exchange, high rates of inflation, price controls, exchange controls, currency fluctuations,

taxation and changes in laws, regulations or policies as well as bylaws and policies of Canada affecting foreign trade, investment and taxation.

Repatriation of Earnings

There is no assurance that any countries, other than Canada, in which the Company carries on business or may carry on business in the future, will not impose restrictions on the repatriation of earnings to foreign entities.

Permits, Licences and Approvals

The operations of the Company may require licences and permits from various governmental authorities or permits from surface right landowners. The Company believes it holds or is in the process of obtaining all necessary licences and permits to carry on the activities which it is currently conducting under applicable laws and regulations. Such licences and permits are subject to changes in regulations and in various operating circumstances. There can be no guarantee that the Company will be able to obtain all necessary licences and permits that may be required to maintain its exploration activities, construct mines or other facilities and commence operations of any of their exploration properties. In addition, if the Company proceeds to production on any exploration property, it must obtain and comply with permits and licences which may contain specific conditions concerning operating procedures, water use, the discharge of various materials into or on land, air or water, waste disposal, spills, environmental studies, abandonment and restoration plans and financial assurances. There can be no assurance that the Company will be able to obtain such permits and licences or that it will be able to comply with any such conditions.

Community Risks

In addition to mineral tenure and environmental permitting, the Company attempts to engage local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface landowners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Regulatory Matters

The Company's business is subject to various federal, provincial and local laws governing prospecting and development, taxes, labour standards and occupational health, mine safety, toxic substances, environmental protection and other matters. Exploration and development are also subject to various federal, provincial, state and local laws and regulations relating to the protection of the environment. These laws impose high standards on the mining industry to monitor the discharge of waste water and report the results of such monitoring to regulatory authorities, to reduce or eliminate certain effects on or into land, water or air, to progressively rehabilitate mine properties, to manage hazardous wastes and materials and to reduce the risk of worker accidents. A violation of these laws may result in the imposition of substantial fines and other penalties.

Mineral Price Fluctuations

The marketability of any mineral is subject to numerous factors beyond the control of the Company. The price of minerals can experience volatile and significant movements over short periods of time. Factors impacting price include, but are not limited to, demand for the particular mineral, political and economic conditions and production levels and costs of production in other areas or countries.

Global COVID-19 Pandemic

The outbreak of COVID-19 resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The ultimate duration and impact of the COVID-19 pandemic is unclear at this time and as a result it is not possible for management to estimate the severity of the impact it may have on the financial results and operations of the Company in future periods. COVID-19 may hinder both the Company's ability to conduct exploration activities in the jurisdictions that it operates in and its ability to raise financing for exploration or operating costs due to uncertain capital markets, supply chain disruptions, increased government regulations and other unanticipated factors, all of which may also negatively impact the Company's business and financial condition.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global commodity and financial markets and supply chains. Russia's recent invasion of Ukraine has led to sanctions being levied against Russia by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on supply chain disruptions that may adversely affect the Company's business, financial condition and results of operations. The extent and duration of the current Russia-Ukraine conflict and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified in this MD&A, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on our shareholders and counterparties on which we rely and transact, may materialize and may have an adverse effect on the Company's business, results of operation and financial condition.

CORPORATE INFORMATION

Officers and Directors

- Dan Symons, BA (Hons.) – Chief Executive Officer, President and Director
- John McNeice, B. Comm. (Hons.), CA, CPA – Chief Financial Officer
- Stephen Hughes, B.Sc. (Hons.), APGNS (P. Geo.), FSEG – Vice President, Exploration and Director
- Charlotte May – Corporate Secretary
- Antony Manini, B.Sc., FAusIMM, FSEG – Director and Executive Chairman of the Board
- Kimberly Ann Arntson – Director
- Zimi Meka, B. Eng. (Mech) Hons, FAusIMM, MAICD, FIEAust – Director
- Fernando Pickmann, LLM – Director
- Yale Simpson, BApSc. – Director

Corporate Web-site

www.c3metals.com

Corporate Office

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Independent Auditor

PricewaterhouseCoopers LLP, Ottawa, Canada

Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada