

C3 METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Years Ended August 31, 2023 and 2022

(Information as at December 21, 2023 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, 2023 and 2022. It was approved by the Board of Directors on December 21, 2023.

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, 2023 and 2022 which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("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 holds the 26,993 hectare Jasperoide project, a high-grade copper-gold skarn and porphyry system located in the prolific Andahuaylas-Yauri Porphyry-Skarn belt of southern Peru. 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 licences covering 20,700 hectares of highly prospective copper-gold terrain in Jamaica. The Company also holds a 2% net smelter 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 exploration and evaluation assets 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

Drill assay results related to the Company's new phase of drilling in Jamaica for both the Provost and Camel Hill copper-gold porphyry prospects were announced on September 12, September 25, October 4, October 11 and November 27, 2023. The current phase of drilling totals 8,500 metres and is ongoing with two drill rigs active. Details related to drill results for the Bellas Gate, Jamaica project are included under *Exploration Projects, Activities and Expenditures* below.

On November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of \$0.91 per common share for gross proceeds of \$8,050,000. In connection with the private placement, the Company paid eligible finders cash commissions of \$42,600 and an advisory fee of \$107,100.

On November 1, 2023, the Company announced that the board of directors had approved the consolidation of the common shares of the Company on the basis of one post-consolidation share for every thirteen pre-consolidation shares held (the "Share Consolidation") subject to receipt of all necessary approvals including that of the TSX-V. Board of director approval follows shareholder approval of the Share Consolidation at the Company's last annual and special meeting of shareholders held on March 3, 2023. The Share Consolidation became effective at market open on December 19, 2023 and resulted in 804,504,235 pre-consolidation shares being consolidated to 61,884,802 post-consolidation shares. The exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in this MD&A have been retroactively adjusted to reflect the Share Consolidation.

On September 26, 2023, the Company announced that it had received the authorisation to start activities from the Peruvian Ministry of Energy and Mines for a recently modified Declaration of Environmental Impact permit for the Jasperoide project. This modified drill permit increases the area permitted for exploration drilling by 74% and consists of an additional 24 drill platforms and 53 additional drill holes.

On August 29, 2023, the Company entered into a Royalty Purchase Agreement with an affiliated company of Geophysx Jamaica Ltd., pursuant to which the Company agreed to sell and transfer all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the purchase agreement with Geophysx Jamaica Ltd dated June 19, 2019 for cash consideration of \$1,625,940 (US\$1,200,000). The transaction closed on August 31, 2023 with the cash consideration received on this date.

On May 23, 2023, the Company announced its initial mineral resource estimate for the Montana de Cobre Zone ("MCZ") on its Jasperoide project. The key highlights of the MCZ mineral resource estimate include:

- Measured and indicated mineral resources - 51.9 million ("M") tonnes ("t") at 0.50% total copper and 0.20 g/t gold for 569.1 million pounds of copper and 326,800 ounces of gold.
- Mineral resources are reported based on a conceptual constraining pit shell to demonstrate reasonable prospects for eventual economic, open pit extraction. Assumptions include \$3.75/lb copper price and an estimated 75% copper recovery. Calculated breakeven cut-off grade is 0.14% copper.
- The MCZ deposit comprises a shallow-dipping copper-gold skarn that is oxidized to greater than 200m vertical depth and with a 50m to 250m true thickness.
- Copper oxide mineralization at the MCZ increases significantly with depth, with multiple drill holes intersecting 30m to 80m thick zones of greater than 2.0% copper oxide mineralization.

On July 6, 2023, the Company filed on SEDAR+ an independent technical report entitled "*Jasperoide Copper-Gold Project Cusco Region, Peru NI 43-101 Technical Report, Mineral Resource Estimate*", co-authored by Michael G. Hester (FAusIMM), Simon Mortimer (M.Sc., FAIG) and Adam Johnston (FAusIMM(CP)) dated July 5, 2023 with an effective date of May 23, 2023. This technical report supported the disclosures regarding the mineral resource estimate announced on May 23, 2023.

On May 2, 2023, the Company announced that it had obtained approval to commence exploration drilling at its 100% owned Main Ridge project in Jamaica. The Main Ridge project covers 3,000-hectares and is

located immediately adjacent to the past producing Pennants Gold Mine and to the west of the Company's Arthurs Seat project. The Main Ridge drill permit is valid through April 2028.

On April 21 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common shares at a price of \$0.65 per common share for gross proceeds of \$5,000,000. In connection with this financing, the Company paid certain eligible finders cash commissions of \$93,900.

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. 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.

During fiscal 2022 and to date, the Company 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 currently holds 270 km² (26,993 hectares) comprising 100% of 50 claims covering 265 km² (26,493 hectares) and the right to earn 100% in two additional third-party claims covering 5 km² (500 hectares). The Company applied for and was awarded an additional 8 exploration concessions for which the Company is now awaiting official title. The Company has also applied for two additional exploration concessions through an auction process. Once official title is granted on the additional 8 exploration concessions and depending on whether the Company is successful in the auction process for the two additional exploration concessions, the total Jasperoide project area could increase to between 305 km² (30,493 hectares) and 307 km² (30,693 hectares).

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 Mr. Symons as President and CEO during September 2022.

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. On March 23, 2023, the Company announced the results from its initial scout drilling program. Further details on the Jamaican exploration programs are included under *Exploration Projects, Activities and Expenditures*.

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.

In 2021, the Company focused its exploration activities at its Jasperoide project. An initial Phase 1 drilling program, planned for 3,500 metres commenced in February 2021, 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*.

EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

PERU – JASPEROIDE PROJECT

The Company holds a 100% beneficial interest in 50 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 52 exploration concessions are located in the Andahuaylas-Yauri belt of Peru proximal to Las Bambas (MMG), Haqira (First Quantum) and Constancia (Hudbay). The Jasperoide project concessions cover a total area of 26,993 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration. During the year ended August 31, 2023, the Company applied for and was awarded an additional 8 exploration concessions for which the Company is now awaiting official title. The Company also applied for two additional exploration concessions through an auction process. Once official title is granted on the additional 8 exploration concessions and depending on whether the Company is successful in the auction process for the additional two exploration concessions, the total Jasperoide project area could increase to between 30,493 hectares and 30,693 hectares.

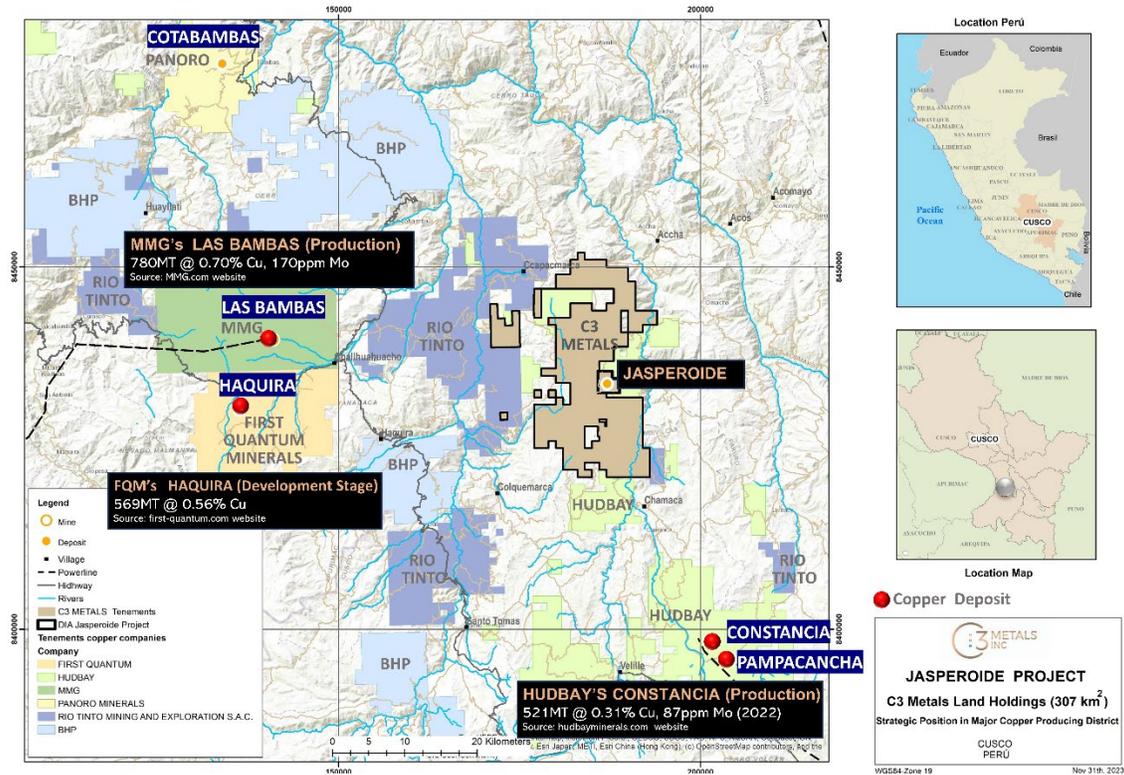


Figure 1 1 Jasperoide project location, southern Peru

On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG. At that time, LARG’s 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, 2023, cash option payments totaling US\$950,000 had been provided with a balance of US\$1,050,000 outstanding. Between June 2020 and February 2023, amending agreements to adjust the timing of cash option payments, totalling US\$1,050,000, are due on or before the following dates: US\$200,000 by August 23, 2024; US\$350,000 by February 23, 2025; and, US\$500,000 by August 23, 2025. The minimum cumulative exploration expenditures of US\$2,000,000 requirement was met in 2021. 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 C3 Peru 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 1,923,195 common shares of the Company to Hochschild. In connection with the acquisition, the Company granted a 2% 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 1%) 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. In addition, the 2% NSR royalty applies to a 5 kilometre area of interest from the borders of the three concessions.

Initial Resource Estimate

On May 23, 2023, the Company announced its initial mineral resource estimate for the Montana de Cobre Zone (“MCZ”) on its Jasperoide project.

The MCZ is the first copper-gold skarn zone that C3 Metals has systematically explored along a 28km belt (“Jasperoide Belt”) that extends along the eastern side of the Company’s 300 sq. km (30,000-hectare) mineral concession and application package (Figure 2). Thirteen separate skarn occurrences have been mapped along the Jasperoide Belt to date.

A second, parallel belt of copper-gold mineralization (the “Khaleesi Belt”) is located approximately 10km west of the Jasperoide Belt. The Khaleesi Belt hosts the Company’s 100%-owned Khaleesi porphyry and skarn project. The Company is currently working through the Declaration de Impacto Ambiental (DIA) permitting process to enable exploration drilling at Khaleesi.

The key highlights of the MCZ mineral resource estimate include:

- Measured and indicated mineral resources – 51.9 million (“M”) tonnes (“t”) at 0.50% total copper and 0.20 g/t gold for 569.1 million pounds of copper and 326,800 ounces of gold.
 - Measured mineral resources – 28.6 Mt at 0.60% total copper, 0.24 g/t gold for 380.0 M pounds of copper and 218,200 ounces of gold.
 - Indicated mineral resources – 23.3 Mt at 0.37% total copper, 0.15 g/t gold for 189.1 M pounds of copper and 108,600 ounces of gold.
 - Inferred mineral resources – 4.0 Mt at 0.32% total copper, 0.11 g/t gold for 28.3 M pounds of copper and 14,600 ounces of gold.
- Mineral resources are reported based on a conceptual constraining pit shell (“CCPS”) to demonstrate reasonable prospects for eventual economic, open pit extraction. Assumptions include \$3.75/lb copper price and an estimated 75% copper recovery. Calculated breakeven cut-off grade is 0.14% copper.
- The MCZ deposit comprises a shallow-dipping copper-gold skarn that is oxidized to greater than 200m vertical depth and with a 50m to 250m true thickness.
- Copper oxide mineralization at the MCZ increases significantly with depth, with multiple drill holes intersecting 30m to 80m thick zones of greater than 2.0% copper oxide mineralization.

**DISTRICT SCALE
PORPHYRY/SKARN POTENTIAL**
Two Parallel, Copper and Gold Mineralized Belts

KHALEESI
Porphyry – Skarn-
Epithermal Belt

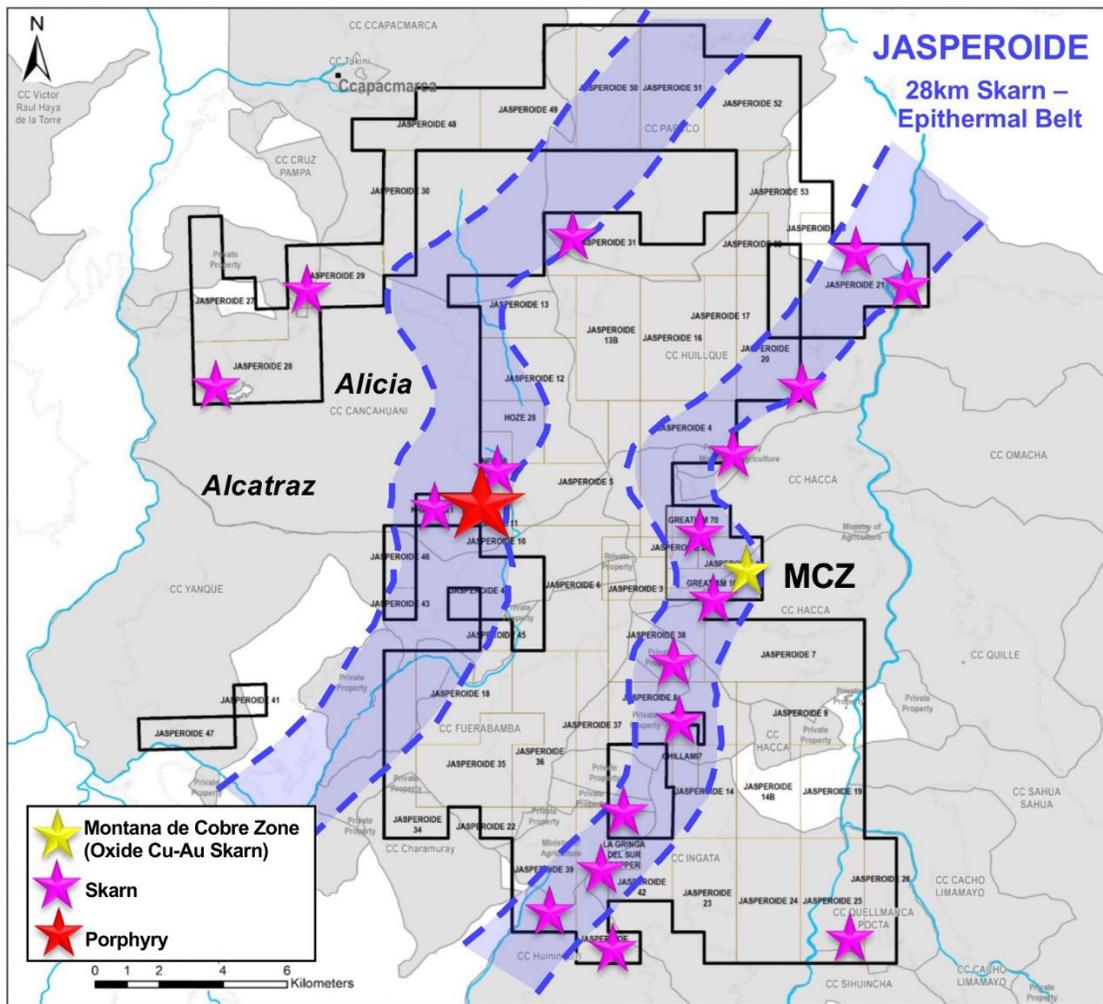


Figure 2 – C3 Metals mineral concession package showing two parallel mineralized copper-gold skarn-porphyry belts and the location of the MCZ deposit and Khaleesi project.

MCZ is a near-surface copper-gold skarn-type deposit with well-developed copper oxide mineralization to over 200m in vertical depth. C3 Metals’ approximate 300 sq. km mineral concession package is located within the Andahuaylas-Yauri skarn/porphyry belt approximately 45km east of MMG’s Las Bambas mine and First Quantum Minerals’ Haquira project, 40km northwest of Hudbay’s Constanca and Pampacanchca mines and 100km northwest of Glencore’s Antapaccay mine (Figure 2).

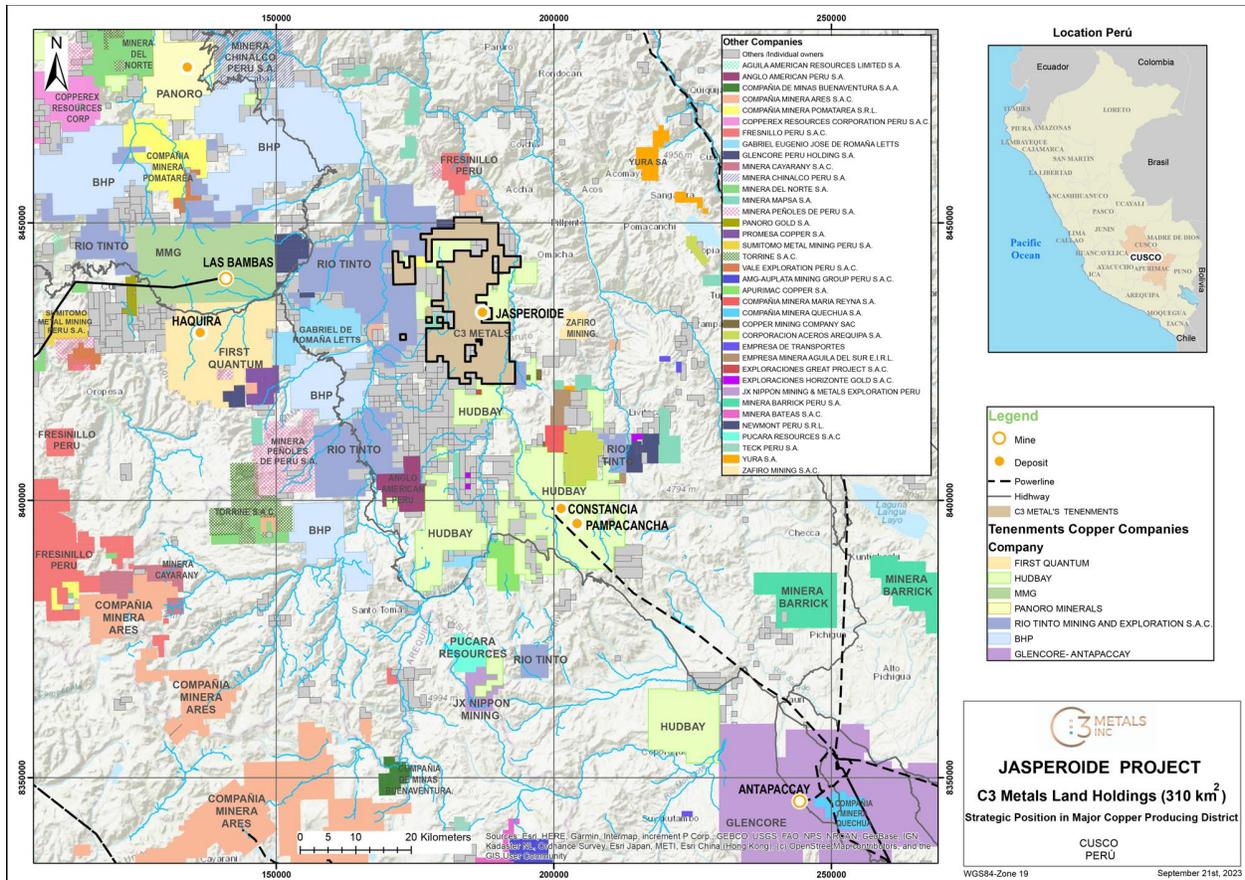


Figure 3 – Regional map showing C3 Metals’ mineral concession package in relation to other large-scale operations, development projects and exploration projects.

The following table is a summary of the initial mineral resource estimate:

Mineral Resource Category	Tonnes (Kt)	Copper Grade (%)	Gold Grade (g/t)	Contained Copper (M lbs)	Contained Gold (K oz)	Total Tonnes in CPPS
Measured	28,636	0.60	0.24	380.0	218.2	
Indicated	23,304	0.37	0.15	189.1	108.6	
Measured & Indicated	51,940	0.50	0.20	569.1	326.8	97,057
Inferred	4,005	0.32	0.11	28.3	14.6	

Notes to the table:

1. The mineral resource estimate has an effective date of 1 May 2023 and the estimate was prepared using the definitions in CIM Definition Standards (10 May 2014).
2. The CCPS used to calculate the mineral resource estimate uses a copper price of \$3.75/lb, a copper recovery of 75%, an open pit mining unit cost of \$2.35/t, processing costs of \$4.66/t and G&A cost of \$1.37/t. The breakeven cut-off grade using these parameters is 0.14% copper.
3. Mineral resources are reported in relation to a CCPS in order to demonstrate reasonable prospects for eventual economic extraction, as required by the definition of mineral resource in NI 43-101; mineralization lying outside of the pit shell is excluded from the mineral resource. Potential revenue from

gold was not considered for the development of the constraining pit shell; the mineral resource estimate is not dependent on recovering gold.

4. The quantity and grade of reported inferred mineral resources in this estimate are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as indicated or measured mineral resources.

5. All figures are rounded to reflect the relative accuracy of the estimate and therefore numbers may not appear to add precisely.

6. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

7. On July 6, 2023, the Company filed on SEDAR+ an independent technical report entitled "Jasperoide Copper-Gold Project Cusco Region, Peru NI 43-101 Technical Report, Mineral Resource Estimate", co-authored by Michael G. Hester (FAusIMM), Simon Mortimer (M.Sc., FAIG) and Adam Johnston (FAusIMM(CP)) dated July 5, 2023 with an effective date of May 23, 2023.

For more information about the assumptions leading to the initial mineral resource estimate, please refer to the National Instrument 43-101 Report filed on SEDAR+ on July 6, 2023.

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. 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 approximately 10,044 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, 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 4) with priority targets having been defined by copper and gold soil geochemical anomalies with coincident Hybrid-CSAMT, IP-Chargeability and magnetic anomalies.



Figure 4 – 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). The Company is updating the 3D geologic block model for Jasperoide and is 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.

On September 26, 2023, the Company announced that it has received a modified drill permit from the Peruvian Ministry of Energy and Mines that increases the area permitted for exploration drilling by 74% and consists of an additional 24 drill platforms and 53 additional drill holes. This increase to the drill permit area will allow C3 Metals to systematically test two additional skarn targets: Cresta Verde and Callejon De Oro. These skarn targets are immediately to the northwest and south of the Montana de Cobre skarn deposit. With positive initial results from an ongoing drill program at Bellas Gate, Jamaica, a decision to restart drilling at Jasperoide is unlikely to be taken until the current drill program in Jamaica is completed.

Exploration and Evaluation Expenditures

During the year ended August 31, 2023, a total of \$2,641,871 was capitalized to the Jasperoide project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$62,512 related to licence acquisition and renewal fees; \$278,983 related to cash paid as part of the La Bruja Option Agreement, \$1,307,070 relating to geology and general field costs; \$325 in geophysical costs; \$119,759 related to drilling and drill core assay; \$75,820 related to environmental costs; \$549,940 related to community and social development; \$120,122 related to health and safety costs; and, \$127,340 related to Peruvian IVA tax on these expenditures. As at August 31, 2023, the carrying value of the Jasperoide Project was \$34,975,849 (August 31, 2022 - \$30,639,927).

JAMAICA

In Jamaica, the Company has 100% ownership of five Special Exclusive Prospecting Licences (“SEPL”) 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 licences 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 licences are wholly-owned by the Company. The Arthurs Seat licence is subject to a 1% NSR royalty in favour of OZ Minerals Ltd. with a partial buyback right.

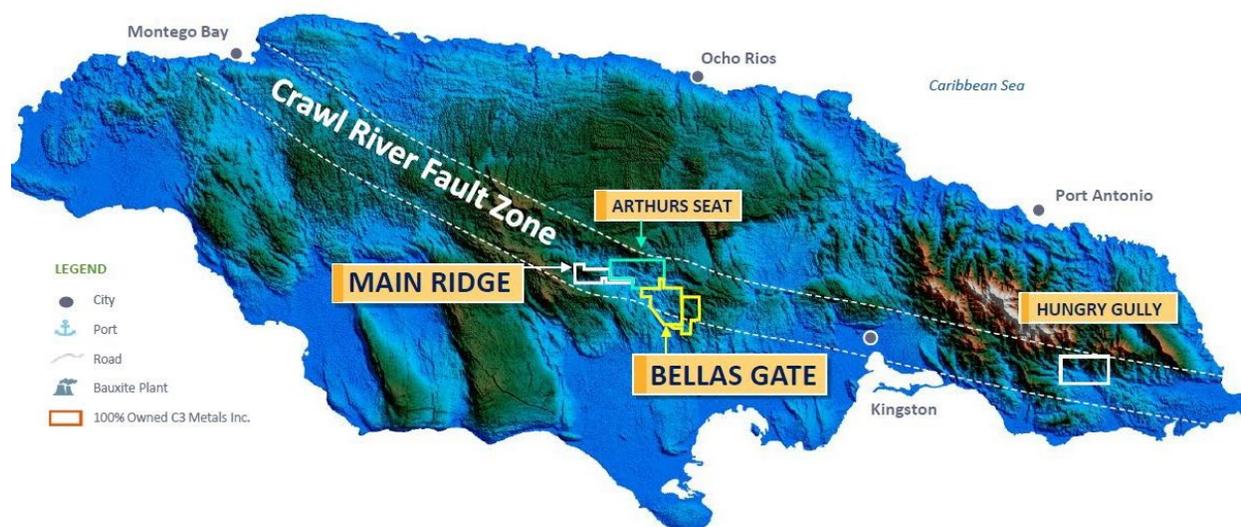


Figure 5 – C3 Metals’ mineral properties in Jamaica

The Company also held a 1% NSR royalty on its previously owned Berkshire Hall, Mount Ogle, Shirley Castle and Windsor Castle licences that were sold to Geophysx Jamaica Ltd. (“Geophysx”) in 2019. Under the terms of that agreement, Geophysx had 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.

On August 29, 2023, the Company entered into a Royalty Purchase Agreement with an affiliated company of Geophysx, pursuant to which the Company agreed to sell and transfer all of its remaining rights, title and interest in and to the NSR and rights granted pursuant to the above purchase agreement with Geophysx dated June 19, 2019 for cash consideration of \$1,625,940 (US\$1,200,000). The transaction closed on August 31, 2023 with the cash consideration received on this date.

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 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 6).

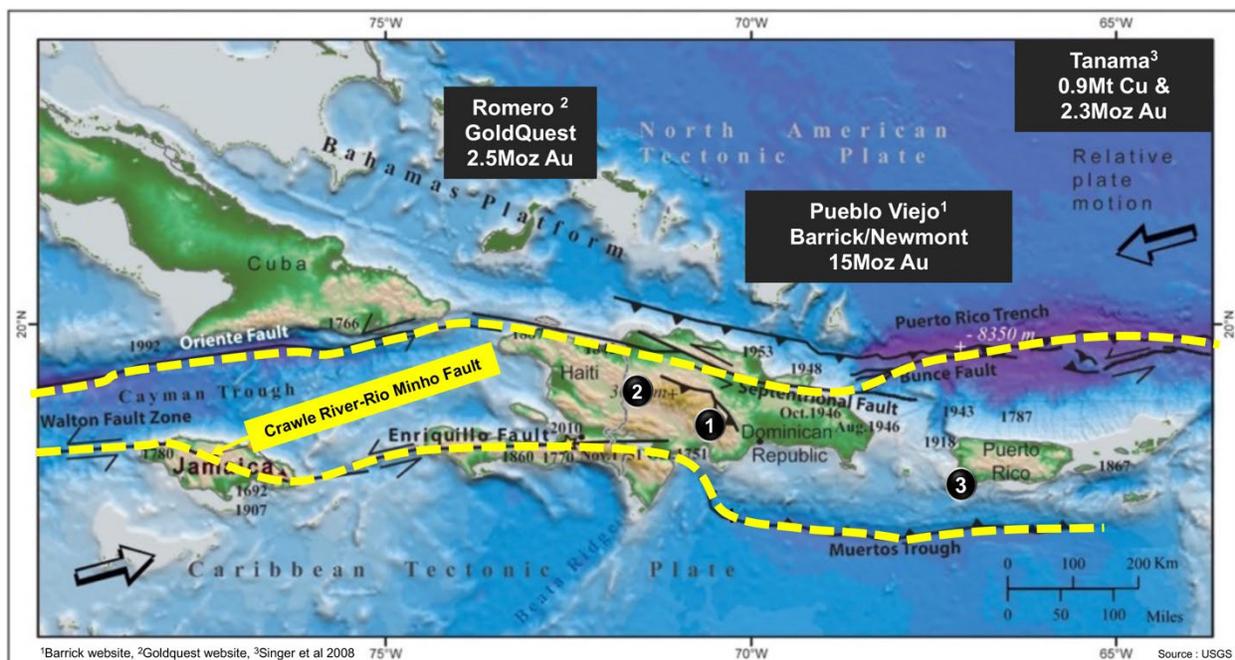


Figure 6 – Plate tectonic setting of Jamaica, showing nearby copper-gold deposits

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 6 above).

Bellas Gate

The Bellas Gate project is comprised of the Bellas Gate and Browns Hall SEPLs 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 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 also targeted 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 were 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.

On November 28, 2022, the Company announced that it had 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 summarizes 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 metres, multiple large-scale magnetic anomalies were shown. The dashed polygon in Figures 7 and 8 below shows the outline of coincident IP chargeability anomaly at the deepest slice depth of -400 metres and a section through Epidote Ridge, respectively.

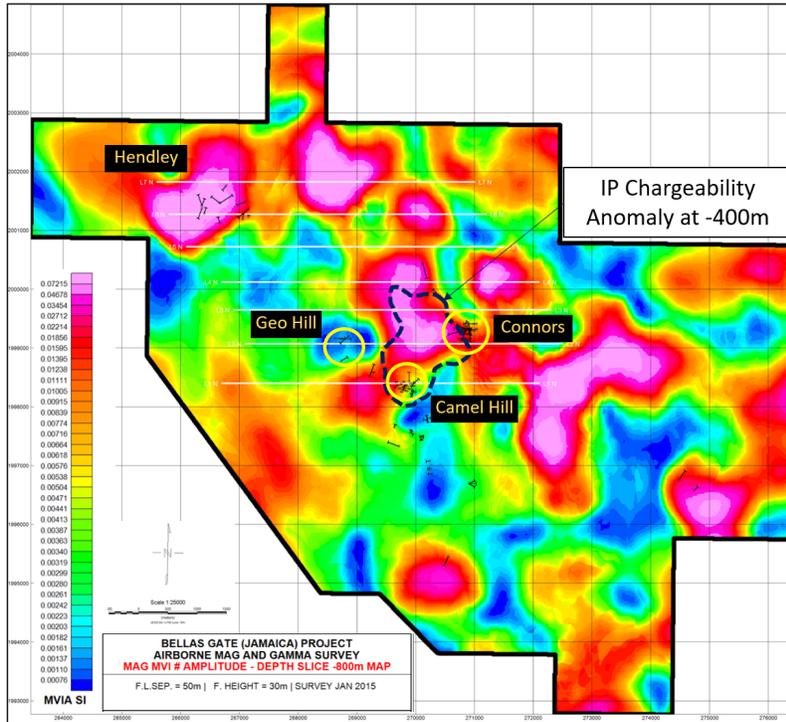


Figure 7 – Map showing Bellas Gate Magnetic MVI Image.

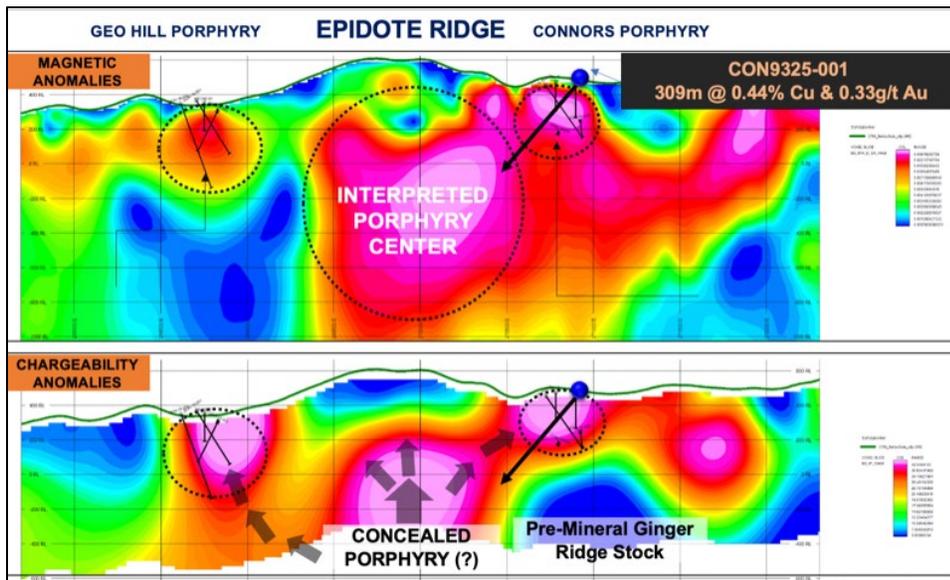


Figure 8 – Cross section through Geo Hill – Epidote Ridge – Connors showing coincident magnetic (Top) and IP chargeability anomalies (Bottom) at Bellas Gate.

Plus Minerals (Imants Kavalieris and Khashgeral Bat-Erdene), was engaged to complete 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.

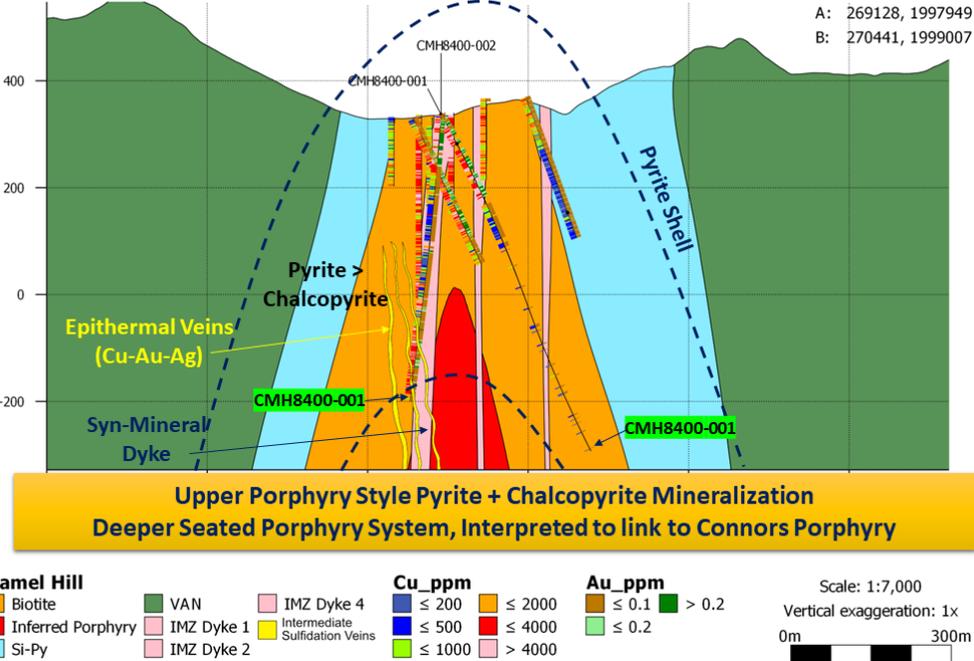


Figure 9 – Cross section through drill holes CMH8400-001 & 002 showing assays and interpreted geology.

The drill rig utilized during 2022 did not have the capacity to reach beyond 700 metres depth. Therefore, the Company entered into a drill contract and mobilized a larger drill rig to Jamaica to continue testing multiple porphyry targets. This next phase of drilling commenced in August 2023.

During August 2023, two drill rigs were mobilized to Jamaica to commence follow up drilling at the Bellas Gate copper-gold project in Jamaica, focussed initially on the Camel Belt. BC Diamond Drilling (“BCDD”) have been contracted for a minimum of 6,000 metres of diamond drilling using a drill rig with a depth capacity of greater than 1,000 metres, and C3 Metals purchased a man-portable rig to drill 2,500m, testing near surface porphyry and epithermal prospects to a nominal vertical depth of approximately 500 metres.

On September 25, 2023, the Company announced assays from the first two holes of the fully funded 8,500m drill program. The holes were drilled at the northwestern area along the Camel Belt, at the Provost Prospect and drilling highlights included:

- Longest interval of copper-gold mineralization ever intersected at the Bellas Gate project.
- 390.7m at 0.37% copper and 0.19 g/t gold (0.50% CuEq) from 64.1m, including 279.5m at 0.43% copper and 0.24 g/t gold (0.60% CuEq) intersected in drill hole PVT0900-002.
- PVT0900-002 terminated in highly altered diorite and andesite cut by pyrite – magnetite ± chalcopyrite ± molybdenite in veins, with an intense anhydrite overprint.

- Multi-phase system – Porphyry style alteration and mineralization is overprinted or telescoped by intermediate and high-sulphidation epithermal copper-gold mineralization.

On October 4, 2023, the Company announced assays received for the first drill hole of the 2023 program at the Camel Hill copper-gold porphyry prospect, approximately 4km southeast from the Provost porphyry. Drilling highlights included:

- CMH8350-001 assayed 207.8m at 0.43% copper and 0.20 g/t gold (0.57% CuEq) from 22.0m, including 135.0m at 0.52% copper and 0.27 g/t gold (0.71% CuEq).
- Lower half of the CMH8350-001 intersected strongly altered diorite porphyry with pyrite-rich (5-15%) quartz stockwork veining.
- Diatreme breccia with vuggy residual quartz fragments indicates preserved high-sulphidation alteration and mineralized system at depth.

On October 11, 2023, the Company reported assays for PVT0900-003, the third hole completed on the Provost porphyry target. PVT0900-003 (418.6m) terminated 150m short of target depth due to drilling difficulties in a fault zone, highlights include:

- PVT0900-003 intersected 112m at 0.35% copper and 0.13 g/t gold (0.44% CuEq) from 305.8m.
- The last 1.1m of the hole ended in high-grade epithermal style mineralization grading 1.27% copper and 4,090 g/t silver.
- This hole extended known copper-gold mineralization at Provost by 150m to the northwest.

On November 27, 2023, the Company reported assays from two additional holes drilled at the Provost porphyry target.

- PVT0825-001 (596.7m) intersected 280.7m at 0.37% copper and 0.21 g/t gold (0.52% CuEq) from 227.0m, including 61.7m at 0.50% copper and 0.39 g/t gold (0.77% CuEq) from 446.0m (Figure 10).
- Bornite and hypogene chalcocite mineralization, as well as potassic alteration, were confirmed at approximately 500m depth.
- PVT0825-001 appears to have “clipped” the top of the bornite core of the porphyry system.
- PVT0825-001 was drilled with C3 Metals’ man-portable drill rig to a record depth of 596.7m for this rig.
- The presence of bornite mineralization and potassic alteration corresponded with a spike in grades to 1.14% copper and 1.19 g/t gold (1.98% CuEq) over a 2.5m interval.
- The Company confirmed it will follow up drill hole PVT0825-001 utilizing its larger capacity contract drill rig, which has depth capacity of more than 1,000m.

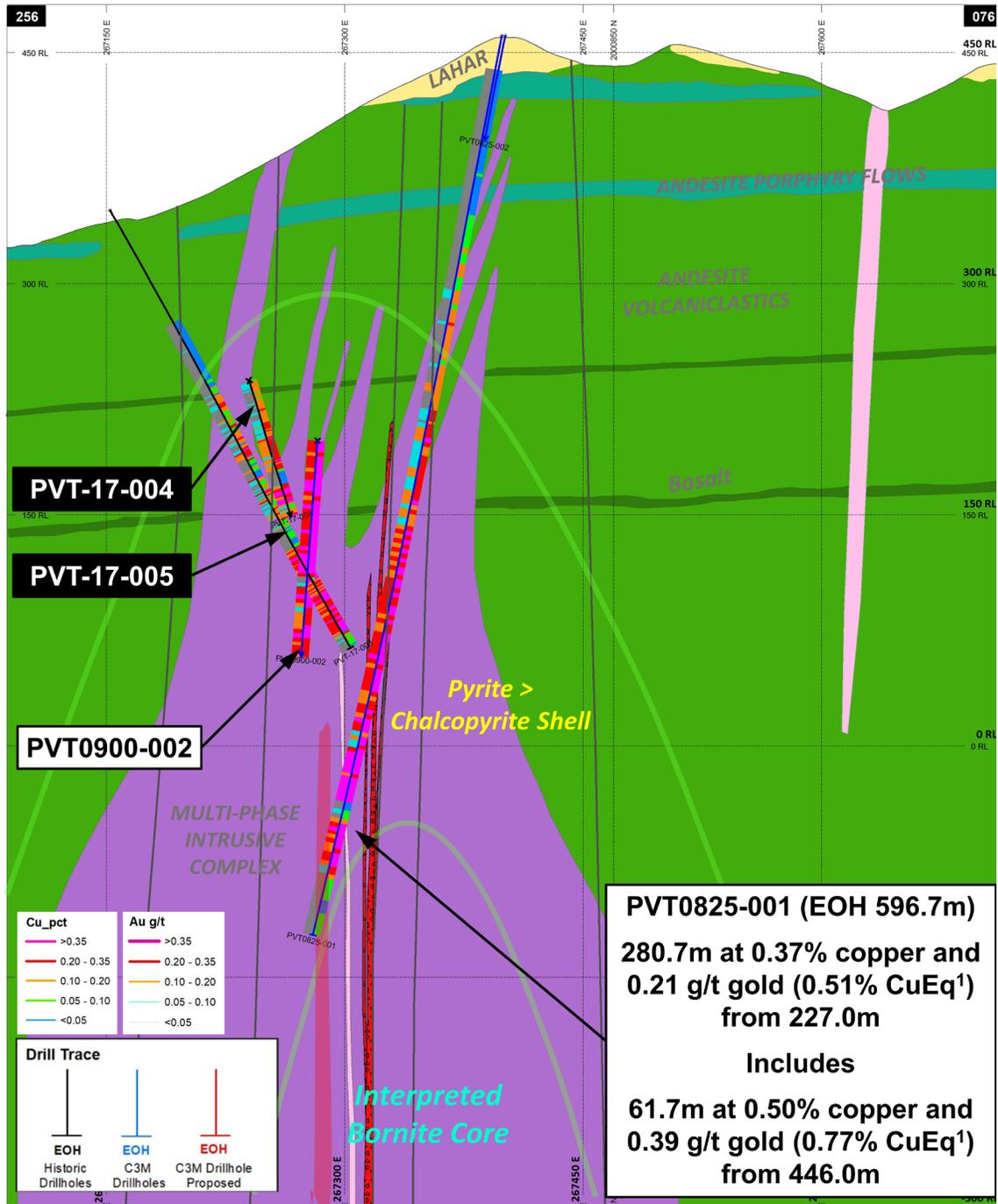


Figure 10: Cross section through PVT0825-001, showing lithology and copper-gold assays.

Arthurs Seat

The Arthurs Seat property is contiguous to Bellas Gate and historical work confirmed over 50 copper occurrences. Mapping and sampling defined an 8.0km by 4.5km copper-gold-silver footprint within which a 5.0km by 3.0km high-density, low-intermediate sulphidation epithermal quartz breccia swarm occurs. The Company completed 10 scout drill holes for 2,200m, testing multiple high potential epithermal gold

targets. Eight of 10 holes intersected epithermal and/or porphyry style mineralization, and two holes were lost due to ground conditions. On March 23, 2023, the Company announced the results from its initial scout drilling program at Arthurs Seat. First pass drilling did not intersect high-grade shoots common to these systems, but did confirm broad zones of lower grade copper-gold mineralization with small intervals of high grade gold mineralization (0.60m at 7.63 g/t Au) within telescoped porphyry-style alteration and mineralization. Highlights from the initial scout drilling include:

- Epithermal gold mineralization in quartz breccias is telescoped porphyry copper mineralization.
- Coarse gold identified in drill hole ARS5850-002 assayed 7.63 g/t over 0.60 m (Figure 10).
- Spectrometer studies confirm both epithermal and porphyry style alteration mineralogy.
 - Illite alteration is consistent with low-sulphidation epithermal systems.
 - Pyrophyllite alteration – a key alteration mineral in porphyry systems.
- Porphyry vectors identified include:
 - Magnetite veins and deformed porphyry B-Veins, with chalcopyrite and bornite.
 - Leached diorite with interpreted B-veins and interlayered pyrophyllite vermiculite clay.
 - Discrete Total Magnetic Intensity anomalies proximal to pyrophyllite zone (Figure 11).
- Extends the copper-gold epithermal-porphyry district over 30km from Belles Gate through to Arthurs Seat and Main Ridge with 16 porphyry and 40 epithermal prospects outlined to date.

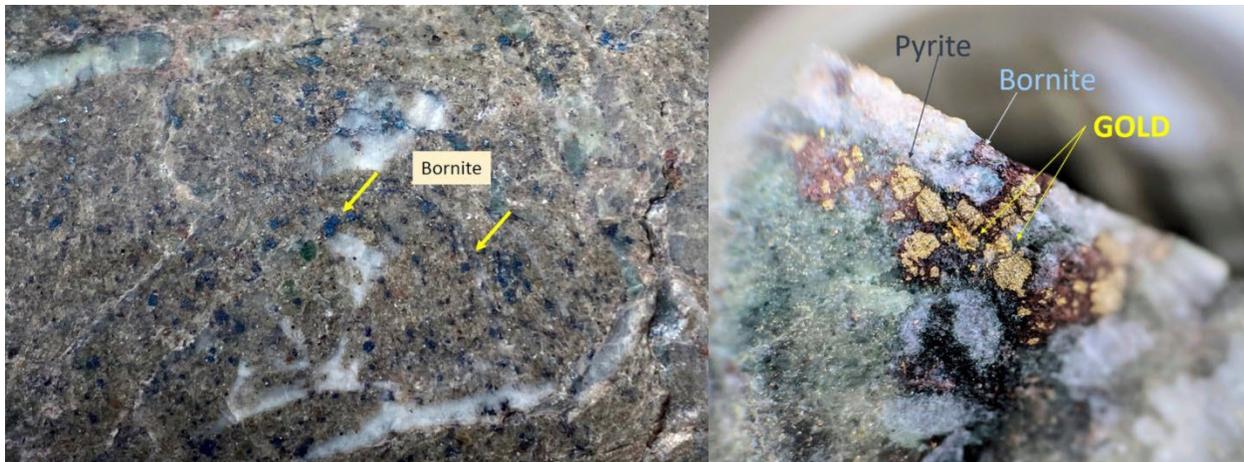


Figure 11 – (Left) Disseminated bornite mineralization in ARS4675-001 (179.5m) associated with quartz veins and breccias. (Right) Hand lens photo showing coarse gold mineralization (2mm) in ARS5850-002 (271.5m), associated with quartz veins, bornite and pyrite.

Epithermal gold mineralization in quartz breccias is telescoped by hydrothermal alteration which appears to be sourced from an interpreted porphyry at depth. Copper is late and occurs as bornite with lesser chalcopyrite coating fractures and as disseminations. Molybdenum is highly anomalous in several drill holes with 8.3m assaying at 46ppm molybdenum in ARS4950-002. Molybdenum is a key porphyry indicator.

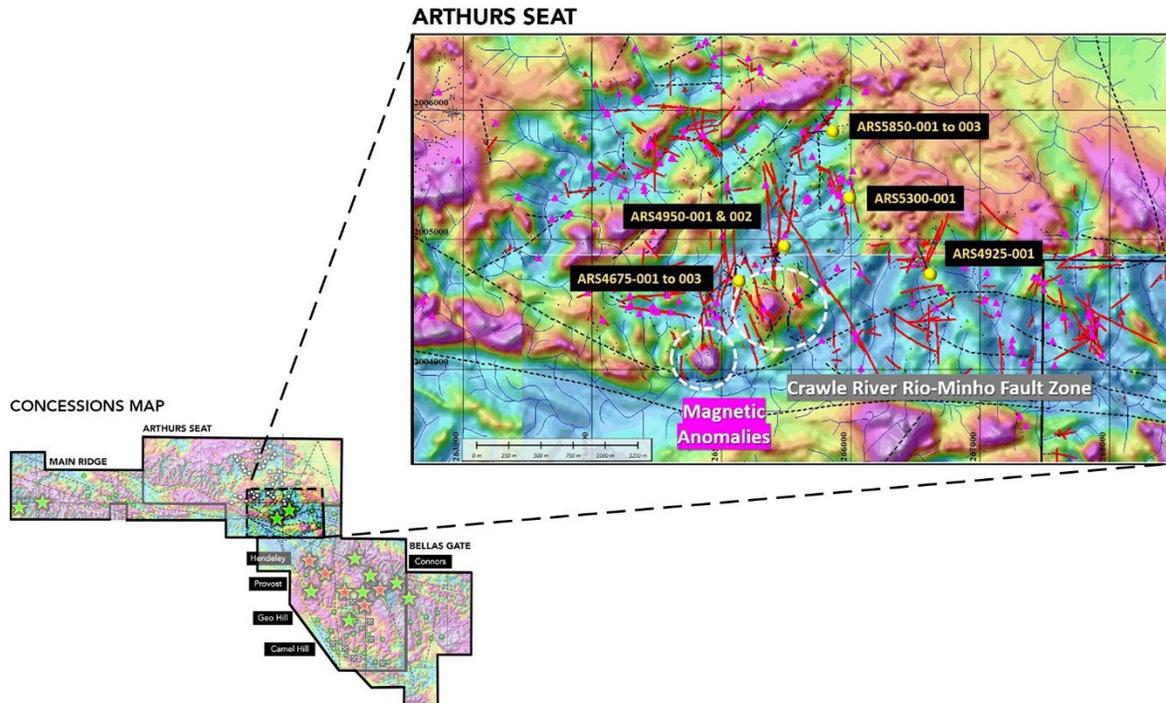


Figure 12: Arthurs Seat project showing Total Magnetic Intensity image that is overlain with epithermal breccias (red lines) and showing the scout hole locations. Magenta triangles represent rock chips over 0.50% copper.

On June 2nd, September 13th, October 12th, November 7th, November 29th, 2022, and March 23, 2023, the Company provided updates on exploration activities at Arthur Seat, which report copper-silver mineralization over a broad area and discovery of epithermal gold-silver+copper veins in the south-eastern portion of the property. Highlights from mapping and sampling include:

- 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 14);
- 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 15);
- 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 16), and 43.2 g/t gold from the most westerly zone (see Figure 15); and
- 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.

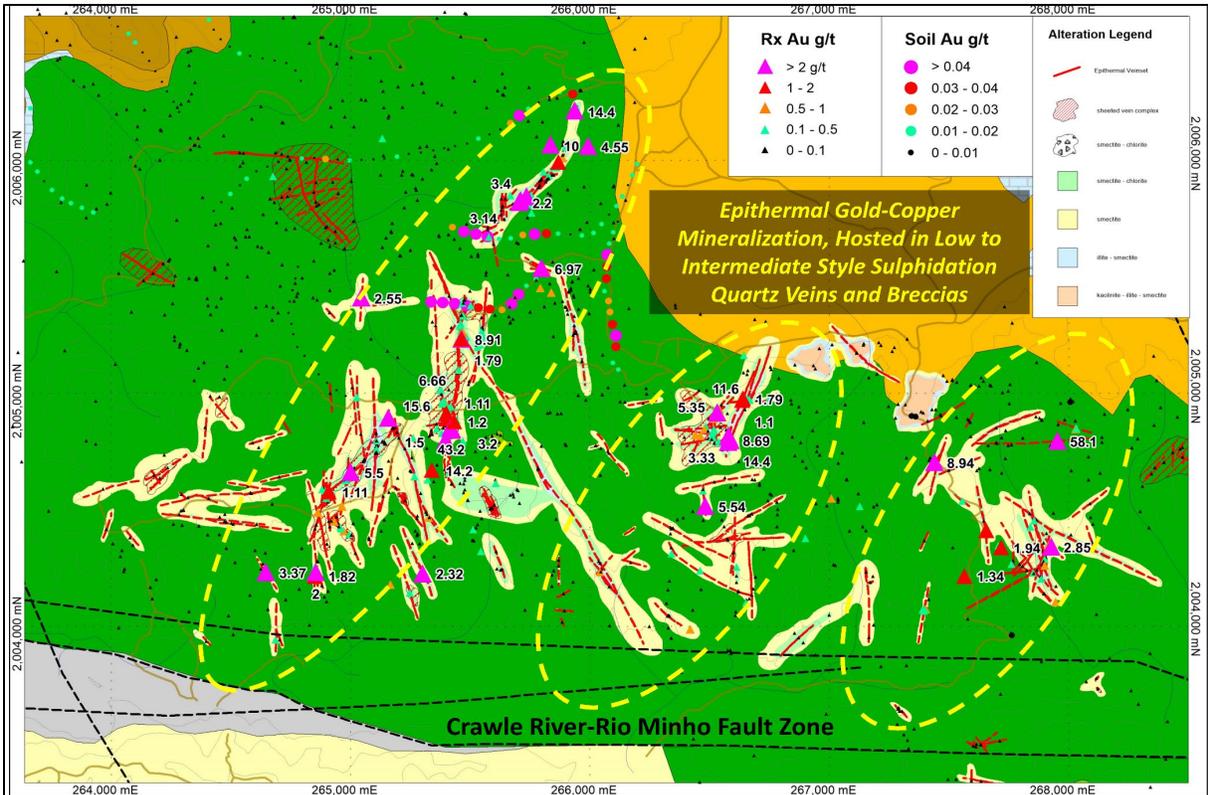


Figure 14 – Map showing 5.0 km by 3.0 km area of high-density, low-intermediate sulphidation epithermal vein swarm. Location of vein discoveries highlighted in dashed yellow. Rock chip samples assaying greater than 2.0 g/t Au are shown as magenta triangles.

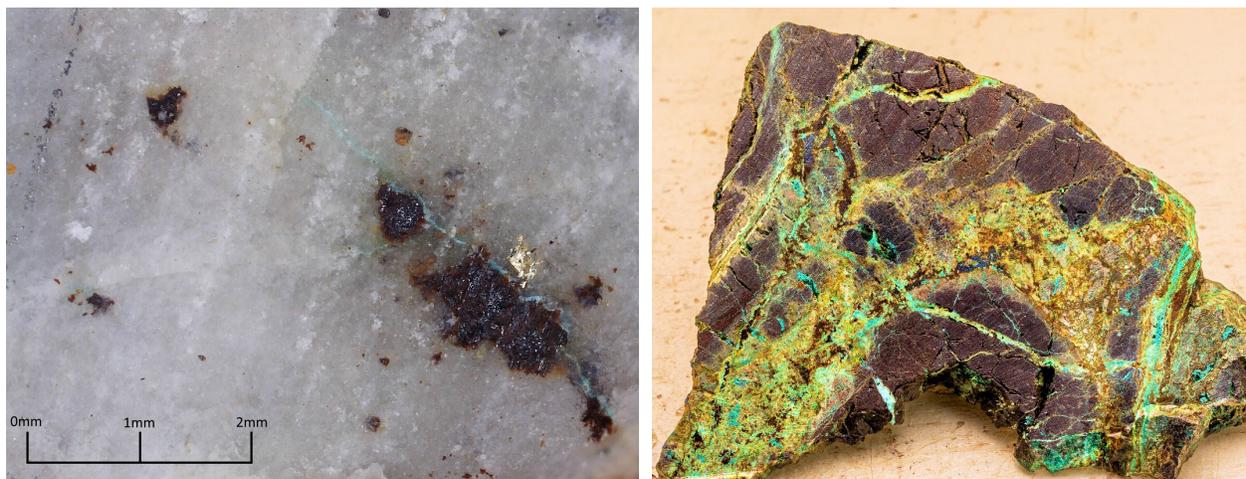


Figure 15 – Rock chip samples from epithermal vein swarm at Arthurs Seat (Left) USB Microscope 20X image showing free gold adjacent to bornite; sample assayed 58.1 g/t gold. (Right) Rock chip showing significant secondary copper in basalt with bornite, tennantite/tetrahedrite; sample assayed 16.5% copper, 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 licence and has expanded the program to

include the northern area of the Bellas Gate licence and the Main Ridge licence, which previously had only seen minimal surface work.

Main Ridge

On May 2, 2023, the Company announced that it has obtained approval to commence exploration drilling at its 100% owned Main Ridge project in Jamaica. The Main Ridge project covers 3,000-hectares and is located immediately adjacent to the past producing Pennants Gold Mine and to the west of the Company's Arthurs Seat project. The Main Ridge drill permit is valid through April 2028.

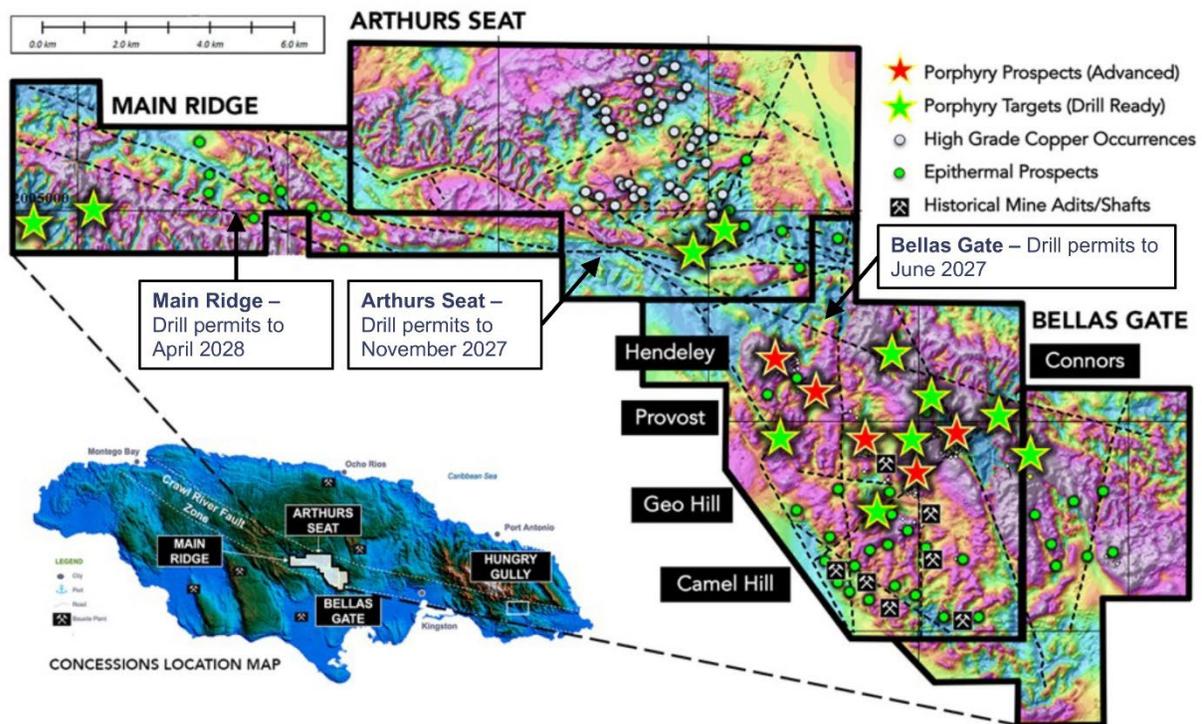


Figure 16 – C3 Metals' concessions in Jamaica with Total Magnetic Intensity (TMI), showing 16 porphyry and over 40 epithermal prospects over a 30km trend from Bellas Gate through to Arthurs Seat and Main Ridge. Historical audits and shafts located to the south of several porphyry targets.

The Main Ridge project highlights include:

- Rock chip and soil sampling along the Bennett Fault defined a coherent gold anomaly extending 4km southeast and northwest of the former Pennants Gold Mine (Figure 18):
 - Rock chip sample collected 300m west of historical drill hole MD28 (3.1m at 17.0 g/t Gold1) assayed 35.8 g/t gold
- Rio Minho Fault host to strong copper-silver mineralization, defined over a 4km strike length. Channel sample results include (Figure 18):
 - 16.0m at 1.22% copper and 7.8 g/t silver
 - 2.0m at 6.07% copper and 19.4 g/t silver

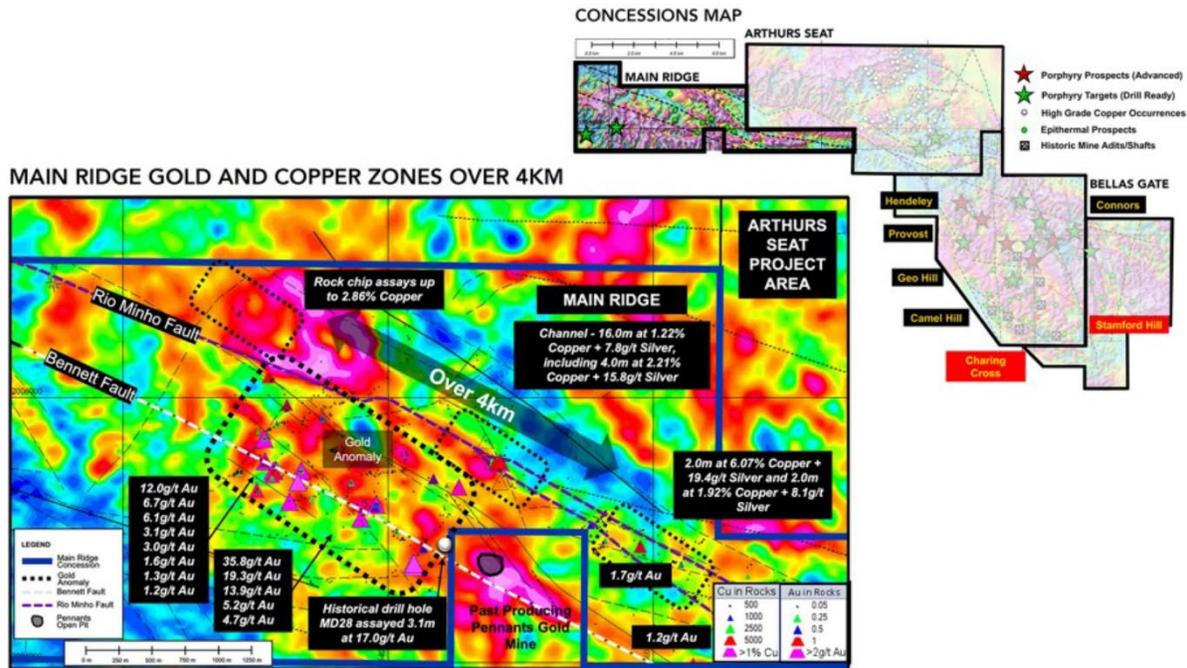


Figure 17 – Main Ridge radiometric image (potassium) showing a zone of strong gold mineralization northwest of the past producing Pennants Gold Mine with numerous rock chip assays above 1.0 g/t gold and up to 35.8 g/t gold and three zones of strong copper mineralization, including both rock chip assays above 1% copper and channel sampling results.

Hungry Gully

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

Exploration and Evaluation Expenditures

During the year ended August 31, 2023, a total of \$3,293,464 was capitalized to the Bellas Gate project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$391 related to licence acquisition and renewal fees; \$1,109,647 related to geology and general field costs; \$3,923 related to geochemical costs, \$1,987,433 related to drilling and drill core assay; \$32,042 related to environmental costs; \$126,700 related to community and social development; and, \$33,328 related to health and safety costs. As at August 31, 2023, the carrying value of the Bellas Gate project was \$11,637,635 (August 31, 2022 - \$8,301,931).

During the year ended August 31, 2023, a total of \$2,667,052 was capitalized to the other Jamaican licences related to exploration and evaluation costs. Components of total costs capitalized comprised: \$811 related to licence acquisition and renewal fees; \$1,430,931 relating to geology and general field costs; \$315 in geochemical costs; \$1,078,191 related to drilling and drill core assay; \$40,104 related to environmental costs; \$116,287 related to community and social development; and, \$413 related to health and safety costs. As at August 31, 2023, the carrying value of the other Jamaican licences was \$4,913,188 (August 31, 2022 - \$2,242,233).

CANADIAN PROJECTS

British Columbia

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. Consideration received for the sale was comprised of 500,000 common shares of Tocvan and 625,000 common shares in a newly formed company called Cascade Copper for a combined value of \$525,000. Tocvan spun out its 100% interest in the Rogers Creek project into Cascade Copper, which will focus on copper porphyry exploration assets in southern British Columbia. The Company retains a 2% NSR on the Rogers Creek project where 1% can be repurchased for \$1 million.

SELECTED ANNUAL INFORMATION

The following tables contain selected annual financial information for the fiscal years ended August 31, 2023, 2022 and 2021.

	Year ended August 31, 2023	Year ended August 31, 2022	Year ended August 31, 2021
	\$	\$	\$
Revenue	Nil	Nil	Nil
Total expenses	(2,505,714)	(3,582,271)	(6,226,968)
Other income (expense)	1,578,442	(236,690)	699,500
Net loss for the period	(927,272)	(3,818,961)	(5,527,468)
Basic and diluted loss per common share	(0.02)	(0.09)	(0.17)
Cash dividend per common share	Nil	Nil	Nil

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Expenses

For the year ended August 31, 2023, total expenses before interest, other income and foreign exchange loss were \$2,505,714 and were comprised of: \$518,908 related to promotion and investor relations; \$64,336 related to regulatory authority and transfer agent fees; \$159,433 with respect to professional fees for legal, accounting and audit services; \$1,330,561 with respect to office, general and administrative costs; and, \$432,476 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 \$1,076,557 during fiscal 2023 when compared to fiscal 2022. Promotion and investor relations costs were lower by \$222,550. Higher costs

were incurred during fiscal 2022 related to promotional campaigns to increase investor awareness, attendance at investor conferences (including related travel), and fees paid to the Company's Vice President, Investor Relations, who left the Company at the end of May 2022. Regulatory and transfer agent fees were lower by \$31,829. Higher costs in fiscal 2022 related primarily to the renewal of Company's stock option plan, the Company's new listing on the OTC Markets and costs to obtain DTC eligibility in the United States. Professional fee expenses were lower by \$105,494 primarily related to lower legal costs in both Peru and Canada during fiscal 2023. Office, general and administrative costs were lower by \$329,668 primarily related to a severance fee paid to the former CEO of the Company, lower fees paid to officers, a headcount reduction and general office expenditures which were offset by higher accounting fees due to increased activity and the impact of exchange differences on the Company's foreign subsidiaries. No project generation and evaluation costs were incurred during fiscal 2023. Share based compensation expenses were lower by \$383,649 during fiscal 2023 compared to fiscal 2022. The share based compensation expenses relate to non-cash charges for stock options and restricted share units that were granted in both fiscal 2023 and fiscal 2022.

Other Income and Expense

Other income and expenses during the year ended August 31, 2023 totaled a net income of \$1,578,442. A gain of \$1,625,940 related to the sale of the NSR royalty to Geophysx. Interest income on cash balances for the year ended August 31, 2023 was \$83,331. A loss on marketable securities of \$77,200 was recorded and a foreign exchange loss of \$53,629 was also recorded relating primarily to activity in Peru.

Net Loss and Loss per Common Share

For the year ended August 31, 2023, net loss was \$927,272 (fiscal 2022 – \$3,818,961). Basic and diluted loss per common share was \$0.02 (fiscal 2022 – \$0.09). 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, 2023, a foreign currency translation gain of \$1,771,398 (fiscal 2022 – \$1,396,559) 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 2023				Fiscal 2022			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses								
Promotion and investor relations	250,367	145,895	52,696	69,950	250,268	153,123	215,307	122,760
Regulatory	13,774	17,458	17,091	16,013	36,128	13,160	17,442	29,435
Professional fees	29,796	48,873	41,615	39,149	69,939	53,343	97,137	44,508
Office, general and administrative	350,142	365,482	327,185	287,752	354,445	363,374	399,783	542,627
Project evaluation	Nil	Nil	Nil	Nil	2,200	1,167	Nil	Nil
Share based compensation	116,565	116,565	108,342	91,004	301,424	231,309	37,840	245,552
Other expenses (income) total	61,794	(19,880)	(771)	(1,619,585)	(16,730)	120,993	(37,043)	169,470
Net loss (income)	822,438	674,393	546,158	(1,115,717)	997,674	936,469	730,466	1,154,352
Income (loss) per common share	(0.02)	(0.01)	(0.01)	0.02	(0.03)	(0.02)	(0.02)	(0.02)

With the exception of the first quarter, promotion and investor relations expenses were lower in all quarters of fiscal 2023 compared to fiscal 2022. Higher costs were incurred during fiscal 2022 related to promotional campaigns to increase investor awareness, attendance at investor conferences (including related travel), and fees paid to the Company's Vice President, Investor Relations, who left the Company at the end of May 2022. Regulatory fees were lower during the first, third and fourth quarters of fiscal 2023 when compared to fiscal 2022. During fiscal 2022, the Company paid the TSX-V a fee for the annual renewal of the Company's stock option plan in the fourth quarter and costs were incurred in the first quarter of fiscal 2022 related to the Company's new listing on the OTC Markets and costs to obtain DTC eligibility in the United States. Professional fees were lower in all four quarters primarily related to higher legal costs in Peru related to new property acquisition and expanded operations in fiscal 2022. Office, general and administrative costs were lower in the first, third and fourth quarters primarily related to the severance fee paid to the former CEO of the Company, lower fees paid to officers, a headcount reduction and general office expenditures which were offset by higher accounting fees due to increased activity and the impact of exchange differences on the Company's foreign subsidiaries. Share based compensation includes expenses recorded related to stock options and restricted share units that were granted in fiscal 2022 with a one year vesting period. The stock option expense in the fourth quarter relates to the stock options grant on August 8, 2023 of which a significant portion vested immediately.

Other income and expenses during the year ended August 31, 2023 included a gain on sale of an NSR royalty to Geophysx of \$1,625,940 during the fourth quarter of fiscal 2023. The total loss on marketable securities amounted to \$77,200, with a significant portion of this loss relating to the revaluation of the

Tocvan common shares during the first quarter of fiscal 2023. It also includes interest income on cash balances of \$83,331 that was evenly distributed across the quarters and a foreign exchange loss with a significant portion of this loss being recorded in the first quarter of fiscal 2023.

LIQUIDITY AND CAPITAL RESOURCES

As at August 31, 2023, the Company held cash and cash equivalents of \$2,832,823 (August 31, 2022 – \$7,302,637) and had working capital of \$2,646,854 (August 31, 2022 – \$7,265,263). The Company has financed its operations primarily with equity financing.

Financing Activity During Fiscal 2023

On April 21 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common shares at a price of \$0.65 per common share for gross proceeds of \$5,000,000. In connection with this financing, the Company paid certain eligible finders cash commissions of \$93,900.

At August 31, 2021, the Company had a balance of 113,100 common shares of Tocvan received under the terms of the option agreement for the Rogers Creek, BC project. During September 2021, the Company received 500,000 additional Tocvan common shares in connection with its sale of the Rogers Creek project to Tocvan. During April 2022, the Company sold 30,000 shares realizing proceeds of \$26,970. During November and December 2022, the Company sold the remaining 583,100 shares realizing proceeds of \$271,211. As at August 31, 2023, the Company had no remaining investment in the common shares of Tocvan.

Financing Activity During Fiscal 2022

On November 9, 2021 the Company closed a bought deal private placement with a total of 7,814,013 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 462,771 compensation warrants exercisable for common shares at \$2.47 were issued with an expiry date of November 9, 2023.

Given the Company's plans for significant exploration expenditures on its projects during fiscal 2024, 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 21, 2023, August 31, 2023, and August 31, 2022 is as follows:

	December 21, 2023	August 31, 2023	August 31, 2022
Common shares	61,884,802	53,038,655	45,346,348
Warrants	-	-	400,000
Broker warrants	-	462,771	462,771
Stock options	3,927,666	3,927,666	3,973,822
Restricted share units (RSUs)	156,643	156,643	156,643
Deferred share units (DSUs)	15,117	15,117	56,744
Fully diluted shares outstanding	65,984,228	57,600,852	50,396,328

Subsequent to year end, on November 1, 2023, the Company announced that the board of directors had approved the Share Consolidation on the basis of one post-consolidation share for every thirteen pre-consolidation shares. The Share Consolidation became effective at market open on December 19, 2023 and resulted in 804,504,235 pre-consolidation shares being consolidated to 61,884,802 post-consolidation shares. The exercise or conversion price and the number of shares issuable with respect to all of the Company's outstanding convertible securities was proportionately adjusted in connection with the Share Consolidation. All share and per share amounts in this MD&A have been retroactively adjusted to reflect the Share Consolidation.

Subsequent to year end, on November 15, 2023, the Company closed a non-brokered private placement of 8,846,147 common shares at a price of \$0.91 per common share for gross proceeds of \$8,050,000. In connection with the private placement, the Company paid eligible finders cash commissions of \$42,600 and an advisory fee of \$107,100.

On April 21 and May 1, 2023, the Company closed a non-brokered private placement in two tranches through the issuance of 7,692,307 common for gross proceeds of \$5,000,000.

On September 4, 2022, 400,000 warrants exercisable for common shares at \$1.04 expired. Subsequent to year end, on November 9, 2023, a total of 462,771 broker warrants exercisable for common shares at \$2.47 per share expired.

On August 8, 2023, the Company granted a total of 1,246,144 stock options to officers, directors, employees and consultants of the Company. These stock options are exercisable at \$0.65 per share and expire on August 8, 2028. During the year ended August 31, 2023, a total of 1,207,688 stock options with exercise prices ranging between \$1.04 to \$3.25 expired. During the year ended August 31, 2023, a total of 84,612 stock options with exercise prices ranging from \$1.04 to \$1.95 were forfeited.

During May 2023, a total of 41,627 DSUs issued to a former director expired.

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, 2023 and 2022.

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, 2023 and 2022 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, 2023 and 2022.

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 1 January 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 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
- Antony Manini, B.Sc., FAusIMM, FSEG – Director and 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