

C3 METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three Month Period Ended November 30, 2023

(Information as at January 29, 2024 unless otherwise noted)



INTRODUCTION

This management's discussion and analysis ("MD&A") provides results of operations and financial condition for the three month periods ended November 30, 2023 and 2022. It was approved by the Board of Directors on January 29, 2024.

The condensed consolidated interim 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"). 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.

This MD&A should be read in conjunction with the Company's condensed consolidated interim financial statements for the three month periods ended November 30, 2023 and 2022. This MD&A should also be read in conjunction with the Company's consolidated annual financial statements for the years ended August 31, 2023 and 2022, which are prepared in accordance with IFRS Accounting Standards and the Company's annual MD&A for the year ended August 31, 2023. 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 28,880 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), Constanca (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.

QUARTERLY HIGHLIGHTS

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 within the Bellas Gate Project 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. On January 9, 2024, the Company provided a summary of the 2023 drilling results and provided an update on the planned 2024 drilling program, which includes drilling of up to 20,000 metres primarily at Bellas Gate. Details related to drill results for the Bellas Gate, Jamaica project and an update on the 2024 drilling plans 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 for expanded 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.

EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

PERU – JASPEROIDE PROJECT

The Company holds a 100% beneficial interest in 55 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 57 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 28,880 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration. During fiscal 2023, the Company applied for and was awarded an additional three 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 three 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 29,980 hectares and 30,180 hectares.

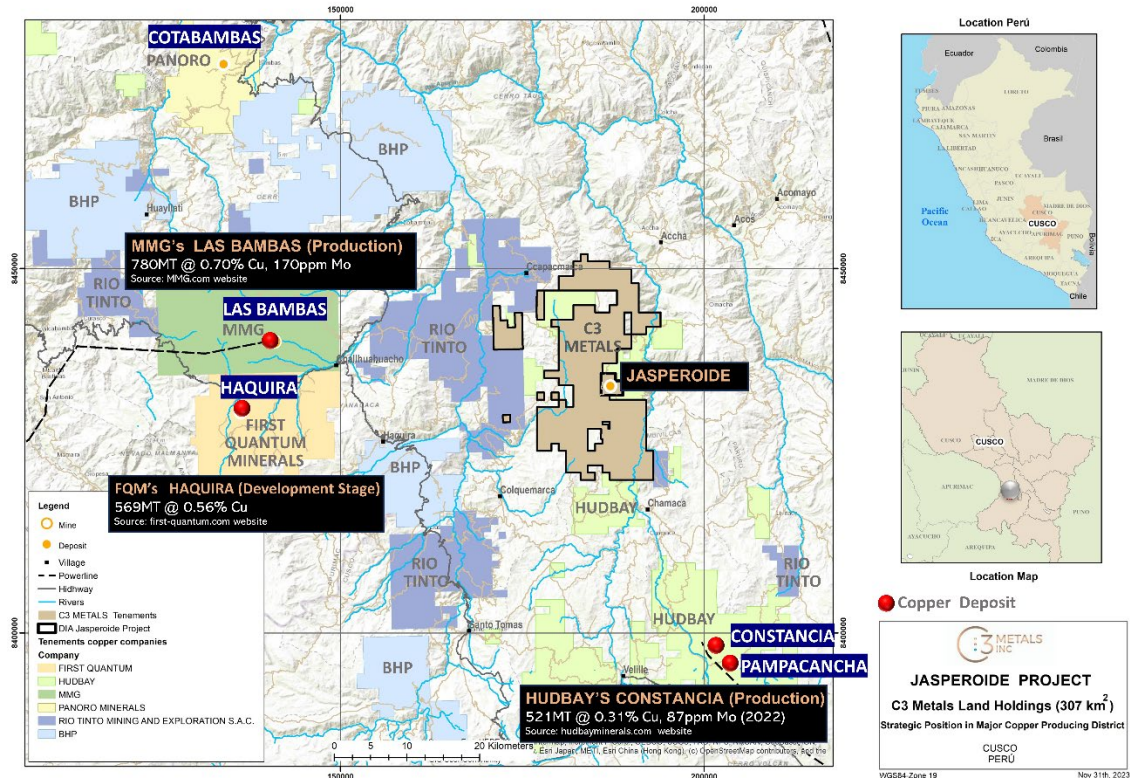


Figure 1 – Jasperoide project location, southern Peru

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 November 30, 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 and exploration expenditure requirements were concluded. The remaining 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 three 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. This condition was met in in June 2021, when the Company exceeded the cumulative expenditure requirements. During Fiscal 2022, the Company concluded a

binding Heads of Agreement and acquired 100% of Hochschild's interest in the three concessions. In connection with the acquisition, the Company granted a 2% NSR royalty in favour of Ares in respect of the Ares mineral concessions subject to the right of the Company to purchase 1% of the NSR (thereby reducing the NSR to 1%) 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. In addition, the 2% NSR royalty applies to a five kilometre area of interest from the borders of the three concessions.

On September 26, 2023, the Company announced that it 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 three month period ended November 30, 2023, a total of \$445,438 was capitalized to the Jasperoide project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$108,075 related to licence acquisition and renewal fees; \$199,930 relating to geology and general field costs; \$17,259 related to drilling; \$11,208 related to environmental costs; \$72,475 related to community and social development; \$17,826 related to health and safety costs; and, \$18,665 related to Peruvian IVA tax on these expenditures. As at November 30, 2023, the carrying value of the Jasperoide Project was \$35,045,709 (August 31, 2023 - \$34,975,849).

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.

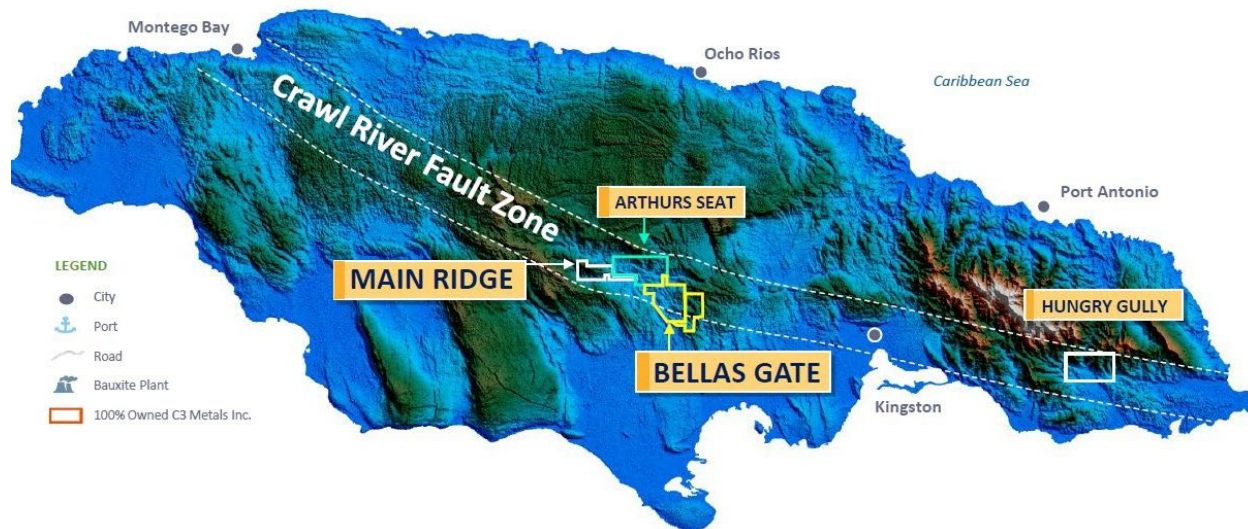


Figure 2 – C3 Metals’ mineral properties in Jamaica

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.

2023 Drilling Highlights

During 2023, the Company completed over 9,300 metres at the Company's 100% owned copper-gold projects in Jamaica. Exploration work in 2023 confirmed 16 porphyry and over 40 epithermal copper-gold prospects along a 30km strike extent (Figure 3). Drill holes completed during 2023 highlight significant porphyry potential that remains open at depth and along strike. The 2023 drilling campaign confirmed a cluster of high level, uneroded porphyry systems and associated fully preserved epithermal base and precious metal veins (low, intermediate, and high sulphidation). Drillhole assays have confirmed a significant potential for a meaningful copper-gold porphyry discovery in this highly prospective, yet significantly underexplored porphyry-epithermal belt.

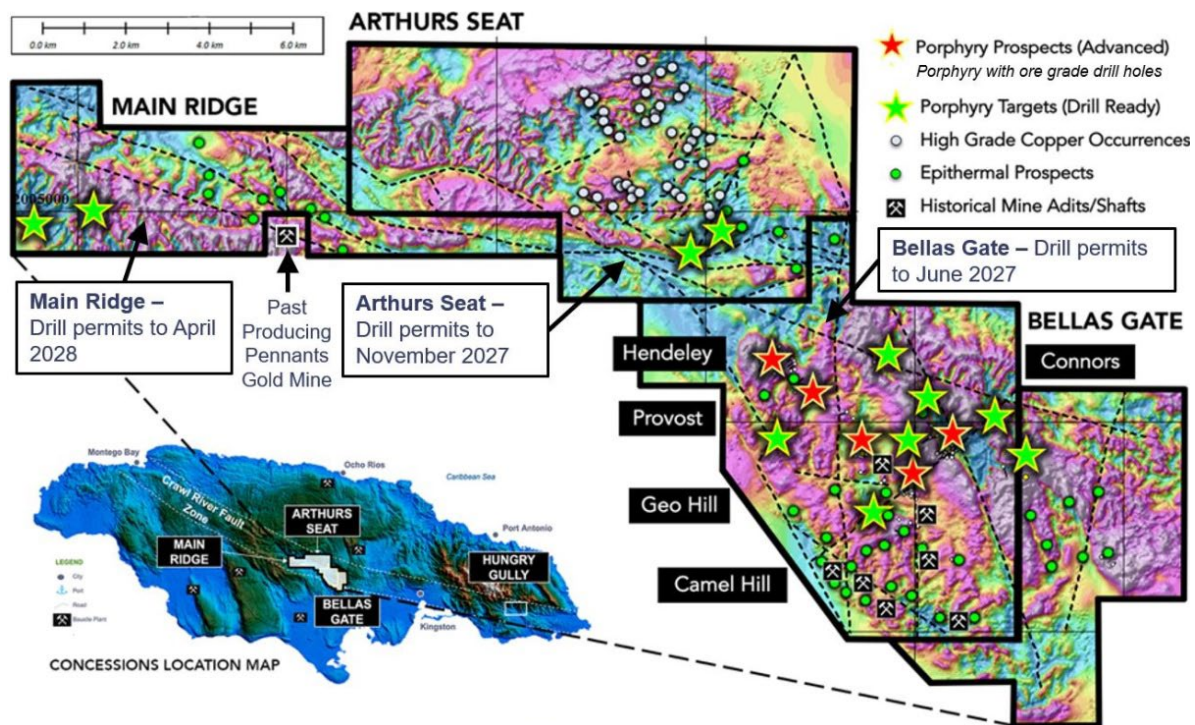


Figure 3 – Project location map showing C3 Metals' tenement map and the 16 copper-gold porphyry and 40 epithermal prospects confirmed along a 30km strike extent.

2024 Exploration Plans

The 2024 Jamaica drill program will largely focus on the Bellas Gate project where two district scale porphyry copper-gold and epithermal copper-gold-silver vein corridors extend over 10km of strike extent. C3 Metals plans to systematically evaluate these two mineralized corridors and anticipates drilling up to 20,000 metres on high priority targets in 2024.

A cluster of copper-gold mineralized porphyries has been identified associated with a 4km zone of strong porphyry alteration mapped at surface. Drilling will progressively step out along strike to determine the potential for continuous copper-gold mineralization in this highly prospective zone.

Work is also planned to further develop other priority copper-gold prospects, which include (Figure 4):

- **Coffee** - Magnetic anomaly and coincident 2.5km by 2.5km copper-in-soil anomaly;
- **Pleasant Hill** - Magnetic and induced polarization (IP) anomalies and coincident 700m by 600m copper-in-soil anomaly;
- **Cocoa Ridge** - Magnetic anomaly and coincident 900m by 500m copper-in-soil anomaly;
- **Stamford Hill – Charing Cross** epithermal field - Spanish and British historical adits and shafts exploited multiple high-grade copper-gold-silver epithermal veins up to 10m wide; and,
- **Arthurs Seat**- an untested porphyry target. Discrete magnetic anomaly over a high tenor 1,200m by 800m copper in soil anomaly.

Additionally, IP geophysics survey work is planned at Bellas Gate and Arthurs Seat in 2024. Completing an IP survey will be a major step to aid in the systematic evaluation of numerous porphyry and epithermal prospects.

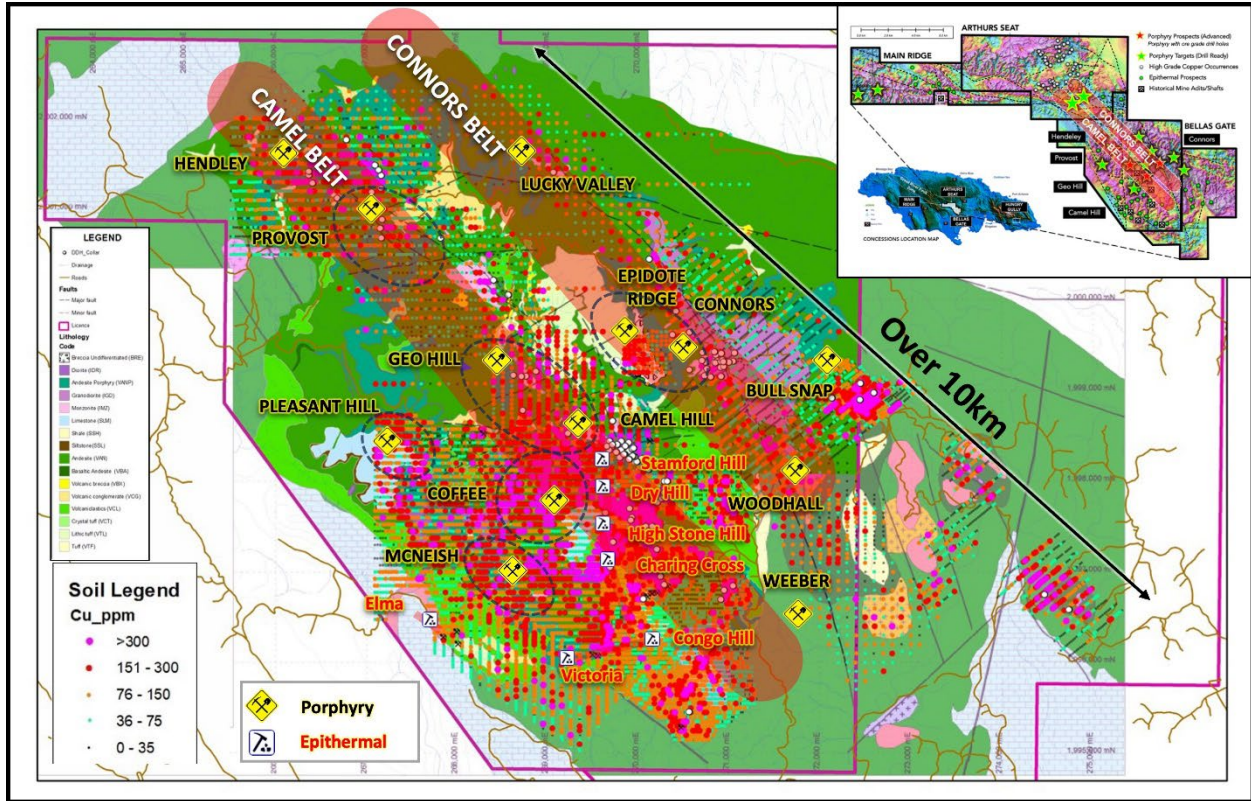


Figure 4 – Map of Bellas Gate showing copper-in-soil geochemistry and two major structural corridors. C3 Metals will focus on drilling these structural corridors and extending the strike extent of the known mineralized zone through additional soil geochemistry and an IP survey during the first half of 2024.

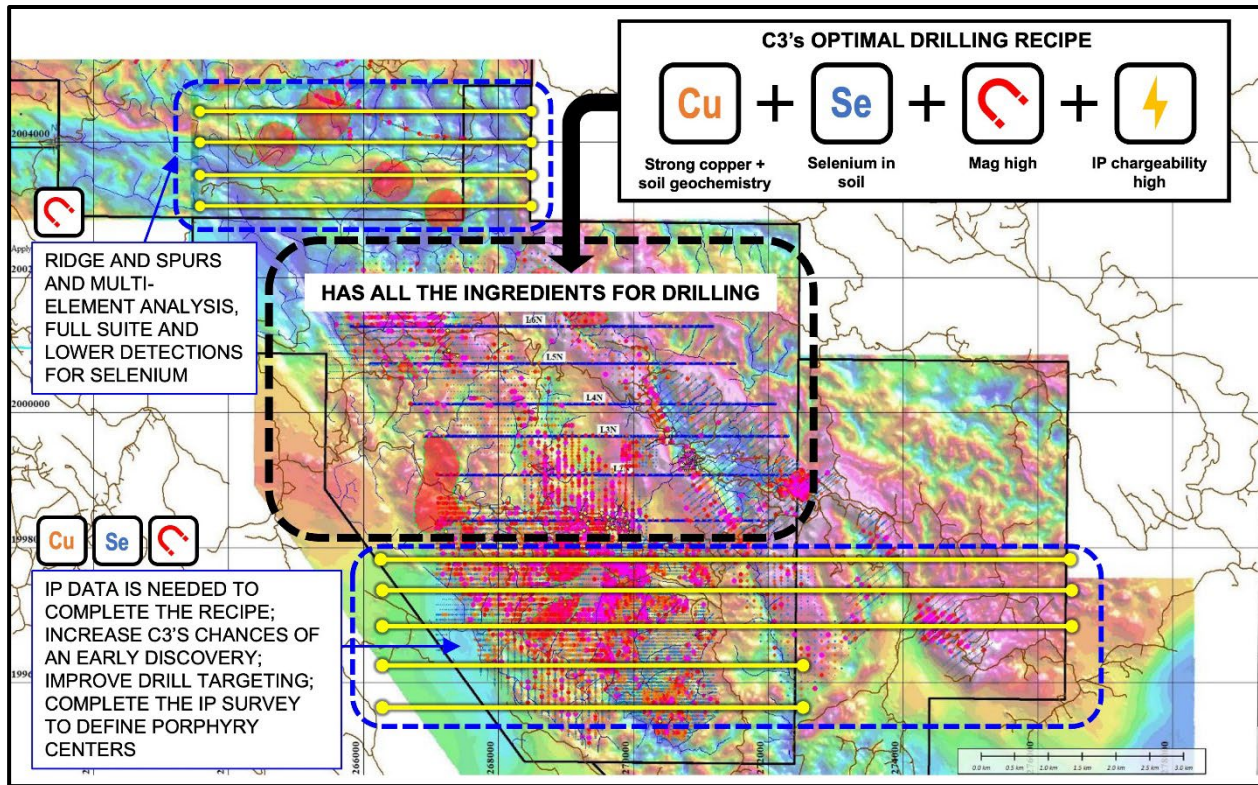


Figure 5 – Map showing the 4km strike of copper-gold mineralization where the Company has soil geochemistry, both magnetic and IP geophysical data which will be the primary focus of drilling (black dashed area). The planned 2024 program will collect soil geochemistry and IP geophysical data to the north and IP geophysical data to the south (blue dashed area with yellow IP lines).

Bellas Gate

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’ owned man-portable rig will 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 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 with porphyry style alteration and mineralization 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 4).
- 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.

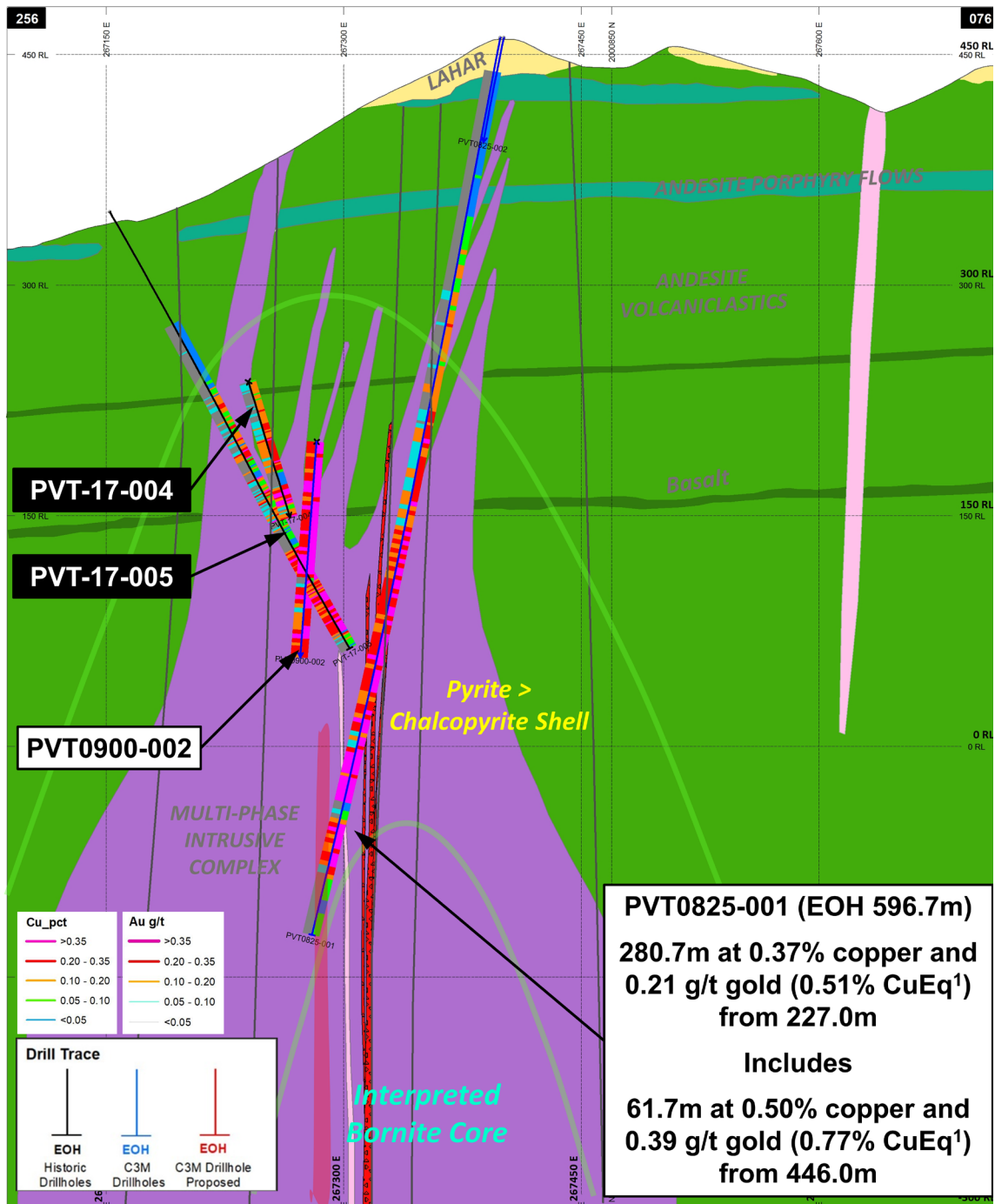


Figure 6 – Cross section through PVT0825-001, showing lithology and copper-gold assays.

Exploration and Evaluation Expenditures

During the three month period ended November 30, 2023, a total of \$2,230,454 was capitalized to the Bellas Gate project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$111 related to licence acquisition and renewal fees; \$380,385 related to geology and general field costs; \$1,766,202 related to drilling and drill core assay; \$15,709 related to environmental costs; \$56,215 related to community and social development; and, \$11,832 related to health and safety costs. As at November 30, 2023, the carrying value of the Bellas Gate project was \$13,852,955 (August 31, 2023 - \$11,637,635).

Other Jamaican licenses

Exploration and Evaluation Expenditures

During the three month period ended November 30, 2023, a total of \$67,510 was capitalized to the other Jamaican licences related to exploration and evaluation costs. Components of total costs capitalized comprised: \$153 related to licence acquisition and renewal fees; \$25,119 relating to geology and general field costs; \$38,573 related to drilling and drill core assay; \$2,007 related to environmental costs; and, \$1,658 related to community and social development. As at November 30, 2023, the carrying value of the other Jamaican licences was \$4,976,892 (August 31, 2023 - \$4,913,188).

SELECTED INTERIM INFORMATION

The following table contains selected interim financial information for the three month periods ended November 30, 2023 and 2022.

	Three month period ended November 30, 2023 \$	Three month period ended November 30, 2022 \$
Revenue	Nil	Nil
Total expenses	(652,455)	(760,644)
Total other expenses	(12,429)	(61,794)
Net loss for the period	(664,884)	(822,438)
Basic and diluted loss per common share	(0.01)	(0.02)
Cash dividend per common share	Nil	Nil

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Total Expenses

For the three month period ended November 30, 2023, total expenses were \$652,455 and were comprised of: \$226,983 related to promotion and investor relations; \$14,483 related to regulatory authority and transfer agent fees; \$58,314 with respect to professional fees for legal, accounting and audit services; \$310,142 with respect to office, general and administrative costs; and, \$42,533 with respect to non-cash share based compensation expense related to stock options.

Total expenses, before other income and expenses were lower by \$108,189 during the first quarter of fiscal 2024 when compared to fiscal 2023. Promotion and investor relations costs were lower by \$23,384. Lower costs were incurred related to promotional campaigns to increase investor awareness and attendance at investor conferences (including related travel), offset against higher fees paid to investor relations contractors. Regulatory and transfer agent fees remained consistent and were only higher by \$709. Professional fee expenses were higher by \$28,518 primarily related to the review of the Company's condensed consolidated interim financial statements by its auditors. Office, general and administrative costs were lower by \$40,000 primarily related to a lower headcount at the corporate level and at the Company's Peruvian subsidiary. Share based compensation expenses were lower by \$74,032 during the first quarter of fiscal 2024 compared to the first quarter of fiscal 2023. The share based compensation expense relates to non-cash charges for stock options that were granted in fiscal 2023.

Other Expenses and Income

Other expenses and income during the three month period ended November 30, 2023 totaled a net expense of \$12,429. Interest income earned on cash balances during the first quarter of fiscal 2024 was \$21,469. A gain on the fair value of Cascade Copper Corp. marketable securities of \$3,125 was recorded and a foreign exchange loss of \$37,023, related to the revaluation of cash held in United States dollars, was also recorded.

Net Loss and Loss per Common Share

For the three month period ended November 30, 2023, net loss was \$664,884 (Q1 fiscal 2023 – \$822,438). Basic and diluted loss per common share was \$0.01 (Q1 fiscal 2023 – \$0.02). As the Company incurred a net loss for each of these periods, the diluted number of common shares outstanding excludes all contingently issuable shares as they have an anti-dilutive effect for the periods 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 three month period ended November 30, 2023, a foreign currency translation loss of \$417,338 (Q1 fiscal 2023 – gain of \$520,910) was recorded in other comprehensive income / loss.

LIQUIDITY AND CAPITAL RESOURCES

As at November 30, 2023, the Company held cash and cash equivalents of \$7,824,584 (August 31, 2023 – \$2,832,823) and had working capital of \$7,478,876 (August 31, 2023 – \$2,646,854). The Company has financed its operations primarily with equity financing.

Financing Activity During Fiscal 2024

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.

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, broker warrants, stock options, restricted share units and deferred share units as at January 29, 2024, November 30, 2023 and August 31, 2023 is as follows:

	January 29, 2024	November 30, 2023	August 31, 2023
Common shares	61,884,802	61,884,802	53,038,655
Broker warrants	-	-	462,771
Stock options	3,927,666	3,927,666	3,927,666
Restricted share units (RSUs)	156,643	156,643	156,643
Deferred share units (DSUs)	15,117	15,117	15,117
Fully diluted shares outstanding	65,984,228	65,984,228	57,600,852

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.

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.

On November 9, 2023, a total of 462,771 broker warrants exercisable for common shares at \$2.47 per share 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 three month periods ended November 30, 2023 and 2022 is set out in note 10 to the condensed consolidated interim financial statements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS Accounting Standards 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 AND REVISED ACCOUNTING STANDARDS

Certain pronouncements were issued by the International Accounting Standards Board or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after January 1, 2023. They are not applicable or do not have a significant impact on the Company.

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. Investment in the natural resource industry in general, and the mineral exploration and development sector in particular, involves a great deal of risk and uncertainty. Current and potential investors should give special consideration to the risk factors involved. These factors are discussed more fully in the annual Management's Discussion and Analysis dated December 21, 2023 which is filed on SEDAR.

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

69 Yonge Street, Suite 200, Toronto, Ontario, Canada M5E 1K3

Independent Auditor

PricewaterhouseCoopers LLP, Ottawa, Canada

Corporate Legal Counsel

Irwin Lowy LLP, Toronto, Canada