

## **C3 METALS INC.**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Three Month Periods Ended November 30, 2024 and 2023  
(Information as at January 23, 2025 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, 2024 and 2023. It was approved by the Board of Directors on January 23, 2025.

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"). The Company holds a 50% interest in GP C3 JV Limited, also referred to as the Super Block joint operation. 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, 2024 and 2023. This MD&A should also be read in conjunction with the Company's consolidated annual financial statements for the years ended August 31, 2024 and 2023, which are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). 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 30,280 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 mineral exploration licences covering 17,855 hectares and a 50% interest in 9,870 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**

On January 15, 2025, the Company announced that it had completed a grid-based soil sampling program at its Khaleesi copper-gold project in Southern Peru that forms part of the greater Jasperoide project. On January 8, 2025 and October 22, 2024, the Company announced partial results from an extensive mapping and rock sampling program. Highlights of Khaleesi exploration programs since acquiring surface access rights in an agreement with the Cancahuani community (announced August 13, 2024) include:

- Rock chip samples collected at 25m to 50m spacing over a 2,000m by 1,000m zone in the areas where outcrop was available. Grades up to 2.82% copper, 6.0 g/t gold, 57.7 g/t silver and 403 ppm molybdenum.
- Completed a comprehensive 50m spaced grid soil sampling program covering the 3.3 sq. km porphyry and skarn alteration zone – 451 samples submitted for analysis. Results are pending.
- Soil sampling program partially covers an area of glacial till, interpreted as a thin (<1m to 15m) layer concealing a skarn and porphyry alteration zone.

- Ground Magnetic (Mag), Induced Polarization (IP) and Magnetotellurics (MT) geophysical surveys commencing.
- Secured an additional 200-hectare mineral concession to expand the project area.

The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect that forms part of the greater Jasperoide project. The Company has strategically amalgamated a significant mineral concession package of over 30,000 hectares within 45km of the large Las Bambas (MMG) and Constancia (Hudbay Minerals) copper mines. More details are included under *Exploration Projects, Activities and Expenditures* below.

On October 9, 2024, the Company closed a non-brokered private placement with the issuance of 14,999,999 common shares at a price of \$0.30 per common share for gross proceeds of \$4,500,000.

### EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

#### PERU – JASPEROIDE PROJECT

The Company holds a 100% beneficial interest in 60 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 62 exploration concessions are located in the Andahuaylas-Yauri belt of Peru proximal to Las Bambas (MMG), Haqaira (First Quantum) and Constancia (Hudbay). The Jasperoide project concessions cover a total area of 30,280 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration.

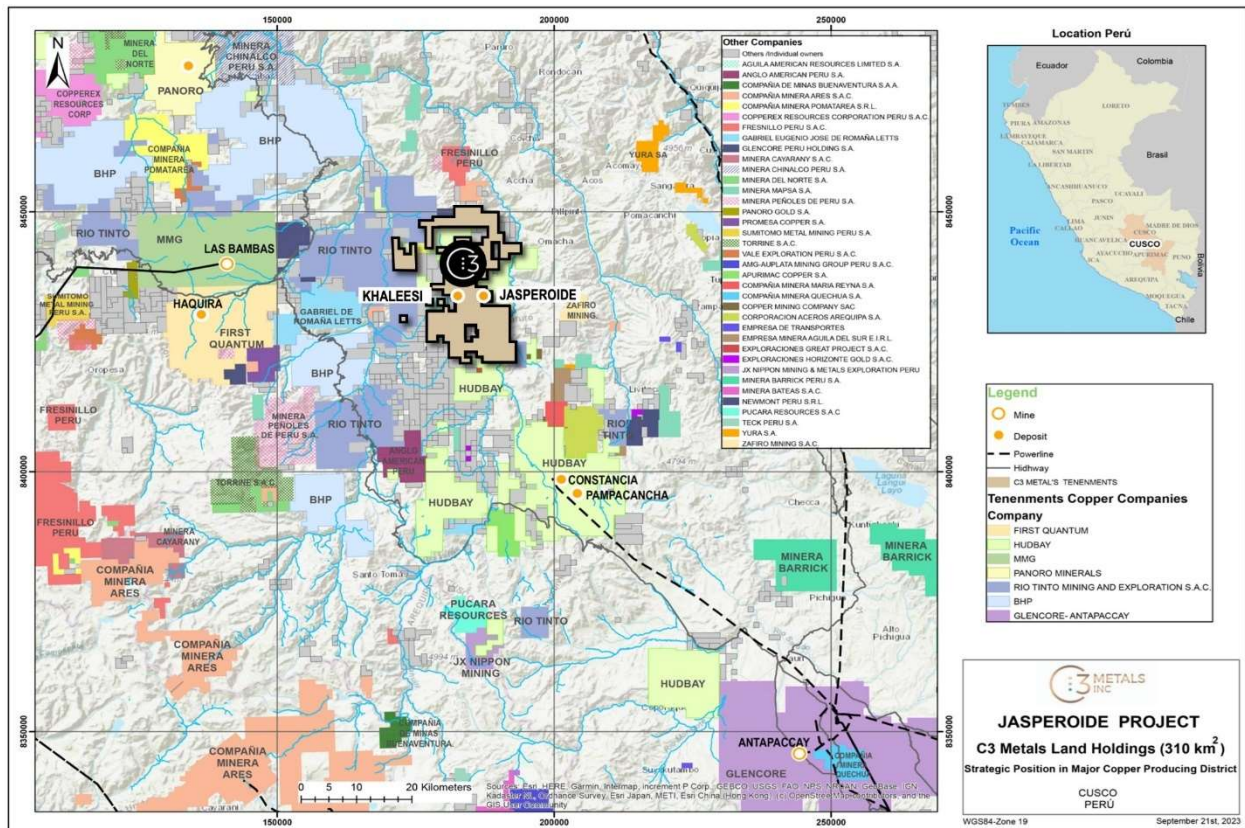


Figure 1 – Jasperoide project location, southern Peru

On February 26, 2020, the Company completed the acquisition of a 100% interest in LARG. 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\$2,050,000. As at the date of this MD&A, cash option payments totaling US\$1,030,000 had been provided with a balance of US\$1,020,000 outstanding. Between June 2020 and February 2024, amending agreements to adjust the timing of cash option payments and exploration expenditure requirements were concluded. The remaining cash option payments, totalling US\$1,020,000, are due on or before the following dates: US\$250,000 by August 31, 2025; US\$350,000 by August 31, 2026; and, US\$420,000 by August 31, 2027. 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 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 August 13, 2024, the Company announced that its wholly owned subsidiary, Molino, had executed a surface access rights agreement with the Canchuan community at its Khaleesi project. The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect and is located approximately 8km west of a 28km magnetite skarn belt where 13 skarn prospects have been identified. The first of these 13 skarns that the Company systematically drill tested was Montana de Cobre, which yielded a maiden Measured and Indicated Mineral Resource of 51.9 million tonnes at 0.50% total copper and 0.20% gold for 569.1 million pounds of copper and 326,800 ounces of gold (See NI 43-101 Technical Report titled *Jasperoide Copper-Gold Project Cusco Region, Peru* dated July 5, 2023 posted on the Company's SEDAR+ profile). Khaleesi sits on a parallel porphyry and skarn belt approximately 8km to the west of Montana de Cobre.

Khaleesi hosts outcropping skarn and porphyry style copper-gold mineralization with proximal high-grade polymetallic epithermal veins and the mineralization is in a similar geological setting to the nearby major mining operations at Las Bambas (MMG), Constancia and Pampacancha (Hubbay) and Antapaccay

(Glencore). The Ferrobamba Formation is an important host for copper-gold mineralization due to its highly reactive nature to hydrothermal fluids.

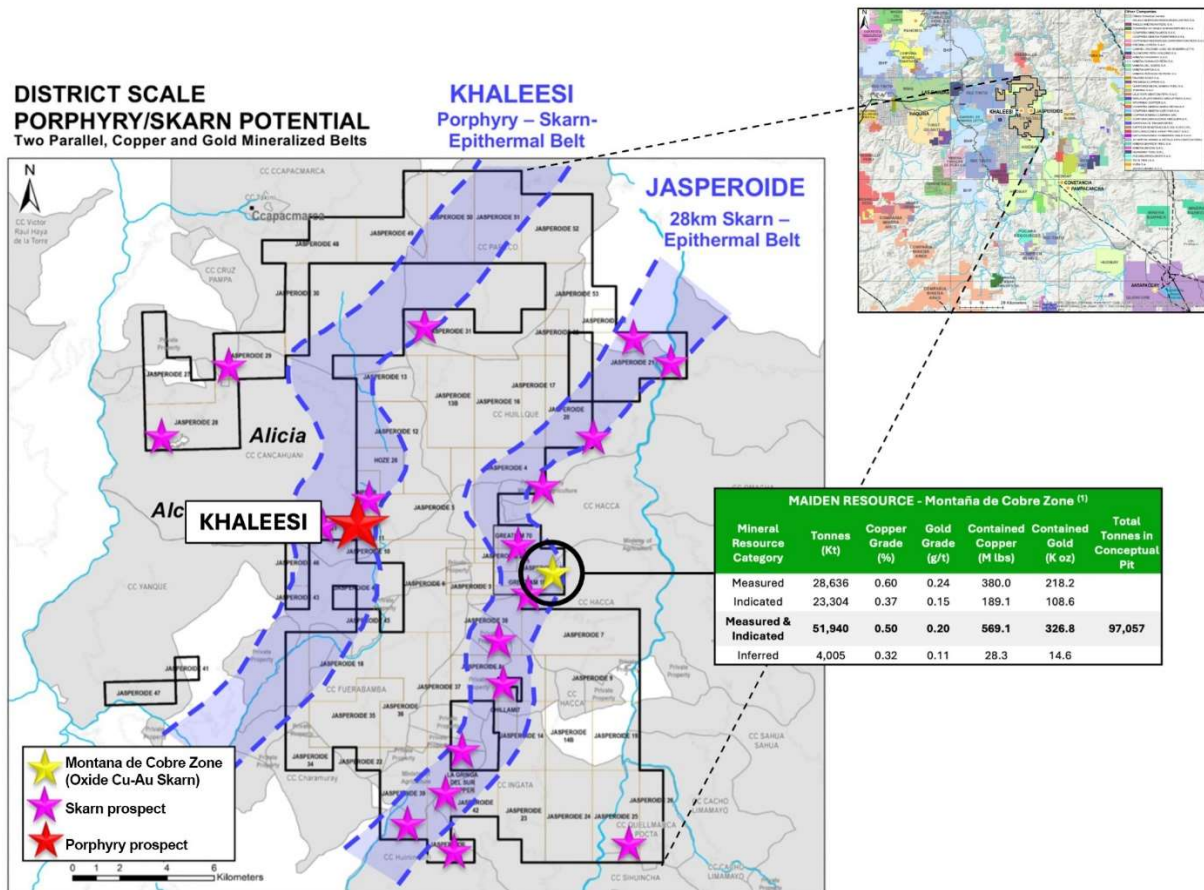


Figure 2 – The Company’s 300 sq. km mineral concession package showing two parallel mineralized copper-gold skarn-porphyry belts and the locations of the Montaña de Cobre mineral resource and the Khaleesi project.

On October 22, 2024, the Company announced the results of a partially completed surface mapping and sampling program on its Khaleesi project. Highlights of this program include:

- Approximately 50% of surface mapping was completed with pervasive prograde magnetite skarn and retrograde garnet-diopside skarns identified over a 1,200m by 500m area (Figure 3).
- Skarn locally contains strong hypogene (chalcopyrite-bornite) and supergene (chrysocolla, malachite, azurite) mineralization.
  - Rock chips define anomalous copper zone 600m by 600m.
  - Rock chips assayed up to 2.82% copper, 6.0 g/t gold, 57.7 g/t silver and 284ppm molybdenum (Figure 4).
- Stockwork and sheeted quartz veins mapped over 600m by 300m area, cutting through marbled limestone of the Ferrobamba Formation – a highly favourable rock unit in the district, as it acts as a "sponge" to hydrothermal fluids.
  - Elevated molybdenum and arsenic geochemistry in rock chip samples from the marble suggest potential for a porphyry system beneath the marbled limestone.

- Rafts of magnetite and garnet skarn occur within marbleized limestone.
- Copper dominated epithermal veins containing bornite-chalcopyrite outcrop inconsistently for +2km, transitioning distally to galena-sphalerite rich (lead, zinc, silver) veins in the northwest.
- Grid soil geochemical sampling, Induced Polarization and ground magnetic geophysical surveys will be carried out to advance the copper-gold targets to drill status.

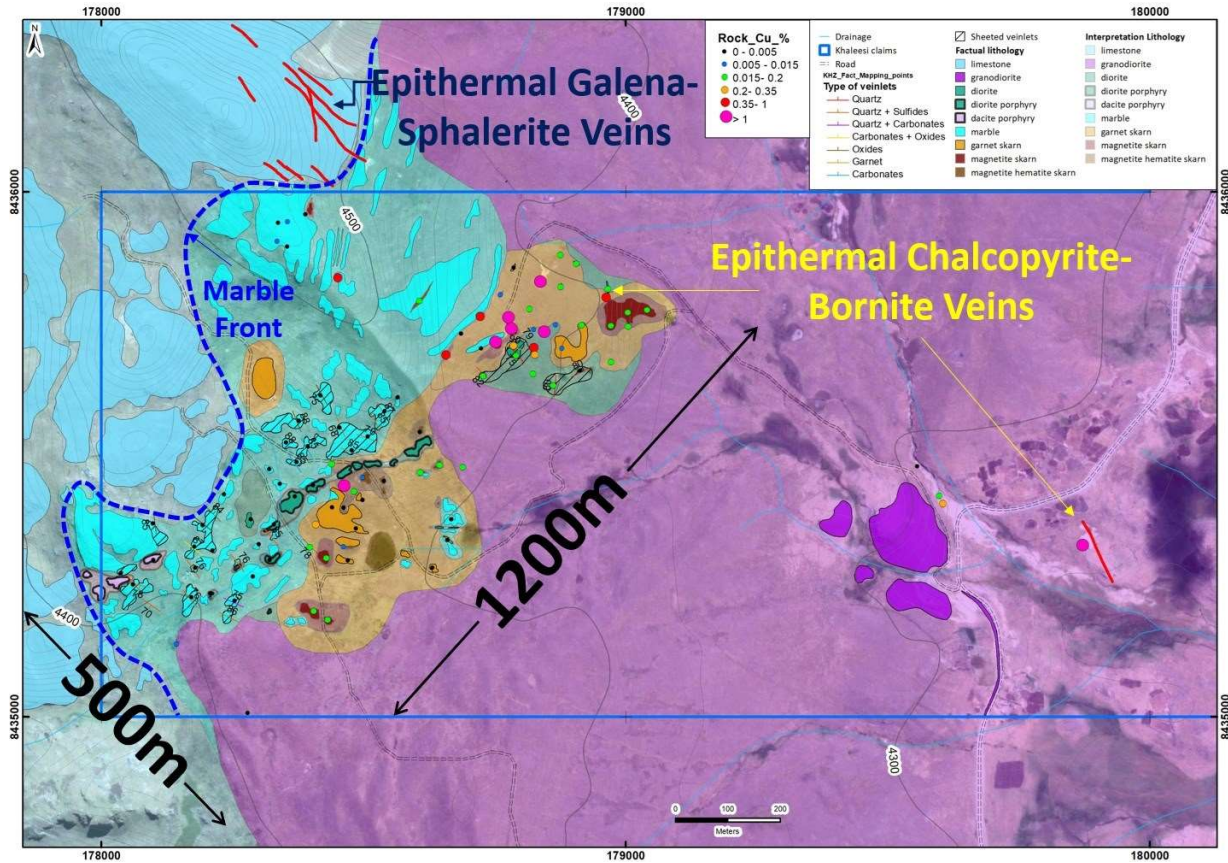


Figure 3 – Khaleesi map showing pervasive magnetite and garnet-diopside skarn alteration near to an intrusive diorite containing porphyry-style B-veins. Also showing copper in rock chip geochemistry.



Figure 4 – (Top Left) Garnet skarn with copper oxides, Rock sample P017010 assayed 2.82% copper; (Top Right) Garnet-magnetite skarn with copper sulphides and oxides, Rock sample P017020 assayed 1.11% copper and 0.19g/t gold; (Bottom Left) magnetite skarn, Rock sample P017021 assayed 1.13% copper and 0.17g/t gold; (Bottom Right) Quartz boxwork vein with goethite and hematite, a cutting marbleized limestone of the Ferrobamba Formation, rock sample P017045 assayed 2.55g/t gold, 19.3ppm molybdenum and 264ppm arsenic.

On January 8, 2025, the Company announced the remaining results from the above surface mapping and rock sampling program at its Khaleesi project. Ongoing surface mapping and sampling continues to expand the previously identified skarn, porphyry and epithermal vein copper-gold mineralization. The most recent batch of rock chip samples from the Company's mapping and rock sampling program returned up to 1.80% copper, 4.4 g/t gold and 403 ppm molybdenum. Highlights of the recent mapping and sampling program includes:

- Diorite dykes containing chalcopyrite and chrysocolla, malachite, azurite mineralization. Rock chips assayed up to 0.50% copper, 0.34 g/t gold and 403 ppm molybdenum.
- Prograde and retrograde skarn mapped over a 1,200m by 1,000m area. Rock chips assayed up to 0.26% copper and 0.48 g/t gold.
- Meter-scale epithermal veins containing bornite-chalcopyrite mineralization. Rock chips assayed up to 1.80% copper, 29.6 g/t silver and 4.4 g/t gold.
- Large prospective area is partially covered by thin glacial till. Grid-based soil sampling campaign is completed with assays pending.
- Induced Polarization, Ground Magnetic and MT/AMT geophysical surveys have commenced in January 2025.

Mapping and sampling at Khaleesi have confirmed an extensive zone of prograde and retrograde skarn that measures 1,200 metres by 1,000 metres and remains open in multiple directions. Retrograde magnetite skarn is locally intensely mineralized with chalcopyrite and bornite sulphides (Figure 5). Epithermal quartz breccias and veins have been mapped along strike for over 2,000 metres and contain bornite, chalcopyrite and pyrite mineralization. These veins locally crosscut the skarn. Porphyry-style alteration and mineralization occurs in diorite dykes (up to 25-metres wide) and stocks in the eastern prospect area and along the batholith contact (Figure 6). This mapping program also confirmed that glacial till conceals the contact between skarn altered rocks of the Ferrobamba Formation, the Andahuaylas-Yauri Batholith and post batholith diorite intrusions. The glacial till varies from less than 1m to 15m in thickness and covers 1.3 sq km of the 4.0 sq km prospective area. Glacial till makes surface exploration challenging due to the lack of outcropping rock in the central project area. Therefore, the Company is executing multiple ground geophysical surveys from January to March of 2025 to gather important subsurface data beneath the till occurrence.

The Khaleesi copper-gold skarn, epithermal and porphyry prospect has a defined alteration zone of over 1,000m by 1,500m. With outcropping copper-gold mineralization confirmed along both the eastern and western contact of the till occurrence, there is potential that the core part of the mineralized system lies beneath the till. Geochemical, geophysical and drill data will be collected to test this potential.



Figure 5 – (Left) Magnetite skarn with strong chalcopyrite mineralization. (Right) Magnetite skarn with strong bornite mineralization.



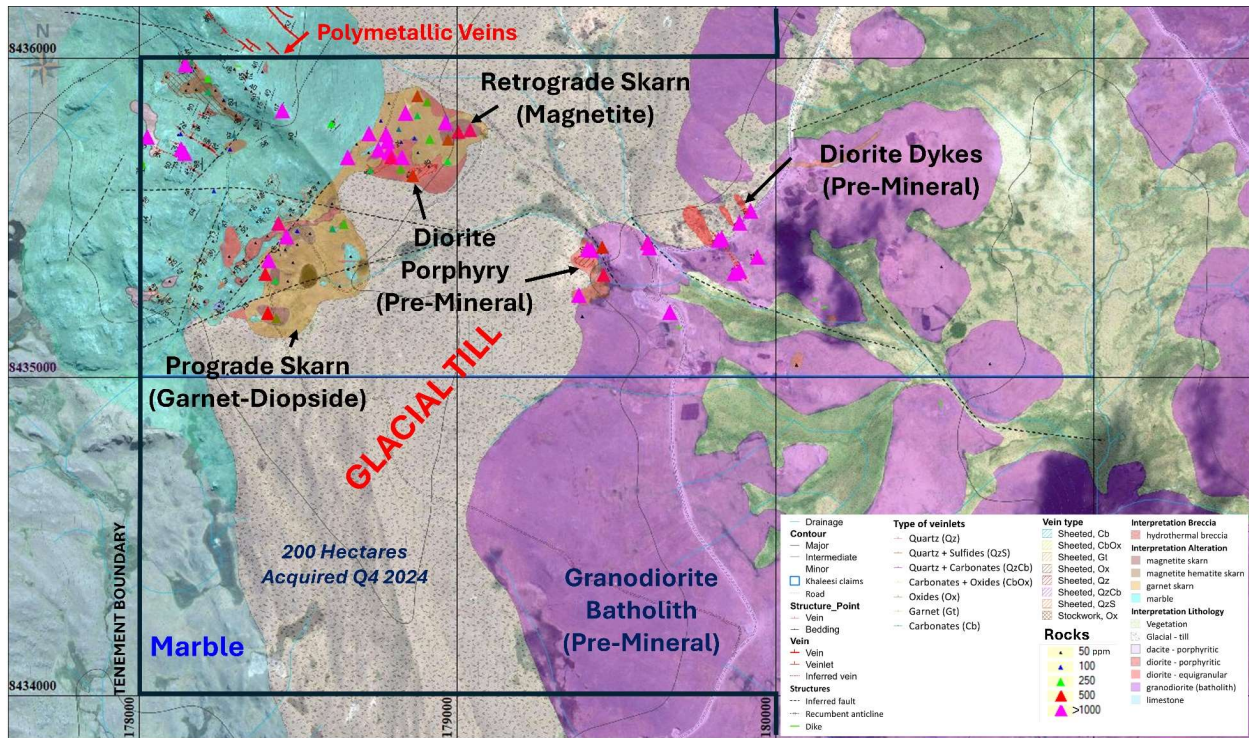


Figure 6 – Khaleesi map showing pervasive magnetite and garnet-diopside skarn alteration near to an intrusive diorite containing porphyry-style B-veins. Also showing copper in rock chip geochemistry.

Following on from the mapping and sampling program, the Company commenced a 50-metre grid soil sampling program over the Khaleesi project area. The Company has contracted Arce Geofísicos to undertake a 45.5-line kilometre ground magnetic survey, a 24.5-line kilometre Induced Polarization survey and complete a MT/AMT survey (14 full tensor stations) and has been mobilized to site. The magnetic, resistivity, chargeability and conductivity data and the subsequent imaging of the subsurface will provide the Company with critical information related to structural conduits and fluid pathways. This is an essential step for the design, development and execution of a maiden diamond drill program at Khaleesi.

### Exploration and Evaluation Expenditures

During the three month period ended November 30, 2024, a total of \$335,330 was capitalized to the Jasperoide project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$124,913 related to licence acquisition and renewal fees; \$88,792 relating to geology and general field costs; \$8,450 related to geochemical costs; \$12,044 of drilling related and permitting costs; \$22,728 related to environmental costs; \$65,450 related to community and social development; and, \$12,953 related to Peruvian IVA tax on these expenditures. As at November 30, 2024, the carrying value of the Jasperoide Project was \$36,504,271 (August 31, 2024 - \$35,308,039).

## JAMAICA

In Jamaica, the Company has 100% ownership of Special Exclusive Prospecting Licences (“SEPL”) covering 17,855 hectares, including Bellas Gate, Browns Hall, Hungry Gully, Arthurs Seat, and a 50% interest in 9,870 hectares related to the Super Block project. 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 Arthurs Seat licence is subject to a 1% NSR royalty in favour of OZ Minerals Ltd. with a partial buyback right. The Hungry Gully licence is wholly-owned and the licences making up the Super Block are owned 50% by the Company.

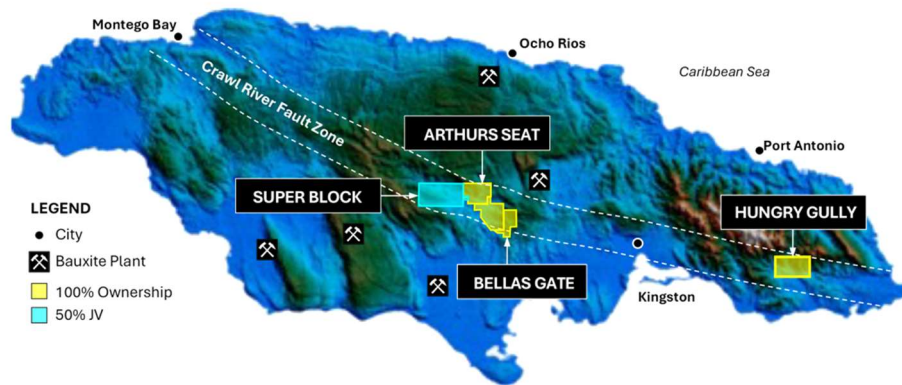


Figure 5 – C3 Metals’ mineral properties in Jamaica

### Bellas Gate

#### Exploration and Evaluation Expenditures

During the three month period ended November 30, 2024, a total of \$193,625 was capitalized to the Bellas Gate project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$125 related to licence renewal fees; \$106,009 related to geology and general field costs; \$42,872 of drilling related costs; \$5,182 related to environmental costs; \$33,247 related to community and social development; and, \$6,190 related to health and safety costs. As at November 30, 2024, the carrying value of the Bellas Gate project was \$17,912,630 (August 31, 2024 - \$17,497,921).

### Super Block

On February 24, 2024, the Company entered into a joint arrangement with Geophysx for the exploration and development of the Super Block project. The Super Block project will combine Geophysx’s SEPLs covering the past producing Pennants Mine and surrounding areas with the Company’s Main Ridge SEPL and a portion of its Arthurs Seat SEPL. This joint arrangement is structured as a joint operation, whereby the Participants share control and have rights to the assets and obligations for the liabilities of the arrangement.

The Company and Geophysx have agreed to share the costs and any future revenues associated with the exploration and development activities relative to each Participant's participating interest, which is initially a 50% participating interest for each of the Participants. If a Participant fails to contribute their share of funding, their participating interest will be diluted on a proportionate basis. In the case that either Participant is diluted to a 5% interest, such interest will be converted to a 3% NSR royalty on the Super Block project of which 2% can be repurchased for US\$2,000,000.

A Management Committee has been established and is responsible for determining the overall policies, objectives, procedures, methods, and actions under the Agreement. Each Participant has elected two members to the Management Committee, and the voting power of the members is proportionate to their respective participating interests. For a decision to be made, a majority vote is required.

The Company is the operator of the Super Block project and will conduct all exploration and evaluation activities, as well as be responsible for proposing annual work plans and budgets to be approved by the Management Committee. The Company will receive a 5% operator administrative fee up until such time that a production decision is made on the Super Block project. The operator fee is offset against office, general, and administrative expense.

On close of the Agreement, the Company transferred the carrying value of the Main Ridge SEPL and the relevant portion of the Arthurs Seat SEPL, with a combined carrying value of \$1,446,725, to the Super Block project within exploration and evaluation assets. Subsequent to the initial contribution of the SEPLs to the joint arrangement, the Company's share of the assets, liabilities, revenues, and expenses related to the joint arrangement will be included in the consolidated financial statements on a proportionate basis.

As part of the conditions subsequent to closing, both Participants were required to receive approval for the subdivision of their existing SEPLs by the Jamaican Ministry of Agriculture, Fisheries and Mining in order to form the new Super Block SEPLs. On August 29, 2024, GP C3 JV Limited was incorporated to hold the Super Block SEPLs in trust with each Participant to hold 50% of its common shares. As at the date of this MD&A, the new Super Block SEPLs have been issued by the Jamaican governmental authority, but are yet to be transferred to GP C3 JV Limited, which will satisfy the conditions subsequent. Currently, these matters must be completed by March 31, 2025 or the Agreement may be subject to early termination. However, the Participants can mutually agree to extend this deadline if needed to complete the conditions subsequent.

### **Exploration and Evaluation Expenditures**

During the three month period ended November 30, 2024, a total of \$23,529 was capitalized to the Super Block project related to exploration and evaluation costs. Components of total costs capitalized comprised: \$15,559 related to geology and general field costs; \$5,240 related to geochemical costs; \$497 related to environmental costs; \$644 related to community and social development; and, \$1,589 related to health and safety costs. As at November 30, 2024, the carrying value of the Super Block project was \$1,730,090 (August 31, 2024 - \$1,686,153).

## Other Jamaican Licences

### Exploration and Evaluation Expenditures

During the three month period ended November 30, 2024, a total of \$11,683 was capitalized to the other Jamaican licences related to exploration and evaluation costs. Components of total costs capitalized comprised: \$125 related to licence renewal fees; \$4,628 relating to geology and general field costs; \$1,376 of drilling related costs; \$2,604 related to environmental costs; \$1,102 related to community and social development; and, \$1,848 related to health and safety costs. As at November 30, 2024, the carrying value of the other Jamaican licences was \$3,772,025 (August 31, 2024 - \$3,736,583).

### SELECTED INTERIM INFORMATION

The following table contains selected interim financial information for the three month periods ended November 30, 2024 and 2023.

	Three month period ended November 30, 2024 \$	Three month period ended November 30, 2023 \$
Revenue	Nil	Nil
Total expenses	(487,695)	(652,455)
Total other income (expenses)	13,733	(12,429)
Net loss for the period	(473,962)	(664,884)
Basic and diluted loss per common share	(0.01)	(0.01)
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, 2024, total expenses were \$487,695 and were comprised of: \$116,329 related to promotion and investor relations; \$14,072 related to regulatory authority and transfer agent fees; \$34,441 with respect to professional fees for legal, accounting and audit services; and, \$322,853 with respect to office, general and administrative costs.

Total expenses, before other income and expenses were lower by \$164,760 during the first quarter of fiscal 2025 when compared to fiscal 2024. Promotion and investor relations costs were lower by \$110,654. Lower costs were incurred related to promotional campaigns to increase investor awareness and attendance at investor conferences and roadshows (including related travel), and less fees were paid to investor relations contractors. Regulatory and transfer agent fees remained consistent and were lower

by only \$411. Professional fee expenses were lower by \$23,873 primarily related to auditor fees paid during the first quarter of fiscal 2024 for the review of the interim financial statements. Office, general and administrative costs were higher by \$12,711 primarily related to a headcount increase at the Company's Peruvian subsidiary and higher administrative costs incurred in Jamaica. No share based compensation expenses were recorded during the first quarter of fiscal 2025.

### **Other expenses and income**

Other expenses and income during the three month period ended November 30, 2024 totaled a net income of \$13,733. Interest income earned on cash balances for the three month period ended was \$26,619. A loss on the fair value of Cascade Copper Corp. marketable securities of \$12,500 was recorded. A foreign exchange loss of \$386 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, 2024, net loss was \$473,962 (Q1 fiscal 2024 – \$664,884). Basic and diluted loss per common share was \$0.01 (Q1 fiscal 2024 – \$0.01). 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, RJL and GP C3 JV Limited) 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, 2024, a foreign currency translation gain of \$1,146,990 (Q1 fiscal 2024 – loss of \$417,338) was recorded in other comprehensive income / loss.

## **LIQUIDITY AND CAPITAL RESOURCES**

As at November 30, 2024, the Company held cash and cash equivalents of \$4,786,990 (August 31, 2024 – \$1,521,374) and had working capital of \$4,653,467 (August 31, 2024 – \$1,354,037). The Company has financed its operations primarily with equity financing.

Given the Company's plans for significant exploration expenditures on its projects during fiscal 2025, 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.

## Financing Activity During Fiscal 2025

On October 9, 2024, the Company closed a non-brokered private placement of 14,999,999 common shares at a price of \$0.30 per common share for gross proceeds of \$4,500,000.

### 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 or joint arrangement 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, stock options, restricted share units and deferred share units as at January 23, 2025, November 30, 2024 and August 31, 2024 is as follows:

	January 23, 2025	November 30, 2024	August 31, 2024
Common shares	76,884,801	76,884,801	61,884,802
Stock options	2,880,750	3,510,748	3,510,748
Restricted share units (RSUs)	156,643	156,643	156,643
Deferred share units (DSUs)	15,117	15,117	15,117
Fully diluted shares outstanding	79,937,311	80,567,309	65,567,310

On December 7, 2024, a total of 629,998 stock options with an exercise price of \$0.65 expired.

On October 9, 2024, the Company closed a non-brokered private placement of 14,999,999 common shares at a price of \$0.30 per common share for gross proceeds of \$4,500,000.

## 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 14 to the annual consolidated financial statements for the years ended August 31, 2024 and 2023.

## **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 is set out in note 11 to the condensed consolidated interim financial statements for the three month periods ended November 30, 2024 and, 2023

## **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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, 2024 and 2023.

## **NEW AND REVISED ACCOUNTING STANDARDS**

Certain pronouncements were issued by the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (Committee) that are mandatory for accounting years beginning on or after January 1, 2024. They are not applicable or do not have a significant impact to the Company and have been excluded from the summary below.

### **New IFRS Accounting Standard - IFRS 18: Presentation and Disclosure in Financial Statements**

On April 9, 2024, the IASB issued a new standard – IFRS 18: *Presentation and Disclosure in Financial Statements* with a focus on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to: 1) the structure of the statement of profit or loss; 2) required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and 3) enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. IFRS 18 will replace IAS 1; however, many of the other existing principles in IAS 1 are retained with limited changes. IFRS 18 will apply for reporting periods beginning on or after January 1, 2027. Retrospective application is required and early application is permitted. The Company has not yet adopted IFRS 18 and is currently assessing the effect of this new standard on the 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. 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 5, 2024 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, LL.M. – Director
- Yale Simpson, BApSc. – Director

### **Corporate Web-site**

[www.c3metals.com](http://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