C3 METALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the years ended August 31, 2025 and 2024
(Information as at December 11, 2025 unless otherwise noted)

INTRODUCTION

This management's discussion and analysis ("MD&A") provides a review of the performance of C3 Metals Inc. and its subsidiaries (collectively, "C3 Metals" or the "Company") and should be read in conjunction with the audited consolidated financial statements of C3 Metals for the years ended August 31, 2025 and 2024 (the "Financial Statements"), which have been prepared in accordance with generally accepted accounting principles in Canada ("GAAP") as set out in the CPA Canada Handbook – Accounting ("CPA Handbook") which incorporates International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The information presented in this MD&A is as at December 11, 2025. The reporting currency for the Company is the Canadian dollar. All figures are presented in Canadian dollars unless otherwise indicated. United States dollars are indicated by the symbol "US$".

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking information", as defined in applicable Canadian securities legislation. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "predict", "may" and "will" or similar words suggesting future outcomes. This information may include, but is not limited to comments regarding reserve and resource estimates, estimates of future production, unit costs, costs of capital projects, timing of commencement of operations, the Company's ability to continue as a going concern, and the Company's ability to obtain financing to fund future expenditure and capital requirements.

Although the Company believes that the plans and intentions reflected in this forward-looking information are reasonable, the Company cannot be certain. Actual results could differ materially from those contemplated, expressed or implied by the forward-looking information contained in this report.
Factors that could cause actual results to differ materially from any forward-looking information 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. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. C3 Metals undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

QUALIFIED PERSON

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

NATURE OF OPERATIONS AND DESCRIPTION OF BUSINESS

C3 Metals is a junior minerals exploration company focused on creating substantive value through the discovery and development of large copper and gold deposits. The Company's common shares trade on the TSX Venture Exchange ("TSX-V") under the symbol CCCM and on the OTCQB Venture Market under the symbol CUAUF.

C3 Metals holds the 31,080 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.

To date, 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 ANNOUNCEMENTS

GENERAL

On November 5, 2025, the Company provided an update following hurricane Melissa making landfall over Jamaica on October 28, 2025. The Company reported no injuries and that its team on the ground in Jamaica was safe. The Company's equipment, drill rig, drill core and rocks samples were secured with no damage reported to these items. Only minor damage was sustained on its core logging and storage facilities. As multiple roads to the Company's project areas are impassable, project areas are without power and prepared drill pad sites and access requires repair, the Company has ceased exploration activities on its Bellas Gate and Super Block projects for up to eight weeks. In the meantime, the Company shifted its focus to community assistance. The Company's team is also assisting in clearing landslide debris to open road access and helping local community members repair damaged homes where possible.

On July 31, 2025, the Company announced the appointment of Dr. Stephanie Sykora to the position of Chief Geologist. Dr. Sykora commenced her employment with the Company effective August 15, 2025. In conjunction with Dr. Sykora's appointment, the Board of Directors granted her 100,000 stock options.

These stock options are exercisable at $0.70 per share; expire on July 31, 2030; and will vest on July 31, 2026.

On April 4, 2025, the Company granted a total of 3,380,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at $0.70 per share and expire on April 4, 2030. Of these stock options, 925,000 vested immediately. The remaining 2,455,000 stock options will vest on April 3, 2026.

On March 19, 2025, the Company closed a bought deal private placement of 23,000,000 common shares at a price of $0.50 per common share for gross proceeds of $11,500,000.

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.

BELLAS GATE PROJECT, JAMAICA

On October 6, 2025, the Company announced that it had commenced a district-scale 3DIP geophysical survey ("3DIP Survey") at its Bellas Gate project. The purpose of the 3DIP Survey is twofold: 1) extend the area covered from 16 square kilometres ("sq. km") to approximately 70 sq. km; and, 2) identify drill targets to beyond 700 metres ("m") depth — well beyond the 300m depth limitation of previous surveys at Bellas Gate. Dias Geophysical has been contracted to undertake the 3DIP Survey. 3DIP chargeability and resistivity results, together with existing magnetic geophysical data and geochemical data, will be used to design the 2026 drill program.

On August 13, 2025, the Company announced that diamond drilling had commenced at its Bellas Gate project. Drilling is designed to test multiple copper-gold porphyry prospects identified over a 18km strike extent. In total, 14 porphyry prospects have been identified at Bellas Gate.

On July 28, 2025, the Company announced the results of a closely spaced soil sampling program completed over the volcanic redbed copper prospect within the northwest portion of the Bellas Gate project. Nine widely spaced soil lines covering a 3km strike across a volcanic redbed copper prospect were run with samples collected at approximately 5-metre intervals along each line.

On February 11, 2025, the Company announced that effective February 10, 2025, it had entered into a Mineral Property Earn-In Agreement ("EIA") with Freeport-McMoRan Exploration Corporation, pursuant to which the Freeport-McMoRan Exploration Corporation will be granted the right to acquire up to a 75% interest in C3 Metals Bellas Gate, Browns Hall and Arthurs Seat SEPLs.

On February 10, 2025, the Company announced the successful partnership with Nine Miles of Smiles to deliver critical dental care and oral hygiene educational programs to the Bellas Gate community in rural Jamaica. This initiative was generously supported by a grant from the RCF Foundation and exemplifies the Company's commitment to building meaningful partnerships and contributing to the long-term, sustainable wellbeing of the communities in which the Company operates.

JASPEROIDE PROJECT, PERU

On August 18, 2025, the Company announced that it has obtained all regulatory approvals required to commence exploration drilling at its Khaleesi copper-gold project forming part of the greater Jasperoide project ("Khaleesi" or "Khaleesi project"). Regulatory approvals include:

- Surface Access and Drilling Agreements with the Cancahuani community (Social license);
- Declaración de Impacto Ambiental or DIA (Environmental permit);
- Autorización de Inicio de Actividades de Exploración (Authorization to Start Exploration Activities); and
- Autorización de Uso de Agua (Authorization of Use of Water).

The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect. More details are included under *Exploration Projects, Activities and Expenditures* below.

On August 27, 2025, the Company announced that it had engaged AK Drilling International S. A. ("AK Drilling"), a Peru based drilling company, to commence a 14-hole, minimum of 6,000m of diamond core drilling program at its Khaleesi project.

On September 30, 2025, the Company announced that the first drill rig had been mobilized and that drilling had commenced. The total planned metres were also increased to a minimum of 6,300m and a second drill rig will be mobilized later in 2025 to target porphyry-style copper mineralization mapped at surface.

On August 6, 2025, the Company announced the results from a recently completed ground-based geophysical surveys at its Khaleesi copper-gold project. The ground-based geophysical surveys have identified large-scale anomalies coincident with high tenor soil geochemistry.

On January 15, 2025, the Company announced the completion of a grid-based soil sampling program at its Khaleesi copper-gold project in southern Peru.

On February 19, 2025, January 8, 2025 and October 22, 2024, the Company announced the results from an extensive mapping and rock sampling program. Refer to the *Exploration projects, activities and* expenditures section for detailed results.

SUPER BLOCK, JAMAICA

On June 3, 2025, the Company announced that it had commenced an initial 14 diamond drill hole, 2,500m program on its Super Block Project. The program was designed to test multiple epithermal gold targets over a five-kilometre strike extent, where a gold geochemical anomaly coincides with radiometric (potassium) highs.

On September 29, 2025, the Company announced the results from the first four scout holes of this program.

On February 5, 2025, the Company announced results from its soil and channel sampling campaigns at its Super Block project confirming strong gold geochemistry along trend and of similar intensity to the former Pennants Gold Mine.

EXPLORATION PROJECTS, ACTIVITIES AND EXPENDITURES

PERU – JASPEROIDE PROJECT

Overview

The Company holds a 100% beneficial interest in 62 exploration concessions and has an option agreement to earn a 100% interest in two additional concessions. These 64 exploration concessions are located in the Andahuaylas-Yauri belt of Peru proximal to Las Bambas (MMG), Haquira (First Quantum) and Constancia (Hudbay). The Jasperoide project concessions cover a total area of 31,080 hectares and host a number of copper-gold skarn and porphyry targets at various stages of exploration. During the year ended August 31, 2025, the Company applied for and was awarded an additional two exploration concessions for which the Company is now awaiting official title. Once official title is granted on the additional two exploration concessions, the total Jasperoide project area would increase to 31,348 hectares.

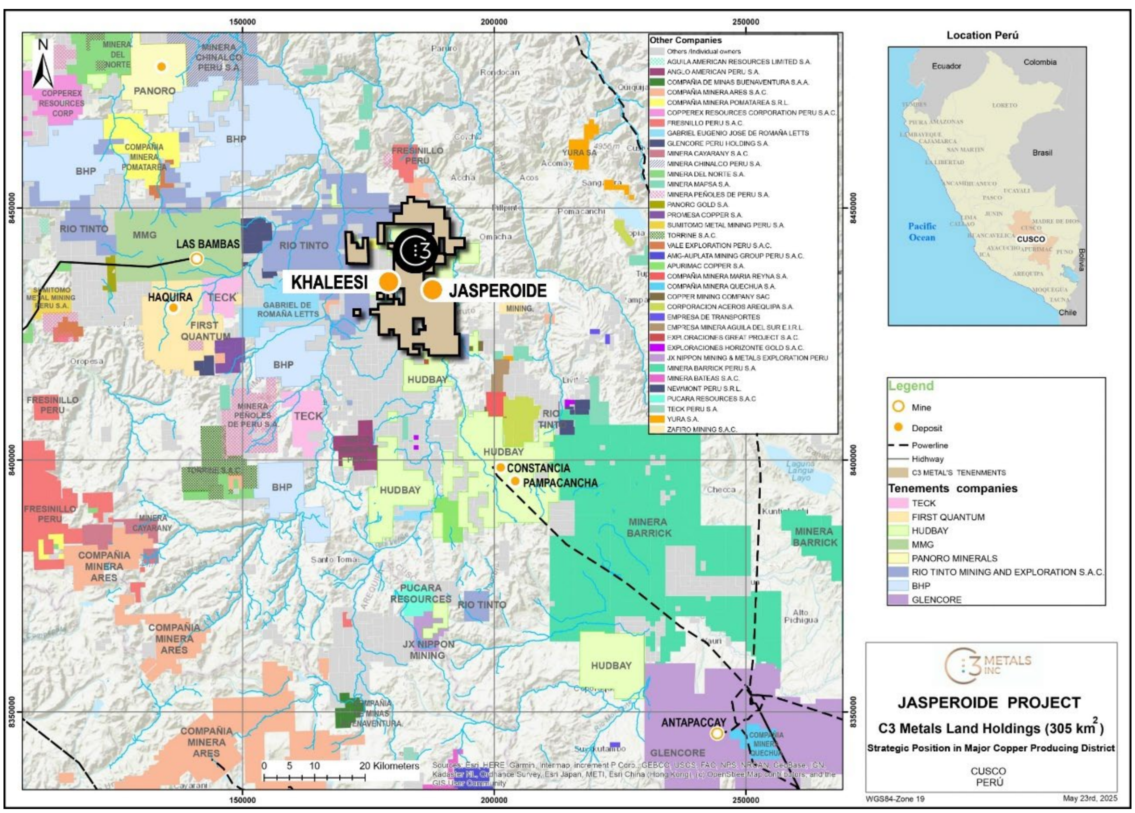


Figure 1 – Regional map showing the Company's mineral concession package in relation to other large-scale operations, development projects and exploration projects.

La Bruja Option Agreement

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$1,280,000 had been provided, including US$50,000 paid during December 2024 and US$250,000 paid during August 2025.The remaining cash option payments, totalling US$770,000, are due on or before the following dates: US$350,000 by August 31, 2026; and, US$420,000 by August 31, 2027. The minimum cumulative exploration expenditure requirement of US$2,000,000 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.

Jasperoide project royalty agreements

Three concessions were subject to an option agreement with Compania Minera Ares S.A.C. ("Ares"), a subsidiary of Hochschild Mining PLC ("Hochschild"), where the Company had the right to earn an initial 51% interest in these concessions. During Fiscal 2022, the Company concluded a binding Heads of Agreement and acquired 100% of Hochschild's interest in these 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. In addition, the 2% NSR royalty applies to a five kilometre area of interest from the borders of the three concessions.

During fiscal 2022, the Company acquired three concessions that are subject to a 0.5% NSR royalty up to a maximum amount of US$300,000. The Company has a right to repurchase the NSR royalty at any time for US$300,000.

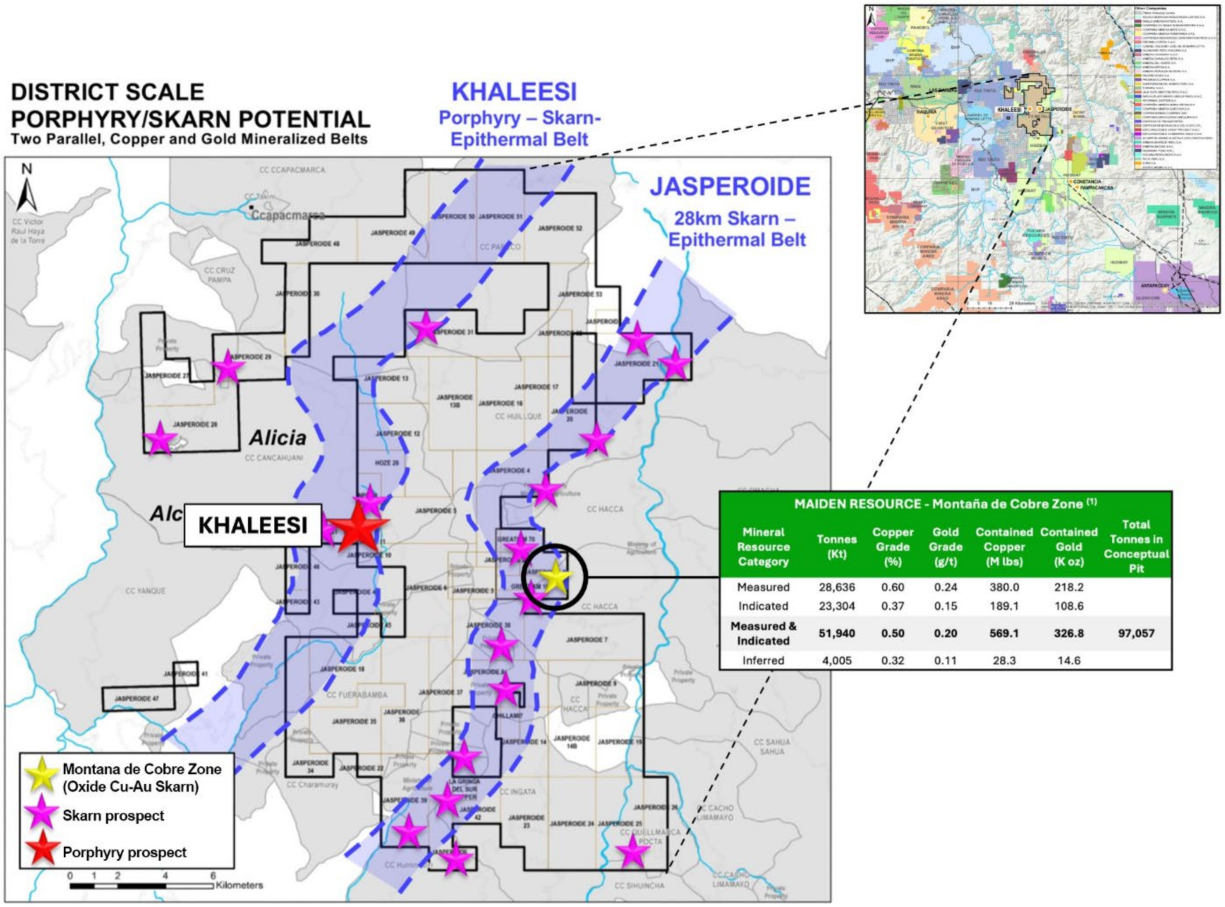
Montana de Cobre

On the eastern side of the Jasperoide property area, the Company identified 13 skarn prospects. Montana MCZ ("MCZ") is the only one of these skarns the Company has systematically drill tested. MCZ has a near surface Measured and Indicated Mineral Resource of 51.9 million tonnes at 0.50% total copper and 0.20 g/t gold for 569.1 million pounds of copper and 326,800 ounces of gold based on assumptions and parameters outlined in the NI 43-101 Technical Report titled *Jasperoide Copper-Gold Project Cusco Region, Peru*, dated July 5, 2023 which is available on the Company's Sedar+ profile.

Please refer to the cautionary note regarding historical results and historical mineral resource estimates provided in this MD&A.

Khaleesi project

The Khaleesi project is an outcropping, mineralized, undrilled copper-gold skarn and porphyry prospect 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 (Hudbay) and Antapaccay (Glencore). Khaleesi sits on a parallel porphyry and 28km magnetite skarn belt approximately 8km to the west of Montana de Cobre where 13 skarn prospects have been identified.



Mineral Resource Category	Tonnes (Kt)	Copper Grade (%)	Gold Grade (g/t)	Contained Copper (M lbs)	Contained Gold (K oz)	Total Tonnes in Conceptual Pit
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	

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 Montana de Cobre mineral resource and the Khaleesi project.

On August 13, 2024, the Company announced that its wholly owned subsidiary, Molino Azul S.A.C ("Molino"), had executed a surface access rights agreement with the Cancahuani community at its 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 magnetite skarn and 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 through marbleized 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 marbleized 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 have been carried out to advance the copper-gold targets to drill status.

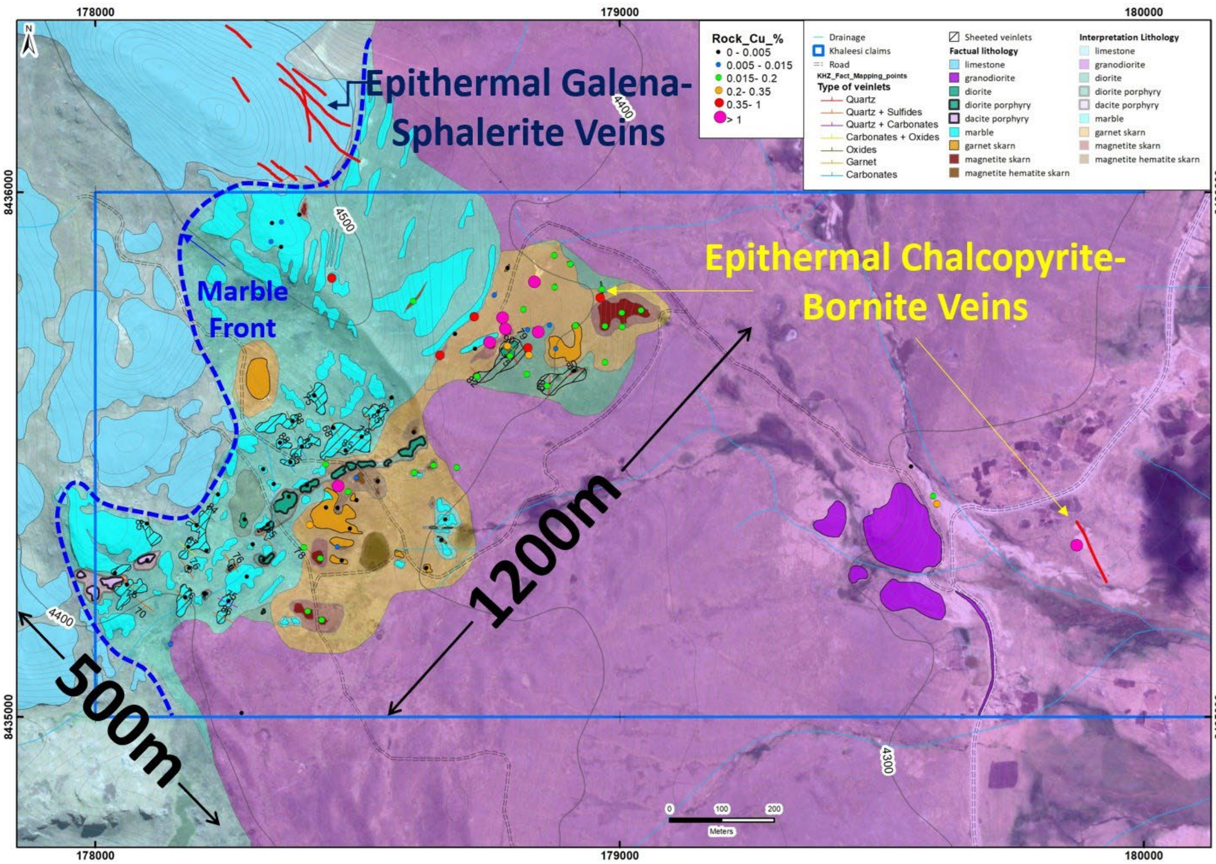


Figure 3 – Khaleesi map showing pervasive magnetite and garnet-diopside skarn alteration near to an intrusive diorite containing porphyry-style B-veins. Also showing copper in rock chip geochemistry.

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 further results from the above surface mapping and rock sampling program at its Khaleesi project. Surface mapping and sampling has expanded the previously identified skarn, porphyry and epithermal vein copper-gold mineralization. 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 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.
- Metre-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.
- Induced Polarization, Ground Magnetic and MT/AMT geophysical surveys commenced in January 2025.

On January 15, 2025, the Company announced the final results from the above surface mapping and rock sampling program at its Khaleesi project. Grid soils have now defined a significant copper-molybdenum anomaly, which extends for over 1,900m and is locally up to 650m wide with two zones averaging 950ppm copper and 650ppm copper.

- Completed a comprehensive 50m spaced grid soil sampling program covering the 3.3 sq. km porphyry and skarn alteration zone.
- 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.
- Defined a 1,900m long by up to 650m wide copper-molybdenum soil anomaly, with two priority zones averaging 950ppm copper and 650ppm copper in soils.
- Defined a 470m long by 400m wide copper-zinc soil anomaly averaging 1,260ppm copper over top of a well-defined zone of prograde and retrograde skarn alteration. Significant copper sulphides were identified in skarn at surface.
- 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) surveys were completed at the end of March 2025. Results are pending.
- Secured an additional 200-hectare mineral concession to expand the project area.

Mapping and sampling at Khaleesi have confirmed an extensive zone of prograde and retrograde skarn that measures 1,200m by 1,000m and remains open in multiple directions. 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 has executed 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.

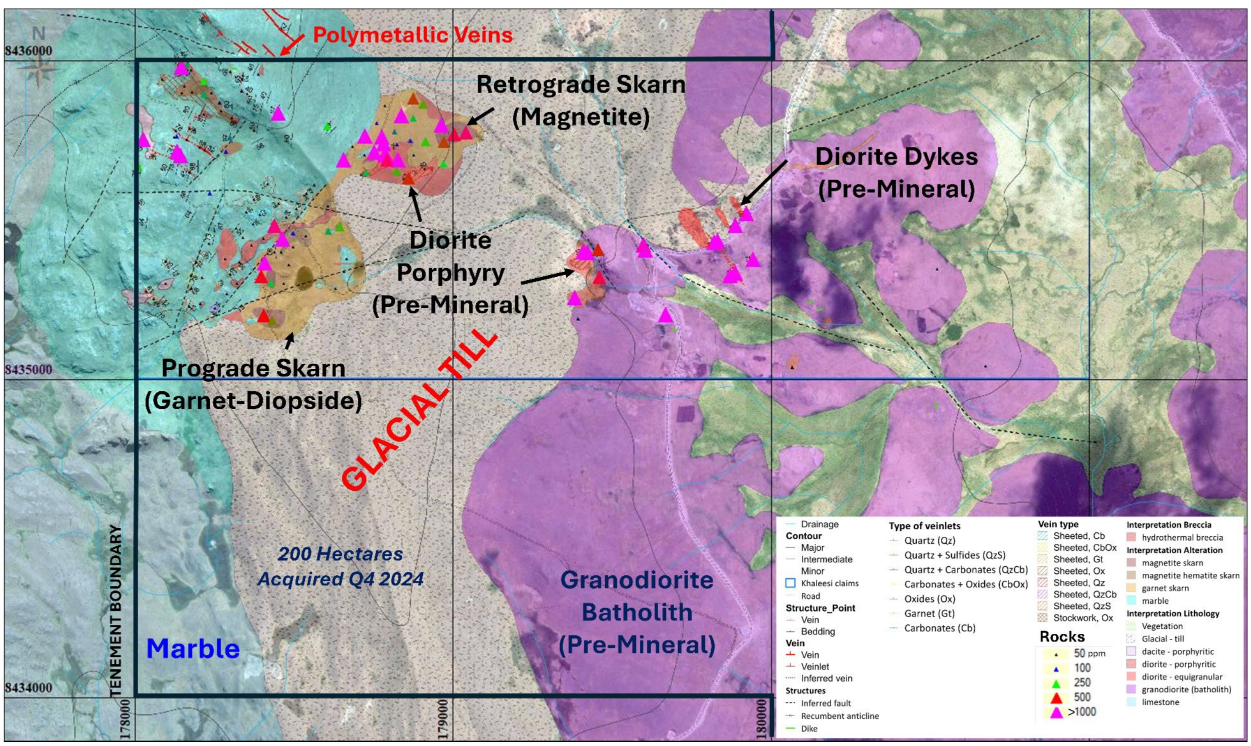


Figure 6 – Khaleesi map showing pervasive magnetite and garnet-diopside skarn alteration near to an intrusive diorite containing porphyry-style B-veins. Also showing copper in rock chip geochemistry.

Following on from the mapping and sampling program, the Company completed a 50-metre grid soil sampling program over the Khaleesi project area. On February 19, 2025, the Company announced the results from the 50-metre grid soil sampling program. The grid soils defined a significant copper-molybdenum anomaly, which extends for over 1,900m and is locally up to 650m wide with two zones averaging 950ppm copper and 650ppm copper (Figure 7). Highlights of this program include:

- Completed a comprehensive 50m spaced grid soil sampling program covering the 3.3 sq. km porphyry and skarn alteration zone.
- Defined a 1,900m long by up to 650m wide copper-molybdenum soil anomaly, with two priority zones averaging 950ppm copper and 650ppm copper in soils (Figure 7).
- Defined a 470m long by 400m wide copper-zinc soil anomaly averaging 1,260ppm copper over top of a well-defined zone of prograde and retrograde skarn alteration (Figure 7). Significant copper sulphides were identified in skarn at surface.
- Ground magnetic (Mag), Induced Polarization (IP) and Magnetotellurics (MT) surveys were completed at the end of March 2025.

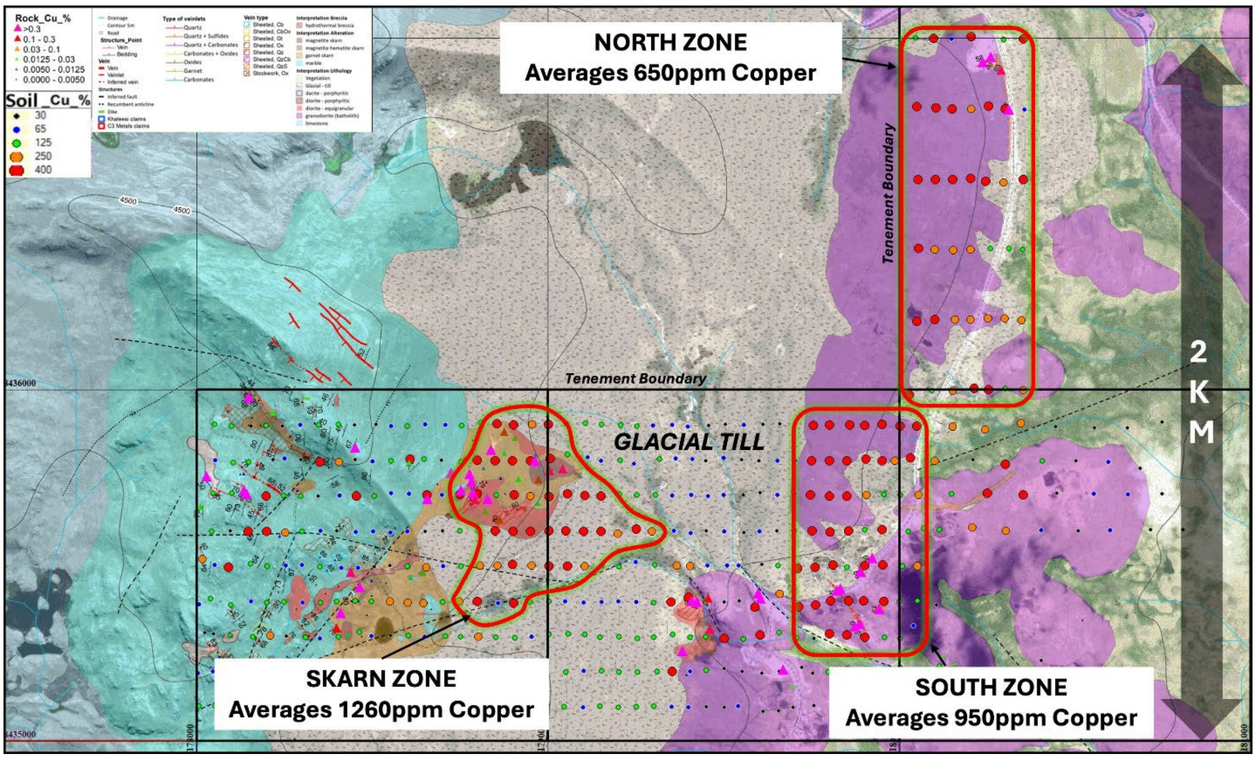


Figure 7 – Khaleesi map showing three well defined zones of pervasive copper-in-soil geochemistry. Also showing glacial till zone that appears to conceal mineralized rock below.

The Company 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). 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.

On August 6, 2025, the Company announced the results of the ground magnetic survey. Highlights of the geophysical surveys include:

- The Mag survey confirms a large, near-surface magnetic body that separates into two bodies at depth. This Mag anomaly is coincident with IP chargeability and resistivity anomalies and areas with high copper geochemistry in soils (Figure 8).
- The IP survey defined two discrete near-surface IP chargeability anomalies with coincident resistivity anomalies, which extend to the maximum depth for this IP survey reliability of approximately 600 vertical metres (Figure 9).
- Porphyry Copper Target - coincident IP chargeability and resistivity high anomalies positioned beneath an 800m by 400m copper-molybdenum in soil anomaly averaging 950ppm copper where porphyry-style copper mineralization has been mapped at surface.
- MT/AMT survey shows a large conductive body coincident with the IP and Mag anomalies, which also extends to depth.
- Coincident geophysical anomalies, along with the recently defined copper-in-soil- geochemical anomalies, provide further support for the interpretation of a potential porphyry, skarn and epithermal copper-gold hydrothermal system at Khaleesi.

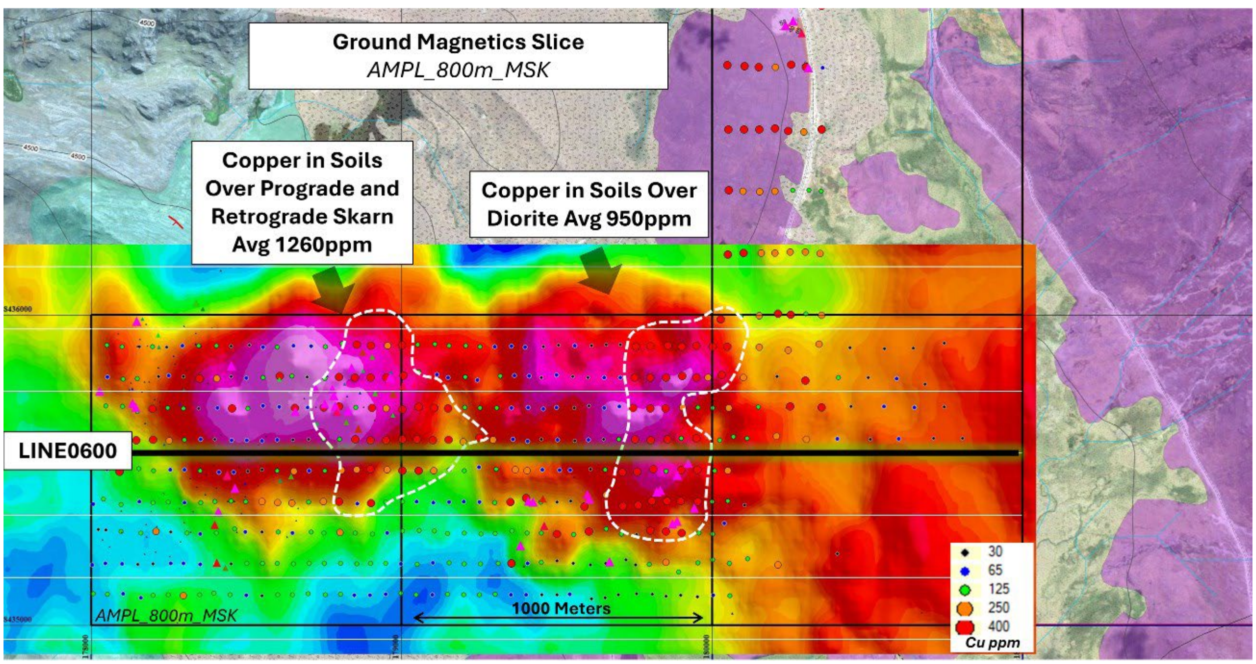


Figure 8 – Khaleesi MVI Magnetic Inversion: Amplitude of magnetization (800m depth slice), showing two large magnetic anomalies beneath high tenor copper soil anomalies.

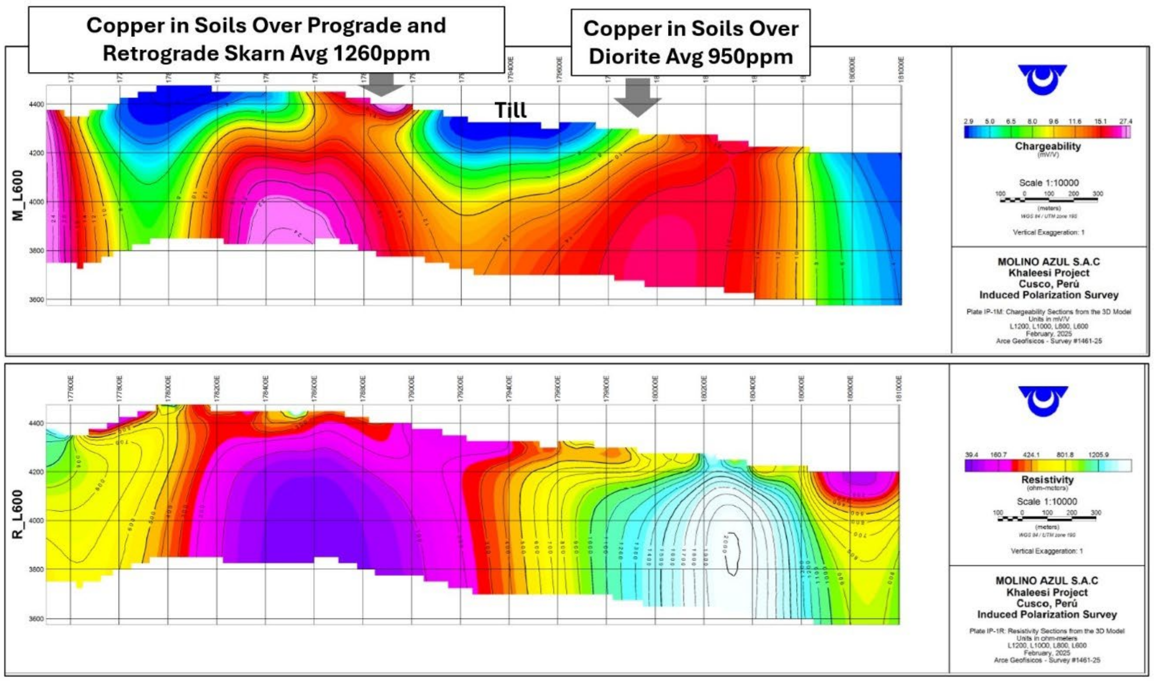


Figure 9 – Vertical section chargeability (top) and resistivity (bottom) plot of 2025 IP survey line 600N (shown in Figure 1), looking to the north. The chargeability and resistivity anomalies have never been drill tested by the Company or historically and correlate well with surface copper geochemistry.

On August 18, 2025, the Company announced that it has obtained all regulatory approvals required to commence exploration drilling at Khaleesi.

On August 27, 2025, the Company announced that it has engaged AK Drilling to commence a 14-hole, 6,300m diamond core drilling program and on September 30, 2025, the Company announced that drilling at Khaleesi has formally commenced. This maiden drill program has been designed to evaluate copper-gold-molybdenum skarn and porphyry prospects identified through geologic mapping, strong soil geochemistry and coincident Mag and IP chargeability highs (Figure 10).

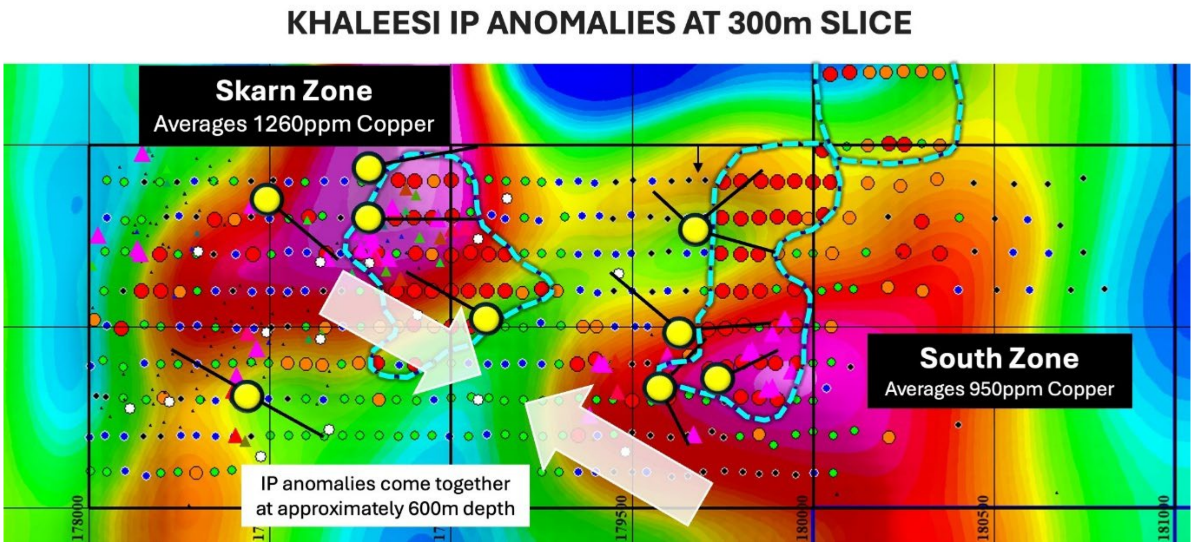


Figure 10 – Plan view map of IP chargeability anomalies at 300m depth showing drill collar and hole locations for the initial Khaleesi 14-hole, 6,300m drill program. Note the locations of the strong copper in soil geochemical anomalies over the IP chargeability anomalies. The two IP chargeability anomalies come together at approximately 600m depth.

Exploration and Evaluation Expenditures

During the year ended August 31, 2025, a total of $2,503,951 was capitalized to the Jasperoide project related to exploration and evaluation costs. Components of total costs capitalized comprised: $548,415 related to licence acquisition and renewal fees; cash payments of $419,125 (US$300,000) under the La Bruja option agreement; $760,699 relating to geology and general field costs; $35,217 related to geochemical costs; $2,443 related to geophysical costs; $168,433 of drilling related and permitting costs; $67,419 related to environmental costs; $380,116 related to community and social development; $4,984 related to health and safety costs; and, $117,100 related to Peruvian IVA tax on these expenditures. As at August 31, 2025, the carrying value of the Jasperoide Project was $39,459,209 (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, Arthurs Seat, Hungry Gully, and a 50% interest in 9,870 hectares related to the Super Block project. The Bellas Gate project is comprised of the Bellas Gate, Browns Hall and Arthurs Seat SEPLs. The Bellas Gate and Browns Hall SEPLs are subject to two NSR royalties, including a 2% NSR royalty in favour of OZ Minerals Ltd. (“Oz Minerals”), now a subsidiary of BHP Group Limited, which provides a partial buyback right and a total payment cap; and, a 2% NSR royalty in favour of Clarendon Consolidated Minerals Ltd. (“CCM”) which is subject to a 1% buydown right and a right of first refusal on the final 1% should the Company meet its obligations under the NSR Agreement (see below). The Arthurs Seat SEPL is subject to a 1% NSR royalty in favour of OZ Minerals with a partial buyback right. The Hungry Gully SEPL is wholly-owned and the SEPLs making up the Super Block are owned 50% by the Company.

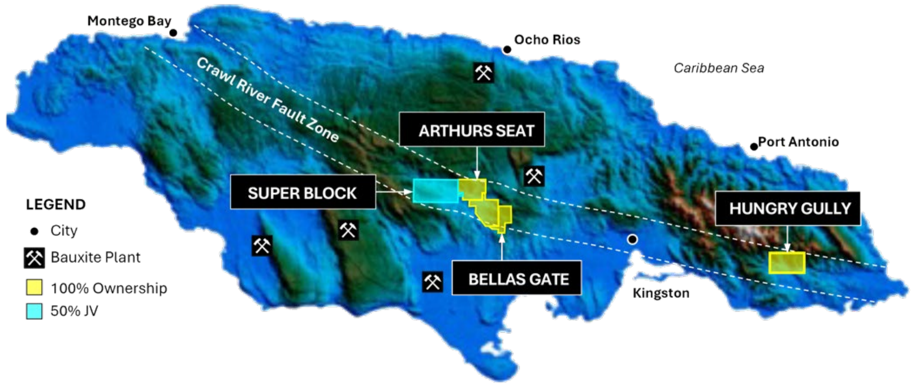


Figure 11 – C3 Metals' mineral properties in Jamaica

Bellas Gate

Freeport-McMoRan Exploration Corporation Earn-In Agreement

On February 10, 2025, the Company and Freeport entered into an EIA relating to the Company's Bellas Gate, Browns Hall and Arthurs Seat SEPLs in Jamaica. Under the terms of the EIA, Freeport has been granted a two-stage option to acquire up to a 75% ownership interest in the Bellas Gate, Browns Hall and Arthurs Seat SEPLs by funding cumulative exploration and evaluation expenditures of US$75 million.

Under the first stage of the EIA, Freeport is required to fund US$25 million of exploration and evaluation expenditures over five years to earn a 51% interest in the Bellas Gate, Browns Hall and Arthurs Seat SEPLs. The Company will remain the operator during the first stage earn-in period. Once Freeport has earned its initial 51% interest, Freeport will have the option to become the operator and to fund an additional US$50 million of exploration and evaluation expenditures over an additional four year period to earn an additional 24% interest in the Bellas Gate, Browns Hall and Arthurs Seat SEPLs.

As the operator, the Company will receive an operator fee of 10% on all amounts payable to third parties where the contracted amounts are equal to or less than US$200,000, and 5% on all amounts payable to third parties where the contracted amounts exceed US$200,000. The operator fee receivable from Freeport is disclosed as other income in the statements of operations and comprehensive loss.

As at August 31, 2025, Freeport has maintained their exploration commitments under the EIA.

Bellas Gate and Browns Hall royalty agreements

During September 2016, the Company finalized a Heads of Agreement ("HoA") with OZ Minerals to acquire the remaining 70% interest in the Bellas Gate and Browns Hall SEPLs.

Under the terms of the HoA for the acquisition of the 70% interest in the Bellas Gate and Browns Hall SEPLs, the Company is obligated to: (i) pay OZ Minerals $8.5 million within one year of commencement of commercial production at Bellas Gate and Browns Hall; (ii) pay OZ Minerals an additional $4 million within two years of commencement of commercial production; and, (iii) grant OZ Minerals a 2% NSR with a buyback right of two-thirds of the NSR for $1.3 million with any NSR payments capped at a maximum amount of $20 million.

The Bellas Gate and Browns Hall SEPLs are further subject to a 2% NSR in favour of Clarendon Consolidated Minerals Ltd. ("CCM"). During February 2025, CCM and the Company entered into a Royalty Amendment Agreement ("NSR Agreement") whereby the 2% NSR royalty would be reduced to 1% by making payments to CCM as follows: US$95,000 within 10 days of the effective date of the NSR Agreement (paid February 2025); US$75,000 prior to the first anniversary; US$82,500 prior to the second anniversary; US$90,750 prior to the third anniversary; US$99,825 prior to the fourth anniversary; and, US$500,000 prior to the fifth anniversary of the NSR Agreement. The Company retains a right of first refusal on the remaining 1% NSR after all payments have been made.

Arthurs Seat royalty agreement

The Company acquired a 100% interest in the Arthurs Seats SEPLs from OZ Minerals. Under the terms of the original purchase agreement, the Company was obligated to provide OZ Minerals a single payment of $1.5 million within one year of commencement of commercial production on the Arthurs Seat SEPL and a 2% NSR with a buyback of one-half of the NSR for $500,000. During May 2019, the Company completed amendments to the agreement with OZ Minerals to: (i) waive the $1.5 million payment within one year of commencement of commercial production if the mineral product is less than 10,000 tonnes per annum; and, (ii) reduce the 2% NSR to a 1% NSR with a buyback of one-half for $250,000.

2025 Exploration results at Bellas Gate

On July 28, 2025, the Company announced the results of a closely spaced soil sampling program completed over the volcanic redbed copper prospect within the northwest portion of the Bellas Gate project. Outcrop is scarce in the target area, limited to undulating creeks and locally along ridgelines. To better define the volcanic redbed mineralization, close spaced (5 metre) soil sampling was undertaken and completed along specified lines intended to cross perpendicular across the redbed target. Soil lines were designed to bisect the known copper trend with the goal of defining boundaries to the copper mineralization and confirm potential drill targets. A total of 535 soil samples were collected from nine soil lines with sample sites generally at 5m spacings along most lines. Soil sampling has defined a 2,700m anomalous copper zone that trends east-west and varies in width from 20 to 205 metres (Figure 12). The anomaly remains open to the northwest and east. Soil lines 2, 3 and 8 returned very high copper in soils over broad intervals, including:

- Soil Line-02: Copper content of soils ranges from 406ppm to 4,220 ppm copper over a 50m interval, with an average 1,599ppm copper.
- Soil Line-03: Copper content of soils ranges from 428ppm to 4,130 ppm copper over a 120m interval, with an average 1,217ppm copper.
- Soil Line-08: Copper content of soils ranges from 165ppm to 5,990 ppm copper over a 90m interval, with an average 1,344ppm copper.

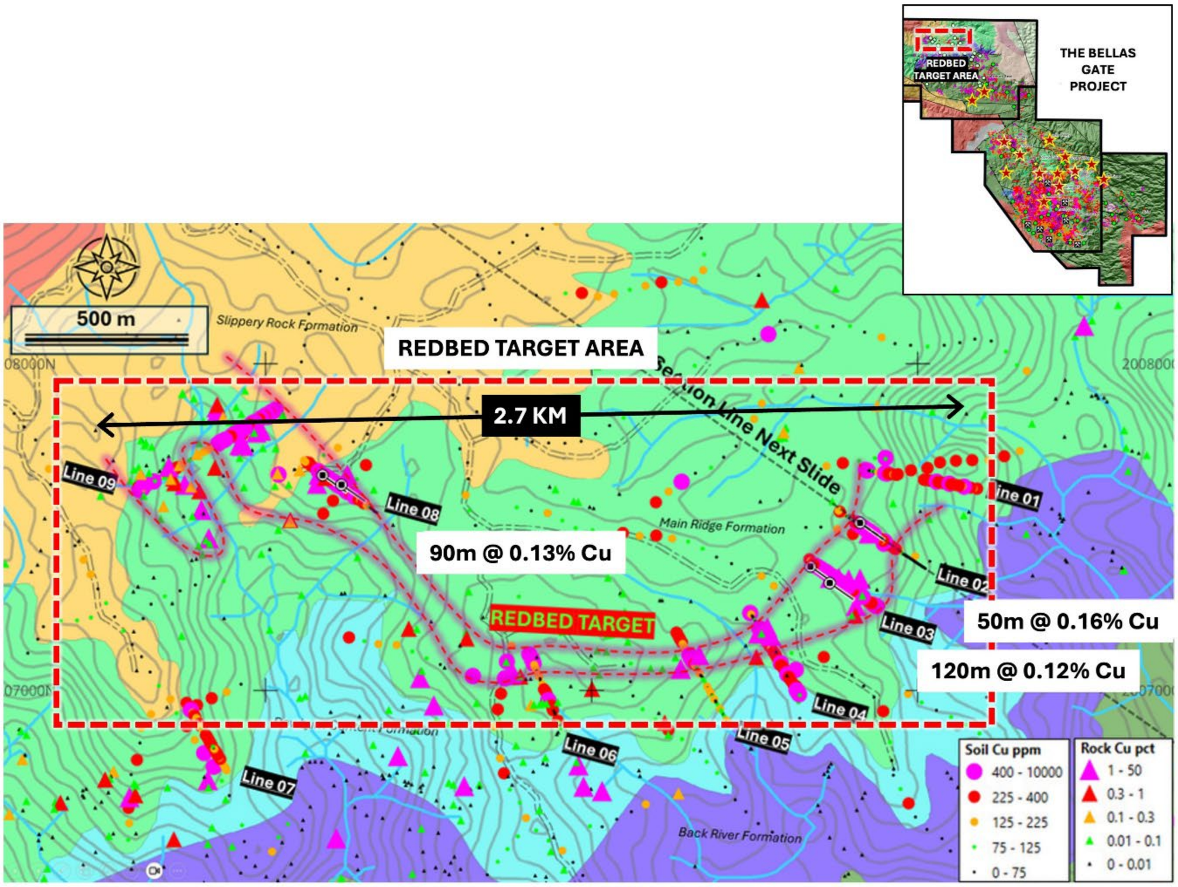


Figure 12 – Geology map showing copper in soil (circles) and rock chip (triangles) geochemistry. Map shows the nine soil lines recently completed. Proposed drill holes shown on lines 02, 03 and 08.

On August 13, 2025, the Company announced that diamond drilling had commenced at its Bellas Gate project. Drilling is designed to test multiple copper-gold porphyry prospects identified over a 18km strike extent. In total, 14 porphyry prospects have been identified at Bellas Gate. Drilling will primarily be targeting prospects with limited to no prior drilling so that essential data can be collected in the first 500m. This data, as well as additional geophysical data that is planned to be collected, will help inform optimal locations for potential deeper drilling in the future. Drilling will also target volcanic redbed copper-silver mineralization in the northwest project area.

On October 6, 2025, the Company announced that it had commenced a district-scale 3DIP Survey. The purpose of the 3DIP Survey is twofold: 1) extend the area covered from 16 sq. km to approximately 70 sq. km; and, 2) identify drill targets to beyond 700m depth — well beyond the 300m depth limitation of previous surveys at Bellas Gate. Dias Geophysical has been contracted to undertake the 3DIP Survey. 3DIP chargeability and resistivity results, together with existing magnetic geophysical data and geochemical data, will be used to design the 2026 drill program. Highlights of the program include:

- Historical IP data shows strong correlation of IP Chargeability anomalies coincident with copper-in soil and airborne magnetic anomalies within three major porphyry belts.
- The 3DIP Survey will cover an area measuring approximately 16km by up to 6km wide (Figure 13).
- The 3DIP Survey aims to penetrate deeper into known porphyry systems with reliability down to 700m and potentially to 1,000m.

- The Company plans to evaluate the geophysical data in real time to generate near surface and deep drill targets for the 2025 and 2026 drilling campaigns.

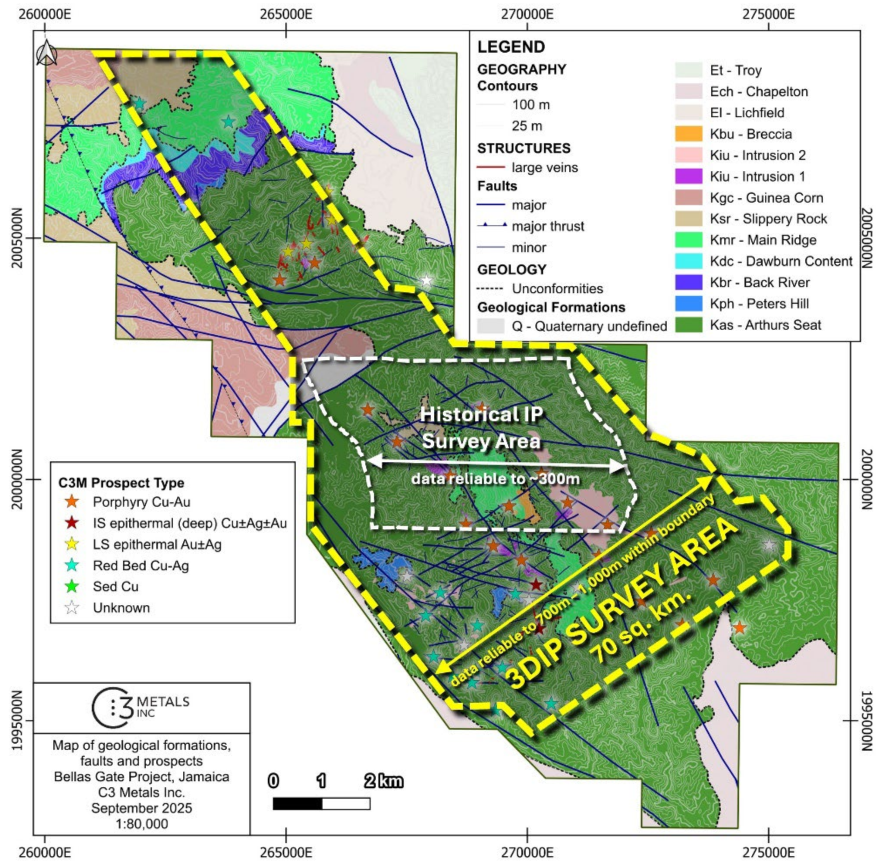


Figure 13 – The Bellas Gate project area and the current 3DIP Survey area vs. the historical 2DIP survey area.

Exploration and Evaluation Expenditures

During the year ended August 31, 2025, a total of $5,711,594 was capitalized to the Bellas Gate project related to exploration and evaluation costs. Components of total costs capitalized comprised: A value of $3,276,930 related to the Arthurs Seat SEPL that was contributed to the Bellas Gate project which is now subject to the Freeport EIA; $485 related to licence renewal fees; $135,908 (US$95,000) related to the buydown of a NSR royalty on a portion of the Bellas Gate project; $959,455 related to geology and general field costs; $11,564 related to geochemical costs; $533,246 related to geophysical costs; $551,986 of drilling and related costs; $48,550 related to environmental costs; $161,819 related to community and social development; and, $31,651 related to health and safety costs. Additionally, an amount of $2,030,070 funded by Freeport under the EIA was offset against the Bellas Gate project costs. As at August 31, 2025, the carrying value of the Bellas Gate project was $21,087,838 (August 31, 2024 - $17,497,921).

Super Block

Overview

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 has combined 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 interest, which is initially a 50% participating interest for each participant. 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 closing 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 received approval for the subdivision of their existing SEPLs by the Jamaican Ministry of Agriculture, Fisheries and Mining and formed 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 holding 50% of its common shares. All conditions subsequent under the agreement have been satisfied.

2025 Exploration results at Super Block

On February 5, 2025, the Company announced results from its soil and channel sampling campaigns at its Super Block project. The completion of closely spaced soil and channel sampling at Super Block confirms strong gold geochemistry along trend and of similar intensity to the former Pennants Gold Mine. Highlights of the surface sampling include:

- Anomalous gold in rocks and soils at the Super Block project are directly associated with radiometric (potassium) anomalies (Figure 14).
- Surface sampling extends the trend of gold mineralization to +5,000 metres and remains open in both directions along strike.
- At the PEZ prospect, gold is highly anomalous in soils and coincides with a 1,500m east-west trending radiometric (potassium) anomaly.
- Best soil line results are 60m averaging 0.41 g/t gold and 103m averaging 0.20g/t gold with samples collected at 5m intervals. For reference, gold in soil assays above 0.04 g/t gold are considered anomalous.
- At the DHZ prospect, highly anomalous gold is in weathered bedrock. It coincides with a 550m by 150m northwest-southeast trending radiometric (potassium) anomaly.
- Best channel sample result is 10m averaging 0.41 g/t gold, a combination of highly weathered rock and soil.

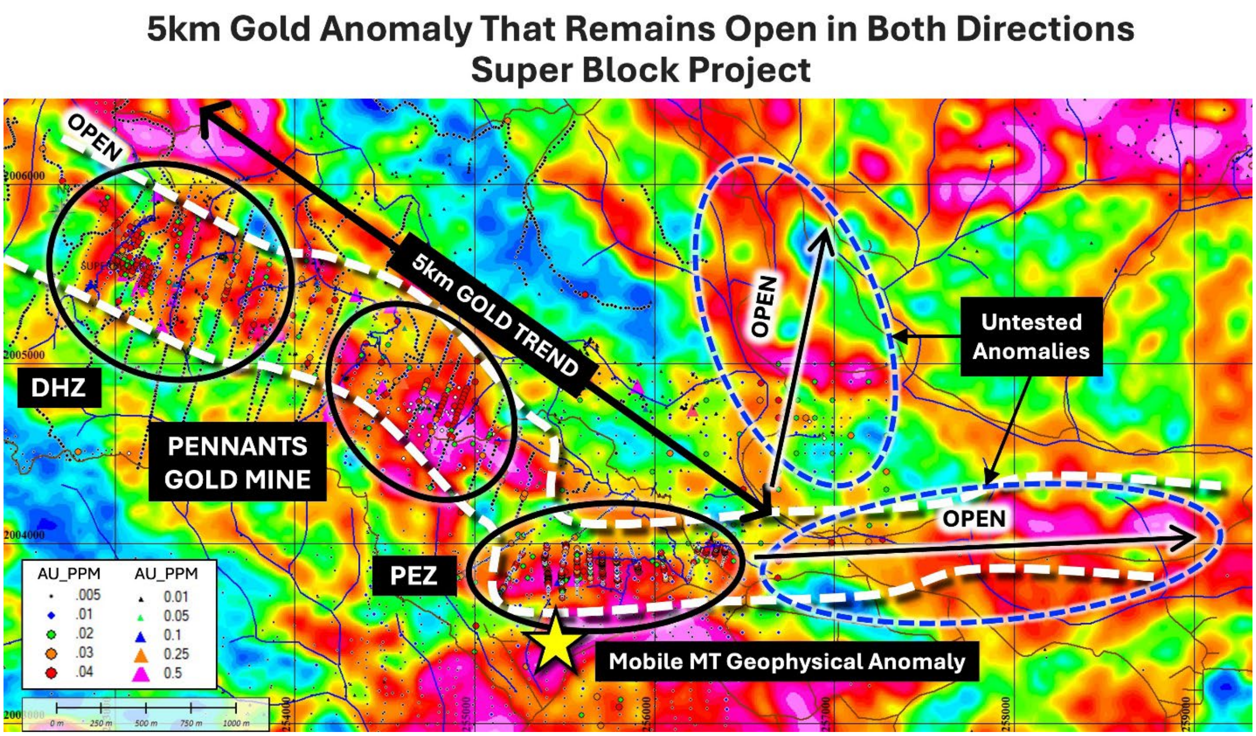


Figure 14 – Airborne radiometric image (potassium) showing a strong correlation of gold in soils and rocks with radiometric anomalies. Map shows the Super Block soil line locations at DHZ and PEZ prospects.

On June 3, 2025, the commenced an initial 14 diamond drill hole, 2,500m program on its Super Block Project and on September 29, 2025, the Company announced the results from the first four scout holes this program. Highlights include:

- Drilling has initially targeted the Pennants East Zone ("PEZ"), where gold is highly anomalous in soils and coincides with a 1.5km east-west trending radiometric (potassium) anomaly.
- Four holes were completed at the eastern end of PEZ, and all holes intercepted gold mineralization hosted by epithermal style veins, stockworks and fault zones.
- Drilling at PEZ confirms the presence of multiple zones of epithermal veinlets within a broader mineralized envelope. Mineralization remains open at depth and along strike.
- The Company plans to continue to test high priority targets at Super Block with a further 10 scout holes along the 5km gold trend.
- Select assay results from the first four scout diamond drill holes are presented in Table 1 below:

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
SUP4025-001	52.85	76.65	23.80	0.51
SUP4025-001	81.00	83.00	2.00	0.40
SUP4025-001	96.40	100.90	4.50	0.37
SUP4025-001	112.70	123.00	10.30	1.23
SUP4025-002	125.55	128.00	2.45	0.38
SUP4025-002	133.00	133.50	0.50	1.82
SUP4025-002	157.50	165.00	7.50	0.52
SUP4025-002	169.75	180.00	10.25	0.31
SUP4025-002	183.00	187.00	4.00	0.32
SUP4025-002	193.00	197.50	4.50	0.30
SUP4025-002	201.00	217.00	16.00	0.44
SUP4025-003	62.00	67.00	5.00	1.17
SUP4025-003	70.00	81.50	11.50	0.58
SUP4025-003	94.50	95.50	1.00	2.48
SUP4025-003	114.40	120.00	5.60	0.94
SUP4025-004	118.80	121.80	3.00	0.71
SUP4025-004	124.80	127.00	2.20	0.60
SUP4025-004	131.50	141.00	9.50	0.38
SUP4025-004	151.00	152.50	1.50	1.77

Table 1 - Select Assay Results from the First Four Scout Holes at the Super Block Project. A nominal cut-off of 0.2g/t gold is used for the reporting of potentially significant intercepts. Maximum contiguous dilution within each intercept is 2.5m. Samples have been composited to one and maximum two metre lengths. Whole core sampled in drill intervals with less than 30% recovery, to maximize sample. All intervals are reported as core lengths, as true widths of the mineralized intervals are unknown at this time.

Exploration and Evaluation Expenditures

During the year ended August 31, 2025, a total of $425,932 was capitalized to the Super Block project related to exploration and evaluation costs. Components of total costs capitalized comprised: $125 related to licence renewal fees; $128,833 related to geology and general field costs; $5,485 related to geochemical costs; $261,995 related to drilling and other related costs; $13,485 related to environmental costs; $10,307 related to community and social development; and, $5,582 related to health and safety costs. As at August 31, 2025, the carrying value of the Super Block project was $2,109,014 (August 31, 2024 - $1,686,153).

Hungry Gully

Exploration and Evaluation Expenditures

The Hungry Gully project was previously part of the Rodinia and Other property licenses, which consisted of the 100% owned SEPLs in Jamaica known as Arthurs Seat, Main Ridge and Hungry Gully. During February 2024, the Company contributed its Main Ridge SEPL and a portion of its Arthurs Seat SEPL to the Super Block project. During February 2025, the Company contributed the remaining portion of its Arthur Seat SEPL to the Bellas Gate project subject to the Freeport EIA. As at August 31, 2025, the project consisted of only the Hungry Gully SEPL. There are no royalties payable on the Hungry Gully project.

During the year ended August 31, 2025, a total of $36,969 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; $14,353 relating to geology and general field costs; $4,214 of drilling related costs; $9,052 related to environmental costs; $4,008 related to community and social development; and, $5,217 related to health and safety costs. As at August 31, 2025, the carrying value of the Hungry Gully project was $557,442 (August 31, 2024 - $3,736,583).

SELECTED ANNUAL INFORMATION

The following table contains selected annual financial information for the fiscal years ended August 31, 2025, 2024 and 2023.

	Year ended August 31, 2025 $	Year ended August 31, 2024 $	Year ended August 31, 2023 $
Net loss for the year	(2,902,130)	(2,292,591)	(927,272)
Totals assets	75,527,286	60,056,193	55,336,952
Total liabilities	1,224,669	365,038	482,146
Basic and diluted loss per common share	(0.03)	(0.04)	(0.02)
Cash dividend per common share	Nil	Nil	Nil

The Company expects to record losses until such time as an economic mineral resource is developed and exploited on one or more of the Company's exploration properties. The Company's future net losses could be significantly affected by any impairment or reversal of impairment.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Total Expenses

For the year ended August 31, 2025, total expenses were $3,267,871 and were comprised of: $485,651 related to promotion and investor relations; $55,476 related to regulatory authority and transfer agent fees; $654,856 with respect to professional fees for legal, accounting, audit and financial advisory services; $1,336,655 with respect to office, general and administrative costs; and, $735,233 with respect to non-cash share based compensation expense related to stock options.

Total expenses, before other income and expenses, were $933,482 higher during fiscal 2025 when compared to fiscal 2024. Promotion and investor relations costs were lower by $127,013 due to lower costs incurred related to promotional campaigns to increase investor awareness and attendance at investor conferences (including related travel), and less fees were paid to investor relations contractors. Regulatory and transfer agent fees were lower by $15,259 related to higher fees paid to the Company's transfer agent in relation to the share consolidation during the second quarter of fiscal 2024. Legal, accounting, audit and financial advisory costs were higher by $429,142 primarily related to fees paid for financial advisory services and higher legal fees incurred related to the Freeport EIA, offset against lower auditor fees paid in relation to the review of the Company's condensed consolidated interim financial statements. Office, general and administrative costs were higher by $69,105 primarily related to an increase in headcount; higher health insurance premiums; and, higher accounting fees due to increased activity. Share based compensation expenses were higher by $577,507.

Other expenses and income

For the year ended August 31, 2025, other expenses and income totaled a net income of $365,741. During the second quarter of fiscal 2025, the Company received an exclusivity fee of $41,835 (US$30,000) in connection with the Freeport EIA. The Company received a management fee of $185,493 as the operator of the Bellas Gate project under the Freeport EIA. Interest income earned on cash balances for the year was $228,207. A loss on the fair value of Cascade Copper Corp. marketable securities of $9,375 was recorded. A foreign exchange loss of $80,419 related to the revaluation of cash held in United States dollars was also recorded.

Net Loss and Loss per Common Share

For the year ended August 31, 2025, net loss was $2,902,130 (fiscal 2024 – $2,292,591). Basic and diluted loss per common share was $0.03 (fiscal 2024 – $0.04). 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 and Peruvian subsidiaries 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, 2025, a foreign currency translation gain of $1,650,466 (fiscal 2024 – loss of $973,108) 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.

	Fiscal 2025				Fiscal 2024			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Expenses								
Promotion and investor relations	116,329	86,353	187,070	95,899	226,983	102,137	208,460	75,084
Regulatory	14,072	12,816	15,615	12,973	14,483	27,246	16,306	12,700
Professional fees	34,441	492,742	91,438	36,235	58,314	67,300	67,309	32,791
Office, general and administrative	322,853	346,069	344,549	323,184	310,142	362,829	315,925	278,654
Share based compensation	Nil	Nil	553,558	181,675	42,533	42,533	43,000	29,660
Other expenses (income) total	(13,733)	(73,745)	(104,504)	(173,759)	12,429	(5,213)	(37,238)	(11,776)
Net loss	**473,962**	**864,235**	**1,087,726**	**476,207**	**664,884**	**596,832**	**613,762**	**417,113**
Income (loss) per common share	(0.01)	(0.01)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.01)
Total assets	65,055,975	66,374,052	75,423,087	75,527,286	62,454,031	61,234,990	61,149,618	60,056,193
Total liabilities	379,507	1,098,004	1,249,738	1,224,669	729,515	558,999	405,059	365,038

Quarterly results are not cyclical or seasonal, with fluctuations in net loss related primarily to changes in promotion and investor relations costs, professional fees and share based compensation charges.

LIQUIDITY AND CAPITAL RESOURCES

The Company's liquidity depends on existing cash reserves, supplemented as necessary by equity financings. From inception to date, the Company has incurred losses from operations and has had negative cash flows from operating activities. As at August 31, 2025, the Company held cash and cash equivalents of $11,851,439 (August 31, 2024 – $1,521,374) and had a working capital surplus of $10,986,228 (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 2026, 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 March 19, 2025, the Company closed a bought deal private placement of 23,000,000 common shares at a price of $0.50 per common share for gross proceeds of $11,500,000.

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

Except for the contractual obligation noted below, 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.

Community Agreement

On August 7, 2025, the Company's wholly owned subsidiary, Molino, executed a full surface access and drilling rights agreement with the Cancahuani community at its Khaleesi project ("Community Agreement"). Under the terms of the Agreement, the Company will pay total compensation of approximately $308,000 (PEN 800,000) payable in three tranches as follows: $123,200 (PEN 320,000) payable on the date of the Community Agreement (paid); $92,400 (PEN 240,000) payable during the third week of November 2025 (paid); and, $92,400 (PEN 240,000) payable during the last week of March 2026.

OUTSTANDING SHARE DATA

Information with respect to outstanding common shares, stock options, restricted share units and deferred share units as at December 11, 2025, August 31, 2025 and August 31, 2024 is as follows:

	December 11, 2025	August 31, 2025	August 31, 2024
Common shares	99,884,801	99,884,801	61,884,802
Stock options	6,360,750	6,360,750	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	106,417,311	106,417,311	65,567,310

On July 31, 2025, the Company granted a total of 100,000 stock options to an employee of the Company. These stock options are exercisable at $0.70 per share and expire on July 31, 2030.

On April 4, 2025, the Company granted a total of 3,380,000 stock options to directors, officers, employees and consultants of the Company. These stock options are exercisable at $0.70 per share and expire on April 4, 2030.

On March 19, 2025, the Company closed a bought deal private placement of 23,000,000 common shares at a price of $0.50 per common share for gross proceeds of $11,500,000.

On December 7, 2024, a total of 629,998 stock options with an exercise price of $0.65 per share 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. The Company examines these various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk and market risks. Where material, these risks are reviewed and monitored.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and restricted deposits. The Company's cash and restricted deposits are held at a major Canadian financial institution in both Canada and Jamaica and a major financial institution in Peru. The maximum exposure to credit risk is equivalent to the carrying amount. As at August 31, 2025, the Company does not consider any of its financial assets to be impaired.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through monitoring cash outflows due in its day-to-day business and by regular cash flow forecasting of cash requirements to fund exploration projects and operating costs. As at August 31, 2025, the Company's liabilities included accounts payable and accrued liabilities of $534,033 all of which are due within normal trade terms of generally 30 days (see note 1, going concern).

Currency risk

The Company's cash is held in Canadian dollar, Jamaican dollar, US dollar and Peruvian Soles accounts. The Company is exposed to financial risk arising from fluctuations in foreign exchange rates with respect to the US dollar. As at August 31, 2025, the Company held cash in United States dollars of US$1,010,911 equivalent to $1,389,234 (2024 - US$227,207, equivalent to $306,397). The Company has not utilized derivative instruments to reduce its exposure to foreign currency risk.

Market 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, the current wars in Ukraine, the ongoing unrest in the Middle East, 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.

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 10 to the annual consolidated financial statements for the years ended August 31, 2025 and 2024.

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, 2025 and 2024.

NEW AND REVISED ACCOUNTING STANDARDS

New and amended standards adopted

Amendments to IAS 1 – Presentation of Financial Statements

In October 2022, the International Accounting Standards Board published amendments to the Classification of Liabilities as Current or Non-current in IAS 1 – Presentation of Financial Statements. The amendments aim to improve the information companies provide when the right to defer settlement of a liability for at least twelve months is subject to the entity complying with covenants after the reporting date. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require an entity to disclose information about these covenants in the notes to the consolidated financial statements. The amendments are effective for annual periods beginning on or after January 1, 2024. The Company adopted this amendment with no impact to the Company's consolidated statements of financial position.

New standards and interpretations not yet adopted

Amendments to IFRS 9 Financial Instruments and IFRS 7, Financial Instruments: Disclosures

In May 2024, amendments to IFRS 9 Financial Instruments and IFRS 7, Financial Instruments: Disclosures were issued to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets), and; update the disclosures for equity instruments designated at fair value through other comprehensive income. The Company does not expect these amendments to have a material impact on its operations or consolidated financial statements.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, Presentation and Disclosure in Financial Statements, was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, Presentation of Financial Statements, impacts the presentation of primary financial statements and notes, including the statement of losses where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The new standard will not impact the recognition or measurement of items in the consolidated financial statements but its impacts on presentation and disclosure are expected to be pervasive. The Company is currently assessing the impact of the new standard.

RISKS AND UNCERTAINTIES

Mineral exploration companies face many and varied risks. The principal activity of the Company is mineral exploration, which is inherently risky. Exploration is also capital intensive, and the Company currently has no source of income other than management fees and interest income. The following are the risk factors which the Company's management believes may be significant in the context of the Company's business.

Going Concern

The Company's ability to continue as a going concern is dependent upon its ability to fund its working capital and exploration requirements and eventually to generate positive cash flows, either from operations or sale of properties. The Company will actively seek financing from time to time to finance its operations; however, the ability, availability and timing of such financing is not certain. The Company's consolidated financial statements do not reflect the adjustments to the carrying value of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate, and these adjustments could be material.

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.

Dependence on Key Personnel, Contractors and Service Providers

Shareholders of the Company rely on the good faith, experience and judgment of the Company's key personnel, contractors and service providers 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.

Uncertainty of Mineral Resource Estimates

Mineral resource figures are only estimates. Such estimates are expressions of judgment based on mining experience, analysis of drilling results, and industry practices. While the Company believes that the mineral resource estimate for the Jasperoide Copper-Gold Project reflects management's best estimates, the estimation of mineral resources is subjective and the accuracy of these estimates are a function of the quantity and quality of available data, the accuracy of statistical computations, and the assumptions used and judgments made in interpreting available engineering and geological information. There is significant uncertainty in mineral resource estimation. The actual volume and grade of the deposit and the economic viability of the deposit may differ materially from the Company's estimates. Estimated mineral resources may have to be re-estimated based on changes in commodity prices, further exploration or development activity, better understanding of the geology of the deposit, or actual production experience. This could adversely affect estimates of the volume and or grade of mineralization, estimated recovery rates or other important factors that influence mineral resource estimates. Mineral resources are not mineral reserves and there is no assurance that any mineral resource estimate will ultimately be reclassified as proven or probable mineral reserves. Mineral resources which are not mineral reserves do not have demonstrated economic viability.

Fluctuation in Market 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.

Influence of Third-Party Stakeholders

The properties in which the Company holds interest, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the Company's work programs may be delayed even if such claims are without merit. Such delays may result in significant financial loss and loss of opportunity for the Company.

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.

Network Systems

Equipment failures, natural disasters including severe weather, terrorist acts, acts of war, cyber-attacks or other breaches of network systems or security that affect computer systems within the Company's network could disrupt Company's business functions, including Company's exploration activities. The mining industry has become increasingly dependent on digital technologies. Mines and mills are automated and networked, and the Company may rely on digital technologies to conduct certain exploration, development, production, processing and other activities. The mining industry faces various security threats, including cyber-security threats. Such attacks are increasing and include malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions to critical systems, unauthorized release of confidential information and corruption of data. A cyber-attack could negatively impact the Company's operations. A corruption of the Company's financial or operational data could, among other potential impacts, result in: (i) expensive remediation efforts; (ii) distraction of management; (iii) damage to the Company's reputation or its relationship with customers, vendors, employees and joint venture partners; or (iv) events of noncompliance, which events could lead to regulatory fines or penalties. Any of the foregoing could have a material adverse impact on the Company's reputation, profitability, future cash flows, earnings, results of operations and financial condition.

Climate Change and Climate Change Regulations

Climate change could have an adverse impact on the Company's cost of operations. The potential physical impacts of climate change on the operations of the Company are highly uncertain and would be particular to the geographic circumstances in areas in which it operates. These may include changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. These changes in climate could have an impact on the Company’s ability to conduct exploration programs at its projects and could affect the cost of any future mine development or production and could adversely affect the financial performance of its operations.

Regulations and pending legislation governing issues involving climate change could result in increased operating costs, which could have a material adverse effect on the business of the Company. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to various climate change interest groups and the potential impact of climate change. Legislation and increased regulation regarding climate change could impose significant costs on the Company, its venture partners and suppliers, including costs related to increased energy requirements, capital equipment, environmental monitoring and reporting and other costs to comply with such regulations. Any adopted future climate change regulations could also negatively impact the Company's ability to compete with companies situated in areas not subject to such regulations.

Given the emotion, political significance and uncertainty around the impact of climate change and how it should be dealt with, the Company cannot predict how legislation and regulation will affect its financial condition, operating performance and ability to compete. Furthermore, even without such regulation, increased awareness and any adverse publicity in the global marketplace about potential impacts on climate change by the Company or other companies in the natural resources industry could harm the reputation of the Company.

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