(An exploration stage business)

Coppernico Metals Inc.

Management's Discussion & Analysis

For the year ended December 31, 2022

Dated: March 31, 2023

1. HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2022, AND THE PERIOD UP MARCH 31, 2023

- On February 23, 2023, the Company announced it had closed the first tranche of its non-brokered private placement. The Company issued a total of 8,950,119 common shares at a price of $0.30 per common share for gross proceeds of $2,685,036, including the previously completed future equity subscriptions. Net proceeds from the placement will be used to fund exploration at the Sombrero project pending an access agreement, potential project acquisitions in the Americas, and general working capital.

- On January 27, 2023, the Company announced that it has received an effective two-year extension of its environmental approval, the Declaración de Impacto Ambiental (“DIA”), until February 4, 2025, from the Peruvian Ministry of Energy and Mines for its Sombrero copper-gold project in southern Peru. The DIA covers an area of 973.76 hectares and allows the Company to drill up to 48 holes from 38 platforms on the Cascabamba Sombrero Main target area, where Coppernico has completed the majority of its work to date within the total 130,000-hectare land package.

- On January 27, 2023, Coppernico announced it had expanded its business plan to become a multi-jurisdictional, international exploration company, currently evaluating additional exploration opportunities in the Americas in an effort to capitalize on highly underexplored regions of prospective, large-scale discovery opportunities ahead of the improving commodity markets. To that end, the Company began focusing its efforts on its Sombrero project and other new exploration opportunities; and had consequently relinquished the option agreement on its Takana district claims.

- On January 27, 2023, Coppernico announced the appointment of Christian Rios to Senior Vice President (“SVP”) of Corporate Development from his former role as the SVP of Operations in Peru. Mr. Rios is a professional geologist (P.Geo.) with over twenty years of experience in exploration, mining development, and operations, specializing in Peru. Mr. Rios together with Tim Kingsley (CP.Geo), who started with the Company in March 2022 and brings over 18 years of precious and base metal exploration experience at multiple operations in the Americas (Peru, Canada, Alaska), are working closely together to advance Coppernico's existing projects and investigate other potential projects. The Company also announced that Michael Henrichsen, Chief Geological Officer, has resigned from his role and will remain a consultant to Coppernico.

- On April 4, 2022, the Company announced that its Board of Directors had appointed Marie-Hélène Turgeon to the Board of the Company. Ms. Turgeon has 20 years of experience in environmental management, legal compliance, and stakeholder engagement and supports mining companies in designing sustainable projects, assessing and managing environmental and social impacts, as well as obtaining and maintaining social licenses to operate.

< Refer to the section 2.1 for cautionary wording concerning forward-looking information >

2. DATE AND FORWARD-LOOKING STATEMENTS

This Management’s Discussion and Analysis (“MD&A”) of Coppernico has been prepared by management to assist the reader to assess material changes in the consolidated financial statements and results of operations of the Company as at December 31, 2022, and for the year then ended.

This MD&A should be read in conjunction with the consolidated financial statements of the Company and related notes thereto as at and for the years ended December 31, 2022, and 2021 (the “financial statements”). All financial information has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board and all dollar amounts presented are Canadian dollars unless otherwise stated.

The effective date of this MD&A is March 31, 2023.

2.1 Forward-looking statements and risk factors

Certain statements made in this MD&A contain forward-looking information within the meaning of applicable Canadian and United States securities laws ("forward-looking statements"). These forward-looking statements are presented for the purpose of assisting the Company's shareholders and prospective investors in understanding management's intentions and views regarding future outcomes and are inherently uncertain and should not be heavily relied upon. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions, as they relate to the Company, identify such forward-looking statements. Specific forward-looking statements in this MD&A may include, but are not limited to: the Company's ability to execute on its exploration and financing plans, the likelihood of discovering resources; the potential for access to and exploration of the Company's projects, permitting timelines; government regulation of mining operations; environmental and climate-related risks; the possible impairment of mining interests; any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements; the timing and amount of estimated exploration expenditures and capital raises for the Company; the liquidity of the common shares in the capital of the Company and other events or conditions that may occur in the future; the Company's intention to grow its business and its operations; the Company's competitive position; changes to government regulation, in particular Peruvian; and the impact of the COVID-19 pandemic on the Company's operations and the economy generally.

The forward-looking statements contained in this MD&A represent the Company's views as of the date hereof. The assumptions related to these plans, estimates, projections, beliefs and opinions may change without notice and in unanticipated ways. Many assumptions may prove to be incorrect, including the Company's budgeting plans, expected costs, assumptions regarding market conditions and other factors upon which the Company has based its expenditure and funding expectations; the Company's ability to obtain or renew the licenses and permits necessary for exploration; that operations and financial markets will not in the long term be adversely impacted by the COVID-19 pandemic; the Company's ability to complete and successfully integrate acquisitions; the possible effects of climate change, extreme weather events, water scarcity, and seismic events, and the effectiveness of strategies to deal with these issues; the Company's expectations regarding the future demand for, and supply and price of, precious metals; the Company's ability to recruit and retain qualified personnel; the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals.

Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to adversely differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Some of the risks and other factors (many of which are beyond the Company's control) which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this MD&A include, but are not limited to, the financial market appetite to finance junior resources issuers, the lack of meaningful exploration success, fluctuations in the current and projected prices for gold, other precious and base metals and other commodities (such as natural gas, fuel oil and electricity) which are needed for exploration activities; risks and hazards associated with the business of mineral exploration (including environmental hazards, potential unintended releases of contaminants, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding); the speculative nature of mineral exploration; the estimation of mineral resources, the Company's ability to obtain funding, whether debt or equity; the current lack of any estimated mineralized resources; environmental regulations; changes in laws and regulations impacting exploration activities; the Company's mineral properties being subject to prior unregistered agreements, transfers or claims and other defects in title; legal and litigation risks; statutory and regulatory compliance; insurance and uninsurable risks; the Company's limited business history and history of losses and negative cash flow, which will continue into the foreseeable future; our inability to pay dividends, the continuation of our management team and our ability to secure the specialized skill and knowledge necessary to operate in the mining industry; relations with and claims by local communities and non-governmental organizations, including relations with and claims by indigenous populations; the requirements of being a public company; risks associated with the significant resources required to maintain regulatory compliance as a public company; the effectiveness of the Company's internal control over financial reporting; cybersecurity risks; risks relating to the Company's public perception; general business, economic, competitive, political and social uncertainties; and public health crises such as the COVID-19 pandemic and other uninsurable risks. This is not an exhaustive list of the risks and other factors that may affect any of the Company's forward-looking statements. Additional information relating to the Company and its operations is available on SEDAR at www.sedar.com and on the Company's website at www.coppernicometals.com. These documents are for information purposes only and not incorporated by reference in this MD&A.

The Company's management periodically reviews information reflected in forward-looking statements. The Company has and continues to disclose in its MD&A and other publicly filed documents, changes to material factors or assumptions underlying the forward-looking statements and to the validity of the statements themselves, in the period the changes occur. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

3. DESCRIPTION OF THE BUSINESS

The Company is assembling a world-class exploration portfolio in the Americas and is seeking to create significant value for its shareholders through exploration and potential discovery. The Company is currently focused on its flagship Sombrero project in southern Peru and is reviewing additional premium projects in the Americas. The Company is an unlisted reporting issuer in British Columbia, Alberta and Ontario. Management is targeting to apply for listing on the Toronto Stock Exchange ("TSX") in 2023 and has initiated this process.

As at the date of this MD&A, the corporate organization structure includes: one wholly owned subsidiary in Peru, Sombrero Minerales S.A.C; a 50% owned Peruvian service company, Universal Mineral Services Peru S.A.C. ("UMS Peru"); and a 25% owned Canadian service company, Universal Mineral Services Ltd. ("UMS Canada"). The arrangements that support the investment in UMS Canada and UMS Peru are described in Note 5 to the financial statements.

The Company is primarily focused on the Sombrero district, a copper-gold project, located in southern Peru, covering approximately 130,000 hectares acquired through a combination of staking and option agreements.

3.1 Climate related risks

The Company acknowledges the impact that climate change may have on the Company's ability to travel to the communities and to perform onsite work where permitted. Significant rainfall events are known to occur, but no such events occurred in 2022.

4. DISCUSSION OF OPERATIONS

4.1 Three months ended December 31, 2022, and 2021 (Q4 2022 vs. Q4 2021)

During the three months ended December 31, 2022, the Company reported a loss of $1,008,508 compared to a loss of $866,703 for the same period in 2021. Significant variances within operating expenses and other expenses resulted in a combined $141,805 increase in the current period's loss, and are discussed as follows:

- Project investigation costs in Q4 2022 increased to $168,122 from $16,654 in Q4 2021 due to the evaluation of additional premium projects in the Americas as the Company moves to diversify and enhance its portfolio.

- Mineral property impairment loss in Q4 2022 increased to $238,425 from $nil in Q4 2021 due to the Company terminating its option in the Tanaka district claims in the quarter.

- The increases noted above were partially offset by a decrease in exploration and evaluation expenses in Q4 2022 to $300,646 from $516,176 in Q4 2021, as the Company terminated its interest and ceased any work relating to the Takana project which was optioned in mid-2021.

- Further to this offset, the net gain on equity investments in Q4 2022 was $22,950 compared to $nil in Q4 2021 as a result of the Company's equity investments in its associate and joint venture service providers, UMS Canada and UMS Peru. This is the third quarter that the Company has had ownership in these entities; accordingly, there is no similar 2021 comparative figure.

4.2 Year ended December 31, 2022, and 2021 (YTD 2022 vs YTD 2021)

During the year ended December 31, 2022, the Company reported a loss of $3,852,504 compared to a loss of $3,193,305 for the year ended December 31, 2021. Significant variances within operating expenses and other expenses resulted in a combined $659,199 increase in the current year's loss, and are discussed as follows:

- Project investigation costs in YTD 2022 increased to $546,167 from $39,135 in YTD 2021, representing an increase of $507,032 due to the evaluation of additional premium projects in Central and South America as the Company moves to diversify and enhance its portfolio.

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

- Mineral property impairment loss in YTD 2022 increased to $338,745 from $nil in YTD 2021 due to the Company terminating its option in the Soldaduyocc concession and Tanaka district claims in YTD 2022, resulting in an impairment charge of $100,320 and $238,425, respectively.

- The increases noted above were partially offset by a decrease in exploration and evaluation expenses from $1,611,685 in YTD 2021 to $1,438,069 in YTD 2022, as the Company terminated its interest and ceased evaluating samples and historical data relating to the Soldaduyocc concession and the Takana project.

- Further to this offset, legal and professional fees decreased from $275,927 during YTD 2021 to $188,904 during YTD 2022, as a result of higher costs incurred on the TSX listing application which was commenced in the first half of 2021.

4.3 Summary of quarterly results

Three months ended	Loss for the period	Comprehensive loss	Loss per share
December 31, 2022	**$ 1,008,508**	**$ 1,081,427**	**$ 0.01**
September 30, 2022	979,944	605,225	0.01
June 30, 2022	1,108,862	945,203	0.01
March 31, 2022	755,190	837,088	0.01
December 31, 2021	866,703	902,732	0.01
September 30, 2021	681,449	530,529	0.01
June 30, 2021	812,444	867,601	0.01
March 31, 2021	832,709	888,665	0.01

During the last eight quarters, the Company's comprehensive loss has ranged between $1,081,427 (quarter ended December 31, 2022) and $530,529 (quarter ended September 30, 2021). These losses are as a result of expenditure on its exploration and evaluation properties, project investigation costs as the Company looks to add additional projects to its portfolio, salaries and other employee benefits and professional fees all of which are required to be compliant as a public company and to promote the Company's activities in the market. These expenses are controlled by management and fluctuate depending on the funding available to the company to pursue opportunities in the market.

In addition to the above, the Company recognizes impairment charges, such as the $238,425 in the quarter ended December 31, 2022, when it terminates its options in certain properties, causing unusual changes in the quarterly results.

4.4 Summary of Project Costs and impairment

During the year ended December 31, 2022, the Company made option payments of $205,527 towards its mineral property assets and incurred $1,438,069 in exploration and evaluation costs. The mineral property additions relate to the scheduled annual US$100,000 payment regarding the Aceros option in January 2022, and US$35,000 payment regarding the Guadalupe concession (part of the Sombrero project) in August 2022, and related fees and charges.

On June 7, 2022, the Company gave notice to Ximenita de Casma S.M.R.L to terminate its option in the Soldaduyocc concession and therefore incurred an impairment of $100,320 in relation to that concession.

On December 15, 2022 the Company relinquished the option agreement on its Takana district claims and recognized an impairment of $238,425 (2021 - $nil).

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

		Sombrero		Takana		Total
Balance as at December 31, 2020	$	5,053,193	$	-	$	5,053,193
Mineral property additions		1,104,496		222,016		1,326,512
Currency translation adjustment		(12,361)		3,410		(8,951)
Balance as at December 31, 2021	$	6,145,328	$	225,426	$	6,370,754
Mineral property additions		205,527		-		205,527
Mineral property impairment		(100,320)		(238,425)		(338,745)
Currency translation adjustment		412,112		12,999		425,111
Balance as at December 31, 2022	**$**	**6,662,647**	**$**	**-**	**$**	**6,662,647**

Exploration and evaluation costs		**Sombrero**		**Takana**		**Total**
Community and environmental	$	269,823	$	167,533	$	**437,356**
Concession holding		706,512		-		**706,512**
Project support		215,706		78,495		**294,201**
Total for the year ended December 31, 2022	**$**	**1,192,041**	**$**	**246,028**	**$**	**1,438,069**

4.5 Future operations and community involvement

The Company continues to be in regular communication with the Huanca Sancos and Lucanamarca communities that surround the Sombrero district and is actively working toward securing long-term access agreements with them. There have been recent positive developments with a community within the Sombrero land position and the Company hopes to finalize the community access agreement in the near term. At the date of this MD&A, the Company has obtained the majority of the signatures for a three-year community access agreement and expects this process to be concluded in the near future. Once this agreement is in place, the Company will advance its drill permitting efforts, and has well-developed plans to complete field work which will prioritize drill targets. Also, once the agreement is in place, the Company plans to expand the DIA at additional communities surrounding the Sombrero district. The Company continues to support these communities through its applications to Agroideas, a government organization that sponsors agricultural programs within the local area.

In order to diversify and enhance the Company's portfolio, management has elected to pursue additional premium exploration projects in Ecuador and Peru. The Company is reviewing several opportunities with a focus on base and precious metal projects that could be ready for drilling in 2023.

The Company plans to apply to list its shares on the TSX; the Company's listing is targeted for later in 2023.

5. SELECTED ANNUAL INFORMATION

		December 31, 2022		December 31, 2021		December 31, 2020
Loss for the year	**$**	**3,852,504**	$	3,193,305	$	2,598,486
Comprehensive loss for the year		**3,468,943**		3,189,527		2,773,568
Basic and diluted loss per share		**0.03**		0.03		0.02
Total assets		**7,340,361**		9,868,866		13,055,541
Total non-current liabilities		**-**		-		-

The Company generated no revenues from operations during the years presented above. See Discussion of Operations for factors that have caused the year-to-year variation between YTD 2022 and YTD 2021 in the loss and loss per share data.

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

6. FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

6.1 Financial position and liquidity

		December 31, 2022		December 31, 2021
Working capital (deficit) surplus	**$**	**(1,231,158)**	$	2,660,644
Cash		**300,862**		2,965,269
Cash used in operating activities		**(3,168,882)**		(3,559,722)
Cash used in investing activities		**(206,695)**		(1,326,512)
Cash provided by financing activities		**724,056**		-

The Company's primary source of liquidity is equity. The funds are primarily used to finance working capital and to make certain annual payments to ensure that all the Company's mineral properties remain in good standing. The Company has a working capital deficit of $1,231,158 as at December 31, 2022 (December 31, 2021 - working capital surplus of $2,660,644) which includes cash of $300,862 (December 31, 2021 - $2,965,269), that is entirely unrestricted. The Company has no long-term liabilities, and there were no other commitments held by the Company at the balance sheet date other than as disclosed in Note 5 of the financial statements.

During the year ended December 31, 2022, the Company used cash of $3,168,882 in operating activities compared to $3,559,722 in the year ended December 31, 2021. The cash outflow during 2022 was lower than the cash outflow in 2021 due to lower exploration activities as: the Company terminated its interest and ceased evaluating samples and historical data relating to the Soldaduyocc concession and the Takana project; higher costs incurred on the TSX listing application in the first half of 2021; along with the upfront payment of a number of prepaid expenses in 2021.

During the year ended December 31, 2022, the Company used cash in investing activities of $206,695 whereas $1,326,512 was used in the year ended December 31, 2021, relating to mineral property additions. The mineral property additions during the year ended December 31, 2022, were the scheduled Aceros option holding payment, and payments regarding the Guadalupe concession (part of the Sombrero project). The mineral property additions during the year ended December 31, 2021, related primarily to the initial payment of the Soldaduyocc option, as well as the payment related to the extension of the force majeure on the Mollecruz concessions.

During the year ended December 31, 2022, the Company received cash from financing activities of $724,056 whereas $nil was received in the year ended December 31, 2021, relating to a Simple Agreement for Future Equity ("SAFE") financing in December 2022.

The Company has incurred operating losses to date and does not generate operating revenue to support its activities. With no source of operating revenue, there is no assurance that sufficient funding will be available to conduct further acquisition and exploration of mineral properties. The ability to continue as a going concern remains dependent upon Coppernico's ability to obtain the financing necessary to continue to fund its mineral properties, the realization of future profitable production, proceeds from the disposition of its mineral interests, and/or other sources. These conditions create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

6.2 Capital Resources

The Company considers capital to include items within shareholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and evaluation of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets.

The properties in which the Company currently has an interest are in the exploration stage and are not positive cash-flow generating; as such, the Company has historically relied on the equity financings to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to any capital restrictions and the Company's approach to capital management has not changed from the prior year.

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

7. OFF-BALANCE SHEET ARRANGEMENTS

The Company does not utilize off-balance sheet arrangements. Earn-in arrangements are not viewed as off-balance sheet arrangements, and there are no other commitments held by the Company at the balance sheet date other than the commitment disclosed in Note 5 to the financial statements for the year ended December 31, 2022.

8. PROPOSED TRANSACTIONS

As at December 31, 2022, and as at the date of this MD&A, the Company had no proposed transactions.

9. RELATED PARTY TRANSACTIONS

Related party transactions are those with entities over which the Company has control or significant influence, or with key management personnel, being those having the authority and responsibility for planning, directing, and controlling the Company. A summary of the Company's related party transactions for the years ended December 31, 2022, and 2021, is as follows:

9.1 UMS Canada and UMS Peru

On April 1, 2022, the Company purchased a 25% share interest in UMS Canada for nominal consideration. On May 1, 2022, the Company acquired from UMS Canada a 50% ownership of UMS Peru for nominal consideration. Due to the Company having an ownership interest in both UMS Canada and UMS Peru they are classified as related parties.

All transactions with UMS Canada and UMS Peru have occurred in the normal course of operations. All amounts are unsecured, non-interest bearing and have no specific terms of settlement, unless otherwise noted.

	Year ended December 31,	
	2022	2021
Exploration and evaluation	**$ 377,033**	$ 163,340
Project investigation	**350,996**	12,658
Marketing and investor relations	**55,422**	68,313
General and administration	**736,507**	483,144
Total transactions for the year	**$ 1,519,958**	$ 727,455

As at December 31, 2022, $92,014 (December 31, 2021 - $63,021) was included in accounts payable and accrued liabilities and $120,000 (December 31, 2021 - $370,000) in prepaid expenses and deposits relating to transactions with UMS Canada. Upon the acquisition of the share of UMS Canada in April 2022, $150,000 was reclassified to equity investments.

As at December 31, 2022, $nil (December 31, 2021 - $nil) was included in accounts payable, and $nil (December 31, 2021 - $75,202) was included in prepaid expenses and deposits relating to transactions with UMS Peru.

9.2 Key management compensation

On April 1, 2022, the Company entered into a shared services agreement with UMS Canada. Under the agreement, the Company's Chief Financial Officer and Chief Geological Officer ("CGO") terminated their direct employment status with the Company, became employed by UMS Canada and entered into secondment employment arrangements between the Company and UMS Canada. Following the change to the secondment arrangements, the salaries for these executives are now charged to the Company based on the actual percentage of time incurred during the period and therefore the compensation amounts for these members of management fluctuate depending on the activities of the Company.

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

In addition to the transactions disclosed above, the Company provided the following compensation to key management and board members, being its four executives, of which one is a director, and six non-executive directors:

		Year ended December 31,		
		2022		2021
Fees, salaries and other employee benefits provided to executives	**$**	**526,120**	$	593,182
Fees, salaries and other employee benefits paid to non-executive directors		**149,700**		123,799
	$	**675,820**	$	716,981

As at December 31, 2022, the Company had an outstanding accounts payable balance with key management personnel of $95,896 (December 31, 2021 - $28,244).

On April 4, 2022, the Company announced it had appointed Marie-Hélène Turgeon to the Board of Directors. Subsequent to the year end, the Company announced that Michael Henrichsen, the Company's CGO, had resigned from his role.

10. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to select accounting policies and make estimates and judgments that may have a significant impact on the financial statements. Estimates are continuously evaluated and are based on management's experience and expectations of future events that are believed to be reasonable under the circumstances. Actual outcomes may differ from these estimates.

Critical accounting judgments exercised in applying accounting policies, apart from those involving estimates, that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Functional currency

The functional currency of the Company's subsidiary is the currency of the primary economic environment in which the entity operates. The Company has determined the functional currency to be the Canadian dollar, while the functional currency of its Peruvian subsidiary is the United States dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions that determined the primary economic environment.

ii) Economic recoverability and probability of future economic benefits of mineral property interests

Management has determined that the acquisition of mineral properties and related costs incurred, which have been recognized on the consolidated statements of financial position, are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geological data, scoping studies, accessible facilities, and existing and future permits.

iii) Indications of impairment of assets

Impairment testing is done at the cash generating unit level and judgment is involved in assessing whether there is any indication that an asset or a cash generating unit may be impaired. The assessment of the impairment indicators involves the application of a number of significant judgments and estimates to certain variables, including metal price trends, exploration plans for properties and the results of exploration and evaluation to date.

iv) Financial instruments

Financial instruments are assessed upon initial recognition to determine whether they meet the definition of a financial asset, financial liability or equity instrument depending on the substance of the contractual arrangement. Judgment is required in making this determination as the substance of a transaction may differ from its legal form. Once a determination is made, IFRS requires that financial instruments be measured at fair value on initial recognition. For financial instruments that do not have quoted market prices or observable inputs, judgments are made in determining what are appropriate inputs and assumptions to use in calculating the fair value.

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

i) Provisions

Provisions recognized in the financial statements involve judgments on the occurrence of future events, which could result in a material outlay for the Company. In determining whether an outlay will be material, the Company considers the expected future cash flows based on facts, historical experience and probabilities associated with such future events. Uncertainties exist with respect to estimates made by management and as a result, the actual expenditure may differ from amounts currently reported.

ii) Reclamation obligations

Management assesses its reclamation obligations annually and when circumstances suggest that a material change to the obligations may have occurred. Significant estimates and assumptions are made in determining the provision for rehabilitation and site restoration, as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent, the timing and the cost of reclamation activities, regulatory change, cost increases, and changes in discount rates. Those uncertainties may result in actual expenditure differing from the amounts currently provided. The provision at the reporting date represents management's best estimate of the present value of the future reclamation costs required. Changes to estimated future costs are recognized in the statement of financial position by adjusting the reclamation asset and liability.

As the Company's projects are in early-stage exploration, management estimated the provision to be $nil as at December 31, 2022 and 2021.

iii) Share-based compensation

The Company determines the fair value of options granted using the Black-Scholes option pricing model. This option pricing model requires the development of market-based subjective inputs, including the risk-free interest rate, expected price volatility, and expected life of the option. Changes in these inputs and the underlying assumptions used to develop them can materially affect the fair value estimate.

iv) Income taxes

The provision for income taxes and composition of income tax assets and liabilities require management's judgment. The application of income tax legislation also requires judgment in order to interpret legislation and to apply those findings to the Company's transactions.

v) Deferred tax assets and liabilities

Management judgment and estimates are required in assessing whether deferred tax assets and deferred tax liabilities are recognized in the consolidated statements of financial position. Judgments are made as to whether future taxable profits will be available in order to recognize deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, and other capital management transactions. These judgments and assumptions are subject to risk and uncertainty and changes in circumstances may alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the consolidated statements of financial position and the benefit of other tax losses and temporary differences not yet recognized.

11. CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards as they are not applicable to the financial statements.

for the year ended December 31, 2022 (In Canadian dollars, unless otherwise noted)

12. FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments consist of cash, deposits, as well as accounts payable and accrued liabilities, which are classified as and measured at amortized cost. The fair values of these financial instruments approximate their carrying values due to their short-term nature. Further included in the Company's financial instruments is its SAFE financial liability, which is classified as and measured at fair value through profit or loss.

The Company's financial instruments are exposed to certain financial risks including credit risk, liquidity risk and currency risk. Details of the primary risks that the Company is exposed to are laid out in the notes to the Company's financial statements.

13. OTHER REQUIRED DISCLOSURE

13.1 Capital structure

The Company is authorized to issue an unlimited number of common shares without par value. As at the dates shown in the table, the Company had the following outstanding securities:

	December 31, 2022	Date of this MD&A
Common shares	**112,340,434**	**121,290,553**

13.2 Disclosure controls and procedures

As defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings, disclosure controls and procedures require that controls and other procedures be designed to provide reasonable assurance that material information required to be disclosed is duly gathered and reported to senior management in order to permit timely decisions and timely and accurate public disclosure.

Management is responsible for the establishment and maintenance of a system of internal control over financial reporting. This system has been designed to provide reasonable assurance that assets are safeguarded and that the financial reporting is accurate and reliable. The financial statements have been prepared by management in accordance with IFRS and in accordance with accounting policies set out therein.

Management of the Company, with the participation of the Chief Executive Officer and the Chief Financial Officer, have evaluated the design of the Company's disclosure controls and procedures and the design of internal controls over financial reporting as required by Canadian securities laws, and have concluded that such procedures are adequate to ensure accurate and complete disclosures in public filings.

There are inherent limitations in all control systems and no disclosure controls and procedures can provide complete assurance that no future errors or fraud will occur. An economically feasible control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com under Coppernico Metal Inc.'s profile.

On behalf of the Board of Directors

"Ivan Bebek"
Ivan Bebek
President, Chief Executive Officer, and Director
March 31, 2023