



MANAGEMENT'S DISCUSSION AND ANALYSIS OF OPERATING RESULTS FOR THE THREE MONTH PERIOD AND YEAR ENDED DECEMBER 31, 2023

INTRODUCTION

This management's discussion and analysis ("MD&A") has been prepared based on information available to US Copper Corp. (the "Company" or "US Copper") as at April 25, 2024. The MD&A of the operating results and financial condition of the Company for the three month period and year ended December 31, 2023, should be read in conjunction with the Company's audited consolidated financial statements and the related notes for the years ended December 31, 2023 and 2022. The accompanying audited consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS"). All amounts are expressed in Canadian dollars unless otherwise noted. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This MD&A includes "forward-looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. In the event that the Company is able to acquire a suitable mining property, such risks and uncertainties include, but are not limited to, risks associated with the mining industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of the Company to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of US Copper to fund the capital and operating expenses necessary to achieve the business objectives of US Copper, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by the Company. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements.

Readers are cautioned that the foregoing lists of risks, uncertainties and other factors are not exhaustive. The forward-looking statements contained in this MD&A are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. The forward-looking statements are expressly qualified by this cautionary statement.



CORPORATE OVERVIEW AND OUTLOOK

The shares of the Company are listed on the TSX Venture Exchange and trade under the symbol USCU. US Copper is a Canadian-based junior mining and exploration company incorporated under the Canada Business Corporations Act which currently has a 100% interest in an advanced mining exploration property in California, USA called the Moonlight Superior Project as well as holding a portfolio of exploration stage projects in Ontario, Canada and Nevada, USA.

The Moonlight Superior Project has a National Instrument 43-101 compliant resource of more than 2 billion pounds of copper in 3 copper deposits in NE California.

The copper deposits are part of a large Iron Oxide Copper-Gold system that covers 10 square miles across mountainous terrain. The property includes 2 old mines, Superior and Engels, that were in production in the 1920's yielding over 160 million pounds of copper at an average grade of 2.2% Copper. The Moonlight Deposit was discovered and drilled by Placer Amex during the 1960's.

US Copper picked up the property in 2013 and added to it in 2016. A Preliminary Economic Assessment prepared in 2018 demonstrated the Moonlight Deposit alone was economic at \$3.15 copper yielding an after tax USD\$179 million NPV at a 8% discount rate. (See news release of February, 2018). Since then, the Company has been focused on defining two higher grade starter pits at the Superior and Engels deposits so as to improve the economics of the initial PEA at Moonlight.

Details of the resources on US Copper's property and the parameters used to calculate them can be found in the "Technical Report and Preliminary Economic Assessment for the Moonlight Deposit, Moonlight-Superior Copper Project, California, USA" dated April 12, 2018, on both the company's website at www.uscoppercorp.com or on www.sedar.com under the US Copper profile.

The Company plans to continue to focus all its exploration and development activities on its Moonlight-Superior property in California and if conditions are favourable, seek to raise additional funds through a private or public offering of securities as required.

The Company's prospects are tied to the global demand for copper and the availability of financing to fund ongoing operations. The current price of copper had been increasing since March of 2020 and reached highs of around US\$4.50/lb. The price of copper has recently seen declines, but is still currently trading above US\$4.25/lb, well above the price used in the Company's 2018 PEA of US\$3.15/lb.

OBJECTIVES AND MILESTONES

The objectives of the Company is to advance the Moonlight-Superior property in California to the production stage. The Company is currently in the process of confirming with Plumas County, California that the Company maintains vested mining rights on the patented claims for the Moonlight Deposit, part of the Moonlight-Superior Copper Project.

COMPANY HIGHLIGHTS

- On September 12, 2023, the Company announced the results of the exploration drilling program during



the summer of 2023. A total of 15 shallow holes totalling 3,990 feet were drilled at the Engels deposit to test the oxide cap that sits atop the Engels copper sulfide deposit. Drilling at Engels proceeded quickly and the Company was also able to drill an additional 15 holes at the Moonlight deposit totalling 2,430 feet to test the oxide cap on that deposit. A further two holes were then drilled at the Lambs Ridge historical copper deposit. Highlights included:

1. Mineralized drill hole intercepts were submitted for sequential copper assays and acid soluble copper was identified in 10 of 15 holes, including one intercept of 200 feet (“ft”) of 1.06% recoverable copper;
2. Results confirmed historical drilling completed by previous operators in 2005-through 2009;
3. Soluble copper averaged 85% of total copper; and
4. Acid soluble copper greater than 0.2% occurs over an area of 750 ft by 250 ft to an average depth of greater than 200 ft.

These results are now being reviewed by an independent engineering firm to determine:

1. Parameters for further metallurgical testing;
2. A new resource calculation for the oxide mineralization at Engels; and
3. The viability of an oxide mining operation beginning at Engels before moving to Moonlight.

- In April 2023, 3,000,000 warrants were exercised for cash proceeds of \$150,000.

OVERALL PERFORMANCE

The Company does not currently have a producing property. Recovery of the cost of mining assets is subject to the discovery of economically recoverable reserves, the ability to obtain the financing required to pursue the exploration and development of its properties, and profitable future production or the proceeds from the sale of its properties. The Company must periodically obtain new funds in order to pursue its activities. While it has always succeeded in doing so to date, it is not possible to predict whether financing efforts will be successful and management cannot provide assurance that it will be able to obtain the required financing.

RESULTS OF OPERATIONS

SELECTED ANNUAL INFORMATION

The following tables summarize selected annual financial data of the Company for three most recent years ended December 31, 2023, 2022 and 2021:

Year ended December 31,	2023	2022	2021
	\$	\$	\$
Revenue	Nil	Nil	Nil
Operating Expenses	1,568,493	635,671	2,410,928
Net Loss	1,648,993	677,671	2,410,928
Loss Per Share	\$0.01	\$0.01	\$0.02
Total Assets	703,868	2,033,353	2,701,313
Liabilities	69,782	32,274	37,563
Total Dividends Paid	Nil	Nil	Nil



SELECTED QUARTERLY INFORMATION

The following tables summarize selected quarterly financial data of the Company for the eight most recent quarters ended:

	Q4 Dec 2023	Q3 Sep 2023	Q2 Jun 2023	Q1 Mar 2023
	\$	\$	\$	\$
Expenses	210,330	679,609	543,176	135,378
Net loss	(255,830)	(714,609)	(543,176)	(135,378)
Net loss per share (basic and diluted) \$	(0.00)	(0.01)	(0.00)	(0.00)

	Q4 Dec 2022	Q3 Sep 2022	Q2 Jun 2022	Q1 Mar 2022
	\$	\$	\$	\$
Expenses	78,907	146,574	174,839	235,351
Net loss	(120,907)	(146,574)	(174,839)	(235,351)
Net loss per share (basic and diluted) \$	(0.00)	(0.00)	(0.00)	(0.00)

OPERATIONAL REVIEW & RESULTS OF OPERATIONS

THREE MONTH PERIOD ENDED DECEMBER 31, 2023

Net loss for the three month period ended December 31, 2023 was \$255,830 as compared to a loss of \$120,907 in 2022. The increase in net loss is attributable to an increase in exploration and evaluation expenditures to \$161,502 for the three month period ended December 31, 2023 compared to \$65,942 in 2022. These expenses relate to assay costs from the summer drilling program and the Company incurring costs related to confirming its vested mining rights. These costs are expected to be lower in the upcoming quarters as the Company is preserving cash as it waits for the outcome on its vested mining rights claim and the price of Copper to move higher.

The Company's management and consulting fees for the three month period ended December 31, 2023 were \$15,000 as compared to \$15,000 in 2022. These costs are expected to be consistent in the upcoming quarters.

The Company's Investors relations, promotion and travel expenses for the three month period ended December 31, 2023 was \$20,942 compared to \$10,207 in 2022. These fees are expected to decrease in the upcoming quarters as the Company is preserving cash as it waits for the outcome on its vested mining rights claim and the price of Copper to move higher.

YEAR ENDED DECEMBER 31, 2023

Net loss for the year ended December 31, 2023 was \$1,648,993 as compared to \$677,671 in 2022. The increase in net loss is attributable to an increase in exploration and evaluation expenditures to \$1,198,095 for the year ended December 31, 2023 compared to \$281,863 in 2022. The increase is as a result of a summer drilling program that was completed in 2023. These costs are expected to decrease in the upcoming year as



the Company is mainly placing its claims on care and maintenance as it waits for the outcome on its vested mining rights claim.

The Company's Investors relations, promotion and travel expenses for the year ended December 31, 2023 was \$88,780 compared to \$238,345 in 2022. These fees decreased in 2023 as work done in 2022 for the Company to market itself and to build stock awareness to help it to be able to raise additional equity for exploration was not repeated in 2023. These fees are expected to be consistent in the coming year.

The Company's management and consulting fees for the year ended December 31, 2023 were \$60,000 as compared to \$60,000 in 2022. The Company's professional fees for the year ended December 31, 2023 were \$51,240 as compared to \$51,260 in 2022. The Company's office, general and administration expense for the year ended December 31, 2023 was an expense of \$38,378 compared to a recovery of \$10,797 in 2022. The expense recovery in 2022 relates to net interest income for the year ended December 31, 2022 of \$40,291 as compared to \$52,020 in 2023. The office, general and administration expense is expected to increase during the coming quarters as the Company has lower cash balances and will be generating less net interest income.

The Company incurred share based payments expense during the year ended December 31, 2023 of \$132,000 compared to 15,000 for the same period in 2022. Share based payments expenses are recorded based on the valuation of options using the Black-Scholes model. The expense varies based on the number of options issued and/or vested in the period and the underlying assumptions used in the model.

MINERAL EXPLORATION PROPERTIES

None of the Company's properties are at or near production. As at April 25, 2024, the Company had the following mineral properties under exploration:

Moonlight-Superior

Effective June 28, 2013, the Company purchased a 100% interest in the Superior Project, subject to an underlying production royalty, which included 132 unpatented mining claims and a lease on 36 patented claims in Plumas County, California for \$50,000. The conditions of the lease include an annual lease payment of US\$20,000 per year and an annual work obligation of US\$25,000. The Company has a right to purchase the leased patented claims for US\$10,000,000, and if purchased, the leased patented claims will be subject to a minimum annual net smelter royalty payment schedule of US\$600,000 per year to replace the current annual lease payment until the agreement is terminated or it reaches the capped net smelter return of US\$25,000,000, subject to CPI adjustments.

During the year ended December 31, 2015, the Company restaked the area in a more efficient way resulting in title to 47 unpatented claims. During the year ended December 31, 2016, the Company staked 57 additional claims. In addition, during the year ended December 31, 2018, the Company staked an additional 6 claims adjacent to the Superior Mine and an additional 35 new federal mining claims adjacent to the Engels Mine.

On February 26, 2016, the Company entered into an agreement with Canyon Copper Corp ("**Canyon**") to acquire a 100% interest in the Moonlight Property (the "**Agreement**"), subject to an underlying production royalty. Under the terms of the Agreement US Copper acquired a 100% interest in the Moonlight Property for consideration of \$375,000 and 2,750,000 common shares of the Company as follows:



- Cash Payments: \$5,000 due on signing (paid), \$20,000 due on or before June 1, 2016 (paid); and \$350,000 (Paid in February 2018) due on or before March 4, 2019.
- Common Share Issuances: 2,000,000 common shares on or before 5 days after TSXV approval, which was received on March 4, 2016 (issued with a fair market value of \$140,000), 750,000 common shares on or before 5 days after 1st anniversary of TSXV approval if the final payment has not yet been paid (issued with a fair market value of \$60,000).

In addition, the advanced royalty holders, being Lester Storey and Metamin Enterprises Inc., (the “**Advanced Royalty Holders**”) have approved the following: (i) elimination of the advanced royalty payments, (ii) an increase in each of the Advance Royalty Holder’s net smelter returns from 1.0% to 1.25%, in exchange for the issuance of 300,000 common shares of the Company to each of the Advance Royalty Holders (issued with a fair market value of \$42,000).

During the year ended December 31, 2020, the Company elected to not renew 75 unpatented claims. During the year ended December 31, 2021, the Company re-staked 47 unpatented claims. As at December 31, 2023, the Company holds a total of 329 (2022 – 329) unpatented claims and a lease on 36 (2022 – 36) patented claims.

On March 2, 2018, the Company announced the results of its PEA on the Moonlight Deposit, part of the Moonlight-Superior Project. A full copy of the PEA can be found on the Company’s profile on www.sedar.com. Highlights of the PEA Include (using a US\$3.15 copper price):

- Pre-tax Net Present Value (NPV): US\$ 237M at 8% discount rate.
 - Pre-Tax Internal Rate of Return (IRR): 16.4%
 - Pre-tax Payback Period: 4.8 years
 - After-tax NPV of US\$179M and after tax IRR of 14.6% for the base case
 - Initial Capital Cost: US\$513M, including a contingency provision in the amount of US\$71M
 - Plant Processing Rate: 60,000 tons per day (STPD)
 - Average Copper Recovery: 86.0%
 - Copper concentrate Production: Averaging 163,000 tons per year (STPY) with an average grade of 28%.
 - Mine Life: 17 years, based on the existing Mineral Resource estimate
 - Projected Direct Employment: 332 employees (163 process and G&A; 169 mining)
 - Life of mine copper production of 1.5 billion pounds
- On September 12, 2023, the Company announced the results of the exploration drilling program during the summer of 2023. A total of 15 shallow holes totalling 3,990 feet were drilled at the Engels deposit to test the oxide cap that sits atop the Engels copper sulfide deposit. Drilling at Engels proceeded quickly and the Company was also able to drill an additional 15 holes at the Moonlight deposit totalling 2,430 feet to test the oxide cap on that deposit. A further two holes were then drilled at the Lambs Ridge historical copper deposit. Highlights included:
 1. Mineralized drill hole intercepts were submitted for sequential copper assays and acid soluble copper was identified in 10 of 15 holes, including one intercept of 200 ft of 1.06% recoverable copper;
 2. Results confirmed historical drilling completed by previous operators in 2005-through 2009;
 3. Soluble copper averaged 85% of total copper; and



4. Acid soluble copper greater than 0.2% occurs over an area of 750 ft by 250 ft to an average depth of greater than 200 ft.

These results are now being reviewed by an independent engineering firm to determine:

1. Parameters for further metallurgical testing;
2. A new resource calculation for the oxide mineralization at Engels; and
3. The viability of an oxide mining operation beginning at Engels before moving to Moonlight.

Table 1: Summary of drill hole data

Engels Oxide Assays - 2023				Sequential copper assays			
DH#	from	to	Interval (ft)	Total	Leach Soluble Copper		
				Copper %	Total* %	Sulfuric acid Leachable %	Cyanide leachable %
23-ERC-01	0	200	200	1.14	1.06	0.45	0.62
Incl	80	140	60	2.05	1.95	0.77	1.18
23-ERC-06	0	220	220	0.31	0.26	0.19	0.07
Incl	0	100	100	0.50	0.44	0.38	0.06
	0	20	20	0.23	0.13	0.07	0.06
23-ERC-08	0	240	240	0.47	0.41	0.30	0.11
Incl	0	80	80	0.63	0.54	0.40	0.14
Incl	160	240	80	0.70	0.64	0.46	0.18
23-ERC-09**	0	280	255	1.20	1.06	0.91	0.14
23-ERC-10**	0	215	205	0.84	0.68	0.07	0.62
Incl	160	215	55	3.03	2.47	0.22	2.26
23-ERC-11	0	445	445	0.17	0.13	0.05	0.08
Incl	0	40	40	0.95	0.59	0.39	0.20
Incl	160	200	40	0.78	0.65	0.20	0.45
Incl	320	360	40	1.43	1.30	0.28	1.02
23-ERC-12	0	400	400	0.32	0.25	0.16	0.09
Incl	0	100	100	0.76	0.53	0.33	0.20
Incl	220	240	20	1.67	1.55	1.31	0.24
23-ERC-13	0	185	180	0.83	0.76	0.22	0.53
Incl	40	120	80	0.43	0.40	0.29	0.12
Incl	125	185	60	1.90	1.72	0.28	1.44
23-ERC-14**	0	400	375	0.63	0.57	0.45	0.12
Incl	50	160	110	1.02	0.90	0.75	0.16
Incl	175	300	125	0.61	0.56	0.42	0.14
23-ERC-15	5	400	395	0.85	0.75	0.41	0.33
Incl	5	140	135	1.00	0.84	0.66	0.18
Incl	220	280	60	2.28	2.10	0.74	1.36

(* Total leachable copper is the total of the sulfuric acid recovery and the cyanide recovery;

** void spaces associated with former workings are excluded from interval)

In 2020, the Company designed two drill programs at both the Superior and Engels deposits of the Moonlight-Superior property to define higher grade starter pits that will improve the economics of our recent Moonlight Preliminary Economic Assessment (“PEA”). In 2020 and 2021, the Company raised funds to



complete the drill program as outlined in its August 11, 2020 press release. Seven holes were drilled in the summer of 2021 and the results from all 7 holes met or exceeded expectations including:

1. Verifying 50-year-old historic drill results.
2. Quantifying silver and gold credits, Copper-equivalent grade increased by approximately 11% (8.2% – 14.4%).
3. Supporting the presence of higher-grade ore within the Superior deposit that can potentially be used to feed the Moonlight plant during early the production years to improve Project economics.

Table 2: Summary of drill hole data

DH#	From (ft)	To (Ft)	Interval (ft)	Cu %	Ag opt	Au opt	CuEquiv	Comments
S21-7	594.6	785.0	190.4	0.51	0.121	0.0006	0.556	Hit stope @ 1060'
S21-6 and	190.0	318.0	128.0	0.490	0.106	0.0005	0.530	
	413.0	496.0	83.0	0.43	0.152	0.0009	0.492	
S21-5	103.0	178.0	75.0	0.367	0.126	0.0007	0.417	
S21-4	462.0	556.7	94.7	0.537	0.141	0.0008	0.593	
S21-3	349.9	398.6	48.7	0.478	0.137	0.0008	0.533	Hit stope
S21-2	328.0	402.9	74.9	0.435	0.118	0.0005	0.478	Twin of S29
S21-1	118.0	287.4	169.4	0.514	0.128	0.0006	0.562	Twin of S47

*CuEq = Cu% + ((Au opt*31.1035/10,000) *Au\$/lb/Cu\$/lb) + ((Ag opt*31.1035/10,000) *Ag\$/lb/Cu\$/lb)

The Company hopes to resume the drill campaign and complete the remaining drill holes as originally planned in 2023.

The Company plans to continue to advance the development of the Moonlight-Superior project.

Timore

The Company owns a 100% interest in patented claims covering 1 property near Timmins, Ontario and 1 property near Red Lake, Ontario. The properties are subject to a 3% net smelter royalty (“NSR”), one half of which can be purchased for \$1,000,000.

The Timore properties are gold prospects.

Black Warrior

On May 20, 2008, the Company acquired a 100% interest in 2 patented claims for US\$25,000.

The Black Warrior properties are silver prospects.

Warren Whiteside

On January 29, 2008, the Company acquired a 100% interest in 14 patented mining claims in Whiteside Township in Ontario (the “**Warren Properties**”) by a payment of a deposit of \$5,000 on December 18, 2007, the payment of \$45,000 and the issuance of 500,000 pre-consolidation common shares of the



Company valued at \$100,000. The vendors retain a 1.5% NSR on the Warren Properties, of which the Company has the option to purchase half for \$1,000,000.

On August 23, 2021, the Company optioned the Warren Whiteside property (the “**Property**”) to Li3 for consideration of 2,500,000 common shares in the capital of Li3 (“**Common Shares**”) and exploration expenditures, payable as follows (the “**Transaction**”):

- upon signing the Agreement and after all regulatory approvals, Li3 will issue 200,000 Li3 Shares (received - fair market value on the date of the agreement of \$32,000);
- on or before February 1, 2022, Li3 will issue 800,000 Common Shares following the completion of not less than three diamond drilling holes of an aggregate of at least 450 feet on the Property and completing a technical report, prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (received - fair market value on date received on May 6, 2022 of \$120,000);
- and on or before December 1, 2022, Li3 will issue 1,500,000 Common Shares.

This Transaction is considered a related party transaction for accounting purposes as the Company and Li3 share a common officer, who is also a director of both Companies as well as a second director in common. The common officer and directors recused themselves from voting on any approvals related to the Transaction.

On April 6, 2023, the Company was notified by Li3, that Li3 had elected to drop its option on the Property.

On June 13, 2023, the Company optioned the Property Mink Ventures Corporation (“**MINK**”) for consideration of 1,500,000 common shares in the capital of MINK (“**MINK Shares**”), 250,000 MINK warrants exercisable at a price of \$0.25 for three years (“**MINK Warrants**”) and exploration expenditures, payable as follows (the “**Transaction**”):

- upon signing the Agreement and after all regulatory approvals (the “**Closing Date**”), MINK will issue 250,000 MINK Shares (received – July 4, 2023, fair market value on the date of the closing of \$38,750) and 250,000 MINK Warrants (received – July 4, 2023, fair market value on the date of the closing of \$21,000, calculated using the Black-Scholes option pricing model with the following assumptions: expected life – 3 years, dividend yield – 0%, risk-free interest rate – 4.26%, exercise price - \$0.25, market price on date of issue - \$0.155 and expected volatility – 100%);
- on or before 21 months from the Closing Date, MINK will issue 750,000 Mink Shares;
- On or before the first anniversary of the Closing Date, MINK must incur and fund exploration expenditures of not less than \$150,000; and
- On or before 21 months from the Closing Date, MINK must incur and fund further exploration expenditures of not less than \$150,000, which shall include expenditures incurred in completing not less than 500 metres of drilling.

In the event that MINK does not complete any of the above compensation, the Property and all consideration received to date would remain with the Company.

The Warren Whiteside properties are copper-nickel prospects.



Liquidity Outlook

US Copper had cash of \$581,096 available as at December 31, 2023, a decrease of \$1,299,353 from the balance at December 31, 2022 of \$1,880,449.

The current cash as at December 31, 2023, will be used to pay existing liabilities, care and maintenance at US Copper's Moonlight-Superior property in California, as well as for general working capital purposes and other property commitments. The Company will look to complete private placement financings or the sale of mineral property assets to help fund ongoing operations in 2024.

Notwithstanding success to date in acquiring equity financing on acceptable terms, there is no guarantee of obtaining future equity financings or on what terms any such equity capital may be available to the Company and, as such, alternative funding programs are also being pursued by the Company.

The Company must utilize its current cash reserves, funds obtained from the exercise of warrants, if any, and other financing transactions to maintain the Company's capacity to meet working capital requirements, and ongoing discretionary and committed exploration programs, and to fund any further development activities. The Company anticipates that it will raise additional capital when and if the opportunity arises. See "Risks and Uncertainties".

The Company believes that it will be able to raise funds in the short-term. Management will monitor the current market situation and make prudent business decisions as they are required. See "Risks and Uncertainties".

On the date of this MD&A, the cash resources of the Company are held in cash with a major Canadian financial institution and other receivables are comprised of sales tax receivables from the Government of Canada.

OFF STATEMENT OF FINANCIAL POSITION TRANSACTIONS

During the years ended December 31, 2023 and 2022, there were no off statement of financial position transactions. The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk.

PROPOSED TRANSACTIONS

None

CONTINGENCIES AND COMMITMENTS

Outside of annual lease and property tax payments on the Company's mineral properties, there are no outstanding contingencies or commitments as of the date of this MD&A. See Note 10 to the audited consolidated financial statements for the years ended December 31, 2023 and 2022 for more detailed disclosure regarding possible contingencies or commitments.



RELATED PARTY DISCLOSURES

Certain corporate entities and consultants that are related to the Company's officers and directors provide consulting and other services to US Copper. All transactions were conducted in the normal course of operations and are measured as follows:

As at December 31,	<u>2023</u>	<u>2022</u>
Amount included in trade and other payables, due to directors and/or officers	\$ Nil	\$ Nil

Amounts due to directors and officers are non-interest bearing and have no set terms of repayment.

Transactions during the year ended December 31,	<u>2023</u>	<u>2022</u>
Balances:		
Short-term benefits	\$ 60,000	\$ 60,000
Share based payments	84,000	-
Total compensation paid to key management	<u>\$ 144,000</u>	<u>\$ 60,000</u>

CRITICAL ACCOUNTING ESTIMATES

The preparation of these consolidated financial statements using accounting policies consistent with IFRS requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates relate to valuation of deferred income tax amounts and the calculation of share-based payments and warrants. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Calculation of share based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for share based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income taxes

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement



reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Decommissioning provisions

These are made based on the estimated settlement amounts. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed quarterly and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions on a quarterly basis. Actual rehabilitation costs will ultimately depend on actual future settlement amount for the rehabilitation costs which will reflect the market condition at the time that the rehabilitation costs are actually incurred. The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for.

Going concern assumption

Going concern presentation of the consolidated financial statements assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

Functional currency

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the parent company and its Canadian and US subsidiaries is the Canadian dollar.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair Value of Financial Assets and Liabilities

The Company's financial instruments comprise cash, marketable securities, trade and other receivable and trade and other payables.

Marketable securities are classified as fair value through profit and loss ("FVTPL") and investments are classified as available for sale, which are both measured at fair value. Fair value of marketable securities and investments are determined based on bid-ask spread at each reporting date and is categorized as Level 1 measurement under the fair value hierarchy. Cash and cash equivalents and other receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value due to their short-term nature. Trade and other payables and CEBA loan are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value due to their short-term nature.

The fair value hierarchy has the following levels:

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.



Financial Instrument Risk Exposures

It is management’s opinion that the Company is not exposed to significant interest or credit risks arising from its financial instruments and that their fair values approximate their carrying value unless otherwise noted. Fluctuation in currency exchange rates, principally the Canadian/US dollar exchange rate, can impact the Company’s earnings and cash flows.

ADDITIONAL DISCLOSURE FOR VENTURE COMPANIES WITHOUT SIGNIFICANT REVENUE

Year Ended December 31,	2023	2022
Evaluation and exploration expenditures in the year		
Taxes and annual lease payments	\$ 114,249	\$ 107,949
Property dispositions	(59,750)	(120,000)
Drilling	408,691	2,190
Assaying	177,777	8,574
Travel, equipment rental and other	126,601	85,699
Consulting	430,527	197,451
	\$ 1,198,095	\$ 281,863

DISCLOSURE OF OUTSTANDING SHARE DATA

The following table sets forth information concerning the outstanding securities of the Company as at April 25, 2024:

Common Shares of no par value	Number
Shares	115,154,627
Warrants	31,400,000
Options	6,625,000

See Note 12 to the audited consolidated financial statements for the years ended December 31, 2023 and 2022 for more detailed disclosure of outstanding securities data.

RISKS AND UNCERTAINTIES

Business Risk

There are numerous business risks involved in the mineral exploration industry, some of which are outlined below. The Company may not always own 100% of the mineral claims, concessions, rights or other interests. Similarly, any non-compliance with or non-satisfaction of the terms of an option agreement by the Company could affect its ability to exercise the option and earn its interest in the claims, concessions and assets relating to mineral properties.

Mining claims, concessions or other interests may not include surface rights and there can be no assurance that the Company will be successful in negotiating long-term surface rights access agreements in respect of the properties. Failure to obtain surface rights could have an adverse impact on the Company’s future operations.

The Company’s current or future operations, including exploration and evaluation activities, are subject to environmental regulations which may make operations not economically viable or prohibit them altogether.



The success of the operations and activities of the Company is dependent to a significant extent on the efforts and abilities of its management, outside contractors, experts and other advisors. Investors must be willing to rely to a significant degree on management's discretion and judgment, as well as the expertise and competence of the outside contractors, experts and other advisors. The Company does not have a formal program in place for succession of management and training of management. The loss of one or more of the key employees or contractors, if not replaced on a timely basis, could adversely affect the Company's operations and financial performance.

Additional Capital

The exploration activities of the Company may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration and evaluation of any of the Company's properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financings will be favourable to the Company. In addition, low commodity prices may affect the Company's ability to obtain financing.

Commodity Price Risk

The price of the common shares in the capital the Company, its financial results, exploration and evaluation activities have been, or may in the future be, adversely affected by declines in the price of copper and/or other metals. Copper, gold, silver and other commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control, such as the sale or purchase of commodities by various central banks, financial institutions, expectations of inflation or deflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, international supply and demand, speculative activities and increased production due to new mine developments, improved mining and production methods and international economic and political trends. The Company's revenues, if any, are expected to be in large part derived from mining and sale of precious and base metals or interests in properties related thereto. The effect of these factors on the price of precious and base metals, and therefore the economic viability of any of the Company's exploration projects, cannot accurately be predicted.

Acquisition

The Company uses its best judgment to acquire mining properties for exploration and evaluation. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable agreements, including arrangements to finance the acquisitions and evaluation, or integrate such opportunity and their personnel with the Company. The Company cannot assure that it can complete any acquisition that it pursues or is currently pursuing, on favourable terms, or that any acquisition completed will ultimately benefit the Company.

Political Risk

All of the Company's properties are located in Canada and the United States of America. Accordingly, the Company is subject to risks normally associated with exploration for and evaluation of mineral properties in these countries. The Company's mineral exploration activities could be affected in varying degrees by such political instability, aboriginal land claims and government regulation relating to foreign investment and the mining business. Operations may also be affected in varying degrees by terrorism, military conflict or repression, crime, extreme fluctuations in currency rates and high inflation.

Interest Rate Risk

The Company is not exposed to interest rate risk due to the short-term nature of its financial instruments.



Equity Price Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Company. The Company's maximum exposure to fair value fluctuations as at December 31, 2023 is the fair value of marketable securities. The Company's other financial instruments (cash and cash equivalents, other receivables, and trade and other payables) are not subject to equity price risk.

Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had current assets of \$675,772 (2022 - \$1,998,237) and current liabilities of \$69,782 (2022 - \$32,274). The Company's trade and other payables and receivables are subject to normal trade terms. As at December 31, 2023, the Company had working capital of \$605,990 (2022 - \$1,965,963).

Foreign Currency Risk

The Company's management is required to make judgments as to the currency of the primary economic environment in which an entity operates to determine the functional currency of the entity. The Company has determined that the functional currency of the parent company and its Canadian and US subsidiaries is the Canadian dollar.

Environmental and Permitting

All aspects of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. 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. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Competition

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than the Company. Competition in the mining business could adversely affect the Company's ability to acquire suitable producing properties or prospectus for mineral exploration in the future.

Internal Control over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting and financial statement preparation.

OTHER INFORMATION

Additional information is accessible at the Company's website www.uscoppercorp.com or through the Company's public filings at www.sedar.com.



MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's consolidated financial statements are the responsibility of the Company's management, and have been approved by the Board. The consolidated financial statements were prepared by the Company's management in accordance with IFRS. The consolidated financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the consolidated financial statements are presented fairly in all material respects.

The Company has designed appropriate internal controls over financial reporting ("ICFR") for the nature and size of the Company's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

The Company's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with applicable IFRS. ICFR should include those policies and procedures that establish the following inter-related, non-discrete results:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of the Company's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management and the Board; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

There have been no changes in ICFR during the year ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for all information contained in this MD&A. The audited consolidated financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A is consistent with that contained in the audited consolidated financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the audited consolidated financial statements with management. The Board of Directors has approved these audited consolidated financial statements on the recommendation of the Audit Committee.

Stephen Dunn
President and CEO
April 25, 2024