



## **MANAGEMENT DISCUSSION AND ANALYSIS NINE MONTHS ENDED JANUARY 31, 2024**

The following discussion and analysis, prepared as of March 27, 2024, should be read together with the unaudited condensed consolidated interim financial statements for the nine months ended January 31, 2024 and related notes attached thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. Additional information related to Kutcho Copper Corp. ("Kutcho Copper" or the "Company") is available for view on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Description of Business and Operations**

Kutcho Copper was incorporated pursuant to the Business Corporations Act of British Columbia and its office is at Suite 717 – 1030 West Georgia Street, Vancouver, BC. On December 14, 2017, concurrent with the acquisition of the Kutcho project described below, the Company changed its name from Desert Star Resources Ltd. to Kutcho Copper Corp. The Company's shares are listed on the TSX Venture Exchange ("TSXV") and trade under the symbol "KC" and on the OTCQX under the symbol KCCFF. The Company is engaged in the acquisition and evaluation of mineral property interests, and this activity is dependent upon management's ability to continue to procure adequate financing to investigate current and new exploration opportunities. Kutcho Copper is not aware of any contingent liabilities, legal proceedings, defaults or breaches, other than disclosed herein. Regulatory consent has been obtained for all significant transactions where required. There are no material deviations between the intended use of proceeds announced in financings and the actual use of those funds.

### ***Mineral properties***

#### **Kutcho Project**

The Company entered into a definitive agreement dated June 15, 2017 with Capstone Mining Corp. ("Capstone") to acquire 100% of the Kutcho high grade copper-zinc-gold-silver project ("Kutcho project"). The transaction, which entailed the acquisition of Capstone's subsidiary company, Kutcho Copper Corp. ("KCC") which owned the Kutcho project, closed on December 14, 2017 (the "Acquisition"). Concurrent with the Acquisition, KCC amalgamated with Kutcho Copper Holdings Inc., a wholly owned subsidiary of the Company.

The Kutcho project is located in northern British Columbia, approximately 100 kilometres east of Dease Lake and Highway 37, and consists of one mining lease and 72 mineral exploration claims encompassing 30,124 hectares. Full details of the Kutcho project and acquisition are contained in the Company's various news releases and the December 22, 2021 Feasibility Study Technical Report, which can be viewed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### ***Finance***

In December 2017, the Company entered into a Precious Metals Purchase Agreement ("PMPA") with Wheaton Precious Metals Corp. ("Wheaton"), under which Wheaton would pay the Company staged payments totaling US\$65 million (the "Deposit") for 100% of the silver and gold production from Kutcho until certain quantities have been delivered, at which point the stream will decrease to 66.67% of the silver and gold production for the life of the mine (the "Stream Reduction"). The PMPA provided for an additional expansion payment of up to US\$20 million to be payable by Wheaton in the event of future processing capacity increases (the "Expansion Payment"). The Company had received US\$7 million on an early deposit basis to fund expenditures at Kutcho, as provided in the PMPA. The balance of the US\$65 million was payable in installments during the construction of a mine.

In December 2017, the Company closed a loan agreement with Wheaton for gross proceeds of \$20 million (the “Convertible Note”). The Convertible Note was secured by all assets of the Company, was to mature after 7 years, and bore interest at the rate of 10% per annum, compounded and payable semi-annually. In November 2019, the Company and Wheaton entered into an agreement whereby Wheaton made a non-revolving credit facility available to the Company for up to \$1,300,000 with a maturity date of December 31, 2020 (the “Credit Facility”). The Credit Facility bore interest at the rate of 15% per annum.

On February 18, 2022, the Company closed an amendment agreement (the “Amendment”) with Wheaton in respect of the PMPA. At the date of closing, the Company was indebted to Wheaton in an amount of \$38.4 million under the Convertible Note and the Credit Facility, including principal and accrued interest. The Amendment provided for the settlement and termination of the Company’s debt instruments (the Convertible Note and the Credit Facility), both as amended with Wheaton, as consideration for the issuance to Wheaton of US\$7.5 million of common shares of Kutcho (the “Common Shares”), the removal of the Stream Reduction and the removal of the Expansion Payment. The amount settled under the Convertible Note and Credit Facility, less the value of the Common Shares issued to Wheaton, comprised an additional Deposit of Wheaton under the PMPA, bringing the total Deposit to US\$87.8 million. Wheaton remains obligated to pay the remaining initial Deposit of US\$58.0 million, subject to the terms and conditions of the PMPA, and would also make continuing cash payments equal to 20% of the applicable spot price of silver and gold for each ounce delivered under the PMPA. On closing of the transaction, the Company issued to Wheaton 10,485,958 Common Shares at a price of \$0.908 per Common Share. For further details regarding the Amendment, refer to the Company’s news releases of February 11, 2022 and February 22, 2022 which can be viewed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

On January 10, 2024, the Company closed a non-brokered private placement comprising of 14,400,000 common shares at a price of \$0.10 per unit. Each unit consists of one common share and one transferable common share purchase warrant exercisable at \$0.20 per common share for a period of 24 months from the closing date. The Company paid cash commissions of \$57,260 to the agents and incurred other share issuance costs of \$40,337. In addition, the Company issued to agents 572,600 finders warrants at an exercise price of \$0.20. The aggregate fair value of the finders’ warrants was determined to be \$13,433 using the Black-Scholes Option Pricing model.

### ***Operations***

Over the past several years, the overall objective of the Company has been to complete a feasibility study on the Kutcho project and to advance the permitting of the project for development of a mining operation.

Kutcho undertook various field and technical programs during 2018-2021 which successfully provided for comprehensive datasets required to form the basis for the preparation of the feasibility study. On December 22, 2021, the Company filed a report titled “NI 43-101 Feasibility Study Technical Report for the Kutcho Copper Project, British Columbia, Canada” which can be viewed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company is evaluating its plan to re-enter the Environmental Assessment process as the next step towards completion of permitting for mine development. In parallel, the Company is engaging in First Nation and community consultations with the view to completing economic participation agreements with both the Tahltan and Kaska First Nations.

Since completion of the feasibility study, the Company has been conducting further reviews and enhancements of project design and engineering, with a focus on potential for reductions in capital cost. Additionally, the Company has developed a detailed regional exploration plan for the Kutcho Project that included an extensive geophysics program across the entire claim block. The intent is to focus on gravity techniques and other improved remote sensing capabilities and new technologies, combined with existing data and interpretations, to generate compelling targets to be followed up with drill testing.

In July through December 2023, the Company carried out the planned geophysical programs and reported preliminary results in a news release dated September 12, 2023 and prioritization of targets in a news release dated December 5, 2023, which can be viewed on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca).

### **Mineral Property Expenditures**

The Company expended the following on acquisition and exploration costs on its properties during the nine months ended January 31, 2024 and the year ended April 30, 2023:

	<b>January 31, 2024</b>	<b>April 30, 2023</b>
<b>Property acquisition costs</b>		
Balance, beginning	\$ 35,955,419	\$ 35,955,419
Royalty re-purchase	-	-
<b>Balance, ending</b>	<b>35,955,419</b>	<b>35,955,419</b>
<b>Exploration and evaluation costs</b>		
Balance, beginning	29,302,411	23,186,294
Corporate social responsibility	-	76,696
Environmental	16,429	1,071,548
Permitting	-	1,290
Geotechnical	68,782	248,347
Metallurgy	157,445	46,534
Engineering	185,640	140,422
Exploration	1,646,395	138,325
Resource	93,026	74,961
General	72,167	180,467
Geology	-	11,472
Capitalized borrowing costs	-	4,126,055
<b>Balance, ending</b>	<b>31,542,295</b>	<b>29,302,411</b>
<b>Total</b>	<b>\$ 67,497,714</b>	<b>\$ 65,257,830</b>

### **Results of Operations**

As the Company has no revenue producing properties, it continues to incur operating losses. The net losses for the nine months ended January 31, 2024 and 2023 are summarized below.

	<b>Nine Months Ended January 31,</b>	
	<b>2024</b>	<b>2023</b>
Administration expenses	\$ 130,268	\$ 135,378
Consulting fees	75,150	53,510
Directors' fees	82,627	89,546
Management fees	456,750	320,445
Marketing and investor relations	263,016	449,519
Office and miscellaneous	120,570	138,821
Professional fees	111,883	192,769
Stock-based compensation	781,014	53,881
Transfer agent and filing fees	39,186	83,858
Travel	-	6,308
Non-cash interest expense	2,959,008	-
Flow-through recovery	(291,151)	-
Change in fair value of investment	1,695	92,811
Foreign exchange (gain)/loss	(37,903)	1,661,380
<b>Loss for the period</b>	<b>\$ 4,692,113</b>	<b>\$ 3,278,226</b>

The increase in management fees in the 2024 period compared with 2023 resulted from an increase in corporate activities as the Company proceeded with the preparation for the next phase of operations. The marketing and investor relations costs were incurred to inform investors about the Kutcho project, noting that there was a decrease in marketing activity when compared to the prior period. The costs were being recognized over the periods of the various contracts. Stock based compensation represents the value of stock options granted to directors, officers and consultants which vested in the period, and has also significantly increased in the current period as a result of stock option issuances in the period. The interest expense of \$2,959,008 in the 2024 period results from the updated cash flow model relating to the deferred liability owing to Wheaton under the PMPA (discussed above) as a result of the assumed four year delay in the modelled commencement of production established during the year ended April 30, 2023. The flow-through recovery of \$291,151 in the 2024 period resulted from eligible expenditures incurred in the period, thereby reducing the liability raised from a flow-through share issuance in the previous year. The Company recognized a loss of \$1,695 in 2024 on the change in value of an investment held in a publicly traded company, compared with a loss of \$92,811 in the 2023 period.

The Company's losses for the three months ended January 31, 2024 and 2023 are summarized below. The primary reasons for the fluctuations between comparative periods are similar to those for the nine months periods discussed above.

	<b>Three Months Ended January 31,</b>	
	<b>2024</b>	<b>2023</b>
Administration expenses	\$ 40,351	\$ 43,500
Consulting fees	16,991	28,260
Directors' fees	24,290	27,571
Management fees	127,500	108,750
Marketing and investor relations	64,639	74,155
Office and miscellaneous	59,846	37,620
Professional fees	2,634	137,587
Stock-based compensation	158,674	23,038
Transfer agent and filing fees	9,026	60,599
Travel	-	6,308
Non-cash interest expense	1,028,667	-
Flow-through recovery	(35,317)	-
Change in fair value of investment	721	(76,878)
Foreign exchange (gain)/loss	28,201	(986,546)
Loss for the period	\$ 1,469,821	\$ 516,036

### **Summary of Quarterly Results**

	<b>Three Months Ended 31/01/24 \$</b>	<b>Three Months Ended 31/10/23 \$</b>	<b>Three Months Ended 31/07/23 \$</b>	<b>Three Months Ended 30/04/23 \$</b>	<b>Three Months Ended 31/01/23 \$</b>	<b>Three Months Ended 31/10/22 \$</b>	<b>Three Months Ended 31/07/22 \$</b>	<b>Three Months Ended 30/04/22 \$</b>
Total assets	69,817,619	68,969,095	69,686,199	70,230,683	67,180,413	66,046,979	64,806,803	61,793,930
E&E and development assets	67,497,714	67,308,963	66,319,060	65,257,830	65,434,964	63,554,548	61,594,419	59,141,713
Working capital surplus (deficiency)	1,889,733	1,004,407	2,445,738	3,747,077	1,329,437	2,080,398	2,569,331	1,318,861
Shareholders' equity	41,689,612	41,644,923	43,165,324	44,244,875	21,459,266	20,920,192	23,589,756	21,769,261
Revenues	-	-	-	-	-	-	-	-
Net profit/ (loss)	(1,469,821)	(1,696,426)	(1,525,866)	19,076,023	516,036	(3,040,877)	(753,385)	550,170
Earnings (loss) per share	(0.01)	(0.01)	(0.01)	0.15	0.00	(0.02)	(0.01)	0.00

The net income for the quarter ended April 30, 2022 included a gain on the settlement of a convertible debt. The net loss for the quarter ended July 31, 2022 reduced in relation to losses in previous quarters due to the settlement of borrowings and the corresponding elimination of interest and accretion costs. The income in the quarter ended April 30, 2023 included a gain of \$19,644,303 on the change in a deferred liability. The loss in the quarter ended January 31, 2024, was largely attributable to an interest expense of \$1,028,667.

## **Liquidity and Capital Resources**

Kutcho Copper does not currently own or have an interest in any producing resource properties and has not yet derived any revenues from the sale of mineral property interests in the last three financial years. The Company's activities have been funded through the issuance of common shares pursuant to private placements, the exercise of stock options and warrants and loan financing. The Company expects that it will continue to be able to utilize this source of financing until it develops cash flow from its operations. There can be no assurance, however, that the Company will be able to obtain required financing in the future on acceptable terms, or at all. As of January 31, 2024, the Company had a cash balance of \$1,267,120 and working capital surplus of \$1,889,733. The Company has not earned cash from operations in the past, nor does it expect to in near future periods.

The Company continues to pursue and take advantage of financing opportunities. Although management believes that it has sufficient funds available to maintain its proposed project in the near term, it will require further funding to complete its programs on the Kutcho project and continues its efforts to source equity, debt or other forms of financing to fund its ongoing activities.

## **Investor Relations**

The Company currently has no third party providing investor relations or other related services on its behalf.

## **Off-Balance Sheet Arrangements**

The Company does not have any off-balance sheet arrangements which may affect the Company's current or future operations or conditions.

## **Outstanding Share Data**

The authorized capital of the Company consists of an unlimited number of common shares. As of the date of this report, there were 154,916,699 common shares issued and outstanding.

At the date of this report, there are 9,600,000 stock options outstanding with a weighted average exercise price of \$0.47 and a weighted average remaining contractual life of 3.04 years. The detail is as follows:

<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Balance, end of period</b>
\$0.25	September 1, 2025	1,375,000
\$0.55	March 25, 2026	1,225,000
\$0.60	August 31, 2026	100,000
\$0.90	January 30, 2027	2,100,000
\$0.25	July 12, 2027	500,000
\$0.35	February 7, 2028	3,500,000
\$0.25	May 1, 2028	750,000
		9,600,000

The outstanding warrants at the date of this report, with a weighted average exercise price of \$0.28 are detailed below:

<b>Exercise Price</b>	<b>Expiry Date</b>	<b>Balance, end of period</b>
\$0.20	January 10, 2025	572,600
\$0.40	April 28, 2025	4,391,270
\$0.45	April 28, 2025	3,873,821
\$0.20	January 10, 2026	14,400,000
		23,237,691

## **Related Party Transactions**

All transactions with related parties occurred in the normal course of business and were measured at the exchange amount, which was the amount of consideration agreed upon between management and the related parties.

The Company holds 750,000 shares in a TSXV listed company with directors and officers in common. This investment is measured at its estimated fair value which of January 31, 2024 was \$146,024.

Remuneration of directors and key management personnel of the company was as follows:

	<b>Three months ended Jan. 31,</b>		<b>Nine months ended Jan. 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Aggregate cash compensation	\$ 168,490	\$ 129,924	\$ 616,166	\$ 403,594
Stock based compensation	141,408	28,318	566,499	53,881
	<b>\$ 309,998</b>	<b>\$ 158,242</b>	<b>\$ 1,182,666</b>	<b>\$ 457,475</b>

## **Financial Instruments**

Kutcho Copper's financial instruments consist of cash, receivables, marketable securities, investments, trade payables and deposit liability. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments is approximately equal to their carrying values. The Company does not use derivative instruments or foreign exchange contracts to hedge against gains or losses arising from foreign exchange fluctuations.

## **Capital Management**

The Company's objectives when managing capital is to maintain sufficient capital for potential investment opportunities and to pursue generative exploration opportunities. The Company from time to time will issue new shares to fund specific project initiatives. The Company considers its cash to be its manageable capital. The Company's policy is to maintain sufficient cash and deposit balances to cover operating and exploration costs over a reasonable future period. The Company accesses capital markets through equity issues as necessary and may also acquire additional funds where advantageous circumstances arise.

## **Recent Accounting Pronouncements**

### ***Issued but not yet effective accounting standards***

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

## **Contingency**

The company's subsidiary, Kutcho Copper Holdings, filed tax returns for the years ended April 30, 2019 and April 30, 2020 in which Cumulative Canadian Exploration Expense ("CCEE") amounts of approximately \$12 million were reported. BCMETC claims were filed for this amount in the tax returns. An audit by Canada Revenue Agency ("CRA") resulted in reassessments, which reduced the BCMETC claims to approximately \$2.0 million. An objection to the reassessments has been filed with the CRA as the Company believes the original claims were appropriately filed. The Company is not able to determine the possible outcome of such objection, however if the objection is unsuccessful, the total liability to the Company relating to the BCMETC would be approximately \$1.4 million.

The Company raised \$4.1 million in flow-through financing in the April 30, 2019 tax year, which funded the CCEE incurred in that year. The Company renounced \$4.1 million in 2019, passing on this tax benefit to the flow-through investors. If the objection related to the BCMETC claim is unsuccessful, it could trigger amendments to the amount of CCEE renounced to the flow-through investors. The Company is not able to determine the possible outcome, however, the maximum exposure to the Company would be approximately \$2.9 million.

## **Risk Factors**

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Due to the nature of the Company's proposed business and the present stage of exploration of the Kutcho project, the following risk factors, among others, will apply to the Company. Mineral exploration and development involve a high degree of risk, requires substantial expenditures and few properties that are explored are ultimately developed into producing mines.

### ***Exploration and Development Risks***

Resource exploration and development is a speculative business, involving considerable financial and technical risks, including the failure to discover mineral deposits, market fluctuations and government regulations, which are beyond the control of the Company.

### ***Mineral Deposits and Production Costs; Metal Prices***

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of mineral products. The value of the Company's mineral property interest is directly influenced by metal prices. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Company's property can be mined profitably.

### ***Additional Financing***

Future exploration and development activities, including corporate costs will require additional financing. If such additional financing is not available, it would result the Company's operations being adversely affected, including a delay or indefinite postponement of exploration and development of the property interests of the Company. Although management believes that it has sufficient funds available to maintain its proposed project in the near term, it will require further funding to complete its program on the Kutcho project and continues its efforts to source equity and debt finance to fund its ongoing activities. There can be no assurance, however, that the Company will be able to obtain required financing in the future on acceptable terms, or at all.

### ***Title Matters***

Title to mineral properties cannot be guaranteed. Title to mineral properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or the rights of indigenous peoples.

### ***Permits and Licenses***

The operations of the Company require licenses and permits from various governmental and non-governmental authorities. There can be no assurances that the Company will be able to obtain all necessary licenses and permits required to carry out exploration, development and mining operations for its proposed projects.

### ***Environmental and other Regulatory Requirements***

The operations of the Company require permits from various levels of government. Such operations are subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

### ***Competition***

The mineral exploration and mining business is competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company's, in the search for and the acquisition of attractive mineral properties. There is no assurance that the Company will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

### ***Dependence on Key Individuals***

The Company is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on the Company. The Company does not maintain key-person insurance on the lives of any of its key personnel. In addition, while certain of the Company's officers and directors have experience in the exploration of mineral producing properties, the Company will remain highly dependent upon contractors and third parties in the performance of their exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of the Company or be available upon commercially acceptable terms.

### ***Currency Risk***

Since most mineral commodities are sold in a world market in U.S. dollars, currency fluctuations may affect the cash flow which the Company may realize from its operations. The Company's costs are incurred primarily in Canadian dollars.

### ***Influence of Third-Party Stakeholders***

The lands in which the Company holds interests, or the exploration equipment and roads or other means of access which the Company intends to utilize in carrying out work programs or general exploration 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 work programs of the Company may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for the Company.

### ***Fluctuation in Market Value of Shares***

Investing in the Company is of a highly speculative nature. The market price of a publicly-traded stock is affected by many variables not directly related to the corporate performance of the entity, including the market in which it is traded, the strength of the economy in general, the availability and attractiveness of alternative investments, and the breadth of the public market for the stock. The future effect of these and other factors on the market price of the Company's shares on the TSXV cannot be predicted.

### **Forward-Looking Statements**

This MD&A includes certain forward-looking statements with respect to various issues including upcoming events. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "believes", "intends", and similar expressions, or that events or conditions "will", "will be", "may", "could", "in the event that" or "would" occur. By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

With respect to forward-looking information contained herein, the Company has applied several assumptions including, but not limited to: successful completion of the environmental assessment process; that the results of the feasibility study can be replicated in the development and operation of a mining operation; that all necessary governmental approvals for the planned exploration and environmental protection activities on the Kutcho project will be obtained in a timely manner and on acceptable terms; whether its reviews and possible enhancements of project design and engineering and the potential for reductions in capital cost will be successful; whether targets identified by recently completed geophysical programs represent mineralization of potential economic interest; that additional financing needed for continuing activities and mine development and operations will be available on reasonable terms; that the current exploration, environmental and other objectives concerning the Kutcho project can be achieved; that the Company's other corporate activities will proceed as expected and that general business and economic conditions will not change in a materially adverse manner.

Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future results and actual results may differ materially from those in forward-looking statements. Factors that could cause the actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration success, continued availability of capital and financing and general economic, market or business conditions. These and other risks and uncertainties set out under the heading "Risk Factors" in this MD&A. Investors are cautioned that any such statements are not guarantees of future results and actual results or developments may differ materially from those projected in the forward-looking statements.

Any forward-looking information contained herein is stated as of the date of this document and Kutcho does not intend, and does not assume any obligation, to update such forward-looking information to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events unless required to do so by law or regulation. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may fail to overcome. Exploration activities seldom result in the discovery of a commercially viable mineral resource. Exploration activities are also expensive. Kutcho Copper will therefore require additional financing to carry on its business, and such financing may not be available when it is needed. Unless otherwise required by applicable securities laws, Kutcho Copper expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise.