



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

For The Three Months Ended March 31, 2025  
(In Canadian dollars)

# MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("**MD&A**") constitutes the information and factors that management believe are relevant to understanding the consolidated financial condition and operating performance of Culico Metals Inc. and its subsidiaries ("**Culico**" or the "**Company**") for the three months ended March 31, 2025. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the period ended December 31, 2024, which are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standard Board ("**IFRS Accounting Standards**"). This MD&A contains certain forward-looking statements and reference should be made to the 'Cautionary Statement Regarding Forward-Looking Information' found at the end of this MD&A.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers information to be material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of the Company's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors.

Additional information relating to the Company, including its Listing Application dated August 12, 2024, is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Certain non-IFRS measures are included in this MD&A. The Company believes that these measures provide investors an improved ability to evaluate the underlying performance of the Company. The non-IFRS measure should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The non-IFRS measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to other issuers.

Results are reported in Canadian dollars, unless otherwise noted. Information contained herein is presented as at May 21, 2025.

## OVERVIEW

Culico Metals Inc. ("**Culico**" or "**Company**") is a company domiciled in Canada incorporated on April 5, 2024, under the Canada Business Corporations Act. The Company's registered office is located at 100 King Street West, Suite 3400, 1 First Canadian Place, Toronto, Ontario, M5X 1A4, Canada.

Culico is a company focused on creating value in the mineral exploration, development and production sector. Culico's current assets include a 1% lithium royalty on certain mining interests held by Kali Metals Limited ("**Kali**", ASX:KM1), the right to receive the trailing asset sale proceeds for the Dumont asset being an amount up to US\$30 million and 10 million, or 1.68%, of the common shares of Americas Gold and Silver Corporation ("**AGS**"). AGS is listed on the Toronto Stock exchange under the stock symbol 'USA'. The fair value of the AGS shares was \$7.7 million on March 31, 2025.

The Company is a reporting issuer under applicable securities legislation in each of the provinces of Canada and its outstanding common shares are listed on the TSXV under the symbol "CLCO". The Company is currently listed pursuant to the TSXV Sandbox as the Company did not meet all TSXV's listing requirements, and will remain so until, among other things, Culico has deployed at least \$4,663,000 to at least two qualifying investments that are satisfactory to the TSXV. After completing a qualifying \$4 million investment into AGS as announced on November 12, 2024, Culico is required to deploy at least \$663,000 to at least one more qualifying investment prior to August 14, 2025. Subsequent to the first quarter of 2025, on April 22, 2025, the Company completed a US\$3 million qualifying investment in Kharrouba Copper Company Inc. ("**KCC**"). Investors are advised to read the Company's news release dated August 14, 2024 to review all waivers granted in connection with the Company's listing, details on the listing conditions imposed on the Company, the exit conditions the Company must meet in order to exit TSXV Sandbox, and any consequences if the Company does not meet these exit conditions. There can be no assurance that the Company will meet all the exit conditions. For details on TSXV Sandbox, please visit (<https://www.tsx.com/en/listings/tsx-and-tsxv-issuer-resources/tsx-venture-exchange-issuer-resources/tsxv-sandbox>).

## OPERATIONS AND FINANCIAL POSITION

<b>As at</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Cash	<b>\$4,950,981</b>	\$5,958,214
Working capital	<b>\$4,627,274</b>	\$5,107,765
Total assets	<b>\$9,619,746</b>	\$10,955,385
Total liabilities	<b>\$1,140,061</b>	\$1,662,695
Shareholders' equity	<b>\$8,479,685</b>	\$9,292,690

Working capital is a non-IFRS measure which assists management in assessing liquidity and enabling informed decision making. It is calculated as follows:

<b>As at</b>	<b>March 31, 2025</b>	<b>December 31, 2024</b>
Current assets	<b>\$5,123,123</b>	\$6,109,097
Current liabilities	<b>495,849</b>	1,001,332
Working capital	<b>\$4,627,274</b>	\$5,107,765

### DUMONT PAYMENT RIGHT

The Company is party to an agreement that provides for the Company to receive up to US\$30 million in relation to a trailing asset sale proceeds for the Dumont nickel asset. Specifically, the Company has the right to receive a portion of future proceeds of any future Dumont sale or other monetization event. On a sale or other monetization event, the Company will be entitled to receive 15% of the net proceeds from the transaction (net of certain agreed costs and deductions) up to a maximum of an additional US\$30 million. No carrying value has been assigned to the Dumont nickel right as the Company determined there was insufficient certainty of receiving proceeds from this agreement to record a financial asset.

### LITHIUM ROYALTY RIGHTS

As a part of the Lithium Royalty Rights divestment, the Company holds a 1% net smelter royalty ("NSR") on any future lithium mined by Kali from the Higginsville Gold Operations tenement package. No carrying value has been attributed to NSR on the basis that Kali has not established a Lithium Mineral Resource estimate.

### AMERICAS GOLD AND SILVER

The Company holds 10 million or 1.68% of the common shares of AGS. Due to significant representation on both the Culico and AGS boards as well as some commonality of senior management, the Company is considered to have significant influence of AGS under IFRS and consequently accounts for its investment using the equity method despite having less than a 20% ownership interest.

## FINANCIAL RESULTS

Rental income	\$12,119
Interest income	41,405
Share of loss of associated company	514,140
General and administrative expenses	862,772
Depreciation	34,560
Accretion	16,732
Foreign exchange loss	(4,073)
Income tax recovery	(181,899)
Net loss	1,188,708

### INTEREST INCOME

Interest income represents interest earned on the Company cash balances.

### SHARE OF LOSS OF ASSOCIATED COMPANY

Share of loss of associated company represents the Company's share on the loss of AGS for the first quarter of 2025, as required under the equity method of accounting. The fair value of the Company's investment in AGS at March 31, 2025 is \$7.7 million or \$3.7 million increase in the value since inception.

### GENERAL AND ADMINISTRATIVE

General and administrative expenses of \$862,772 for the three months ended March 31, 2025 was mainly attributable to employee related expenses as well as consulting fees.

## LIQUIDITY AND CAPITAL RESOURCES

### CASH FLOWS

#### For the three months ended March 31, 2025

Cash used in operating activities:	
Before working capital changes	(\$430,835)
Working capital changes	(528,088)
Net cash used in operating activities	(958,923)
Net cash used in financing activities	(48,742)
Net change in cash flows	(\$1,007,665)
Effect of exchange rate changes on cash and cash equivalents	432
Opening cash	5,958,214
Closing cash	\$4,950,981

### OPERATING ACTIVITIES

For the three months ended March 31, 2025, cash used in operating activities, prior to changes in non-cash working capital of \$430,835 was primarily in respect of general and administrative expenses.

### INVESTING ACTIVITIES

For the three months ended March 31, 2025, the Company had no investing activities. Subsequent to the end of the quarter the Company completed an investment of US\$3 million in KCC (refer to Subsequent events).

## FINANCING ACTIVITIES

During the three months ended March 31, 2025, the Company paid \$35,399 in respect of share issue costs which were unpaid and accrued in accounts payable and accrued liabilities at December 31, 2024. The Company also used cash of \$13,343 for lease payments.

## GOING CONCERN

The financial statements of the Company have been prepared on a historical cost basis in accordance with IFRS Accounting Standards applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company reported a net loss of \$1,188,708 for the three months ended March 31, 2025 which could cast significant doubt upon the Company's ability to continue as a going concern and accordingly, the appropriateness of the use of IFRS Accounting Standards applicable to a going concern. The Company's ability to continue future operations and fund its investments is dependent on management's ability to secure additional funding in the future or liquidating some of its assets and there can be no assurance it will be able to do so in the future.

## OUTLOOK

Culico is focused on investing in and acquiring past producing, development and currently producing mining assets, with a focus on base and battery metals assets. To date, the Company has identified an investment opportunity in Americas Gold & Silver Corporation, resulting in a \$4,000,000 investment as well as the investment in KCC described below as a subsequent event. Concurrently, Culico has been evaluating additional investment opportunities in the base and battery metals sector, with a focus on producing or past producing copper operations located in mining friendly jurisdictions.

## OUTSTANDING SHARE DATA

As at May 21, 2025, the Company had 80,733,519 common shares issued and 8,025,000 outstanding options, which are exercisable for common shares.

## OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements.

## SUBSEQUENT EVENT

On April 22, 2025, the Company acquired 30 million common shares of Kharrouba Copper Company Inc. KCC is a Canadian privately owned copper producer, operating the KCC mine, located within an emerging copper mineral belt in the Kingdom of Morocco.

## DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DCP") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Venture issuer companies are not required to provide representations in the annual or interim filings relating to the establishment and maintenance of DCP and ICFR, as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"). In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual or interim filings or other reports filed or submitted under

securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The CEO and CFO being the Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer (as defined in NI 52-109) to design and implement on a cost-effective basis DCP and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of annual filings and other reports provided under securities legislation.

## CONTROLS AND PROCEDURES

In connection with NI 52-109 the CEO and CFO of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements and respective accompanying MD&A as at May 21, 2025 (together the "Interim Filings").

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Annual Filings on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## MATERIAL ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The Company's material accounting policies are disclosed in note 3 of the audited consolidated financial statements for the year ended December 31, 2024.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and expenditures on the financial statements. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience. Actual outcomes could differ from these estimates and assumptions. Estimates are reviewed on an ongoing basis and are based on historical experience and other facts and circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

## ADDITIONAL INFORMATION

Additional information relating to Culico can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), or on Culico's website at [www.culicometals.com](http://www.culicometals.com).

Investors are advised that the Company is currently listed on the TSXV pursuant to the TSXV Sandbox as the Company did not meet all TSXV's listing requirements, and will remain so until, among other things, Culico has deployed at least \$4,663,000 to at least two qualifying investments that are satisfactory to the TSXV. The Company completed a qualifying \$4 million Investment into Americas Gold and Silver Corporation as announced on November 12, 2024, Culico is now required to deploy at least \$663,000 to at least one more qualifying investment prior to August 14, 2025. Investors are advised to read the Company's news release dated August 14, 2024 to review all waivers granted in connection with the Company's listing, details on the listing conditions imposed on the Company, the exit conditions the Company must meet in order to exit TSXV Sandbox, and any consequences if the Company does not meet these exit conditions. There can be no assurance that the Company will meet all the exit conditions. For details on TSXV Sandbox, please visit (<https://www.tsx.com/en/listings/tsx-and-tsxv-issuer-resources/tsx-venture-exchange-issuer-resources/tsxv-sandbox>).

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This MD&A contains certain "forward-looking statements" under applicable Canadian securities laws concerning the business, operations and financial performance and condition of Culico. Except for statements of historical fact relating to Culico, all statements included herein are forward-looking statements. The words "believe", "expect", "strategy", "target", "plan", "scheduled", "commitment", "opportunities", "guidance", "project", "continue", "on track", "estimate", "growth", "forecast", "potential", "future", "extend", "planned", "will", "could", "would", "should", "may" and similar expressions typically identify forward-looking statements.

Forward-looking statements are necessarily based on the opinions and estimates of management at the date the statements are made and are based on a number of assumptions and 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. Many of these assumptions are based on factors and events that are not within the control of Culico and there is no assurance they will prove to be correct.

These factors are discussed in greater detail in Culico's TSXV Form 2B – Listing Application, filed under the Company's issuer profile on SEDAR+, which also provides additional general assumptions in connection with these statements. Culico cautions that the foregoing list of important factors is not exhaustive. Investors and others who base themselves on forward-looking statements should carefully consider the above factors as well as the uncertainties they represent and the risk they entail.

Although Culico has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Culico undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements. Comparative market information is as of a date prior to the date of this document. Further, the forward-looking statements included herein speak only as of the date of this news release.