

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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The following discussion is management's assessment and analysis of the results and financial condition of Interra Copper Corp. (formerly IMC International Mining Corp.) (the "Company") and should be read in conjunction with the accompanying unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020 and the audited consolidated financial statements for the year ended December 31, 2020, and the related notes contained therein. The financial data was prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS") and, all figures are reported in Canadian dollars unless otherwise indicated. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company and, as such, is not a substitute for detailed investigation or analysis on any particular issue.

#### **REPORT DATE**

The effective date of this report is August 27, 2021 (the "Report Date").

#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur, or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about current mineral property interests, the global economic environment, the market price and demand for commodities and our ability to manage our property interests and operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) a decreased demand or price of precious and base metals, (3) delays in the start of projects with respect to our property interests, (4) inability to locate and acquire additional property interests, (5) the uncertainty of government regulation and politics in the state of Arizona regarding mining and mineral exploration, (6) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, and (7) other factors beyond our control.

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the previous section entitled "Risk Factors and Uncertainties".

#### **MANAGEMENT'S RESPONSIBILITY**

The accompanying unaudited condensed interim consolidated financial statements of the Company and the Management's Discussion and Analysis ("MD&A") have been prepared by and are the responsibility of management.

#### **QUALIFIED PERSON**

The scientific and technical information contained in this MD&A has been reviewed and approved by the Company's Chief Operating Officer, Christopher O. Naas, P. Geo., a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101").

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

#### **INTERNAL CONTROLS**

Chief Executive Officers and Chief Financial Officers of Canadian public companies, excluding venture issuers, are required to certify on the design and the effectiveness of their company's disclosure controls and procedures and internal control over financial reporting.

#### **DESCRIPTION OF BUSINESS**

The Company was incorporated in the Province of British Columbia on August 30, 2018, under the Business Corporations Act (British Columbia) with the name IMC International Mining Corp. for the purposes of a plan of arrangement with Chemesis International Inc. ("Chemesis"), a publicly traded company. The Company subsequently changed its name on May 31, 2021, from IMC International Mining Corp. to Interra Copper Corp. The Company's registered office is located at 2200 HSBC Building, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8. On September 23, 2019, the common shares of the Company were approved for listing on the Canadian Securities Exchange (the "CSE") and commenced trading on September 24, 2019, under the symbol "IMCX". On March 3, 2020, the common shares of the Company were listed on the Frankfurt Stock Exchange under the symbol "3MX". On February 26, 2021, the common shares of the Company were quoted on the OTCQB Marketplace under the symbol "IMIMF" in the United States.

The Company is a junior mineral exploration company engaged in the acquisition, exploration and evaluation of natural resource properties in British Columbia, Canada, and in Arizona, United States.

The Company has focused on its acquisition of interests in the Arizona, United States, through its wholly-owned subsidiary, Canadian Mining of Arizona Inc. ("CMAI"), which was incorporated on April 17, 2007. The Company acquired all of the issued and outstanding shares of CMAI and all of its assets as part of the plan of arrangement with Chemesis completed February 1, 2019 (the "Arrangement"). Under the terms of the Arrangement, the Company issued 6,493,242 common shares to Chemesis in exchange for Chemesis' 100% interest in CMAI.

The Company has focused on its acquisition of interests in the British Columbia, Canada, through its wholly-owned subsidiary, Thane Minerals Inc. ("Thane"), which was incorporated on February 1, 2012. The Company acquired all of the issued and outstanding shares of Thane and all of its assets from the former shareholders of Thane on March 31, 2020. As consideration for the acquisition of 100% of the issued and outstanding Thane common shares, the Company agreed to issue to the then shareholders of Thane (the "Vendors") an aggregate of \$2,500,000 of common shares in the capital of the Company at a fair market value of \$0.475 per common share, representing 5,263,158 common shares, escrowed and released over a 36-month period. A total of 200,000 common shares were also issued at a fair market value of \$0.475 to a finder as compensation in connection with the transaction. In addition to the foregoing, if through additional exploration programs, a resource calculation of at least 800,000,000 lbs of copper-equivalent is determined by a NI 43-101 compliant resource estimate to be indicated within the Cathedral Area, then the Company will issue an additional aggregate of \$2,000,000 worth of common shares (or cash in lieu) to the Vendors.

The Company currently has two mineral exploration properties, the Bullard Pass Property located in Arizona, United States, held through CMAI and the Thane Property located in north-central British Columbia held through Thane, the details of which are set out below. The Company's principal objective is to explore and develop its properties and to identify other properties worthy of investment and exploration.

The Company has not yet determined whether its property interests contain reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred exploration expenditures are dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource property and upon future profitable production or proceeds from the disposition thereof.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

The continuing operations of the Company are dependent upon its ability to develop a viable business and to attain profitable operations and generate funds therefrom. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs by the issuance of common shares. If the Company is unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its statement of financial position.

#### **HIGHLIGHTS**

##### **Highlights subsequent to June 30, 2021**

- On August 11, 2021, Dave McMillan resigned as Interim Chief Executive Officer and Interim President of the Company and Jason Nickel, P. Eng., was appointed Chief Executive Officer of the Company. Mr. Nickel holds a degree in Applied Science in Mine Engineering from the University of British Columbia and a post graduate diploma in Business Administration from Simon Fraser University. Mr. Nickel brings 25 years of experience in Mine Operations, Engineering, Project Development and resource company management to the Company along with a decade of corporate and junior resource markets focus.
- On July 28, 2021, Gordon Neal was appointed a director of the Company. Mr. Neal is President of Neal & Company Consultants and has provided more than 30 years of capital markets and corporate governance advisory services to public and private companies.
- On July 6, 2021, Oliver Foeste was appointed Chief Financial Officer of the Company, filling the vacancy created by the resignation of Jamie Lewin as Chief Financial Officer.
- On July 6, 2021 and July 28, 2021, an aggregate of 2,400,000 stock options were granted to directors and officers of the Company. These stock options have an exercise price of \$0.22, a five-year life, and vest over a period of 18 months with 25% vested upon the date of grant and 25% vest every six months thereafter until fully vested.

##### **Highlights during the six months ended June 30, 2021**

- During May 2021, the Company changed its name to Interra Copper Corp. and announced a new marketing effort, including a new website, rebranding and the planned development of an advanced online footprint. The Company's trading symbols will remain unchanged.
- On May 28, 2021, the Company closed the third and final tranche of a non-brokered private placement financing comprising 166,667 Units at \$0.15 per Unit for gross proceeds of \$25,000.
- On May 25, 2021, the Company engaged CME Consultants Inc. to manage and supervise the 2021 exploration program for the Thane property with projected costs of \$2,400,000, as agreed to the 2021 budget.
- On May 19, 2021, the Company closed the second tranche of the non-brokered private placement financing comprising 2,386,870 flow-through units ("FT Unit") at a price of \$0.20 per FT Unit and 5,176,366 standard equity units ("Units") at \$0.15 per Unit for total gross proceeds of \$1,253,829. Each FT Unit consists of one common share that qualifies as a 'flow-through share' for the purposes of the Income Tax Act (Canada) and one non-flow-through common share purchase warrant exercisable at \$0.30 for 24 months from the date of issuance into a common share. Each Unit consists of one common share and one common share purchase warrant exercisable at \$0.30 for 24 months from the date of issuance into a common share.
- On May 19, 2021, the Company contracted Investing News Network, Stockhouse Publishing Ltd. and Cana Com Group to assist with its marketing program.
- On May 10, 2021, Faizaan Lalani resigned as a director of the Company and David McAdam and Jason Nickel were appointed directors of the Company.
- On April 18, 2021, a total of 1,500,000 common share purchase warrants expired unexercised.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

- On April 16, 2021, the Company closed the first tranche of a non-brokered private placement financing comprising 6,486,870 FT Units at a price of \$0.20 per FT Unit, and 835,000 Units at \$0.15 per Unit for total gross proceeds of \$1,422,624.
- On March 1, 2021, an aggregate of 400,000 stock options were granted to a consultant at an exercise price of \$0.25. These stock options bear a three-year term (expiring March 1, 2024) and vest over a period of 18 months with 25% vested upon the date of grant and 25% every six months thereafter until fully vested.
- On March 1, 2021, the Company announced that its common shares were upgraded to the OTCQB Marketplace in the United States, where the common shares are quoted under the symbol "IMIMF"
- On February 23, 2021, the Company announced it has commenced start up procedures for its upcoming 2021 work program at its Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On February 1, 2021, the Company entered into a non-binding letter to intent to acquire a 100% interest in the Chuck Creek Property held by two directors of the Company. It is contemplated the Company acquire the Chuck Creek Property for a purchase price of \$50,000 and a 1% net smelter return royalty. The proposed acquisition is subject to due diligence, negotiation of a definitive agreement and satisfaction or waiver of other conditions.
- On January 19, 2021, and January 27, 2021, the Company reported initial and additional results, respectively, from its 2020 exploration program undertaken at its Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On January 13, 2021, the Company announced it had engaged Freeform Communications Inc. to provide investor relations and on-line marketing services. In connection with the engagement, Freeform Communications Inc. was granted an aggregate of 250,000 stock options at an exercise price of \$0.25. These stock options bear a two-year term (expiring January 13, 2023) and vest over a period of 18 months with 25% vested upon the date of grant and 25% every six months thereafter until fully vested.
- On January 5, 2021, an aggregate of 2,100,000 stock options were granted. 600,000 went to Christopher Naas, COO and Director and the balance, 1,500,000 were to consultants at an exercise price of \$0.25. These stock options bear a five-year term (expiring January 5, 2026) and vest over a period of 18 months with 25% vested upon the date of grant and 25% every six months thereafter until fully vested.

#### **Highlights during the year ended December 31, 2020**

- On December 17, 2020, the Company announced the appointment of Chris Naas, a qualified person as defined by NI 43-101, as a director and Chief Operating Officer of the Company.
- On November 9, 2020, an aggregate of 1,000,000 stock options were granted at an exercise price of \$0.19. These stock options bear a five-year term (expiring November 9, 2025) and vest over a period of 18 months with 25% vested upon the date of grant and 25% every six months thereafter until fully vested.
- On November 9, 2020, Dave McMillan was appointed Interim Chief Executive Officer, filling the vacancy created by the resignation of Brian Thurston as Chief Executive Officer.
- On September 22, 2020, Dave McMillan, rejoining the Company after having previously served as a director from August 2018 to December 2019, was appointed a director of the Company and Interim President.
- On September 9, 2020, the Company provided an overview of its completed 2020 summer exploration program on its Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On August 10, 2020, Andreas Graetz resigned as a director of the Company.

## Interra Copper Corp. (formerly IMC International Mining Corp.)

### Management's Discussion and Analysis

For the three and six months ended June 30, 2021

---

- On July 27, 2020, the Company announced it had completed a non-brokered flow-through private placement offering issuing an aggregate of 3,333,334 flow-through units of the Company ("2020 FT Units") at a price of \$0.30 per 2020 FT Unit for gross proceeds of \$1,000,000. Each 2020 FT Unit consisted of one common share that qualifies as a "flow-through share" for the purposes of the Income Tax Act (Canada) and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to purchase one additional common share at a price of \$0.40 at any time prior to the date that is twenty-four (24) months following the date of issuance.
- On July 10, 2020, the Company announced it had begun mobilizing crews to begin fieldwork on its Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On July 3, 2020, an aggregate of 4,150,000 options were granted to officers and directors of the Company at an exercise price of \$0.30. These stock options bear a five-year term (expiring July 3, 2025) and vest over a period of 18 months with 25% vested upon the date of grant and 25% every six months thereafter until fully vested.
- On June 18, 2020, the Company held its Annual and Special Meeting of Shareholders in Vancouver, British Columbia, at which Greg Hawkins, Brian Thurston, and Faizaan Lalani (incumbent directors of the Company) were elected to the board of directors (the "Board"), as well as new directors, Andreas Graetz and Samir Patel. Subsequent to the shareholders' meeting, the Board re-appointed Brian Thurston as Chief Executive Officer, and appointed Jamie Lewin as Chief Financial Officer and Janet Francis as Corporate Secretary to form the management team of the Company.
- On June 15, 2020, the Company announced it had received an amendment to its previously filed Mineral Exploration Permit for its Thane Property located in north-central British Columbia. The amendment allows the Company to drill up to 40 holes within the Cathedral Area.
- On June 4, 2020, the Company released results from its continuing compilation of data from historical work on the CJL, Mat, and Lake Area of the Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On May 26, 2020, the Company released results from its continuing compilation of data from historical work on the Gail and Cirque Areas of the Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On May 19, 2020, the Company released results from its continuing compilation of data from historical work on the Cathedral Area on its Thane Property. See "*Exploration Activity – Thane Property – North-Central British Columbia.*"
- On May 13, 2020, the Company closed brokered private placement offerings of units and flow-through common shares as led by Gravitas Securities Inc. for total gross proceeds of \$1,768,720. The private placement offerings consisted of:
  - (a) 3,143,166 units, whereby each unit consisted of one common share and one common share purchase warrant of the Company exercisable at \$0.60 for a period of two years from the date of issuance at a price of \$0.48 per unit for gross proceeds of \$1,508,720; and
  - (b) 400,000 common shares issued on a flow-through basis at a price of \$0.65 per flow-through common share for gross proceeds of \$260,000; and
  - (c) In addition to cash finders' fees paid, the Company issued an aggregate of 177,158 common shares, 157,158 common share purchase warrants exercisable at a price of \$0.60 into a common share for two years, 251,453 unit warrants exercisable into a unit at a price of \$0.48 into a unit (one common share and one common share purchase warrant exercisable at \$0.60 into a common share for two years) and 32,000 common share purchase warrants exercisable at \$0.70 for two years were issued as compensation.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

- On May 6, 2020, the Company provided an update on the previously announced analytical geochemical work program on the Thane Property. See *"Exploration Activity – Thane Property – North-Central British Columbia."*
- On April 16, 2020, the Company entered into a draw-down equity financing facility agreement (the "Investment Agreement") of up to \$8,000,000 with Alumina Partners, LLC ("Alumina") for the purpose of enabling the Company to continue its growth strategy through exploration and acquisition. The Investment Agreement provides for the purchase of up to \$8,000,000 units of the Company units, whereby each unit shall consist of one common share and one common share purchase warrant, at discounts ranging between 15% to 25% of the market price of the common shares. Drawing from the facility throughout its 25-month term shall be at the mutual consent of the Company and Alumina. The exercise price of any common share purchase warrants issued will be at a 50% premium over the market price of the common shares with a 60-month term from the date of issuance. No upfront fees or interest associated with the use of the draw down facility are applicable. As of March 31, 2021, the draw-down facility has not been accessed.
- On April 15, 2020, the Company announced the appointment of Jeffrey Reeder, P. Geo., to its Advisory Board.
- On April 6, 2020, the Company announced it had engaged CME Consultants Inc. to conduct exploration and prospecting, specifically an analytical geochemical program, on the Thane Property, including the Cathedral Area.
- On March 31, 2020, Greg Hawkins was appointed to the Board as its Chairman.
- On March 31, 2020, the Company completed its acquisition of Thane. As consideration for the acquisition of 100% of the issued and outstanding Thane common shares, the Company issued to the then shareholders of Thane (the "Vendors") an aggregate of \$2,500,000 of common shares in the capital of the Company at a fair market value of \$0.475 per common share, representing 5,263,158 common shares, escrowed and released over a 36-month period. A total of 200,000 common shares were also issued at a fair market value of \$0.475 to a finder as compensation in connection with the transaction. In addition to the foregoing, if through additional exploration programs, a resource calculation of at least 800,000,000 lbs of copper-equivalent is determined by a NI 43-101 compliant resource estimate to be indicated within the Cathedral Area, then the Company will issue an additional aggregate of \$2,000,000 worth of common shares (or cash in lieu) to the Vendors.
- On March 3, 2020, the Company announced the listing of its common shares on the Frankfurt Stock Exchange under the symbol "3MX".
- On February 24, 2020, the Company announced the appointment of David Charlton as Chief Financial Officer of the Company.
- On February 21, 2020, the Company completed a non-brokered private placement offering of 3,110,000 units at a price of \$0.25 per unit for gross proceeds of \$777,500. Each unit consisted of one common share in the capital of the Company and one common share purchase warrant exercisable to acquire one additional common share for two years at a price of \$0.40 per common share.
- On February 13, 2020, the Company announced it had entered into a letter of intent to acquire 100% of Thane, which holds a 100% interest in the Thane Property, including the Cathedral Area (as described herein), in north-central British Columbia.
- On January 24, 2020, the Company announced Faizaan Lalani had joined its Board.
- On January 2, 2020, the Company split its issued and outstanding common shares on a 2:1 basis, pursuant to which each shareholder of record, as at the close of business on such date received one additional share for each share held.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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#### **EXPLORATION ACTIVITY**

##### **BULLARD PASS PROPERTY – ARIZONA, UNITED STATES**

In 2007 CMAI staked the DB 1 to 176 mineral claims totaling 3,420 acres and acquired 476.52 acres of Arizona State land under mineral exploration permit #08-111861 for total land holdings of 3,896.52 acres, located in the vicinity of the Harcuar and Harquahala Mountains, Yavapai County, Arizona (the "Bullard Pass Property"). The Company subsequently reduced its ownership interest in the Bullard Pass Property to 22 claims. The Company had also staked additional claims to increase the Bullard Pass Property to 171 claims and is evaluating the property to determine if further exploration will be performed. The 171 Bureau of Land Management Annual Claim Maintenance Fees are due in the near future.

##### **THANE PROPERTY – NORTH-CENTRAL BRITISH COLUMBIA**

The Thane Property comprises 50,904 acres of contiguous claims located in the Quesnel Terrane of north-central British Columbia. The northern part of the Quesnel Terrane extends from south of the Mt. Milligan Mine northward to the Kemess Mine, with the Thane Property located midway between these two copper-gold porphyry deposits. This property includes several highly prospective mineralized areas identified to date, including the "Cathedral Area" on which the Company's exploration is currently focused.

##### **Simplified work program following acquisition of Thane**

Following its acquisition of Thane on March 31, 2020, the Company received a geochemical sampling and data verification report from CME Consultants Inc. ("CME") on its Thane Property. The Company requested the study to determine the quality of the results from samples previously collected by Thane on the Thane Property.

The object of the study was to undertake multi-element and gold analysis on rock samples collected by Thane that were not previously analyzed by an accredited geochemical laboratory, and to confirm the results of analytical work undertaken on previous work programs. The study involved the submission of 452 rock sample pulps, originally collected throughout the Property, and 223 contour soil samples, originally collected from the Cathedral Area, but not previously analyzed. Samples were submitted to ALS Minerals of North Vancouver ("ALS") for multi-element (ICP-MS) and gold analysis (fire assay).

The ALS assay results from both the rock and soil samples returned similar values to those returned from analysis by a portable X-Ray Fluorescence instrument ("pXRF") originally used by Thane. Samples were originally analyzed by pXRF as a time and cost saving measure, to reduce the quantity of samples submitted to the laboratory for geochemical analysis. In previous years only samples returning greater than 1,000 ppm Cu by pXRF analysis were originally submitted by Thane to a laboratory for further analysis. Although the pXRF instrument is an efficient tool in determining copper values, the instrument is unable to obtain reliable gold values.

To verify the rock samples collected in 2012 that were submitted to an accredited geochemical laboratory, but did not include adequate quality control protocols, approximately 5% of those original samples (16 rock sample pulps) were submitted to ALS for check analysis. As a result of the ALS check analysis returning acceptable statistical results, the Company considered all of the results reported by ActLabs in 2012 acceptable for public disclosure. Rock sampling undertaken by Thane on the Property in 2013, 2016, 2017, and 2019 included adequate quality control measures and the Company considered the results acceptable for public disclosure.

The results from the submission of contour soil samples returned four broad in-line copper anomalies (Areas A-D), with three anomalies located on the south-facing slope of the Cathedral Area, coincident with arsenic anomalies. Sample spacing was set at 25 metres but actual distance deviated approximately +/- 5m. The 360-metre long Area A anomaly, with a high copper value of 972 ppm Cu, is located along the possible strike extension of the gold-bearing structural features of the Pinnacle Showing. The 200-metre long Area C anomaly, with a high copper value of 628 ppm Cu, is located approximately 530 metres to the south-southwest of the 400-metre long Area B anomaly, with a high copper value of 941 ppm Cu. The 240-metre long Area D anomaly, with a high copper value of 1,455 ppm Cu, is located approximately 250 metres directly above the Area B anomaly. Background copper value from the 223

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

collected soil samples is 141 ppm Cu. For gold results, a total of nine soil samples returned greater than 0.1 ppm Au, including three spot gold highs (0.439, 1.045 and 5.0 ppm Au) located outside of the Area A-D copper anomalies.

In 2019, Thane completed 8.4 kilometres of Induced Polarization ("IP") geophysical surveying at the Cathedral Area. One of the survey lines straddles the soil contour line that returned the Area A and Area B copper anomalies.

The Company continued throughout 2020 to compile data from historical work from on the Thane Property. An extensive compilation and synthesis of available data from the Thane Property, which included 359 rock samples collected by CME, 1,098 rock samples collected by Thane, and soil sampling and Induced Polarization ("IP") surveys completed by Thane, was undertaken.

Work on the Thane Property had identified six areas of significant gold  $\pm$  copper  $\pm$  silver mineralization. On May 19, 2020, results from the Company's compilation work were released for the Cathedral Area as work continued at the time on the data compilation for the Gail, Cirque, CJL, Lake, and Mat Areas of the Thane Property.

#### **2020 Exploration Program**

On July 10, 2020, the Company began mobilizing crews to begin fieldwork on its Thane Property, at which prior work had identified six areas of significant gold, copper, and silver mineralization, namely the Cathedral, Gail, Cirque, CJL, Lake, and Mat Areas. Although field work was to encompass all Areas to some degree, exploration efforts were to focus predominantly in the Cathedral Area and consist of ground geophysics, alteration mapping, along with rock, soil, and silt sampling, all with the purpose of delineating the best targets for drill testing.

Peter E. Walcott & Associates Limited, under the direction of CME, the operator of the 2020 exploration program, was contracted to complete a detailed induced polarization geophysical survey to expand upon and generate greater detail over the broad 600-metre wide anomaly discovered at the Cathedral Area in 2019.

On September 9, 2020, the Company provided an update on its summer work program at its Thane Property. The program included ground geophysics, alteration mapping, along with rock, soil, and silt sampling. In total, the Company collected 194 rock samples, 467 soil samples, and three silt samples from the Cathedral Area, as well as 29 soil samples collected from the Cirque Area and 77 soil samples from the Mat Area. The main focus of the 2020 summer work program consisted of an Induced Polarization ("IP") geophysical survey. In total, 11.6-line kilometres were surveyed at the Cathedral Area. A total of four lines totaling approximately 7.1-kilometres with IP stations set at 100-metre spacings, and three lines totaling approximately 4.5 kilometres were surveyed with IP stations set at 25-metre spacings. The IP crew then moved and completed a single 1.5-kilometre line in the Cirque Area to complete the program.

A new showing within the Cathedral Area was discovered, which consisted of a 1.5-metre zone of magnetite breccia and veins on the hanging wall, and pyrite with lesser chalcopyrite in veins toward the footwall. The showing appears to have utilized a pre-existing joint which experienced significant dilation. Several rock samples were taken from this area and sent for assaying. Geological and alteration mapping was centered on the Cathedral Area to help define areas most promising for a drill program. Data will be used along with the geochemical results and the geophysical interpretation to target drill sights.

Subsequent to the 12 months ended December 31, 2020, the Company reported, on January 19, 2021, initial results from the 2020 exploration program undertaken on the Company's Thane Property.

During the summer of 2020, exploration fieldwork completed an eight-week field program that included Induced Polarization ("IP") surveying, petrographic studies, geological mapping, rock, soil and silt sampling with the objective of identifying prospective drill targets for the 2021 exploration season. The initial results reported were from the Cathedral Area, which comprises approximately 11 square kilometres of the Thane Property.

Work at the Cathedral Area consisted of approximately 3.1 square kilometres of geological mapping, collection of 100 rock samples in support of the geological mapping program, 11 line-kilometres of IP surveying, collection of 507 soil samples along all IP lines and six samples submitted for petrographic study. The Showings within the main zone



## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

---

of the Cathedral Area have returned up 13.90% Cu and 6.85 g/t Au from the Cathedral Showing, 4.72% Cu and 1.33 g/t Au from the Cathedral South Showing, 11.10% Cu and 2.77 g/t Au from the Arc Showing and 3.13 % Cu and 0.32 g/t Au from the Gully Showing. Rock sampling undertaken during the 2020 work program was designed to support geological mapping, but significant results were returned.

Styles of mineralization at the Cathedral Area include stock work and disseminated porphyry-type and vein-hosted. Copper occurs as chalcopyrite and rare bornite. Late-stage quartz veins containing high-grade gold values define the Pinnacle showing, located approximately 740 metres to the north of the main zone of the Cathedral Area. These veins have returned up to 20.10 g/t Au and 3.29% Cu. Highly chargeable bodies of disseminated and fracture-controlled copper-gold mineralization appear proximal to and associated with an interpreted north-south trending moderately southeast dipping syenite. A tilted or off-set and possible hidden extension of a copper-gold alkalic porphyry system dominated by potassic, propylitic and sodic altered diorite, quartz monzonite/quartz monzodiorite intrusive phases is interpreted for the Cathedral Area.

Approximately 300 metres to the east of the syenite, in an area of cover, an IP anomaly that is approximately 500 metres wide by 1,000 metres long has the potential for a related blind porphyry system. This area contains a significant increase in chargeability and resistivity similar to increased features within the main showings of the Cathedral Area, which contained significant copper and gold mineralization. The chargeability extends to a minimum of 200 metres in depth and in areas where increased chargeability extends proximal to surface, anomalous copper-in-soil is observed.

The 2020 program was successful in gaining an understanding of the controls on the copper-gold mineralization and identifying areas to be tested by diamond drilling. Determining controls on mineralization was assisted by the development of a geological model for the drill ready areas, which has been interpreted to be a tilted alkalic porphyry. Figures illustrating the 2020 results are presented below. The Company is planning an aggressive drilling program for 2021. A total of 6,150 metres of drilling has been identified to initially test the highly prospective targets identified during the 2020 work program. These targets have been identified from contingent geochemistry, geology and geophysics based on the following coincident criteria:

- Surface outcrop and sub-crop grab sampling from 2013 to 2020 of the Cathedral Area that has averaged 0.37 % Cu, 0.23 g/t Au, 1.26 g/t Ag in 442 samples;
- Time domain, pole-dipole IP resistivities of 1,000 background up to 2,500 ohm-m and chargeabilities of 5.14 background up to 24.45mV/V;
- Soil sampling that has defined copper-gold-arsenic anomalies coincident with IP anomalies;
- Previously unmapped geology that is characterized by Duckling Creek Syenite Complex, which hosts the Lorraine Deposit located 18 kilometres to the south of the Cathedral Area; and
- Alkalic-porphyry related alteration and mineralization over an area of 4 sq. kilometres.

The Company released additional results on January 27, 2020, from the Cirque Area, which comprises approximately five square kilometres of the Thane Property. Work at the Cirque Area consisted of approximately 1.6 sq. kilometres of geological mapping, collection of 74 rock samples in support of the geological mapping program, 1.5 line-kilometres of IP surveying, collection of 29 soil samples along a single IP line and 8 samples submitted for petrographic study.

Sample 3103 was collected from a north-south trending fault zone and sample 3110 was collected from a north-south trending sulphide vein. The 77.80 g/t Au, returned from sample 3110, is the highest gold value returned to date from the Thane Property. This vein appears to have been sampled during the British Columbia Geological Survey mapping program of the Hogem Batholith in 2019. Sample GJ019-6-2 returned 8980 ppm Cu, 3330 ppb Au and 11.4 ppm Ag (Paper 2020-01, Geological Field Work 2019) and has been named the Ootes Showing.

The highest copper grade of the 2020 work program was returned from sample 2319 (8.70% Cu, 1.83g/t Au and 29.8g/t Ag), located at the original Cirque Showing. It is a pervasively silicified diorite with abundant sub-vertical northwest-southeast trending quartz-epidote-chalcopyrite-pyrite veins and fractures. Very little molybdenite is associated with this orientation of veining within the Cirque Area. To the east of the Cirque Showing, potentially deep seated, structurally controlled, north-south trending sub-vertical quartz-epidote-chalcopyrite-molybdenite veins are observed cutting the diorite, quartz monzodiorite and granodiorite. These veins are noticeably absent in the area of the

**Interra Copper Corp. (formerly IMC International Mining Corp.)**

**Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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Cirque Showing. They appear to post-date both potassic and albite porphyry related alteration as they are noted to cut these alteration types within the area. These veins return significant levels of molybdenum, with the highest value returned from sample 3312 of 5,320 ppm Mo. The single IP survey line was established with an a-spacing of 100 metres and was oriented in a north-easterly direction due to topographic constraints. The north-easterly direction was not optimal for picking up the narrow north-south trending structures discovered during the 2020 work program.

Adjacent to the Cirque Area, towards the east, is the Gail-Aten Area. Work by Thane on this 9 square kilometre area returned significant copper and gold values in 2012. Of the 295 samples collected from this area, 140 returned greater than 0.1% Cu with 65 of these returning greater than 0.5% Cu. A total of 37 samples returned greater than 1% Cu with a maximum value of 7.69% Cu. A total of 40 samples returned greater than 0.1 g/t Au, with eight samples greater than 1.0 g/t Au.

Work to date at the Cirque and Gail-Aten Areas has outlined a significant area of copper-gold-molybdenum mineralization that is consistent with the interpretation that the Thane Property may host multiple alkalic porphyry deposits. The Company plans to follow up these results with geological mapping, rock and soil sampling and IP surveying at both the Cirque and Gail-Aten Areas in 2021 leading to potential drilling later in the year.

**2021 Exploration program**

At the Thane project, a 15-man exploration camp was setup in late June 2021 to facilitate the summer helicopter-supported program, with drilling operational by July 22, 2021.

As of August 27, 2021, the Company completed its diamond drilling for the 2021 summer program, comprising a total of 2,774 metres in 12 holes. Core logging and sampling is roughly at 1,400 metres complete, with the initial core samples on four holes having been submitted to ALS Laboratories for multi element ICP and gold analyses, with core samples for the remaining eight holes to be submitted in the near future.

The Company expanded its planned program of 2,400 metres by 374 metres in four additional holes, two of which were drilled into the Pinnacle Zone, a zone just north of the main Cathedral Area with gold-in-rock samples up to 20 g/t Au.

Geological mapping, prospecting, soil sampling and geophysical surveying programs are well underway, with IP surveys scheduled to be completed by mid-September. Core-logging on site has identified mineralization that is consistent with the IP and soil geochemistry results obtained from the 2020 exploration program.

**Interra Copper Corp. (formerly IMC International Mining Corp.)****Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

**RESULTS OF OPERATIONS****SELECTED QUARTERLY FINANCIAL INFORMATION**

The following is a summary of the Company's financial results for the eight most recently completed quarters:

<b>Three Months Ended</b>	<b>Net Loss</b>	<b>Weighted Average Number of Shares</b>	<b>Basic and Diluted Loss Per Share</b>	<b>Exploration Expenditures balance</b>
	\$	#	\$	\$
<b>June 30, 2021</b>	<b>252,289</b>	<b>68,994,802</b>	<b>0.00</b>	<b>4,009,338</b>
March 31, 2021	685,970	58,480,241	0.01	3,811,640
December 31, 2020	807,718	54,408,369	0.01	3,804,195
September 30, 2020	398,461	52,175,507	0.01	2,989,888
June 30, 2020	1,297,420	44,399,422	0.03	2,398,594
March 31, 2020	609,344	28,567,584	0.02	275,397
December 31, 2019	174,262	23,839,490	0.01	266,165
September 30, 2019	366,158	23,141,642	0.02	255,973

The relatively larger net loss in the quarter ending June 30, 2020, related primarily to a large advertising and marketing expense incurred in the period. During the quarter ended June 30, 2021, the Company continued to focus on reducing costs including decreases in advertising and marketing, professional services, and there was minimal share based payment expense incurred (see below). Private placements and some warrant exercises resulted in approximately 51.3 million shares being issued over the last 8 quarters, the loss remained relatively consistent at \$0.00 per share, and the Company continued to focus on its exploration activities with a total of \$3,885,333 spent on exploration activities over the last eight quarters, including the acquisition of the Thane Property.

**For the three months ended June 30, 2021 compared with the three months ended June 30, 2020**

The Company's net loss for the three months ended June 30, 2021 was \$252,289 compared to a loss of \$1,297,420 in the same three month period in 2020. The loss per share was \$0.00 and \$0.03 for the three month periods, respectively.

The primary reasons for the \$1,045,131 decrease in net loss include a \$935,787 decrease in advertising and marketing expense and a \$148,525 decrease in professional fees. During 2020 the Company invested in marketing campaign strategy to increase market awareness of the business and its shares while the marketing campaign costs were reduced in 2021. During 2020 the Company also incurred one-time legal fees relating to the acquisition of the Thane Property, which were subsequently re-allocated to Thane Property acquisition costs on closing. Share based payments were minimal in the quarter as departures and/or terminations of certain directors and staff lead to the reversal of share-based payment expense on unvested stock option tranches during the three months ended June 30, 2021, while share-based payment expense was \$nil in the comparative prior year quarter.

**For the six months ended June 30, 2021 compared with the six months ended June 30, 2020**

The Company's net loss for the six months ended June 30, 2021 was \$938,259 compared to a loss of \$1,906,764 in the same six month period in 2020. The loss per share was \$0.01 and \$0.05 for the six month periods, respectively.

The primary reasons for the \$968,505 decrease in net loss include a \$1,220,687 decrease in advertising and marketing expense and a \$149,119 decrease in professional fees, offset by share based payment expense of \$377,980 during the six months ended June 30, 2021, which was \$nil during the comparative prior year period. During 2020 the Company invested in marketing campaign strategy to increase market awareness of the business and its shares while the marketing campaign costs were reduced in 2021. During 2020 the Company also incurred one-time legal fees relating to the acquisition of the Thane Property, which were subsequently re-allocated to Thane Property acquisition costs on closing. Share based payment expense of \$377,980 during the six month ended June 30, 2021 arose in great part from 2,850,000 stock option grants during the period, noting that the Company recognize \$nil share-based payment expense during the comparative prior year period.

**Interra Copper Corp. (formerly IMC International Mining Corp.)**

**Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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**LIQUIDITY**

**Working capital**

As at June 30, 2021, the Company had a working capital surplus of \$3,045,796 (December 31, 2020 - \$1,149,233), which included cash of \$1,978,384 (December 31, 2020 – \$907,658).

The Company's financial condition is contingent upon its ability to obtain necessary financing to explore suitable properties.

Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on any acquired properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

**CAPITAL RESOURCES**

**Share capital**

The Company's authorized share capital consists of an unlimited number of common shares without par value. As at June 30, 2021, the Company had 74,460,903 (December 31, 2020 – 58,209,130) common shares issued and outstanding.

During the six-month period ended June 30, 2021, the Company issued 6,178,033 shares pursuant to a private placement of Units, 8,873,740 shares pursuant to a private placement of FT Units, and 1,200,000 shares pursuant to the exercise of warrants.

**Stock options**

As at the Report Date, the Company had 7,535,000 stock options outstanding. (December 31, 2020 – 6,235,000)

**Warrants**

As at the Report Date, the Company had 27,371,931 common share purchase warrants outstanding (December 31, 2020 – 14,716,833).

**Unit warrants**

As at the Report Date, the Company had 251,453 unit purchase warrants outstanding, whereby each unit shall comprise one common share and one common share purchase warrant (December 31, 2020 – 251,453).

**LIQUIDITY AND CAPITAL RESOURCES**

The Company has no capital commitments in connection with its exploration property. The Company holds a 100% interest in the Bullard Pass Property through its wholly-owned subsidiary and is not required to make any expenditure commitments on this property and has no contractual obligations on this property.

The Company will add and or drop claims based on geological merit and as financial resources allow.

If additional funds are required, the Company plans to raise additional capital primarily through the private placement of its equity securities. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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#### **Operating activities**

During the six months ended June 30, 2021, the Company used \$583,630 of net cash for operating activities primarily relating to the net loss of \$938,259 for the period less \$377,980 of non-cash share-based payments and some normal course working capital adjustments. During the six months ended June 30, 2020, the Company used \$2,119,523 of net cash for operating activities primarily relating to the net loss of \$1,906,764 for the period and some normal course working capital adjustments.

#### **Investing activities**

During the six months ended June 30, 2021, the Company used \$997,629 of net cash for investing activities primarily relating to a \$1,000,000 deposit on investing activities less a \$10,000 refund of a reclamation bond. During the six months ended June 30, 2020, the Company used \$2,142,429 of net cash for investing activities primarily relating to \$2,132,429 spent on the Thane Property acquisition and some exploration expenditure plus a \$10,000 reclamation bond.

#### **Financing activities**

During the six months ended June 30, 2021 the following funds were raised:

- i) On April 16, 2021, the Company closed the first tranche of a non-brokered private placement financing comprising 6,486,870 FT Units at a price of \$0.20 per FT Unit for gross proceeds of \$1,297,374, and 835,000 Units at a price of \$0.15 per Unit for gross proceeds of \$125,250.
- ii) On May 18, 2021, the Company closed the second tranche of the non-brokered private placement financing comprising 2,386,870 FT Units at a price of \$0.20 per FT Unit for gross proceeds of \$477,374, and 5,176,366 Units at a price of \$0.15 per Unit for gross proceeds of \$776,455.
- iii) On May 28, 2021, the Company closed the third and final tranche of the non-brokered private placement financing comprising 166,667 Units at \$0.15 per Unit for gross proceeds of \$25,000.

A total of \$1,175,537 of the gross proceeds from the FT Units was allocated on a proportionate basis to share capital and \$599,211 was allocated to warrant reserve. A total \$614,769 of the gross proceeds from the Units was allocated on a proportionate basis to share capital and \$311,936 was allocated to warrant reserve. Net proceeds from the issuance of the Units will be used for working capital purposes. The gross proceeds raised from the issuance of the FT Units will be used by the Company to fund expenditures at the Thane Project that qualify as "Canadian Exploration Expenses" ("CEE") and "flow-through mining expenditures", as those terms are defined in the *Income Tax Act* (Canada).

Pursuant to the FT Unit and Unit financings, the Company incurred \$175,922 of share issuance costs including \$66,454 fair value for 554,778 broker warrants exercisable at \$0.20 with a two year term (see Warrants below), of which \$116,451 of the fair value was allocated on a proportionate basis to share capital and \$59,471 was allocated to warrant reserve.

Each FT Unit consists of one common share in the capital of the Company that qualifies as a 'flow-through share' for the purposes of the *Income Tax Act* (Canada) and one non-flow-through common share purchase warrant exercisable at \$0.30 for 24 months from the date of issuance into a common share in the capital of the Company. Each Unit consists of one Share and one warrant exercisable at \$0.30 for 24 months from the date of issuance into a common share.

- iii) During the six months ended June 30, 2021, the Company issued 1,200,000 common shares on the exercise of 1,200,000 warrants for gross proceeds of \$60,000.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

**Interra Copper Corp. (formerly IMC International Mining Corp.)****Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

**TRANSACTIONS WITH RELATED PARTIES**

Key management personnel are the directors and officers of the Company. Management compensation transactions for the three and six months ended June 30, 2021 and 2020, is summarized as follows:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Management fees	<b>61,550</b>	37,139	<b>114,050</b>	74,139
Directors' fees	<b>13,067</b>	-	<b>20,631</b>	-
Share-based payments	<b>6,890</b>	-	<b>377,980</b>	-
Exploration expenditures	<b>195,031</b>	-	<b>204,549</b>	-
Total	<b>276,628</b>	37,139	<b>717,210</b>	74,139

CEO - During the three and six months ended June 30, 2021, \$27,000 and \$54,000, respectively (three and six months ended June 30, 2020 - \$24,000 and \$48,000, respectively), was paid to a company controlled by an officer of the Company for CEO-related services.

COO - During the three and six months ended June 30, 2021, \$201,081 and \$216,599, respectively (three and six months ended June 30, 2020 - \$nil and \$nil, respectively), was paid to and/or accrued for services by companies controlled by an officer of the Company for COO-related services and exploration services.

CFO - During three and six months ended June 30, 2021, \$10,500 and \$21,000, respectively (three and six months ended June 30, 2020 - \$10,155 and \$23,155, respectively), was paid to an officer, or a company controlled by an officer of the Company for CFO-related services provided.

Corporate Secretary - During the three and six months ended June 30, 2021, \$18,000 and \$27,000, respectively three and six months ended June 30, 2020 - \$2,984 and \$2,984, respectively), was paid to a company controlled by an officer of the Company for corporate secretarial-related services provided.

As at June 30, 2021, there was \$143,224 included in accounts payable and accrued liabilities for amounts due to a related party.

**RISK FACTORS AND UNCERTAINTIES**

The principal business of the Company is the acquisition and exploration of mineral properties. Given the inherent risky nature of the exploration and mining business, the limited extent of the Company's assets and the present stage of development, investors should consider the following risk factors, among others:

**Exploration stage company**

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially viable mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-economically viable. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality and experience of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Significant financial investment is required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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#### **Operating history and availability of financial resources**

The Company does not have any history of generating operating revenue and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities. The Company will need to continue its dependence on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

#### **Inflation and metal price risk**

The ability of the Company to raise interim financing will be significantly affected by changes in the market price of the metals for which it explores. The mineral prices are volatile and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supplies of and demands for minerals and metals and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices have fluctuated significantly in recent years. Future significant price declines could cause investors to be unprepared to finance exploration and development.

#### **Share price volatility and lack of active market**

Worldwide Securities markets continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

#### **Competition**

The mineral resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

#### **Public health crises such as the COVID-19 pandemic**

In December 2019, a novel strain of coronavirus known as COVID-19 surfaced in Wuhan, China and has spread around the world causing significant business and social disruption. COVID-19 was declared a worldwide pandemic by the World Health Organization on March 11, 2020. The speed and extent of the spread of COVID-19 and the duration and intensity of resulting business disruption and related financial and social impact, are uncertain. Such adverse effects related to COVID-19 and other public health crises may be material to the Company. The impact of COVID-19 and efforts to slow the spread of COVID-19 could severely impact the exploration and any development of the Company's mineral projects. To date, a number of governments have declared states of emergency and have implemented restrictive measures such as travel bans, quarantine and self-isolation. If the exploration and any development of the Company's mineral projects is disrupted or suspended as a result of these or other measures, it may have a material adverse impact on the Company's financial position and results of operations.

## **Interra Copper Corp. (formerly IMC International Mining Corp.)**

### **Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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COVID-19 and efforts to contain it may have broad impacts on the Company's supply chain or the global economy, which could have a material adverse effect on the Company's financial position. While governmental agencies and private sector participants are seeking to mitigate the adverse effects of COVID-19, and the medical community is seeking to develop vaccines and other treatment options, the efficacy and timing of such measures is uncertain.

#### **Government regulations and environmental risks and hazards**

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation in the countries where exploration takes place. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

#### **Reliance on key personnel**

The Company relies on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain "key employee" insurance in respect of any of its senior management.

#### **Licenses and permits**

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change under various circumstances.

There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

#### **Title to property**

Although the Company will exercise the usual due diligence with respect to title to any properties in which it will take an interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

#### **Risk of legal claims**

The Company may become involved in disputes with third parties or government authorities in the future that may result in litigation. The results of these legal claims cannot be predicted with certainty and defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes in the Company's favor or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of the Company to carry out its business plan.



**Interra Copper Corp. (formerly IMC International Mining Corp.)****Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

**PROPOSED TRANSACTIONS**

On February 1, 2021, the Company entered into a non-binding letter to intent to acquire a 100% interest in the Chuck Creek Property held by two directors of the Company. It is contemplated the Company acquire the Chuck Creek Property for a purchase price of \$50,000 and a 1% net smelter return royalty. The proposed acquisition is subject to due diligence, negotiation of a definitive agreement and satisfaction or waiver of other conditions.

**ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE**

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company has not early adopted any of these standards and is currently evaluating the impact, if any, that these standards might have on its financial statements.

**Accounting standard anticipated to be effective**

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after January 1, 2018, or later periods. New standards and updates, which are not applicable or are not consequential to the Company, have been excluded.

**FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

The Company's financial instruments are exposed to certain financial risks which are discussed in detail in note 4.11 of the Company's financial statements for the year ended December 31, 2020.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

During the six months ended June 30, 2021 and 2020, the Company incurred the following expenses:

	Three months ended June 30,		Six months ended June 30,	
	2021	2020 <sup>1</sup>	2021	2020
	\$	\$		
Advertising and marketing	81,373	1,017,160	252,367	1,473,054
Management fees	61,550	37,139	114,050	74,139
Office	26,891	1,630	33,694	14,667
Investor relations	20,010	23,672	32,010	23,672
Filing fees	18,953	16,005	42,052	43,657
Professional fees	17,060	165,585	54,806	203,925
Director fees	10,790	-	20,631	-
Exploration and evaluation	4,650	-	6,653	-
Consulting	4,000	30,945	4,000	53,241
Travel	-	1,162	-	1,162
Share-based payments	6,980	-	377,980	-
<b>Total operating expenses</b>	<b>252,257</b>	<b>1,293,298</b>	<b>938,243</b>	<b>1,887,517</b>

1. The results for the three months ended June 30, 2020 were presented to agree to the results from the six months ended June 30, 2020 (as reported) less the three months ended March 31, 2020 (as reported).

An analysis of material components of the Company's operating expenses is disclosed in the condensed consolidated interim financial statements for the period ended June 30, 2021, to which this MD&A relates. An analysis of the material components of the mineral property acquisition costs and mineral exploration costs are disclosed in the notes to the condensed consolidated interim financial statements for the period ended June 30, 2021.

**Interra Copper Corp. (formerly IMC International Mining Corp.)**

**Management's Discussion and Analysis**

For the three and six months ended June 30, 2021

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**DIRECTORS AND OFFICERS**

T. Greg Hawkins, Director and Chairman of the Board  
David McAdam, Director  
Dave McMillan, Director  
Gordon Neal, Director  
Samir Patel, Director  
Jason Nickel, Chief Executive Officer and Director  
Christopher O. Naas, Chief Operating Officer and Director  
Oliver Foeste, Chief Financial Officer  
Janet Francis, Corporate Secretary

**ADDITIONAL INFORMATION**

Additional information about the Company is available under the Company's profile on SEDAR at <http://www.sedar.com>.

**BOARD APPROVAL**

The Board of the Company has approved this MD&A.