RIO2 LIMITED

ANNUAL INFORMATION FORM

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For the year ended December 31, 2025

Dated: March 12, 2026

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ADVISORIES

*In this Annual Information Form ("**AIF**"), unless otherwise specified or if the context otherwise requires, references to "we", "us", "our", "its", the "Company" or "Rio2" mean Rio2 Limited. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended December 31, 2025, and notes that follow, as well as the accompanying annual Management's Discussion and Analysis ("**MD&A**"), both of which are available under the Company's issuer profile on the System for Electronic Data Analysis and Retrieval + ("**SEDAR+**") at www.sedarplus.ca* and *on the Company's website at www.rio2.com.*

*Additional information, including the Company's director ("**Director**") and officer remuneration, indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's most recently available management information circular, available on SEDAR+ at www.sedarplus.ca. Unless otherwise stated, this additional information does not form part of this AIF.*

Cautionary Statement Regarding Forward-Looking Information and Statements

Certain statements contained in this AIF may constitute forward-looking information or forward-looking statements under securities laws (collectively, the "**forward-looking statements**"). These statements relate to future events or future performance, business prospects or opportunities for the Company. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

In particular, examples of forward-looking statements in this AIF include, but are not limited to, statements pertaining to the following:

- the anticipated receipt of all required regulatory and third-party approvals for our projects;
- the timing and progress of mining exploration, expansion and production at the Fenix Gold Project;
- target production levels;
- the expected success of mining operations;
- the government regulation of mining operations;
- the success of securing or maintaining licenses, permits and authorizations;
- expectations regarding the Company's ability to raise capital;
- expenditures to be made by the Company to meet certain work commitments;
- contractual obligations, including delivery amounts and timing under the Flexible Prepay Arrangement;
- economic model for the Fenix Gold Project and Condestable Mine, including cash flow analysis;
- environmental risks; and
- potential title disputes or claims and limitations on insurance coverage.

With respect to forward-looking statements listed above and contained in this AIF, the Company has made assumptions regarding, among other things:

- the legislative and regulatory environment;
- the impact of increasing competition;
- the success and timely completion of planned exploration and development projects;

- that general business and economic conditions will not change in a materially adverse manner;
- that costs related to development of mine properties will remain consistent with historical experiences;
- the anticipated results of exploration, development and production activities;
- the Company's ability to obtain additional financing on satisfactory terms;
- the Company's ability to attract and retain skilled staff; and
- the Company's ability to obtain, comply with and renew permits and licenses in a timely manner.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the following:

- the Company's limited history of operations;
- failure to realize acquisition benefits or successfully integrate the Acquisition;
- nature of mining, mineral exploration and development projects;
- uncertainty of exploration and development projects;
- indebtedness and liquidity risks;
- mineral reserves and mineral resources;
- increased economic uncertainty stemming from geopolitical conflict, inflation and other factors;
- future financing;
- commodity price fluctuations;
- future production rates;
- health and safety risks;
- uninsured risks exist and may affect certain values;
- contractual risk and dependence on outside parties;
- ability to attract and retain qualified personnel;
- government regulation and permitting;
- risks with title to mineral properties;
- environmental risks and hazards;
- infrastructure risks;
- general economic and political conditions in Chile and Peru, and risks associated with operating in foreign jurisdictions;
- introduction of new tax laws and other tax considerations;
- currency fluctuations;
- stress in the global economy;
- share price fluctuations;
- price volatility of publicly traded securities and dilution;
- anti-corruption and anti-bribery laws;
- compliance with Canada's *Extractive Sector Transparency Measures Act;*
- potential conflicts of interest;
- cyber security and technology risks;
- competition and scarcity of mineral lands;
- recent changes to U.S. trade policies;
- global conflict;
- the Company's actual financial position and performance may significantly differ from the expectations of the management;
- risks inherent in acquisitions of the Company;
- repatriation of earnings; and

- the other factors considered under "*Risk Factors*" in this AIF and other filings made by the Company with Canadian securities authorities.

The Company has included the above summary of assumptions and risks related to forward-looking statements contained in this AIF in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

Additional information on these and other factors is available in the reports filed by the Company with Canadian securities regulators and available under the Company's issuer profile on SEDAR+ . The forward-looking statements and information contained in this AIF are made as of the date hereof.

Readers are cautioned that the preparation of financial statements in accordance with generally accepted accounting principles in Canada requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes. The information contained in this AIF, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Company. Readers are encouraged to carefully consider such factors.

Readers are also cautioned against placing undue reliance on forward-looking statements, which are given as of the date expressed in this AIF, and not to use forward-looking statements for anything other than their intended purpose. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to publicly update or revise any forward-looking statements in this AIF or any other disclosure incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law.

Market, Independent Third Party and Industry Data

This AIF includes market and industry data that has been obtained from third party sources. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data are believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

Scientific and Technical Information

Mr. Enrique Garay, MSc P.Geo/FAIG Rio2's SVP Geology, is a Qualified Person as defined under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

All technical and scientific information with respect to Fenix Gold Project contained in this AIF has been derived from the technical report entitled "*NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project*" (the "**Fenix Technical Report**") dated effective October 16, 2023, a copy of which is available under the Company's issuer profile on SEDAR+ www.sedarplus.ca. The information with respect to the Fenix Gold Project contained herein is subject to all of the assumptions, qualifications and procedures set out in the Fenix Technical Report, and reference should be made to the Fenix Technical Report.

All technical and scientific information with respect to the Condestable Mine contained in this AIF has been derived from the technical report entitled "*Technical Report on the Condestable Mine, Lima Department, Peru*" (the "**Condestable Technical Report**") dated effective December 31, 2022, a copy of which is available under the Company's issuer profile on SEDAR+ www.sedarplus.ca. The information with respect

to the Condestable Mine contained herein is subject to all of the assumptions, qualifications and procedures set out in the Condestable Technical Report, and reference should be made to the Condestable Technical Report.

The scientific and technical information contained in this AIF has been reviewed and approved by Mr. Garay. The Qualified Person has verified the information disclosed herein using standard verification processes, including the sampling, preparation, security and analytical procedures underlying such information, and is not aware of any significant risks and uncertainties or any limitations on the verification process that could be expected to affect the reliability or confidence in the information discussed herein. The mineral resources and mineral reserves contained in this AIF have been prepared in accordance with the requirements of securities laws in effect in Canada, including NI 43-101, which governs Canadian securities law disclosure requirements for mineral properties. This AIF also discloses mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

The exploration programs described in this AIF are prepared and/or designed and carried out under the supervision of Mr. Garay. The scientific and technical information in this AIF has been updated with current information where applicable.

Canadian Mineral Property Disclosure Standards and Resource Estimates

The discussion of mineral deposit classifications in this AIF uses the certain technical terms presented below as they are defined in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards on mineral resources and reserves (the "**CIM Standards**") adopted by the CIM Council, as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on May 10, 2014 (the "**CIM Definitions**"). Estimated mineral resources fall into two broad categories dependent on whether the economic viability of them has been established and these are namely "resources" (potential for economic viability) and "reserves" (viable economic production is feasible). Resources are sub-divided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. The CIM definitions are as follows:

Term	Definition
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
Measured Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an Indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.

Term	Definition
Indicated Mineral Resource	That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.
Inferred Mineral Resource	That part of a mineral resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and may not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.
Mineral Reserve	The economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study.
Proven Mineral Reserve	The economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.
Probable Mineral Reserve	The economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.
Modifying Factors	Considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
Feasibility Study	A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.

Term	Definition
Pre-feasibility Study	A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study.

Cautionary Note to U.S. Investors regarding Mineral Reserves and Resources

The United States Securities and Exchange Commission (the "**SEC**") has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are being registered with the SEC under the United States Securities Act of 1933, as amended, or are subject to reporting requirements under the United States Securities Exchange Act of 1934, as amended. These amendments became effective February 25, 2019, with compliance required by SEC registrant companies for the first fiscal year beginning on or after January 1, 2021 (the "**SEC Mineral Disclosure Rules**"). The SEC Mineral Disclosure Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which has been rescinded.

As a result of the adoption of the SEC Mineral Disclosure Rules, the SEC now recognizes estimates of "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", which are defined in substantially similar terms to the corresponding CIM Standards. In addition, the SEC has amended its definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" to be substantially similar to the corresponding CIM Standards.

United States investors are cautioned that while the foregoing terms are "substantially similar" to corresponding definitions under the CIM Standards, there are differences in the definitions under the SEC Mineral Disclosure Rules and the CIM Standards. Accordingly, there is no assurance any Mineral Resources that the Company may report as "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources" or Mineral Reserves that the Company may report as "Proven Mineral Reserves" or "Probable Mineral Reserves", under NI 43-101, would be the same had the Company prepared the resource or reserve estimates under the standards adopted under the SEC Mineral Disclosure Rules.

United States investors are also cautioned that while the SEC will now recognize "Measured Mineral Resources", "Indicated Mineral Resources" and "Inferred Mineral Resources", investors should not assume that any part or all of the mineral deposits in these categories would ever be converted into a more reliable category of Mineral Resources or into Mineral Reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources that the Company reports are or will be economically or legally mineable.

Further, Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the Inferred Mineral Resources exist. In accordance with Canadian securities laws, estimates of Inferred Mineral Resources cannot form the basis of feasibility or other economic studies, except in limited circumstances as permitted under NI 43-101.

In addition, Canadian regulations allow the disclosure of "contained ounces" amongst other expressions of mineralization; however, the SEC has historically only permitted issuers to report mineralization as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this AIF containing descriptions of the Company's mineral properties may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Currency

We report our financial results and prepare our financial statements in United States dollars. Unless otherwise indicated, all currency amounts in this AIF are expressed in United States dollars. References to "CAD" or "C$" are to Canadian dollars and "CLP$" is to the Chilean peso.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF. Additional terms are defined separately throughout this AIF.

Defined Term	Definition
"3DBM"	has the meaning ascribed thereto under the heading "*Mineral Projects – The Fenix Gold Project – Mineral Reserve Estimate*";
"2023 Shares for Services Agreements"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2023*";
"2024 Offering"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2024*";
"2024 Public Offering"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2024*";
"2024 Shares for Services Agreements"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2024*";
"2025 Equity Financing"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2025*";
"AAA"	means Andes Analytical Assay Ltda;
"AACE"	means Association for the Advancement of Cost Engineering;
"Acquisition"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2025*";
"Acquisition Agreement"	has the meaning ascribed thereto under the heading "General Development of the Business – Three Year History – Year ended December 31, 2025";
"Acquisition Closing Date"	means the date on which the Acquisition closed;
"ADG"	has the meaning ascribed thereto under the heading "*Mineral Projects – The Fenix Gold Project – Potential Emissions, Waste, and Effluents Generated by the Fenix Gold Project*";
"Agents"	has the meaning ascribed thereto under the heading "*General Development of the Business – Three Year History – Year ended December 31, 2024*";
"AIF"	means this annual information form;

Defined Term	Definition
“AMC Share”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“AMC”	means Ariana Management Corporation S.A.C.;
“Anddes”	means Anddes Asociados SAC;
“APG”	means Atacama Pacific Gold Corporation;
“Atacama Arrangement”	has the meaning ascribed thereto under the heading “*Corporate Structure and Overview – Name, Address and Incorporation*”;
“Atacama”	means Atacama Pacific Gold Corporation;
“Audit Committee”	means the audit committee of the Board;
“A&R PMPA”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“A&R Acquisition Agreement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Base Prospectus”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“BBV”	has the meaning ascribed thereto under the heading *“Mineral Projects – The Fenix Gold Project – Geology and Mineralization”;*
“Board”	means the board of directors of the Company;
“Cash Consideration”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Capex”	has the meaning ascribed thereto under the heading *“Mineral Projects – The Fenix Gold Project – Capital and Operating Cost”;*
“CEO”	means Chief Executive Officer;
“CFO”	means Chief Financial Officer;
“CGC Committee”	has the meaning ascribed thereto under the heading *“Capital Structure – Stock Options Plan and Share Incentive Plan”;*
“CIM Definitions”	means the definitions reproduced from the latest version of the CIM Standards under the heading *Advisories – Canadian Mineral Property Disclosure Standards and Resource Estimates”;*
“CIM Standards”	means the definitions adopted by the CIM Council on May 10, 2014, which are utilized by the Canadian Securities Administrators in NI 43-101;
“CIM”	means the Canadian Institute of Mining, Metallurgy and Petroleum;
“CMC”	means Compañía Minera Condestable S.A., owner of the Condestable Mine;
“Common Shares”	means common shares in the capital of the Company;
“Company” or “Rio2”	means Rio2 Limited;
“Condestable plant”	has the meaning ascribed thereto under the heading *“Mineral Projects – The Condestable Mine – Introduction”;*
“Condestable Mine”	means the underground copper mining operation and associated processing facilities located in the Lima Department, Peru;
“Condestable Technical Report”	means the NI 43-101 technical report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” dated effective December 31, 2022 and filed on SEDAR+ on December 10, 2025;
“Consideration Shares”	has the meaning ascribed thereto under the heading “*Material Contracts – The Acquisition Agreement*”;

Defined Term	Definition
“Contractual Hold Periods”	has the meaning ascribed thereto under the heading “*Material Contracts – The Acquisition Agreement*”;
“Deferred Consideration”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Director”	means directors of the Company;
“Early Phreatomagmatism Unit”	has the meaning ascribed thereto under the heading *“Mineral Projects – The Fenix Gold Project – Geology and Mineralization”;*
“Effective Date”	means March 12, 2026;
“EIA”	means the Environmental Impact Assessment;
“Endeavour”	means Endeavour Financial Limited;
“ESTMA”	means the *Extractive Sector Transparency Measures Act* (Canada);
“Exchange” or “TSX”	means the Toronto Stock Exchange;
“Feasibility Study”	has the meaning ascribed thereto under the heading “*Advisories – Canadian Mineral Property Disclosure Standards and Resource Estimates*”;
“Fenix Gold”	means Fenix Gold Limitada, a wholly owned subsidiary of the Company;
“Fenix Gold Project”	means the Company's direct and indirect 100% interest in the mineral rights and interests to explore and exploit minerals from the concessions located in Chile 140 kilometers northeast of Copiapó, Chile, held by Fenix Gold;
“Fenix Mine”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2023”;*
“Fenix Technical Report”	means the NI 43-101 technical report entitled “NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project” dated effective October 16, 2023 and filed on SEDAR+ on October 18, 2023;
“FGL”	means Fenix Gold Limitada;
“Flexible Prepay Arrangement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“FN Stream”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“forward-looking statements”	has the meaning ascribed thereto under the heading “*Advisories – Cautionary Statement Regarding Forward-Looking Information and Statements*”;
“Franco-Nevada”	means Franco-Nevada (Barbados) Corporation;
“Franco-Nevada Stream”	has the meaning ascribed thereto under the heading “*Material Contracts – The Acquisition Agreement*”;
“Gold Stream”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“Grace Period”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“HLC”	means HLC Ingeniería y Construcción SpA;
“HSC Committee”	means the Health, Safety, and Community Committee of the Board;
“ICP”	means ICP Securities Inc.;

Defined Term	Definition
“IFRS”	means the International Financial Reporting Standards, as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;
“IRR”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Economic Analysis*”;
“Issue Price”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“KALLPA Private Placement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“KALLPA”	means KALLPA Securities Sociedad Agente de Bolsa S.A.;
“Late Phreatomagmatism Unit”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Geology and Mineralization*”;
“LIFE Offering”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“LLDPE”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Recovery Methods*”;
“Locked Box Date”	has the meaning ascribed thereto under the heading “*Material Contracts – The Acquisition Agreement*”;
“LOM”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Recovery Methods*”;
“maar-diatreme field”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Geology and Mineralization*”;
“Market-Making Agreement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“Mezzanine Promissory Note”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“MD&A”	means the Company's management's discussion and analysis;
“Mine Financing Package”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“Mining Plus”	means Mining Plus Peru S.A.C.;
“MMB”	means Maricunga Mineral Belt;
“MNCL”	means Minera Newcrest Chile Ltda;
“MRE”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Mineral Resource Estimate*”;
“Mr. Vera”	means Mr. Adolfo Fernando Vera Fernandez;
“NI 43-101”	means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;
“NI 45-106”	means National Instrument 45-106 – *Prospectus Exemptions*;
“NI 51-102”	means National Instrument 51-102 – *Continuous Disclosure Obligations*;
“NI 52-110”	means National Instrument 52-110 – *Audit Committees;*
“NSR”	means net smelter return;
“OBCA”	means the *Business Corporations Act* (Ontario);
“open pit mine”	means a mine where materials are removed from a working that is open to the surface;

Defined Term	Definition
“Options”	means stock options issued pursuant to the terms of the Stock Option Plan;
“ore body”	means a sufficiently large amount of ore that is contagious and can be mined economically;
“ore”	means a rock containing metallic or non-metallic minerals that can be mined and processed at a profit;
“Over-Allotment Option”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“PAF”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Human Environment*”;
“PMPA”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“Purchase Price”	has the meaning ascribed thereto under the heading “*Material Contracts – The Acquisition Agreement*”;
“QC”	means the Rio2 quality control;
“Qualified Person”	means a “qualified person” as defined in NI 43-101;
“RCA”	means the formal Resolución de Calificación Ambiental;
“RC”	means reverse circulation;
“Release Conditions”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“RF”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Mineral Reserve Estimate*”;
“Rio2 Rio2 Cayman Islands ”	means Rio2 Rio2 Cayman Islands Limited, formerly Rio2 Bahamas Limited;
“ROM”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2023*”;
“Royal Roads”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“RQA”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Potential Emissions, Waste, and Effluents Generated by the Fenix Gold Project*”;
“SEC Mineral Disclosure Rules”	has the meaning ascribed thereto under the heading “*Advisories – Cautionary Note to U.S. Investors regarding Mineral Reserves and Resources*”;
“SEC”	means the United States Securities and Exchange Commission;
“Sectorial Permits”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“SEDAR+”	means the System for Electronic Data Analysis and Retrieval;
“Share Incentive Plan”	means the share incentive plan of the Company;
“SLR”	means SLR Consulting (Canada) Ltd.;
“Southern Peaks”	means Southern Peaks Mining L.P.;
“SPM Entities”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;

Defined Term	Definition
“SPM Finance Share”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“SPM Finance”	means SPM Finance Limited;
“SPM Peru Share”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“SPM Peru”	means Southern Peaks Mining Peru S.A.C.;
“SR”	has the meaning ascribed thereto under the heading “*Mineral Projects – The Fenix Gold Project – Mineral Reserve Estimate*”;
“Standby Loan Facility”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“Stock Option Plan”	means the stock option plan of the Company;
“Subscription Receipt Share”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Subscription Receipts”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Supplement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”;
“TSX”	means the Toronto Stock Exchange;
“TSXV”	means the TSX Venture Exchange;
“Underwriters”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“U.S.” or “United States” or “USA”	means the United States of America, its territories and possessions, and any state of the United States of America and the District of Columbia;
“U.S. Prime”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Vendors”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Vendor Debt”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Vendor Senior Promissory Note”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2025*”;
“Wheaton”	means Wheaton Precious Metals Corp.;
“Wheaton Private Placement”	has the meaning ascribed thereto under the heading “*General Development of the Business – Three Year History – Year ended December 31, 2024*”; and
“WPMI”	means Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp.

Unit Abbreviations

Abbreviation	Unit Description
B	Billion
ft	Feet
g	Gram
g/t	Grams per tonne
>	Greater than
ha	Hectare (10,000 m2)
k	Kilo (thousand)
kg	Kilogram
km	Kilometer
<	Less than
m	Metres
µm	Microns
mi	Mile
M	Million
Mt	Million tonnes
oz	Ounce
ppm	Parts per million
%	Percent
lb	Pounds
km2	Square kilometer
t	Tonnes (metric - 1,000 kg)
Tpd or tdp	Tons per day
ton	Tons (Imperial - 2,000 lb)

CORPORATE STRUCTURE AND OVERVIEW

Name, Address and Incorporation

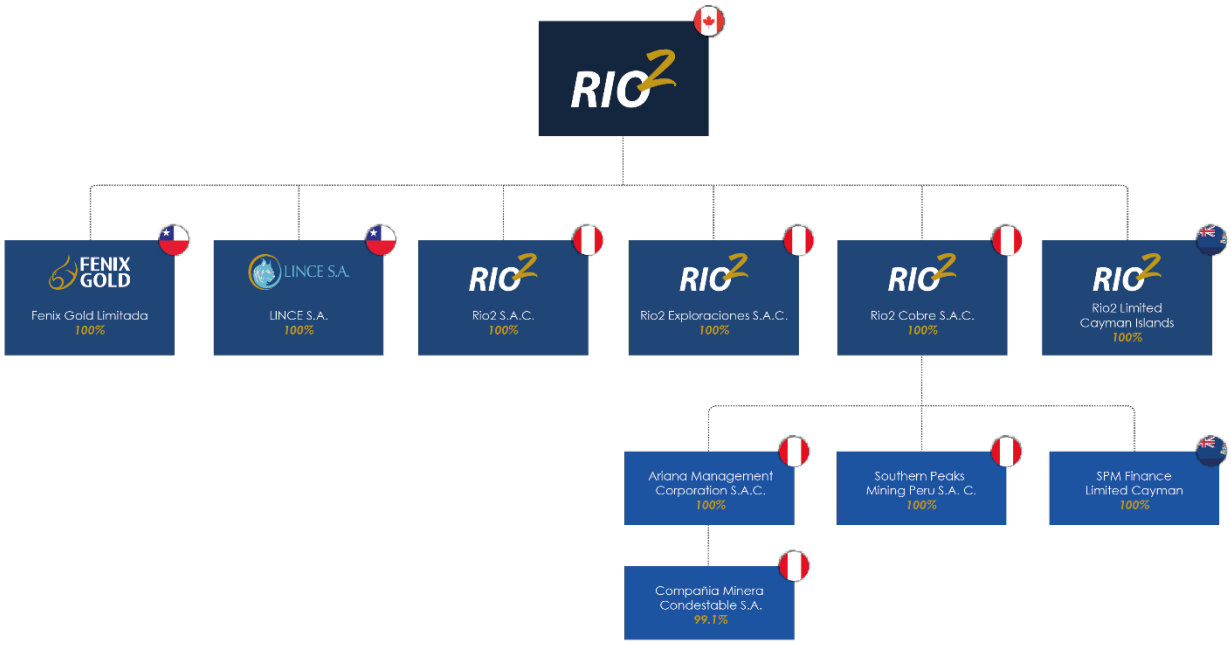
The Company was incorporated as "Prospector Consolidated Resources Inc." under the *Business Corporations Act* (British Columbia) on May 3, 2004. The Company continued from the Province of British Columbia to the Province of Ontario on April 25, 2017, and changed its name to "Rio2 Limited" on April 26, 2017.

On July 24, 2018, Rio2 completed a business combination transaction with Atacama by way of a court-approved plan of arrangement through which the companies amalgamated as a single entity (the "**Atacama Arrangement**"). The combined company that resulted from the Atacama Arrangement continues to operate under the name "Rio2 Limited" and is managed by Rio2's existing executive team.

The Company's head office is located at Suite 1500, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6 and its registered office is located at Suite 5100, Bay Adelaide – West Tower, 333 Bay Street, Toronto, Ontario, M5H 2R2.

Intercorporate Relationships

The following diagram describes the inter-corporate relationship between the Company and its subsidiaries as at the Effective Date:



*December 3, 2025, Rio2 Cobre S.A.C. changed its name from "Rio2 Operaciones S.A.C." to "Rio2 Cobre S.A.C."

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Rio2 is a diversified precious metals and copper producer focused on building and operating mines with a management team that has proven technical skills as well as a successful capital markets track record. The Company is currently producing gold at its Fenix Gold heap leach mine in Chile and copper/gold/silver at its recently acquired Condestable underground mine in Peru. Rio2 and its wholly owned subsidiaries, Fenix Gold Limitada and Compañia Minera Condestable S.A., are companies that operate with the highest environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three pillars (social, environment, economics) of responsible development. Rio2 reaffirms its commitment to apply environmental standards beyond those mandated by regulators, seeking to protect and preserve the environment in the territories where it operates.

The Company's principal properties are the Fenix Gold Project and the Condestable Mine, which are each described in further detail below under "*Mineral Projects*".

Three Year History

The following is a summary of the general development of the Company's business over the three (3) most recently completed financial years. The summary provided herein includes only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

Year ended December 31, 2023

On January 5, 2023, the Company announced that it had entered into shares for services agreements (the "**2023 Shares for Services Agreements**") with certain directors, employees and consultants. Pursuant to the terms of the 2023 Shares for Services Agreements, such directors, employees and consultants agreed to receive all or a portion of their respective director fees, wages or consultancy fees for the period from January 1, 2023 to December 31, 2023, in Common Shares, with the remaining amount, if any, to be settled in cash. The total value of the security-based compensation intended for issuance in connection therewith was up to CAD$750,000.

On January 11, 2023, the Company granted 7,150,000 Options to certain directors, officers, employees and consultants pursuant to the Company's Stock Option Plan. The Options have an expiry date of January 11, 2028 and will vest in equal portions on each of the first, second and third anniversaries of the date of grant. Each Option entitles the holder thereof to purchase one Common Share at a price of CAD$0.30 for a period of five (5) years from the grant date.

On March 9, 2023, the Company provided an outline of its plans to complete the financing for the construction of the Fenix Gold Project. Such plan included the appointment of an independent financial advisor, the completion of a Feasibility Study on the development of the Fenix Gold Project, the review and restructuring of the Gold Stream and the re-engagement of lenders in connection with the senior project debt facility of the Fenix Gold Project.

In connection therewith, the Company announced that it had appointed Endeavour Financial Limited ("**Endeavour**") with respect to the financing and construction of the mine at the Fenix Gold Project (the "**Fenix Mine**"). Pursuant to the terms of the appointment, Endeavour agreed to provide a full-service approach to the financial advisory, which includes the review and restructuring of the existing Gold Stream, technical guidance during the completion of the Feasibility Study and dealing with lenders on the debt component of financings of the Company.

The Company further announced that the Company is conducting additional monitoring studies of the fauna in the Fenix Gold Project area to provide supporting information for its administrative appeal before the Committee of Ministers (Chile).

On March 27, 2023, the Company announced that it obtained disinterested shareholder approval for the issuance of Common Shares pursuant to the terms of the 2023 Shares for Services Agreements.

On April 11, 2023, the Company announced the issuance of 736,151 Common Shares at a deemed price of CAD$0.15 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On June 20, 2023, the Company announced that the Chilean Internal Revenue Service issued to Fenix Gold an IVA/VAT (Impuestos a Las Ventas y Servicios/Value Added Tax) refund in the amount of CLP$4,073,551,385 (the equivalent of approximately $5,092,000 at the exchange rate prevailing at the time of the refund). The Company announced that the funds received in connection with the foregoing would provide additional working capital for the continued advancement of the Fenix Gold Project.

On July 7, 2023, the Company announced the issuance of 372,974 Common Shares at a deemed price of CAD$0.27 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On September 5, 2023, the Company announced the completion of its Feasibility Study for the Fenix Gold Project, which includes updated Mineral Resource and Mineral Reserve estimates, a run of mine ("**ROM**") operational plan and updated capital and operating cost estimates. The Feasibility Study was authored by international mining consultants, Mining Plus Peru S.A.C. ("**Mining Plus**").

On October 5, 2023, the Company announced the issuance of 479,198 Common Shares at a deemed price of CAD$0.21 per Common Share pursuant to the terms of the 2023 Shares for Services Agreements.

On October 18, 2023, the Company announced that it filed an independent technical report dated and effective October 16, 2023, entitled "NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project" (the "**Fenix Technical Report**") pursuant to NI 43-101. The Fenix Technical Report is available in its entirety on SEDAR+ under the Company's issuer profile at www.sedarplus.ca.

On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.

Year ended December 31, 2024

On January 8, 2024, the Company announced the issuance of 253,273 Common Shares at a deemed price of $0.38 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On January 29, 2024, the Company announced that it had entered into shares for services agreements (the "**2024 Shares for Services Agreements**") with certain directors, employees and consultants. Pursuant to the terms of the 2024 Shares for Services Agreements, such directors, employees and consultants agreed to receive all or a portion of their respective director fees, wages or consultancy fees for the period from January 1, 2024 to December 31, 2024, in Common Shares, with the remaining amount, if any, to be settled in cash. The total value of the security-based compensation intended for issuance in connection therewith was up to CAD$750,000.

On April 8, 2024, the Company announced that Fenix Gold received the formal *Resolución de Calificación Ambiental* (the "**RCA**") for the Fenix Gold Project. The RCA allows Fenix Gold to advance permitting activities for the Fenix Gold Project. Four principal sectorial permits are required before construction can commence at the Fenix Gold Project: 1) Mining Methods; 2) Process Plant; 3) Waste Dumps & Stockpiles; and 4) Closure Plan and the Company announced that work on these permits was underway, with an anticipated timeline of the end of July 2024.

The Company further announced that the Company had been working with Endeavour to develop the optimum financing solution for the Fenix Gold Project. In this regard, the Company and Endeavour developed a shortlist of institutions who were provided with additional information relating to the Company

and the Fenix Gold Project through a virtual data room with the objective of obtaining formal expressions of interest.

In addition to the above, the Company also announced that it had entered into an engagement letter agreement with Eight Capital to act as lead agent and sole bookrunner, on behalf of a syndicate of agents, in connection with a private placement of up to 25,640,000 Common Shares at a price of CAD$0.39 per Common Share, for aggregate gross proceeds of up to CAD$9,999,600 (the "**2024 Offering**").

On April 9, 2024, the Company announced that it had entered into an amending agreement with Eight Capital to upsize the 2024 Offering to allow for the issuance of up to 59,030,000 Common Shares at a price of CAD$0.39 per Common Share for aggregate gross proceeds of up to CAD$23,021,700. Of the 59,030,000 Common Shares being offered, up to a 25,640,000 Common Shares were offered for sale pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 for aggregate gross proceeds of up to CAD$9,999,600 (the "**LIFE Offering**") and the remaining balance of Common Shares were offered for sale pursuant to other exemptions under NI 45-106 and in accordance with applicable securities laws. The Company filed an offering document in connection with the LIFE Offering, a copy of which can be accessed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

On April 17, 2024, the Company announced the closing of the 2024 Offering, including the LIFE Offering, and issued an aggregate of 59,030,000 Common Shares at a price of CAD$0.39 per Common Share for aggregate gross proceeds of CAD$23,021,700.

On August 12, 2024, the Company announced that it had changed its auditors from Grant Thornton LLP to PricewaterhouseCoopers LLP.

On October 2, 2024, the Company announced that Fenix Gold had received the principal sectorial permits (the "**Sectorial Permits**") it requires to begin construction at its Fenix Gold Project. These Sectorial Permits are the 1) Mining Methods; 2) Process Plant; 3) Waste Dumps & Stockpiles; and 4) Closure Plan. The Sectorial Permits represent the last governmental authorization required to enable the start of the construction phase and subsequent operation of a mine at the Fenix Gold Project.

The Company further announced that it had entered into a market-making service contract (the "**Market-Making Agreement**") with ICP Securities Inc. ("**ICP**") pursuant to which ICP agreed to provide automated market-making services for a monthly fee of CAD$7,500, plus applicable taxes. The Market-Making Agreement was for a term of four months beginning October 1, 2024 and automatically renewed for subsequent one-month terms unless either party provides at least 30 days written notice prior to the end of the additional term.

On December 16, 2024, the Company provided an update on progress made on the Fenix Gold Project. The Company announced that it had entered into a fixed price contract totaling $49 million with its plant construction contractor, HLC Chile SPA, for the construction of the absorption, desorption and gold recovery plant at the Fenix Gold Project.

Mine Financing Package

On October 21, 2024, the Company announced that it arranged a mine construction financing package (the "**Mine Financing Package**") totalling approximately $163 million for construction and general working capital of the Fenix Gold Project. The total financing package was comprised of the following:

- $120 million financing package with WPMI comprised of the Flexible Prepay Arrangement and the Standby Loan Facility (as described in additional detail below);
- overnight marketed public offering of Common Shares to raise gross proceeds of up to C$40 million led by Raymond James Ltd. and Eight Capital (the "**2024 Public Offering**"), which was upsized to $55 million; and

- non-brokered private placement of Common Shares to WPMI for proceeds of C$5 million (the "**Wheaton Private Placement**").

On October 22, 2024, the Company upsized the 2024 Public Offering of Common Shares of the Company from up to C$40 million to up to C$55 million and priced the 2024 Public Offering at C$0.65 per Common Share. The 2024 Public Offering was conducted on a best-efforts agency basis pursuant to the terms and conditions of an agency agreement between the Company, and Raymond James Ltd. and Eight Capital as joint bookrunners and co-lead agents on behalf of a syndicate of agents, which included Paradigm Capital Inc. and Pollitt & Co. Inc. (collectively, the "**Agents**"). The Company granted the Agents an option (the "**Agents' Option**"), exercisable at the offering price on or before two days prior to closing date of the 2024 Public Offering, to offer on a best-efforts basis up to an additional 15% of the Common Shares sold in the 2024 Public Offering to cover over-allotments, if any.

On October 29, 2024, the Company announced that it closed the 2024 Public Offering of 97,307,710 Common Shares, inclusive of 12,692,310 Common Shares issued upon the exercise of the Agents' Option in full, for aggregate gross proceeds to Rio2 of C$63,250,011.50. In connection with the 2024 Public Offering, the Company filed a prospectus supplement "**Supplement**") dated October 23, 2024, to the Company's short form base shelf prospectus dated October 16, 2024 (the "**Base Prospectus**"). Copies of the Supplement and Base Prospectus are available under the Company's profile on SEDAR+ at www.sedarplus.ca.

The Company further announced that it had closed the Wheaton Private Placement of 7,692,308 Common Shares to WPMI at a price of C$0.65 per share for gross proceeds of C$5 million, equivalent to $3.6 million.

Wheaton Transactions

Gold Stream

On November 16, 2021, the Company announced that it had entered into a definitive precious metals purchase agreement (the "**PMPA**") with WPMI, in relation to a gold stream on the Fenix Gold Project (the "**Gold Stream**"). Pursuant to the terms of the PMPA, WPMI agreed to pay Rio2 up to $50 million, in two tranches of $25 million, in exchange for the Gold Stream. Under the terms of the Gold Stream, Rio2 is obligated to sell WPMI 6.0% of gold production until 90,000 ounces of gold have been delivered, 4.0% of gold production until 140,000 oz delivered and 3.5% of gold production thereafter for the life of mine. Rio2 received a deposit payment under the PMPA of $25 million from WPMI on or about March 29, 2022. The remaining deposit of $25 million under the PMPA was available to Rio2 following completion of the 2024 Public Offering, and subject to the satisfaction of certain customary conditions precedent.

On October 21, 2024, Rio2 and WPMI entered into an amended and restated precious metals purchase agreement (the "**A&R PMPA**"), which amends and restates the PMPA in its entirety. The A&R PMPA provides Rio2 with access to a flexible prepay arrangement through which WPMI has agreed to provide Rio2 with an additional $100 million in two equal tranches of $50 million, subject to the satisfaction of customary conditions precedent, in exchange for the delivery of an additional 95,000 ounces of gold (the "**Flexible Prepay Arrangement**"). The gold ounces deliverable under the Flexible Prepay Arrangement are deliverable on the schedule set out below:

Year	Delivery Profile (oz)
2026	8,000
2027	14,000
2028	15,000
2029	15,000
2030	15,000
2031	15,000
2032	13,000
Total	**95,000**

Rio2 may complete an early delivery of ounces owed under the Flexible Prepay Arrangement without penalty during the period commencing on December 31, 2027, and ending on December 31, 2029. If Rio2 underdelivers the ounces required under the Flexible Prepay Arrangement, it will owe additional ounces to WPMI equal to 15% of the difference of the amount scheduled to be delivered against actual deliveries, less any over-deliveries from the prior year. The security granted by Rio2 to WPMI to support its obligations under PMPA also secures Rio2's obligations under the Flexible Prepay Arrangement and has no associated hedging, cash sweeps, cash collateralization, or offtake agreement.

Pursuant to the A&R PMPA, WPMI will pay 20% of the spot price of gold to Rio2 for all ounces delivered under the A&R PMPA (including the Flexible Prepay Arrangement), provided that the purchase price will be adjusted downward if the market price of gold is less than $1,900 per ounce.

The A&R PMPA provides that the step down in ounces deliverable to WPMI by Rio2 is amended as follows: (i) 6% of the total gold production will be sold to WPMI by Rio2 until the Flexible Prepay Arrangement has been repaid in full, and 90,000 ounces have been delivered under the Gold Stream; (ii) 4% of gold production until 140,000 ounces have been delivered under the Gold Stream (and provided that the Flexible Prepay Arrangement has been satisfied in full); and (iii) 3.5% of gold production thereafter for the life of mine.

All delay ounces owing to WPMI under the PMPA have been waived. Under the terms of the A&R PMPA, delay ounces begin to accrue for the account of WPMI if initial completion of the Fenix Gold Project is not completed by December 31, 2026. In such scenario, up to 435 ounces per month will be owing to WPMI until such initial completion is achieved.

Standby Loan Facility

On October 21, 2024, Rio2 Bahamas and WPMI entered into a definitive loan agreement (the "**Standby Loan Facility**") pursuant to which Rio2 Bahamas could borrow up to $20 million from WPMI on a secured basis. Borrowed amounts were to bear interest at the rate of 3-month Term SOFR plus 9.50% per annum. Undrawn funds were subject to a standby fee of 1.5% per annum. The Standby Loan Facility was required to be repaid on the fourth anniversary of the initial drawdown. The Standby Loan Facility was secured by the same security as the PMPA. The facility was not a revolving facility (amounts borrowed may not be paid down and re-borrowed). The facility could have be drawn in multiple drawdowns. The Availability Period (as defined in the Standby Loan Facility) starts following the receipt of Rio2 of all funds under the A&R PMPA (including the Flexible Prepay Arrangement) and ends on the earlier to occur of (i) the date the Completion Date (as defined in the Standby Loan Facility) starts; (ii) December 31, 2027; and (iii) the date that is four years from the first drawdown under the Standby Loan Facility. Interest is payable quarterly. The Standby Loan Facility could have be prepaid at any time without penalty. As of December 31, 2025 the Standby Loan Facility had not been drawn and it was cancelled on December 29, 2025 at the Company's discretion as the Company determined it would not need it.

Year ended December 31, 2025

On January 13, 2025, the Company granted 6,310,000 incentive stock options to directors, officers, and employees pursuant to the Company's Stock Option Plan. The options are exercisable at a price of CAD$0.70 per share, will expire five years from the grant date and vest 1/3 thereof on each of the first, second and third anniversaries of grant. The options represent the Company's annual grant of long-term incentives consistent with the Company's regular yearly compensation.

On February 7, 2025, the Company announced the official start of construction of its Fenix Gold Mine.

On March 24, 2025, the Company received the second deposit payment of $25 million from WPMI in connection with the A&R PMPA and Gold Stream.

On July 29, 2025, the Company announced that it had received the third deposit payment of $50 million from WPMI in connection with the A&R PMPA, to be used towards continuing advancement of construction of the Fenix Mine.

On August 18, 2025, the Company granted 1,730,000 restricted share units to executive officers and directors pursuant to the Company's Share Incentive Plan. In addition, the Company granted 400,000 incentive stock options to certain executive officers pursuant to the Company's Stock Option Plan. The options are exercisable at a price of CAD$1.84 per share, will expire five years from the grant date and vest 1/3 thereof on each of the first, second and third anniversaries of grant On August 29, 2025, Rio2 announced that it had received final listing approval from the Toronto Stock Exchange (the "**TSX**") to graduate from the TSX Venture Exchange (the "**TSXV**"). Rio2's Common Shares commenced trading on the TSX at the market open on September 3, 2025 under the symbol "RIO".

On September 24, 2025, the Company announced that its Chilean subsidiary, Fenix Gold Limitada, signed two separate memorandum of understandings with two companies that have desalinated water distribution facilities located in the Copiapo area, to undertake studies for the potential supply of desalinated water to the Fenix Mine. The studies will evaluate the potential expansion of their desalination facilities at operating plants and constructing a pipeline and associated infrastructure from their distribution facilities in Copiapo. At the end of the study period, Fenix Gold Limitada will analyze each study submission and select a preferred water provider who will develop a feasibility study.

On September 29, 2025, Rio2 announced that it had acquired 39,855,000 ordinary shares of Royal Road Minerals Limited (TSXV: RYR) ("**Royal Roads**"), representing, at that time, approximately 15% of Royal Road's issued and outstanding ordinary shares. As such, Rio2 became an "insider" of Royal Road under applicable securities laws and the policies of the TSXV. In connection with this acquisition, Rio2 and Royal Road entered into an investor rights agreement, pursuant to which Rio2, provided that it owns at least a 9.5% interest in Royal Road (calculated in accordance with the investor rights agreement), has the right to participate in equity financings by Royal Road in order to maintain its pro rata ownership in Royal Road at the time of any such financing or acquire up to a 15% ownership interest in Royal Road (after giving effect to the financing). Provided that it owns at least 9.5% of the issued and outstanding ordinary shares of Royal Road, Rio2 is also entitled to designate one nominee for election or appointment to Royal Road's board of directors.

On November 3, 2025, the Company announced that it had received the fourth and final deposit payment of $50 million from WPMI in connection with the A&R PMPA, to be used towards continuing advancement of construction of the Fenix Mine.

On November 27, 2025, Rio2 announced that it purchased 4,166,667 ordinary shares of Royal Road at a price of C$0.18 per share (C$750,000 in total), maintaining its approximately 15% ownership interest in Royal Road.

Condestable Acquisition

On December 8, 2025, the Company announced that it had entered into a definitive agreement (the "**Acquisition Agreement**") with Southern Peaks Mining L.P. ("**Southern Peaks**"), Rio2 Operaciones S.A.C., a wholly-owned subsidiary of Rio2, and Mr. Adolfo Fernando Vera Fernandez ("**Mr. Vera**" and, together with Southern Peaks, the "**Vendors**"), to acquire the Vendors' 99.1% interest in the Condestable Mine located in Peru (the "**Acquisition**"). Under the terms of the Acquisition Agreement, Rio2 will acquire all of the issued and outstanding securities in the capital of Ariana Management Corporation S.A.C., a closed corporation (sociedad anónima cerrada) existing pursuant to the Laws of Peru ("**AMC**"), Southern Peaks Mining Peru S.A.C., a closed corporation (sociedad anónima cerrada) existing pursuant to the Laws of Peru ("**SPM Peru**") and SPM Finance Limited, a Cayman Islands exempted company ("**SPM Finance**" and, together with AMC and SPM Peru, the "**SPM Entities**") that are held by Southern Peaks and Mr. Vera. For more information on the Acquisition Agreement, see "*Material Contracts – The Acquisition Agreement*".

The parties to the Acquisition Agreement agreed to amend and restate the Acquisition Agreement on January 30, 2026, immediately prior to completion of the Acquisition. The A&R Acquisition Agreement (as defined below) amended and restated the following terms: (i) Rio2 agreed to waive the delivery of a Peruvian tax certificate as a condition to closing; (ii) the majority of the Cash Consideration due on closing was funded into escrow, held pursuant to an escrow agreement among Southern Peaks, Rio2 Cobre S.A.C. and Scotiabank Peru S.A.A., to be released to the Vendors upon the receipt of the Peruvian tax certificate; and (iii) the Consideration Shares will be issued by Rio2 to Southern Peaks following the receipt of the Peruvian tax certificate. For clarity, the escrow of cash and Consideration Shares under the A&R Acquisition Agreement does not affect the consideration paid by Rio2 for the Acquisition, nor does it affect Rio2's ownership of the Condestable Mine on closing of the Acquisition. The Acquisition closed pursuant to the terms of the A&R Acquisition Agreement on January 30, 2026, at which time Rio2 became the owner of the 99.1% interest in the Condestable Mine. See "*General Development of the Business – Recent Developments since January 1, 2026*".

Prior to completion of the Acquisition, AMC owned 208,241,454 of the issued and outstanding securities in the capital of Compañía Minera Condestable S.A., a corporation (sociedad anónima) existing pursuant to the Laws of Peru ("**CMC**"), representing 99.10% of the issued and outstanding securities of CMC. CMC is the owner and operator of the Condestable Mine located in the Lima Department, Peru, an underground copper mining operation with associated processing facilities. At the time of signing of the Acquisition Agreement, Southern Peaks held 508,089,687 shares in the capital stock of AMC (each, an "**AMC Share**"), one of the shares in the capital of SPM Finance (a "**SPM Finance Share**"), and 29,039,399 of the shares in the capital stock of SPM Peru (each, a "**SPM Peru Share**"), and Mr. Vera held two AMC Shares and one SPM Peru Share. Together, the Vendors collectively owned 100% of the issued and outstanding securities of AMC and SPM Peru.

Under the terms of the Acquisition Agreement and A&R Acquisition Agreement, the Vendors will receive the following consideration for the Acquisition:

- $80 million in cash (the "**Cash Consideration**");
- $65 million aggregate principal amount of vendor debt financing ("**Vendor Debt**");
- the issuance of 21,836,785 Common Shares, representing approximately $35 million (the "**Consideration Shares**"); and
- total deferred consideration of $37 million (the "**Deferred Consideration**"), on the following schedule:
    - $5 million on or before December 31, 2027;
    - $10 million on or before December 31, 2028;
    - $5 million on or before December 31, 2029; and
    - $17 million on or before December 31, 2030.

Rio2 has the right to pay the Deferred Consideration in cash or shares (or a combination thereof), subject to certain conditions.

The Acquisition closed on January 30, 2026, at which time Rio2 became the owner of the 99.1% interest in the Condestable Mine. See "*General Development of the Business – Recent Developments since January 1, 2026*".

Acquisition Financing

2025 Equity Financing

On December 8, 2025, Rio2 announced that it had entered into an agreement with Raymond James Ltd., Stifel Nicolaus Canada Inc. and BMO Capital Markets as joint bookrunners (collectively, the "**Underwriters**"), pursuant to which the Underwriters agreed to purchase on a "bought deal" basis 63,064,000 subscription receipts of the Company (the "**Subscription Receipts**") at an issue price of C$2.22

per Subscription Receipt (the "**Issue Price**") for total gross proceeds of C$140 million or approximately $100 million.

Later in the day on December 8, 2025, the Company announced that, due to strong demand, the Underwriters upsized the previously announced "bought deal" financing to approximately C$166,200,300, or approximately $120 million (the "**2025 Equity Financing**"). Under the 2025 Equity Financing, the Underwriters have agreed to purchase, on a "bought deal" basis, 74,865,000 Subscription Receipts of the Company at the Issue Price.

The Company granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the financing, to purchase an additional 15% of the Subscription Receipts to cover over-allotments, if any (the **"Over-Allotment Option**"). A portion of the net proceeds of the financing were used to fund the Cash Consideration and the balance will be used for working capital and general corporate purposes.

Each Subscription Receipt entitled the holder to receive, without payment of additional consideration and without further action, one Common Share (a "**Subscription Receipt Share**"), subject to customary adjustment provisions, upon the satisfaction or waiver of certain release conditions, including the satisfaction or waiver of all conditions to the completion of the Acquisition substantially in accordance with the terms of the Acquisition Agreement, other than the payment of the purchase price (the "**Release Conditions**").

In connection with the 2025 Equity Financing, the Company filed a prospectus supplement dated December 10, 2025 to its short form base shelf prospectus dated October 16, 2024, as amended pursuant to amendment no. 1 to such short form base shelf prospectus dated December 3, 2025, all of which are available on Rio2's issuer profile on SEDAR+.

The 2025 Equity Financing closed on December 15, 2025, with the Company issuing 86,094,750 Subscription Receipts at the Issue Price for aggregate gross proceeds to the Company of C$191,130,345, or approximately $138 million, which included the full exercise of the Over-Allotment Option.

Vendor Debt

Rio2 has agreed to deliver to Southern Peaks (i) a secured promissory note in the amount of $55 million (the "**Vendor Senior Promissory Note**") and (ii) a secured mezzanine promissory note in the amount of $10 million (the "**Mezzanine Promissory Note**"), both with six-year terms.

Following a six-quarter grace period (the "**Grace Period**"), quarterly principal repayments will total $2.5 million and $550,000 for the Vendor Senior Promissory Note and the Mezzanine Promissory Note, respectively. The interest rate applicable to the Vendor Senior Promissory Note will be the prime rate of interest quoted by a leading U.S. commercial bank from time to time ("**U.S. Prime**") plus a margin of 5.0% during the Grace Period, and the U.S. Prime plus a margin of 4.0% thereafter. The interest rate applicable to the Mezzanine Promissory Note will be U.S. Prime plus a margin of 9.0% during the Grace Period, and U.S. Prime plus a margin of 11.0% thereafter. The Vendor Senior Promissory Note will have security over the Condestable Mine that is subordinate to the gold and silver stream held by an affiliate of Franco-Nevada Corporation (the "**FN Stream**") prior to the deposit depletion and pari passu with the FN Stream after the deposit depletion. The Mezzanine Promissory Note will have security over the Condestable Mine that is subordinate to both the FN Stream and the Vendor Senior Promissory Note.

Private Placement

On December 8, 2025, the Company announced that it had entered into an agreement with KALLPA Securities Sociedad Agente de Bolsa S.A. ("**KALLPA**") in connection with a private placement (the "**KALLPA Private Placement**"). The KALLPA Private Placement closed on December 17, 2025, with Rio2

issuing a total of 6,306,300 Common Shares to investors resident in Peru and Chile at the Issue Price for aggregate gross proceeds to the Company of C$14 million (approximately $10 million).

Recent Developments since January 1, 2026

Update on Fenix Gold Project

On January 26, 2026, the Company announced that the Company's first official gold pour at Rio2's Fenix Mine occurred on January 23, 2026. Rio2 announced that construction of critical path items at Fenix Gold had been completed on time and on budget. The first official gold pour yielded approximately 897 ounces of gold which are in addition to approximately 358 ounces of gold that were produced in December as part of the plant commissioning process. As well, the two pours combined produced approximately 131 ounces of silver. Rio2 is now focused on ramping up operations at Fenix Gold to 20,000 tonnes per day of ore to pad over the remainder of the year. Based on the current ramp-up plan, Rio2 is targeting gold production of 60,000 to 70,000 ounces for 2026.

Timelines for the proposed expansion of the Fenix Gold Project are projected to be as follows:

- Completion of a mine expansion pre-feasibility study – Q2, 2026
- Basic Engineering and permitting for Expansion case Q3, 2026 – Q4, 2028
- Completion of a feasibility study – H2, 2027
- Capital expenditure approvals and commitment for the expansion – Q1, 2029
- Completion of desalinated water supply works and completion of project capital works – H2, 2030
- Commencement of ramp up to higher rate of production – H2, 2030

Timing is indicative and may vary based on permitting and other regulatory approval processes. In expanding the Fenix Gold Project, the Company is targeting a goal rate of production of 80,000 tonnes of ore per day, with a view to producing at least 300,000 oz of gold per annum for approximately 10 years.

Closing of the Condestable Mine Acquisition

On January 30, 2026, the Company announced the closing of the Acquisition to acquire the 99.1% interest in the Condestable Mine from the Vendors. In connection with the closing of the Acquisition, the parties agreed to amend and restate the Share Purchase Agreement (the "SPA") as follows: (i) Rio2 agreed to waive the delivery of a Peruvian tax certificate as a condition to closing; (ii) the majority of the Cash Consideration due on closing was funded into escrow and will be released to the Vendors upon the receipt of the Peruvian tax certificate; and (iii) the Consideration Shares will be issued by Rio2 to Southern Peaks following the receipt of the Peruvian tax certificate. Pursuant to the Acquisition, Rio2 acquired all of the issued and outstanding shares of certain subsidiaries of Southern Peaks, including Ariana Management Corporation S.A.C., which ultimately held a 99.1% interest in the Condestable Mine, on January 30, 2026. For clarity, the escrow of cash and Consideration Shares under the A&R Acquisition Agreement does not affect the consideration paid by Rio2 for the Acquisition, nor does it affect Rio2's ownership of the Condestable Mine on closing of the Acquisition. The Acquisition closed pursuant to the terms of the A&R Acquisition Agreement on January 30, 2026, at which time Rio2 became the owner of the 99.1% interest in the Condestable Mine.

In connection with closing of the Acquisition, the escrow release conditions for the conversion of the Subscription Receipts were fulfilled and each Subscription Receipt was converted into one Subscription Receipt Share concurrently with closing of the Acquisition. The net proceeds of the 2025 Equity Financing, together with all interest earned thereon, were released from escrow to Rio2 and were partly used to fund the payment of the Cash Consideration. The remainder of the proceeds will be used for working capital and general corporate purposes.

As part of the closing mechanics for the Acquisition, Rio2 delivered the Vendor Senior Promissory Note and the Mezzanine Promissory Note.

Timelines for the proposed expansion of the Condestable Project are projected to be as follows:

- Expected MEIA approval: Q3, 2026
- Targeting process plant construction: 2027
- Targeting ramp up to 12 ktpd: 2028
- Assess options to develop open pit project: 2026 – 2030

Significant Acquisitions

The Company did not complete any significant acquisitions during the financial year ended December 31, 2025. The Acquisition was completed on January 30, 2026, and, on February 25, 2026, a business acquisition report on Form 51-102F4 was filed on SEDAR+ in respect of the Acquisition.

DESCRIPTION OF BUSINESS

General

Rio2 is a diversified precious metals and copper producer focused on building and operating mines with a management team that has proven technical skills as well as a successful capital markets track record. The Company is currently producing gold at its Fenix Gold heap leach mine in Chile and copper/gold/silver at its recently acquired Condestable underground mine in Peru. Rio2 and its wholly owned subsidiaries, Fenix Gold Limitada and Compañia Minera Condestable S.A., are companies that operate with the highest environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three pillars (social, environment, economics) of responsible development. Rio2 reaffirms its commitment to apply environmental standards beyond those mandated by regulators, seeking to protect and preserve the environment in the territories where it operates.

The Company's principal properties are the Fenix Gold Project and the Condestable Mine, which are each described in further detail below under "*Mineral Projects*".

Specialized Skills and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, accounting, transaction identification and negotiation and accessing capital. In so far as the mining industry is competitive with respect to attracting experienced employees, management intends to use its relationships and its prospect as a growth company to employ individuals with the required skills to advance the business.

There remains demand for highly skilled and experienced workers in the Company's industry and employment markets can vary with volatility in the mining industry. See "*Risk Factors*".

Competitive Conditions

The gold/silver/copper exploration and mining business is competitive. The Company competes with numerous other companies and individuals that have resources significantly in excess of those of the Company, in the search for and the acquisition of mineral properties. The ability of the Company to acquire mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition. See "*Risk Factors*".

Cycles

The mining business is subject to global economic cycles which affect the marketability of products derived from mining.

Stage of Development

As of the Effective Date, the Company is producing gold at its Fenix Gold Project and producing copper, gold and silver at its recently-acquired Condestable Mine in Peru. The Company completed its first official gold pour at the Fenix Mine in January 2026 and completed the acquisition of the Condestable Mine in January 2026. For the year ended December 31, 2025, the Company was still in an exploration and development stage and was not producing, developing or selling products, and as such, had no operating income or cash flows from the properties it held.

Environmental Protection

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, provincial and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. The Company is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Company. However, compliance with such laws and regulations increases the costs of and delays planning, designing, drilling and developing the Company's properties.

Rio2 has policies and procedures in place relating to corporate governance, business conduct and general guidelines. The Board has a Health, Safety, and Community Committee (the "**HSC Committee**") tasked with overseeing responsibilities regarding the health and safety of its employees and contractors, the conduct by the Company of its operations in an environmentally responsible manner and the development and maintenance of positive relationships with communities in the area of influence the Company's projects. Consistent with this function, the HSC Committee will encourage continuous improvement of, and will foster adherence to the Company's policies, procedures and practices at all levels.

Employees

As of December 31, 2025, the Company had 157 full-time employees and 1,277 contractors, and as of the Effective Date, the Company had 1,278 full-time employees and 2,152 contractors. To continue with the development of its assets, the Company may require additional experienced employees and third-party consultants and contractors. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that the Company will retain a sufficient number of qualified employees when necessary. See "*Risk Factors*".

Information Regarding Chile and Peru

The Company's Fenix Mine is in Chile and the Condestable Mine is in Peru.

Chile, with a continental area of 295,000 square miles (764,000 square kilometers) excluding the Antarctic territory with an area of 490,000 square miles (1,269,000 square kilometers), is a long narrow ribbon of land stretching almost 2,700 miles (4,345 kilometers) along the west coast of South America with an average width of only 110 miles (177 kilometers), varying between 60 miles (97 kilometers) and 250 miles (402 kilometers). The country is wedged between the Andes on the east and the Pacific Ocean on the west, bordering Peru on the north and Bolivia and Argentina on the east. Southern Chile is an archipelago, with Cape Horn at its tip. There are five distinct and well-defined geographic regions: the northern desert, the high Andean sector, the central valley, the southern lake district, and the archipelago. Santiago is the capital and the commercial center of the country. Chile's population totals approximately 19 million, of which about 85 percent is urban, with a concentration of nearly 6.5 million in the metropolitan region (Santiago). The median age in Chile is 35.7 years.

Peru, with a total area of 496,225 square miles (1,285,216 square kilometers), is the third-largest country in South America, situated along the central western coast of the continent. The country is bordered by the Pacific Ocean on the west, Ecuador and Colombia on the north, Brazil on the east, Bolivia on the southeast, and Chile on the south, with the Andes mountain range running through its interior. Peru is characterized by dramatic geographic diversity, ranging from arid coastal plains to towering Andean peaks. Lima is the

capital and the commercial center of the country. Peru's population totals approximately 34 million, with a concentration of nearly 11 million in the metropolitan region (Lima). The median age in Peru is 31.5 years.

Operations in any foreign country may be exposed to economic and other risks and uncertainties, which may include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes in mining or investment policies, or shifts in political attitudes, in Chile or Peru may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations concerning, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety.

Both Chile and Peru have civil law systems with legal frameworks influenced by Spanish and French traditions. Although the specific structure and procedural rules differ between the two countries, each maintains a broad set of codified laws and regulations applicable to mining activities, and court decisions generally apply only to the case in which they are issued. In Chile, the legal system is supported by an independent and well-established judiciary that includes a Supreme Court, Courts of Appeals and Judges of First Instance, with civil, criminal and labor courts, as well as mechanisms for arbitration of civil and commercial disputes. Peru likewise has a multi-tiered judiciary and administrative framework with specialized courts and agencies that oversee mining, environmental and commercial matters, and arbitration is also commonly used to resolve civil and commercial disputes. See "*Risk Factors*".

MINERAL PROJECTS

The Fenix Gold Project

The Fenix Gold Project (16,050 hectare) is located in the Atacama Region, in the Copiapó Province - Chile, specifically in the Maricunga Mineral Belt, approximately 160 kilometers northeast of Copiapó by International Road CH-31. It is one of the largest undeveloped pre-feasibility stage gold oxide projects in the Americas. The Fenix Gold Project is 100% owned by Fenix Gold Limitada, a subsidiary of Rio2, and is not subject to third party royalties, back-in rights or payments, other than as disclosed herein.

A more complete description of the Fenix Gold Project may be found within the Fenix Technical Report, a copy of which is available on the Company's issuer profile on SEDAR+ at www.sedarplus.ca. Unless stated otherwise, information in this section is summarized, compiled, extracted or incorporated by reference from the Fenix Technical Report. The Fenix Technical Report was prepared on behalf of the Company in accordance with NI 43-101 by Erick Ponce, FAusIMM (Min), Anthony Maycock, P.Eng, Denys Parra, SME, Registered Member, Carlos Arevalo, Chilean Mining Commission, Registered Member, Andres Beluzan, Chilean Mining Commission, Registered Member and Francisco Javier Rovira, Competent Person in Mineral Resources and Reserves. Defined terms used in this summary shall have the meanings ascribed to such terms in the Fenix Technical Report. The reference numbers of the tables and figures set out in this section are those attributed by the Fenix Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the Fenix Technical Report. Readers are encouraged to read the full Fenix Technical Report.

The summary of the Fenix Gold Project set out below has been extracted from the "Executive Summary" of the Fenix Technical Report dated October 16, 2023. The Fenix Technical Report is incorporated by reference in its entirety into this AIF.

Property and Location

The Fenix Gold Project is located in Chile's III Region (Atacama) in the Maricunga Mineral Belt ("**MMB"**), a mining district with a history of mining and a gold endowment of over 70 million ounces. MMB hosts the La Coipa and Maricunga mines, and the Lobo Marte, Volcan, Caspiche, and Cerro Casale gold deposits. Some Lithium projects are also located nearby.

The Fenix Gold Project is approximately 117 Km northeast of Copiapó City and approximately 50 Km west of Chile's border with Argentina. It is located along the western flanks of the Chilean Andes at a mean elevation of approximately 4,500m (see Figure 1-1). The Pan-American Highway and the provincial road network connect the Fenix Gold Project to the Pacific Ocean ports at Antofagasta and Coquimbo.

The Fenix Gold Project location is shown in Figure 1-1.

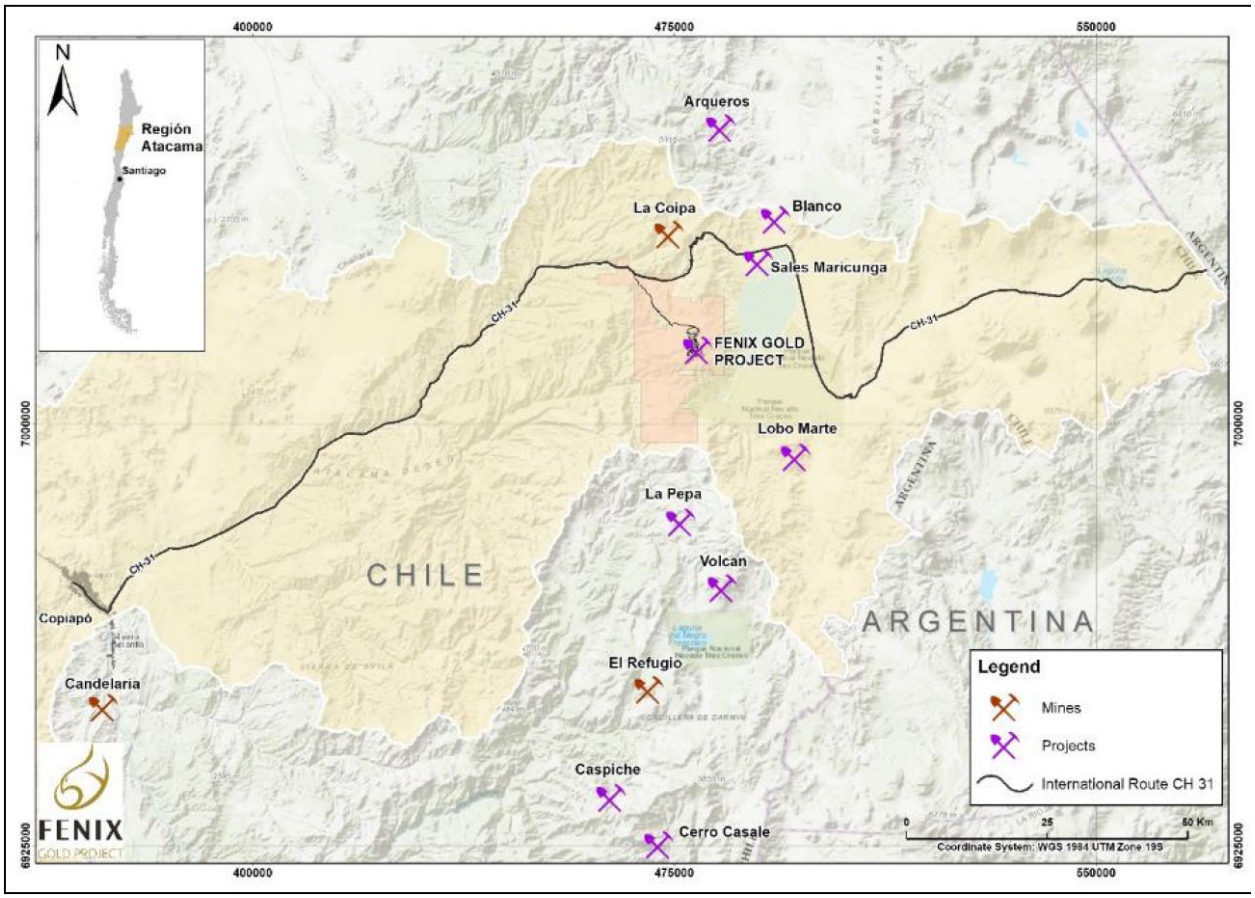


Figure 1-1: Location Map of the Fenix Gold Project

The Fenix Gold Project includes 21,746 hectares of exploration and 15,545 hectares of exploitation concessions, comprising an area of approximately 37,291 hectares. Fenix Gold has obtained and registered a provisional easement over the land (843.27ha) where it will develop the Fenix Gold Project by a Resolution dated August 13, 2020, from the 4th Civil Court of Copiapó. This Resolution has been registered in the registry of the "Conservador de Bienes Raíces de Copiapó" on October 21, 2020.

Obtaining this provisional easement was an important milestone for Fenix Gold as it now holds the title to access the surface land where it will develop the Fenix Gold Project, allowing it to move forward with the application for certain permits while awaiting the approval of its Environmental Impact Study.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The Fenix Gold Project is located approximately 160 Km from Copiapó and is accessed via 140 Km of paved highway and 20 Km of maintained single-track dirt road. The approximate travel time from Copiapó is 2.5 hours.

The Fenix Gold Project is situated on the western slopes of the Andes Cordillera in the high desert of the Atacama Region of Chile at an elevation of approximately 3,400-to-5,000m above sea level. The climate in the area surrounding the Fenix Gold Project is classified as a "low marginal desert climate."

The climate is considered extremely dry. Annual precipitation totals approximately 150mm on average, falling largely as snow during the winter months (June to September). Temperatures in the Fenix Gold Project area range from -30°C at night in the winter months, to 20°C during the daytime in the summer months. There is no surface water source flowing through the Fenix Gold Project area and no underground water sources have been identified. Phreatic water levels were also not found during drilling in the pit area.

There are no major population centers or civil infrastructures in the immediate vicinity of the Fenix Gold Project. Small-scale farming is present in the valleys that drain the highlands. Farming in this area is typically done by indigenous peoples and consists of crop farming and raising livestock. Farming activity has not been recorded near the Fenix Gold Project.

Copiapó, an established regional mining support and logistics hub, has a population of approximately 171,000 (2022 AZ Nations, n.d.) and can supply a skilled and experienced mining and mineral processing workforce.

The Fenix Gold Project is approximately 25 Km from Chile´s national power grid, Central Interconnected System (SIC). However, electrical generators were considered in the proposed start-up plan. The connection to the national power grid will be a future improvement for the Fenix Gold Project, most likely in conjunction with establishing a water pipeline.

History

Independent prospectors identified mineralization in the general area of the Fenix Gold Project in the early 1980's. In December 2007, a private Chilean exploration company, SBX, discovered gold mineralization in the Cerro Maricunga geological formation, with gold grades ranging from 0.2 g/t to 3 g/t. SBX named the discovery "Cerro Maricunga".

Minera Newcrest Chile Ltda ("**MNCL**") entered into an agreement with SBX to evaluate the Fenix Gold Project in 2007. Following their evaluation, MNCL chose to exit the option agreement with SBX. In 2008, Gold Fields ("**GFC**") entered into an agreement with SBX to evaluate the Fenix Gold Project, and following their work, GFC concluded that Cerro Maricunga had the potential to host a significant gold deposit. However, GFC elected to discontinue their interest in the Fenix Gold Project.

Between 2008 and early 2010, SBX privately funded an extensive exploration program including metallurgical testing and a diamond drill hole program. Phase I drill results were positive and in October 2010, SBX took the Cerro Maricunga Project public after listing on the TSX as Atacama Pacific Gold Corporation ("**APG**"). Also, in October 2010, APG commenced Phase II drilling at the Fenix Gold Project site and generated further positive results supporting the potential for a significant oxide-gold deposit.

Metallurgical test work conducted during 2011 indicated the deposit could be amenable to heap-leach processing. A third phase of drilling designed to define the extent of mineralization began in 2011. APG funded a program of infill drilling and additional metallurgical testing that concluded in May 2013. Following the results of Phase IV drilling, APG published a Pre-feasibility Study (PFS) for the Cerro Maricunga Project (PFS, 2014). In 2017, APG commenced Phase V drilling for metallurgical testing.

In July of 2018, Rio2 and APG announced a merger which saw Rio2 gain control of the Cerro Maricunga Property. Rio2 renamed the Fenix Gold Project to "Fenix Gold Project," and Atacama Pacific Gold Chile was renamed to Fenix Gold Limitada ("**FGL**"). Since assuming control of the Fenix Gold Project, Rio2 has completed Phase VI, Phase VII, and Phase VIII drilling and has published the "Updated Pre-feasibility Study for the Fenix Gold Project" in 2019. This report provided an update to the PFS, 2014 study published by APG. The 2019 Updated PFS study was amended and restated in August 2021.

In February 2022, Rio2 developed a structural model of the Fenix Gold Project and constructed a new geological model in 2023. This geological model was completed using a new version of the detailed geological mapping, which included descriptions of drill holes and a new structural map. Geotechnical and hydrogeological studies for the pit and mine components were also completed. Additionally, Rio2 completed pilot metallurgical testwork on a 426-dry-tonne ore sample.

The Environmental Impact Assessment for the Fenix Gold Project was completed and submitted in April 2020 to the Environmental Assessment Service. In June 2022, the SEA published the Consolidated valuation Report recommending that the Fenix Gold Project be rejected. This recommendation was supported by the Atacama Regional Evaluation Commission in early July 2022. Fenix Gold submitted an administrative appeal in August 2022.[1]

Geology and Mineralization

The Fenix Gold Project is located near the summit of the Cerro Maricunga Volcanic Complex, where it hosts a NW-SE-trending oxidized gold system approximately 2.5 Km long, 0.75 Km wide and 600m deep.

The stratigraphy of the Fenix Gold Project is characterized by the following geologic units: 1) a pre-mineral unit ("**Early Phreatomagmatism Unit**") formed by a set of domes and lava-domes which are rhyodacitic to andesitic and which intrude a sequence of block and ash pyroclastic breccias; 2) a syn-mineral series (Phreatomagmatic Unit) of massive-to-stratified ash tuffs, fine-to-medium lapilli tuffs, breccia tuffs and pyroclastic breccias of phreatomagmatic origin and with subvolcanic intrusions which are genetically related; and 3) a post-mineral group of small-volume dacitic domes that crosscut all previous units ("**Late Phreatomagmatism Unit**").

The Phreatomagmatic Unit is associated with at least 10 maar-diatreme-type volcanic structures ("**maar-diatreme field**") of different preservation degrees, which have been crosscut by NW-SE and late NE-SW faults and fractures.

The gold mineralization is hosted mainly by tuffs, breccias, and dacitic subvolcanic intrusions from the Phreatomagmatic Unit and, to a lessor extent, by andesites and dacitic domes of the same unit. The high-grade gold is commonly associated with low-temperature black banded quartz veins ("**BBV**"), which occur in sheeted veins, stockworks, subangular fragments in phreatomagmatic breccias and in hydrothermal injections of silica-magnetite. Low-grade gold is also present in veinless rocks as microscopic auriferous magnetite/ilmenite disseminated in a breccia matrix. Copper sulfides such as chalcocite-digenite, chalcopyrite and bornite have also been detected as small inclusions in quartz.

The deposit is interpreted as an intrusion-related, low-sulfidation, quartz-sulphide, Au±Cu deep epithermal mineralization, which has been lately remobilized by supergene processes facilitated by the permeable fine-grained matrix of the phreatomagmatic breccias.

The alteration associated with the mineralization is a weak homogeneous argillization represented by nontronite, silica, magnetite (chlorite), and, to a lesser extent, restricted silicification. Removed from this alteration, a ring-shaped kaolinite-hematite halo affects the country rocks, likely due to supergene alteration derived from disseminated pyrite.

[1] On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.

Exploration

The Fenix Gold Project has been explored by trenching, mapping, geophysics, and drilling. The Phase I drilling program completed a total of 2,142m during the years 2007 to 2010, and was undertaken by SBX.

Atacama Pacific Gold Corporation ("**APG"**) completed 106,339 m of drilling corresponding to Phases II through V over the years 2010-2017. APG also generated geological maps and conducted metallurgical and geotechnical testing.

Rio2 has carried out exploration activities since 2018. Several research studies were conducted from 2018 to 2022, including reports focusing on geophysics, petrology, and mineralogy. Included in these reports, was a structural study conducted by Dr. Pamela Pérez and a volcanological study completed by Dr. Jorge Clavero and Valentina Ramirez. During 2020 and 2021, 8 diamond drill holes were drilled for the purposes of geotechnical studies, one of which was completed by DERK in 2022 and which examined the stability of the designed reserve pits.

During 2020 and 2021, 426 tonnes of ore from Fenix North, Fenix Central, and Fenix South were stockpiled for the purposes of metallurgical testing in a pilot plant by HLC Ingenieria y Construccion.

Drilling

In total, 408 drill holes totaling 120,055m were drilled at the Fenix Gold Project site. The 2020-2021 and 2022 drilling campaigns complied with mineral exploration best practices for diamond and Reverse Circulation ("**RC**") drilling.

Sample Preparation and Data Verification

During the 2020-2021 and 2022 drilling campaigns, Rio2 conducted sampling, sample preparation, and sample analysis procedures according to industry best standards. Rio2 maintained high sample security standards throughout the entire sampling process.

No significant differences between the collar coordinates measured with a hand-held GPS and the coordinates recorded in the Fenix Gold Project database by Rio2 were observed.

Survey, logging, sampling, and assay data were properly transferred into the Fenix Gold Project database. No transcription errors were observed when comparing the original survey, logging and assay data with the data recorded in the Fenix Gold Project database.

Lithologies, structures, alterations and mineralization were properly documented, and data recorded in the logs generally respect the observed core and cuttings.

Interpretations involved in the geological model respect the data recorded in the logs and the sections. The interpretations from adjoining sections are consistent with the characteristics of the deposit represented by the model.

No twinned holes were drilled during the 2020-2021 and 2022 drilling campaigns. The sampling, sample preparation and analytical precision for gold assays processed at the ALS lab and Andes Analytical Assay Ltda ("**AAA**") laboratories were within industry standard limits for assay samples obtained from the 2020-2021 and 2022 drilling campaigns.

Rio2 used commercial standards, produced, and properly certified by Geostats Pty (Australia) to carry out the Assessment of Accuracy during the 2020-2021 and 2022 campaigns. Shewhart diagrams were prepared for each standard and accuracy biases were calculated. As a result, the Au accuracy at ALS and AAA are considered acceptable.

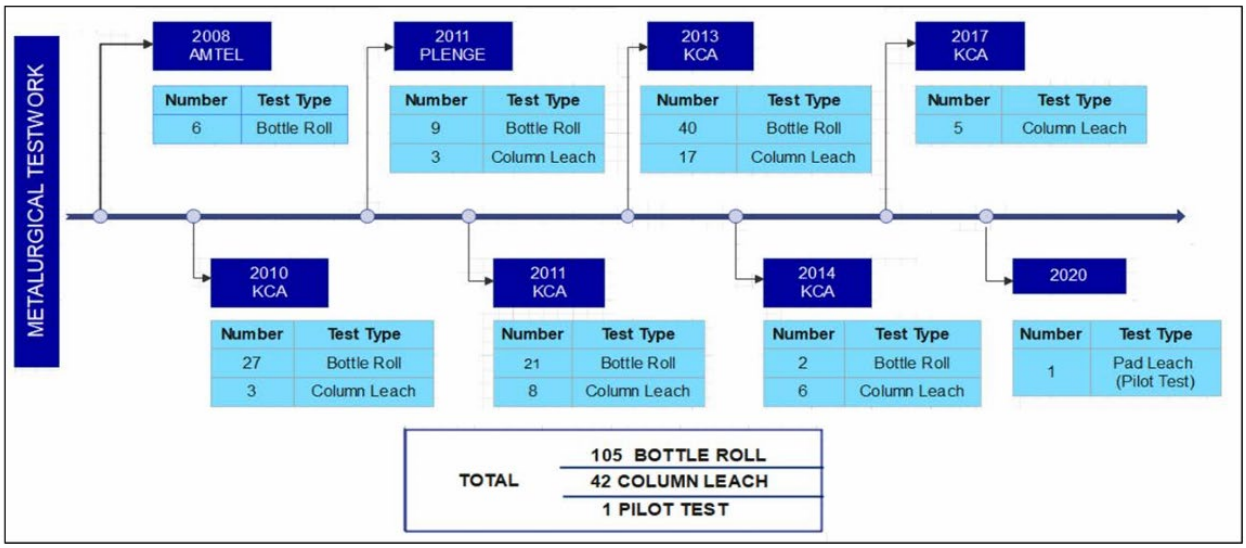
No significant Au contamination occurred during sample preparation at the ALS and AAA labs through the 2020-2021 and 2022 drilling campaigns.

The QP organized a re-sampling program to independently validate the ALS and AAA data during the 2020-2021 and 2022 campaigns. The check samples were submitted for re-assaying to Certimin, a laboratory with formal accreditations and the check assay data were processed utilizing the RMA method. As a result, the accuracy of ALS & AAA relative to Certimin for Au assay, was acceptable as validated by the high value of the coefficient of determination (R2 =0.993).

Mineral Processing and Metallurgical Testing

From 2008 to 2021, several metallurgical study campaigns have been conducted on mineralised material from various zones of the Fenix Gold deposit, formerly known as Cerro Maricunga. The sequence of campaigns is displayed in Figure 1-2. The total metallurgical test work involves 105 bottle rolls tests, 42 column leach tests and 1 pilot scale leaching test. The laboratories that performed the tests were: Advanced Mineral Technology Laboratory Ltd (AMTEL) of London, Ontario, Canada;

Kappes, Cassiday & Associates (KCA), based in Reno, Nevada, USA; Plenge, based in Lima, Peru; and HLC, Lima, Peru, which performed the pilot scale testwork.



Source: HLC, 2023

Figure 1-2: Testwork campaigns from 2008 to 2021.

The purpose of the 2008 to 2014 campaigns was to study gold and silver extractions under different leaching conditions and ore sizing distributions to provide basic design parameters for an industrial heap leach circuit.

The tests determined the optimum pH conditions, reagent consumption (cyanide, lime, and cement), metal recovery (gold, silver, and copper), leaching kinetics and particle size. Crushing tests were also conducted to determine the crushing work index and the abrasion index; high-pressure grinding roll (HPGR) crushing technology was also tested. For these campaigns, drill core and trench material were tested from different zones of the deposit to provide results considered representative of the deposit.

In 2017, leach tests were conducted by KCA for Atacama Pacific Gold. The purpose of this testwork was to study gold extraction in coarse-size particle fractions crushed to P80 -100mm and P80 -75mm, in an attempt to potentially reduce the crushing requirement. KCA received core samples identified from Fenix

South, Fenix Central and Fenix North zones. The irrigation time was 123 days and the calculated gold head grades ranged from 0.383g/t to 0.898g/t. Gold recovery for the columns ranged from 53% to 77%.

In 2020, HLC Ingeniería y Construcción SpA ("**HLC**") conducted pilot scale leaching tests at the Fenix Gold Project facilities in Copiapó, Chile. The purpose of the pilot scale testing was to demonstrate that 75% gold extraction could be obtained from blasted ROM material with a P80 -100mm, using water sources from the Nueva Atacama treatment facility.

The leach test was carried out on a concrete pad protected by a High-Density Polyethylene (HDPE) liner; pad dimensions were 8m x 8m x 3m high. A total of 426 dry tonnes of mineralized material from the three pits was treated with approximately 18% originating from the Fenix North Pit, 48% from the Fenix Central Pit and 34% from the Fenix South. Material from each pit was obtained by blasting, with a target P80 of -100mm. The blasted samples exhibited fragment sizes less than 150mm.

The pad was irrigated with cyanide solution with 150 ppm of free cyanide and the leach time was 81 days, plus 5 days of drain down. The gold, silver, and copper recoveries were determined together with the irrigation rate and reagent consumption. Gold and silver extractions were 75.1% and 12.4% respectively, while cyanide consumption was 0.175 kg/t. Lime was added to maintain the pH level above 10, with a consumption rate of 2.99 kg/t.

Gold extraction for all column tests carried out from 2010 to 2021 was in the range of 70% to 89%, except for the tests carried out in 2017, where two composites from CX top and bottom zones showed gold extractions between 53% and 57% respectively. These results were atypical with respect to previous tests utilizing material obtained from the same zone. It should be noted that when the CX top and CX bottom samples were included in a blend (20/20/20/20/20 CX-Top CX-Bottom LXPX-Top LXPX-Bottom PXLX-Bottom), the overall recovery was 75%.

The results from the pilot pad support the gold extraction obtained by KCA in 2017 for the composites from the three zones of the deposit CX, LX and PX giving an average gold extraction of 77% (without considering Samples CX-Top and CX-Bottom). The tests were carried out on a range of P100 particle size between -150mm and -75mm.

Based on the results of the column leach and pilot tests from 2010 to 2020, crush size has little effect on gold extraction. There is a weak correlation between metal recovery and feed size, with a decrease in gold recovery of 7% over a sample range of 20mm to 140mm.

Mineral Resource Estimate

The 2019 Mineral Resource Estimate ("**MRE**") was updated to include 13 holes totaling 3,570m of RC and diamond drilling completed in 2021 and 2022. The additional data, new geological model and revised modeling parameters have had no material effect on the combined Measured and Indicated resources when compared to the 2019 PFS. This suggests that the resource estimate is robust for bulk mining.

Inferred resources have decreased compared to the 2019 PFS. This is due to the increase in G&A and process mining costs, combined with lower recoveries than in the 2019 study. The revised costs are considered better aligned with current market conditions.

The Mineral Resource was determined inside a Whittle Open Pit Optimization. The optimization utilizes input parameters that consider an expanded project with access to water via a pipeline, which reflects the longer-term potential of the Fenix Gold Project on the Measured, Indicated, and Inferred resources.
Resources presented in Table 1-1 are constrained within an optimized open pit with a $1,800/oz gold price and correspond to a cut-off grade of 0.15g/t Au, inclusive of Reserves.

Table 1-1: Mineral Resource statement for the Fenix Gold Project, 0.15 g/t Au cut-off grade.

Notes:
1. Mineral Resources reported is inclusive of Mineral Reserves.
2. Metal price of $1800 per ounce gold was used to estimate Mineral Resources.
3. Table 1-1 includes all Measured, Indicated, and Inferred Resources contained within the "Resource Pit", which represents the test for eventual extraction applied.
4. Mineral Resources were prepared by Independent Consultant Andres Beluzan Chartered Professional, Mining Engineering and a registered member in good standing of the Chilean Mining Commission, REG# 215
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
6. Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.
7. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
8. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

Mineral Reserve Estimate

The Mineral Reserves statement has been prepared according to the CIM Standards.

The Proven Mineral Reserve is based on Measured Mineral Resources and the Probable Mineral Reserve is based on Indicated Mineral Resources after considering and applying modifying factors to all economic, mining, metallurgical, social, environmental, statutory, and financial aspects of the Fenix Gold Project.

Mining Plus developed the mine dilution methodology based on contact dilution of lateral contact edges on each block of the three-dimensional block model ("**3DBM**"). The dilution algorithm used to determine the dilution of one block is based on the surrounding grades of others and is further detailed in section 15.5.

The Mineral Reserve estimate is shown in Table 1-2 reported with a cut-off grade of 0.235g/t gold. The Mineral Reserves are reported as in-situ dry tonnes within the operational pit, totaling 114.7Mt of proven and probable mineral reserve, 97.1Mt of waste material, a stripping ratio ("**SR**") of 0.85 and 211.8Mt total ROM material.

Mineral Reserve Classification	Million Metric Tonnes	Au Grade (g/t)	Au Ounces (x1000)
Proven	63.2	0.50	1,022
Probable	51.5	0.45	750
Total Ore (Proven+ Probable)	**114.7**	**0.48**	**1,772**

Table 1-2: Mineral Reserves statement.

Notes:

Mineral Resource Classification	Million Metric Tonnes	Au Grade (g/t)	Au Ounces (x1000)
Measured	123.3	0.42	1,671
Indicated	266	0.36	3,086
Total Measured + Indicated	389.2	0.38	4,757
Inferred	90.8	0.33	959

1. Totals may not add up correctly due to rounding.
2. Metal price of $1,650 per ounce gold was used to estimate Mineral Reserves.
3. Mineral reserves are estimated using a minimum cut-off grade of 0.235 g/t Au and assuming metallurgical recovery of 75% on average for the life of mine.

4. Mineral Reserves were prepared by Erick Ponce FAusIMM, Area Manager, Mining Plus.
5. Mineral Reserves are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines.

Mining Methods

The Fenix Gold Project consists of an open pit mine which will be developed using conventional drill and blast techniques, with a truck and excavator configuration. The mineral processing rate is 20,000 tpd Run of Mine (ROM) ore to Heap Leach Pad (PAD). The mining rate was determined based on the processing rate, which is primarily a function of the available process feedwater.

The final pit design of the Fenix Gold Project is based on an optimal pit shell Revenue Factor (“**RF”**) 0.96 selected during the optimization process. The design includes a ramp width of 14 m, which follows Chilean mining regulations. The final pit is divided into sectors, namely: Fenix North, Fenix Central A, Fenix Central B and Fenix South. Mining Plus reviewed and validated the final pit design, while geotechnical parameters were provided by DERK.

A detailed mining schedule was developed by Mining Plus. The first two years were scheduled on a monthly basis, followed by two years with a quarterly outlook and from year five onwards, on an annual basis. The primary objective of the mining sequence was to maximize the value of the Fenix Gold Project.

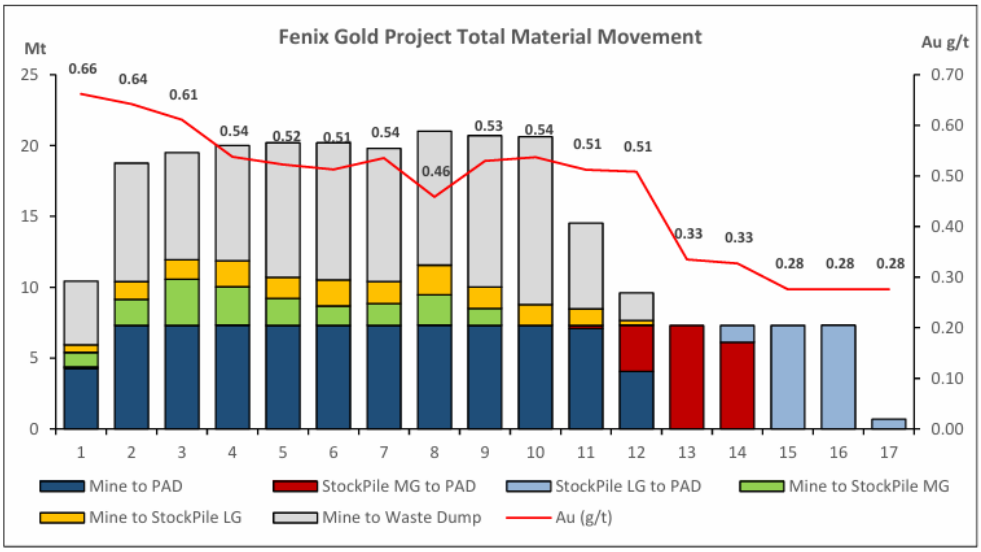
The cut-off grade was set at 0.235g/t Au as provided by Rio2 and validated by Mining Plus. To further improve the economics and increase cash flow, medium grade and low-grade stockpiles were utilized in the mining strategy.

Year one of production has a planned placement rate of 12,000tpd on the PAD, which will operate at a placement rate of 20,000tpd once ramped up to full production. During the initial 12 years, the average grade will be 0.54g/t Au, with an average production of 91Koz of recovered gold. During these years, the mine schedule will reach the maximum annual mining rate of 21Mtpa. From years 13 to 17, 100% of gold production will originate from 100% stockpile rehandle to PAD with an average grade of 0.30 g/t Au producing 54 Koz of recovered gold as average. The final year completes the rehandle from stockpiles in two months.

Mining operations are based on 365 calendar days per year, with two 12-hour shifts per day. Over a year, 10 days are scheduled to be lost due to weather conditions. STRACON will be responsible for mining operations as part of the alliance contract with Rio2. The mining fleet was estimated by STRACON and consists of 2 DM45 drilling units, a total of 4 units of 6 m3 bucket excavators, 42 units of 43 t capacity haul trucks, and an associated ancillary and support fleet. The mining contractor will be responsible for purchasing, transporting, and mobilizing the fleet under the aforementioned alliance.

The stability analysis of the mine design was performed by DERK and complies with the acceptability criteria defined in the static, operational earthquake, and maximum credible earthquake scenarios. Anddes completed the stability analysis for mine components, which resulted in acceptable safety factor values for all evaluated scenarios.

The planned production schedule for the Fenix Gold Project is presented in source: Mining Plus 2023 Figure 1-3.



Source: Mining Plus, 2023

Figure 1-3: Fenix Gold Project, Mine Schedule

Recovery Methods

Metallurgical tests were conducted between 2010 and 2017. A pilot plant test was completed in 2021 by HLC Ingeniería y Construcción SpA ("**HLC**"). The testwork showed that the feed for the Fenix Gold process plant is suitable for gold recovery by heap leaching.

The PAD design is based on leaching approximately 114.65 Mt of ROM feed over the Life of Mine ("**LOM**") with an average head grade of 0.48 g/t Au. At a throughput rate of 20 Ktpd of ROM feed (7.3 Mtpa), the mine life is estimated to last 17 years. HLC estimates that in the leach stage the gold recovery is approximately 75.12%, and the Adsorption, Desorption, Recovery (ADR) plant is estimated to have a recovery efficiency of 99.3%. Losses at the ADR plant are due to the loss of gold in the fine carbon and the smelting slag. The overall gold recovery is estimated to be 74.6%.

The ROM material from the open pit will have an F80 particle size of 100 mm and, will be transported by 43 t capacity trucks to the heap leach pad, where it will be placed in 10 m vertical height lifts. Lime will be added to the trucks at the lime plant and the mixture will be dumped on the heap for leaching.

The irrigation system will uniformly apply a cyanide solution directly onto the leveled surface of the material to be leached via a drip irrigation system. The irrigation rate will be 10 l/h.m2 with a 90-day irrigation cycle.

Leaching will use a diluted sodium cyanide solution to dissolve the gold which will be recovered from the pregnant leach solution (PLS) in the ADR plant. The gold is recovered from PLS in an adsorption circuit with activated carbon in a series of cascading columns (CIC circuit). Desorption then separates gold from the loaded carbon with acid washing to remove inorganic contaminants, leading to elution of the carbon to produce a gold-rich solution. Within the process, regenerated carbon is recycled into the CIC circuit. The final stage of the recovery process is electrowinning, where the gold-bearing sludge obtained from electrowinning will be filtered and then dried in a retort furnace where any mercury will also be removed. The dried material will be refined in a tilting furnace to obtain doré bars.

The heap leach was designed by Anddes Asociados SAC ("**Anddes**"). The leach pad was designed to be constructed in four phases and has capacity to store the total ore from the mine schedule plus 13% additional capacity. The base of the leach pad is inclined at 2% towards the PLS and major event pond and the PLS flows by gravity to the adsorption circuit. The leach pad has a single Linear Low-Density Polyethylene ("**LLDPE**") geomembrane liner and an underdrain system installed below the liner for

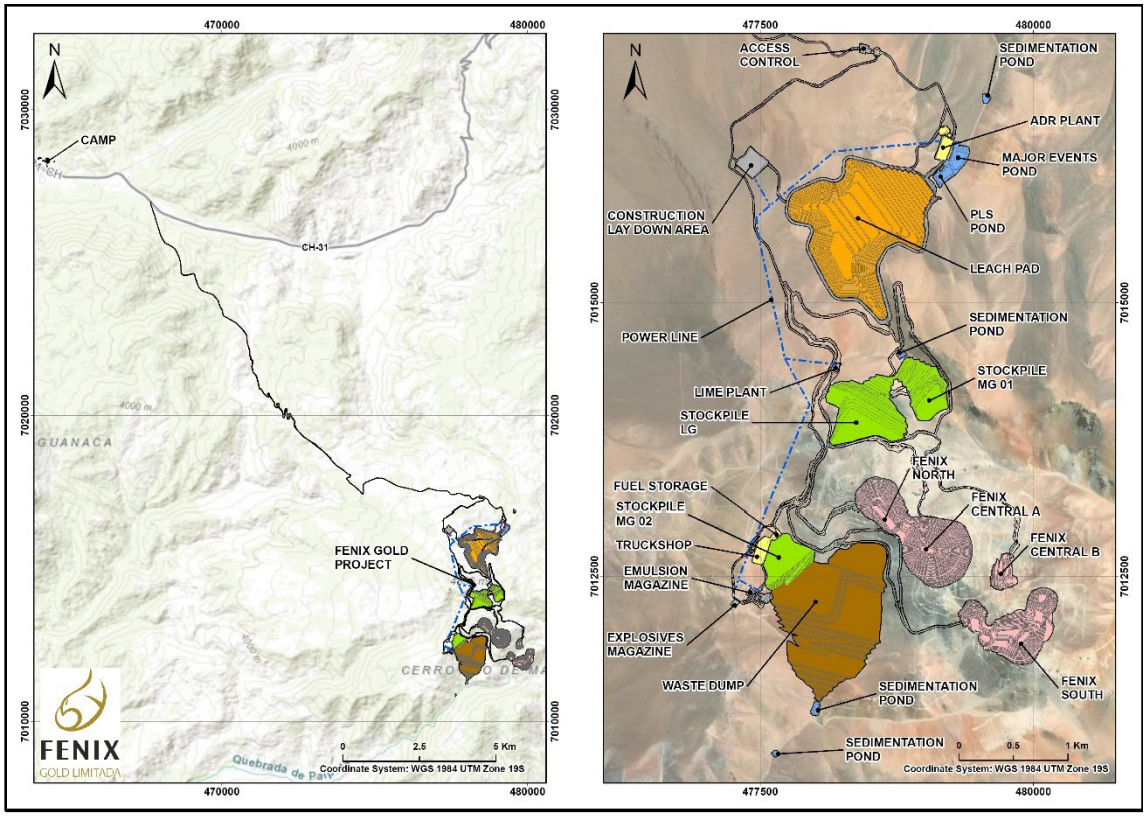
capturing any potential solution leakage. The rich solution is collected by HDPE perforated dual wall collection pipes and pumped directly to the plant or the PLS pond.

The PLS pond has a double HDPE geomembrane liner system and will have an installed capacity of 28,000 m3 from the first year of the life of mine. The PLS pond doubles in size as the major events pond, during the first 6 years of operation. A designated major events pond will be built in year 6 of the mine operation. It will utilize a double HDPE geomembrane liner system and will have a capacity of 50,000 m3.

Gold recovery was simulated using a gold production model provided by HLC. The model is based on inputs from the mine plan and considers losses due to extraction kinetics, gold losses in fine carbon, and losses in the smelter slag. The feed to the leach pad will have a moisture content of 2%. It is expected that there will generally be a water deficit for the process and make-up freshwater will be required. It is estimated that the make-up freshwater requirement will be 1,800 m3/d.

Project Infrastructure

The overall site plan is shown in Figure 1-4 and includes the major project facilities such as the mine open pits, waste dump, stockpiles, leach pad, PLS and major event ponds, ADR plant, power supply, water supply, lime dosing area, workshops, warehouses, offices, laboratory, camp, fuel storage and delivery and other facilities, including the access road to the Fenix Gold Project area. The main infrastructure locations were selected to take advantage of the local topography, and environmental considerations, and to minimize capital and operating costs.



Source: Rio2, 2023

Access

Access to the camp is via Route CH-31, which connects the city of Copiapó and the Lazaro camp of Lince S.A. via 127 Km of paved highway. The Lazaro Camp will be used by Fenix Gold for the construction and

operation of the Fenix Gold Project. An existing 20.2 Km access road to the Fenix Gold Project exists off Route CH-31 at approximately the 131.5 Km mark. The current access road needs upgrading to comply with safety standards requiring a maximum gradient of 10% and maintaining a total effective width of 9.10m.

Water Supply

The Fenix Gold Project will require a water supply of up to 23.7 l/s (85.3 m3/hr) during the operations stage. The water will primarily be used for ROM ore processing. The water requirement calculation also includes a provision for dust suppression, as well as feedwater requirements for workshops, offices, etc.

The Fenix Gold Project will have access to water via a contract signed with the major water supplier in Copiapó called Nueva Atacama, formerly known as Aguas Chañar. The contract will supply up to 20 l/s of treated wastewater from its Piedra Colgada treatment facility located to the north of Copiapó. The water loading infrastructure was built by Fenix Gold at the Nueva Atacama facilities and has been fully commissioned. The water will be transported by 30 m3 water tankers to the Fenix Gold Project site.

An additional water up to 5 l/s supply of water will be sourced from Lince S.A as required. There will be three main freshwater/fire water tanks for the Fenix Gold Project, two with a capacity of 360 m3, and one with a capacity of 2,300 m3. Potable water systems will be installed at both the ADR plant and at the mine maintenance shop. The water that will feed the two potable water treatment plants will be drawn from the Lince S.A. well and trucked to the site.

Plant Infrastructure

Most of the process buildings for the Fenix Gold Project were designed as steel frame buildings with modular thermo-acoustic panels. The plant office building, dining room, change room, ADR plant, maintenance workshop, and powerhouse buildings will all be housed in a pre-engineered steel building.

The reagent storage will be inside the ADR building and will consist of two separate storage areas, one for cyanide and one for carbon. The gold room will be adjacent to the ADR building and will be a reinforced concrete block, steel frame building with modular thermo-acoustic panels and highsecurity control. Chemical analysis of drill hole samples and process plant samples will be completed on-site by a contractor. The process plant structure was designed with earmarked space for the installation of a chemical laboratory in the future.

The Fenix Gold Project will use the existing metallurgical laboratory located at the Lince S.A. infrastructure site, located near the Lazaro camp These facilities will be used utilized for column tests, where there are 10 steel columns of 0.7m diameter and 6.0 m height, designed to simulate to heap leaching conditions.

The powerhouse in its final configuration will contain four 1,100 kW generators, three in operation and one on standby. The powerhouse area will include one fuel storage tank with a capacity of 520,000 litres, sufficient fuel for 24 days of operation.

Mine Facilities

The explosive storage facility will be contained in a warehouse structure and is planned to be located close to the waste dump. Detonators, detonating fuses, and cables will be stored in protected 20 ft long containers. Each container will be isolated by containment walls constructed from compacted material following standard safety construction procedures. These facilities will be utilized for column tests consisting of 10 steel columns of 0.7m diameter and 6.0 m height, designed to simulate heap leaching conditions.

The truck shop facility includes lubricant storage, mine maintenance, welding, tire workshop, truck wash, dining room, and administrative office.

The mine fuel station will be located in proximity to the truck shop and will be supplied by fuel tankers from the Compañía de Petróleos de Chile (COPEC). Fuel storage will consist of five tanks, each with a capacity of 60,000 l, which will supply the site operations for 30 days assuming normal operations.

Power Supply

The power supply for the Fenix Gold Project will be supplied via four 1,100 kW diesel generators, three in operation and one on standby. One fuel storage tank with a capacity of 520,000 litres provides sufficient fuel for 24 days of operation. Initially, there will be only three generator sets will be installed.

The power distribution system will consist of a 13.2 kV medium voltage distribution line using single concrete pole structures to carry the line and double portal-type structures for anchoring and/or topping structures. This line will supply power to the lime plant, mine workshop, and explosives storage area. The distribution line will have a total length of approximately 7 Km.

Camp

The Lazaro camp is located at kilometer 127 of Route CH-31 on the property of Lince S.A. The camp is designed to accommodate up to 565 people and covers an area of approximately 10 ha. Additionally, the old camp infrastructure can be reconditioned to provide additional capacity to accommodate 155 people. The facilities include management and worker dormitories, offices, a medical center, a training room, and kitchen, a recreation area a fuel depot, an electrical substation, a water treatment plant, a sewage treatment plant, and a parking lot. These facilities will be used initially by the construction contractors and later by the operations staff.

Site Services

Emergency medical services will be available in a clinic located next to the main office. The medical services will include an ambulance and will be contracted out by Fenix Gold.

Cell phone service coverage will be established to provide coverage to the construction offices and camp area and eventually the mine site construction areas. Internet access is distributed via a satellite system located at the camp. As the infrastructure is constructed and the Fenix Gold Project advances the internet access will be extended to include the mine, plant, and workshop areas onsite.

All solid waste, industrial waste and toxic waste generated on the site will be temporarily stored in a designated transfer center where it will be classified and stored awaiting transport to an approved final disposal facility.

Market Studies and Contracts

Rio2 has not conducted a market study related to gold and silver doré. Gold and silver are freely traded commodities for which there is a steady demand from numerous buyers. A sale price of US $1750/oz of gold was used utilized for the economic analysis, which, when vetted by the Qualified Person was considered it reasonable, given that gold has been trading above this price since 2018.

On November 16th, 2021, Rio2 signed a stream agreement with Wheaton over the gold production of the Fenix Gold Project. Under the gold stream agreement, Wheaton will purchase 6.0% of gold production from the Fenix Gold Project until 90,000 oz of gold is delivered, followed by 4.0% of the gold production until 140,000 oz of gold is delivered, after which the Gold Stream will reduce to 3.5% of the gold production for the remaining of the life of mine.

The Treated Water Supply Agreement (TWSA) signed on December 27th, 2019, is in effect to date and ensures water supply for the Fenix Gold project. The first amendment signed on December 2nd, 2021, included the construction of the water loading system located at the Nueva Atacama plant in Copiapó, this

infrastructure was completed in 2022. The second amendment was signed on December 15th, 2022, as a result of the rejection of the EIA which made not possible to comply with deadlines established in the initial contract. The revised contract has the EIA approval date to act as a trigger to begin water supply for the construction phase of up to 10 l/s then increasing to 20 l/s during the operation phase.

In October 2021, Rio2 and STRACON finalized a contract that covered services related to earthmoving and construction, mining, and water transport for the Fenix Gold Project. The contract was placed into suspension on August 19th, 2022, after the EIA was rejected and the outcome of the appeal process was pending.

Environmental Studies, Permitting, Social and Community Impact

Environmental

The Environmental Impact Assessment (EIA) for the Fenix Gold Project was submitted to the Environmental Assessment Service SEA - (*Servicio de Evaluación Ambiental*) for evaluation in April 2020. The assessment examined air quality, hydrology, hydrogeology, water quality, climate and meteorology, flora and fauna, archaeology, human interest studies, impact assessments, mitigation and management plans, and closure plans.

Due to the pandemic, the evaluation was suspended and recommenced in November 2020. The Fenix Gold Project, as originally submitted and defined in the EIA and its annexes, underwent substantial improvements through each of its three addendums in response to the consultations of the SEA and the OAECAS (Órganos de la Administración del Estado con Competencias Ambientales) the amendments are summarized in Table 1-3.

Document	Issued by	Date of Issue/Presentation
ICSARA 1 (Observations)	SEA	January 2021
Addenda 1 (Replies)	Fenix Gold	March 2021
ICSARA 2	SEA	July 2021
Addenda Complementaria	Fenix Gold	December 2021
ICSARA 3	SEA	January 2022
Addenda Excepcional	Fenix Gold	April 2022

Table 1-3: ICSARAS and Addenda during the EIA assessment process.

The Citizen Participation Process (PAC - *Participación Ciudadana*) began in December 2020 and was concluded in February 2021. The indigenous consultation process began in March 2021 with the participation of six indigenous communities (PaiOte, Sinchi Wayra, Runa Urca, Pastos Grandes, Sol Naciente, and Comuna de Copiapó) and was approved in April 2022 with the signing of the Final Agreement Protocols (FAP) with the six indigenous communities.

In June 2022 the Technical Committee led by the SEA, with two OECAS representatives (CONADI and CONAF), and the SEREMI for Environment, published the Consolidated Evaluation Report recommending the rejection of the Fenix Gold Project, a decision that was confirmed by the Atacama Regional Evaluation Commission in early July 2022. Following, Fenix Gold entered an administrative appeal to the Committee of Ministers in August 2022, the Committee of Ministers is currently evaluating the Fenix Gold Project and a decision before the end of 2023.[2]

[2] On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.

Human Environment

Since 2019 Rio2 Fenix Gold, has carried out a process of dialogue and early engagement with the various stakeholders. This dialogue was focussed on the Fenix Gold Project, allowing Fenix Gold to understand the perceptions and points of view of the stakeholders and the challenges and opportunities that should be considered during the construction and operation of the mine.

The indigenous communities closest to the Fenix Gold Project and included in its area of influence are located in Quebrada San Andrés and Quebrada Paipote, where they maintain their main productive activities, such as raising livestock, grazing, and agriculture for their own consumption, handcraft, and collecting medicinal herbs as part of their cultural manifestations and ancestral customs.

The EIA process included two mechanisms to inform the stakeholders about the Fenix Gold Project, and any significant effects. The first one is the Citizen Participation Process (PAC - *Participación Ciudadana*) which included online and in-person activities. The event involved various civil society participants This Citizens Participation Process was concluded satisfactorily in February 2021.

The second mechanism is the Indigenous Consultation Process, which was developed in conjunction with the six aforementioned communities. The impacts identified, and the control and mitigation measures proposed in the EIA were presented to the communities. The participants had the opportunity to review, comment, and accept or improve on each of the proposals proposed in the EIA.

This dialogue process proved highly successful and resulted in the signing of six Protocols of Final Agreement ("**PAF**") between the SEA, Fenix Gold, and each of the six communities in April 2022.

Potential Emissions, Waste, and Effluents Generated by the Fenix Gold Project

The development of the Fenix Gold Project will generate emissions, effluents, and mining waste in all its stages. As a result, environmental control actions were proposed to mitigate potential impacts. Mining waste from the Fenix Gold Project consists of both waste material extracted from the pits and the leached ore that will remain on the heap leach pad after leaching is complete. Due to the static nature of the heap leaching process, the leached ore waste will be washed in situ at the end of operations to remove cyanide ready for closure.

The leach pad will have coronation channels and a sedimentation pond for non-contact water management during operations. Mining waste material generated by the Fenix Gold Project during the construction and mining stages will be disposed of in the waste dump. The waste dump will have a contact water management system consisting of a network of drains at the base of the dump, which will channel any eventual flow of contact water to a sedimentation pool to control and manage this water. For non-contact water, contour channels are planned with their respective sedimentation pools. The limited precipitation in the Fenix Gold Project area makes this aspect relatively simple to manage.

The waste dump complies with all regulatory and technical requirements to ensure physical and chemical stability. The permit to establish a waste dump or ore stockpile was submitted in April 2021 and received technical approval in May 2022 and its resolution is conditional on the approval of the Environmental Qualification Resolution ("**RQA**").

According to the studies and geochemical models completed for the Fenix Gold Project, it has been confirmed that the Fenix Gold Project will not be a potential Acid Drainage Generator ("**ADG**"). This is due to the composition of the sterile material, the scarcity of precipitation in the area, and the high evaporation rate.

Industrial waste (hazardous and non-hazardous) will be managed by an officially authorized company. Recycling and reuse segregation will be conducted before final disposal to minimize the volume. Final waste disposal will be carried out at authorized sites.

Closure and Post-Closure Stage

Once the operation phase of the Fenix Gold Project is completed, the activities established for the closure of the mine site will be carried out. Closure activities were planned according to current regulations and accepted industry practices.

Specific closure measures will be implemented, the general criteria established for closure are; the de-energization, dismantling, demolition, removal, and disposal of surface installations corresponding to structures and constructions.

As for the remaining mining facilities such as pits, waste dumps, and leaching heaps, the general criterion will be to achieve the physical and chemical stability of these facilities in order to protect the health and safety of people and the environment, as provided in Chilean Law No. 20,551, which regulates the closure of mining sites and facilities. The Fenix Gold Project closure plan will have a duration of 1 year.

After the closure, all environmental and physical variables will be monitored to verify the physical and chemical stability of the mining components and to identify the necessary corrective measures when needed.

Maintenance or restitution of the accesses, contour channels, sedimentation pools, PLS pool, and emergency pool, will be implemented as ongoing maintenance measures every 10 years.

Based on the results of the various risk assessments conducted, the remaining facilities will not require monitoring.

Capital and Operating Cost

Capital and operating cost estimates were prepared by HLC, Anddes, STRACON, and Rio2 and are quoted in United States dollars (US$).

Capital Cost

In 2022, during the pre-construction phase of the Fenix Gold project and before the EIA was rejected, a total of $28.73 million was expended for the Fenix Gold Project's preconstruction (See Table 21-1) the expenditure included the construction of a 565-person camp, water loading infrastructure in Copiapó, the purchase of long-lead items such as electrical switchgear, electrical transformers, pumps, prefabricated components of the adsorption/desorption process plant, and preliminary earthworks. This expenditure is included in the financial model for the Fenix Gold Project under investment to date expenditure.

The forward-looking capital cost estimate ("**Capex**") for the Fenix Gold Project is based on an operation processing 20,000 tonnes per day (dry basis). The initial capital was estimated in accordance with the Association for the Advancement of Cost Engineering ("**AACE**") International Class 2 standards, indicating an expected accuracy range of ±10%. The sustaining capital was prepared considering Class 2 and Class 3 standards with an accuracy range of ±10% and ±20%.

The capital estimate was prepared based on an exchange rate of $803.84 Chilean Pesos per 1.00 US$. The total life of mine capital investment including initial and sustaining capital for the Fenix Gold Project are displayed in Table 1-4. The total Capex is estimated to be $204.59M excluding Goods and Services Tax.

Description	Capex $M	Sustaining $M	Total $M
Owner cost	15.02	-	15.02
Mine Capex	3.77	15.53	19.31
Process Capex	43.62	22.85	66.47
Construction and facilities	21.30	8.36	29.66
Indirect Cost	25.63	21.61	47.24
Mine closure	-	11.10	11.10
Contingency	7.23	8.56	15.79
Total	**116.57**	**88.02**	**204.59**

Table 1-4: Total life of mine Capex summary.

The following parameters and assumptions were considered for the Capex estimation:

- Construction of the first stage is projected to take 14 months. Month 13 is designated as the pre-production stage and from month 14 onwards it is considered as the production stage.
- The mine capital cost includes waste dump and stockpile development, explosive magazine construction, and mining equipment mobilization and demobilization. It excludes mining equipment acquisition costs, as the operation will be carried out by the mining contractor STRACON under an alliance agreement.
- The processing capital cost, estimated by HLC and Anddes, includes infrastructure for gold production such as the ADR plant, leach pad preparation, PSL and mayor events pond, lime dosing station and chemical analysis lab. The construction of the heap leach will be in 4 stages and will be built as mining progresses. Only the first stage is considered in the construction phase of the Fenix Gold Project as initial Capex.
- The mining closure cost considers six sectors (mine, plant, workshop, linear works, camp, monitoring) and the activity of closure monitoring. It is expected that the Chilean government will be responsible for the post-closure monitoring, while the Fenix Gold Project owner contributes to a post-closure fund.
- The capital estimate excludes foreign currency fluctuations, interest, financing costs, general sales, and withholding taxes (included in the financial analysis), working capital, and risks from political upheaval, government policy changes, labor disputes, permitting delays, or other force majeure events.

Operating Cost

- The operating cost was estimated by Rio2, HLC, and STRACON and was compiled and reviewed by Mining Plus. The average operating costs over the life of mine are presented in Table 1-5.

Description	LOM Cost $M	Total $/t ore
Mining cost	650.64	5.67
Processing cost	633.98	5.53
G&A	247.95	2.16
Selling cost	13.22	0.12
Royalty	1.35	0.01
Total	**1,547.14**	**13.49**

Table 1-5: Summary of operating costs.

The operating cost estimates are based on the following assumptions:

- The fuel price used was $3.98/gal, or $1.05/l.
- Mining costs were estimated by contractor STRACON based on material destinations in the
- mine plan, including fuel.
- Process operating costs were estimated by HLC using test work, supplier quotes, HLC's cost
- database, and first principles.
- Processing costs include water trucking by 30 m3 capacity fleet from Copiapó, estimated by
- STRACON.
- Administrative costs were estimated by Rio2 based on the head count and organizational
- chart and site personnel required in the mine plan.

Economic Analysis

Rio2 and Mining Plus developed the economic model for the Fenix Gold Project using capital and operating costs provided by Anddes, HLC, STRACON, and Rio2. The model was based on a gold price of $1750/oz and calculated both pre-tax and after-tax Net Present Value (NPV), payback period, and internal rate of return ("**IRR**"). Table 1-6 summarizes the results of the economic evaluation.

Description	Units	Value
General		
Gold Price	US$/oz	1,750
Mine Life	Years	17
Total ore to heap Leach	Kt	114,653
Total Waste	Kt	97,102
Strip ratio		0.85
Production		
Gold grade to heap leach	g/t	0.48
Gold recovery	%	74.6%
Total Ounces recovered	Koz	1,321.72
Total Average Annual Production	Koz	81.93
Operating cost		
Royalty	US$/ oz au	1.02
Selling cost	US$/ oz au	10.00
Mining Costs	US$/mined	3.07
Processing Costs	US$/ore	5.53
G&A Costs	US$/ore	2.16
Cash cost	US$/ oz au	1,170.55
AISC	US$/ oz au	1,237.14
Capital cost		
Initial Capital	US$ M	116.57
Sustaining Capital	US$ M	76.92
Closure Cost	US$ M	11.10
Financial results		
NPV @ 5% Pre-Tax	US$ M	292.64
IRR Pre-Tax	%	37.25%
NPV @ 5% After-Tax	US$ M	210.31
IRR After-Tax	%	28.54%
Payback After-Tax	Years	2.75

Table 1-6: Summary of financial result.

The following parameters and assumptions were considered:

- Gold production was estimated at 1.32 Moz over a 17-year mine life.
- Gold sales are assumed to occur in the same period as pre-production and production and
- cash flows include royalties and streaming.
- Closure costs are included based on when they are incurred.
- Royalties are paid according to Chilean law, which is based on production and mining margins.
- Initial capital is $116.57M including infrastructure and contingencies and sustaining capital is
- $88M for infrastructure maintenance and leach pad.
- Initial capital excludes sunk costs like exploration and permitting.
- 27% income tax rate (according to Chilean law) and 16.7% tax depreciation rate were used.
- Financials assume 100% equity financing, 17 years of production after 1 year of construction.
- After-tax NPV at a 5% discount rate is $210.31M, after-tax IRR is 28.54% and the payback
- period is 2.75 years.
- Rio2 compiled after-tax results.

Sensitivity Analysis

Mining Plus conducted a sensitivity analysis of the after-tax NPV and IRR based on various parameters of the economic evaluation. The key results are shown below, indicating that the Fenix Gold Project's NPV and IRR are most sensitive to changes in gold price and operating costs. Table 1-7 shows the results of the after-tax sensitivity analysis.

Sensitivity Analysis			
Gold Price			
Gold Price ($/oz)	1,600	1,750	1,900
NPV@5% after tax (US$ M)	117	210	304
IRR after tax	19.2%	28.5%	37.2%
Capital Costs			
Capital Costs	-10%	205	10%
NPV@5% after tax (US$ M)	223	210	197
IRR (after tax)	32.5%	28.5%	25.3%
Operating Costs			
Operating Costs	-10%	1547	10%
NPV@5% after tax (US$ M)	288	210	133
IRR (after tax)	35.8%	28.5%	20.8%
Discount rate			
Discount Rate	5%	8%	10%
NPV@5% before tax (US$ M)	293	222	185
NPV@5% after tax (US$ M)	210	155	126

Table 1-7: NPV and IRR sensitivity analysis.

Interpretations and Conclusions

The Fenix Gold Project is defined by an estimated Mineral Resource that has been converted to a Mineral Reserve in accordance with the 2014 CIM Definition Standards through the application of feasibility level of engineering design and project costing.

The Fenix Gold Project will be mined at an annual rate of 7.3 Mt of ore per year with an overall stripping ratio of 0.8. Ore will be processed by a low-cost ROM heap leach that will produce 1.32 million oz of gold over 17 years. Based on the assumptions and parameters presented in this report, the Fenix Gold Project generates positive financial results that support the declaration of Mineral Reserves.

Recommendations

The following subsections summarize the key recommendations resulting from the review of each area of investigation carried out in this study to improve the base case design.

Exploration

The recommendation is based on the common presence of magnetite in the deposit and its close correlation between ground magnetic anomalies and mineralization. The QP suggests Rio2 incorporate magnetic susceptibility as one of the parameters to characterize lithologies, alteration, and mineral zones.

Drilling

This QP recommends that Rio2 complete a full record of recoveries through all phases, particularly in the case of RC. This includes drilling diameter, depth, and lithology to investigate and mitigate the variables involved in decreasing recoveries.

Sample Preparation, Analyses, and Security

The QP recommends Rio2 maintain protocols of all sampling, sample preparation, and sample analysis for future drilling campaign to be executed in the Fenix Gold Project. This helps to identify and remediate eventual data acquisition misfits affecting accuracy, precision, or contamination of data supporting the Resource estimation.

Data Verification

The QP author of the chapter suggests the following recommendations:

- Boundaries between intrusive and country rocks are often unclear since the contacts are given by transitions where mutual ingressions and inclusions of one unit into the other are normally observed. The QP recommends Rio2 define an additional lithological term expressing the mixed nature between the two end members.
- In future drilling campaigns, Rio2 should twin approximately 10% RC holes with diamond drilling holes to support the quality of the RC drilling.
- Rio2 should try to investigate the causes of the bias obtained from Au high-grade standard results during the 2022 drilling campaign at AAA lab.
- The Rio2 Quality Control ("**QC**") program needs to be completed for the 2022 drillholes by incorporating 2% fine blanks and 4% external controls. These samples should be routinely considered in a comprehensive QC program as they allow evaluation of the primary laboratory performance.

Mineral Reserve and Mining Methods

The following recommendations are made as the Fenix Gold Project advances through construction:

- The main opportunity to increase the Fenix Gold Project value is access to water via a pipeline that could allow a throughput expansion of around 80 – 100 Ktpd, lowering processing costs, as well as administration costs. Given that water restricts the operation size, this opportunity could advance some of the Mineral Resources to Mineral Reserves
- The mine plan design allows for a reconfiguration and upscaling of the mine operation to host a bigger mining fleet after the first three years of production. The schedule to increase production will depend on access to water via a pipeline.
- Future studies should include detailed production blasting parameters and fragmentation results.
- Geotechnical Work and Hydrogeology
- The following geotechnical and hydrogeological recommendations apply to the Fenix Gold Project.

- Shear strength and hydraulic conductivity testing on ore samples and shear strength testing on soil/geomembrane interface must be completed during the operation stage to confirm or update the geotechnical model and to anticipate stability issues.
- A robust geotechnical instrumentation and monitoring program must be implemented in the leach pad, ponds, and waste dump facilities to prevent any anomaly in the performance of those facilities.
- Monitor and reassess the behavior of surface and groundwater in the basin or sub-basin of the Fenix Gold Project area to ensure that the water resources found in the Fenix Gold Project environment are not affected by mining activities.

Recovery Methods

The QP author of the Mineral processing and metallurgical test work section suggests the following recommendations:

- It is important to include the total copper, copper oxide, and secondary copper grades in the block model in order to predict high lime and cyanide consumptions, as well as high copper dissolution in the pregnant solution, which would cause problems in the ADR plant circuit and report to the doré bars.
- Further studies are recommended to confirm or rule out the impact of magnesium salts and sulphates on lime consumption. Inductively Coupled Plasma (ICP)tests on the feed reported magnesium values up to 2.34% and sulphates up to 0.34%.
- The samples do not contain significant quantities of fines (>10% 200#mesh), therefore, it is recommended that the irrigation rate could be increased to more than 12 l/h.m^2, to shorten leaching times.

Site Infrastructure

Site infrastructure recommendations include:

- The implementation of communication infrastructure such as cell phone, radio towers, and repeaters need to be completed as early as possible to warrant good site coverage and communications as required to ensure safe and efficient operations during the various stages of the Fenix Gold Project.
- The Fenix Gold Project will initially use inflatable structures imported from Canada to be used as temporary workshops. The main workshop construction is scheduled for the second year of operation. It is important to complete this infrastructure and connect it to the power line.

Water Management

The Fenix Gold roject is dependent on water trucked from Copiapó or the Lince camp infrastructure site. Water is an expensive and scarce commodity that requires exceptional control and recycling and reutilization programs to be executed throughout the life of the Fenix Gold Project. Other recommendations for water management include:

- All main roads should be surfaced and maintained with dust suppressants to minimize the use of water application for dust control.
- Control water losses by reducing evaporation on the leach pad and associated ponds. The FS considers the use of special Thermofilm covers for the leach pad. Ponds will be covered with floating covers or floating ball technology to reduce evaporation.

Environment, Permitting, Social and Community Relations

In the 2022 EIA, both mitigation measures and voluntary commitments were proposed by Fenix Gold that controlled and managed the environmental impact identified in the study. The effectiveness of these

measures and commitments should be monitored and execute adjustments if opportunities are identified to improve results.

The benefits of these voluntary commitments extend outside of the immediate area to the Fenix Gold Project. Accordingly, these voluntary commitments were socialized with local and national authorities, as well as all other stakeholders. It is recommended that the results of these commitments are continuously communicated to keep the stakeholders informed and involved.

All programs and plans proposed in the EIA, as well as, subsequent voluntary commitments, or conditions approved by the Committee of Ministers will be executed in the early stages of the Fenix Gold Project. This is to allow early identification of any variations in the functioning of the natural systems in and around the Fenix Gold Project, allowing for control and mitigation of any potential environmental risk.

Social

It is recommended that Fenix Gold maintain good control over the execution of the Voluntary Cooperation Agreements (VCA) signed with the Colla Communities. These agreements encompass employment, health, technology, productive development, and others. This is to maintain a positive long-term relationship between the parties.

Fenix Gold should have a designated point of contact with the communities so that their questions or problems are properly received, attended, and mitigated in a timely manner.

The Condestable Mine

Information relating to the Condestable Mine is set out below. Rosmery J. Cardenas Barzola, P.Eng., Philip A. Geusebroek, M.Sc., P.Geo., Varun Bhundhoo, ing., Brenna J.Y. Scholey, P.Eng., Luis Vasquez, M.Sc., P.Eng., and Jason J. Cox, P.Eng of SLR Consulting (Canada) Ltd. ("**SLR**") jointly prepared the Condestable Technical Report in accordance with NI 43-101 entitled "*Technical Report on the Condestable Mine, Lima Department, Peru*" dated April 12, 2024, with an effective date of December 31, 2022.

The summary section of the Condestable Technical Report is reproduced below, and readers should consult the full Condestable Technical Report to obtain further particulars regarding the Condestable Mine. The Condestable Technical Report is available for review electronically on SEDAR+ (www.sedarplus.ca) under Rio2's issuer profile and is incorporated by reference in its entirety herein. All scientific and technical information in the following summary has been extracted from the Condestable Technical Report, which was prepared by Rosmery J. Cardenas Barzola, P.Eng., Philip A. Geusebroek, M.Sc., P.Geo., Varun Bhundhoo, ing., Brenna J.Y. Scholey, P.Eng., Luis Vasquez, M.Sc., P.Eng., and Jason J. Cox, P.Eng, each of whom is a qualified person within the meaning of NI 43-101.

Introduction

Rosmery J Cardenas Barzola, P.Eng., Philip A. Geusebroek, M.Sc., P.Geo., Varun Bhundhoo, ing., Brenna J.Y. Scholey, P.Eng., Luis Vasquez, M.Sc., P.Eng., and Jason J. Cox, P.Eng, collectively the Qualified Persons (QPs), prepared a technical report as set out in NI 43-101 and Form 43-101F1 Technical Report on the Condestable Mine for AMC.

The Condestable Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The Condestable Mine is operated by CMC, a 99.1% owned subsidiary of the Vendor. The remaining 0.9% is owned by LS Nikko Copper Inc. and minority shareholders. The Vendor acquired CMC from Iberian Minerals Corp. in July 2013.

The Condestable Mine commenced production in the 1960s. The term Condestable Mine in the Condestable Technical Report is used for the underground operation, which consists of two contiguous

mines, the Condestable mine and the Raúl mine, feeding an 8,400 tonnes per day (tpd) conventional sulphide flotation plant (the "**Condestable plant**") to produce a filtered copper concentrate with gold and silver credits. The Vendor expanded the Condestable plant to 8,400 tpd in 2021. The Condestable Mine is forecast to produce approximately 24,000 tonnes of payable copper equivalent per year.

Conclusions

The Qualified Persons (QP) make the following conclusions by area.

Geology and Mineral Resources

- Total December 31, 2022 Condestable Mine Mineral Resources, inclusive of Mineral Reserves, are as follows:
    - Measured and Indicated Mineral Resources are estimated at 83.7 million tonnes (Mt) averaging 0.66% Cu, 0.13 g/t Au, and 3.65 g/t Ag and containing 553,300 tonnes of copper, 346,000 ounces of gold, and 9.82 million ounces (Moz) of silver.
    - Inferred Mineral Resources are estimated at 12.9 Mt averaging 0.77% Cu, 0.07 g/t Au, and 2.28 g/t Ag and containing 98,800 tonnes of copper, 31,000 ounces of gold, and 947,000 ounces of silver.
- Mineral Resource classifications follow Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves dated May 10, 2014 (CIM (2014) definitions).
- Review of the data collection, sampling, sample preparation, assay quality assurance/quality control (QA/QC), and data verification showed no material issues.
- The Vendor database workflows and verification procedures for Condestable comply with industry standards, and are adequate for the purposes of Mineral Resource estimation.
- The Mineral Resource database is reliable and is of sufficient quality to support Mineral Resource estimation.
- The geology of the region and the deposit are well understood.
- The exploration methods described herein are performed according to industry standards, and are sufficient to support the disclosure of mineral resources and reserves.
- The underground exploration program is well thought out, and should support the expansion of mineral resources in future models.
- The drilling, surveying, logging, sampling, and transport workflows are performed according to industry standards, and are sufficient to support the estimation and disclosure of Mineral Resources.
- The geological model was generated according to the geological understanding of the Vendor underground geological staff, is well in accordance with drill and mapping data as well as underground workings, is of sufficient resolution to reflect the realities of grade distribution underground, and is of sufficient quality to support the estimation of Mineral Resources.
- The capping procedures implemented are sufficient to support the estimation of Mineral Resources. The capping levels applied by the Vendor are also reasonable and probably somewhat conservative, given that high grade assays are already limited to 8% Cu due to restrictions in the original assay results from the laboratory. The QP is also of the opinion that the capping procedures implemented are sufficient to support the estimation of Mineral Resources.
- The current domaining supports the Mineral Resource estimate.
- Overall, the procedures followed by the Vendor for variographic analyses, and the resulting variograms, are sufficient to support the estimation of Mineral Resources. Variogram models

generated for “mineralized” composites are applied to both “ore” and “waste” subdomains. The Vendor considers that this simplified approach would impart less continuity to Cu grades in the “waste” domains, since lower grades tend to be more continuous. However, the QP has observed some volumes where unconstrained high grades are extrapolated unreasonably far.

- Overall, the Vendor’s approach used to estimate copper grades is well designed, according to industry practice, and sufficient to support the estimation of Mineral Resources.
- There are some local aberrations in co-kriged Au grades where Cu data is also sparse, which may produce isolated grades that are locally biased higher than the complete geological picture would suggest. These local artifacts may be exaggerated in waste domains. Manual validation and review of the Deswik panels should mitigate these effects, which are likely not material to the global Mineral Resource estimate.
- To satisfy Reasonable Prospects for Eventual Economic Extraction, the QP used Deswik Stope Optimizer (DSO) to generate the constraining shapes for the Mineral Resource estimate, sterilizing material by discarding some Deswik panels manually, and setting resource sterilization buffers of varying ranges around stopes, raises, ramps, and levels.
- SLR observed that the Vendor’s indicator kriging (IK) smoothing technique was leading to some high grade intervals falling within low grade/waste domains, resulting in some overestimation of material above the cut-off due to the lack of constraints for these grades. Upon analysis of the local and global impacts, SLR removed over-extrapolated grades from the Mineral Resource classification. This primarily affected the Inferred Mineral Resource category.
- The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Mining and Mineral Reserves

- The Condestable Mine site consists of two underground mines, namely Condestable and Raúl. Both mines are in operation, with Raúl contributing to approximately 80% of total ore production.
- Total Condestable and Raúl Proven and Probable Mineral Reserves as of December 31, 2022 are estimated to be 39.5 Mt at grades averaging 0.75% Cu, 0.13 g/t Au, and 4.13 g/t Ag.
- Mining operations are well established and carried out by an experienced workforce. The Mineral Reserves will be mined using sublevel stoping (SLS) mining methods.
- Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from the Vendor.
- A net smelter return (NSR) cut-off value was estimated for the Condestable mine, while a copper cut-off grade was estimated for the Raúl mine due to the gold and silver contributing to approximately 25% of the total value at Condestable while only contributing to approximately 10% at Raúl.
- Ore is mined by a fleet of 4 cubic yard (yd3) and 6 yd3 scoops and hauled from the mines to the process plant by 30 t capacity trucks which are loaded by 4 yd3 or 6 yd3 scoops.
- The Raúl and Condestable Mineral Reserve estimates support a 13.2 year mine life.
- A streaming agreement is in place with Franco-Nevada (Barbados) Corporation (Franco-Nevada) in relation to gold and silver production from the mine. In exchange for an upfront cash consideration Franco-Nevada receives a varying portion of gold and silver from the mine. The intent of the agreement is for the parties to act as long-term partners, and specifies that Mineral Resource and Mineral Reserve estimation, as well as operational procedures, are to be carried out without consideration of the delivery terms. Per those terms, SLR notes that cut-off grades, Mineral Resource and Mineral Reserve estimates, and cash flow analyses in this Technical Report do not include any reductions due to gold and silver ounces to be delivered to Franco-Nevada.

Mineral Processing

- Test work programs and studies, both internal and external, continue to be performed to support current operations and potential improvements.
- The current process facilities are appropriate for the mineralization types provided from the mines. The flowsheet, equipment, and infrastructure are expected to support the current life of mine (LOM) plan.
- Laboratory testing of coarse particle flotation using HydroFloat® technology demonstrated potential economic value from additional copper and gold recovery from Condestable tailings.

Infrastructure

- The Condestable Mine has been in operation for many decades and the surface infrastructure is well established. The site consists of a camp, administrative and technical buildings, a clinic, mechanical maintenance and wash bays, warehouses, and various miscellaneous buildings.
- the Vendor purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines.

Environmental, Permitting, and Social Considerations

- No known environmental issues were identified from the documentation available for review to SLR. CMC has the permits required to continue the mining operations at the Condestable Mine, which comply with applicable Peruvian permitting requirements associated with the protection of the environment.
- Usual components of the environment that could potentially be affected by the Condestable Mine operations such as water resources, air quality, ambient noise, flora and fauna, have been evaluated through various instruments of environmental management according to the Peruvian environmental legislation.
- There is an Environmental Management Plan in place, which includes a monitoring program for groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. CMC reports the results of the monitoring program to the authorities according to the frequency stated in the approved resolutions and no known compliance issues have been raised by the authorities. Surface water quality monitoring is not applicable since there are no surface water bodies within the area of influence of the mine operation.
- Currently approximately 60% to 65% of the mill make up water demand is obtained through water recirculation whereas the remaining 35% to 40% is obtained from groundwater wells. The implementation of a new filtered tailings plant is expected to result in a significant optimization of water management, increasing the volume of water recovered for use in the ore processing (the water recirculation is anticipated to increase to approximately 90%).
- Tailings disposal facility expansion is achieved by downstream raises using tailings cyclone underflow. Displacement measurements from survey monuments and inclinometers indicates that dam movements are surficial and within normal ranges. CMC is implementing plans to change the tailings management strategy from the current classification by cyclone to filtration and filter cake stacking. CMC informed SLR that it is advancing the procurement process for constructing a new tailings filtration plant on site in 2024.
- A number of actions to improve governance of the tailings storage facilities (TSFs) have been advanced by CMC such as the development of an Operations, Maintenance and Surveillance Manual, a Dam Breach Study, dam instrumentation, conducting regular inspections (including an annual dam safety inspection) and the plan to appoint an Engineer of Record in 2024. Furthermore, CMC has established a voluntary commitment to comply with the Global Industry Standard for Tailings Management (GISTM) and in 2022 initiated a process of becoming compliant with GISTM.

- The review of social aspects indicates that at present, CMC's plans and current programs at the Condestable Mine site are a positive contribution to sustainability and community well-being.
- Since 2012, social risks and potential impacts have been identified and progressively refined in the environmental studies and the social management plans. These risks and impacts have been and continue to be systematically managed by CMC over the life of the mine.
- Although there is no written commitment from CMC to ensure local procurement and hiring, the company hires local workforce to fill vacancies, retains services from contractors that employ local workforce, and prioritizes local procurement.
- The Mine Closure Plan (MCP) is periodically updated. The latest MCP update was approved by the Peruvian Ministry of Energy and Mines in January 2024.

Capital and Operating Costs and Economics

- The LOM production schedule in the Condestable Mine after-tax cash flow model prepared by SLR is based on the December 31, 2022 Mineral Reserves. All costs in this Technical Report are expressed in Q4 2023 US dollars.
- The operating costs developed for the LOM are based on actuals of 2023 and budgeted amounts for 2024.
- While operating costs have increased slightly over the past few years, the Vendor staff have continually assessed operating efficiencies and successfully implemented them to maintain costs at a steady level.
- The economic analysis demonstrates that Condestable Mine Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz, respectively. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

Recommendations

The QPs make the following recommendations by area.

Geology and Mineral Resources

Based on the SLR QP's review of the Mineral Resource estimate for the Condestable Mine, the following recommendations are presented:

1. The QP agrees with incorporating more sectional interpretations into the geological model in future updates to complement the 2D mapping, as it would be especially useful for interpretations at depth.
2. Investigate ways of generating a geological model in Leapfrog where modelled solids do not overlap. This would preclude the need for hierarchical flagging or make it a redundant safety procedure.
3. Investigate the use of High Yield Restriction (HYR) in order to ensure that local high grade samples are spatially limited to local influence, especially in waste domains and in volumes with lower drill density, in conjunction with minor modification to the estimation passes which would ensure that high grade blocks are locally adjacent to high grade samples.
4. If adjacent domains are determined to be part of the same stationary geochemical populations across structural boundaries, then domain boundaries should be simplified accordingly.

5. Although the current 0.25% Cu global indicator threshold is appropriate to support the estimation of Mineral Resources, revisit the threshold by estimation domain in the next Mineral Resource update. The present indicator methodology does not take into consideration the different grade ranges and degree of mineralization of each separate lithostratigraphic domain. If the estimation domains are reviewed and grouped according to similar geological and mineralization characteristics, the model could be simplified and spatially correlate better to actual mineralization at the same time.

6. Review the IK smoothing methodology to avoid incorporating high grade intervals in low grade indicator domains. Consider changing the methodology or incorporating grade domain solids at a 0.25 % Cu thresholds.

7. Run grade estimates in a block model which does not exclude blocks in mined tonnages. Re-estimating through extant stope volumes and then comparing the model result to the extant mining would help the Mineral Resource modeller calibrate the estimation parameters to closely match the actual mined results in each (grouped) domain.

8. Investigate the Au estimation in cases where the value in the blocks defaults to 0.006 g/t Au, despite the presence of samples in the surrounding drill holes with assayed Au grades.

9. For the purposes of Mineral Resource estimation, two separate smaller models could be produced with minimum predicted mining extents around the drilled volumes, using a buffer envelope where unestimated country rock could be set at large block dimensions, and a smaller block size than 4 m x 4 m x 4 m could be utilized to capture Deswik panels with more precision to the expected minimum stope volumes underground.

10. Review significant large new tonnages in volumes not sampled for Au and Ag, and assay any available unsampled core, pulps, or coarse rejects, and send reject or pulp samples from selected drill holes to be analyzed for gold and silver and perform additional drilling to obtain gold and silver related to the Mineral Resource shapes.

    (a) The QP accepts that using the co-kriging methodology is acceptable for determining new stopes proximal to extant mined volumes, where Au and Ag sampling is incomplete and Cu sampling is complete, as it is based on real-world correlations between those metals and copper in the Condestable Mine, as a temporary solution to a historical problem.

    (b) The QP understands the predicament of having no historical sampling for gold until recently, and that some volumes are bereft of information where the Vendor has produced gold in the mill at known grades despite the lack of sampling.

    (c) The QP suggests that metal grades should be estimated using only the samples for that metal.

11. Complete the proposed 2024 exploration drilling, consisting of 4,900 m, with a goal of intercepting new veins, mantos and breccias at the margins of the deposit where accessible from existing levels. The QP is of the opinion that the underground exploration program is well thought out, and should support the expansion of Mineral Resources in future models.

12. The Vendor's resource geologists should work together with the metallurgists to take representative metallurgical samples and ensure the oxide-sulphide limit criteria are in alignment with processing requirements, and update the oxidation surface to better reflect processing realities.

Mining and Mineral Reserves

1. Investigate stope and development status in the older areas of the mines to assess accessibility and mineability of remnants and unmined areas.

2. Review stopes available to be mined on the whole level rather than individually to avoid mining being constrained due to stope being mined out of sequence or cutting off development access.

Mineral Processing

1. Coarse particle flotation pilot scale test program and results on Condestable tailings should be used to validate the results obtained during previous laboratory testing of HydroFloat® technology and to size the equipment for industrial scale circuit design.
2. The extent to which the metallurgical recoveries will be improved from coarse particle flotation of Condestable tailings is not clearly defined. Additional work is needed to develop the flowsheet drawings, process design criteria, and equipment list that will feed into a more detailed capital and operating cost estimate and economic model.

Environmental, Permitting and Social Considerations

1. Continue to implement the Environmental Management Plan, which monitors and manages potential environmental impacts resulting from the mine operations to inform future permit applications and the MCP.
2. Develop a plan to carry out a self-assessment to evaluate the status of progress towards full compliance with the GISTM.
3. As stated in RPA (2018) and in the Environmental Impact Assessment, there is a risk to the local community surrounding the job expectations of the project and surrounding the effects of the eventual mine closure. It is recommended that CMC further develop its closure plan to mitigate socio-economic impacts and explore mitigation measures in addition to providing job skill transfer training and technical skills training to employees and workers. CMC has been a very visual and active partner in the community and, upon mine closure, there is the potential for major gaps in employment as well as services.

Economic Analysis

The economic analysis contained in the Condestable Technical Report is based on the Condestable Mine Mineral Reserves on a 100% basis, economic assumptions provided by the Vendor, and capital and operating costs developed by SLR and reviewed by the Vendor. All costs are expressed in Q4 2023 US dollars. Unless otherwise indicated, all costs are expressed without allowance for escalation, currency fluctuation, or interest.

The QP notes that gold grades have not been estimated in all mineralized areas of the resource block model, particularly in the older parts of the mines. In these areas, only copper was estimated, and these blocks were assigned a gold grade of zero or a low value close to zero due to poor assay support. This has the effect of not fully recognizing the precious metal value of these blocks. SLR has reviewed the average grades in assay supported areas, historical production data, and mined gold grades to apply a gold credit to the LOM average gold gross revenue in the after tax-cash flow model. The credit applied represents an increase of 56% in gold gross revenue and approximately 4% in total gross revenue. In the QP's opinion, this is a reasonable approach to assigning credit to the Vendor's precious metal by-products.

A summary of the key criteria is provided below.

Economic Criteria

<u>Production Physicals</u>

- Mine Life: 13.1 years (between Q1-2023 and Q1-2036)
- Underground mining rate: Average LOM underground mining rate of 8,400 tpd
- Total Ore Feed to Process: 39,549 thousand tonnes (kt) ore over the LOM
    - Copper grade: 0.75% Cu,
    - Gold grade: 0.13 g/t Au

    - Silver grade: 4.13 g/t Ag
- Contained Metal
    - Copper 297,824 tonnes of Cu
    - Gold: 170,446 oz of Au
    - Silver: 5,253 koz of Ag
- Copper Concentrate: 1,167 thousand dry metric tonnes (kdmt) of concentrate at 23.30% Cu grade
- Concentrate moisture: 10% moisture
- Average LOM Process Recovery:
    - Copper Recovery: 91.3%
    - Gold Recovery: 73.7%
    - Silver Recovery: 82.8%
- Total Recovered Metal
    - Copper 271,850 tonnes of Cu
    - Gold: 125,629 oz of Au
    - Silver: 4,348 koz of Ag

Revenue

- Over the LOM, payable metals are estimated to be 95.7% for copper, while gold and silver are estimated at 91% and 90% respectively.
- Exchange rate of US$/PEN: 3.86.
- The metal prices are based on analysts market consensus forecast prices as of February 2024 provided to SLR by the Vendor Senior Management; the LOM average realized copper price of US$3.97/lb Cu, gold price of US$1,824/oz Au, and realized silver price of US$23.28/oz Ag.
- Transportation, Treatment and Refining charges of:
    - Freight: US$74.13/wet metric tonne (wmt) of Cu concentrate
    - Insurance: 110% * Cu concentrate value * 0.0303%
    - Cu concentrate treatment: $80.00/dmt of Cu concentrate
    - Cu refining: US$0.08/lb of payable Cu
    - Au refining: US$6.00/oz of payable Au
    - Ag refining: US$0.35/oz of payable Ag
- There are no third party royalties applicable to Condestable Mine operations.
- Gold and silver production to be delivered to Franco-Nevada under the streaming agreement has not been deducted from this analysis.
- LOM net revenue is US$2,455 million (after Treatment Charges).
- Revenue is recognized at the time of production.

Capital Costs

- Total LOM sustaining capital costs of US$103 million.

- Estimated salvage value due to resale of processing plant at the end of the LOM of US$10 million.
- Closure costs and concurrent reclamation have been estimated and adjusted for this technical report Reserves LOM plan between years 2023 and 2036, and total US$14.7 million. The QP notes that this closure plan differs from the one presented in section 20.5.2 Closure Costs Estimate and Financial Assurance in this report, given the latter is based in a shorter LOM plan. The breakdown of the concurrent reclamation and closure costs used for the economic analysis in this technical report is as follow:
    - Concurrent reclamation between 2023 and 2036 of US$5.1 million.
    - Mine closure costs between 2037 and 2038 of US$9.5 million.
    - Post-closure costs between 2039 and 2043 of US$0.2 million.

Operating Costs

- Total unit operating costs US$32.36/t ore milled
    - Underground mining operating costs: US$15.95/t milled
    - Processing operating costs: US$9.90/t milled
    - Tailings incremental costs: US$2.11/t milled
    - Site general and administrative (G&A) costs: US$4.40/t milled
- LOM site operating costs of $1,280 million.
- Off-site selling expenses: US$0.038/lb
- Off-site Corporate G&A: LOM average of US$3.8 million per year

Taxation and Royalties

- Corporate income tax rate in Peru is 29.50%.
- Special Mining Tax Contribution (IEM) LOM average rate: 3.5%.
- Government Mining Tax Royalty LOM average rate: 3.4%.
- Employees' profit sharing participation: 8%.
- Corporate taxes total $217 million over the LOM.
- SLR has relied on the Vendor and their tax advisors for the assessment of all taxes related to the Condestable Mine.

Cash Flow Analysis

SLR prepared a LOM unlevered after-tax cash flow model to confirm the economics of the Condestable Mine over the LOM (between 2023 and 2036). Economics have been evaluated using the discounted cash flow method by considering LOM production on a 100% basis, annual processed tonnages, and copper, gold and silver grades. The associated copper concentrate grades and recoveries, metal prices, operating costs, copper concentrate transportation, treatment and refining charges, sustaining capital costs, and reclamation and closure costs, and income taxes and government royalties were also considered.

The base discount rate assumed in this Technical Report is 8% as per the Vendor corporate guidance. Discounted present values of annual cash flows are summed to arrive at the Condestable Mine Base Case NPV. For this cash flow analysis, the internal rate of return (IRR) and payback are not applicable as there is no negative initial cash flow (no initial investment to be recovered).

To support the disclosure of Mineral Reserves, the SLR QP confirms that the economic analysis demonstrates that the Condestable Mine Mineral Reserves are economically viable at a LOM average realized copper price of US$3.97/lb, realized gold price of US$1,824/oz, and realized silver price of US$23.28/oz. The Condestable Mine Base Case undiscounted pre-tax net cash flow is approximately US$983 million, and the undiscounted after-tax net cash flow is approximately US$642 million. The pre-tax NPV at an 8% discount rate is approximately US$601 million and the after-tax NPV at an 8% discount rate is approximately US$386 million. The SLR QP has also confirmed the economic viability of the Life of Mine Plan using flat reserve metal prices.

A summary of the results of the cash flow analysis for the LOM is presented in Table 1-1.

Table 1-1: After-Tax Cash Flow Summary

Description	Units	Value
LOM	Years	13.1
Production		
UG Ore Production	‘000 tonnes	39,549
Mill Feed	‘000 tonnes	39,549
Au Grade	g/t	0.13
Ag Grade	g/t	4.13
Cu Grade	g/t	0.75%
Cu Concentrate	‘000 dmt	1,167
Cu grade in concentrate	%	23.30%
Realized Market Prices		
Cu ($/lb)	US$/lb	$3.97
Au ($/oz)	US$/oz	$1,824
Ag ($/oz)	US$/oz	$23.28
Payable Metal		
Cu (Mlb)	Mlb	574
Au (koz)	koz	114
Ag (koz)	koz	3,913
Total Gross Revenue	**US$ million**	**2,693**
Mining Cost	US$ million	(631)
Processing Cost	US$ million	(392)
Tailings Incremental Cost	US$ million	(83)
Site Support and G&A Cost	US$ million	(174)
TC / RC Charges	US$ million	(239)
NSR Third Party Royalties	US$ million	-
Off-site Admin costs	US$ million	(71.0)
Total Operating Costs	**US$ million**	**(1,589)**
Operating Margin (EBITDA)	**US$ million**	**1,104**
Working Capital	US$ million	(13)
Salvage Value	US$ million	10
Sustaining Capital	US$ million	(103)

Description	Units	Value
Total Closure/Reclamation Capital	US$ million	(15)
Total Capital	**US$ million**	**(121)**
Project Economics		
Pre-tax Free Cash Flow	**US$ million**	**983**
Pre-tax NPV @ 8%	**US$ million**	**601**
Special Mining Tax + Gov. Mining Royalty	US$ million	(60)
Workers' Participation	US$ million	(64)
Corporate Income Tax	US$ million	(217)
After-tax Free Cash Flow	**US$ million**	**642**
After-tax NPV @ 8%	**US$ million**	**386**

Sensitivity Analysis

Key economic risks were examined by running cash flow sensitivities on after-tax NPV at an 8% discount rate. The sensitivity analysis at the Condestable Mine shows that the after-tax NPV at an 8% base discount rate is most sensitive to metal prices, head grades, and metallurgical recoveries, followed by operating costs and capital costs. The QP notes that a 10% reduction in metal prices reduces the after-tax NPV at 8% by 26% for the Condestable Mine Base Case.

Technical Summary

Property Description and Location

The Condestable Mine is located in the community of Mala in the Mala District, Cañete Province, Lima Department, Peru, approximately 90 km south of Lima and four kilometres east of the Pacific Ocean. The co-ordinates of the main infrastructure are 76° 35“ 30” west and 12° 42’ 02” south and the elevation is 100 m above sea level (MASL) to 200 MASL.

Land Tenure

The Vendor, through CMC, has 99.1% ownership in the Condestable Mine, with the remaining 0.9% owned by LS Nikko Copper Inc. and minority investors. There are no royalties.

CMC holds 13 mineral concessions covering a total area of 45,407.67 ha and one beneficiation concession covering an area of 245.60 ha for a processing facility with an approved capacity of 8,400 tpd. CMC is obligated to make annual payments to the government at a rate of approximately $3.00/ha.

All mining rights were granted by the appropriate mining authority and are duly registered in the Public Registry. The beneficiation concession was granted by the Ministry of Energy and Mines (MEM) and is duly registered in the Public Registry.

History

The Nippon Mining Company (Nippon) began exploration in 1961 and production began in 1964 at 600 tpd grading 2.5% Cu. In 1976, the Peruvian government took over the operation.

The operation was privatized and taken over by the Servin – Cormin Group.

In 1997, the operation was taken over by CMC, which in turn was indirectly owned by Trafigura Beheer B.V. (Trafigura).

In 1998, Iberian Minerals Corp. (Iberian), a wholly owned subsidiary of Trafigura, acquired 92% of the outstanding CMC shares from Trafigura.

In 1999, CMC started the Raúl Mine by means of a concession contract and in 2010 purchased the Raúl Mine.

In July 2013, SPM acquired 98.68% of the CMC stock from Iberian. The remaining 1.32% is owned by LS Nikko Copper Inc. and minority investors. Subsequently, SPM's holdings were increased to 99.1%.

Geology and Mineralization

The regional geology of the Condestable deposit is characterized by a Cretaceous volcano-sedimentary belt that appears along the central coast of Peru and is divided into five basins. At the Condestable Mine, the Lower Cretaceous – Upper Cretaceous volcano-sedimentary rocks hosting the mineralization belong to the Cañete Basin, which conformably overlies the Lower Cretaceous Morro Solar Formation. The Condestable Mine is located in the northern part of the Cañete Marginal Basin, near the southern limit of the Huarmey Basin. The sequence includes basaltic to rhyolitic lavas, pyroclastic deposits, tuffs, limestone, shale, sandstone, and locally, evaporites.

The deposit is an iron oxide copper gold (IOCG) type of deposit. It is located within volcano-sedimentary sequences that filled the Cañete Marginal Basin towards the end of the Jurassic and into the Early Cretaceous period. The mineralization occurs in a complex sequence of basalt-andesite, volcanic breccia, lapilli-stone, sandstone, limestone, and shale. The accumulated volcano-sedimentary layers in the basin are over six kilometres thick and are divided into five units: Unit I to Unit V, of which only Unit III, known as the Copara Group, hosts the mineralized strata of the Condestable Mine. Its thickness ranges between 1.1 km and 1.4 km.

The Raúl - Condestable Mining District has recorded at least five major phases of intrusive magmatic activity. The earliest, dating between 116 ± 0.4 Ma and 114.5 ± 1 Ma, involves the Raúl - Condestable super-unit (group of formations), characterized by felsic rocks, followed by the emplacement of the Coastal Batholith between 100 to 55 Ma, and later, intrusions of microdiorite (dolerite) dike swarms.

Lithological units such as Calicantro, Apolo, Actinolite, Intermediate, Polvorín, Chicharrón, as well as the Condestable Breccia, are the primary lithological controls for mineralization, where hydrothermal alteration has developed extensively and pervasively. However, it generally does not obliterate the original rock texture, with occasional exceptions due to proximity to some porphyries. The mineralized bodies are typically elongated and mineralization types include replacement, dissemination, fault-controlled veins and veinlets, and breccias. The mineralized zone at the Condestable Mine extends approximately three kilometres in a north-northeast to south-southwest direction and has a width of 0.45 km, with the deepest diamond drilling showing the extension of the mineralization below level -1000.

The economic mineralization is primarily represented by chalcopyrite with subordinate and local bornite, and gold (microscopic) and silver are obtained as by-products. There are also galena, sphalerite, and molybdenite, which are not of economic importance in the concentrates.

Exploration Status

The Condestable mining operation, as part of normal activities, conducts surface and underground exploration for production planning, resource exploration, and conversion of Mineral Resources to Mineral Reserves. Historically, the mines have been able to replace production and maintain the greater capacity of the operations. Exploration works are normally included in the operation's budget.

Mineral Resources

The Mineral Resource estimates for the Condestable and Raúl mines were prepared by the Vendor using Datamine Studio software. The geological models were prepared by the Vendor staff. For each mine, the Vendor used underground and surface mining and mapping information in conjunction with the drill hole data to model lithology, structure, alteration, veining, and mineralization in Leapfrog Geo software, and then validated the work before incorporation into 22 lithostructural domains in the block models. These domains were further subdivided in the block models using indicator kriging (IK) to generate high and low grade estimation subdomains based on a 0.25% Cu threshold.

The Vendor applied capping for Cu, Au, and Ag to assay data in each estimation domain.

Incorporating the results of experimental variography, the Vendor then interpolated 2 m composites of Cu with OK. To compensate for un-assayed Au and Ag intervals in older areas of the Condestable Mine, the Vendor interpolated Au and Ag using an ordinary co-kriging method which utilizes their correlation with Cu. the Vendor interpolated Fe and in-situ bulk density using simple kriging (SK) using a three-pass approach.

Blocks were classified as Measured, Indicated, and Inferred based on average distances from block centroids to the nearest five holes, and then smoothed through a reblocking and inverse distance cubed (ID3) interpolation methodology. Mineral Resources were constrained within underground shapes generated using DSO to meet the CIM (2014) requirement of Reasonable Prospects for Eventual Economic Extraction.

The QP has audited and accepts the Mineral Resource model generated by the Vendor. The QP carried out model validation and coordinated improvements with the Vendor. The December 31, 2022 MRE, inclusive of Mineral Reserves, for Condestable and Raúl are presented in Table 1-2.

CIM (2014) definitions were used for Mineral Resource classification. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The QP is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the Mineral Resource estimate.

Table 1-2: Mineral Resource Statement: Raúl and Condestable Mines – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Measured (M)	40.3	0.63	0.15	4.18	253.3	192	5,419
Indicated (I)	43.4	0.69	0.11	3.15	300	153	4,396
M+I	83.7	0.66	0.13	3.65	553.3	346	9,815
Inferred	12.9	0.77	0.07	2.28	98.8	31	947

Notes:

(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Resources for the Condestable mine are constrained within DSO panels above an NSR cut-off value of $33.00/t.
(3) Mineral Resources for the Raúl mine are constrained within DSO panels above a cut-off grade of 0.4% Cu.
(4) Mineral Resources are estimated using long term metal prices of $4.81/lb for copper, $2,145/oz for gold, and $28.60/oz for silver.
(5) Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
(6) Bulk density was interpolated into blocks. The mean density is 2.85 t/m3 for Condestable mine, and 2.83 t/m3 for Raúl mine.
(7) A minimum mining width of 1.5 m was used for DSO panels.
(8) Mineral Resources are reported inclusive of Mineral Reserves.
(9) Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
(10) Numbers may not add due to rounding.

Mineral Reserves

The operation consists of the Condestable and Raúl mines which are both currently in operation. The combined production averaged 8,000 tpd in 2022 of which approximately 80% of total production originated from the Raúl mine and 20% from the Condestable mine. Mining operations are currently ramping up to a targeted production rate of 8,400 tpd.

An NSR cut-off value was estimated for the Condestable mine while a copper cut-off grade was estimated for the Raúl mine. Gold and silver content at Condestable contribute approximately 20% of the total value, therefore a NSR cut-off value was used for both Mineral Resource and Mineral Reserves estimates. Copper content at the Raúl mine makes up approximately 90% of the total value.

The NSR cut-off values and copper cut-off grades were determined from long term metal prices, metal recoveries, transport, treatment, and refining costs, as well as mine operating cost. The Vendor sourced long term metal price market consensus forecasts from CIBC for Mineral Reserve estimates. SLR has reviewed the proposed metal prices, comparing them against forecasts provided by financial institutions and lenders involved in the mining industry, and finds these prices to be compatible with forecasts. The metal prices used to estimate Mineral Reserves are US$3.70 per pound copper, US$1,650 per ounce gold, and US$22.00 per ounce Ag.

Mine designs, consisting of development and production panels, and mine planning were completed by SLR based on inputs from the Vendor. A LOM plan targeting 8,400 tpd was generated and a cash flow analysis completed on the LOM production schedule.

A summary of the estimated Mineral Reserves for the Condestable Mine is presented in Table 1-3.

Table 1-3: Mineral Reserves for Condestable and Raúl – December 31, 2022

Category	Tonnes	Grade			Contained Metal		
	(Mt)	(% Cu)	(g/t Au)	(g/t Ag)	(kt Cu)	(koz Au)	(koz Ag)
Proven	18.8	0.72	0.16	4.82	135	94	2,919
Probable	20.7	0.79	0.11	3.50	163	76	2,333
P+P	**39.5**	**0.75**	**0.13**	**4.13**	**298**	**170**	**5,252**

Notes:

(1) CIM (2014) definitions were followed for Mineral Resources.
(2) Mineral Reserves are estimated at an NSR break-even cut-off value of $33.00/t and an NSR marginal cut-off value of $20.00/t for Condestable, and at a break-even cut-off grade of 0.55% Cu and marginal cut-off grade of 0.45% Cu for Raúl.
(3) Mineral Reserves are estimated using long term metal prices of US$3.70/lb for copper, US$1,650/oz for gold, and US$22.00/oz for silver.
(4) Metallurgical recoveries of 91.5%, 75.0%, and 82.0% were used for copper, gold, and silver, respectively.
(5) Bulk density was interpolated into blocks. The mean density is 2.85 t/m3.
(6) A minimum mining width of 1.5 m was used for stopes.
(7) A dilution equivalent linear overbreak/slough (ELOS) of 0.6 m was applied to footwall and hanging wall of all stopes.
(8) A mining recovery factor of 90% and 100% was applied to stopes and development in ore, respectively. An additional mining recovery factor of 80% was applied to stopes with sill pillars for Raúl.
(9) Numbers may not add due to rounding.

The QP is not aware of any mining, metallurgical, infrastructure, permitting, or other relevant factors that could materially affect the Mineral Reserve estimate.

Mining Method

The Raúl and Condestable mines are polymetallic mines that have been in operation for more than 60 years. The mines are accessed via mine portals and ramps which extend to approximately 800 m below surface. The Vendor has historically utilized three different stoping methods in the Condestable and Raúl mines including longhole stoping, shrinkage stoping, and room and pillar stoping, however, over the past few years the majority of ore production has been from longhole stoping. The current LOM Mineral Reserves have been evaluated considering only longhole stoping as mining method.

Mine designs for the Raúl and Condestable mines were prepared by SLR. Stopes were designed using Deswik Stope Optimizer (DSO) and the optimizer was run on Measured and Indicated material only. Resulting stope shapes were reviewed by SLR with support from the Vendor for inclusion in Mineral Reserves. The Raúl and Condestable Mineral Reserve estimates support a 13.2 year mine life. The LOM plan targets a combined production rate of 8,400 tpd. The production split is approximately 20% and 80% between Condestable and Raúl, respectively.

Mineral Processing

The CMC ore is being processed in an 8,400 tpd capacity flotation concentrator. The plant capacity was expanded from 7,000 tpd to 8,400 tpd through an Expansion Project undertaken by the Vendor, which included some modifications to equipment in crushing, milling, flotation, tailings pumping, and tailings thickening. The ore is treated using a conventional four-stage crushing and ball milling process and flotation circuit to produce a copper concentrate containing approximately 23% Cu, 150 g/t Ag, and 5 g/t Au. Copper recoveries average 90% for the CMC ore. The copper concentrates are thickened and filtered before loading into a covered trailer and are transported to the port of Callao for shipment overseas.

Tailings from the plant are deposited in a tailings dam situated north of the plant. Decant water from the tailings is pumped back to the plant as recycle process water.

Project Infrastructure

The infrastructure at the Condestable Mine includes:

- Two underground mines, accessed by two portals and three ramps.
- Crushing plant and 8,400 tpd flotation mill
- Tailings storage facility (TSF)
- Administration buildings
- Kitchen complex for staff
- Warehouse
- A well maintained road network connecting the Pan-American highway to all the mine facilities
- Historic and current TSFs

The Vendor purchases electricity from StatKraft Peru. Electrical power is delivered from the Bujuma supply point located in the town of Mala via 22.9 kV power lines.

Market Studies

The principal commodities at Condestable are copper, gold, and silver contained in copper concentrate. These products are freely traded at prices that are widely known; therefore, prospects for sale of any production are virtually assured.

Metal prices for Mineral Resource and Mineral Reserve estimation, and for economic analysis, are based on analyst street consensus commodity price forecasts prepared by independent financial institutions. For the economic analysis, the latest price forecast report is dated February 1, 2024, which was approved and provided by the Vendor Senior Management. For the economic analysis in this Technical Report, the prices used from the analyst consensus forecast vary year by year between 2023 and 2028.

Currently, the Vendor is under a long term contractual relationship with a commodity trading house for the sale of its copper concentrate. In addition to copper concentrate sales, CMC has numerous contracts with suppliers for the majority of the operating activities and special projects that are required at the mine site, such as: Mine power supply, mine development contractors, material transport, suppliers for consumables, reagents, maintenance and general services to support the mine operations.

Environmental, Permitting and Social Considerations

The first MEIA for the Integration of Condestable and Raúl Mining Units and Expansion of Process Plant from 3,000 tpd to 6,000 tpd was approved in 2012. CMC prepared a second amendment of the Environmental Impact Assessment (EIA) to expand the process plant capacity to 10,000 tpd. The EIA file for the second amendment will undergo review by the environmental authority in 2024.

An Environmental Management Plan and an Environmental Monitoring Program were prepared as part of the EIA and have been revised in the four Supporting Technical Reports prepared to date. The monitoring program presented in the EIA and the Supporting Technical Reports includes groundwater quantity and quality, potable water quality, sanitary wastewater treated effluent quality, air quality, ambient noise, and terrestrial flora and fauna. A program for management and disposal of hazardous and non-hazardous waste (solid and liquid) has been developed for the mine operation. The final disposal of hazardous and non-hazardous solid waste takes place outside of the mine site in landfills authorized by the Ministry of the Environment.

Quarterly reports summarizing results of the environmental monitoring are presented to the Agency for Environmental Assessment and Enforcement (OEFA for its acronym in Spanish) for gas emissions (one location at the chemical laboratory), groundwater quality (five locations), air quality (seven locations), ambient noise (five locations), and non-ionizing radiation (one location). The Vendor informed SLR that irrigation of the TSF surfaces with a special additive is regularly conducted at the Condestable Mine site to control dust and prevent adverse effects to air quality. The Vendor also informed SLR that bi-annually biology monitoring is conducted.

CMC maintains an up to date record of the legal permits obtained to date, documenting the approval document ID (which includes the approving authority), the subject of the licence and the approval date, the status and the expiration date.

Tailings produced from the process plant are stored in TSF 1 through TSF 6. Tailings deposition is currently active in TSF 5B. TSFs 1, 2, and 3 are adjacent and inactive and TSF 4 is also inactive and adjacent to TSF 5.

Presently, the whole tailings leaving the tailings thickener are approximately 47% solids by mass. Supernatant water is reclaimed from the active tailings facility for use in the process plant. Foundation drains under tailings dam 4 (and future tailings dams) collect water and drain to a collection pond downstream of the dam where the water is pumped back to the process plant.

A tailings filtration plant is planned for procurement and construction in 2024 after which tailings deposition in the remainder of TSF 5B and the future TSF 6 will be carried out by stacking tailings filter cake with compaction and moisture controls.

The area of influence (AOI) or the area where the social effects and benefits occur related to Condestable encompasses the Mala District in the Cañete Province and Lima Region. The direct AOI comprises the

Comunidad Campesina de Mala and its six villages situated less than 6 km from Condestable. There is a land easement and surface rights agreement over 500 ha between the Comunidad Campesina de Mala (the lands owner) and CMC.

To address social aspects to be managed, CMC has developed and implemented the 2022-2026 Strategic Community Relations Plan with annual plans and budgets. CMC also recently developed a new Social Management and Community Relations Policy, and a Sustainable Development Policy in 2022. The most recent Community Relations Plan was developed in 2023.

CMC maintains a database of relevant stakeholders, a matrix/listing of interactions with each stakeholder, and a social risk register. CMC has opened a Permanent Information Office in San Marcos de la Aguada, the largest village. This office maintains a formal procedure that guides how visitors should be received, and how comments and complaints should be logged (either verbally or in writing). CMC has also implemented a grievance mechanism tailored to its stakeholders, including an online platform and in-person delivery.

An MCP has been developed for all the approved Mine components within the context of Peruvian legislation and gets periodically updated. The latest MCP update was approved by the Peruvian Ministry of Energy and Mines in January 2024.

Capital and Operating Cost Estimates

The capital and operating costs required to achieve the Condestable Mine Mineral Reserve LOM production were estimated by SLR, based on the Vendor's historical costs and current 2024 operational budget and have been reviewed by the Vendor Senior Management.

Condestable is an operating mine; therefore, all capital costs are categorized as sustaining. The sustaining capital costs have been estimated to meet the required targeted underground mine and mill production rate of 8,400 tpd between years 2023 and 2036.

The estimated sustaining capital costs summary breakdown is shown in Table 1-4.

Table 1-4: Sustaining Capital Costs Summary

Cost Component	Value (US$ millions)
Mine Sustaining	45.3
Plant Sustaining	28.7
Tailings Sustaining	2.0
Other Sustaining	5.9
Expansion and Growth Projects	18.3
Contingency (5%)	2.9
Total Sustaining Capital Cost	**103.0**

The operating costs developed for the LOM are based on actuals of 2023 and budgeted amounts for 2024. A summary of the LOM operating costs for mining, processing, and G&A is provided in Table 1-5.

Table 1-5: Summary of LOM Operating Costs

Description	Total LOM	Cost/Yr.(avg.) [1]	Cost/t Milled
	US$ million	US$ million	US$ million
UG Mining	630.8	48.3	15.95
Processing	391.5	29.9	9.90
Dry Stack Tailings Incremental Cost	83.3	7.5	2.11
Site G&A	174.0	13.3	4.40
Total Operating Cost	**1,279.7**	**97.8**	**32.36**

Notes:

(1) For fully operational years (2023 – 2035)

(2) Sum of individual values may not match total due to rounding.

RISK FACTORS

The Company's business consists of the exploration, evaluation, development and production of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise or risks now thought to be immaterial may become material.

There is no certainty that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company. An investment in the Common Shares involves a number of risks. In addition to the other information contained in this AIF, investors should give careful consideration to the following, factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline, and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Company's operations.

In addition to the risks described elsewhere and the other information contained in this AIF, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. References in the below Risk Factors to "we", "our" or "us" refer to the management of the Company.

Limited History of Operations

The Company has had a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. An investor should consider any purchase of the Company's securities in light of the risks, expenses, and problems frequently encountered by all companies in the early stages of their corporate development. For the year ended December 31, 2025, the Company received no revenue from its exploration and production activities on its properties and has historically recorded annual net losses on its activities. As of December 31, 2025, the Company has an accumulated deficit of $77 million.

Failure to Realize Acquisition Benefits or Successfully Integrate the Acquisition

The Company completed the Acquisition of the Condestable Mine in January 2026. While the Company believes the Acquisition will be beneficial, there is a risk that some or all of the expected benefits of the Acquisition may fail to materialize or may not occur within the time periods that Rio2 anticipates. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Company. Moreover, a variety of factors, including the risk factors set forth herein and in other

documents filed by the Company on SEDAR+, may adversely affect the Company's ability to achieve the anticipated benefits of the Acquisition.

In addition, although the Company expects to realize certain benefits as a result of the Acquisition, there is a possibility that the Company is unable to successfully integrate the acquired entities into its operations in order to realize the anticipated benefits of the Acquisition or may be unable to do so within the anticipated timeframe. The Company is endeavoring to implement certain operational improvements and cost-savings initiatives following the completion of the Acquisition. Any cost-savings that the Company realizes from such efforts may differ materially from the Company's estimates. In addition, any cost-savings that the Company realizes may be offset, in whole or in part, by reductions in revenues or through increases in other expenses. The Company's operational improvements and cost-savings plans are subject to numerous risks and uncertainties that may change at any time.

To effectively integrate the acquired entities into its current operations, Rio2 must establish appropriate operational, administrative, finance, and management systems and controls functions relating to the acquired entities, and these efforts require substantial attention from Rio2's management. This diversion of management attention could have an adverse effect on Rio2's business, financial condition, results of operations and cash flows. There can be no assurance that Rio2 will be successful in integrating the acquired entities or that the expected benefits of the Acquisition will be realized.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks commonly encountered in the exploration, development, and production of minerals, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in, among others, damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses, and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature and there is no assurance that exploration efforts will be successful. No assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Uncertainty of Exploration and Development Projects

The future development of the Company's projects will require extensive drilling, testing, the construction and operation of a mine, processing plants and related infrastructure. Estimates of such expenditures or of future operating costs may differ materially from actual capital or operating costs. Such projects could experience unexpected problems or delays and these projects are subject to numerous risks, including, without limitation, risks relating to the following, which may be out of the Company's control:

- delays in construction, and technical and other problems, including adverse geotechnical conditions and other obstacles to construction;
- Rio2's ability to obtain, comply and maintain regulatory approvals or permits, on a timely basis or at all;
- accuracy of reserve and resource estimates;
- accuracy of engineering and changes in scope;
- adverse regulatory developments, including the change or imposition of new regulations;
- significant fluctuation in prevailing commodity prices, which may affect the profitability of projects;
- community action or other disruptive activities by stakeholders;
- the availability and costs of skilled labour, power, water, transportation, mining equipment and other required supplies;
- difficulties in acquiring and maintaining land and mineral titles;
- weather or severe climate impacts;
- litigation;
- Rio2's dependence on third parties for services and utilities;
- development of required infrastructure;
- a failure to develop or manage a project in accordance with Rio2's planning expectations or to properly manage the transition to an operating mine;
- the reliance on contractors and other third parties for management, engineering, construction and other services, and the risk that they may not perform as anticipated and that unanticipated disputes may arise between them and Rio2;
- Rio2's ability to finance its share of project costs or obtain financing for these projects on commercially reasonable terms, or at all;
- changes in regulatory regimes in the jurisdictions in which Rio2's projects are located; and
- unforeseen events.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's properties. It is not unusual for a new mining operation to experience unexpected problems and delays during the construction and development of the mine. In addition, delays in the commencement or expansion of mineral production often occur and, once commenced or expanded, the production of a mine may not meet expectations or estimates set forth in the feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities at its properties.

Indebtedness and Liquidity Risks

Rio2 incurred additional indebtedness to finance the Acquisition, which has increased Rio2's debt level, interest expense and debt service obligations. Such increased indebtedness may have a negative effect on Rio2's results of operations and/or credit ratings and make Rio2's results more sensitive to increases in interest rates. Rio2's degree of leverage could have other important consequences, including: (i) having a negative effect on Rio2's issuer debt rating; (ii) it may limit Rio2's ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; (iii) it may limit Rio2's ability to declare dividends on its common shares; (iv) Rio2 may be vulnerable in a downturn in general economic conditions; and (v) Rio2 may be unable to make capital expenditures that are important to its growth and strategies.

If the Company's cash flows and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance the Company's indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternatives may not allow the Company to meet its scheduled debt service obligations.

Mineral Reserves and Mineral Resources

No assurance can be given that the anticipated tonnages and grades in respect of Mineral Reserves and Mineral Resources contained in this AIF will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves will be mined or processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve data is not indicative of future results of operations.

If the Company's actual Mineral Reserves and Mineral Resources are less than current estimates or if the Company fails to develop its Mineral Resource base through the realization of identified mineralized potential, its production, results of operations or financial condition may be materially and adversely affected. Evaluation of Mineral Reserves and Mineral Resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of Inferred Mineral Resource is the lowest confidence Mineral Resource category and is subject to the most variability. There is no assurance that Inferred Mineral Resources will be upgraded to Measured Mineral Resources or Indicated Mineral Resource and subsequently to Proven Mineral Reserves and Probable Mineral Reserves as a result of continued exploration.

Increased Economic Uncertainty Stemming from Geopolitical Conflict, Inflation and Other Factors

Geopolitical conflict, together with concerns over general global economic conditions, fluctuations in interest and foreign exchange rates, stock market volatility and inflation have contributed to increased economic uncertainty and diminished expectations for the global economy. These factors have also increased the risk of disruption to global trade flows and supply chains. This global economic uncertainty and any disruption to global trade flows or supply chains may have a material adverse effect on the Company's operations, future sales, business and financial condition.

Concerns over global economic conditions may also have the effect of heightening many of the other risks described herein, including, but not limited to: risks relating to fluctuations in the market price anticipated for the Company's future products; development of the Company's projects; volatility in commodity and financial markets; market access restrictions or tariffs; fluctuations in the price and availability of consumed commodities; labour unrest and disturbances; availability of skilled employees; disruptions of information technology systems; changes in law or policies in relation to taxes, tariffs, fees and royalties; and transportation and other services from third parties.

Future Financing

The Company may require new capital to continue to grow its business and there are no assurances that capital will be available on reasonable terms when needed, if at all. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could impede the Company's funding obligations, or result in delay or postponement of further business activities which may result in a material and adverse effect on the Company's profitability, results of operations and financial condition. In the event that the Company chooses to raise debt capital to finance operations or an acquisition, the Company's leverage will be increased, and if the Company raises equity capital, it may be dilutive to existing shareholders.

Commodity Prices

The viability and profitability of the Company's business will be dependent upon the market price of mineral commodities, including copper and gold. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, world supply of mineral commodities, consumption patterns, forward sales by producers, production, industrial demand, speculative activities and stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are, in turn, influenced by changes in international investment patterns, monetary systems and political developments. Current and future price declines could cause commercial production from the Company's properties to be impracticable. The effects of these factors on the price of base and precious metals and, therefore, the viability of the Company's exploration projects, cannot be accurately predicted and, thus, the price of base and precious metals may have a significant influence on the market price of the Company's shares and the value of its projects. The Company's future revenues and earnings, if any, could be affected by fluctuations in prices of mineral commodities and, to a lesser extent, other commodities such as fuel and other consumable items.

Future Production Rates

The Company prepares estimates of future production from its operations. These estimates of future production are based on a number of interpretations and assumptions and actual production may be less than is currently estimated. The Company cannot give any assurance that it will achieve its production estimates. The failure of the Company to achieve its production estimates could have a material and adverse effect on any or all of its future cash flows, profitability, results of operations and financial condition. The Company's ability to demonstrate sufficient economic returns from its properties may also affect the availability and cost of financing. The Company's production estimates are dependent on, among other things, the accuracy of mineral reserve and mineral resources estimates, the accuracy of assumptions regarding ore grades and recovery rates, ground conditions, physical characteristics of ores, such as hardness and the presence or absence of particular metallurgical characteristics, and the accuracy of estimated rates and costs of mining and processing.

The Company's actual production may vary from its estimates for a variety of reasons, including, but not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, hurricanes, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to our properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a property that has been mined profitably in the past to become unprofitable forcing the Company to cease production. Depending on the price of gold and copper, the Company may determine that it is impractical to continue commercial production.

Health and Safety Risks

By their nature, exploration and mining activities present a variety of hazards and associated health and safety risks. Workers involved in the Company's operations are subject to many inherent health and safety risks and hazards, including, but not limited to, underground mine fires, underground rock falls, equipment or structural fires, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, exposure to biological, physical or ergonomic agents, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and vehicle incidents, incidents related to cranes and rigging, and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. In addition, personnel involved with remote

activities such those associated with exploration may be exposed to risks related to wildlife, environmental conditions or civil unrest.

In addition, in certain foreign jurisdictions where the Company operates, the presence or influence of organized criminal groups or cartel-related activities may pose additional security, operational, and health and safety risks. Such groups may engage in extortion, theft, violence, or other illicit activities that could threaten the safety of personnel, disrupt operations, restrict access to sites, or damage Company property. These risks may be heightened in remote regions with limited government presence or where local security conditions are volatile.

While every effort is made by the Company to control and eliminate potential health and safety risks, these risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations. Incidents resulting in serious injury or death, or those having a negative impact on surrounding communities (real or perceived) could result in litigation and/or regulatory action (including, but not limited to suspension of operations and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

Uninsured Risks Exist and May Affect Certain Values

Although the Company may obtain liability insurance in an amount that management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event, should such liabilities arise, the Company could incur significant costs that could have a material adverse effect upon its financial condition and could result in a decline in the value of the Company's common shares.

Contractual Risks Relating to Delays in Completion of Fenix

If the Company does not achieve Initial Completion (as defined in the Amended and Restated Precious Metals Purchase Agreement (the "**Amended PMPA**") at the Fenix Gold Mine by December 31, 2026, Rio2 will be required to deliver additional ounces of refined gold to Wheaton (the "**Delay Payment**"), currently calculated at 435 ounces per month multiplied by the lesser of (i) the Advanced Deposit as of the first day of such month, divided by $50,000,000; and (ii) one, until Initial Completion is achieved or a refund is made in accordance with the Amended PMPA.

In addition, if by December 31, 2027 (the "**Outside Completion Date**"), the Fenix Gold Mine does not achieve at least 50% of the contractual Target Production (being 90,000 ounces of gold over a 12-month consecutive Production Period), Wheaton may elect, within 90 days of the Outside Completion Date, to terminate the Amended PMPA upon written notice. In such event, Rio2 would be required to (i) refund to Wheaton the difference, if any, between the full amount of the Uncredited Deposit and the amount of any Refund that has been paid to Wheaton, and (ii) deliver any accumulated Delay Payment ounces (the "**Delay Ounce Balance**"). The Company has the right, prior to the Outside Completion Date and provided that no Insolvency Event or Lender Event has occurred and is continuing, to defer delivery of any Delay Payment ounces of any calendar month that accrue during such period by providing Wheaton with at least five Business Days' prior written notice, in which case such deferred ounces will be added to the Delay Ounce Balance.

The Amended PMPA is secured by security interests over certain project assets and contains enforcement rights, including termination and liquidated damages provisions. In certain circumstances, such as claims for anticipatory breach or insolvency proceedings, amounts payable to Wheaton may be determined on a net present value basis in accordance with the Amended PMPA. The exercise of such rights, including termination of the Amended PMPA and the repayment of the Uncredited Deposit and related amounts, could have a material adverse effect on Rio2's financial condition, liquidity, capital resources and ability to advance or sustain production at the Fenix Gold Mine."

Ability to Attract and Retain Qualified Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, they will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Government Regulation and Permitting

The Company's mining and processing operations and development and exploration activities are subject to extensive permitting requirements in multiple jurisdictions. Applying for, amending, and renewing permits and licenses can be time-consuming, and may involve dealings with numerous regulatory agencies, public hearings and costly undertakings. Failure to obtain required permits, or to comply with permits once obtained, could result in injunctions, fines, suspension or revocation of permits and other penalties. While the Company strives to obtain and comply with all of its required permits, there can be no assurance permits will be obtained in a timely manner, or at all, or that the Company will achieve or maintain full compliance with such permits at all times. Activities required to achieve and maintain full compliance with such permits can be costly and time-consuming. The Company's ability to successfully obtain and maintain key permits and approvals will be impacted by its ability to develop, operate and close mines in a manner that is consistent with the creation of social and economic benefits in the surrounding communities and may be adversely impacted by real or perceived detrimental events associated with the Company's activities or those of other mining companies affecting the environment, human health and safety or the surrounding communities. The Company has made, and expects to make in the future, significant expenditures to comply with permitting requirements and, to the extent reasonably practicable, create social and economic benefit in the surrounding communities. If necessary permits or licenses are not obtained or renewed, or are subsequently suspended or revoked, the Company may be curtailed or prohibited from proceeding with planned development, commercialization, operation and exploration activities, or become subject to regulatory action or litigation, any of which could materially adversely affect the Company's business, results of operations, financial condition, cash flows, or prospects.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance. The Company cannot give any assurance that title to properties it acquired individually or through historical acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Environmental Risks and Hazards

The Company's activities are subject to extensive national, provincial, and local laws and regulations governing environmental protection and employee health and safety. The Company is required to obtain governmental permits and provide bonding requirements under environmental laws. All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner, which may require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted.

Water Access and Management

The Fenix Gold Project is located in a water-scarce region and is currently dependent on water trucked daily from Copiapó or the Lince camp infrastructure site. This dependency exposes operations to supply disruptions, cost volatility, and logistical constraints that could adversely affect production and operating costs. There can be no assurance that trucked water supplies will remain available or economically viable over the life of the project or any expansion. Any significant expansion of the Fenix Gold Project may require substantially greater water resources than can be economically supplied through trucking. We may explore alternative water delivery opportunities, which could involve significant capital expenditures. Given the scarcity of water in the region, our operations require exceptional control, recycling, and reutilization programs. Additional water conservation measures we may undertake include surfacing main roads and applying dust suppressants to minimize water use for dust control, utilizing Thermofilm covers on the leach pad to reduce evaporation, and covering ponds with floating covers or floating ball technology. Despite these measures, our inability to secure adequate water supplies at reasonable cost could materially and adversely affect our ability to develop, expand, or operate the Fenix Gold Project.

Infrastructure

Mining, processing, development and exploration activities and mining operations depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Impact of Inflation and Interest Rates

In recent years, global markets have experienced high rates of inflation at times. Inflationary pressures may increase Rio2's operating and capital costs and the costs of Rio2's planned development activities, which could have a material adverse effect on Rio2's operations, development projects, business and financial position. If inputs are unavailable at reasonable costs, this may delay planned development activities. In addition, governmental responses to inflation, such as any increase in interest rates, may have a significant negative impact on the economy generally and Rio2's debt service obligations, both of which could have a material adverse effect on Rio2's operations, business and financial position. In the current environment, assumptions about future commodity prices, exchange rates, interest rates, inflation, costs of inputs and customer credit performance are subject to greater variability than normal, which could, in the future, significantly affect the valuation of Rio2's assets, both financial and non-financial, and may have a material adverse effect on Rio2's operations, business and financial condition.

Foreign Jurisdictions Risks and Repatriation of Earnings

While Rio2 maintains a corporate office in Canada, the Fenix Gold Mine is located in Chile and the Condestable Mine project is located in Peru. There are added risks and uncertainties due to the different economic, cultural and political environments in Chile and Peru as compared to Canada. Some of these risks include, among others, nationalization and expropriation; social unrest and political instability; uncertainties in perfecting mineral titles; delays or inability to obtain permits and licenses; trade barriers and exchange controls; limitations on repatriation of funds; material changes in taxation; fluctuations in currency exchange rates; renegotiation or nullification of existing concessions; restrictions on foreign exchanges and

repatriation; changing political norms; currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

There can be no certainty that the Chilean or Peruvian governments will not implement changes in taxation, policy or regulation in connection with a constitutional process or otherwise. In particular, operations may be affected in varying degrees by government regulations with respect to, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety. Global economic uncertainty and any decrease in resource prices may adversely affect both Chile and Peru's economy. Any such events could materially and adversely affect Rio2's business, financial position and operations.

There is no assurance that Chile, Peru or any of the countries in which the Company may operate in future will not impose restrictions on the repatriation of earnings to foreign entities, including the Company.

General Economic and Political Conditions in Chile and Peru

A significant portion of the operations of the Company are conducted in Chile and Peru, and are dependent upon the performance of the local economies. As a result, general economic conditions in these countries may have a material adverse impact on the Company's business, financial position and results of operations.

Government action in response to exchange rate movement, monetary policies, inflation control, energy shortages and economic instability, among other matters, may have important effects on the Company's operations. Uncertainty over whether governments will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Chile and Peru, and to heightened volatility in the market value of securities issued by companies operating in these jurisdictions.

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Litigation and Reputational Risk

The Company may from time to time be involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Company is unable to resolve these disputes favorably, it may have a material adverse effect on the Company. In addition, disputes in respect of agreements entered into by the Company with third parties may impact the validity and enforceability of those agreements. Any litigation could result in substantial costs and damages and divert the Company's management's attention and resources. Any decision resulting from any such litigation that is adverse to the Company could have a negative impact on the Company's financial position.

Furthermore, reputational damage can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. While the Company does not ultimately have direct control over how it is perceived by others, reputational loss could have a material adverse effect on the Company's financial performance, financial condition, cash flows, growth prospects and the trading price of the Company's securities.

Laws of Foreign Jurisdictions

The Company has material subsidiaries organized under the laws of foreign jurisdictions and certain of the Company's directors, management and personnel are located in foreign jurisdictions, and as a result investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities which are predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

The courts in some of the foreign jurisdictions in which the Company operates may offer less certainty as to the judicial outcome of legal proceedings or a more protracted judicial process than is the case in more established economies. Operating in emerging markets can increase the risk that contractual and/or mineral rights may be disregarded or unilaterally altered. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. In addition, there may be limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Company's contracts, joint ventures, licenses, license applications or other legal arrangements. Accordingly, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions. Moreover, the commitment of local businesses, government officials and agencies and the judicial system in these jurisdictions to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. These uncertainties and delays could have a material adverse effect on the Company's business and operational results.

Introduction of New Tax Laws

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, Chile or any of the countries in which the Company's operations or business is located, could result in an increase in taxes, or other governmental charges, duties or impositions, or an unreasonable delay in the refund of certain taxes owing to the Company. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's profits being subject to additional taxation, result in the Company not recovering certain taxes on a timely basis or at all, or that could otherwise have a material adverse effect on the Company.

Other Tax Considerations

The Canadian federal and provincial tax treatment of natural resource activities has a material effect on the advisability of investing in mining companies. The ability of the Company to claim and collect tax credits relating to its natural resource activities and the return on an investment in Common Shares will be subject to applicable tax laws. There can be no assurance that applicable tax laws will not be amended so as to fundamentally alter the tax consequences of claiming and collecting tax credits and holding or disposing of the Common Shares.

Currency Fluctuations

The operations of the Company in Chile, Peru or any of the countries in which the Company may operate in future are subject to currency fluctuations against the Canadian and US dollar, and such fluctuations may materially affect the financial position and results of the Company.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance or the underlying asset values of prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Price Volatility of Publicly Traded Securities and Dilution

Securities of exploration and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or by the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance may have an effect on the price of the common shares. As a result of any of these factors, the market price of the common shares at any given point in time may not accurately reflect the Company's long-term value.

In addition, the Company may issue additional common shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of common shares and shareholders will have no pre-emptive rights in connection with further issuances.

Internal Controls

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that material information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting.

Anti-Corruption and Anti-Bribery Laws

The Company's operations are governed by, and involve interactions with, various levels of government in foreign countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (US) and similar laws in Chile and Peru. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti- bribery laws. A company may be found liable for

violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that it, its employees, contractors or third-party agents will comply strictly with all such applicable laws. If the Company becomes subject to an enforcement action or is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation, result in significant penalties or sanctions, and have a material adverse effect on the Company's operations.

Compliance with Canada's Extractive Sector Transparency Measures Act

The Extractive Sector Transparency Measures Act (Canada) ("**ESTMA**") requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals which are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups. ESTMA reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure reporting or structuring payments to avoid reporting. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company's reputation.

Potential Conflicts of Interest

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under, the OBCA, and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

Cyber Security and Technology Risks

The Company depends upon information systems and other digital technologies for controlling operations, processing transactions and summarizing and reporting results of operations ("IT systems"). The secure processing, maintenance and transmission of information is critical to the Company's operations. These IT systems or those of the Company's suppliers could be subject to network disruptions caused by a variety of sources, including computer viruses, security breaches and cyber-attacks, as well as disruptions resulting from incidents such as cable cuts, damage to infrastructure, natural disasters, terrorism, fire, power loss, vandalism and theft. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or an increase in capital expenses. The failure of IT systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

Cyber security risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber-attacks and data security breaches, as well as due to international and domestic political factors including geopolitical tensions, armed hostilities, war, civil unrest, sabotage and terrorism. Human error can also contribute to a cyber incident, and cyber-attacks can be internal as well as external and occur at any point in the Company's supply chain. In addition, new technological advances such as machine learning and generative artificial intelligence pose new risks to the Company. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of technology and the associated risks. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Competition and Scarcity of Mineral Lands

The mining industry is intensely competitive, with many companies and individuals engaged in the mining business including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties. Increased competition for experienced mining professionals, equipment and other resources could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

Forward-Looking Statements and Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties related to forward-looking statements and information are found under the heading "*Cautionary Statement Regarding Forward-Looking Information and Statements*" in this AIF.

Recent Changes to U.S. Trade Policies

The recent imposition of tariffs by the U.S. government on various imports, including certain metals and industrial goods, may have a material adverse effect on our business, financial condition, and development projects. Tariffs on raw materials, mining equipment or critical supplies by the U.S. government or other countries required for mining and processing operations could increase our capital and operating costs, reduce competitiveness, and create uncertainty in global commodity markets.

Changes in trade policy and the imposition of tariffs may disrupt supply chains by increasing the cost and availability of equipment, spare parts, and key inputs. If procurement costs rise or supply chain constraints limit access to critical materials, this could result in higher capital and operating costs, project delays, or interruptions in production.

The broader uncertainty surrounding U.S. trade policy and potential retaliatory measures from other governments may also contribute to volatility in commodity prices, exchange rates and overall economic output. There can be no assurance that future trade policies will not impose further restrictions or additional tariffs that could materially impact our future operations and growth plans.

Global Conflict

Ongoing global conflict, including in Ukraine and the Middle East, can and has led to sanctions being levied against certain countries by the international community and may result in additional sanctions or other international action, any of which may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Volatility in commodity prices and supply chain disruptions may adversely affect the Company's business and financial condition. The extent and duration of such conflicts and related international actions cannot be accurately predicted and the effects of such conflict may magnify the impact of other risks identified in this AIF, including those relating to commodity price volatility, global financial conditions, and share price volatility. Because of the highly uncertain and dynamic nature of these events, it is not currently possible to accurately estimate the impact of such conflicts on the Company's business.

Risks Inherent in Acquisitions

It is part of the Company's corporate strategy to actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to: accurately assessing the value, strengths, weaknesses, contingent and other liabilities, and potential profitability of acquisition candidates; ability to achieve identified and anticipated operating and financial synergies; unanticipated costs; diversion of management attention from existing business; potential loss of the Company's key employees or key employees of any business acquired; unanticipated changes in business, industry, or general economic conditions that affect the assumptions underlying the acquisition; and decline in the value of acquired properties, companies, or securities. Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on its financial condition.

DIVIDENDS AND DISTRIBUTIONS

Rio2 has not paid any dividends on its Common Shares since its incorporation. The Company's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Company's business. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

CAPITAL STRUCTURE

General Description of Share Capital

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2025, 436,206,805 Common Shares were issued and outstanding as fully paid and non-assessable shares. As at the Effective Date, 526,341,841 Common Shares were issued and outstanding as fully paid and non-assessable shares.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holders of another class of shares are entitled to vote). Subject to the rights attaching to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Company and are entitled to receive the remaining property upon liquidation of the Company.

Stock Option Plan and Share Incentive Plan

The Company has a Stock Option Plan for granting incentive stock options to officers, employees, directors, and consultants. The Stock Option Plan has received regulatory and shareholder approval, the latter being most-recently obtained at the Company's Annual General and Special Meeting of Shareholders held on June 4, 2025. The Stock Option Plan is administered by the Corporate Governance and Compensation Committee of the Board of Directors (the "**CGC Committee**").

As at the Effective Date, the Company had 16,034,766 outstanding Options to purchase up to 16,034,766 Common Shares, representing approximately 3.04% of the Company's issued and outstanding Common Shares, at exercise prices ranging from $0.30 to $0.70 and expiring between September 21, 2026, and January 13, 2030.

Additionally, the Company has a Share Incentive Plan administered by the CGC Committee, which has received regulatory and shareholder approval, the latter being most-recently obtained at the Company's Annual General and Special Meeting of Shareholders held on June 4, 2025. The Share Incentive Plan will function as a rolling plan and as such, the maximum number of Common Shares issuable pursuant to all Awards (as defined herein) issued under the Share Incentive Plan and other security based compensation plans (including the Stock Option Plan) of the Company shall not exceed 10% of the outstanding Common Shares from time to time. As of the date of this AIF, there are 1,026,668 restricted share units issued and outstanding and therefore 1,026,668 Common Shares are reserved for issuance pursuant to the settlement of Awards pursuant to the Share Incentive Plan. The CGC Committee, at its sole discretion, will determine the persons to whom awards may be granted, the number of Common Shares to be covered by each award and the allocation of the award between time-based awards and performance-based awards.

The Stock Option Plan and the Share Incentive Plan are more fully described in the Company's Management Information Circular dated April 17, 2025, copies of which are available on the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

MARKET FOR SECURITIES

Trading Price and Volume of Common Shares

The Common Shares are listed and posted for trading on the TSX under the symbol "RIO". The following table sets forth the price range (high and low prices) in Canadian dollars of the Common Shares and volume traded on the TSXV (for January 2025 through September 2, 2025) and the TSX (from September 3, 2025 through December 2025), for the periods indicated.

2025	High (Can$)	Low (Can$)	Volume
January	0.71	0.60	5,426,031
February	0.82	0.67	8,856,108
March	0.93	0.69	8,867,182
April	1.06	0.72	14,908,487
May	1.24	0.98	8,796,988
June	1.49	1.18	10,852,957
July	1.64	1.39	10,752,611
August	1.84	1.46	5,912,738
September	2.09	1.57	9,965,391
October	2.38	1.84	16,353,307
November	2.50	2.06	10,531,969
December	3.45	2.34	30,075,388

PRIOR SALES

The following table summarizes the securities of the Company that are outstanding as at the date of this AIF, but that are not listed or quoted on a marketplace, that were issued by the Company during the financial year ended December 31, 2025:

Date of Issuance	Cumulative Number of Securities	Class of Securities	Issue or Exercise Price or Fair Market Value per Common Share (CAD$)	Expiry Date
January 13, 2025	6,310,000	Options	$0.70	January 13, 2030
July 4, 2025	200,000	Options	$1.60	July 4, 2030
July 4, 2025	200,000	Restricted Share Units	$1.62	July 4, 2028
August 18, 2025	1,730,000	Restricted Share Units	$1.67	August 15, 2028
August 18, 2025	400,000	Options	$1.84	August 18, 2030

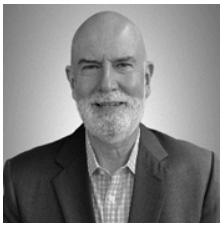
ESCROWED SECURITIES

To the Company's knowledge, the Company does not have any securities held in escrow or that are subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company, the date first appointed or elected as a director and/or executive officer, and their principal occupation(s) within the past five years.



Alex Black
Lima, Peru

Executive Chairman of the Board of Rio2 since November 28, 2022

Formerly, President, CEO & Director of Rio2 from November 28, 2016 to November 28, 2022

Mr. Black lives in Lima, Peru and has 40 years' experience in the mining industry. Mr. Black holds a BSc in Mining Engineering from the University of South Australia and is a member of the Australasian Institute of Mining and Metallurgy. Prior to moving to Peru in 2000, Mr. Black was the founder and Managing Director of international mining consulting services group Global Mining Services from 1994 to 2000. In 1996, Mr. Black also founded and was Chairman of OFEX listed AGR Limited with exploration projects in Ghana and Mongolia. In 2002, Mr. Black took control of role in the acquisition of the Mina Justa Copper Project and formation of the Korean joint venture with Chariot Resources. Upon his resignation as Chairman & Executive VP of Chariot Resources in 2006, Mr. Black founded the Peruvian registered Rio Alto S.A.C.

In 2009 after successfully negotiating the acquisition of the La Arena Gold Project from Iamgold Corp, Rio Alto was acquired by Mexican Silver Mines and renamed Rio Alto Mining Limited. In 2014, Rio Alto also completed the successful acquisition of Sulliden Gold and the Shahuindo Gold Project for $300M. Mr. Black, as President & Chief Executive Officer of Rio Alto Mining Limited and his experienced management team built Rio Alto from a $12M company in 2009 to a $1.2 billion company in 2015 at the time of the acquisition by Tahoe Resources Inc.

Ownership or Control Over Voting Shares Held [1]	**Board/Committee Membership**
19,046,142 – 3.61% [2]	Member of the Health, Safety, and Community Committee

Andrew Cox
Lima, Peru

Non-Independent Director of Rio2 since December 15, 2022
President & CEO of Rio2 since November 28, 2022

Andrew Cox is based in Lima, Peru, and has over 28 years of experience in mining operations around the world. Andrew held various positions at Rio Alto Mining Ltd. since 2011 until acquired in 2015. He was operations manager at La Arena mine from 2011 to 2014, moving to the Shahuindo gold project as acting operations manager for the first year of construction in 2015.

Following the acquisition of Rio Alto Mining Ltd. by Tahoe Resources Inc. in April, 2015, Andrew was the corporate operations manager in Peru, until December 2016. Prior to his involvement with Rio Alto Mining, Andrew managed the dam embankment project at Oceanagold's Macraes Flat mine and the Alliance Mining contract at the Globe Progress mine for Stracon New Zealand from 2009 to 2011. In 2005, he joined mining and civil contractor Stracon GyM in Peru as manager of the El Brocal open-pit mining contract until 2009. Andrew started his career with 10 years in alluvial gold mining and exploration in New Zealand, Chile and Bolivia with L& M Mining. Later, he moved to a role as Production Geologist at Solid Energy´s Stockton Mine in New Zealand. Andrew holds an MSc, geology hons, from the University of Canterbury in New Zealand.

Ownership or Control Over Voting Shares Held [1]	**Board/Committee Membership**
846,092 – 0.16% [2]	N/A

Kathryn Johnson
West Vancouver, British Columbia, Canada

EVP, CFO and Corporate Secretary of Rio2 since May 30, 2017

Kathryn Johnson is based in Vancouver and has over 20 years of experience in the mining industry, primarily in Latin America. Kathryn brings extensive experience in accounting and finance, including financings, mergers and acquisitions, project development, internal controls and financial reporting.

Kathryn held various senior positions at Rio Alto Mining Limited until it was acquired in 2015. Her last position was Chief Financial Officer and prior to that, Vice President - Corporate Reporting and Corporate Controller. While at Rio Alto Mining, Kathryn was a key member of the team that successfully completed the acquisition of Sulliden Gold and the Shahuindo Gold Project for $300 million in 2014 and the subsequent sale of Rio Alto to Tahoe Resources Inc. for $1.2Bn. Kathryn has also held the positions of Financial Reporting Contractor at Goldcorp and Director of Finance at Tahoe Resources. She holds a BA with a double major in History and Political Science from the University of British Columbia and is a CPA, CA who earned her chartered accountant designation while articling at PricewaterhouseCoopers LLP in Vancouver.

Ownership or Control Over Voting Shares Held [(1)]	**Board/Committee Membership**
1,179,887 – 0.22% [(2)]	N/A

Klaus Zeitler
West Vancouver, British Columbia, Canada

Lead Independent Director of Rio2 since November 23, 2022

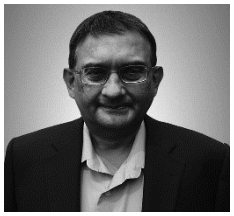
Formerly, Chairman of the Rio2 Board from April 24, 2017 to November 23, 2022

Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association.

Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of $4.0 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986 founded and was a director and the first CEO of Metall Mining (later Inmet Mining Corporation) with assets of over $4.0 billion, and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco (“Teck”) for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and had responsibilities for the exploration and development of mines in Peru, Mexico and the USA.

Since his retirement in 2002 from Teck, and in addition to being Executive Chairman and a director of Amerigo Resources Ltd., Dr. Zeitler was Chairman of the Board of Rio Alto Limited from 2011 to 2015, a director of Tahoe Resources Ltd. from April 2015 to May 2017, and is presently a director of Western Copper and Gold Corporation (TSX:WRN, NYSE:WRN).

Ownership or Control Over Voting Shares Held [(1)]	**Board/Committee Membership**
2,874,391 – 0.54% [(2)]	Chairman of the Corporate Governance & Compensation Committee Chairman of the Health, Safety, and Community Committee

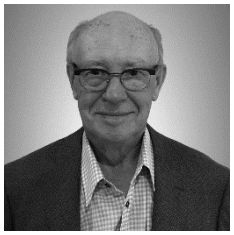


Ram Ramachandran
Aurora, Ontario, Canada

Independent Director of Rio2 since April 24, 2017

Mr. Ramachandran has over 35 years of capital markets experience. Mr. Ramachandran has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and as a senior member in the national office of an international accounting firm. Mr. Ramachandran originally qualified as a Chartered Accountant in England & Wales in 1978 and subsequently in Ontario in 1984 (now retired).

Ownership or Control Over Voting Shares Held [1]	**Board/Committee Membership**
213,250 – 0.04% [2]	Chairman of the Audit Committee Member of the Corporate Governance & Compensation Committee Member of the Health, Safety, and Community Committee



Sidney Robinson
Toronto, Ontario, Canada

Independent Director of Rio2 since April 24, 2017

Mr. Robinson was a senior partner of Torys LLP, a law firm, until January 2004, practicing corporate/commercial law, with emphasis on financings, mergers and acquisitions and international projects. In his practice, Mr. Robinson acted as strategic and legal advisor to senior management and boards of many large corporate issuers. Mr. Robinson was a long-time member of Torys LLP's executive committee. Mr. Robinson is a former director of Rio Alto Mining Limited, Amerigo Resources Ltd, and of Inmet Mining Corporation. He has also served on the Board of Directors of several private corporations, is a founding partner of Butterfield & Robinson Inc., and was the first Chairman of Canada Post Corporation's Real Estate Advisory Committee. Mr. Robinson holds an M.A. and an LL.B from the University of Toronto and an LL.M from Osgoode Hall Law School.

Ownership or Control Over Voting Shares Held [1]	**Board/Committee Membership**
801,001 – 0.15% [2]	Member of the Audit Committee

Albrecht Schneider
Santiago, Chile

Independent Director of Rio2 since July 16, 2018

Mr. Schneider was the co-founder of Atacama Pacific Gold Corporation and discovered with his team the Cerro Maricunga gold deposit. He served as the Executive Chairman and as a director of Atacama Pacific Gold Corporation until the completion of the business combination with Rio2 in July 2018.

Mr. Schneider is a Professional Geologist with more than 25 years of field management and project generation experience in South America. He is currently the President of SBX Consultores, a geological consulting firm in Santiago, Chile. Mr. Schneider has held senior management positions with several other public companies including TVX Gold and generated the Volcan gold discovery in Chile for Andina Minerals. He has also acted as a Chilean representative for TVX Normandy Americas, Newmont Mining, and Kinross Gold and has acted as an international consultant for Antofagasta and Gold Fields.

Mr. Schneider received a Ph.D. (Geology) from Imperial College, University of London in 1985.

Ownership or Control Over Voting Shares Held (1)	**Board/Committee Membership**
12,366,610 – 2.35% (2)	N/A

Drago Kisic
Lima, Peru

Independent Director of Rio2 since May 28, 2019

Mr. Kisic is a founding member and shareholder of Macro Group (Macroconsult, Macroinvest, Macrocapitales Safi, Macro Assets Management and Macro Wealth), and President of the Board of Macrocapitales SAFI. Currently, Mr. Kisic is a member of the boards of: Banco Pichincha Perú S.A.; Bodega San Nicolás; Inmobiliarias Cerro Lindo SAC; Corporacion Rey, Haug S.A.; Agricola Cayaltí y REDES (ASBANC). From 1978 to 1981 he worked as Senior Economist for the Banco Central de Reserva del Peru and was Chairman of the Board of the Comisión Nacional Supervisora de Empresas y Valores (CONASEV) between 1981 and 1982. Between 1982 and 1985 he acted as Advisor to the Executive Director of the World Bank in Washington DC, USA. In 1998 he was a member of the Advisory Committee of the Peruvian Ministry of Foreign Affairs and President of the commission of border integration in the peace negotiations between Peru and Ecuador. Mr. Kisic was a director of Rio Alto Mining Limited (TSX) (between 2010 and 2015) and Tahoe Resources Limited (from August 2015 to February 2019).

Mr. Kisic holds a B.S. from Pontificia Universidad Católica del Perú and a Master's degree (B-Phil) from Oxford University.

Ownership or Control Over Voting Shares Held [1]	Board/Committee Membership
234,211 – 0.04% [2]	Member of the Audit Committee Member of the Corporate Governance & Compensation Committee

Notes:

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this AIF, based upon information furnished to the Company by the above individuals.

(2) Assumes a total of 526,341,841 Common Shares issued and outstanding as at the effective date of this AIF.

To the knowledge of the Company, as of the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly or exercised control or direction over 38,169,262 Common Shares or approximately 7.25% of the issued and outstanding Common Shares of the Company. The Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this AIF is based upon information furnished to the Company by the above individuals and/or management.

The directors listed above will hold office until the Company's next annual shareholders' meeting or until their successors are elected or appointed.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten (10) years prior to the date of this AIF, has been a director, a chief executive officer or a chief financial officer of any company (including the Company), that:

(a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, is, or within ten (10) years prior to the date of this AIF has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has, within the past ten (10) years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has

entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of the Company and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with applicable corporate laws, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors of the Company have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA. The OBCA provides that, in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the OBCA.

AUDIT COMMITTEE

The Audit Committee shall be composed of a minimum of three directors. The Board shall appoint the members annually, typically at the board's first meeting following the annual shareholders' meeting. Unless the full Board appoints a Chair, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Pursuant to National Instrument 52-110 *Audit Committees* ("**NI 52-110**") the Company is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The text of the Company's Audit Committee Charter is set in Schedule "A" to this AIF.

Audit Committee Composition and Relevant Education and Experience

The members of Rio2's Audit Committee are:

1. Ram Ramachandran, Chair
2. Sidney Robinson
3. Drago Kisic

For a description of their education and experience relevant to serving as member of the Audit Committee please see "*Directors and Officers*" section of this AIF.

All members of the Audit Committee are independent and financially literate, as such terms are defined in NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 of NI 52-110 (Acquisition of Financial Literacy), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "A" under the heading "*Audit Committee Charter - Responsibilities and Duties - External Auditors*".

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in respect of each of the financial years ending December 31, 2025 and 2024 for audit and other fees are as follows:

Financial Year Ending	Audit Fees[1]	Audited Related Fees[2]	Tax Fees[3]	All Other Fees
2025	C$527,844	C$326,032	C$602,088	Nil
2024[5]	C$165,068	C$66,458	C$45,826	Nil

Notes:

(1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements, reviews of interim financial statements and services in relation to the Company's prospectus supplement dated December 10, 2025 (related to the Condestable Acquisition that closed January 30, 2026) that are provided in connection with statutory and regulatory filings or engagements.

(2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees". For 2025, this related to financial due diligence services in relation to the Condestable Acquisition.

(3) "Tax Fees" include fees for all tax services, excluding those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. For 2025, this included tax due diligence fees of $455,948 in relation to the Company's Condestable Acquisition.

(4) Doane Grant Thornton LLP, the former auditor, resigned as auditor effective August 8, 2024, at the request of Rio2. PricewaterhouseCoopers LLP, the current auditor of the Company, was appointed auditor of the Company effective August 8, 2024, by the Board. In 2024, "Audit Fees" of C$15,687 were paid to Doane Grant Thornton LLP and C$149,381 were paid to PricewaterhouseCoopers LLP; "Audit Related Fees" of C$23,711 were paid to Doane Grant Thornton LLP, and C$42,746 were paid to PricewaterhouseCoopers LLP; "Tax Fees" of $Nil were paid to Doane Grant Thornton LLP, and C$45,826 were paid to PricewaterhouseCoopers LLP; and "All Other Fees" of $Nil were paid to Doane Grant Thornton LLP, and $Nil were paid to PricewaterhouseCoopers LLP.

PROMOTERS

Since January 1, 2022, and to the effective date of this AIF, no person or company has acted as a promoter of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property is or was during the last financial year subject, and there are no such proceedings known by the Company to be contemplated.

Regulatory Actions

The Company is not aware of any: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, none of the directors or executive officers, or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's Common Shares, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transactions in which the Company has participated within the three most recently completed financial years or in the current financial year prior to the date of this AIF, which has materially affected or is reasonably expected to materially affect the Company. Certain directors, executive officers, and/or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's shares have participated in financings of the Company and/or have been granted stock options or restricted share units of the Company and/or received consulting fees for services provided to the Company.

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. See "*Risk Factors – Potential Conflicts of Interest*" and "*Conflicts of Interest*".

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the Common Shares of the Company is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Company's material contracts that were entered into within the last financial year or before the last financial year but that are still in effect, and that are required to be filed under NI 51-102, are listed below. All other agreements entered into and still in effect are in the normal course of business. The material contracts are:

1. the A&R PMPA entered into between Rio2 and WPMI dated October 21, 2024;

2. the Acquisition Agreement dated December 8, 2025 entered into among Rio2, Southern Peaks, Rio2 Operaciones S.A.C. and Mr. Vera; and

3. the A&R Acquisition Agreement dated January 30, 2026 entered into among Rio2, Southern Peaks, Rio2 Cobre S.A.C. (formerly, Rio2 Operaciones S.A.C.) and Mr. Vera.

The Acquisition Agreement

On December 8, 2025, Rio2 entered into the Acquisition Agreement to acquire all of the issued and outstanding securities in the capital of AMC, SPM Peru and SPM Finance as follows: (i) 508,089,687 AMC Shares from Southern Peaks and two AMC Shares from Mr. Vera; (ii) 29,039,399 SPM Peru Shares from Southern Peaks and one SPM Peru Share from Mr. Vera; and (iii) one SPM Finance Share from Southern Peaks.

On January 30, 2026, the parties to the Acquisition Agreement executed an amended and restated share purchase agreement (previously defined as the "**A&R Acquisition Agreement**"), which amended and restated the following provisions of the Acquisition Agreement: (i) Rio2 agreed to waive the delivery of a Peruvian tax certificate as a condition to closing; (ii) the majority of the Cash Consideration due on closing was funded into escrow and will be released to the Vendors upon the receipt of the Peruvian tax certificate; and (iii) the Consideration Shares will be issued by Rio2 to Southern Peaks following the receipt of the Peruvian tax certificate. The escrowed Cash Consideration will be released to the Vendors on the earlier of: (i) two business days following the Vendor's delivery of the Certificate of Invested Capital that corresponds to the tax basis of the AMC Shares to the escrow agent, and (ii) the long stop date of July 31, 2026, with payment out of escrow to be allocated between the Peruvian tax authority (*Superintendencia Nacional de Administración Tributaria*) and Southern Peaks, based on the applicable circumstances. For clarity, the escrow of cash and Consideration Shares under the A&R Acquisition Agreement does not affect the consideration paid by Rio2 for the Acquisition, nor does it affect Rio2's ownership of the Condestable Mine on closing of the Acquisition. The A&R Acquisition Agreement did not otherwise amend the provisions of the Acquisition Agreement in any material respect, as described herein.

The Acquisition closed pursuant to the terms of the A&R Acquisition Agreement on January 30, 2026, at which time Rio2 became the owner of the 99.1% interest in the Condestable Mine.

Purchase Price

The aggregate purchase price (the "**Purchase Price**") is based on an equity value of approximately $217,000,000 (implying a transaction enterprise value of approximately $241,000,000 including the assumption of approximately $24,000,000 of net debt as at September 30, 2025), subject to adjustments for "Leakage" from and after September 30, 2025 (the "**Locked Box Date**") to the Acquisition Closing Date. The Purchase Price is expected to be satisfied as follows:

(i) $80,000,000 in cash no less than three business days prior to the closing date (previously defined as the "**Cash Consideration**");

(ii) $65,000,000 through vendor debt financing provided by Southern Peaks to Rio2 (previously defined as the "**Vendor Debt**");

(iii) $37,000,000 in deferred consideration payable in annual instalments from December 31, 2027 through December 31, 2030 (previously defined as the "**Deferred Consideration**"); and

(iv) the balance by issuing to Southern Peaks 21,836,786 Common Shares of Rio2 (the "**Consideration Shares**"), resulting in Southern Peaks owning approximately 4% of Rio2 (inclusive

of completion of the KALLPA Private Placement). The Consideration Shares will be issued, subject to applicable Contractual Hold Periods (as defined below and described below). Such issuance of Consideration Shares by Rio2 shall be deemed a payment made by Rio2 Cobre S.A.C..

As a result of the A&R Acquisition Agreement, the majority of the Cash Consideration due on closing was funded into escrow, and held pursuant to an escrow agreement among Southern Peaks, Rio2 Cobre S.A.C. and Scotiabank Peru S.A.A., to be released to the Vendors upon the receipt of a Peruvian tax certificate by the Vendors. In addition, the Consideration Shares will be issued by Rio2 to Southern Peaks following the receipt of the Peruvian tax certificate. Notwithstanding the payment of the Cash Consideration into escrow and deferred issuance date of the Consideration Shares, the Purchase Price was satisfied by Rio2 on closing of the Acquisition, which occurred on January 30, 2026, at which time Rio2 became the owner of the 99.1% interest in the Condestable Mine. The escrow of cash and Consideration Shares under the A&R Acquisition Agreement does not affect the consideration paid by Rio2 for the Acquisition, nor does it affect Rio2's ownership of the Condestable Mine on closing of the Acquisition. See also, "*General Development of the Business – Year Ended December 31, 2025*".

In accordance with the terms and conditions of the Acquisition Agreement, Rio2 assumed all liability and responsibility for, and all obligations of Southern Peaks arising pursuant to or in connection with, the Condestable Mine.

Deferred Consideration

The Deferred Consideration totals $37,000,000, payable on scheduled dates in 2027 (as to $5 million), 2028 (as to $10 million), 2029 (as to $5 million) and 2030 (as to $17 million). Rio2 may elect to satisfy each scheduled payment in cash or, provided that Rio2's market capitalization equals or exceeds $500,000,000 on the applicable payment date, in Common Shares valued at a deemed price per share equal to the 20 trading day volume-weighted average price prior to such payment date, or a combination thereof. The Deferred Consideration becomes immediately due and payable in cash upon a change of control of Rio2 in favour of a person or group that is not an "Approved Purchaser" (as defined in the Acquisition Agreement). Overdue amounts bear interest at 10% per annum.

Vendor Debt Financing

Southern Peaks has agreed to provide the Vendor Debt, consisting of: (i) a secured promissory note of Rio2 in favour of Southern Peaks in the amount of $55,000,000 (previously defined as the "**Vendor Senior Promissory Note**") and (ii) a secured promissory note of Rio2 in favour of Southern Peaks in the amount of $10,000,000 (previously defined as the "**Mezzanine Promissory Note**"), each on the terms and in the form set out in the Acquisition Agreement. The Vendor Senior Promissory Note and the Mezzanine Promissory Note will be issued on the Acquisition Closing Date.

The obligation under the Vendor Senior Promissory Note will be subject to an interest rate equal to the prime rate of interest quoted by a leading U.S. commercial bank from time to time (previously defined as "**U.S. Prime**") plus a margin of 5.0% during the first 540 days after the Acquisition Closing Date (previously defined as the "**Grace Period**") and plus a margin of 4.0% thereafter. Rio2 will be required to make quarterly repayments on the Vendor Senior Promissory Note of $2,500,000 starting on the last day of the first financial quarter after the Grace Period. The interest rate applicable to the Mezzanine Promissory Note will be U.S. Prime plus a margin of 9.0% during the Grace Period, and plus a margin of 11.0% thereafter. Rio2 will be required to make quarterly repayments on the Mezzanine Promissory Note of $550,000 starting on the last day of the first financial quarter after the Grace Period. The Vendor Senior Promissory Note will have security over Condestable that is subordinate to the gold and silver stream held by Franco-Nevada (the "**Franco-Nevada Stream**") prior to the Deposit depletion and pari passu with the Franco-Nevada Stream after the Deposit depletion. The Mezzanine Promissory Note will have security over CMC that is subordinate to both the Franco-Nevada Stream and the Vendor Senior Promissory Note.

Consideration Shares

The Consideration Shares issued to Southern Peaks will be subject to a contractual nine-month hold period from issuance (the "**Contractual Hold Period**") and customary orderly sale restrictions for a 12-month period following expiry of the Contractual Hold Period, including daily volume limitations on non-prearranged TSX sales and notice-and-matching rights in connection with certain pre-arranged block trades. Certain transfers are permitted, including transfers in connection with bona fide third party take-over bids, plans of arrangement and issuer bids, and transfers to affiliates or limited partners of Southern Peaks subject to an agreement to be bound by the restrictions.

Closing Conditions

The Acquisition Closing was subject to certain conditions, including, among other things, receipt of all required regulatory approvals (including the approval of the TSX), and other customary closing conditions for a transaction of this nature. The Acquisition Agreement contains covenants, representations and warranties of and from each of the parties and various conditions precedent, with respect to each of Rio2 and Southern Peaks.

Representations and Warranties

The Acquisition Agreement contains representations and warranties and covenants by each of the parties, which are summarized below. These representations and warranties have been made solely for the benefit of the other party and: (i) are not intended as statements of fact to readers, but rather, as a means of allocating risks between the parties if those statements prove to be inaccurate, in certain circumstances subject to materiality; (ii) have been qualified by certain confidential disclosures that were made to the other parties in connection with the negotiation of the Acquisition Agreement, which disclosures are not reflected in the Acquisition Agreement; and (iii) may apply standards of materiality that are different from what may be viewed as material by readers.

The Acquisition Agreement contains certain customary representations and warranties of Southern Peaks, related to, among other things: "Organization of Southern Peaks"; "Due Authorization, Execution and Delivery; Enforceability"; "Organization of the SPM Entities"; "Ownership of SPM Group Securities"; "No Conflicts"; "Consents"; "Financial Statements"; "No Indebtedness"; "Factoring Arrangements"; "No Undisclosed Liabilities"; "Ordinary Course of Business"; "Material Contracts"; "Franco-Nevada Stream Agreement"; "Title to Tangible SPM Personal Property"; "Sufficiency of Assets"; "Real Property"; "Properties; Mining Rights"; "Legal Proceedings; Governmental Orders"; "Compliance with Laws; Permits"; "Corporate Records"; "Environmental Matters"; "Benefit Plans"; "Employment Matters"; "Taxes"; "Compliance with Anti-Corruption Laws"; "Insurance"; "Books and Records"; "Plants and Facilities"; "Computer Systems"; "Expropriation"; "Accuracy of Information"; "Bankruptcy, Insolvency and Reorganization"; "Related Party Transactions"; "Brokers"; "Absence of Certain Changes"; and "Disclaimer of Warranties". The Acquisition Agreement contains certain customary representations and warranties of Rio2, related to, among other things: "Organization of the Purchaser"; "Due Authorization, Execution and Delivery; Enforceability"; "No Conflicts"; "Consents"; "Qualification to do Business"; "Securities Law Matters"; "Capitalization"; "Consideration Shares"; "Bankruptcy, Insolvency and Reorganization"; "Shareholders' and Similar Agreements"; "Financial Statements"; "Compliance with Anti-Corruption Laws and Anti-Money Laundering Laws"; "No Material Change"; "Ordinary Course of Business"; "No Reliance"; "Brokers"; "Legal Proceedings; Governmental Orders"; "Financing"; "United States Presence"; and "Disclaimer of Warranties". The representations and warranties made by the parties are, in certain cases, subject to specified exemptions or qualifications.

Covenants of the Parties

Pursuant to the Acquisition Agreement, Rio2 and Southern Peaks have agreed to certain covenants, including customary covenants relating to the operation of the Condestable Mine in the ordinary course during the period between the signing of the Acquisition Agreement and the Acquisition Closing. Below is a summary of certain other covenants contained in the Acquisition Agreement, which is not exhaustive and is qualified in its entirety by reference to the full text of the Acquisition Agreement, which has been filed under the Company's issuer profile on SEDAR+ at www.sedarplus.ca.

Conduct of Business Before the Closing

During the interim period, Southern Peaks must cause the SPM Entities to operate the business in the ordinary course, use commercially reasonable efforts to maintain and preserve assets, goodwill and business relationships, and conduct mining operations materially in line with the agreed Mine Plan and Budget (as defined in the Acquisition Agreement). Southern Peaks is restricted from taking specified actions outside the ordinary course without the purchaser's prior written consent (subject to limited agreed exceptions).

Resigning Directors and Officers

Southern Peaks must deliver resignations of certain directors and officers of the SPM Entities effective at closing and revoke any related powers of attorney, and the parties must make any required filings or notifications. The purchaser will provide customary releases at closing, subject to carve-outs for fraud or willful misconduct.

Employees of SPM Entities

On completion of the transaction, the employees of the SPM Entities are expected to continue their employment with the existing SPM Entities and no terminations or transfers of employment are anticipated solely as a result of closing. Southern Peaks will cause the resignations of certain directors and officers of the SPM Entities to be delivered at closing, but the broader workforce is expected to remain in place, and, except as disclosed, the SPM Entities are not party to collective agreements. Following the Acquisition Closing, Rio2 does not plan to undertake specific changes to employee compensation or benefits. Any future adjustments will be made in the ordinary course of business and in compliance with applicable employment and pensions legislation.

Closing Conditions

Completion of the Acquisition was subject to customary closing conditions as set forth in the Acquisition Agreement including, among others, the accuracy of representations and warranties, the performance of covenants, the receipt of certain required regulatory approvals, no material adverse change, and the delivery to each of the parties of customary closing documentation. In addition, Rio2's obligation to consummate the Acquisition is subject to the execution and delivery of an agreement assigning the Stream Agreement to Rio2 by Franco-Nevada on terms acceptable to the Rio2 (acting reasonably) and delivery to Rio2 of specified IFRS financial statements of the SPM Entities.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Company's most recently completed financial year other than as disclosed in this section.

Mining Plus prepared the Fenix Technical Report with Qualified Persons Erick Ponce (QP) FAusIMM (Min), Anthony Maycock (QP) P. Eng, Denys Parra (QP) SME, Registered Member, Carlos Arevalo (QP) Chilean Mining Commission, Registered Member, Andres Beluzán (QP) Chilean Mining Commission, Registered Member, Francisco Javier Rovira (QP) Competent Person in Mineral Resources and Reserves. As at the date of hereof, Mining Plus (and its "designated professionals" as such term is defined in NI 51-102), Eric Ponce, Anthony Maycock, Carlos Arevalos, Denys Parra, Carlos Arevalos, Andres Beluzán, and Francisco Javier Rovira did not beneficially own any Common Shares of the Company.

SLR Consulting (Canada) Ltd. prepared the Condestable Technical Report with Qualified Persons Rosmery J. Cárdenas Barzola, P.Eng., Philip A. Geusebroek, M.Sc., P.Geo., Varun Bhundhoo, ing., Brenna J.Y. Scholey, P.Eng., Luis Vasquez, M.Sc., P.Eng. and Jason J. Cox, P.Eng. As at the date of hereof, SLR

Consulting (Canada) Ltd. (and its "designated professionals" as such term is defined in NI 51-102), J. Cárdenas Barzola, Philip A. Geusebroek, Varun Bhundhoo, Brenna J.Y. Scholey, Luis Vasquez and Jason J. Cox did not beneficially own any Common Shares of the Company.

Mr. Enrique Garay, MSc P.Geo/FAIG Rio2's SVP Geology, is a Qualified Person for Rio2. As at the date hereof, Enrique Garay beneficially owns, directly or indirectly, less than 0.12% of the outstanding Common Shares and no stock options.

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated March 12, 2026 in respect of the Company's consolidated financial statements as at December 31, 2025 and 2024 and for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the CPABC Code of Professional Conduct, and any applicable legislation or regulations.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on the Company's issuer profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.rio2.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

Schedule "A"

RIO2 LIMITED

Audit Committee Charter

Mandate

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

a) Review and update this Charter annually.

b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.

e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

a) In consultation with the external auditors, review with management the integrity of the

Company's financial reporting process, both internal and external.

b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.

i) Review certification process.

j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Risk Management

1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
2. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

3. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

Review any related-party transactions.