



RIO2 LIMITED  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2025  
(EXPRESSED IN THOUSANDS OF UNITED STATES DOLLARS, UNLESS OTHERWISE STATED.  
SHARE AND PER SHARE AMOUNTS NOT ROUNDED)

The following management's discussion and analysis ("MD&A") was prepared as at March 12, 2026, and is management's assessment of the operating results and financial condition of Rio2 Limited ("Rio2" or the "Company") together with its subsidiaries. This MD&A should be read in conjunction with the audited consolidated financial statements and the notes thereto for the years ended December 31, 2025 and 2024.

The consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All dollar amounts, except per share amounts, are expressed in thousands of United States dollars (US\$) unless otherwise stated.

The Company's common shares are currently traded on the Toronto Stock Exchange ("TSX") under the symbol "RIO", as well as on the Bolsa de Valores de Lima ("BVL") under the symbol "RIO", and the OCTQX Best Market under the symbol "RIOFF". The Company's registered office is located at Suite 5100, Bay Adelaide – West Tower, 333 Bay St., Toronto, Ontario, M5H 2R2 and its head office is located at Suite 1500, 701 West Georgia Street, Vancouver, British Columbia V7Y 1C6.

Continuous disclosure materials, including our Annual Information Form ("AIF"), this MD&A, audited consolidated financial statements, and Notice of Annual Meeting of Shareholders and Proxy Circular, are available on our website at [www.rio2.com](http://www.rio2.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca), as applicable (for avoidance of doubt, unless specifically noted, no items from these or other websites mentioned in this MD&A are incorporated by reference).

## **DESCRIPTION OF BUSINESS**

Rio2 is a mining company focused on development and mining operations with a team that has proven technical skills and a successful capital markets track record. Rio2 is focused on taking its Fenix Gold Mine (the "Mine") in Chile to production in the shortest possible timeframe based on a staged development strategy. Rio2 and its wholly-owned subsidiary, Fenix Gold Limitada, are companies with high environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three pillars (Social, Environment, and Economics) of responsible development. Rio2 is committed to applying environmental standards beyond those that are mandated by regulators, seeking to protect and preserve the environment of the territories that we operate in. The Company's primary focus at present is achieving its main business objective of advancing the Fenix Gold Mine to production. The Company will also focus on the operation of the Condestable Mine in Peru as it acquired a 99.1% interest in the Condestable Mine subsequent to the year ended December 31, 2025 (see "CORPORATE UPDATES" below).

## **CORPORATE UPDATES**

On December 8, 2025, the Company entered into a Definitive Share Purchase Agreement (the "Agreement") related to the acquisition of a 99.1% interest in the Condestable Mine in Peru from Southern Peaks Mining L.P. ("Southern Peaks") (the "Acquisition"). This Acquisition transaction was subject to various closing conditions and the transaction closed on January 30, 2026, as described below. For further details on this Agreement and transaction, including the acquisition consideration, please refer to the Company's news release dated December 8, 2025, and the section "SUBSEQUENT EVENTS" below in this MD&A.

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On December 15, 2025, the Company closed a bought deal financing of 86,094,750 subscription receipts at a price of C\$2.22 per subscription receipt for gross proceeds of C\$191.1 million or approximately \$138.8 million. The Company incurred \$4,334 of related share issuance costs which are included in prepaid expenses and other at December 31, 2025. The net proceeds were held in escrow pending satisfaction or waiver of certain release conditions, including the satisfaction or waiver of all conditions to the completion of the Acquisition. On successful satisfaction of the escrow release conditions (achieved subsequent to December 31, 2025), each subscription receipt was converted into one common share of the Company. For further details on these subscription receipts please refer to note 14 of the consolidated financial statements for the year ended December 31, 2025.

On December 17, 2025, the Company closed a brokered private placement of 6,306,300 common shares at a price of C\$2.22 per common share for gross proceeds of C\$13.8 million or approximately \$10.0 million. The Company incurred \$1,222 of related share issuance costs.

On January 30, 2026, the Company successfully completed its previously announced Acquisition of the 99.1% interest in the Condestable Mine from Southern Peaks Mining L.P. pursuant to the terms and conditions of the Agreement dated December 8, 2025, and as amended on January 30, 2026 (the "Amended SPA"). Under the terms of the Amended SPA, Rio2 acquired all of the issued and outstanding shares of certain subsidiaries of Southern Peaks, including Ariana Management Corporation S.A.C., which ultimately holds a 99.1% interest in the Condestable Mine.

On January 30, 2026, the escrow release conditions for the conversion of the subscription receipts was fulfilled and each subscription receipt was converted into one common share of Rio2 concurrently with the closing of the Acquisition. The net escrow proceeds, together with all interest earned thereon, were released from escrow to Rio2 and were partly used towards the cash consideration of the Acquisition. For further details on this Acquisition and its completion, including but not limited to, the acquisition total purchase price, please refer to note 22 of the consolidated financial statements for the year ended December 31, 2025.

On January 23, 2026, the Company completed its first official gold pour at its Fenix Gold Mine. This gold ("Au") pour, yielded approximately 897 ounces ("oz's") of Au which are in addition to approximately 358 oz's of Au that were produced from a pour in December 2025 as part of the plant commissioning process. These two pours combined, also produced approximately 131 oz's of silver (Ag). The Company is now focused on ramping up operations at the Fenix Gold Mine to 20,000 tonnes per day of ore to pad over the remainder of the 2026 year. Based on the current ramp-up plan, Rio2 is targeting gold production of 60,000 to 70,000 oz's for 2026.

On February 6, 2025, the Company celebrated the official start of construction of its Fenix Gold Mine. The celebration event was attended, among others, by individuals from various government and community bodies.

On March 24, 2025, the Company received a second deposit payment of \$25.0 million from Wheaton Precious Metals International Ltd. ("Wheaton") in connection with the Amended Gold Stream. See note 13 of the consolidated financial statements for the year ended December 31, 2025 for further details.

On June 4, 2025, the Company held its Annual and Special General Meeting of Shareholders. Shareholders voted in favour of all items of business, including the election of all director nominees. Shareholders reapproved the previously amended 2023 Rio2 Stock Option Plan and previously amended Share Incentive Plan.

On July 29, 2025, the Company received \$50.0 million of the remaining \$100.0 million deposits to be received under the Flexible Prepay Arrangement (for further details see the section "FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES" below).

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On July 29, 2025, the Company published its 2024 Environmental, Social, and Governance (ESG) report dated July 29, 2025 and is available at [https://www.onyen.com/published/RIO\\_2024\\_Annual\\_813.html](https://www.onyen.com/published/RIO_2024_Annual_813.html).

On August 29, 2025 the Company received final listing approval from the TSX to graduate from the TSX Venture Exchange (the "TSXV") to the TSX. The common shares of the Company began trading on the TSX effective at the market open on September 3, 2025, under the symbol "RIO". In conjunction with the graduation to the TSX, the common shares were voluntarily delisted from, and no longer trade on, the TSXV from the commencement of trading on the Toronto Stock Exchange.

During the third quarter of 2025, the Company’s Chilean subsidiary, Fenix Gold Limitada, signed two separate Memorandum of Understandings agreements 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 Gold Mine located in the Atacama Region of Chile. 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.

On September 26, 2025, the Company acquired 39,855,000 common shares (“Shares”) of Royal Road Minerals Limited (“Royal Road”) at C\$0.115 per share representing approximately 15.0% of Royal Road’s issued and outstanding Shares and became an “insider” of the Company under applicable securities laws and the policies of the TSX Venture Exchange (“TSXV”).

In connection with this acquisition, the Company and Royal Road entered into an Investor Rights Agreement (the “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 Common Shares, 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 received a fourth and final \$50.0 million deposit from Wheaton under the Flexible Prepay Arrangement (for further details see the section “FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES” below).

On November 27, 2025, the Company participated in a Royal Road non-brokered private placement in which it acquired an additional 4,166,667 common shares of Royal Road at C\$0.180 per share which allowed the Company to maintain its pro rata ownership of approximately 15%.

At the end of Q4 2025, construction at the Fenix Gold Mine was 81.5% complete and remained on track and on budget for expected first gold production in January 2026 (achieved per below). All long lead time procurement items were in hand. Construction and other highlights for the fourteen-month period from November 1, 2024, to December 31, 2025, are as follows:

<b>Area</b>	<b>Progress to December 31, 2025</b>
Health and Safety	A total of 2,479,256 man-hours have been worked on the Fenix Gold Mine to date, with three Lost Time Injuries, resulting in a Lost Time Injury Frequency Rate (“LTIFR”) of 1.61 (per 1,000,000 man-hours worked). The Total Injury Frequency Rate (“TIFR”) for the Mine as at December 31, 2025, was 7.26 (per 1,000,000 man-hours worked).
Budget	Total spend to date since October 2024 of \$108.7 million for works completed, vs budget of \$109.5 million. These costs exclude corporate overheads and do not include pre-construction costs incurred in 2022.

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<b>Area</b>	<b>Progress to December 31, 2025</b>
Construction Progress	<ul style="list-style-type: none"> <li>• The adsorption, desorption, and recovery plant (“ADR plant”) construction continued throughout Q4 with the focus being on the critical path for gold production, The adsorption circuit was finished and commissioned, and ongoing work related to commissioning of the desorption and gold recovery circuits continued. An unofficial (see below for official first gold pour on January 23, 2026) first gold was poured on December 21, 2025 with 358 ounces (“oz”) of gold produced during this early commissioning. The explosives magazines were completed early November 2025. Non-critical activities such as an internal power distribution line, plant office and mess rooms have been extended into Q1, 2026. Leach pad construction recommenced in October 2025 (initial construction was suspended in prior years after the Environmental Impact Assessment for the Fenix Gold Mine was initially rejected in 2022), and at the end of December 2025, 14.1 hectares (“ha”) of plastic had been completed, with an additional 5.0 ha of surface area having been prepared and ready for final trim and plastic.</li> <li>• Approximately 39,000 cubic metres (m3) of overliner material has been placed on the leach pad, generating area to continue to receive ore during 2026.</li> <li>• Mining commenced in Fenix South with free dig material in October 2025. The blasting permits were received during December 2025, and the first blast was completed late December 2025.</li> <li>• The Pregnant Leach Solution (“PLS”) pond was complete and receiving water. The trucking of water to the Fenix Gold Mine commenced in late September 2025. At the end of 2025, approximately 45,000 m3 of water had been trucked to site for filling the PLS pond and leach commissioning. At the end of December 2025, water was being trucked to site at a rate of approximately 1,100 m3 per day.</li> <li>• Leach pad commissioning commenced in November 2025 with cyanide solution being circulated to the leach pad and gold recovered through the adsorption circuit through late 2025. Initial commissioning on the desorption circuit and electrowinning circuits was completed subsequent to December 31, 2025.</li> <li>• The Fenix South orebody is now connected to the leach pad via the designed haul roads, and ore is being mined to pad.</li> </ul>
Human Resources	<p>At the end of 2025, a total of 1,358 personnel (including contractors) were employed at the Fenix Gold Mine. 94% of the workforce is comprised of Chileans, with 38% from the Atacama Region and 12% were female.</p> <p>During Q4, 2025, the operations workforce increased, however there was a net reduction in total workforce as the construction workforce decreased as construction winds down.</p>
Resource Development	<p>Grade control drilling activities at Fenix South were completed in late July 2025 and the internal reconciliation of the Mineral Reserve Estimate for Fenix South was completed during Q4, 2025.</p> <p>No further exploration activities were completed during Q4, 2025 as the Company focused on construction and plant commissioning.</p>
Virtual Site Imagery and Photos	<p>Updated 360-degree photography showing construction progress, as well as a progressive photographic history of construction activities and grade control drilling, is available on the Company’s website at <a href="http://www.rio2.com">www.rio2.com</a>.</p>

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As of late January 2026, construction of critical path items at the Fenix Gold Mine had been completed on time and on budget, as previously guided. This allowed the Company to complete its first official gold pour on January 23, 2026 (see below for details). Upcoming key milestones at the Fenix Gold Mine and their expected completion date are as follows:

<b>Expected Completion Date</b>	<b>Expected Future Milestone</b>
Q2, 2026	Completion of Mine Expansion Pre-feasibility Study.
September 2026	Achieve steady state of expected 2,000 m3 of water trucked per day.
October 2026	Achieve steady state of expected 20,000 tpd to the leach pad
Q4, 2026	Updated Mineral Reserve Estimate for the Fenix Gold Mine

Timelines for a proposed expansion at the Condestable Mine are projected as follows:

<b>Expected Timing</b>	<b>Expected Future Milestone or Activity</b>
Q3, 2026	Expected Modificación del Estudio de Impacto Ambiental (MEIA), which is a detailed environmental assessment, approval
2027	Targeting process plant construction
2028	Targeting ramp up to 12 kilo-tonnes per day
2026 – 2030	Assess options to develop open pit project

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**REVIEW OF THE FENIX GOLD MINE**

	Mineral Property <sup>(1)</sup>	Exploration & Evaluation Assets <sup>(2)</sup>	Assets Under Construction	Mine Equipment	Other Property & Equipment	Total
<b>Cost:</b>						
Balance, December 31, 2023	\$ -	\$ 63,262	\$ -	\$ 32,945	\$ 671	\$ 96,878
Additions <sup>(3)(4)</sup>	2,421	2,075	1,506	8,907	642	15,551
Dispositions	-	-	-	(420)	(202)	(622)
Transfers <sup>(3)</sup>	65,337	(65,337)	-	-	-	-
Balance, December 31, 2024	67,758	-	1,506	41,432	1,111	111,807
Additions <sup>(4)</sup>	3,325	-	115,127	233	885	119,570
Dispositions	-	-	-	-	(89)	(89)
Write-offs	(839)	-	-	-	-	(839)
Transfers <sup>(5)</sup>	(1,074)	-	32,422	(31,249)	(99)	-
Balance, December 31, 2025	\$ 69,170	\$ -	\$ 149,055	\$ 10,416	\$ 1,808	\$ 230,449
<b>Accumulated depreciation:</b>						
Balance, December 31, 2023	\$ -	\$ -	\$ -	\$ (3,813)	\$ (570)	\$ (4,383)
Additions	-	-	-	(62)	(34)	(96)
Dispositions	-	-	-	834	197	1,031
Balance, December 31, 2024	-	-	-	(3,041)	(407)	(3,448)
Additions	-	-	-	-	(63)	(63)
Dispositions	-	-	-	-	89	89
Balance, December 31, 2025	\$ -	\$ -	\$ -	\$ (3,041)	\$ (381)	\$ (3,422)
Carrying amounts at December 31, 2024	\$ 67,758	\$ -	\$ 1,506	\$ 38,391	\$ 704	\$ 108,359
Carrying amounts at December 31, 2025	\$ 69,170	\$ -	\$ 149,055	\$ 7,375	\$ 1,427	\$ 227,027

- (1) Mineral property consists solely of the Fenix Gold Mine located in Chile.
- (2) Exploration and evaluation assets relate to the Fenix Gold Mine, prior to technical feasibility and commercial viability being established on September 30, 2024, on receipt of the last of the sectorial permits it required to begin construction at its Fenix Gold Mine.
- (3) The total cumulative exploration and evaluation asset costs, up to and including September 30, 2024 (achievement of the development stage), of \$65,337 were transferred to mineral property. Total exploration and evaluation asset additions during 2024 were \$2,075, all of which were incurred up to September 30, 2024.
- (4) During the year ended December 31, 2025, mineral property additions included \$3,456 (2024 - \$1,143) of non-cash asset retirement obligation additions and assets under construction additions included \$11,846 (2024 - \$1,101) of accretion on the financing component of deferred revenue. Assets under construction additions also included \$341 (2024 - \$Nil) of share-based compensation.
- (5) During the year ended December 31, 2025, transfers were made to the assets under construction category to better reflect the status of the Fenix Gold Mine being under construction.

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**SELECTED ANNUAL INFORMATION**

The following table provides selected annual information of the Company for the three most recently completed financial years:

	December 31, 2025	December 31, 2024	December 31, 2023
Total Assets	\$ 468,809	\$ 173,803	\$ 108,418
Shareholders' Equity	\$ 123,078	\$ 125,114	\$ 73,211
Total Long-Term Liabilities	\$ 146,320	\$ 39,028	\$ 34,573
Total Revenue	\$ -	\$ -	\$ -
Net Loss	\$ 13,642	\$ 21	\$ 12,356
Basic and Diluted Loss per Share	\$ 0.03	\$ 0.00	\$ 0.05

During the year ended December 31, 2025, total assets increased to \$468,809 compared to \$173,803 as at December 31, 2024. The increase is primarily due to an increase in mineral property, plant and equipment (including development costs of the Fenix Gold Mine), subscription receipts (in relation to funds raised towards the Acquisition – see below) input taxes recoverable, inventories, prepaid expenses and other, and investment in associate as follows:

- During the year ended December 31, 2025, total input taxes recoverable increased to \$33,821 from \$12,083 for the year ended December 31, 2024. The increase was due to increased spending in Fenix Gold Limitada during 2025, in line with increased activities such as construction, resulting in increased input tax credits incurred.
- During the year ended December 31, 2025, subscription receipts increased to \$135,341 from \$Nil for the year ended December 31, 2024. The increase was related to a bought deal financing (related to the Condestable Mine acquisition) during December 2025. This balance is offset by a subscription receipts liability balance of \$139,674 at December 31, 2025. For further details on this transaction and the accounting treatment, please refer to note 14 of the consolidated financial statements for the year ended December 31, 2025.
- During the year ended December 31, 2025, inventories increased to \$7,487 from \$Nil for the year ended December 31, 2024. The increase is in line with the Company starting to add ore to its heap leach pad and beginning early works plant commissioning.
- During the year ended December 31, 2025, prepaid expenses and other increased to \$4,981 from \$Nil for the year ended December 31, 2024. The increase was related to the bought deal financing (see above) during December 2025 as \$4,334 of deferred financing costs were recorded as prepaid expenses and other.
- During the year ended December 31, 2025, investment in associate increased to \$3,747 from \$Nil as at December 31, 2024. This increase was due to the Company acquiring a 15.0% interest in the issued and outstanding common shares of Royal Road during 2025. This investment is accounted for under the equity method (please refer to note 9 of the consolidated financial statements for the year ended December 31, 2025).

During the year ended December 31, 2025, total liabilities increased to \$345,731 compared to \$48,689 as at December 31, 2024. The increase is primarily due to an increase in accounts payable and accrued liabilities, subscription receipts, deferred revenue and asset retirement obligation as follows:

- During the year ended December 31, 2025, accounts payable and accrued liabilities increased to \$25,932 from \$9,518 for the year ended December 31, 2024. The increase was due to increased expenditures in Fenix Gold Limitada in Q4, 2025 compared to Q4, 2024, in line with increased

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activities such as increased construction, resulting in large accounts payable and accrued liabilities at December 31, 2025.

- During the year ended December 31, 2025, subscription receipts increased to \$139,674 from \$Nil for the year ended December 31, 2024. The increase was related to a bought deal financing during December 2025. This balance is partially offset by a subscription receipts asset balance of \$135,341 at December 31, 2025. For further details on this transaction and the accounting treatment, please refer to note 14 of the consolidated financial statements for the year ended December 31, 2025.
- During the year ended December 31, 2025, total deferred revenue increased to \$170,847 from \$34,001 for the year ended December 31, 2024. The increase was due to advanced deposits of \$125,000 (2024 - \$Nil) received during 2025 and accretion of the financing component included in deferred revenue of \$11,846 (2024 - \$3,698).
- During the year ended December 31, 2025, asset retirement obligation increased to \$9,125 from \$4,881 for the year ended December 31, 2024. The increase was primarily due to \$3,456 (2024 - \$1,143) of changes in obligation (increase) as the Company furthered construction of the Fenix Gold Mine and \$455 (2024 - \$220) of accretion during 2025.

During the year ended December 31, 2025, shareholder's equity decreased to \$123,078 compared to \$125,114 for the year ended December 31, 2024. The decrease is due to the loss for the year of \$13,642 (2024 - \$21), partially offset by amounts such as, but not limited to, net proceeds on issuance of capital stock of \$8,778 (2024 - \$61,294) and \$2,430 (2024 - \$2,535) of proceeds on the exercise of stock options.

During the year ended December 31, 2025, the Company recorded a net loss of \$13,642 compared to a net loss of \$21 for the year ended December 31, 2024. The factors that resulted in the increase in net loss are discussed in the "Results of operations for the year ended December 31, 2025" section of this MD&A below.

**SUMMARY OF QUARTERLY RESULTS**

The following table sets out selected quarterly financial information and is derived from the annual and quarterly interim financial statements prepared by the Company's management in accordance with *International Accounting Standards ("IAS") 34 - Interim Financial Reporting*.

Quarter Ended	Revenue	Loss (Earnings)	Loss (Earnings) Per Share	Total Assets
December 31, 2025	\$ -	\$ 7,495	\$ 0.02	\$ 468,809
September 30, 2025	-	3,375	0.01	269,223
June 30, 2025	-	1,174	0.00	210,320
March 31, 2025	-	1,598	0.00	205,895
December 31, 2024	-	(9,077)	(0.03)	173,803
September 30, 2024	-	5,111	0.02	120,038
June 30, 2024	-	2,787	0.01	120,696
March 31, 2024	-	1,200	0.01	105,885

The Company's Fenix Gold Mine was in the exploration and evaluation stage until it entered into the development stage effective September 30, 2024. Accordingly, the Company has primarily incurred losses and is likely to continue incurring losses until the start of commercial production. On achievement of the development stage, the Company began to capitalize accretion on deferred revenue as mineral property, plant, and equipment opposed to expensing it in loss and comprehensive loss prior to the development stage. The Company had earnings of \$9,077 during Q4, 2024 which was primarily related to foreign exchange gains. Q4, 2025, Q2, 2025, Q1, 2025, Q2, 2024, Q1, 2024, and Q3, 2023 also had large foreign exchange gains in the respective losses for those periods. During some of these periods (prior to Q1, 2025), the Company also had large exchange losses on foreign currency translation as a result of translating parent

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entity balances to US\$. This loss on foreign currency translation, either more than or partially, offsets the foreign exchange gains in earnings, but is an other comprehensive loss (earnings) item, and included in comprehensive loss (earnings) but not in regular loss (earnings) for the respective period. In accordance with the change in functional currency of the parent entity, Rio2, to the US\$ effective January 1, 2025, no further movements in foreign currency translation are expected past this date.

Total assets increased significantly during Q4, 2024, as the Company completed increased financings in line with its achievement of the development stage (and start of construction). During Q1, Q3, and Q4, 2025, the Company also received \$25,000, \$50,000, and \$50,000, respectively, in proceeds from deferred revenue which was cash advanced from Wheaton (see below for further details). The \$50,000 advance deposit received during Q4, 2025, combined with advanced stage construction and the recognition of \$135,341 subscription receipts (see details above) resulted in a large increase in total assets during Q4, 2025.

**RESULTS OF OPERATIONS**

The principal business activity during the year ended December 31, 2025 was the development of the Fenix Gold Mine which started construction activities in Q4 2024.

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The Company recorded a net loss of \$7,495 for the three months ended December 31, 2025 compared to net income of \$9,077 for the three months ended December 31, 2024. The significant variations between these periods, ranked from largest to smallest, included:

	Three months ended December 31,		Variance	Variance explanation
	2025	2024		
Foreign exchange gain	\$ (1,121)	\$ (7,804)	\$ 6,683	The foreign exchange gain during the three months ended December 31, 2025, was primarily driven by gains on Chilean Peso denominated cash and cash equivalents and input taxes recoverable in Fenix Gold Limitada (wholly-owned Chilean subsidiary) as the Chilean Peso appreciated relative to Fenix Gold Limitada's functional currency of US\$ over the respective period. The foreign exchange gain during the three months ended December 31, 2024, was primarily driven by a strengthening US\$ driving gains on US\$ denominated intercompany loans owing from the subsidiaries to Rio2 Limited, the parent company, as the parent company's functional currency was C\$ at this time while the subsidiaries had a US\$ functional currency.
General and administrative expenses	\$ 5,587	\$ 2,910	\$ 2,677	The increase is primarily due to higher employment costs (including higher employee performance bonuses) and higher corporate office and administration costs. In Q4, 2025, there was a higher headcount compared to Q4, 2024 as the business activities increased. Corporate office and administration was in line with increased business activities and increased personnel.
Transaction costs	\$ 1,492	\$ -	\$ 1,492	The Company incurred various transaction costs during Q4, 2025, related to the Acquisition of Condestable Mine with Southern Peaks (see "Corporate Updates" above) that closed during January 2026.
Write-off	\$ 839	\$ -	\$ 839	During Q4, 2025, the Company wrote-off certain insignificant mining concessions peripheral to the Fenix Gold Mine.
Other income	\$ -	\$ (408)	\$ 408	During Q4, 2024, the company had a gain of \$408 on the disposal of equipment.
Share-based compensation	\$ 489	\$ 67	\$ 422	A larger number of stock options vesting during the year ended December 31, 2025, compared to the year ended December 31, 2024, in line with increased business operations and also a large stock option grant during Q1, 2025 and additional options and RSUs granted during Q3, 2025.
Accretion expense on asset retirement obligation	\$ 312	\$ 50	\$ 262	During 2025, the Company's asset retirement obligation had an increase on changes in obligation of \$3,456 (2024 - \$1,143) as the Company furthered construction of the Fenix Gold Mine which resulted in higher accretion expense during Q4, 2025, as compared to Q4, 2024.

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The Company recorded a loss of \$13,642 for the year ended December 31, 2025 compared to a loss of \$21 for the year ended December 31, 2024. The significant variations between these periods, ranked from largest to smallest, included:

	Year ended December 31,			
	2025	2024	Variance	Variance explanation
Foreign exchange gain	\$ (1,909)	\$ (9,870)	\$ 7,961	The foreign exchange gain during the year ended December 31, 2025, was primarily driven by gains on Chilean Peso denominated cash and cash equivalents and input taxes recoverable in Fenix Gold Limitada (wholly-owned Chilean subsidiary) as the Chilean Peso appreciated relative to Fenix Gold Limitada's functional currency of US\$ over the respective period. The foreign exchange gain during the year ended December 31, 2024, was primarily driven by a strengthening US\$ driving gains on US\$ denominated intercompany loans owing from the subsidiaries to Rio2 Limited, the parent company, as the parent company's functional currency was C\$ at this time while the subsidiaries had a US\$ functional currency.
General and administrative	\$ 11,916	\$ 8,161	\$ 3,755	The increase is primarily due to higher employment costs (including higher employee performance bonuses) and higher corporate office and administration costs. During the year ended December 31, 2025, there was a higher headcount as the business activities increased combined with the rebuilding of the Rio2 employee team after the staff layoffs that occurred after the Environmental Impact Assessment ("EIA") for the Fenix Gold Mine was initially rejected in 2022 (EIA was approved in December 2023, allowing rebuilding to take place over 2024). Corporate office and administration was in line with increased business activities and increased personnel.
Accretion expense on deferred revenue	\$ -	\$ 2,597	\$ (2,597)	The decrease in this expense during the year ended December 31, 2025 is attributable to the Company starting to capitalize this accretion as mineral property, plant, and equipment effective September 30, 2024 (achievement of the development stage). Capitalized accretion on deferred revenue was \$11,846 (2024 - \$1,101) during the year ended December 31, 2025 and was capitalized to mineral property, plant, and equipment.
Transaction costs	\$ 1,492	\$ -	\$ 1,492	The Company incurred transaction costs during Q4, 2025, related to the Acquisition with Southern Peaks (see "Corporate Updates") that closed during January 2026.
Share-based compensation	\$ 1,627	\$ 572	\$ 1,055	A larger number of stock options vesting during 2025, compared to 2024, in line with increased business operations and also a large stock option grant during Q1, 2025 and additional options and RSUs granted during Q3, 2025.
Write-off	\$ 839	\$ -	\$ 839	During Q4, 2025, the Company wrote-off certain insignificant mining concessions peripheral to the Fenix Gold Mine.
Camp rental income	\$ -	\$ (605)	\$ 605	The Company no longer rented out its camp at the Fenix Gold Mine to a third-party during 2025 as it was needed for the Company's own use.
Other income	\$ -	\$ (408)	\$ 408	During Q4, 2024, the company had a gain of \$408 on the disposal of equipment.
Accretion expense on asset retirement obligation	\$ 455	\$ 220	\$ 235	During 2025, the Company's asset retirement obligation had an increase on changes in obligation of \$3,456 (2024 - \$1,143) as the Company furthered construction of the Fenix Gold Mine which resulted in higher accretion expense during 2025, as compared to 2024.
Interest income	\$ (893)	\$ (659)	\$ (234)	Higher cash and cash equivalent balances during the year ended December 31, 2025, compared to the year ended December 31, 2024.

## **CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2025**

### *Cash provided by (used in) operating activities*

Cash provided by operating activities was \$87,744 during the year ended December 31, 2025, compared to \$12,028 used in operating activities during the year ended December 31, 2024. This change was predominantly the result of the Company receiving \$125,000 (2024 - \$Nil) on proceeds from deferred revenue which was cash advanced from Wheaton (see notes 12 and 13 of the consolidated financial statements for the year ended December 31, 2025 for further details), which was partially offset by an increase in input taxes recoverable of \$19,829 for the year ended December 31, 2025 compared to \$1,496 for the year ended December 31, 2024, and an increase in inventories of \$7,487 for the year ended December 31, 2025 compared to \$Nil for the year ended December 31, 2024.

### *Cash used in investing activities*

Cash used in investing activities was \$96,234 during the year ended December 31, 2025, compared to \$8,966 during the year ended December 31, 2024. The increase was due to increased investment in the Fenix Gold Mine expenditures capitalized in mineral property, plant, and equipment. Total cash investments in mineral property, plant, and equipment were \$90,231 during the year ended December 31, 2025 compared to \$4,466 in the year ended December 31, 2024. The increase in investment in 2025 compared to 2024 was due to the approval of the EIA in December 2023 and the resuming of activities relating to the Fenix Gold Mine allowing for the start of development effective September 30, 2024. The investments during the year ended December 31, 2025 were primarily related to assets under construction and mineral property development costs. The increase in cash used in investing activities was also related to the purchase of shares in associate of \$3,862 (2024 - \$nil) during 2025 (see note 9 of the consolidated financial statements for the year ended December 31, 2025 for further details), an increase in deposits of \$1,706 (2024 - \$4,500) for advances to construction suppliers for the Fenix Gold Mine build and an increase in restricted cash of \$435 (2024 - \$nil) related to a supplier letter of credit guarantee.

### *Cash provided by financing activities*

Cash provided by financing activities was \$9,487 during the year ended December 31, 2025, compared to \$61,891 provided by financing activities during the year ended December 31, 2024. The large decrease from 2024 was due to \$8,778 of proceeds, net of share issuance costs, received on the issuance of common shares during the year ended December 31, 2025 compared to \$61,294 of proceeds, net of share issuance costs, received on the issuance of common shares during the year ended December 31, 2024. During the year ended December 31, 2025, \$861 (2024 - \$752) of cash proceeds were received on the exercise of stock options.

## **FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES**

As at December 31, 2025, the Company had cash and cash equivalents totalling \$46,375 (December 31, 2024 - \$45,009) and current liabilities of \$199,411 (December 31, 2024 - \$9,661). The current liabilities are subscription receipts of \$139,674 (see note 14 of the consolidated financial statements for the year ended December 31, 2025), accounts payable and accrued liabilities of \$25,932 (December 31, 2024 - \$9,518), as well as the current portion of deferred revenue of \$33,653 (December 31, 2024 - \$nil), and the current portion of the lease liability of \$152 (December 31, 2024 - \$143).

The Company had a \$20,000 contingent cost overrun facility in the form of a standby loan facility that was cancelled on December 29, 2025 at the Company's discretion as the Company determined it would not need it.

Subsequent to December 31, 2025, the Company completed the Acquisition of a group of companies that own a 99.1% interest in the Condestable Mine in Peru. Condestable is an operating mine that generates

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revenue from the sale of metals and gold and silver certificates. As a result, the Company expects that operating cash flows from Condestable Mine will contribute to the Company's liquidity and support funding of operating expenditures, capital expenditures, sustaining capital requirements, and corporate overhead.

As part of the acquisition, the Company assumed various working capital balances including, but not limited to, cash and cash equivalents, accounts receivable, inventories, accounts payable and accrued liabilities, loans payable, contract liability and income tax payable. In connection with the Condestable Acquisition, the Company used a significant portion of the proceeds from the subscription receipts financing to fund the cash consideration payable on closing of the acquisition and to support the working capital requirements of the acquired operations.

Management believes the Company has sufficient financial resources to cover its business needs, including capital expenditures, meeting working capital requirements, and meet its obligations for a period greater than 12 months. These resources include, but are not limited to, its cash and cash equivalents, subscription receipts asset related to a Q4, 2025 financing, that fully closed subsequent to December 31, 2025, resulting in the Company receiving the related net proceeds during Q1, 2026, (see note 14 of the consolidated financial statements for the year ended December 31, 2025 for further details on the subscription receipts asset), expected operating cash flows from the Fenix Gold Mine and the Condestable Mine, and expected refunds of value added taxes within the next 12 months.

The Company enters into contracts that give rise to commitments in the normal course of business. The following table summarizes the remaining contractual maturities of the Company's financial liabilities, operating and capital commitments, shown in contractual undiscounted cash flows, at December 31, 2025:

	Within 1 year	2 to 5 years	Over 5 years	Total
Lease commitments	\$ 168	\$ -	\$ -	\$ 168
Asset retirement obligation	-	-	9,125	9,125
Water supply contract	631	2,523	7,569	10,723
Capital expenditure commitments	34,153	-	-	34,153
	\$ 34,952	\$ 2,523	\$ 16,694	\$ 54,169

***Use of Proceeds and Other Financings***

In October 2024, the Company closed a public offering of 97,307,710 common shares at a price of C\$0.65 per share for gross proceeds of C\$63.2 million, equivalent to US\$45.5 million.

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The following table sets out the intended uses of the proceeds as well as the actual spend, in US\$ million:

Activity	Amount budgeted	Spent as at December 31, 2025	Variance <sup>(1)</sup>	Amount remaining
Owner costs and overhead	\$ 4.0	\$ 9.1	\$ (5.1)	\$ -
Mine infrastructure capital	1.0	1.0	-	-
Processing capital expenditure	10.0	13.9	(3.9)	-
Construction facilities	9.0	16.4	(7.4)	-
Contingencies	1.0	-	1.0	-
Other costs and working capital	20.5	5.1	15.4	-
<b>Total</b>	<b>\$ 45.5</b>	<b>\$ 45.5</b>	<b>\$ -</b>	<b>\$ -</b>

(1) The variance between the amounts budgeted and amounts spent to date as at December 31, 2025 are due to reallocation of proceeds towards capital expenditures for construction at the Fenix Gold Mine.

In December 2025, the Company closed a bought deal financing of 86,094,750 subscription receipts at a price of C\$2.22 per subscription receipt for gross proceeds of C\$191.1 million or approximately \$138.8 million. The Company incurred \$4,334 of related share issuance costs which are included in prepaid expenses and other at December 31, 2025. The net proceeds of this financing were applied in part toward the cash consideration in the acquisition of the Condestable Mine from Southern Peaks (closed subsequent to December 31, 2025 - see "SUBSEQUENT EVENTS"), and for general corporate and working capital purposes. These net proceeds were held in escrow until the escrow release conditions were satisfied on January 30, 2026 (see notes 15 and 22 of the consolidated financial statements for the year ended December 31, 2025 for further details).

On January 30, 2026, the Company closed the Acquisition and received the net proceeds from escrow resulting in 86,094,750 common shares being issued to the subscription receipts subscribers. (see notes 14 and 22 of the consolidated financial statements for the year ended December 31, 2025 for further details).

In December 2025, the Company closed a brokered private placement of 6,306,300 common shares at a price of C\$2.22 per common share for gross proceeds of C\$13.8 million or approximately \$10.0 million. The Company incurred \$1,222 of related share issuance costs.

During the year ended December 31, 2025, the Company received \$125.0 million of proceeds from deferred revenue which was cash advanced by Wheaton. See note 12 and 13 of the consolidated financial statements for the year ended December 31, 2025 for further details.

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

At December 31, 2025, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, or any obligations that trigger financing, liquidity, market, or credit risk to the Company.

#### **RELATED PARTY TRANSACTIONS AND BALANCES**

Key management consists of the Board of Directors and senior management. Senior management is defined as the Executive Chairman, the President & CEO, and the Executive Vice President, CFO &

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Corporate Secretary. Key management compensation for the year ended December 31, 2025, and 2024 was as follows:

	December 31, 2025	December 31, 2024
Senior management employment costs	\$ 2,080	\$ 2,008
Directors fees	206	151
Share-based compensation	1,037	190
	\$ 3,323	\$ 2,349

As of December 31, 2025, there were no amounts due to related parties (December 31, 2024 - \$nil).

**PROPOSED TRANSACTIONS**

As at the date of this MD&A, there are no proposed transactions.

**SUBSEQUENT EVENTS**

Subsequent to December 31, 2025, the following events occurred.

- a. On January 30, 2026, the Company completed its previously announced acquisition of a 99.1% interest in the Condestable Mine in Peru from Southern Peaks Mining L.P. pursuant to the Agreement and Amended SPA (see Note 14 of the consolidated financial statements for the year ended December 31, 2025 for further details). Rio2 acquired all of the issued and outstanding shares of certain subsidiaries of Southern Peaks, including Ariana Management Corporation S.A.C., which ultimately holds a 99.1% interest in the Condestable Mine. The acquired group is engaged in the exploration, development, and production of mineral assets.

Total consideration paid for the Acquisition was approximately US\$217.0 million, comprising of cash, common shares, vendor-financed debt, and deferred consideration payable over future periods.

The components of the total consideration were as follows:

- cash of \$80.0 million;
- 21,836,785 Rio2 common shares valued at approximately \$35.0 million (not issued as of the date of this MD&A);
- Vendor-financed debt in the form of a senior loan and a mezzanine loan with aggregate principal of approximately \$65.0 million<sup>(1)</sup>; and,
- total deferred cash payments of approximately \$37.0 million, payable as follows:
  - \$5.0 million on or before December 31, 2027;
  - \$10.0 million on or before December 31, 2028;
  - \$5.0 million on or before December 31, 2029; and,
  - \$17.0 million on or before December 31, 2030.

<sup>(1)</sup> The senior loan 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 loan will have security over the Condestable Mine that is subordinate to both the FN Stream and the senior loan. The loans

include customary affirmative, negative and financial covenants, including a maximum consolidated leverage ratio of 3.50:1.00 and a minimum consolidated debt service ratio of (i) for the financial quarter ending on March 31, 2026, 1.00:1.00 and (ii) at all times thereafter, 1.50:1.00. The Company may voluntarily prepay the loans without penalty.

Management is currently assessing the fair value of the identifiable net assets acquired. As a result, the disclosure requirements under *IFRS 3 Business Combinations* cannot be fully completed at the date of issuance of these financial statements.

- b. On January 30, 2026, concurrent with the closing of the Acquisition, the escrow release conditions related to the subscription receipts issued on December 15, 2025 (see Note 14) were satisfied. Consequently, each subscription receipt was converted into one common share of the Company, and the net escrow proceeds, together with accrued interest, were released to the Company and applied in part toward the cash consideration for the Acquisition.
- c. Subsequent to December 31, 2025 and up to the date of these consolidated financial statements, a total of 2,562,234 stock options were exercised at exercise prices ranging from C\$0.30 to C\$0.70 per share.
- d. Subsequent to December 31, 2025 and up to the date of these consolidated financial statements, a total of 903,332 RSUs vested and were settled. These RSUs were primarily settled through the issuance of common shares of the Company, with the remainder settled in cash.

## **RISKS AND UNCERTAINTIES**

The Company's business consists of the exploration, evaluation and development of the mineral property 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. No guarantee is provided that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company and could have a material adverse effect on the Company's operations, financial results and the value of the Company's common shares. For discussion of additional risk factors, please refer to the Company's Annual Information Form, which is available on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### ***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.

### ***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 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.

#### ***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.

#### ***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.

### ***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.

### ***Future Financing***

The Company may require new capital to continue to grow its business and there are no assurances that capital will be available 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.

### ***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 commence or, if commenced, to continue commercial production.

#### ***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***

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 nationalization and expropriation; social unrest and political instability; uncertainties in perfecting mineral titles; delays or inability to obtain permits; trade barriers and exchange controls; limitations on repatriation of funds; and material changes in taxation.

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.

### ***Access Restrictions and Tariff Risks***

Rio2's ability to procure inputs and equipment required for its projects and operations, and access to markets for Rio2's future products, may be subject to interruptions or trade barriers due to policies and tariffs or import/export restrictions of individual countries. Rio2's future products may also be subject to tariffs that do not apply to producers based in other countries which could result in changes to its customer base and disrupt Rio2's anticipated sales processes. Any disruption to current trade practices could have a material impact on Rio2's ability to procure inputs and equipment for its operations and projects and to market its future products.

### ***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 Risk and Dependence on Outside Parties***

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction, and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company. In addition, should the Company fail to satisfy certain conditions in its contractual arrangements with third parties, including the Flexible Prepay Arrangement and the amended and restated precious metals purchase agreement with Wheaton Precious Metals International Ltd., there may be negative outcomes which could have a material adverse effect on the Company's operations and financial results.

### ***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, it 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.

### ***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.

### ***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.

### ***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 that 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 Mine 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 Mine 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 Thermoform 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 Mine.

### ***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.

### ***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.

### ***Conflicts of Interest***

There are potential conflicts of interest to 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 *Business Corporations Act* (Ontario), and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

### ***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.

### **MATERIAL ACCOUNTING POLICIES**

The Company's material accounting policies are consistent with those disclosed in Note 3 of the Company's consolidated financial statements for the year ended December 31, 2025. These accounting policies can have a significant impact on the financial performance and financial position of the Company.

### **CRITICAL ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions which affect the reported amount of the Company's assets, liabilities, expenses, and related disclosures. Assumptions and estimates are based on historical experience, expectations, current trends, and other factors that management believes to be relevant at the time at which the Company's financial statements are prepared. These estimates and judgments can have a significant impact on the financial performance and financial position of the Company. The Company's accounting policies are presented in Note 2, to the audited consolidated financial statements for the year ended December 31, 2025.

Management reviews, on a regular basis, the Company's accounting policies, assumptions, estimates, and judgements in order to ensure that the financial statements are presented fairly and in accordance with IFRS Accounting Standards.

Critical accounting estimates are those that have a significant risk of causing material adjustment and are often applied to matters or outcomes that are inherently uncertain and subject to change. As such, management cautions that future events often vary from forecasts and expectations and that estimates routinely require adjustments. The Company's critical estimates and judgements are presented in Note 2 (c) to the audited consolidated financial statements for the year ended December 31, 2025. The most significant estimates applied to the Company's financial statements include the asset retirement obligation, mineral resource estimate. Key judgements include determination of commercial viability and technical feasibility of the Fenix Gold Mine (achieved), as well as the timing commencement of commercial production which in turn impacts the realization of input tax inputs, and the accounting of the gold prepaid sales arrangements.

### **FINANCIAL INSTRUMENTS**

Financial instruments disclosures require the Company to provide information about: a) the significance of financial instruments for the Company's financial position and performance and, b) the nature and extent of risks arising from financial instruments to which the Company is exposed during the period and at the statement of financial position date, and how the Company manages those risks. Please refer to Note 3 of the Company's 2025 annual financial statements for a discussion of the factors that impact Rio2.

## **FUNCTIONAL CURRENCY**

The functional currency of the Company (Rio2 Limited) changed from C\$ to US\$ effective January 1, 2025 and has remained the US\$ since that change. The functional currencies of the Company's subsidiaries, all of which are wholly owned, have remained US\$ for the periods presented.

## **ACCOUNTING STANDARDS ISSUED BUT NOT YET APPLIED**

### *Presentation and Disclosure in Financial Statements (IFRS 18)*

IFRS 18 has been issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, impacts the presentation of primary financial statements and notes, mainly the income statement where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 will require management-defined performance measures to be explained and included in a separate note within the consolidated financial statement. The standard is effective for financial statements beginning on January 1, 2027, including interim financial statements and requires retrospective application. The Company is currently assessing the impact of this amendment.

### *Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and,
- update the disclosures for equity instruments designated at fair value through other comprehensive income.

The amendments are effective for annual periods beginning on or after January 1, 2026 with early application permitted, and are not expected to have a material impact on our financial statements.

There are no other standards, amendments or interpretations to existing standards issued but not yet effective that are expected to have a material impact on the Company.

## **MATERIAL LEGAL PROCEEDINGS**

The Company is not a party to any legal proceedings.

## **EXECUTIVE TEAM**

Alexander Black	- Executive Chairman of the Board
Andrew Cox	- President, Chief Executive Officer and Director
Kathryn Johnson	- Executive Vice President – Chief Financial Officer and Corporate Secretary

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**BOARD OF DIRECTORS**

Alex Black	- Executive Chairman
Dr. Klaus Zeitler	- Lead Director
Andrew Cox	- President, Chief Executive Officer and Director
Drago Kisic	- Director
Ram Ramachandran	- Director
Sidney Robinson	- Director
Albrecht Schneider	- Director

**OUTSTANDING COMMON SHARES, OPTIONS, AND RESTRICTED SHARE UNITS**

As at March 12, 2025 there were 526,341,841 issued and fully paid common shares. Additionally, there are 21,836,785 common shares issuable (see “*SUBSEQUENT EVENTS*” note) relating to the Acquisition.

Stock Options

The following table summarizes the Company’s stock options as at March 12, 2025:

Outstanding			Exercisable	
Number of Options	Weighted average remaining contractual years	Weighted average exercise price C\$	Number of Options	Weighted average exercise price C\$
3,060,000	0.72	0.65	3,060,000	0.65
1,500,000	1.03	0.65	1,500,000	0.65
5,167,000	2.03	0.30	5,167,000	0.30
5,757,766	4.04	0.70	1,651,100	0.70
200,000	4.51	1.60	-	1.60
400,000	4.62	1.84	-	1.84
16,084,766	2.50	0.60	11,378,100	0.50

Each option entitles the holder to purchase one common share for a period of five years from the date of grant. The options granted by Rio2 vest 1/3 equally over a three-year period. The grant of the RSUs and options is subject to the terms of the Share Incentive Plan and the 2023 Stock Option Plan respectively, and final regulatory approval and if applicable, shareholder approval.

RSUs

As at March 12, 2025 there were 1,026,668 RSUs outstanding, each of which has a life of three years and will be convertible into one full share of the Company. None of these RSUs were vested as at November 10, 2025. 375,000 RSUs vest 1/3 equally over a three-year period and the remaining 1,555,000 RSUs vesting is based on the achievement of certain performance metrics.

**QUALIFIED PERSONS**

Enrique Garay, P.Geo./FAIG, M. Sc., Senior Vice President - Geology is the Qualified Person for the Company.

**TECHNICAL INFORMATION**

Where appropriate, certain information contained in this MD&A regarding the Company’s Fenix Gold Mine or in a document incorporated or deemed to be incorporated by reference herein updates information from the report entitled “NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Mine” dated October 16, 2023, prepared by Mining Plus Peru (the “Fenix Technical Report”). The qualified persons involved in the preparation of the Fenix Technical Report were Erick Ponce (QP) FAusIMM (Min), Anthony

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Maycock (QP) P. Eng, Denys Parra (QP) SME, Carlos Arevalo (QP) Chilean Mining Commission, Registered Member, Andres Beluzán (QP) Chilean Mining Commission, Registered Member, and Francisco Javier Rovira (QP) Competent Person in Mineral Resources and Reserves and addressed to Rio2 Limited (the "Fenix Technical Report").

Any updates to the scientific or technical information derived from the Fenix Technical Report and any other scientific or technical information contained in this MD&A were approved by Enrique Garay, P.Geo./FAIG, M. Sc., a "Qualified Person" under *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("NI 43-101").

## **FORWARD-LOOKING INFORMATION**

This MD&A contains certain statements that may constitute "forward-looking information" or "forward-looking statements". All statements, other than statements of historical fact included herein are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. Forward-looking statements in this MD&A include reference to, among others: the Company's strategy and milestones for the Fenix Gold Mine; the expansion of the Company's desalination facilities and related infrastructure construction; completion of the expansion pre-feasibility study; targeted production levels; expectations around financial resources to support operations; results of implementation of the Company's ERP system; benefits and integration of the Acquisition; the implementation of operational improvements and cost-savings initiatives; impact of foreign currency translation; statements regarding future acquisitions; the nature of future anticipated exploration and development programs and the results thereof; discovery and delineation of mineral resources/reserves; business and financing plans and business trends, among others.

The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors and assumptions, including, but not limited to: the Company's limited operating history; the hazards and risks normally encountered in the exploration, development, and production of minerals; significant cost overruns due to, among other things, inflation, delays, project execution challenges, changes to inputs or changes to engineering; delays in construction, and technical and other problems, including adverse geotechnical conditions and other obstacles to construction; Rio2's ability to obtain regulatory approvals or permits, on a timely basis or at all; Rio2's ability to comply with any conditions imposed by regulatory approvals or permits, maintain such approvals and permits, or obtain any required amendments to existing regulatory approvals or permits; accuracy of reserve and resource estimates; increased economic uncertainty stemming from geopolitical conflict, inflation and other factors; the ability of Rio2 to satisfy the conditions regarding the availability of funds under its contractual arrangements; failure to reach commercial production milestones at its projects on the anticipated timelines; interest rates; inflation; operating in foreign jurisdictions; access restrictions and tariffs; the Company's inability to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies; and other risks and uncertainties identified herein under "Risks and Uncertainties".

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in any of those forward-looking statements. Historical results of operations and trends that may be inferred from discussion and analysis may not necessarily indicate future results from operations. For these reasons, readers should not attribute undue certainty to or place undue reliance on forward-looking statements.

Additional information regarding the Company and factors that could affect its operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR+ website ([www.sedarplus.ca](http://www.sedarplus.ca)). Furthermore, the forward-looking statements contained

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in this MD&A are made as at the date of this MD&A and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws. The Company's forward-looking statements are expressly qualified in their entirety by this cautionary statement.

**CAUTIONARY NOTE TO U.S. INVESTORS**

This MD&A includes Mineral Resource and Mineral Reserve classification terms that comply with reporting standards in Canada and the Mineral Resource and Mineral Reserve estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ from the requirements of the United States Securities and Exchange Commission (the "SEC") applicable to domestic United States reporting companies. Consequently, Mineral Resource and Mineral Reserve information included in this MD&A and the information concerning mineral deposits included herein may not be comparable to similar information that would generally be disclosed by United States domestic reporting companies subject to the reporting and disclosure requirements of the SEC. Accordingly, U.S. investors are cautioned to consult with their own advisors concerning the differences between NI 43-101 or other applicable standards developed by Canadian Securities Administrators and US standards applicable to domestic reporting companies subject to the reporting and disclosure requirements of the SEC.

Additionally, the audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards. IFRS Accounting Standards differ in certain material respects from United States generally accepted accounting principles ("U.S. GAAP") and may not be comparable to similar information that would generally be disclosed by United States domestic reporting companies subject to U.S. GAAP. The Company does not intend to make available to U.S. investors the Company's financial information reconciled to U.S. GAAP. Accordingly, U.S. investors are cautioned to consult with their own accounting advisors concerning the differences between IFRS Accounting Standards and U.S. GAAP.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. The Company's 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 IFRS. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. As a result, even those systems determined to be effective can only provide reasonable assurance regarding the preparation of financial statements. Based on a review of internal control procedures at the end of the period covered by this MD&A, management determined internal control over financial reporting was appropriately designed and operating effectively as at December 31, 2025.

The Company completed the implementation of its new Enterprise Resource Planning ("ERP") system during Q3, 2025. The implementation of the Company's ERP system has and is expected to, among other things, improve user access security and improve the Company's enterprise-wide planning, procurement, accounting, and reporting processes and activities, thereby decreasing the amount of manual processes previously required. Except for the implementation of the new ERP system, the Company's management has determined that there have been no significant changes in the Company's internal control over financial reporting during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## **DISCLOSURE CONTROLS**

Management is also responsible for the design and effectiveness of disclosure controls and procedures. The Company's Chief Executive Officer and Chief Financial Officer have each evaluated the effectiveness of the Company's disclosure controls and procedures as at December 31, 2025 and concluded that these disclosure controls and procedures were appropriately designed and operating effectively as at December 31, 2025.