
marimaca
COPPER CORP.

TSX: MARI

# MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2026 and 2025

*This Management's Discussion and Analysis ("**MD&A**") of the financial position and results of operations of Marimaca Copper Corp. ("**Marimaca Copper**" or the "**Company**") has been prepared based on information available to the Company as at August 13, 2026, and should be read in conjunction with the Company's condensed interim financial statements for the three and six months ended June 30, 2026, and 2025 (the "Financial Statements") and related notes thereto which have been prepared in accordance with IFRS Accounting Standards. The Financial Statements and MD&A are presented in U.S. dollars. Reference herein to $ is to the United States dollars, C$ is to the Canadian dollar and A$ is to the Australian dollar.*

*Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A and to consult Marimaca Copper's Interim Financial Statements for the three and six months ended June 30, 2026, and 2025 and the corresponding notes to the Financial Statements which are available on our website at www.marimaca.com and on SEDAR+ at www.sedarplus.ca.*

*Additional information related to Marimaca Copper, including our Annual Information Form ("AIF"), is available under the Company's profile on SEDAR+ at www.sedarplus.ca and the Company's website at www.marimaca.com.*

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Where we say "we," "us," "our," the "Company," or "Marimaca," we mean Marimaca Copper Corp. or Marimaca Copper Corp. and/or one or more or all of its subsidiaries, as it may apply. The following abbreviations are used to describe the periods under review throughout this MD&A:

| Abbreviation | Period | Abbreviation | Period |
|---|---|---|---|
| **Q1 2026** | January 1, 2026 – March 31, 2026 | **Q1 2025** | January 1, 2025 – March 31, 2025 |
| **Q2 2026** | April 1, 2026 – June 30, 2026 | **Q2 2025** | April 1, 2025 – June 30, 2025 |
| **Q3 2026** | July 1, 2026 – September 30, 2026 | **Q3 2025** | July 1, 2025 – September 30, 2025 |
| **Q4 2026** | October 1, 2026 – December 31, 2026 | **Q4 2025** | October 1, 2025 – December 31, 2025 |
| **YTD 2026** | January 1, 2026 – June 30, 2026 | **YTD 2025** | January 1, 2025 – June 30, 2025 |

# 1 Overview

Marimaca Copper is a Canadian publicly listed exploration and development company focused on exploring for and developing new copper deposits in Chile. The Company's shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "MARI", and on the Australian Securities Exchange ("ASX") under the ticker "MC2" and its shares are settled on the ASX in the form of CHESS Depositary Interests ("CDIs").

The Company's principal asset is the Marimaca Project, a copper deposit located in the Antofagasta Region of northern Chile. The Company released the results of a Feasibility Study for the Marimaca Project on August 25, 2025, demonstrating a robust project with nominal production capacity of 50,000 tonnes of copper per annum for a Reserve life of 13 years (the "DFS"). The technical report "Marimaca Oxide Deposit Project NI 43-101 Technical Report & Feasibility Study" (the "DFS Technical Report") was subsequently filed on October 9, 2025 and has an effective date of August 25, 2025. The DFS Technical Report is available on the Company's website and on SEDAR+.

The Company continues to focus on the development of the Marimaca Project while concurrently exploring its regional targets, including the high-priority Pampa Medina project.

# 2 Highlights

The following are Q2 2026 highlights:

- On April 2, 2026, the Company announced it had completed silver assaying for all drilling completed to date at the Pampa Medina deposit. Results confirmed that silver mineralization is widespread across the deposit, occurring in both oxide and sulphide copper-mineralized zones and broadly correlating with copper grades. The consolidated drilling results continue to demonstrate the continuity and scale of high-grade copper and silver mineralization across a 3 km by 2 km area of interest. Silver is a common by-product in Chilean manto-type copper deposits, supporting the potential for future by-product credits, subject to the results of ongoing metallurgical studies.

- On May 19, 2026, the Company announced that it has continued its 2026 step-out drilling program at the Pampa Medina deposit, with drilling on 150 m centres confirming the continuity of high-grade manto-type copper-silver mineralization between previously completed 300 m scout holes. Results further validated the consistency of both oxide and sulphide mineralization across the high-grade central zone and continued to expand the mineralized sedimentary horizon, including high-grade intercepts reported more than 300 m beyond previous drilling in the south-western area of interest. The results continue to support the scale and continuity of mineralization across the initial 3 km by 1.5 km exploration target.

- On May 19, 2026, the Company announced advancements of the Marimaca Oxide Deposit ("MOD") toward a Final Investment Decision, achieving several key development milestones. Critical Sectorial Permits were submitted to the National Geology and Mining Service (SERNAGEOMIN) on schedule following receipt of the Project's environmental approval in late 2025, while electrical connection authorization to the national grid was obtained. The Company also advanced the tender process for its integration engineering partner, commenced preparations for early site works, secured provisional easements covering all surface rights required for the Project, and initiated the project debt financing process with its financial advisor. In addition, Marimaca entered into a non-binding memorandum of understanding to evaluate a potential sulphuric acid joint venture in Mejillones, which could provide a long-term, cost-effective and secure acid supply to the MOD and further strengthen the project's operating economics.

- On June 8, 2026, the Company reported results from its ongoing drilling program at the Pampa Medina deposit. Drilling on 150 m centres confirmed the continuity of ultra-high-grade copper-silver mineralization across the central zone, including some of the highest-grade intercepts reported to date. Results continue to demonstrate strong lateral continuity of the sediment-hosted mineralized system across the initial 3 km by 1.5 km area of interest, further supporting the scale and exploration potential of the Pampa Medina deposit.

**Corporate**

***Sectorial Permits***

The Company completed the scheduled submission of the critical Sectorial Permits to the National Geology and Mining Service ("SERNAGEOMIN") in April 2026. The submissions included the Closure Plan, Open Pit Mining Method, and permits required for the construction of key project infrastructure, including the crushing plant, leach pads, and waste and ripios storage facilities. The Company expects approvals during Q4 2026 and continues to prepare and submit the remaining Sectorial Permits required to support the timely development and construction of the MOD.

***Financing***

The successful completion of the February 2026 treasury financing significantly strengthened the Company's financial position, increasing cash balances to approximately $140 million at June 30, 2026. The proceeds provide funding for continued project development, engineering, permitting, exploration activities at Pampa Medina and general corporate purposes while the Company advances discussions regarding the long-term financing strategy for the MOD.

***Exploration Strategy***

Exploration activities during the quarter remained focused on expanding the Pampa Medina discovery through systematic delineation and step-out drilling. Results continued to demonstrate the scale, continuity and grade of the mineralized system, supporting the Company's strategy of defining an additional district-scale copper opportunity capable of complementing the future development of the MOD.

***Organization Development***

During the first half of 2026, the Company strengthened its executive leadership and Board through several strategic appointments designed to support the transition from project development to construction. These appointments enhance the Company's technical, operational and project delivery capabilities as it advances toward a Final Investment Decision.

***Project Readiness***

The Company continued to advance multiple workstreams supporting a Final Investment Decision for the Marimaca Oxide Deposit. In addition to progressing critical permitting activities, the Company advanced engineering procurement activities including the tender process for its integration engineering partner, early site infrastructure preparations and organizational capability development. These activities are intended to de-risk project execution and position the Project to commence construction following receipt of the remaining regulatory approvals, completion of the financing process and a positive Final Investment Decision by the Board of Directors.

## 3 Outlook

Following completion of the Definitive Feasibility Study ("DFS") and receipt of the Environmental Qualification Resolution ("RCA") for the Marimaca Oxide Deposit ("MOD") in late 2025, the Company continues to advance the Project toward a Final Investment Decision ("FID"). During the quarter, Marimaca completed the scheduled submission of several critical Sectorial Permits to the National Geology and Mining Service ("SERNAGEOMIN"), including the Closure Plan, Open Pit Mining Method and permits required for key project infrastructure. The Company also received electrical connection authorization for the Project, advanced the tender process for its integration engineering partner, secured provisional easements covering all surface rights required for development, and commenced preparations for early site works. In parallel, the Company has formally commenced its project financing process and continues to strengthen its organizational capability, systems and project execution readiness in line with the development strategy outlined in the DFS.

In parallel with advancing the MOD, Marimaca continues to expand the Pampa Medina discovery through an extensive exploration drilling program. During the quarter, the Company reported additional high-grade copper and silver assay results that continue to demonstrate the continuity and scale of mineralization across the deposit. Drilling remains focused on an approximately 3 km by 1.5 km area of interest, targeting both oxide and sulphide mineralization while testing extensions of key lithological host units. Ten drill rigs were operating across Pampa Medina and the MOD following the mobilization of four additional rigs during the quarter.

Looking ahead, the Company expects to complete the maiden delineation drilling campaign at Pampa Medina main during 2026 while continuing step-out drilling to evaluate the broader district-scale potential of the mineralized system. Exploration targeting will continue to be supported by geological mapping, surface geochemical sampling and high-resolution audio-magnetotelluric ("AMT") geophysical surveys. At the MOD, the Company will continue advancing the remaining Sectorial Permits, engineering activities, project financing and other pre-construction workstreams, with the objective of maintaining the Project on schedule toward construction readiness and a Final Investment Decision.

# 4 Marimaca

**Location & Mineral Resource Estimate**

The Marimaca Project is the Company's flagship asset, which is located in the Antofagasta Region of northern Chile. The Marimaca Project is strategically located with access to key infrastructure points nearby. High-voltage powerlines and national highways are within 14 km of the Project area, and the Project is located 25 km from the port of Mejillones and 45 km from the regional capital of Antofagasta.

In August 2025, the Company announced the results from the MOD DFS, which included an updated mineral resource estimate ("2025 MRE") and the maiden mineral reserve estimate. The DFS contemplates a truck-and-shovel mining operation to produce ore from a single open pit developed over eight phases, three-stage crushing, agglomeration and dynamic heap leaching to produce a target of 50 ktpa of copper cathode with an initial 13-year reserve life. The life-of-mine strip ratio, which includes inferred material as waste and the initial pre-strip, is 0.8:1. Initial throughput of 12 Mtpa of heap leach material expands to 16 Mtpa in the second phase starting in year 6 of the mine plan. Capital costs have been estimated on the basis of the material take-offs developed by Ausenco in engineering for quantities and detailed mechanical equipment lists. Budget quotations were obtained for approximately 80% of the mechanical equipment in support of the capital cost estimate. The summary results of the MOD DFS are shown in Table 1 below.

**Table 1: Summary of the MOD DFS Production Target and Financial Metrics (Effective Date: August 25, 2025)**

<table>
<tr><th>Metric</th><th>Unit</th><th>First 5 Years of Steady State(1)</th><th>First 10 Years(2)</th><th>LOM</th></tr>
<tr><td colspan="5">Mining Summary</td></tr>
<tr><td>Total Ore Mined</td><td>kt</td><td>80,683</td><td>173,994</td><td>178,635</td></tr>
<tr><td>Total Waste Mined</td><td>kt</td><td>73,803</td><td>144,778</td><td>145,889</td></tr>
<tr><td>Strip Ratio</td><td>w:o</td><td>0.91x</td><td>0.83x</td><td>0.82x</td></tr>
<tr><td colspan="5">Production Summary</td></tr>
<tr><td>Average Annual Ore Sent to Heap Leach</td><td>Mtpa</td><td>12.4</td><td>13.6</td><td>14.1</td></tr>
<tr><td>Head Grade Cu</td><td>% Cu</td><td>0.52%</td><td>0.48%</td><td>0.42%</td></tr>
<tr><td>Cu Recovery</td><td>% Cu</td><td>77%</td><td>73%</td><td>72%</td></tr>
<tr><td>Average Annual Cu Recovered</td><td>ktpa Cu</td><td>50</td><td>48</td><td>43</td></tr>
<tr><td colspan="5">Operating Costs</td></tr>
<tr><td>Mine Operating Costs</td><td>US$/t mined</td><td>$1.2</td><td>$1.4</td><td>$1.5</td></tr>
<tr><td>Processing Costs</td><td>US$/t processed</td><td>$8.9</td><td>$8.9</td><td>$8.8</td></tr>
<tr><td>G&A Costs</td><td>US$/t processed</td><td>$0.3</td><td>$0.3</td><td>$0.3</td></tr>
<tr><td>Total Operating Costs</td><td>US$/t processed</td><td>$12.3</td><td>$12.5</td><td>$11.9</td></tr>
<tr><td>Sales & Royalty</td><td>US$/lb Cu</td><td>$0.10</td><td>$0.07</td><td>$0.06</td></tr>
<tr><td>C1 Cash Costs(3)</td><td>US$/lb Cu</td><td>$1.45</td><td>$1.68</td><td>$1.84</td></tr>
<tr><td>AISC(4)</td><td>US$/lb Cu</td><td>$1.97</td><td>$2.12</td><td>$2.29</td></tr>
<tr><td colspan="5">Capital Expenditures</td></tr>
<tr><td>Initial Capital</td><td>US$m</td><td colspan="3">$587</td></tr>
<tr><td>Expansion Capital</td><td>US$m</td><td colspan="3">$77</td></tr>
<tr><td>Sustaining Capital</td><td>US$m</td><td>$283</td><td>$484</td><td>$529</td></tr>
<tr><td>Closure Cost</td><td>US$m</td><td colspan="3">$47</td></tr>
<tr><td>Salvage Value</td><td>US$m</td><td colspan="3">$43</td></tr>
<tr><td colspan="5">Financial Metrics</td></tr>
<tr><td>Long Term Copper Price</td><td>US$/lb Cu</td><td colspan="3">$4.30</td></tr>
<tr><td>Average Annual EBITDA</td><td>US$m</td><td>$326</td><td>$288</td><td>$241</td></tr>
<tr><td>Post-Tax Average Annual Unlevered Free Cash Flow(5)</td><td>US$m</td><td>$222</td><td>$188</td><td>$160</td></tr>
<tr><td>Post-tax $NPV_{8\%}$</td><td>US$m</td><td colspan="3">$709</td></tr>
<tr><td>Post-tax IRR</td><td>%</td><td colspan="3">31%</td></tr>
<tr><td>Payback Period</td><td>years</td><td colspan="3">2.5</td></tr>
</table>

Notes: 1. First 5 years of steady state (Years 2-6) 2. First 10 Years production includes material moved for pre-stripping in Year -1 and ramp-up period in Year 1. 3. C1 Cash Costs includes the mining, processing, G&A, marketing & sales, and royalty costs. These are Non-IFRS performance measures. 4. AISC includes sustaining capex, closure capex, and salvage value. 5. Average Annual Unlevered Free Cash Flow during operating years only (years 1-13).

The updated 2025 mineral resource estimate ("2025 MRE") was completed by independent consultants NCL Ingeniería y Construcción SpA ("**NCL**") and verified by Mr. Luis Oviedo, a qualified person and independent of the Company (within the meaning of such terms under NI 43-101). The maiden 2025 mineral reserve estimate ("2025 Reserves") was based on the 2025 MRE and was completed by independent consultants NCL and verified by Mr. Carlos Guzmán, a qualified person and independent of the Company (within the meaning of such terms under NI 43-101).

The 2025 MRE and 2025 Reserves are summarized in the tables below.

**Table 2: NI 43-101 2025 Mineral Resource Estimate (reported at a 0.10% CuT cutoff) (Effective Date: August 25, 2025)**

| Mineral Resource Category and Type | Quantity | CuT | CuS | CuT | CuS |
|---|---|---|---|---|---|
| | (kt) | (%) | (%) | (t) | (t) |
| **Total Measured** | **103,372** | **0.45** | **0.27** | **466,041** | **278,165** |
| **Total Indicated** | **110,118** | **0.35** | **0.19** | **387,772** | **205,489** |
| **Total Measured and Indicated** | **213,490** | **0.40** | **0.23** | **853,813** | **483,654** |
| **Total Inferred** | **21,193** | **0.29** | **0.14** | **62,231** | **29,104** |

Notes: 1. The independent and qualified person for the mineral resource estimate, as defined by NI 43-101, is Luis Oviedo, P.Geo. and the effective date is August 25 2025. 2. These Mineral Resources are not Mineral Reserves. Mineral Resources are reported Inclusive of Mineral Reserves. The mineral resource estimate follows current CIM and JORC definitions and guidelines. 3. The results are presented undiluted and are considered to have reasonable prospects of economic extraction. 4. Mineral Resources are reported at a copper price of $4.90/lb Cu. Assumes a variable Mining Cost by pit depth averaging $2.01/t, variable processing cost by mineral subdomain, variable recoveries by mineral subdomain, $0.31/t G&A, $3.60/t cathode transport cost, $0.25/lb Cu SX-EW and selling costs. Pit slope angles range from 32-45 degrees.

**Table 3: Maiden NI 43-101 2025 Mineral Reserve Estimate (Effective Date: August 25, 2025)**

| Reserve Category | Ore Type | Tonnage | Copper Grades | | | Contained Copper |
|---|---|---|---|---|---|---|
| | | (kt) | (%CuT) | (%CuS) | (%CuCN) | (kt) |
| **Total Proven Mineral Reserves** | | **94,297** | **0.46** | **0.28** | **0.09** | **433.4** |
| **Total Probable Mineral Reserves** | | **84,339** | **0.37** | **0.21** | **0.08** | **314.2** |
| **Total Mineral Reserves (Proven and Probable)** | | **178,635** | **0.42** | **0.25** | **0.08** | **747.6** |

Notes: 1. Mineral Reserves are reported as constrained within Measured and Indicated pit design and supported by a mine plan featuring a constant copper cathodes production rate. The pit design and mine plan were optimized with average overall slopes angles varying from 37° to 45°, ore and waste mining average cost of $2.0/t, variable processing costs by dynamic acid consumption averaging $6.25/t for process (crushing + leaching only), $0.25/t for G&A, $0.26 for sustaining capital, $0.25/lb for SX-EW, $3.6/t-cathodes for logistics and average $0.06/lb for royalties, copper price used was $4.25/lb and cathode premium of $100/t-cathodes , as well as a variable recovery as a function of dynamic recovery expressions. The average processing recovery is 72% and for this average, the cut-off is 0.10%CuT. 2. Mineral Reserves considers a fully diluted Resource model, representing 1% of mining dilution. 3. Rounding as required by reporting guidelines may result in apparent summation differences between tonnes, grade and contained metal content. 4. %CuT corresponds to total copper grade, %CuS to acid soluble copper grade and %CuCN to cyanide soluble copper grade. 5. Tonnage, grade measurements and contained copper are in metric units.

**Mining Property**

The Company owns all the concessions that make up the Marimaca Project and any historical option agreements relating to concessions have been exercised.

Certain concessions that make up the Sierra de Medina District are under option agreements as follows:

*Pampa Medina*

Under the terms of an October 2024 option agreement, the Company may acquire the Pampa Medina property for a total consideration of $12 million payable as follows: $0.15 million upon signing (paid); $0.35 million on the 12-month anniversary (paid); $0.5 million on the 24-month anniversary (paid subsequent to the reporting date); $1.5 million on the 36-month anniversary; $2.5 million on the 48-month anniversary, and $7.0 million on the 60-month anniversary. These claims are subject to a 1.5% NSR with an option to buy back globalizaa 1.0% NSR for $2 million, exercisable within a term of 24 months from the start of commercial production.

The Company may withdraw from the Agreement at any time, before completing all the installments agreed under the Agreement. Under the terms of the option, the Company has the right to perform exploration activities on the property.

*Madrugador Project*

Under the terms of a December 2024 option agreement, the Company may acquire the Madrugador Project property for a total consideration of $12 million payable as follows: $0.15 million upon signing (paid); $0.25 million on the 12-month anniversary (paid); $0.4 million on the 24-month anniversary; $1.2 million on the 36-month anniversary; $3.0 million on the 48-month anniversary, and $7.0 million on the 60-month anniversary. These claims are subject to a 1.5% NSR with a clause to buy back 1.0% of the royalty for $1.5 million at any time and a right of first refusal on any sale of the royalty to a third party.

The Company may withdraw from the Agreement at any time, before completing all the installments agreed under the Agreement. Under the terms of the option, the Company has the right to perform exploration activities on the property.

# 5 Financial Position Review

The Company is an exploration and development company that currently does not generate revenue. At June 30, 2026, the Company had net working capital, excluding current lease liabilities, including cash of $150.9 million (December 31, 2025 – $62.7 million), total assets of $268.2 million (December 31, 2025 - $178.5 million), total liabilities of $7.3 million (December 31, 2025 - $5.6 million) and recorded a net loss of $2.8 million for Q2 2026 (Q2 2025 – $3.9 million).

Total liabilities of $7.3 million (December 31, 2025 - $5.6 million) are mainly related to accounts payable and accrued liabilities

***Liquidity***

Management believes its current level of working capital and liquidity is sufficient to meet its property option payments, its obligations and to continue to fund operations for at least the next twelve months.

Beyond the next 12 months, the Company's ability to continue as a going concern and to advance the Marimaca Project will be dependent upon its ability to obtain the necessary financing. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

***Capital Management***

The capital managed by the Company includes the components of shareholders' equity as described in the consolidated statements of shareholders' equity. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of finance to fund the growth and development of its mining properties, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and adjusts it for changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part, including mineral property interests. The Company's overall strategy with respect to management of capital as of June 30, 2026, remains fundamentally unchanged from the year ended December 31, 2025.

***Financial Instruments***

As at June 30, 2026, the Company's carrying values of cash and cash equivalents, amounts receivable net of estimated ECL allowances, accounts payable and accrued liabilities approximate their fair values due to their short-term maturities.

**Interest rate risk**

The Company is exposed to interest rate risk through its cash and cash equivalents, which are held in interest-bearing accounts with major financial institutions. The Company's exposure is limited to changes in short-term market interest rates, as it has no significant variable-rate borrowings.

In the six months ended June 30, 2026, if interest rates had been 100 basis points higher (lower), with all other variables held constant, profit before tax would have increased (decreased) by approximately US$0.6 million, primarily as a result of higher (lower) interest income earned on cash and cash equivalents.

**Currency risk**

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates in the market. The Company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; foreign exchange gains and losses in these situations impact earnings.

The Company's significant subsidiaries are located in Chile and although their functional currency is the U.S. dollar, they are subject to currency risk because they maintain certain cash, amounts receivable and accounts payable and accrued liabilities in Chilean pesos. The parent company is in Canada and its functional currency is the Canadian dollar and also maintains cash and accounts payable and accrued liabilities in Canadian and US dollars.

Total currency exposure from foreign currencies is equivalent to $1.35 million as at June 30, 2026 ($1.1 million as of December 31, 2025). Based on the net exposures as of June 30, 2026, and assuming that all other variables remain constant, a change of 10% in the Canadian dollar and/or Chilean peso against the US dollar would result in a change in the Company's net loss of approximately $0.1 million, respectively. The Company regularly monitors and manages currency risk.

As at June 30, 2026, the Company held its cash as follows: 83.7% in U.S. dollars, 15.6% in Canadian dollars and 0.7% in Chilean pesos, with 96.2% of cash held in Canadian banks and 3.8% held in Chilean banks, as at June 30, 2026.

**Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and/or loans as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs.

**Table 4: Contractual Obligations**

| *(In thousands of US dollars)* | Total | < 1 year | 1 - 3 years | 4 - 5 years | More than 5 years |
|---|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ 6,378 | $ 6,378 | $ - | $ - | $ - |
| Lease liabilities | 877 | 98 | 390 | 389 | - |
| **Total** | $ 7,255 | $ 6,476 | $ 390 | $ 389 | $ - |

# 6 Expenditure Review

| *(In thousands of US dollars)* | Three months ended June 30, 2026 | Three months ended June 30, 2025 | Six months ended June 30, 2026 | Six months ended June 30, 2025 |
|---|---|---|---|---|
| **Expenses** | | | | |
| Exploration Expenditures | $ - | $ 1,575 | $ - | $ 2,337 |
| Depreciation and amortization | **73** | 59 | **134** | 120 |
| Legal and filing fees | **461** | 234 | **1,216** | 430 |
| Salaries and corporate costs | **3,311** | 1,127 | **7,329** | 1,974 |
| Share-based compensation | **1,301** | 1,502 | **3,269** | 2,140 |
| **Operating loss** | $ (5,146) | $ (4,497) | $ (11,948) | $ (7,001) |
| Finance income | **1,801** | 111 | **2,170** | 269 |
| Interest accretion | **25** | 274 | **41** | 274 |
| Foreign exchange (loss) gain | **434** | 516 | **(1,649)** | 539 |
| Other non-operating income | **46** | 50 | **129** | 123 |
| Expected credit loss | - | (364) | **(515)** | (364) |
| **Net loss** | $ (2,840) | $ (3,910) | $ (11,772) | $ (6,160) |
| Items that may be subsequently reclassified to net income: | | | | |
| Foreign currency translation adjustment | **238** | (166) | **25** | (164) |
| **Total comprehensive loss for the period** | $ (2,602) | $ (4,076) | $ (11,747) | $ (6,324) |

**Three months ended June 30, 2026 (“Q2 2026”) compared to three months ended June 30, 2025 (“Q2 2025”)**

For the three months ended June 30, 2026, the Company recorded a net loss of $2.8 million compared to a net loss of $3.9 million for the three months ended June 30, 2025. The lower net loss for the period was primarily attributable to higher finance income ($1.7 million increase), reflecting higher cash balances, and lower exploration expenditures recognised in the income statement as Pampa Medina exploration activities are capitalised as Exploration and Evaluation assets. These movements were partially offset by higher salaries and corporate costs of $2.2 million, primarily reflecting increased personnel costs, consulting fees and site maintenance costs.

**Six months ended June 30, 2026 ("YTD 2026") compared to six months ended June 30, 2025 ("YTD 2025")**

For the six months ended June 30, 2026, the Company recorded a net loss of $11.8 million compared to a net loss of $6.2 million for the six months ended June 30, 2025. The higher net loss primarily reflects higher salaries and corporate costs ($5.4 million increase) increased share-based compensation ($1.1 million increase), and an expected credit loss charge of $0.5 million. These factors were partially offset by an increase of $1.9 million in finance income, reflecting the Company's increased cash balances following the February 2026 Canadian treasury offering, and lower exploration expenditures recognised in the income statement.

## Quarterly Financial Information

| *(in thousands except per share amount)* [1] | Q2 2026 | Q1 2026 | Q4 2025 | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|---|---|---|---|---|---|---|---|---|
| **Cash** | **$ 140,045** | **$ 149,792** | **$ 66,782** | **$ 78,686** | $ 24,329 | $ 14,399 | $ 22,648 | $ 28,314 |
| **Total assets** | **268,222** | **265,826** | **178,530** | **186,253** | 124,511 | 109,993 | 112,382 | 113,832 |
| **Total liabilities** | **7,255** | **3,521** | **5,593** | **3,902** | 1,674 | 2,024 | 2,805 | 919 |
| **Shareholder's equity** | **260,967** | **262,305** | **172,937** | **182,351** | 122,837 | 107,969 | 109,577 | 112,913 |
| **Net loss** | (2,840) | (8,932) | (9,432) | (10,692) | (3,910) | (2,249) | (6,385) | (3,348) |
| **Basic and diluted (loss) income per share** | **$ (0.02)** | **$ (0.07)** | **$ (0.25)** | **$ (0.09)** | $ (0.04) | $ (0.02) | $ (0.07) | $ (0.03) |
| **Weighted Average Number Shares Outstanding** | **134,980** | **133,821** | **107,959** | **118,500** | 106,486 | 105,576 | 96,305 | 101,017 |
| | | | | | | | | |
| **Cash used in operating activities** | **(5,887)** | **(5,880)** | **(18,812)** | **(6,583)** | (5,511) | (2,482) | (5,737) | (4,390) |
| **Cash provided by (used in) in financing activities** | **96,451** | **96,525** | **79,211** | **80,944** | 17,403 | (20) | 23,731 | 23,806 |
| **Cash provided by (used in) investing activities** | **(16,608)** | **(6,105)** | **(16,414)** | **(18,488)** | (10,889) | (5,859) | (12,024) | (7,829) |

The Company does not generate operational revenues as it is an exploration and development company, focused on advancing its Marimaca Project. Historically, the Company has relied on equity financings and loan instruments to fund operations. Variances between the quarterly financial information presented above are generally due to (i) the availability of cash to fund operations; (ii) the completion of debt or equity financings during the period; and (iii) the level of exploration, development and/or care and maintenance activities, which are directly correlated to the availability of cash resources.

## Cash Flows

During the six months ended June 30, 2026, the Company used $5.9 million in operating activities (YTD 2025 – $5.5 million), primarily reflecting expenditures to support corporate activities and project development, partially offset by interest income earned on higher cash balances.

Cash used in investing activities amounted to $16.6 million (YTD 2025 – $10.9 million), primarily reflecting capitalized exploration and evaluation expenditures on the Marimaca Project and the Pampa Medina exploration program.

Financing activities provided $96.5 million (YTD 2025 – $17.4 million), primarily reflecting the proceeds from the Canadian treasury offering completed in February 2026 and warrant exercises, partially offset by lease payments. As a result, cash and cash equivalents increased to $140.0 million at June 30, 2026, from $66.8 million at December 31, 2025.

## Related Party Disclosure

### Key Management Personnel

In accordance with IAS 24 – Related party disclosures, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive or non-executive) of the Company.

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| *(In thousands of US dollars)* | **2026** | **2025** | **2026** | **2025** |
| Short-term employee benefits (1) | $ 529 | $ 623 | $ 1,273 | $ 1,146 |
| Share-based payments (2) | 1,060 | 614 | 2,745 | 1,226 |
| **Total** | **$ 1,589** | **$ 1,237** | **$ 4,018** | **$ 2,372** |

(1) Includes salary, severance, benefits and short-term accrued incentives/other bonuses earned in the period.

(2) Represents the expense of stock options and restricted share units during the period

## 7 Outstanding Share Data Authorized and Issued

As at August 13, 2026, the number of common shares outstanding or issuable to other outstanding securities is as follows:

| Common Shares | Number |
|---|---|
| Outstanding | 135,156,928 |
| Stock options [1] | 1,545,000 |
| Restricted Shares Units ("RSUs") | 3,062,808 |
| **Total** | **139,764,736** |

[1] Stock Options have exercise prices ranging from C$3.69 to C$7.93 and expire between December 2026 and March 2031.

## 8 Critical Accounting Estimates and Significant Judgements

The preparation of the Financial Statements requires management to make estimates and judgements that affect the amounts recognized and disclosed. The Company's material accounting policy information and the significant judgements and estimates applied in preparing the Financial Statements are set out in Note 2 to the Financial Statements. The judgement concerning the continued classification of expenditure relating to the Marimaca Oxide Deposit as exploration and evaluation assets is particularly relevant to understanding the Company's financial condition and project development status.

At June 30, 2026, costs relating to the MOD continued to be classified as exploration and evaluation assets. Reclassification to mineral property development assets occurs when the technical feasibility and commercial viability of extracting the mineral resource are demonstrable. Management's assessment is based on the overall facts and circumstances rather than any single formal milestone. Factors considered include the completion of feasibility work and the extent of engineering definition; the status of key permits and substantive progress with project financing; Board support for progression toward development, including the status of a Final Investment Decision; the commencement of detailed engineering and early works and commitment to material development expenditure; and the extent to which remaining technical, commercial and execution uncertainties have been reduced. Management concluded that the threshold for reclassification had not been met as at June 30, 2026.
Refer to Note 2 to the Interim Condensed Financial Statements for further information on significant accounting estimates and judgements.

## 9 Risk Factors

The Company faces a number of challenges in the development of its project. The risks noted in this MD&A are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. The following is a description of the principal risk factors involving the Company:

### Operational Risks

The Company's operations are subject to all the risks normally inherent to the exploration, development and, if any of the Company's properties are placed into commercial production, operation of mineral properties. The Company has implemented safety and environmental measures designed to ensure compliance with government regulations and provide safe, reliable and efficient operations in their phases. Mineral exploration and exploitation involve a high degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to avoid.

Unusual or unexpected formations, formation pressures, fires, power outages, labor disruptions, flooding, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labor are some of the risks involved in mineral exploration and exploitation activities.

Such risks could result in damage to facilities, personal injury or death, loss of key employees, environmental damage, delays in mining, monetary losses, and possible legal liability. Satisfying such liabilities may be very costly and could generate a significant adverse effect on the Company's future cash flow, results of operations and financial condition.

**Exploration Risk**

Part of the Company's business and its profitability is dependent on the cost and success of its exploration and development programs. Mineral exploration and development involve a high degree of risk and few properties that are explored are ultimately developed into production mines. There is no assurance that, even if commercial quantities of ore are discovered, the properties will be brought into commercial production, or the funds required to exploit mineral reserves and resources discovered by the Company will be obtained on a timely basis or at all. Discovery of mineral deposits is dependent upon several factors, including the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit once discovered is also dependent on several factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices. Most of the above factors are beyond the control of the Company. There can be no assurance that the Company's mineral exploration activities will be successful. If such commercial viability is never achieved, the Company may seek to transfer its property interests, realize their value or even be required to abandon its business.

Apart from 2010, when the Company realized mark to market gains for trading securities held, the Company has no history of operating earnings. None of the Company's properties are currently in production and there is no certainty that the Company will succeed in placing any of its properties into production soon, if at all. It could be years, if ever, before the Company receives any revenues from any production of metals.

**Estimates of Mineral Resources**

There are numerous uncertainties inherent to estimating quantities of mineral resource and mineral reserve and grades of mineralization, including many factors beyond the Company's control. When making determinations about whether to advance a project to development, mineral resources and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable.

The mineral resource estimates contained in this MD&A are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified mineral resource will ever qualify as a commercially mineable (or viable) deposit which can be legally or commercially exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be significant. The estimates of mineral resources described in this MD&A should not be interpreted as assurances of mine life or of the profitability of future operations.

**Foreign Political Risk**

The Company's material properties are located in Chile and, as such, a substantial portion of the Company's business is exposed to various degrees of political and economic risk and uncertainties. The Company's operations and investments may be affected by local political and economic developments, including expropriation, nationalization, invalidation of government orders, permits or agreements pertaining to property rights, political unrest, labor disputes, limitations on repatriation of earnings, limitations on mineral exports, limitations on foreign ownership, inability to obtain or delays in obtaining necessary mining permits, opposition to mining from local, environmental or other non-governmental organizations, government participation, royalties, duties, exchange rates, inflation, currency fluctuations, taxation and changes in laws, regulations or policies, as well as Canadian laws and policies that affect foreign trade, investment and taxation.

**Permits**

The Company requires licenses and permits from various governmental authorities to carry out exploration and develop its projects. Obtaining permits can be a complex and time-consuming process. There can be no assurance that the Company will be able to obtain the necessary licenses and permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from continuing or proceeding with its current activities or future operations or projects. Any failure to comply with permits and applicable laws and regulations, even if inadvertent, could result in the interruption or cessation of the Company's activities or in material fines, penalties or other liabilities. In addition, the requirements applicable to retain existing permits and licenses may change or become more challenging over time and there is no guarantee that the Company will have the resources or expertise to meet its obligations under such licenses and permits.

The key regulations in Chile relating to environmental permitting are the *General Framework Law of Environment* (the Environmental Act) No. 19,300 and Supreme Decree No. 40/2012 issued by the Ministry of the Environment of Chile. According to those regulations, exploration and mining projects deemed to have a significant environmental impact are subject for consideration via *Sistema de Evaluación de Impacto Ambiental* (SEIA, Spanish abbreviation for Environmental Impact Assessment System) which manages the environmental impact of activities and projects in the private and public sectors. An *Estudio de Impacto Ambiental* (EIA, Spanish abbreviation for Environmental Impact Assessment) or *Declaracion de Impacto Ambiental* (DIA, Spanish abbreviation for Environmental Impact Statement, which is a simplified EIA) should be prepared based on the environmental and social baseline data and submitted to SEIA for approval. The Company received the environmental approval in November 2025 in form of Environmental Qualification Resolutions (RCA in Spanish abbreviation). The next phase of permitting activities for the Project, known as the Sectorial Permits, which are auxiliary permits required for various stages of construction and operation, is currently underway, as detailed in the Highlights section above.

**Government Regulation**

The Company's activities are subject to various laws on exploration, prospecting, development, production, taxes, labor standards, occupational health, mine safety, waste disposal, toxic substances and other matters. Mining and exploration activities are also subject to various laws and regulations relating to the protection of the environment, historical and archaeological sites and endangered and protected species of plants and animals. Although the Company's activities are generally carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will be enacted or that existing rules and regulations will not be applied in a manner which could limit or restrain the Company's present and future activities, including exploration, development and production. Amendments to current laws and regulations governing the Company's activities or a more demanding implementation thereof could have a substantial adverse effect on the Company.

**Environmental Risks**

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. These laws and regulations address many aspects of the exploration and development of mineral properties, including air and water quality, management of waste, the protection of different species of plant and animal life, the preservation of antiquities and lands and reclamation of lands disturbed by mining operations. Additionally, operators of mineral exploration and development projects may be required to carry out consultations or other similar processes with indigenous communities. These laws and regulations require the Company to acquire and maintain permits and other authorizations for certain activities. There can be no assurance that the Company will be able to acquire such necessary permits or authorizations on a timely basis, if at all.

Environmental legislation in many countries, including Chile, is evolving and the trend has been toward stricter standards and enforcement, higher fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and greater responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. There can be no assurance that the Company has been or will always be in complete compliance with current and future environmental, health and safety laws and the status of permits will not significantly adversely affect the Company's business, results of future operations or financial condition. It is possible that future changes in these laws or regulations could have a serious adverse impact on some portion of the Company's business, causing the Company to re-evaluate those activities at that time. The Company's compliance with environmental laws and regulations also entails uncertain costs, material fluctuations of which could unfavorably affect the Company's financial condition.

Exploration and mining operations involve a potential risk of releases to soil, surface water and groundwater of metals, chemicals, fuels, liquids with acidic properties and other contaminants. In recent years, regulatory requirements and improved technology have significantly reduced those risks. However, those risks have not been eliminated and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. The Company may be liable for environmental contamination and natural resource damages relating to the properties that it currently owns or operates or at which environmental contamination occurred while or before it owned or operated the properties.

**Management**

The success of the Company will largely depend upon the performance of its officers, consultants and employees. Locating and successfully developing mineral deposits depends on several factors, including the technical skill of the exploration personnel involved. The success of the Company is largely dependent on the performance of its key individuals. Failure to retain key individuals or to attract or retain additional key individuals with necessary skills could have an important adverse impact upon the Company's success.

**Conflicts of Interest**

Some directors and officers of the Company are or may become associated with other natural resource companies, which may give rise to conflicts of interest. In accordance with the Business Corporations Act (British Columbia), directors who have a material interest in any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the best interests of the Company. Some directors and officers of the Company are subject to either other full-time employment or other business or time restrictions and, accordingly, the Company will not be the only business enterprise of these directors and officers.

**Infrastructure**

Development and exploration activities depend on adequate infrastructure, including reliable roads and water and power sources. The Company's inability to secure adequate water and power resources, as well as other events outside of its control, such as unusual weather, sabotage and government or other interference in the maintenance or provision of such infrastructure, could negatively affect the Company’s development, future operations and financial condition.

**Insurance**

The Company’s activities are subject to the risks normally inherent to the mining industry, including, but not limited to environmental hazards, floods, fire, periodic or seasonal hazardous climate and weather conditions, unexpected rock formations, industrial accidents and metallurgical and other processing problems. These risks could result in damage to, or destruction of, mineral properties, personal injury, environmental damage, delays in development and production, increased costs, monetary losses and possible legal liability. The Company may become subject to liability which it cannot insure or may choose not to insure because of high premium costs or other reasons. Where it is considered practical to do so, the Company maintains insurance against risks in the operation of its business in amounts which the Company believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. The Company cannot provide any assurance that such insurance will continue to be available, be available at economically acceptable premiums or be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive in relation to the perceived risk.

**Competition**

The Company’s business of the acquisition, exploration and development of mineral properties is intensely competitive. The Company may be at a competitive disadvantage in acquiring additional mining properties because it competes with other mining companies, many of which may have greater financial resources, operational experience and technical capabilities than the Company. The Company may also encounter increasing competition from other mining companies in efforts to hire experienced mining professionals. Competition in exploration, development and construction resources at all levels has, in the past, been very intense and has particularly affected the availability of a skilled workforce and equipment.

**The Company is Subject to Certain Risks as an Emerging-Market Issuer**

The Company is also aware that emerging-market investment generally poses a greater degree of risk than investment in more mature market economies because the economies in the emerging markets are more susceptible to destabilization resulting from domestic and international developments. Economic instability in Latin American and emerging-market countries has been historically caused by many different factors, including but not limited to, the following: (i) high interest rates, (ii) changes in currency values, (iii) high levels of inflation, (iv) exchange controls, (v) wage and price controls, (vi) changes in economic or tax policies, (vii) the imposition of trade barriers, (viii) internal security issues, (ix) renegotiation, cancellation or forced modification of existing contracts and (x) political factors, including political instability and sudden or arbitrary changes to laws. As a result, (a) legal and regulatory framework in the foreign jurisdiction may increase the likelihood that laws will not be enforced and judgements will not be upheld; (b) legislation may be subject to conflicting interpretations; (c) application of and amendments to legislation could adversely affect a company's mining rights or make it more difficult or expensive to develop projects and continue mining; (d) corruption, bribery, civil unrest and economic uncertainty may negatively impact and disrupt business operations; (e) lack of certainty with respect to foreign legal systems, corruption and other factors may be inconsistent with the rule of law and (f) unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect a company's business.

**The Company's Operations Rely on the Availability of Local Labor and Equipment**

The Company's operations rely on the availability of local labor, local and outside contractors and equipment when required to carry out exploration and development activities. The Company relies upon the performance of outside consultants and contractors for drilling, geological and technical expertise. The loss of access to existing consultants and contractors or an inability to hire suitably qualified consultants, contractors or personnel to address new areas of need, would significantly impact the Company's ability to carry out the exploration and development activities.

**Additional Funding and Dilution**

The Company considers that it has sufficient funds to meet the exploration and development objectives of the Company for 2026. The Company notes that it does not have sufficient funding to finance development of the Marimaca Copper Project in the event of a positive final investment decision (FID) being made by the Company's Board.

Additional funding may be required to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional equity or other finance will be required. Further to this, if the Company makes a final investment decision to proceed with the development of the Marimaca Copper Project then further funding will be required for this development.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities may result in delay and indefinite postponement of exploration, development or production on the Company's tenements or even loss of a tenement interest.

There can be no assurance that the Company will be able to obtain further financing on a timely basis, on favourable terms or that such further funding will be sufficient to enable the Company to implement its planned commercial strategy. These factors may adversely affect the financial performance of the Company.

If the Company raises additional funds by issuing equity securities, this may result in dilution for some or all of the shareholders. In addition, certain shareholders of the Company have pre-emptive rights pursuant to subscription agreements to participate in future equity financing of the Company.

**Commodity Prices**

The viability and profitability of the Company's business will be dependent upon the market price of mineral commodities. 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. The prices of mineral commodities have fluctuated widely in recent years. 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. If the Company advances any of its projects to commercial production, 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.

**No History of Dividends**

The Company has never paid a dividend on its common shares and does not expect to do so in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Company's board of directors and will depend upon the capital requirements of the Company, results of future operations and such other factors as the Company's board of directors considers relevant. Accordingly, it is likely that investors will not receive any return on their investment in the common shares other than possible capital gains.

**Currency Risk**

The Company is exposed to foreign exchange risk as the Company's operating costs are primarily in US dollars, Canadian dollars and Chilean pesos. The Company's reporting currency is US dollars. Hence, any fluctuation of the US dollar in relation to these currencies may affect the value of the Company's assets and liabilities. Any strengthening of other currencies against the US dollar or any other currency in which the Group transacts and where the foreign exchange risk is not hedged could have an adverse effect on the Company's business, results of operations and financial condition.

**Legal Proceedings**

As of the date of this report, the Company is not involved in any material litigation, arbitration, regulatory, or administrative proceedings, and the Directors are not aware of any such proceedings that are pending or threatened against the Company.

From time to time, the Company may be involved in legal claims, disputes, or regulatory matters arising in the ordinary course of business. While the outcome of such matters cannot be predicted with certainty, management does not currently believe that any existing or potential proceedings would have a material adverse effect on the Company's financial position, results of operations, or cash flows.

**Community Relations and Social License to Operate**

The Company's relationship with the communities living in the regions where it operates are critical to ensure the construction and development of its projects and the future success of its operations. There is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain non-governmental organizations ("NGOs"), some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such NGOs or others related to extractive industries generally or the Company's operations specifically, could have a negative effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk. The Company has implemented community relations initiatives within its areas of influence in Chile, in order to anticipate and manage social issues that may arise in connection with its project.

**Price Volatility of Publicly Traded Securities**

In recent years, the securities market in Canada has experienced a high level of price and volume volatility and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the

Company's common shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

**Climate Change, Natural and Other Disasters**

The Company's financial and/or operating performance could be adversely affected by climate change and the impact of natural or other disasters, such as earthquakes, fires, floods, epidemics or pandemics. Those occurrences could lead to volatility and disruption to global supply chains, operations, mobility of people and the financial markets, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions and other factors relevant to the Company.

The development of mining operations is energy-intensive and result in a carbon footprint either directly or through the purchase of fossil-fuel based electricity. As such, the Company is impacted by current and emerging policy and regulation relating to greenhouse gas emission levels, energy efficiency and reporting of climate-change related risks.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. These or future measures could require the Company to reduce its direct emissions or energy use or to incur significant costs for emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply the Company's operations. The cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations. The Company could also incur significant costs associated with capital equipment, emission monitoring and reporting and other obligations to comply with applicable requirements.

Global climate change could exacerbate several of the threats faced by the Company's business, including the frequency and severity of weather-related events, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, rising water levels and changing temperatures which can disrupt operations, damage infrastructure or properties, create financial risk or otherwise have a major adverse effect on financial position or liquidity. These threats may result in substantial costs to respond during the event, to recover from the event and possibly to modify existing or future infrastructure requirements to prevent recurrence. Global climate change also results in regulatory risks, which creates economic and regulatory uncertainty.

During exploration, development and production of mineral properties, certain risks and, in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Company may decide not to insure such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Company's common shares.

**Evolving Corporate Governance and Public Disclosure Regulations**

The Company is subject to changing rules and regulations promulgated by several Canadian governmental and self-regulated organizations, including the Canadian Securities Administrators, the TSX and the International Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity making compliance more difficult and uncertain. The Company's efforts to comply with these and other new and existing rules and regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

## 10 Disclosure

**Internal Controls over Financial Reporting and Disclosure Controls**
**Disclosure controls and procedures**

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of June 30, 2026, the Chief Executive Officer and the Chief Financial Officer have each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

**Internal controls over financial reporting**

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of condensed interim financial statements in compliance with IFRS Accounting Standards. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that accurately and fairly reflect the transactions of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of condensed interim financial statements in accordance with IFRS Accounting Standards;
- ensure the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized transactions that could have a material effect on the condensed interim financial statements.

Because of their inherent limitations, internal controls over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

There have been no changes in the Company's internal controls over financial reporting during the three months ended June 30, 2026, that have materially affected or are reasonably likely to materially affect, our internal control over financial reporting.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of June 30, 2026, the Chief Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

## 11 Cautionary Statement on Forward Looking Information

Certain information provided in this MD&A and any documents incorporated by reference herein may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information in this MD&A and any documents incorporated by reference herein includes but is not limited to information with respect to:

· expectations regarding the financial position of the Company, production targets, industry growth and other trend projections, future strategies, results and outlook of the Company and the opportunities available to the Company;
· the future price of minerals, particularly copper;
· estimations of mineral reserves and mineral resources;
· conclusions of economic evaluation;
· the realization of mineral reserve estimates;
· the timing and amount of estimated future production;
· costs of production;
· capital expenditures;
· success of exploration activities;
· mining or processing issues;
· currency exchange rates;
· government regulation of mining operations; and
· environmental and permitting risks.

Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “outlook”, “scheduled”, “target”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking information is based on management’s expectations and reasonable assumptions and judgments at the time such statements are made. Estimates regarding the anticipated timing, amount and cost of exploration and development activities are based on assumptions underlying mineral reserve and mineral resource estimates and the realization of such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation, purchase orders placed by the Corporation to date, recent estimates of construction and mining costs and other factors that are set out herein. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include:

· uncertainties of mineral resource estimates;
· risks and uncertainties inherent in and relating to estimates of future production and operations, cash and all-in sustaining costs;
· the nature of mineral exploration and mining;
· variations in ore grade and recovery rates; cost of operations;
· fluctuations in the sale prices of products;
· foreign currency fluctuations;
· volatility of mineral prices (including copper prices);
· exploration and development risks;
· liquidity concerns and future financings including the project financing process currently underway;
· risks associated with operations in foreign jurisdictions;
· potential revocation or change in permit requirements and project approvals, including uncertainties relating to regulatory procedure and timing for permitting reviews;

· mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding;
· geology including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and mineral resources and mineral reserves, and actual ore mined or metal recoveries varying from such estimates;
· mine life and life-of-mine plans and estimates;
· the possibility that future exploration, development or mining results will not be consistent with expectations;
· the potential for and effects of labour actions, disputes or shortages, community or other civil protests or demonstrations or other unanticipated difficulties with or interruptions to operations;
· potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations;
· uncertain political and economic environments;
· changes in laws or policies, foreign taxation, delays or the inability to obtain and maintain necessary governmental approvals and permits;
· regulatory investigations, enforcement, sanctions or related or other litigation;
· competition;
· no guarantee of titles to explore and operate;
· environmental liabilities and regulatory requirements;
· permitting, including the current process to obtain sectorial permits for development of the MOD;
· dependence on key individuals;
· conflicts of interests;
· insurance;
· fluctuation in market value of the Company's common shares;
· rising production costs;
· availability of equipment, materials and skilled technical workers;
· volatile current global financial conditions;
· the potential impact of future or existing global and regional conflicts, including developments or escalation in the Russia/Ukraine war and Israel/Hamas conflict on the Company's and/or its operations, the mining industry and/or the currency and commodity fluctuations; and
· other risks pertaining to the mining industry, as well as those factors discussed in the section entitled "Risk Factors" in the MD&A.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking information in this MD&A is made as of the date of this MD&A or as of the date of the documents incorporated by reference, as the case may be, and the Company does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this MD&A and each of the documents incorporated by reference herein is presented for the purpose of assisting persons in understanding the financial position, strategic priorities and objectives of the Company for the periods referenced and such information may not be appropriate for other purposes.

## ASX Listing Rule Information

**Exploration results**

The information in this MD&A that relates to exploration results for the Pampa Medina deposit is extracted from the Company's previous announcements released on ASX on April 7, 2026 titled "Marimaca Reports Additional High-grade Silver Assays from Consolidated Drill Results at Pampa Medina" (for which the Competent Person was Sergio Rivera), on May 20, 2026 titled "Drilling Program at Pampa Medina Continues to Demonstrate Continuity and Scale of Sediment-Hosted Copper System" (for which the Competent Person was Sergio Rivera), and on June 9, 2026 titled "Pampa Medina Sulphide Drilling Intersects 16m of 5.70% Cu and 62.6 g/t Ag including 4m of 11.32% Cu and 144.0 g/t Ag in Significant Extension of UHG Bornite Zone" (for which the Competent Person was also Sergio Rivera). The Company confirms it is not aware of any new information or data as at the date of this MD&A which materially affects the exploration results reporting in those announcements. The form and content in which the Competent Person's findings are presented has not been materially modified from the original announcements. The announcements are accessible at www.asx.com.au.

**Mineral Resources**

The information in this MD&A that relates to Mineral Resources for the Marimaca Project is extracted from the Company's previous announcement released on ASX on August 26, 2025 titled "MOD Feasibility Study Confirms Robust Capital Intensity and 31%+ IRR; Maiden Ore Reserve" (for which the Competent Person was Luis Oviedo). The Company confirms it is not aware of any new information or data as at the date of this MD&A which materially affects the Mineral Resource estimates reported in that announcement. The Company also confirms all material assumptions and technical parameters underpinning the Mineral Resource estimates in that announcement continue to apply and have not materially changed. The form and content in which the Competent Person's findings are presented has not been materially modified from the original announcement. The announcement is accessible at www.asx.com.au.

**Ore Reserves**

The information in this MD&A that relates to Mineral Reserves for the Marimaca Project for the purposes of the JORC Code are Ore Reserves and are extracted from the Company's previous announcement released on ASX on August, 26 2025 titled "MOD Feasibility Study Confirms Robust Capital Intensity and 31%+ IRR; Maiden Ore Reserve" (for which the Competent Person was Carlos Guzmán). The Company confirms it is not aware of any new information or data as at the date of this MD&A which materially affects the Ore Reserve estimates reported in that announcement. The Company also confirms all material assumptions and technical parameters underpinning the Ore Reserve estimates in that announcement continue to apply and have not materially changed. The form and content in which the Competent Person's findings are presented has not been materially modified from the original announcement. The announcement is accessible at www.asx.com.au.

**Production Targets and Forecast Financial Information**

The information in this MD&A that relates to the production targets and forecast financial information for the Marimaca Project is extracted from the Company's previous announcement released on ASX on August 26, 2025 titled "MOD Feasibility Study Confirms Robust Capital Intensity and 31%+ IRR; Maiden Ore Reserve". The Company confirms that all material assumptions underpinning the production targets and forecast financial information in that announcement continue to apply and have not materially changed. The announcement is accessible at www.asx.com.au.

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