



RIO2 LIMITED
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2026
(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 May 15, 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 unaudited condensed interim consolidated financial statements and the notes thereto for the three months ended March 31, 2026 and the audited consolidated financial statements and the notes thereto for the year ended December 31, 2025.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting* ("IAS 34"). The 2025 annual consolidated financial statements were prepared in accordance with 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 and on SEDAR+ at 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 incorporated in Ontario and is a diversified precious metals and copper producer focused on building and operating mines with a management team that has proven technical skills and a successful capital markets track record. The Company is currently producing gold at its heap leach Fenix Gold Mine (the "Fenix Gold Mine") in Chile and copper/gold/silver at its recently acquired underground Condestable Mine in Peru (acquired a 99.1% interest in the Condestable Mine during the three months ended March 31, 2026 see "CORPORATE UPDATES" below).

HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2026

Operational and financial results for the Condestable Mine in this section, and throughout the remainder of this MD&A, are presented for the period January 30, 2026 (Acquisition date) to March 31, 2026.

- Advanced Fenix Gold ramp-up with key start-up constraints identified and being addressed, while water transport, blasting fragmentation and leach recovery performance tracked in line with expectations.
- Condestable performed well during Rio2's first two months of ownership, providing immediate cash flows from copper, gold and silver production.

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- Income from mine operations of \$24.6 million and adjusted net income⁽¹⁾ of \$12.1 million, compared to income from mine operations of \$nil and adjusted net loss of \$1.3 million for the three months ended March 31, 2025.
- Maintained a strong liquidity position, ending March 31, 2026 with cash and cash equivalents of \$93.1 million, including the voluntary repayment of \$20 million of debt, compared to cash and cash equivalents of \$46.4 million as at December 31, 2025.
- Quarterly consolidated gold production of 7,849 ounces and gold sales of 6,654 ounces at an average realized price of \$4,745/oz.
- Q1 2026 total cash costs of \$2,620 per ounce of gold sold⁽¹⁾ at the Fenix Gold Mine. Fenix Gold Mine produced 4,648 ounces of gold during the quarter.
- Quarterly copper production of 6,403,188 pounds and copper sales of 6,204,313 pounds at an average realized price of \$5.69 per pound.
- Q1 2026 total cash costs of \$2.01 per pound of copper produced⁽¹⁾ and AISC of \$2.84 per pound of copper produced at Condestable. The 6,403,188 pounds of copper produced was entirely at Condestable. Condestable also produced 3,201 ounces of gold and 48,671 ounces of silver.
- Cash provided by operating activities in the quarter was \$22.8 million, cash used in investing activities of \$80.3 million, and net cash provided from financing activities of \$103.5 million, compared to cash flow from operating activities in the comparative quarter ended March 31, 2025 was \$19.3 million, cash used in investing activities of \$16.2 million, and net cash provided from financing activities of \$0.04 million.

⁽¹⁾ These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

CORPORATE UPDATES

On January 30, 2026, pursuant to the terms and conditions of a Definitive Share Purchase Agreement (the "Agreement") dated December 8, 2025, and as amended on January 30, 2026 (the "Amended SPA"), the Company successfully completed its previously announced acquisition of a 99.1% interest in the Condestable Mine in Peru from Southern Peaks Mining L.P. ("Southern Peaks") (the "Acquisition"). Under the terms of the Amended SPA, Rio2 acquired all of the issued and outstanding shares of certain subsidiaries of Southern Peaks (the "Acquired Entities" or "SPM"), including Ariana Management Corporation S.A.C., which ultimately holds a 99.1% interest in the Condestable Mine. For further details on this Acquisition and its completion, including but not limited to, the acquisition total purchase price, please refer to note 4 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.

On January 30, 2026, the escrow release conditions for the conversion of the subscription receipts were fulfilled and each subscription receipt was converted into one common share of Rio2 concurrently with the closing of the Acquisition. The escrow release conditions were in relation to a bought deal financing that closed on December 15, 2025 and comprised 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 net escrow proceeds, together with all interest earned thereon, were released from escrow to Rio2 on January 30, 2026 and were partly used towards the cash consideration of the Acquisition.

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 achieve stacking 20,000 tonnes per day of ore to pad over the remainder of the 2026 year.

On March 27, 2026, the Company made a voluntary repayment of \$20.0 million plus accrued interest for a total of \$21.3 million towards its Vendor Debt in connection with its Acquisition (see "Other Significant Financings" for further details on the Vendor Debt). Following the voluntary repayment of \$20.0 million of

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loan principal, the Mezzanine Promissory Note of \$10.0 million was fully extinguished, and the Vendor Senior Promissory Note was reduced to \$45.0 million.

On April 22, 2026, the Company commenced the commissioning phase for the new Tailings Filtration Facility ("TFF") at its Condestable Mine. The transition to dry-stack tailings provided by the new TFF represents a major operational milestone, following an 18-month construction period and a total capital investment of approximately \$27.0 million. The facility features an installed design capacity of 8,400 tonnes per day ("tpd"), capable of processing 100% of Condestable's current tailings output and has been engineered to accommodate potential future production expansions. Commissioning is expected to conclude within 10 weeks, with full commercial operations expected during the third quarter of 2026.

Q1 2026 SELECTED FINANCIAL AND OPERATIONAL HIGHLIGHTS

Financial Results: (in thousands, except per share amounts)		Q1 2026	Q1 2025 ⁽²⁾
Copper sales	\$	32,512	N/A
Gold sales	\$	30,689	N/A
Silver sales	\$	3,855	N/A
Pricing adjustments on concentrate sales	\$	(1,198)	N/A
Consolidated revenue	\$	65,858	N/A
Net income ⁽⁴⁾	\$	22,291	\$ (1,598)
Net income per share, diluted	\$	0.04	\$ 0.00
Adjusted net income (loss) ⁽¹⁾	\$	12,135	\$ (1,349)
Adjusted net income (loss) per share, diluted ⁽¹⁾	\$	0.02	(0.00)
EBITDA ⁽¹⁾	\$	40,974	(1,532)
Adjusted EBITDA ⁽¹⁾	\$	30,818	(1,283)
Total debt ⁽³⁾	\$	112,563	\$ 254
Operating Results:			
Copper pounds produced	lbs	6,403,188	N/A
Gold ounces produced	oz	7,849	N/A
Silver ounces produced	oz	49,198	N/A
Copper pounds sold	lbs	6,204,313	N/A
Gold ounces sold	oz	6,654	N/A
Silver ounces sold	oz	47,102	N/A
Average realized price per copper pound	\$/lb	5.69	N/A
Average realized price per gold ounce	\$/oz	4,745	N/A
Average realized price per silver ounce	\$/oz	75.38	N/A

⁽¹⁾ These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

⁽²⁾ Certain comparable information was not applicable ("N/A") for Q1 2025 as the Company's only mine was the Fenix Gold Mine during Q1 2025 and it did not have any production or sales.

⁽³⁾ Total Debt is a supplementary financial measure that does not have a standardized meaning under IFRS. The Company calculates Total Debt as the sum of loans payable, deferred consideration, and lease liabilities, including current and non-current portions.

⁽⁴⁾ Net income refers to net income attributable to the shareholders of Rio2 Limited. The portion attributable to non-controlling interests arising from the Company's interest in Compañía Minera Condestable S.A. has been excluded.

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RESULTS OF OPERATIONS

Fenix Gold

		Q1 2026		Q1 2025⁽²⁾	
Total tonnes mined	tonne	901,264	tonne		N/A
Ore mined	tonne	807,590	tonne		N/A
Ore stacked in pad	tonne	657,112	tonne		N/A
Head Grade (g/t Au)	g/t	0.452	g/t		N/A
Contained ounces in pad	oz	9,554	oz		N/A
Gold ounces produced	oz	4,648	oz		N/A
Gold ounces sold	oz	3,934	oz		N/A
Cash cost per gold ounce sold ⁽¹⁾	\$/oz	2,620	\$/oz		N/A
All-in Sustaining cost per gold ounce sold ⁽¹⁾	\$/oz	3,131	\$/oz		N/A
All-in Cost per gold ounce sold ⁽¹⁾	\$/oz	3,151	\$/oz		N/A
Silver ounces produced	\$/oz	527	\$/oz		N/A
Silver ounces sold	\$/oz	514	\$/oz		N/A
Average realized price per gold ounce ⁽¹⁾	\$/oz	4,750	\$/oz		N/A
Average realized price per silver ounce ⁽¹⁾	\$/oz	83.77	\$/oz		N/A

(1) These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

(2) This information was not available ("N/A") for Q1 2025 or not applicable as the Company's only asset was the Fenix Gold Mine and it did not have production or sales during Q1 2025.

Condestable

		Q1 2026		Q1 2025⁽²⁾	
Exploration drilling	m	541	m		N/A
Production drilling	m	6,690	m		N/A
Deepening works	M	656	m		N/A
Ore mined	tonne	486,188	tonne		N/A
Ore treated	tonne	474,341	tonne		N/A
Cu headgrade	%	0.70	%		N/A
Au headgrade	g/t	0.24	g/t		N/A
Ag headgrade	g/t	4.10	g/t		N/A
Cu recovery rate	%	89.55	%		N/A
Au recovery rate	%	81.94	%		N/A
Ag recovery rate	%	83.20	%		N/A
Copper produced	lb	6,403,188	lb		N/A
Gold produced	oz	3,201	oz		N/A
Silver produced	oz	48,671	oz		N/A
Copper sold	lb	6,204,313	lb		N/A
Gold sold	oz	2,720	oz		N/A
Silver sold	oz	46,588	oz		N/A
Cash cost per copper pound produced ⁽¹⁾	US\$/lb	2.01	US\$/lb		N/A
All In Sustaining Cost (AISC) per copper pound ⁽¹⁾	US\$/lb	2.84	US\$/lb		N/A
All In Cost per copper pound ⁽¹⁾	US\$/lb	3.25	US\$/lb		N/A
Average realized price per copper pound ⁽¹⁾	US\$/lb	5.69	US\$/lb		N/A
Average realized price per gold ounce ⁽¹⁾	US\$/oz	4,736	US\$/lb		N/A
Average realized price per silver ounce ⁽¹⁾	US\$/oz	75.29	US\$/lb		N/A

(1) These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

(2) This information was not available ("N/A") for Q1 2025 or not applicable as the Company's only asset was the Fenix Gold Mine and it did not have production or sales during Q1 2025.

For further information about these results, please see section "**Development and Operations of the Fenix Gold Mine**", and section "**Operations of the Condestable Mine**".

DEVELOPMENT AND OPERATIONS OF THE FENIX GOLD MINE

The Fenix Gold Mine is located in Chile and is a gold heap leach mine that had its first official sale in January 2026. As the Mine had not achieved commercial production as of March 31, 2026, current results may not be indicative of future results.

Outlook

Gold production guidance for 2026 is 60,000 – 65,000 gold ounces, with efforts being made to bring forward the mining production rate to 20,000 tonnes per day in Q2 2026 and for the remainder of the year, to recover the reduced tonnes and ounces production experienced during Q1 2026. Based on current ramp-up progress, Rio2 anticipates achieving commercial production at Fenix Gold in Q4 2026.

During 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 “Corporate Updates”).

Upcoming key milestones at the Fenix Gold Mine and their expected completion date are as follows:

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

Further details of these expected future milestones are discussed in the section “*Development and Other Key Updates*” below.

The Company expects its cash and cash equivalents, 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 to fund future exploration, development and other capital expenditures at the Fenix Gold Mine.

Development and Other Key Updates

As noted above in the section “Outlook”, at the end of Q1 2026, all critical capital necessary to get Fenix Gold Mine to production to begin generating cashflow was in place, however, as construction was not fully complete, management determined commercial production was not achieved as at March 31, 2026. Key updates for the period ended March 31, 2026, are as follows:

Area	Progress to March 31, 2026
Mine Production	<p>The mine continued through its initial production ramp-up during Q1 2026. While planned tonnes and grade were not achieved during the quarter, the key drivers were identified early and corrective actions have been implemented or are underway. Those factors include:</p> <ul style="list-style-type: none"> • Blasting permit delay – the blasting permit was expected to be issued by mid-November 2025 but was received in late-December 2025 which effectively set the mine plan for 2026 back by 6 weeks. • Opening up Fenix South – initial mining at the peak of Fenix South required careful sequencing between drilling, blasting and mining activities in a constrained area. Operating space has now been created, which is

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Area	Progress to March 31, 2026
	<p>expected to support more efficient mining going forward. Fenix South is a newer area within the Fenix Gold mine plan which began contributing ore to the leach pad during Q1, 2026.</p> <ul style="list-style-type: none"> • Operator availability - A tight labor market in Chile with high metal prices and increased mining activity, created challenges for our contractor STRACON in retaining personnel, particularly truck drivers willing to work at a high altitude mine such as Fenix Gold. STRACON And Rio2 have been actively addressing the turnover and absenteeism that impacted trucking during Q1. By the end of March, the operator and truck availability were improving, and it is expected that these issues will be satisfactorily resolved in Q2 2026. • Truck fleet transition - the initial mine truck fleet consisted of rented 35-tonne capacity trucks from local providers, originally mobilized during construction of the plant and pad facilities and not optimized for steady-state mine operations. These trucks are being phased out and replaced by a new fleet of 42-tonne capacity trucks that have been purchased by STRACON specifically for mine operations. This fleet of new trucks will start arriving in May 2026 and will be maintained on site by STRACON's maintenance team. <p>Lower tonnes moved reduced ore availability and affected head grade to the plant, resulting in lower grade ore being sent to the pad. Management took the decision not to high-grade mining until planned production rates can be achieved. Mining of higher-grade material (greater than 0.4g/t) is expected to resume during H2 2026, at which time lower grade material will be sent to stockpile. To further increase mine production flexibility, management has also decided to bring forward the commencement of mining at Fenix Central which will now start in Q2, 2026.</p> <p>The processing plant experienced initial start-up issues with the elution solution pump failing three times causing delays in the desorption process. A replacement pump arrived in March, and this issue has now been resolved.</p> <p>Water transport ramp-up has been very successful with trucking consistently delivering over 1,000 m3 per day, and up to 1,500 m3 on occasions. The mine has not been water constrained and at the end of March the mine water storage was overstocked for a total on-site water inventory of 45,000 m3.</p> <p>Blasting fragmentation of mineralized material has also performed to expectation with a P80 of 4 inches being achieved for the quarter.</p> <p>Analysis of the leaching of material on the pad versus the gold being absorbed in carbon in the processing plant indicates that the projected gold recovery of 75% at 90 days leaching is being achieved.</p>
Human Resources	A total of 1401 personnel (including contractors) are currently employed at Fenix Gold in mine operations, construction and exploration. 94% of the workforce is comprised of Chileans, with 42% from the Atacama Region and 12% are female.
Health and Safety	A total of 650,424 person-hours has been worked at the mine in Q1 2026, with one LTI from a twisted ankle which occurred in March 2026 for an LTIFR rate of 0.6.
Exploration	During February 2026, the Company, along with the drilling contractor, began its 2026 Fenix Gold Mine drill program with the recommencement of exploration drilling for the first time since 2014. In total, 9,250m of reverse circulation drilling and

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Area	Progress to March 31, 2026
	<p>13,940m of diamond drilling are expected to be completed, for a total of 23,190m. The budget for this drilling program is \$9.5 million and its expected to conclude in mid-July 2026. The objective is to publish an update on the Fenix Gold mineral resources for the fourth quarter of 2026. The criteria for generating drill targets at Fenix Gold consisted of using machine learning algorithms to combine lithology, structures, geochemistry (surface and borehole), gold mineralization classification, magnetic gradient, and resistivity identified in the SCAMT electromagnetic survey. The positive correlation with gold mineralization allowed the development of a probabilistic model to define drill targets.</p>
Fuel hedging	<p>As the transition from construction to full operations at Fenix Gold Mine progresses, diesel consumption for the mining fleet and infrastructure will remain an important operating expense. In early March 2026, Rio2 secured a portfolio of 9 commodity call options (hedges) used to lock in prices as a way to protect against the risk of rising fuel costs at Fenix Gold Mine. These hedge contracts span a nine-month period from April through December 2026, covering a total volume of 1,575,000 gallons. The protected monthly volume scales up over time, starting at 150,000 gallons in the spring, increasing to 175,000 in the summer, and peaking at 200,000 gallons per month through the end of the year. The upfront premium paid to secure these nine positions was \$622k.</p> <p>As of the March 31, 2026 valuation date, their combined market value was \$770k, including an unrealized gain of \$148k. As of the April 30, 2026 valuation date, their combined market value has risen to \$1,037k for a total gain of \$415k which included a realized gain of \$131k in April 2026 plus an unrealized mark-to-market gain of \$284k on the remaining open contracts.</p>
Mine expansion study	<p>Work on desalinated water alternatives continues with two potential providers selected to provide initial estimates for capital and operating costs, and timelines for connecting Fenix Gold project to desalinated water from Copiapó. Results from both providers are now expected to be delivered by June. The selection of one of these providers to supply desalinated water to Fenix Gold will then enable the prefeasibility study for the expansion case to increase the production rate to 80,000 tonnes per day to be completed. Timing for the release of that study is now expected to be Q3 2026. In anticipation of this study, the Fenix Gold permitting team have started work on the baseline study for the expanded mine site EIA, which includes expansion to the existing pits at Fenix north, central and south to form one combined pit, the expansion of the adsorption, desorption, and recovery plant (“ADR plant”), piped water supply, the expanded leach pad footprint, the expanded waste dump footprint, additional water ponds, grid power connection, a truck shop for a large equipment fleet, and other support infrastructure.</p>
Construction activities and budget	<p>In 2025, Rio2 expended the critical capital necessary to get the Fenix Gold Mine to gold production to begin generating cashflow. For 2026, the plan is to complete the deferred capital expenditures required for the mine to go into 2027 at a consistent production rate of 20,000 tonnes per day of ore to pad. During Q1 2026, deferred capital expenditures included completing items around the gold plant and restarting leach pad construction for pad expansion.</p> <p>The remaining capital planned to be expended in 2026 which will be funded out of cash reserves and cashflow consists of capital expenditure items of \$32.5 million and sustaining capital expenditure items of \$1.4 million. See table “<i>Remaining Capital Expenditure Items – Fenix Gold Mine</i>” below.</p>

Planned Remaining Construction Capital Expenditure Items at the Fenix Gold Mine

Total Construction	\$ 32,499
Access roads	241
ADR plant	4,355
Leach pad construction	11,330
Lime plant	1,178
Power generation	2,072
Electric power distribution	1,287
Communications infrastructure	137
Reagents first fill	342
Onsite laboratory	1,710
Truck workshop	9,847
Total Sustaining Construction	\$ 1,370
Preliminary works	-
Camp infrastructure	20
Leach pad expansion	1,350
Total	\$ 33,869

OPERATIONS OF THE CONDESTABLE MINE

The Condestable Mine is an underground polymetallic mining operation located in Peru that produces copper concentrate containing payable copper, gold and silver. As the 99.1% interest in the mine was acquired by the Company effective January 30, 2026, operational and financial results for the Condestable Mine are presented for the period January 30, 2026 to March 31, 2026 and no prior-period information is included as the Company did not have any ownership of the Condestable Mine.

Outlook

The Company continues its work and is evaluating opportunities to expand processing, subject to permitting and completion of certain technical studies.

Production guidance for 2026 (which spans the period from January 30, 2026 to December 31, 2026) is 21,500 – 23,500 tonnes of payable copper equivalent.

Timelines for a proposed expansion, which primarily includes: an increase to tailings surface area, expansion of the current processing plant, and ramp up of tpd, at the Condestable Mine are projected as follows:

Expected Timing	Expected Future Milestone or Activity
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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The Company expects its cash and cash equivalents, expected operating cash flows from the Condestable Mine, and expected refunds of value added taxes within the next 12 months to fund future exploration, and capital expenditures at the Condestable Mine.

Development and Other Key Updates

As noted above in the section “*Outlook*”, the Company continues its work and is evaluating opportunities to expand processing, subject to permitting and completion of certain technical studies. Key updates for the period ended March 31, 2026, are as follows:

Area	Progress to March 31, 2026
Mine Production	<p>Condestable delivered solid operating performance in February and March, processing over 470,000 tonnes of ore at an average copper grade of 0.70%, 0.24 g/t gold and 4.10 g/t silver. Although copper grades were partly below planned grades, this was compensated by higher gold production through higher grades and recoveries. Unit production costs were better than expected at \$38.90/t due to a higher mix of ore being extracted from upper levels of the mine and exchange rates being more favorable than initially estimated. This was achieved despite some difficulties in managing the ore and waste haulage fleet due to a lack of truck operators and larger capacity haulage equipment challenges.</p> <p>Overall processing plant performance was strong. Copper recoveries were marginally below expectations due to higher oxide material in certain near surface sections of the mine, while gold and silver recoveries were materially better than budgeted. Condestable produced 6,403,188 pounds of copper, 3,201 ounces of gold and 48,671 ounces silver during February and March, contained in concentrate.</p>
Human Resources	A total of 1,984 personnel (including contractors) are currently employed at Condestable in mine operations, construction activities and exploration. 99% of the workforce is comprised of Peruvians and 7.6% are female.
Health and Safety	A total of 1,002,501 person-hours has been worked at the mine in Q1 2026, with four LTI for an LTIFR rate of 3.99.
Exploration	Condestable has launched a three-part exploration program for 2026. In Q1, a 45,000 m underground diamond drilling program commenced with the main objective of replacing and increasing mineral resources, and infill drilling to generate short-term reserve models. This is an annual activity at the mine. The second objective consists of increasing and delineating mineral resources close to surface in the Condestable and Raúl areas. The plan is to generate a Cu-Au-Ag mineral resource that can potentially be mined by open-pit methods. The near-surface drilling program will be defined and costed during Q2 , and its execution will take place during H2 . The third objective consists of conducting a 1:25,000 scale geological/structural mapping of the 46,000 hectares of mining concessions. Additionally magnetometry geophysical surveys will be carried out using drones across the entire mining property. This new information, generated during 2026, will be integrated with the existing multi-element surface geochemistry in the current database, with the aim of generating new regional exploration projects. This will be the first time that an exploration program of this kind will have been undertaken over the entire Condestable land package.
Resource/Reserve Update	Rio2 has engaged SLR Consulting to complete an updated mineral resource/reserve estimate (“MRE”) for Condestable, to update the current technical report entitled “NI 43-101 Technical Report on the Condestable Mine, Lima Department, Peru, dated April 12, 2024, effective date December 31, 2022”, prepared by SLR Consulting (Canada) Ltd. in accordance with National Instrument

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	43-101 filed on SEDAR+ under the Company's profile. Rio2 anticipates that the updated MRE will be announced and filed during Q2 2026.
Grade Enhancement and Mine Expansion Planning	During March and April 2026, Condestable performed laboratory scale tests with a third-party ore sorting equipment supplier. The tests focused on low grade stockpiles and historical waste dump material which yielded an increase in copper grade of 1.4 – 1.6x, with rejected material of 30% - 45%, demonstrating significant potential for grade enhancement. Based on these favorable results, Condestable's team is now aiming to initiate a 12-month 1,000 - 1,500 tonne per day (tpd) pilot plant program. The pilot phase will evaluate the economic and technical viability of sorting high grade ore from low-grade material from various stockpiled sources on site. The ore sorting pilot program is one of the potential components of the expansion plan at Condestable, together with the expansion of the underground mine and revaluation of historical resources. The Company expects to receive approval for the modification of the mine EIA during Q3 2026, including an approval for increased processing throughput to 10ktpd. In parallel, the Company's projects team is currently completing the basic engineering, capital cost estimations and timeline for the plant expansion which will be announced when completed.

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	Net Income (loss) ⁽¹⁾	Earnings (Loss) Per Share – Basic ⁽¹⁾	Earnings (Loss) Per Share – Diluted ⁽¹⁾	Total Assets
March 31, 2026	\$ 65,858	\$ 22,291	\$ 0.04	\$ 0.04	\$ 1,220,072
December 31, 2025	-	(7,495)	(0.02)	(0.02)	468,809
September 30, 2025	-	(3,375)	(0.01)	(0.01)	269,223
June 30, 2025	-	(1,174)	(0.00)	(0.00)	210,320
March 31, 2025	-	(1,598)	(0.00)	(0.00)	205,895
December 31, 2024	-	9,077	0.03	0.03	173,803
September 30, 2024	-	(5,111)	(0.02)	(0.02)	120,038
June 30, 2024	-	(2,787)	(0.01)	(0.01)	120,696

⁽¹⁾ For the quarter ended March, 2026, the net income (loss), earnings (loss) per share – basic, and earnings (loss) per share – diluted are the amounts attributable to shareholders of the Company and exclude non-controlling interest amounts.

Q1, 2026 includes the Acquired Entities (including the producing Condestable Mine) from the date of acquisition on January 30, 2026 until March 31, 2026. All other quarters in the above table are pre-acquisition and as such do not include any SPM amounts. During Q1, 2026, the Fenix Gold Mine had its first official gold pour resulting in the Company having sales at both the Condestable Mine and the Fenix Gold Mine during Q1, 2026.

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 prior to inaugural revenues during Q1, 2026. 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, and Q2, 2024 also had large foreign exchange gains in the respective losses for those periods. During

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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 entity balances to US\$. This loss on foreign currency translation, either more than or partially, offsets the foreign exchange gains in earnings, but is another 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 Precious Metals International Ltd. ("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. Total assets increased significantly again during Q1, 2026 in line with the Acquisition of the Acquired Entities and their assets.

RESULTS OF OPERATIONS - VARIANCES

The principal business activities during the three months ended March 31, 2026 were the development and operations of the Fenix Gold Mine (first pour January 2026) and operations at the producing Condestable Mine since its acquisition on January 30, 2026.

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The Company recorded net income of \$22,518 (of which \$22,291 was attributable to shareholders of the Company) for the three months ended March 31, 2026 compared to net income of \$1,598 for the three months ended March 31, 2025. The significant variations between these periods, ranked from largest to smallest, included:

	Three months ended March 31,			
	2026	2025	Variance	Variance explanation
Revenue	\$ 65,858	\$ -	\$ 65,858	During Q1, 2026, the Company began having revenue as a result of the Fenix Gold Mine having its first official pour and metal sale and the Acquisition of the producing Condestable Mine completed on January 30, 2026. The Company had no sales prior to Q1, 2026.
Production Costs	\$ (29,320)	\$ -	\$ (29,320)	During Q1, 2026, the Company had its first sales and as such measured and recorded the related costs of producing this metal as production costs as part of cost of sales.
Fair value gain on stream obligation	\$ 17,231	\$ -	\$ 17,231	During Q1, 2026, the Company assumed a stream obligation on the Acquisition of the Condestable Mine with a fair value of \$319,714. The fair value of this stream obligation was determined to be \$300,403 at March 31, 2026 resulting in a gain of \$19,311.
Depreciation and depletion	\$ (11,890)	\$ -	\$ (11,890)	During Q1, 2026, the Company completed the Acquisition of the producing Condestable Mine which resulted in the Company's first depletion expense for the period from January 30, 2026 (acquisition date) to March 31, 2026. Depreciation of capital assets was also significantly higher attributable to the Condestable Mine during Q1, 2026 as Q1, 2025 depreciation was \$2 and included in general and administrative expenses. Depreciation and depletion during the ramp-up phase (currently ongoing at the Fenix Gold Mine as of the date of this MD&A) is not necessarily indicative of costs to be expected after reaching commercial production. To date no depletion has been recorded at the Fenix Gold Mine.
General, and administrative	\$ (8,430)	\$ (1,895)	\$ (6,535)	Increase in Q1, 2026, as compared to Q1, 2025, is a result of increased operations including the Acquisition of the Condestable Mine as well as peripheral activities around the commissioning of the Fenix Gold Mine.
Income tax expense	\$ (4,781)	\$ -	\$ (4,781)	During Q1, 2026, the Company completed the Acquisition of the producing Condestable Mine which resulted in the Company having taxable income in Peru. The Fenix Gold Mine had its first sales during Q1, 2026; however, utilization of unrecognized tax losses resulted in no taxable income in Chile. The Company had no sales prior to Q1, 2026.
Transaction costs	\$ (4,119)	\$ -	\$ (4,119)	The Company incurred various transaction costs during Q1, 2026, related to the Acquisition of the Condestable Mine.
Finance expense	\$ (2,591)	\$ (64)	\$ (2,527)	Increase in Q1, 2026, as compared to Q1, 2025, is primarily a result of the Company assuming and taking on new loans payable during Q1, 2026. Accretion of the deferred consideration, which made up a portion of the Acquisition purchase price, also attributed to increased finance expense during Q1, 2026. For further details on loans payable (none prior to Q1, 2026), please refer to note 10 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.
Share based compensation	\$ (1,015)	\$ (249)	\$ (766)	A large number of RSUs vested during Q1, 2026, compared to nil outstanding RSUs during the full Q1, 2025. Also during Q1, 2026, 903,332 RSUs were settled resulting in increased share based compensation.

CASH FLOWS FOR THE THREE MONTHS ENDED MARCH 31, 2026

Cash provided by (used in) operating activities

Cash provided by operating activities was \$22,797 during the three months ended March 31, 2026, compared to \$19,264 provided by operating activities during the three months ended March 31, 2025. This change was the predominantly the result of the Company earning income of \$22,518 for the three months ended March 31, 2026, compared to a the Company incurring a loss of \$1,598 in the three months ended March 31, 2025, offset by an outflow of \$481 relating to deferred revenue at Fenix during the three months ended March 31, 2026 compared to an inflow of \$25,000 in the three months ended March 31, 2025 due to the final Wheaton deposit being received by the Company. During the three months ended March 31, 2026, there was also depreciation add-back of \$12,032 (three months ended March 31, 2025 - \$nil), offset by a deferred income tax expense of \$1,581 (three months ended March 31, 2025 - \$nil), income tax expense of \$6,362 (three months ended March 31, 2025 - \$nil) and a gain measured at fair value mine stream relating to Condestable of \$17,231 (three months ended March 31, 2025 - \$nil). Changes in the non-cash components of working capital were a reduction of \$5,392 for the three months ended March 31, 2026 compared to a reduction of \$4,621 for the three months ended March 31, 2025.

Cash used in investing activities

Cash used in investing activities was \$80,283 during the three months ended March 31, 2026, compared to \$16,152 during the three months ended March 31, 2025. The increase was due to \$80,000 cash paid on the acquisition of Condestable, as well as increased investment in the Fenix Gold Mine expenditures capitalized in mineral property, plant, and equipment, partially offset by \$32,245 of cash acquired during the Condestable acquisition. Total cash investments in mineral property, plant, and equipment were \$35,180 during the three months ended March 31, 2026 compared to \$11,775 in the three months ended March 31, 2025.

Cash provided by financing activities

Cash provided by financing activities was \$103,518 during the three months ended March 31, 2026, compared to \$46 provided by financing activities during the three months ended March 31, 2025. The large increase from 2025 was due to \$131,771 of proceeds, net of share issuance costs, received on the issuance of common shares during the three months ended March 31, 2026. The proceeds of the issuance of capital stock (which was raised to fund the acquisition of Condestable) was partially offset by repayment of loans of \$26,542, as well as loan structure costs of \$1,300. During the three months ended March 31, 2026, \$768 of cash proceeds were received on the exercise of stock options, compared to \$83 in the three months ended March 31, 2025.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2026, the Company had cash and cash equivalents totalling \$93,122 (December 31, 2025 - \$46,375) and current liabilities of \$203,162 (December 31, 2025 - \$199,411). The current liabilities are primarily accounts payable and accrued liabilities of \$98,162 (December 31, 2025 - \$25,932), the current portion of stream obligation of \$46,472 (December 31, 2025 - \$nil), the current portion of deferred revenue of \$32,084 (December 31, 2025 - \$33,653), the current portion of loans payable of \$14,448 (December 31, 2025 - \$nil), income tax payable of \$7,171 (December 31, 2025 - \$nil) and the current portion of lease liabilities of \$4,760 (December 31, 2025 - \$152).

The increase in cash and cash equivalents during the quarter was primarily attributable to the receipt of escrowed cash on January 30, 2026 on the satisfaction of the escrow release conditions relating to the closing of the December bought deal financing (see "Other Financings" below), cash acquired as part of the SPM Acquisition and operating cash flow generated from the Condestable Mine and Fenix Gold Mine,

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partially offset by cash consideration paid in connection with the SPM Acquisition, capital expenditures at the Fenix Gold Mine and Condestable Mine, debt repayments, and corporate expenditures.

Management believes the Company has sufficient financial resources to fund its current operating plans, capital expenditures, meeting working capital requirements, and meet its obligations, including debt service obligations, for a period greater than 12 months. These resources include, but are not limited to, its cash and cash equivalents, 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.

Management's capital allocation strategy is focused on maintaining financial flexibility while advancing the Company's operating, development and growth objectives. The Company intends to use available cash balances and internally generated operating cash flow to fund sustaining capital requirements, ramp-up and development activities at the Fenix Gold Mine, exploration and other development programs, and the advancement of expansion and other growth initiatives across its asset portfolio.

Management also continues to prudently manage indebtedness while balancing reinvestment in the business with the maintenance of adequate liquidity and financial flexibility. Based on the Company's current operating plan, management does not currently anticipate requiring additional financing to fund its planned operations, capital programs and committed expenditures over 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 March 31, 2026:

	Within 1 year	2 to 5 years	Over 5 years	Total
Lease commitments	\$ 3,019	\$ 2,828	\$ -	\$ 5,847
Asset retirement obligation	66	802	22,051	22,919
Water supply contract	631	2,523	7,411	10,565
Capital expenditure commitments	14,584	-	-	14,584
Loans Payable	21,253	67,014	10,629	98,896
Deferred Payment	-	37,000	-	37,000
	\$ 39,553	\$ 110,167	\$ 40,091	\$ 189,811

In addition to the above commitments, the Company also has a stream obligation as per Note 15 of the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2026.

Other Significant Financings

Equity

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. These net proceeds were held in escrow until the escrow release conditions were satisfied on January 30, 2026 (see note 4 of the condensed interim consolidated financial statements for the three months ended March 31, 2026 for further details) at which time the Company received these net proceeds and consequently 86,094,750 common shares were issued to the subscription receipts subscribers (see note 19 of the condensed interim consolidated financial statements for the three months ended March 31, 2026 for further details). The Company incurred \$4,334 of related share issuance costs. The net proceeds

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of this financing were applied in part toward the cash consideration in the Acquisition, and for general corporate and working capital purposes.

Debt – Loans Payable

As part of the total consideration paid for the Acquisition on January 30, 2026, the Company issued vendor financed debt (“Vendor Debt”) of \$65.0 million comprised of a \$55.0 million Senior Promissory Note and a \$10.0 million Mezzanine Note. During the period from Acquisition (inception of the debt) to March 31, 2026, the Company fully repaid the Mezzanine Note and reduced the Senior Promissory Note to \$45.0 million through voluntary repayments.

The Senior Promissory Note matures on January 30, 2032 and bears interest at a variable annual rate equal to the U.S. Prime Rate plus an applicable margin of 5.0% during the 540-day grace period and 4.0% thereafter. Interest is payable quarterly and scheduled principal repayments commence following an initial 540-day grace period. Following the 540-day grace period, the Senior Promissory Note requires quarterly principal repayments of \$2.5 million, with the remaining outstanding balance due at maturity. The Company may voluntarily prepay the Senior Promissory Note, or a portion thereof, without penalty.

The Senior Promissory Note is secured by the assets of the Company and contains customary affirmative and negative covenants, including limitations on additional indebtedness, liens, asset sales and restricted payments. The agreement also includes financial covenants requiring the Company to maintain: (i) a maximum leverage ratio of 3.50:1.00 at all times, calculated at the end of each financial quarter; (ii) a minimum ratio of adjusted consolidated earnings before interest, taxes, depreciation, and amortization (EBITDA) to consolidated debt service of 1.00:1.00 for the financial quarter ended March 31, 2026 and 1.50:1.00 at all times thereafter calculated at the end of each financial quarter; and (iii) maintain a minimum cash and cash equivalents balance of not less than \$2,000 (or equivalent amount in any currency that is not US\$). As at March 31, 2026, the Company was in compliance with all applicable covenants under the Senior Promissory Note. For further details on loans payable including the vendor-financed debt and other loans payable assumed on Acquisition of SPM, please see note 10 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.

OFF-BALANCE SHEET ARRANGEMENTS

At March 31, 2026, 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 & Corporate Secretary. Key management compensation for the three months ended March 31, 2026, and 2025 was as follows:

	Three months ended March 31, 2026		December 31, 2025	
Senior management employment costs	\$	264	\$	273
Directors fees		52		50
Share-based compensation		522		79
	\$	838	\$	402

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As of March 31, 2026, there were no amounts due to related parties (December 31, 2025 - \$nil).

PROPOSED TRANSACTIONS

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

CONTINGENCIES

During Q1 2026, the Company contested a tax assessment from the Chilean Internal Revenue Service ("Servicio de Impuestos Internos" or "SII") regarding a 35% additional tax on 2021 service payments made by its subsidiary Fenix Gold Limitada to Rio2 SAC, a subsidiary of the Company in Peru. The SII alleges there is insufficient proof that these services were rendered from abroad. The total maximum exposure as of the date of these financial statements, including the principal tax, readjustments, interest, and fines, is \$3,015,311,850 CLP (approximately \$3,350,000 USD at an exchange rate of 900 CLP per USD).

After exhausting administrative appeals during the first quarter, the Company, supported by external legal counsel, filed a formal claim with the Tax and Customs Court ("TTA") in May 2026. Because the final outcome of this litigation and the timing of any potential resolution are highly uncertain and cannot be reliably estimated at this stage, no provision has been recognized for this matter in the consolidated financial statements. The Company intends to continue vigorously defending its position in court.

Management has assessed the uncertain tax treatments related to the Fenix Gold dispute and concluded that it is probable the taxation authority will accept the company's position and as such does not expect any material cash outflows related to this matter. Accordingly, no additional tax provision has been recognized.

SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the following events occurred.

- a. On April 1, 2026, the Company granted 1,462,500 stock options to certain executive officers, management, employees, and directors of the Company. These options are exercisable at a price of C\$3.00 per share and expire five years from the grant date.
- b. On April 1, 2026, the Company granted 1,017,500 RSUs to certain executive officers, management, employees, and directors of the Company. These RSUs are subject to certain vesting provisions.
- c. Subsequent to March 31, 2026 and up to the date of this MD&A, a total of 99,000 stock options were exercised at exercise prices ranging from C\$0.65 to C\$0.70 per share.

RISKS AND UNCERTAINTIES

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

Limited History of Operations

While the Company has commenced production at the Fenix Gold Mine and completed the acquisition of the Condestable Mine in January 2026, the Company's track record of operations remains relatively short. 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 operations and corporate development, including the risks associated with further development as the Company transitions from an exploration and development-stage company to a multi-asset producer.

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 with 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, royalties or taxes;
- 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, severe climate impacts, or natural disasters;
- 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;
- Rio2's ability to finance its share of project costs or obtain financing 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 studies. 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 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.

Supply Chain Disruptions

The Company's mining operations are dependent on the reliable supply of critical inputs, including hydrogen sulfide (H₂S) and diesel fuel. Any disruption or shortage in the supply of these materials, or an increase in the cost of supply to the Company, could impair the Company's ability to conduct mining operations as planned and could materially and adversely affect its business, financial condition, and results of operations. The supply chains for H₂S and diesel are subject to risks beyond the Company's control, including global supply-demand imbalances, geopolitical instability, trade restrictions, transportation disruptions, natural

disasters, and regulatory changes. In addition, the cost of these inputs is influenced by market dynamics, governmental policies and geopolitical instability, among other factors. The Company may not be able to procure critical inputs in sufficient quantities or on commercially reasonable terms, particularly in remote mining regions where logistics networks are limited. If it is unable to secure adequate supplies of critical inputs, the Company may be required to curtail, suspend, or discontinue operations at one or more sites, resulting in production losses, increased costs, project delays, and failure to meet contractual obligations. Any sustained increase in the cost of these inputs could also reduce the Company's margins. Although the Company seeks to mitigate these risks through strategic inventories, long-term supply agreements, and supplier diversification, there can be no assurance that these measures will be sufficient to prevent disruptions or shortages. In such circumstances, the Company's business, financial condition, results of operations, and prospects could be materially and adversely affected.

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) 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; (ii) it may limit Rio2's ability to declare dividends on its common shares; (iii) Rio2 may be vulnerable in a downturn in general economic conditions; and (iv) 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. In addition, the Company's debt instruments contain financial and other covenants, and a breach of any such covenants could result in an event of default or acceleration of outstanding indebtedness, which could have a material adverse effect on the Company's financial condition and results of operations.

Future Financing

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

Commodity Prices

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

Future Production Rates

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

The Company's actual production may vary from its estimates for a variety of reasons, including, but not limited to: actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, hurricanes, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; shortages of principal supplies needed for operation,

including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labour shortages or strikes; civil disobedience and protests; and restrictions or regulations imposed by government agencies or other changes in the regulatory environments. Such occurrences could result in damage to our properties, interruptions in production, injury or death to persons, damage to property of the Company or others, monetary losses and legal liabilities. These factors may cause a property that has been mined profitably in the past to become unprofitable forcing the Company to cease production. Depending on the price of gold and copper, the Company may determine that it is impractical to commence or, if commenced, to continue commercial production at one or more of its operations.

Impact of Inflation and Interest Rates

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

Foreign Jurisdictions Risks

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

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

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

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 products, may be subject to interruptions or trade barriers due to policies and tariffs or import/export restrictions of individual countries. Rio2's 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 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 relies on consultants, engineers and others 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 to develop or expand 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, development and operation of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, including the integration of the Condestable Mine operations, 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. Rio2 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 may include surfacing main roads and applying dust suppressants to minimize water use for dust control, utilizing Thermofilm covers on the leach pad to reduce evaporation, and covering ponds with floating covers or floating ball technology. Despite these measures, the Company's inability to secure adequate water supplies at reasonable cost could materially and adversely affect its 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.

In addition, the Company's mining operations rely on operational technology systems, including automated equipment and control systems, which may be vulnerable to cyber-attacks or disruptions that could affect production and safety. 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. New technological advances such as machine learning and generative artificial intelligence pose additional 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.

Potential Conflicts of Interest

There are potential conflicts of interest which the directors and officers of the Company may be subject to 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 condensed interim consolidated financial statements for the three months ended March 31, 2026. These include changes in accounting policies, including amended policies as a result of the SPM Acquisition and the Fenix Gold Mine having its first sale during Q1, 2026. 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 condensed interim consolidated financial statements for the three months ended March 31, 2026.

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 condensed interim consolidated financial statements for the three months ended March 31, 2026. The most significant estimates applied to the Company's financial statements include the asset retirement obligation, mineral reserve and resource, derivative instruments – stream obligation, and valuation of net assets acquired in business combinations. Key judgements include 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

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statement of financial position date, and how the Company manages those risks. Please refer to Note 26 of the Company's condensed interim financial statements for the three months ended March 31, 2026 for further details and a discussion of the factors that impact Rio2.

ADOPTION OF NEW ACCOUNTING STANDARDS OR AMENDMENTS

Financial Instruments (IFRS 9) and Financial Instruments: Disclosures (IFRS 7)

In May 2024, the IASB issued amendments to the classification and measurement of financial instruments. These amendments updated classification and measurement requirements in *IFRS 9 - Financial Instruments* and related disclosure requirements in *IFRS 7 - Financial Instruments: Disclosures*. For further details, please refer to note 3 of the condensed interim consolidated financial statements for the three months ended March 31, 2026.

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.

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

BOARD OF DIRECTORS

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

OUTSTANDING COMMON SHARES, OPTIONS, AND RESTRICTED SHARE UNITS

As at May 15, 2026 there were 548,481,510 issued and fully paid common shares.

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Stock Options

The following table summarizes the Company’s stock options as at May 15, 2026:

Outstanding			Exercisable	
Number of Options	Weighted average remaining contractual years	Weighted average exercise price C\$	Number of Options	Weighted average exercise price C\$
2,650,000	0.37	0.65	2,650,000	0.65
1,500,000	0.68	0.65	1,500,000	0.65
5,167,000	1.68	0.30	5,167,000	0.30
5,615,433	3.69	0.70	1,545,433	0.70
200,000	4.16	1.60	-	1.60
400,000	4.27	1.84	-	1.84
1,462,500	4.90	3.00	-	3.00
16,994,933	2.42	0.80	10,862,433	0.49

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 & 2026 Stock Option Plan respectively, and final regulatory approval and if applicable, shareholder approval.

RSUs

As at May 15, 2026 there were 2,044,168 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 May 8, 2026. 375,000 RSUs vest 1/3 equally over a three-year period and the remaining 1,669,168 RSUs vesting is based on the achievement of certain performance metrics.

QUALIFIED PERSONS

Enrique Garay, P.Geo./FAIG, M. Sc., Senior Vice President – Mining and General Manager of Condestable 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 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 the Fenix Technical Report was addressed to Rio2 Limited.

Where appropriate, certain information contained in this MD&A regarding the Company’s Condestable Mine or in a document incorporated or deemed to be incorporated by reference herein updates information from the report entitled “Technical Report on the Condestable Mine, Lima Department, Peru” dated April 12, 2024, with an effective date of December 31, 2022, prepared by SLR Consulting (Canada) Ltd. (the “Condestable Technical Report”). The qualified persons involved in the preparation of the Condestable Technical Report were Rosmery J. Cárdenas Barzola, P.Eng., Philip A. Geusebroek, M.Sc., P.Geo., Varun Bhundhoo, ing., Brenna J.Y. Scholey, P.Eng., Luis Vasquez, M.Sc., P.Eng., and Jason J. Cox, P.Eng. and the Condestable Technical Report was addressed to Ariana Management Corporation S.A.C.

Any updates to the scientific or technical information derived from the Fenix Technical Report or Condestable Technical Report and any other scientific or technical information contained in this MD&A were approved by Enrique Garay, P.Geol./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 operations at the Fenix Gold Mine, including drilling program expectations, budget and timelines; commissioning of the Tailings Filtration Facility at the Condestable Mine, including timing for commissioning and commercial operations and the investment cost; publication of an update on the Fenix Gold mineral resources, and the Raúl and Condestable mines; the Company's strategy and milestones for operations at the Condestable Mine, including exploration activities, key programs, milestones, budget and timelines; geological/structural mapping to be completed in respect of the Condestable Mine; completion of the expansion pre-feasibility study; targeted production levels; expectations around financial resources to support operations; 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, development and production 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). Furthermore, the forward-looking statements contained 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.

NON-IFRS MEASURES AND DEFINITIONS

The Company uses certain non-IFRS performance measures in this MD&A. Non-IFRS financial measures do not have any standardized meaning under IFRS and may not be comparable to similar measures presented by other issuers. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, management and certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

ADJUSTED NET INCOME

Management uses Adjusted net income to evaluate the Company's operating performance, and to plan and forecast its operations. The Company believes the use of Adjusted net income reflects the underlying operating performance of our core mining business and allows investors and analysts to compare results of the Company to similar results of other mining companies. Management's determination of the components of Adjusted net income is evaluated periodically and is based, in part, on a review of non-IFRS financial measures used by mining industry analysts. The tax effect of adjustments are based on statutory tax rates and the Company's tax attributes, including the impact through the Company's valuation allowance. The combined effective rate of tax adjustments may not be consistent with the statutory tax rates or the Company's effective tax rate due to jurisdictional tax attributes and related valuation allowance impacts which may minimize the tax effect of certain adjustments and may not apply to gains and losses equally. Adjusted net income is reconciled to Net income in the following table:

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In thousands except per share amounts		Q1 2026		Q1 2025
Net income (loss)	\$	22,291	\$	(1,598)
Add back:				
Acquisition related transaction costs	\$	4,119	\$	0
Restructuring costs	\$	1,941	\$	0
Share-based compensation	\$	1,015	\$	249
Fair value gain on Stream Obligation	\$	(17,231)	\$	0
Adjusted net income (loss)	\$	12,135	\$	(1,349)
Adjusted net income (loss) per share, Basic	\$	0.02	\$	0.00
Adjusted net income (loss) per share, Diluted	\$	0.02	\$	0.00

EBITDA AND ADJUSTED EBITDA

Management uses Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") to evaluate the Company's operating performance, to plan and forecast its operations, and assess leverage levels and liquidity measures. The Company believes the use of EBITDA reflects the underlying operating performance of our core mining business and allows investors and analysts to compare results of the Company to similar results of other mining companies. EBITDA and Adjusted EBITDA do not represent, and should not be considered an alternative to, Net income (Loss) or Cash Flow from Operations as determined under IFRS. Other companies may calculate Adjusted EBITDA differently and those calculations may not be comparable to our presentation. Adjusted EBITDA is reconciled to Net income (loss) in the following table:

In thousands		Q1 2026		Q1 2025
Net income (loss)	\$	22,291	\$	(1,598)
Add back:				
Finance costs, net	\$	1,905	\$	64
Income tax expense	\$	4,781	\$	0
Depletion, Depreciation and Amortization	\$	11,997	\$	2
EBITDA	\$	40,974	\$	(1,532)
Acquisition related transaction costs	\$	4,119	\$	0
Restructuring Costs	\$	1,941	\$	0
Share-based Compensation	\$	1,015	\$	249
Fair value gain on Stream Obligation	\$	(17,231)	\$	0
Adjusted EBITDA		30,818		(1,283)

Cash cost per gold ounce sold

Cash cost is a common financial performance measure in the gold mining industry; however, it has no standard meaning under IFRS. For the Fenix Gold Mine, the Company reports cash costs on a per gold ounce sold basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from mining operations. Cash costs are calculated as mine site operating costs, net of non-recurring items that are not reflective of the underlying operating performance of the Company and are net of silver revenue. Cash costs are divided by ounces sold to arrive at cash costs per oz sold. In calculating cash costs, the Company deducts silver revenue as it considers the cost to produce the gold is reduced as a result of the by-product sales incidental to the gold production process, thereby allowing management and other stakeholders to assess the net costs of gold production. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

Cash cost per payable copper pound produced

Cash cost is a common financial performance measure in the mining industry; however, it has no standard meaning under IFRS. For Condestable, the Company reports copper cash costs on a per payable copper pound produced basis. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate operating income and cash flow from mining operations. Cash costs are calculated as mine site operating costs, net of non-recurring items that are not reflective of the underlying operating performance of the Company and are net of gold and silver revenue. Cash costs are divided by payable copper pounds produced to arrive at cash costs per pound. In calculating cash costs, the Company deducts gold and silver revenue as it considers the cost to produce the copper is reduced as a result of the by-product sales incidental to the copper production process, thereby allowing management and other stakeholders to assess the net costs of payable copper production. The measure is not necessarily indicative of cash flow from operations under IFRS or operating costs presented under IFRS.

All-in Sustaining Costs ("AISC") and All-in Costs

AISC is a non-IFRS measure and was calculated based on guidance provided by the World Gold Council (WGC). Other mining companies may calculate differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining versus development capital expenditures.

Includes cash cost (as defined above), sustaining capital expenditures, reclamation and other closure cost accretion and amortization and lease payments (cash basis). As this measure seeks to reflect the full cost of production from current operations, expansionary capital and certain exploration costs are excluded as these are costs typically incurred to extend mine life or materially increase the productive capacity of existing assets, or for new operations. Corporate general and administrative expenses of Rio2 Limited have also been excluded as any attribution of these costs to an operating site would not necessarily be reflective of costs directly attributable to the administration of the site. However, site level administration costs allocable to Condestable operations are included as they directly support the operating Condestable copper mine. Certain other cash expenditures, including tax payments, financing charges (including capitalized interest) and costs related to business combinations, asset acquisitions and asset disposals are also excluded.

All-in Costs is comprised of AISC plus expansionary capital expenditures and expansionary exploration.

Most directly comparable IFRS measure

Production costs from continuing operations.

Why management uses the measure and why it may be useful to investors

The Company believes that this measure represents the total sustainable costs of producing copper and gold from current operations, and provides the Company and other stakeholders of the Company with additional information of the Company's operational performance and ability to generate cash flows.

Sustaining capital expenditures

This measure is defined as cash basis expenditures which maintain existing operations and sustain production levels.

Expansionary capital expenditures

This measure is defined as cash-basis expenditures which increase current or future production capacity, cash flow or earnings potential and are reported excluding capitalized interest. Where an expenditure both

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maintains and expands current operations, classification would be based on the primary decision for which the expenditure is being made.

Most directly comparable IFRS measure

Investment in mineral properties, plant and equipment and other exploration expenses.

Why management uses the measure and why it may be useful to investors

Sustaining capital expenditures provide an understanding of costs required to maintain existing production levels. Expansionary capital expenditures provide information on costs required for future growth of existing or new assets.

AISC per gold ounce sold and AISC per payable copper pound produced

The following reconciliations outline the calculation followed by the Company to calculate cash costs, All-in sustaining costs and All-in costs in absolute dollar terms, and on a per unit basis.

Fenix Gold		Q1 2026		Q1 2025
On-site mining and processing costs (on a sales basis)	\$	10,069	\$	N/A
Community costs related to current operations	\$	231	\$	N/A
3rd party smelting, refining and transport costs	\$	52	\$	N/A
By-product and co-product credits	\$	(43)	\$	N/A
Cash Cost⁽¹⁾	\$	10,309	\$	N/A
Corporate/regional G&A, incl. share-based remuneration (sustaining)	\$	450	\$	N/A
Reclamation & remediation — accretion & amortisation (operating sites)	\$	160	\$	N/A
Capital exploration (sustaining)	\$	772	\$	N/A
Sustaining capital expenditure	\$	629	\$	N/A
All-in Sustaining Cost (AISC)⁽¹⁾	\$	12,320	\$	N/A
Capital exploration (non-sustaining)	\$	77	\$	N/A
All-in Cost (AIC)⁽¹⁾	\$	12,397	\$	N/A
<i>Per gold ounce sold: ⁽²⁾</i>				
Cash cost per gold ounce sold	US\$/oz	2,620	US\$/oz	N/A
AISC per gold ounce sold	US\$/oz	3,131	US\$/oz	N/A
AIC per gold ounce sold	US\$/oz	3,151	US\$/oz	N/A

⁽¹⁾ These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

⁽²⁾ Q1 2025 figures are not available ("N/A") as the Company's only asset was the Fenix Gold Mine and it did not have production or sales during Q1 2025.

⁽³⁾ Per-unit measures use gold ounces sold as the denominator.

Condestable		Q1 2026		Q1 2025
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Total production costs	\$	19,477	\$	N/A
Treatment and refining charges and commercial expenses	\$	1,477	\$	N/A
By-product credits, net of stream impact ⁽³⁾	\$	(8,701)	\$	N/A
Cash Cost (including stream impact)⁽¹⁾⁽³⁾	\$	12,253	\$	N/A
Sustaining capital expenditures	\$	4,040	\$	N/A
Other indirect and administrative costs	\$	1,053	\$	N/A
All-in Sustaining Cost (AISC, including stream impact)⁽¹⁾⁽³⁾	\$	17,346	\$	N/A
Expansionary capital expenditures (mainly tailings filter plant)	\$	2,472	\$	N/A
All-in Cost (AIC, including stream impact)⁽¹⁾⁽³⁾	\$	19,818	\$	N/A
<i>Per payable copper pound produced (including stream effect):⁽⁴⁾</i>				
Cash cost (incl. stream effect)	US\$/lb	2.01	US\$/lb	N/A
AISC (incl. stream effect)	US\$/lb	2.84	US\$/lb	N/A
AIC (incl. stream effect)	US\$/lb	3.25	US\$/lb	N/A

⁽¹⁾ These are non-IFRS Measures. See section NON-IFRS MEASURES AND DEFINITIONS of this MD&A.

⁽²⁾ Q1 2025 figures are not applicable ("N/A") as Condestable Mine was acquired by Rio2 on January 30, 2026.

⁽³⁾ Stream impact reflects the Franco Nevada stream.

⁽⁴⁾ Per-unit measures use pounds of payable copper produced as the denominator.

Realized price per pound and realized price per ounce

Defined as revenue from metal sales (copper and gold) adding back treatment and refining charges, cash effects of gold streams, recognition of deferred revenue from the allocation of upfront streaming proceeds, divided by the volume of metal sold in the period.

Most directly comparable IFRS measure

Revenue from continuing operations.

Why management uses the measure and why it is useful to investors

These measures provide an understanding of the price realized in each reporting period for metal sales.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

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 ("ICFR"). The Company's ICFR 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 ICFR, 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.

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Excluding the Acquired Entities (as discussed below), the Company's management has determined that there have been no significant changes in the Company's ICFR during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

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 March 31, 2026 and concluded that, excluding the Acquired Entities (as discussed below), these disclosure controls and procedures were appropriately designed and operating effectively as at March 31, 2026.

On January 30, 2026, the Company completed the SPM Acquisition. As permitted under Section 3.3(1)(b) of National Instrument 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, which allows for an issuer to limit the design of Internal Controls over Financial Reporting and Disclosure Controls and Procedures to exclude a business that the issuer acquired not more than 365 days before the end of March 31, 2026, the Company has excluded the internal controls of SPM's entities from its assessment of the effectiveness of internal control over financial reporting for the three months ended March 31, 2026. The Company is in the process of integrating SPM's operations and internal control framework and expects to include SPM's entities in the scope of its internal control assessments in future reporting periods.

The summary financial information of the Acquired Entities included in the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 is as follows:

	As at March 31, 2026	
Current assets	\$	67,869
Non-current assets	\$	780,107
Current liabilities	\$	138,898
Non-current liabilities	\$	454,423

	Three months ended March 31, 2026 ⁽¹⁾	
Revenue	\$	47,127
Income from operations	\$	15,203
Income (loss) before income taxes	\$	31,476

(1) Reflects financial information of the Acquired Entities from January 30, 2026, upon closing of the SPM Acquisition, through March 31, 2026, and that is included in the Company's unaudited interim consolidated financial statements for the three months ended March 31, 2026.