ATICO MINING CORPORATION

MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in United States Dollars)

For the three and six months ended June 30, 2026

GENERAL

This management's discussion and analysis ("MD&A") for Atico Mining Corporation (the "Company" or "Atico") is intended to help the reader understand the significant factors that have affected Atico and its subsidiaries performance and such factors that may affect its future performance. This MD&A, which has been prepared as of August 18, 2026, should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025, and 2024, and the unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2026 and 2025, and the related notes contained therewith. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). All dollar amounts included in the following MD&A are in the United States ("US") dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR+ at www.sedarplus.ca.

This MD&A refers to certain non-GAAP financial measures such as cash cost per tonne of processed ore and cash cost per pound of payable copper produced, used by the Company to manage and evaluate operating performance. These measures are widely reported in the mining industry but do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. The Company believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. Accordingly, non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. To facilitate a better understanding of these measures as calculated by the Company, we have provided detailed descriptions and reconciliations as required.

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COMPANY OVERVIEW

The Company was incorporated under the laws of the Yukon Territory on April 15, 2010, continued pursuant to the laws of British Columbia effective October 17, 2011, and its fiscal year end is December 31. The Company is headquartered at Suite 501 - 543 Granville Street, Vancouver, British Columbia, Canada and has regional offices in Colombia, Peru, and Ecuador.

The Company is engaged in copper-gold mining and related activities including exploration, development, extraction, and processing in Colombia and the acquisition, exploration and development of copper and gold projects in Latin America. The Company completed its initial public offering ("IPO") in March 2012. In conjunction with the IPO, Atico began trading on the TSX Venture Exchange ("TSX-V") under the symbol "ATY".

On November 22, 2013, the Company acquired a 90% interest in Minera El Roble S.A ("MINER"), gaining control of the producing El Roble underground copper-gold-silver mine and surrounding claims in Colombia. Since the acquisition, the Company has expanded the mine's nominal processing capacity from 400 tonnes per day to 1,000 tonnes per day.

On September 11, 2019, the Company acquired Toachi Mining Inc. ("Toachi"), which held a 60% interest in Compañía Minera La Plata S.A. ("CMLP"), owner of the La Plata project in Ecuador, a gold-rich volcanogenic massive sulphide deposit with exploration potential. On August 20, 2021, the Company acquired the remaining 40% interest in CMLP, resulting in the project becoming a wholly owned subsidiary.

SECOND QUARTER 2026 FINANCIAL AND OPERATING HIGHLIGHTS

- Revenue for the quarter decreased 18% to $17.4 million from $21.1 million in Q2-2025, due to lower sales volume which was partially offset by higher metal prices. Copper ("Cu") and gold ("Au") accounted for 69% and 31% of the 4,989 (Q2-2025 – 7,842) dry metric tonnes of concentrate ("DMT") sold during Q2-2026.

- The average realized price per metal was $6.26 (Q2-2025 - $4.47) per pound of copper and $4,417 (Q2-2025 - $3,406) per ounce of gold.

- Income from operations was $0.6 million (Q2-2025 - $2.3 million) and cash flows from operations, before changes in non-cash working capital, was $2.7 million (Q2-2025 - $4.9 million). Cash used for investing activities amounted to $2.0 million (Q2-2025 - $2.3 million).

- Net loss was $0.2 million for the quarter, compared with a $2.7 million net income in Q2-2025.

- As at June 30, 2026, the Company had a working capital deficit of $12.1 million (December 31, 2025 – $20.2 million). The Company had $6.9 million (December 31, 2025 - $6.7 million) in long-term loans payable and $2.7 million (December 31, 2025 - $Nil) in long-term arbitration award payable included in other liabilities.

- Cash costs in Q2-2026 were $228.90 per tonne of processed ore (up 39% from Q2-2025 – $164.26) and $3.43 per pound of payable copper produced (net of by-product credits) (up 98% from Q2-2025 – $1.73) (refer to non-GAAP Financial Measures). The increase in cash cost per tonne primarily reflects the strengthening of the Colombian peso against the U.S. dollar which increased production costs when translated into U.S. dollars. Cash costs were also impacted by higher mining costs associated with higher stope preparation and ground support costs as mining operations transition to the upper zones of the mine. The increase in cash costs per pound of payable copper produced was primarily driven by higher production costs, as mentioned above, and lower gold by-product credits because of lower head grades during Q2-2026.

- Cash margin was $2.83 (Q2-2025 - $2.74) per pound of payable copper produced (refer to non-GAAP Financial Measures), up 4% from Q2-2025, as higher realized copper prices in Q2-2026, were largely offset by higher cash costs per pound noted above.

- All-in sustaining cash cost per payable pound of copper produced in Q2-2026 increased to $5.82 from $3.91 in Q2-2025 (refer to non-GAAP Financial Measures), mainly because of higher production costs driven by the strengthening of the Colombian peso against the U.S. dollar, and the lower gold by-product credits (as described above).

- The Company produced 5,332 (Q2-2025 – 5,590) DMT of concentrate with a metal content of 2.1 million (Q2-2025 – 2.2 million) lbs of copper and 1,479 (Q2-2025 – 2,385) oz of gold.

- Processed tonnes decreased 14% to 53,585 compared to 62,007 in Q2-2025.

RESULTS OF OPERATIONS

El Roble mine review

The El Roble mine is an underground copper, gold and silver mine and processing plant located in the Department of Choco in Colombia. Its commercial product is a copper concentrate with gold and silver by-product credits.

For over twenty-three years, the mine had processed, with an historic nominal capacity of 400 tonnes per day, a total of over 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 g/t. In 2018, the operation completed an expansion to a nominal capacity of 1,000 tonnes per day. Copper and gold mineralization at the El Roble property occurs in volcanogenic massive sulfide lenses.

On May 23, 2025, the Company and the National Mining Agency of Colombia ("NMA") executed a new 30-year mining agreement and related title for the El Roble mine.

The table below shows the main variables used by management to measure operating performance of the mine: throughput, grade, recovery, metal production and cost.

El Roble operating performance

	YTD 2026	**Q2 2026**	**Q1 2026**	YTD 2025	Q2 2025	Q1 2025
Production (contained metals)[1]						
Copper (000 lbs)	**4,163**	**2,070**	**2,093**	4,380	2,161	2,220
Gold (oz)	**3,604**	**1,479**	**2,125**	3,963	2,385	1,578
Silver (oz)	**12,213**	**5,528**	**6,685**	15,753	8,622	7,131
Mining						
Material (tonnes)	**109,785**	**53,156**	**56,629**	117,099	60,633	56,467
Milling						
Milled (tonnes)	**109,618**	**53,585**	**56,033**	116,985	62,007	54,978
Tonnes per day	**761**	**787**	**734**	801	830	773
Copper grade (%)	**1.88**	**1.90**	**1.86**	1.84	1.74	1.96
Gold grade (g/t)	**1.51**	**1.26**	**1.75**	1.78	2.08	1.44
Silver grade (g/t)	**6.36**	**5.45**	**7.22**	10.65	11.01	10.26
Recoveries						
Copper (%)	**91.6**	**92.4**	**90.9**	92.1	91.1	93.3
Gold (%)	**67.8**	**68.4**	**67.2**	59.7	57.6	62.1
Silver (%)	**56.0**	**60.7**	**51.4**	39.3	39.3	40.2
Concentrate						
Cu concentrate produced (DMT)	**10,555**	**5,332**	**5,223**	11,353	5,590	5,763
Copper (%)	**17.9**	**17.7**	**18.2**	17.5	17.5	17.5
Gold (g/t)	**10.6**	**8.5**	**12.6**	10.9	13.3	8.5
Silver (g/t)	**35.9**	**32.1**	**39.8**	43.2	48.0	38.5
Payable copper produced (000 lbs)	**3,906**	**1,943**	**1,963**	4,099	2,019	2,080
Cash cost per pound of payable copper produced[2]	**2.40**	**3.43**	**1.39**	2.38	1.73	3.00

[1] May be subject to adjustments due to final settlement and final assays.
[2] Net of by-product credits (refer to non-GAAP Financial Measures).

In Q2-2026, the Company produced 2.1 million lbs of copper, 1,479 oz of gold, and 5,528 oz of silver.

During Q2-2026, the mill operated for 68 days, a decrease of 9% compared to 75 days of operation in Q2-2025. Average copper head grades increased by 9% and gold head grades decreased by 39% relative to Q2-2025. Recoveries were 92.4% (Q2-2025 – 91.1%) for copper and 68.4% (Q2-2025 – 57.6%) for gold.

(Expressed in US dollars, unless otherwise indicated)

Cash costs in Q2-2026 were $228.90 per tonne of processed ore (up 39% from Q2-2025 – $164.26) and $3.43 per pound of payable copper produced (net of by-product credits) (up 98% from Q2-2025 – $1.73) (refer to non-GAAP Financial Measures). The increase in cash cost per tonne primarily reflects the strengthening of the Colombian peso against the U.S. dollar which increased production costs when translated into U.S. dollars. Cash costs were also impacted by higher mining costs associated with higher stope preparation and ground support costs as mining operations transition to the upper zones of the mine. The increase in cash costs per pound of payable copper produced was primarily driven by higher production costs, as mentioned above, and lower gold by-product credits because of lower head grades during Q2-2026.

All-in sustaining cash cost per payable pound of copper produced in Q2-2026 increased to $5.82 from $3.91 in Q2-2025 (refer to non-GAAP Financial Measures), mainly because of higher production costs driven by the strengthening of the Colombian peso against the U.S. dollar and the lower gold by-product credits (as described above).

Cash used for capital expenditure activities at El Roble mine during Q2-2026 was $1.8 million (Q2-2025 - $1.8 million), primarily due to mine (underground) development, near-mine (underground) exploration drilling, and equipment additions.

Mining in Q2-2026 focused primarily on the Zeus ore body located in the lower zone of the mine, with supplementary activity in the Principal, Maximus, Cuerpo B, Rosario, Afrodita, and Goliat. Ore production was sourced from both primary and secondary stopes across multiple mining levels ranging from 1,750 to 2,190, reflecting continued advancement through deeper sections of the deposit and a diversified stope sequencing strategy to support consistent mill feed.

Concentrate Inventory

Amounts in dry metric tonnes	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
Opening inventory	**1,266**	3,504	**4,832**	6,169
Production	**5,332**	5,590	**10,555**	11,353
Sales	**(4,989)**	(7,842)	**(13,822)**	(16,311)
Adjustments	**(118)**	(283)	**(74)**	(242)
Closing inventory	**1,491**	969	**1,491**	969

Production is trucked routinely from the El Roble mine to the port of Buenaventura, where 10,000 wet metric tonnes (WMT) of concentrate can be stored at the Company's warehouse. To optimize shipping and ocean freight costs as well as working capital requirements, the Company plans to sell lots closer to 5,000 WMT during 2026.

The Company recognizes revenue from provisional invoicing when the risks and rewards of ownership are transferred to the customer, which under the current off-take agreement is when the Company loads the concentrate onto the performing vessel at the port of Buenaventura, Colombia. As final settlement may occur several months after the provisional invoicing, changes in metal prices during the quotation period may have a material impact on the amount ultimately realized.

The number of shipments the Company can export in any given quarter depends on several variables some of which the Company does not control, hence there may be an inherent variability in tonnes shipped and revenue recognized from quarter to quarter. Given the Company's revenue recognition policy and shipment schedule, the concentrate produced in any given quarter may not be immediately reflected in its revenue. The timing difference between concentrate produced and revenue recognized tends to decrease significantly when viewed on a yearly basis.

In Q2-2026, the Company carried forward 1,266 DMT from the previous quarter, produced 5,332 DMT and sold 4,989 DMT of concentrate; the difference (after inventory adjustments) of 1,491 DMT is the concentrate inventory carried over to Q3-2026.

Exploration at El Roble

During Q2-2026, the Company drilled 1,788 metres in 35 diamond drill holes to confirm and test the extensions of mineralization, and to upgrade mineral resource classification. Drilling focused on the following areas:

- Approximately 270 metres were drilled between the 2,175 and 2,190 levels to delineate remnant areas from historic mining in the Cuerpo Principal body.
- 109 metres were drilled in remaining areas between elevations 2,185 and 2,195 in the A body.
- 547 metres were drilled in remaining areas between elevations 2,190 and 2,210 in the D-D2 body.
- 698 metres were drilled in remaining areas between elevations 1,885 and 1,910 in the Goliat body.
- 164 metres were drilled in remaining areas between elevations 1,910 and 1,920 in the Maximus body.

No regional exploration drilling was conducted in Q2-2026.

On April 30, 2024, the Company announced an updated mineral resource and reserve estimate for the El Roble Mine located in Colombia, prepared under National Instrument 43-101 standards, with an effective date of March 12, 2024. Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) are estimated at 881 thousand tonnes averaging 3.40% Cu, and 2.98 g/t Au. Proven and Probable Mineral Reserves are estimated at 828 thousand tonnes averaging 2.49% Cu, and 2.20 g/t Au. This reflects an 88% conversion rate from Measured and Indicated Resources to Proven and Probable Reserves based on the current resource estimate, and an expected reserve's mine life through to the first quarter of 2027. Further details are available in the Company's press release dated April 30, 2024, filed on SEDAR+ and available on the Company's website.

LA PLATA OVERVIEW

The La Plata project is a gold rich volcanogenic massive sulphide deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The project benefits from a modern drill and exploration database which was completed by Cambior Inc. from 1996-1999, Cornerstone Capital from 2006-2009, Toachi from 2016-2019, and the Company from 2020-2021.

The La Plata mining concession expires in 2049. The La Plata project consists of one single concession of the same name covering a total area of 2,222 hectares along its 9-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

In May 2022 the Company received the technical approval of its Environmental Impact Assessment ("EIA") study for the project and the Ministry of Environment, Waters and Ecological Transition (MAATE) initiated the socialization of the EIA, through an environmental public consultation process, as an important step for the issuance of the environmental license for the La Plata project. However, on July 31, 2023, the Constitutional Court in Ecuador, admitted for processing a claim of the Confederation of Indigenous Nationalities of Ecuador (CONAIE) and other complainants, provisionally suspending Executive Decree No 754 signed on May 31, 2023, that regulates environmental consultations for all public and private industries and sectors in Ecuador – not limited to extractive industries. The La Plata environmental consultation process was, as result put on pause until a ruling was made from the Constitutional Court in Ecuador. On November 17, 2023, the Ecuadorian Constitutional Court ruled the Executive Decree 754 was unconstitutional but decided to maintain the decree in force until the Ecuadorian National Assembly enacts this procedure into Organic Law. This allows many projects across all industries and sectors, including La Plata, to resume their respective consultation process, which MAATE reinitiated for La Plata during Q1-2024.

On March 22, 2024, the mayor of the Canton of Sigchos, CONAIE and other complainants (the "Claimants") filed a constitutional protective action against MAATE and other governmental entities, challenging the environmental consultation process that was being conducted by MAATE. The protective action was accepted by the Court on March 25, 2024, and the Court proceeding was carried out in the Judicial Unit of the Canton of Sigchos, in the province of Cotopaxi, Ecuador, between May 20 and July 9, 2024. On August 2, 2024, the Court issued a binding oral ruling, rejecting the Protective Action filed by the Claimants. The Court concluded that the consultation process conducted by MAATE complied with applicable legal requirements, did not constitute rights violations, and removed the cautionary measures previously applied. The Court issued the ruling in writing on August 5, 2024. After the Court's ruling, the Claimants appealed the Court's decision. The appeal was dismissed by the Provincial Court of Justice of Cotopaxi in August 2025, and the lower Court ruling was upheld in its entirety. This decision is final and enforceable in accordance with Ecuadorian law. Following this loss, the claimants filed three extraordinary protective actions with the Constitutional Court, and these actions have been admitted for review by the Constitutional Court.

On September 3, 2025, the Company announced that MAATE successfully concluded the Community Participation Process for Environmental Consultation, and on February 9, 2026, the Company announced that the Ministry of Environment and Energy of Ecuador (formerly known as MAATE) granted the Company the Environmental License for the exploration of its La Plata project in Ecuador. This license was officially published on the Ecuadorian Official Registry on February 5, 2026.

On June 19, 2025, the Company, through its wholly owned subsidiaries Toachi and CMLP, entered into an Investment Protection Agreement with the Ecuadorian State in respect of the La Plata mining project. The agreement provides legal and tax stability for the Company's planned investment up to $158 million, while the Company commits to regulatory compliance and prioritizing local employment and resources during the construction and operation of the project.

On July 2, 2024, the Company reported results of the Feasibility Study for La Plata prepared in accordance with National Instrument 43-101 Standards and filed on SEDAR+ on August 14, 2024. The Study highlights included:

- Initial Probable Mineral Reserves for the La Plata project 2.51 Mt with an average grade of 1.59% Cu, 2.28 g/t Au, 30.41 g/t Ag, and 2.18% Zn.
- Updated Indicated Resources of 2.345 Mt with an average grade of 2.13% Cu, 2.98 g/t Au, 40 g/t Ag, 3.05% Zn and Inferred Resources of 380 Kt at average grade of 0.96% Cu, 1.75 g/t Au, 38 g/t Ag, 2.29% Zn.
- Average annual production of 9.71 Mlbs Cu, 15,929 oz Au, 226,299 oz Ag, and 13.25 Mlbs Zn in concentrates over 8.1 years Life of Mine ("LOM")
- Initial Capex of US$91 Million, including a 9.8% contingency
- Average All-In Cost (AIC) of US$2.70 per payable lb of Cu equivalent produced over LOM (referred to Non-GAAP Financial Measures)
- After Tax NPV of US$93M at a 5% discount rate and an IRR of 25.1%. (Metal prices used: US$1,920 per Au ounce, US$23 per Ag ounce, US$4.05 per Cu lb, US$1.50 per Zn lb)
- Underexplored VMS camp, currently identified resources are contained in only 1.6% of total land package

(Expressed in US dollars, unless otherwise indicated)

Exploration at La Plata

In Q2-2026, the Company incurred $0.7 million (Q2-2025 - $0.6 million) in expenditure at La Plata, primarily in engineering and permitting activities as well as camp and maintenance costs. No drilling was carried out during Q2-2026.

OUTLOOK

The Company is basing its 2026 guidance on its financial and production plan for the year ending December 31, 2026. Please refer to the Cautionary Note on Forward-Looking Statements at the end of this document. During the second quarter of 2026, the Company revised certain of its previously disclosed 2026 objectives to reflect updated operating expectations for the remainder of the year. The Company has set the following revised objectives for 2026:

- Process approximately 220,000 to 235,000 tonnes of ore.
- A recovery of 92% for copper and 65% for gold.
- Maintain an annual average copper head grade within the range of 1.9% to 2.2%.
- Maintain an annual average gold head grade within the range of 1.6 g/t to 1.9 g/t.
- Produce approximately 22,000 to 25,000 dry metric tonnes (DMT) of concentrate.
- Produce approximately 10 to 11 million pounds of copper.
- Produce approximately 8,000 to 9,000 ounces of gold.
- Maintain the mechanical availability of the El Roble mill at 95% to reach 330 days worked.
- Advance the La Plata project to a construction decision
- Continue improving the safety and environmental standards.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the eight quarters up to June 30, 2026, and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2025 and 2024.

	Q2-2026	Q1-2026	Q4-2025	Q3-2025
Sales	**$17,382,404**	$30,613,621	$ 23,690,688	$ (1,274,044)
Income (loss) from operations	**560,642**	6,190,998	(15,052,109)	(2,623,347)
Net (loss) income for the period[1]	**(110,147)**	2,522,384	(12,432,344)	(3,734,155)
Earnings (loss) per share - basic and diluted	**$ (0.00)**	$ 0.01	$ (0.07)	$ (0.02)
Weighted average shares outstanding - basic	**181,352,454**	180,924,689	180,509,948	164,744,534
Weighted average shares outstanding - diluted	**181,352,454**	183,548,007	180,509,948	164,744,534

	Q2-2025	Q1-2025	Q4-2024	Q3-2024
Sales	$ 21,108,812	$ 19,855,914	$ 15,177,180	$ 24,599,601
Income (loss) from operations	2,318,744	2,515,347	1,567,507	4,194,608
Net (loss) income for the period[1]	2,489,409	(692,330)	(17,291,506)	1,104,177
Earnings (loss) per share - basic and diluted	$ 0.02	$ (0.01)	$ (0.14)	$ 0.01
Weighted average shares outstanding - basic	121,286,185	121,286,185	121,286,185	121,286,185
Weighted average shares outstanding - diluted	121,286,185	121,286,185	121,286,185	121,286,185

[1] Income (loss) attributable to equity holders of the Company

In the summary of quarterly results above, there is a variability of the Company's quarterly revenues and incomes from operations due to timing difference between production and shipment schedules (see discussion in "Concentrate inventory"). The Q4-2025 loss from operations was primarily driven by a $15.8 million impairment loss to mineral properties in Colombia. The Q3-2025 net loss of $3.7 million attributable to equity holders of the Company was mainly because no concentrate was sold in the quarter. The $17.3 million net loss attributable to equity holders of the Company in Q4-2024 was primarily due to the $24.5 million pre-tax loss on the arbitration in Colombia for the royalty dispute with the NMA.

SECOND QUARTER 2026 FINANCIAL RESULTS

The second quarter net loss was $191,140 compared to $2,721,126 net income in Q2-2025, and basic and diluted loss per share was $0.00 (Q2-2025 – income of $0.02). Income from mining operations was $2,096,877 (Q2-2025 - $4,488,562), and the Company had income from operations of $560,642 (Q2-2025 - $2,318,744).

Revenue for Q2-2026 was $17,382,404 (Q2-2025 - $21,108,812) from the shipment and invoicing of 4,989 (Q2-2025 – 7,842) DMT of concentrate including final weight adjustments and provisional pricing adjustments on prior shipments.

Three months ended		**June 30, 2026**		June 30, 2025
Sales and realized prices				
Concentrate sold	**$**	**16,445,926**	$	22,543,644
Provisional pricing adjustments[(1)]		**936,478**		(1,434,832)
Sales per financial statements		**$17,382,404**	$	21,108,812
Copper				
Provisional sales (000's lbs)		**1,981**		2,954
Realized price ($/lb)		**6.26**		4.47
Net realized price ($/lb)[(2)]		**5.88**		4.18
Gold				
Provisional sales (oz)		**1,331**		3,366
Realized price ($/oz)		**4,417**		3,406
Net realized price ($/oz)[(2)]		**3,602**		2,969
Silver				
Provisional sales (oz)		**4,523**		14,327
Realized price ($/oz)		**0.00**		36.31
Net realized price ($/oz)[(2)]		**0.00**		14.24

(1) Include adjustments for mark-to-market price, forward sale arrangements, final weight and metal grade assays at port of destination, not used in realized price calculations
(2) Adjusted price net of payable metals deductions, treatment and refining charges, and/or transportation charges

Cost of sales decreased to $15,285,527 in Q2-2026 from $16,620,250 in Q2-2025 primarily due to lower sales volumes of concentrate. This was partially offset by higher production costs, mainly driven by the strengthening of the Colombian peso against the U.S. dollar, which increased production costs when translated into U.S. dollars, as well as increased ground support requirements.

General and administrative ("G&A") expenses for Q2-2026 were lower than in the comparative period, and consisted of the following components:

	Three months ended June 30, 2026						Three months ended June 30, 2025					
		Operations		**Corporate**		**Total**		Operations		Corporate		Total
Amortization	**$**	**25,120**	**$**	**-**	**$**	**25,120**	$	17,206	$	-	$	17,206
General and administrative		**449,745**		**125,397**		**575,142**		205,421		184,887		390,308
Professional fees		**155,181**		**178,262**		**333,443**		540,915		129,356		670,271
Salaries and benefits		**339,044**		**181,850**		**520,894**		281,889		657,867		939,756
Transfer agent and filing fees		**-**		**16,252**		**16,252**		-		24,954		24,954
	$	**969,090**	**$**	**501,761**	**$**	**1,470,851**	$	1,045,431	$	997,064	$	2,042,495

Other income and expenses: In Q2-2026, the Company recognized share-based payments expense of $65,384 (Q2-2025 - $127,323) for stock options and restricted share units ("RSUs") granted in between April 2023 and November 2025, with a vesting term over 36 months.

In Q2-2026, the Company recognized interest and finance costs of $877,915 (Q2-2025 - $768,117) related to its loans payable and the Payment Plan with the National Mining Agency of Colombia as well as accretion on decommissioning and restoration provision and lease liabilities, a net realized gain of $173,388 (Q2-2025 - $64,866) on settlements of its derivative instruments (Colombian peso/US dollar currency forwards), a net unrealized fair value gain of $623,821 (Q2-2025 – $85,219 loss) on its outstanding derivatives, and a foreign exchange loss of $763,071 (Q2-2025 - $509,614 gain).

In Q2-2026, the Company recognized a current income tax expense of $Nil (Q2-2025 - $858,371), and a deferred income tax recovery of $91,995 (Q2-2025 - $1,539,609).

SIX MONTHS FINANCIAL RESULTS

For the six months ended June 30, 2026, net income was $2,571,180 compared to $1,876,810 during the comparative period, and basic and diluted income per share was $0.01 (Q2-2025 - $0.01). Income from mining operations was $9,981,412 (2025 - $8,231,378), and the Company had income from operations of $6,751,640 (2025 - $4,834,091).

Revenue for the six months ended June 30, 2026 was $47,996,025 (2025 - $40,964,726) from the shipping and invoicing of 13,822 (2025 – 16,311) DMT of concentrate including final weight adjustments and provisional pricing adjustments on prior shipments. The Company's metal concentrates are provisionally priced at the time of sale based on the prevailing commodity market prices. Final prices are set in a period subsequent to the date of sale based on specified quotational period after delivery. Under the current sales agreement in place from 2023, final pricing for metals concentrates occurs one or four months after the month of sales.

Six months ended		June 30, 2026		June 30, 2025
Sales and realized prices				
Concentrate sold	$	**44,868,301**	$	40,809,397
Provisional pricing adjustments[(1)]		**3,127,724**		155,329
Sales per financial statements	$	**47,996,025**	$	40,964,726
Copper				
Provisional sales (000's lbs)		**5,464**		6,271
Realized price ($/lb)		**5.83**		4.45
Net realized price ($/lb)[(2)]		**5.47**		4.17
Gold				
Provisional sales (oz)		**3,921**		5,408
Realized price ($/oz)		**4,619**		3,267
Net realized price ($/oz)[(2)]		**3,819**		2,657
Silver				
Provisional sales (oz)		**12,924**		24,619
Realized price ($/oz)		**68.45**		35.61
Net realized price ($/oz)[(2)]		**0.00**		11.17

Cost of sales for the six months ended June 30, 2026 was $38,014,613 (2025 - $32,733,348). The increase in cost of sales over the comparative period was mainly due to higher production costs of concentrate which more than offset lower sales volumes of concentrate. Production costs were largely impacted by the strengthening of the Colombian peso against the U.S. dollar, which increased production costs when translated into U.S. dollars, as well as increased ground support requirements.

General and administrative ("G&A") expenses for the six months ended June 30, 2026 were lower than in the comparative period, and consisted of the following components:

	Six months ended June 30, 2026			Six months ended June 30, 2025		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 49,445**	**$ -**	**$ 49,445**	$ 50,380	$ -	$ 50,380
General and administrative	**792,802**	**265,131**	**1,057,933**	329,927	320,645	650,572
Professional fees	**346,011**	**235,464**	**581,475**	673,432	186,233	859,665
Salaries and benefits	**713,592**	**369,126**	**1,082,718**	669,252	998,713	1,667,965
Transfer agent and filing fees	**-**	**19,956**	**19,956**	-	32,727	32,727
	$ 1,901,850	**$ 889,677**	**$ 2,791,527**	$ 1,722,991	$ 1,538,318	$ 3,261,309

Other income and expenses: During the six months ended June 30, 2026, the Company recognized share-based payments of $438,245 (2025 - $135,978) for stock options and restricted share units ("RSUs") granted in between April 2023 and November 2025, where each has a vesting term over 36 months.

During the six months ended June 30, 2026, the Company recognized interest and finance costs of $1,776,644 (2025 - $1,524,229) related to its loans payable and accretion expense on decommissioning and restoration provision and lease liabilities, a net realized gain $173,388 (2025 - $279,400) on settlements of derivative instruments (Colombian peso/US dollar currency forwards) and a net unrealized fair value gain of $519,736 (2025 – $Nil) on its outstanding derivatives, and a foreign exchange loss of $1,338,089 (2025 - $510,894).

During the six months ended June 30, 2026, the Company recognized a current income tax expense of $Nil (2025 - $162,147) and a deferred income tax expense of $1,758,851 (2025 - $1,039,411).

LIQUIDITY AND CAPITAL RESOURCES

Loans payable

In February 2022, the Company entered into a secured definitive credit agreement with Trafigura PTE. Ltd. for a facility of $10,000,000 and a term of 30 months (the "Credit Agreement").

In August 2024, the Company and Trafigura PTE. Ltd. amended the Credit Agreement, extending the maturity date of the credit facility from August 8, 2024, to July 31, 2026, with the following repayment schedule:

1. $650,000 due on January 31, 2025, and April 30, 2025;
2. $700,000 due on July 31, 2025;
3. $950,000 due on October 31, 2025, January 31, 2026, and April 30, 2026; and
4. $5,150,000 due on July 31, 2026.

On April 8, 2025, the Company and Trafigura PTE. Ltd. further amended the Credit Agreement, revising the repayment schedule such that the maturity date for the remaining principal amount of $8,700,000 was accelerated to June 30, 2025.

On June 27, 2025, the credit agreement was further amended, such that the outstanding principal balance of $8,700,000 would be repaid in two instalments: $2,700,000 on July 25, 2025 (PAID) and $6,000,000 on December 30, 2026.

The principal bears interest at a rate of SOFR plus 7.5%, and the Company is required to maintain a minimum unrestricted cash balance of $2,000,000 under its credit agreement through December 30, 2026.

Convertible debentures

In December 2020, the Company entered into an unsecured convertible debenture arrangement with Dundee Corporation for a principal balance of $6,500,000, which carried an interest rate of 7.0% per annum payable quarterly for five years, and the principal was due in December 2025. The principal balance was convertible into 11,627,907 common shares of the Company at $0.559 per share.

On initial recognition, the Company determined the fair value of the liability component to be $5,393,572, which was determined by calculating the fair value of the future cash flows of the loan assuming a discount rate of 10%. The equity component was determined to be $689,517, which comprised the proceeds received less the liability component. The debt component of the convertible note was accreted over the term to maturity, with accretion charge included in interest expense.

On December 16, 2025, the Company amended and restated its unsecured convertible debenture removing the conversion rights and extending the maturity to December 16, 2027. The debenture now bears interest at 12.0% per annum, and the Company retained early prepayment rights. In connection with the amendment and restatement, the Company issued Dundee 1,000,000 non-transferable common-share purchase warrants, each exercisable for one common share of the Company at an exercise price of CAD$0.273 per share.

The Company assessed the debenture amendment as a non-substantial modification under IFRS. The difference between the original and modified cash flows resulted in a modification loss of $290,536, recognized immediately in the statement of loss for 2025.

Transaction costs totaled $201,751, including legal and regulatory fees and the value of the bonus warrants, and have been capitalized as an adjustment to the carrying amount of the debenture and will be amortized over the new remaining term.

Working capital

As at June 30, 2026, the Company had $2,354,052 in cash (December 31, 2025 - $4,892,927) and a deficit of working capital (current assets minus current liabilities) of $12,114,420 (December 31, 2025 – $20,228,468). Working capital at any specific point in time is subject to many variables, including metals concentrate inventory management, the timing of shipments of metals concentrate, of cash receipts from sales of metals concentrate, the repayment schedule of the Payment Plan with the National Mining Agency of Colombia, and of accounts payable and loan payments.

The cash flow generated from mining operations will be insufficient to repay the Company's existing loans and borrowings entirely at maturity. Consequently, the Company must secure additional funds through debt or equity financing, or otherwise, to meet these obligations, or negotiate to amend or extend their terms. The Company has successfully repaid and redrawn its short-term credit facilities with its Colombian banks and expects to continue doing so. In addition, the Company may negotiate amendments or extensions to existing loans and borrowing, and if a construction decision is made and project financing is secured, the Company may also refinance or roll its existing loans and borrowings into a La Plata construction facility.

Management believes that existing cash and cash flow generated from operations can fund the Award payments to the National Mining Agency, current operational requirements and capital expenditures. If future circumstances require more cash, and management chooses not to alter the Company's plans, external financing may be needed. To date, the Company has relied on a combination of equity financing and loans for acquisitions, expansions, and operations. Capital markets may not be receptive to new equity or debt offerings. The Company's growth and success depend on external financing, which may not be available on favorable terms.

Second quarter liquidity and capital resources

During Q2-2026, cash decreased by $2,128,733. The decrease was due to net cash of $2,047,728 and $1,598,733 used in investing and financing activities, respectively which was partially offset by net cash of $1,517,570 provided by operating activities. Exchange rate changes had a positive impact on cash of $158.

Operating activities

During Q2-2026, net cash provided by operating activities amounted to $1,517,570, which included $2,713,289 of operating cash inflows before changes in non-cash operating working capital items, offset by $1,195,719 decrease in non-cash operating working capital. Non-cash operating working capital decrease during Q2-2026 included the effects of an increase in accounts payables and accrued liabilities of $2,261,621 and inventories of $932,337, partially offset by decrease in other liabilities of $3,008,224, prepaid expenses of 255,910 and accounts receivables of $227,311.

Investing activities

Cash used in investing activities during Q2-2026 totaled $2,047,728. The Company paid $1,116,965 on mine (underground) development, $48,118 on exploration-drilling inside the El Roble mine and $386,187 on plant and equipment additions at El Roble. Additionally, the Company spent $669,846 on permitting and engineering activities at La Plata, including camp and maintenance costs. This was partially offset by inflows of $173,388 from the settlement of derivative instruments.

Financing activities

Cash used in financing activities during Q2-2026 amounted to $1,598,733. The Company withdrew $2,350,000 from its short-term credit facilities in Colombia and repaid $3,300,000 of principal of these short-term credit facilities. Additionally, the Company made payments of $387,621 towards interest on loans and $261,112 on leases at El Roble.

Six months liquidity and capital resources

During the six months ended June 30, 2026, cash decreased by $2,538,875. The decrease was due to $3,708,869 and $1,941,544 used in investing and financing activities, respectively, partially offset by net cash of $3,111,256 provided by operating activities. Exchange rate changes also had a positive impact on cash of $282.

Operating activities

During the six months ended June 30, 2026, net cash provided by operating activities totaled $3,111,256, which included operating cash inflows before changes in non-cash operating working capital items of $12,581,470, offset by cash outflows from changes in non-cash working capital items of $9,470,214. Non-cash working capital changes included an increase in accounts receivable of $4,493,040 and a decrease in deferred revenue and other liabilities of $9,055,280 and $3,052,850, respectively. This was partially offset by a decrease in accounts payables and accruals of $2,015,842, inventories of $4,749,644 and prepaid expenses $365,470.

Investing activities

During the six months ended June 30, 2026, net cash used in investing activities totaled $3,708,869. The Company paid $2,025,733 on mine (underground) development, $125,475 on exploration-drilling inside the El Roble mine and $668,057 on plant and equipment additions at El Roble. Additionally, the Company spent $1,062,992 on permitting and engineering activities at La Plata, including camp and maintenance costs. This was partially offset by inflows of $173,388 from the settlement of derivative instruments.

Financing activities

During the six months ended June 30, 2026, net cash used in financing activities totaled $1,941,544. The Company withdrew $5,550,000 from its short-term credit facilities in Colombia and repaid $6,270,000 of principal of these short-term credit facilities. Additionally, the Company made payments of $807,310 towards interest on loans and $523,782 on leases at El Roble. $109,548 was provided through shares issued for cash on the exercise of warrants.

(Expressed in US dollars, unless otherwise indicated)

TRANSACTIONS WITH RELATED PARTIES

The Company considers key management personnel to include its executive officers, directors, and any entity controlled by them. The aggregate value of transactions (included in general and administrative expenses and share-based payments) and outstanding balances relating to key management personnel were as follows:

Six months ended June 30, 2026	**Salary or fees**	**Share-based payments**	**Total**
Management	**$ 315,274**	**$ 3,384**	**$ 318,658**
Directors	**91,300**	**94,157**	**185,457**
	$ 406,574	**$ 97,541**	**$ 504,115**

Six months ended June 30, 2025	Salary or fees	Share-based payments	Total
Management	$ 966,590	$ 54,503	$ 1,021,093
Directors	81,225	31,558	112,783
	$ 1,047,815	$ 86,061	$ 1,133,876

Other than share-based compensation disclosed in the financial statements, the Company did not enter into any material related party transactions during the period. As at June 30, 2026, the Company had $1,289,650 (December 31, 2025 - $1,087,338) due to directors and management related to remuneration and performance-based remuneration and termination severance, which have been included in accounts payable and accrued liabilities.

FINANCIAL INSTRUMENTS

The Company enters into derivative instruments from time to time in the normal course of business in order to manage its exposure to fluctuations in copper price, gold price, and the Colombian peso/US dollar exchange rate. The Company does not enter into or trade derivative instruments for speculative purposes. The Company has not applied hedge accounting to these derivative transactions which are measured at fair value at the end of each reporting period based on the terms of the arrangements and the expected settlement prices and/or rates. Any resulting mark-to-market adjustments have been recognized in derivative instruments on the consolidated statement of financial position.

The Company has entered into zero-cost non-deliverable currency forward arrangements with local Colombian banks between the US dollar and Colombian peso. Each arrangement is net settled based on the difference between the market exchange rate and the contracted settlement rate, where the Company receives (or pays) proceeds if the contracted settlement rate is above (or below) the market exchange rate to purchase Colombian peso. As at June 30, 2026, the Company had outstanding forward arrangements to convert $3,070,000 (December 31, 2025 - $Nil) into Colombian pesos at the negotiated exchange rates up to July 29, 2026, resulting in a net asset carrying amount of $375,933 (December 31, 2025 - $Nil). During the six months ended June 30, 2026, the Company had a net realized gain of $173,388 (2025 - $279,400) on the settlement of its currency forward arrangements.

The Company has entered into zero-cost commodity derivative arrangements with Auramet International LLC. These arrangements are net settled based on the difference between the market price and the contracted settlement price, where the Company receives (or pays) proceeds if the contracted settlement price is above (or below) the market price. As at June 30, 2026 and December 31, 2025 the Company had no outstanding sale arrangements. During the six months ended June 30, 2026 and 2025 the Company did not have any net realized gain or losses on the settlement of its commodity derivative arrangements.

The Company has issued warrants in connection to certain equity and debt financings that are classified as derivative liabilities. Warrants classified as derivative liabilities are initially recognized at fair value on the date of issuance and subsequently remeasured at fair value at each reporting date, with changes in fair value recognized in profit or loss. During the six months ended June 30, 2026, the Company had a favorable net fair value adjustment of $165,596 (2025 - $Nil) on its warrant derivative arrangements.

The Company's Level 2 fair valued financial instruments included trade receivable from provisional sales and derivative instruments; and no Level 3 financial instruments are held. Trade receivable from provisional sales of metals concentrate includes provisional pricing, and final price and assay adjustments. Derivative instruments are forward arrangements that were valued using pricing models, which require a variety of inputs, such as expected copper prices, gold prices, and foreign exchange rates. The trade receivable from sales of metals concentrate and derivative instruments are valued using observable market commodity prices. The Company's share purchase warrants are classified as derivative liabilities as the exercise price is denominated in a currency ($CAD) other than the Company's functional currency ($USD). These warrants are measured at fair value through profit or loss and are categorized as Level 2 within the fair value hierarchy.

(Expressed in US dollars, unless otherwise indicated)

CONTINGENCY AND COMMITMENT

The following table summarizes the Company's financial liabilities based on contractual cash flows, including estimated interest payments as at June 30, 2026.

	Less than 1 year	1 - 2 years	More than 2 years	Total
Accounts payable and accrued liabilities	$ 16,952,772	$ -	$ -	$ 16,952,772
Loans and borrowings	12,662,324	6,862,829	-	19,525,153
Provision for restricted share units	132,775	134,498	30,069	297,342
Lease liabilities	1,020,586	686,946	-	1,707,532
Decommissioning and restoration provision	719,950	719,950	2,071,845	3,511,745
Arbitration award payable	5,438,843	2,682,911	-	8,121,754
	$ 36,927,250	$ 11,087,134	$ 2,101,914	$ 50,116,298

Royalty Payment Plan with the National Mining Agency

On December 29, 2021, the Company's operating subsidiary, Minera El Roble S.A., entered into an agreement (the "Agreement") with the NMA to resolve a royalty dispute. Under the terms of the Agreement, both parties committed to settling the matter through binding arbitration in Colombia. Additionally, as part of the Agreement, the Company entered a five-year payment plan (the "Payment Plan") with the NMA, which was amended in June 2022, to pay for the disputed royalties in biannual instalments over five years including interest at a 6% annual rate.

On March 7, 2025, the arbitration tribunal at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce ruled in favor of the NMA, requiring the Company to back pay copper royalties since 1994 (the "Award"). On April 9, 2025, the tribunal clarified that the payment of the Award be made within the timeframe outlined in the Payment Plan, and as a result, on May 12, 2025, the Company and the NMA adjusted the Payment Plan accordingly to account for the Award and for previous payments made by the Company under the Payment Plan, indexed for inflation and interest.

As at June 30, 2026, the outstanding balance owed by the Company to the NMA pursuant to the Payment Plan is $8,048,732 plus interest accrued of $73,022 (COP$28 billion), payable in 3 equal biannual installments in November 2026, May 2027 and November 2027.

On May 23, 2025, the Company and the NMA executed a new 30-year mining agreement and related title for the El Roble mine.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of consolidated financial statements in conformance with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

For full details on the critical accounting estimates and judgments affecting the Company, please refer to the Company's audited annual consolidated financial statements and notes for the year ended December 31, 2025 and 2024.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this MD&A, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company, including, and without limitation, such considerations as liquidity and capital resources.

PROPOSED TRANSACTIONS

There are no proposed transactions of a material nature being considered by the Company at the current time.

SHARE POSITION AND OUTSTANDING WARRANTS AND OPTIONS

As of the date of this MD&A (August 18, 2026), the Company had 181,380,750 common shares and 58,895,886 warrants issued and outstanding. There were also 12,006,675 stock options outstanding with expiry dates ranging from April 28, 2027 November 3, 2030.

NON-GAAP FINANCIAL MEASURES

Cash cost per pound of payable copper produced and cash cost per tonne of processed ore are key performance measures that management uses to monitor performance. In addition, cash costs are an industry standard method of comparing certain costs on a per unit basis; however, these do not have a standardized meaning and may differ from methods used by other companies with similar descriptions. Management believes that certain investors use these non-GAAP financial measures to evaluate the Company's performance. These performance measures have no meaning under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies.

The Company believes that "all-in sustaining cash cost" and "all-in cash cost" better meet the needs of analysts, investors, and other stakeholders of the Company in understanding the cost associated with producing copper, the economics of copper mining, the Company's operating performance, and the Company's ability to generate free cash flow from current operations and on an overall company basis.

The Company, in conjunction with an initiative undertaken within the gold mining industry, has adopted an all-in sustaining cost-performance measure; however, this performance measure has no standardized meaning. The Company conformed its all-in sustaining definition to that set out in the guidance note released by the World Gold Council ("WGC", a non-regulatory market development organization for the gold industry whose members comprise global senior gold mining companies) on June 27, 2013, and that came into effect January 1, 2014.

All-in sustaining cash cost ("AISC") and all-in cash cost ("AIC") are intended to provide additional information only and do not have standardized definitions under the IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with the IFRS. These measures are not necessarily indicative of operating profit or cash flow from operations as determined under the IFRS. Although the WGC has published a standardized definition, companies may calculate these measures differently.

All-in sustaining cost includes total production cash costs incurred at the Company's mining operations, which form the basis of the Company's by-product cash costs. Additionally, the Company includes general and administrative ("G&A") expenses, share-based payments, accretion of decommissioning and restoration provision ("ARO"), sustaining capital expenditures, and royalties. All-in cash cost includes all of the above plus non-sustaining capital expenditures (including initial construction capital expenditures when applicable) and brownfield exploration expenditures.

The Company believes that this measure represents the total costs of producing copper from operations and provides the Company and stakeholders of the Company with additional information on the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of copper production from operations, new project capital is not included. Certain other cash expenditures, including tax payments, dividends, and financing costs, are also not included. The Company reports this measure on a payable copper pound produced basis, net of by-product credits.

El Roble mine cash cost

The following table presents a reconciliation of cash cost per tonne of processed ore and cash costs per pound of payable copper produced to cost of sales in the consolidated financial statements for the three and six months ended June 30, 2026:

Expressed in $000's	**Q2 2026**	Q2 2025	**YTD 2026**	YTD 2025
Cash cost per tonne of processed ore				
Cost of sales[(1)]	**$ 15,286**	$ 16,620	**$ 38,015**	$ 32,733
Add / subtract				
Change in concentrate inventory	**13**	(3,755)	**(6,738)**	(7,294)
Depletion and amortization in concentrate inventory	**749**	877	**2,034**	1,700
Royalties and Production Taxes	**(1,306)**	(1,074)	**(3,166)**	(2,148)
Depletion and amortization in cost of sales	**(2,476)**	(2,483)	**(5,926)**	(5,075)
Aggregate cash cost	**12,266**	10,185	**24,219**	19,916
Total processed ore (tonnes)	**53,585**	62,007	**109,618**	116,985
Cash cost per tonne of processed ore ($/t)	**$ 228.90**	$ 164.26	**$ 220.94**	$ 170.25
Mining cost per tonne	**$ 117.21**	$ 79.89	**$ 112.11**	$ 79.49
Milling cost per tonne	**41.32**	32.99	**40.95**	36.02
Indirect cost per tonne	**61.88**	42.95	**58.62**	45.96
Distribution cost per tonne	**8.50**	8.43	**9.26**	8.78
Total production cost per tonne of processed ore ($/t)	**$ 228.90**	$ 164.26	**$ 220.94**	$ 170.25

(1) Includes depletion, amortization, selling expenses, government royalties and mining taxes.

Expressed in $000's	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Cash costs per pound of payable copper produced				
Aggregate cash cost (above)	**$ 12,266**	$ 10,185	**$ 24,219**	$ 19,916
Add / subtract				
By-product credits	**(6,144)**	(7,415)	**(15,928)**	(11,557)
Copper treatment and refining charges	**7**	290	**32**	520
Transportation charges	**532**	430	**1,062**	860
Cash cost applicable to payable copper produced	**6,661**	3,490	**9,385**	9,739
Add / subtract				
Royalties and Production Taxes	**1,306**	1,074	**3,166**	2,148
G&A expenses	**1,446**	2,026	**2,742**	3,211
Share-based payments	**65**	127	**438**	136
Accretion of ARO	**81**	79	**163**	158
Sustaining capital expenditures(2)	**1,751**	1,100	**2,941**	2,178
All-in sustaining cash cost	**11,310**	7,896	**18,835**	17,570
Add / subtract				
Non-sustaining capital expenditures(2)	**48**	480	**125**	564
Brownfields exploration expenditures(2)	**-**	189	**-**	312
All-in cash cost	**11,358**	8,565	**18,960**	18,446
Total payable copper produced (000's lbs)	**1,943**	2,019	**3,906**	4,099
Per pound of payable copper produced ($/lb)				
Cash cost, net of by-product credits	**$ 3.43**	$ 1.73	**$ 2.40**	$ 2.38
All-in sustaining cash cost	**$ 5.82**	$ 3.91	**$ 4.82**	$ 4.29
All-in cash cost	**$ 5.85**	$ 4.24	**$ 4.85**	$ 4.50
Cash margin(3)	**$ 2.83**	$ 2.74	**$ 3.43**	$ 2.07

(2) Amounts presented on a cash basis.
(3) Cash margin is calculated with (a) the realized price per pound of copper, less (b) the cash cost, net of by-product credits, per pound of payable copper produced.

Given the nature of the Company's metals concentrate management believes providing the cash cost on a co-product basis, presented in the following table, will enhance the reader's understanding of the Company's cash cost structure.

Expressed in $000's	Q2 2026	Q2 2025	YTD 2026	YTD 2025
Aggregate cash production cost	**$ 12,266**	$ 10,185	**$ 24,219**	$ 19,916
Cash cost per pound of payable copper produced				
Cash cost attributable to copper production(4)	**$ 8,406**	$ 5,627	**$ 15,808**	$ 12,591
Add / subtract				
By-product credit from silver	**(40)**	(100)	**(202)**	(150)
Copper treatment and refining charges	**7**	290	**32**	520
Transportation charges	**365**	237	**693**	545
Cash cost applicable to payable copper produced	**8,738**	6,054	**16,331**	13,506
Total payable copper produced (000's lbs)	**1,943**	2,019	**3,906**	4,099
Cash cost per pound of payable copper produced ($/lb)	**$ 4.50**	$ 3.00	**$ 4.18**	$ 3.29
Cash cost per ounce of payable gold produced				
Cash cost attributable to gold production(4)	**$ 3,860**	$ 4,559	**$ 8,411**	$ 7,325
Add / subtract				
Gold refining charges	**46**	55	**119**	86
Transportation charges	**167**	192	**369**	315
Cash cost applicable to payable gold produced	**4,073**	4,806	**8,899**	7,726
Total payable gold produced (oz)	**1,367**	2,241	**3,349**	3,680
Cash cost per ounce of payable gold produced ($/oz)	**$ 2,981**	$ 2,144	**$ 2,657**	$ 2,099

(4) If copper and gold for the El Roble mine were treated as co-products, the allocation of aggregate cash production cost between copper and gold production is based on provisional invoice(s) issued and revenue (net of treatment and refining charges) recognized in the respective reporting periods.

QUALIFIED PERSONS

Mr. Thomas Kelly (SME Registered Member 1696580), advisor to the Company, Mr. Garth Graves, P. Geo. Consulting Geologist, are qualified persons under National Instrument 43-101 standards and are responsible for ensuring that the technical information contained in this MD&A is an accurate summary of the original reports and data provided to or developed by the Company.

RISK FACTORS

The Company is exposed to many risks in conducting its business, including but not limited to metal price risk as the Company derives its revenue from the sale of copper, gold, and silver; credit risk in the normal course of business; currency risk as the Company reports its financial statements in US dollars whereas the Company operates in jurisdictions that conducts its business in other currencies. For details of these risks, please refer to the risk factors set forth in the Company's Annual Information Form dated September 4, 2024, which can be found under the Company's corporate profile on SEDAR+ at www.sedarplus.ca.

Metal price risk

The Company is exposed to metals price risk given that its revenues are derived from the sale of metals through its metals concentrate products, the prices for which have been historically volatile. Consequently, the economic viability of the Company's mineral property may be adversely affected by fluctuations in metals prices. At June 30, 2026, a 10% change in copper and gold prices would result in an increase or decrease in pre-tax income of approximately $750,000 and $783,000, respectively, based on provisionally priced sales outstanding at year-end.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's cash is held through large Canadian, international and foreign national financial institutions. All of the Company's trade receivables from concentrate sales are held with a large international metals trading company. The Company mitigates this risk by transacting only with reputable financial institutions and requiring provisional payments of 90% of the value of the concentrate shipped to a single well-known buyer. The carrying amount of financial assets recorded in the financial statements represents the Company's maximum exposure to credit risk. The Company believes it is not exposed to significant credit risk and overall, the Company's credit risk has not changed significantly from the prior year.

Interest rate risk

The Company is exposed to interest rate risk on its variable rate debt facilities. Variable interest rates are based on the SOFR plus a fixed-margin. The Company does not enter into derivative contracts to manage this risk. As at June 30, 2026, a 10% change in SOFR would result in an increase/decrease of approximately $289,000 in the Company's pre-tax income or loss on an annualized basis based on the loan and credit facilities used.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuing to monitor forecasts and actual cash flows. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its development plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, considering its anticipated cash flows from operations, its holdings of cash, and its committed liabilities. The maturities of the Company's non-current liabilities are disclosed in Notes 8, 9, 10 and 11 to the Company's consolidated financial statements for the three and six months ended June 30, 2026. All current liabilities are settled within one year.

Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company primarily operates in Canada and Colombia and incurs expenditures in currencies other than the US dollars. Thereby, the Company is exposed to foreign exchange risk arising from currency exposure. Based on the Company's net exposure, as at June 30, 2026, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar against the Canadian dollar, Peruvian nuevo sol, and Colombian peso would result in an increase/decrease of approximately $1,233,000 in the Company's pre-tax income or loss.

CAUTIONARY STATEMENT ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A and any documents incorporated by reference into this MD&A constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Section 21E of the United States Securities Exchange Act of 1934, as amended, and forward-looking information within the meaning of applicable Canadian securities legislation (collectively, "forward-looking statements"). Forward-looking statements express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, identified using words or phrases such as "expects", "is expected", "anticipates", "believes", "plans", "projects", "estimates", "assumes", "intends", "strategies", "targets", "goals", "forecasts", "objectives", "budgets", "schedules", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) and are not statements of historical fact. Forward-looking statements relate to, among other things:

- mineral "reserves" and "resources" as they involve the implied assessment, based on estimates and assumptions that the resources described exist in the quantities predicted or estimated and can be profitably produced in the future;
- the realization of mineral " reserves" and " resources";

- timing of the completion of construction activities at the Company's properties and their completion on budget;
- development of the La Plata project and completion of full permitting process on the La Plata project;
- production rates at the Company's properties;
- cash cost estimates;
- timing to achieve full production capacity at the Company's properties;
- unlocking further value of the Company's properties;
- timing for completion of infrastructure upgrades related to the Company's properties;
- timing for delivery of materials and equipment for the Company's properties;
- success in training and retaining personnel;
- the sufficiency of the Company's cash position and its ability to raise equity capital or access debt facilities;
- management's belief that the Company's current operational requirements and capital projects can be funded from existing cash and cash equivalents, cash generated from operations, and the available credit facility;
- management's belief that if the Company needs to access the capital markets for additional financial resources, the Company will be able to do so at prevailing market rates;
- the expected maturities of the Company's financial liabilities, finance leases and other contractual commitments; and
- management's expectation that none of the investigations, claims, and legal, labor and tax proceedings arising in the ordinary course of business will have a material effect on the results of operations or financial conditions of the Company.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as at the date of such statements, are inherently subject to significant business, economic, social, political and competitive uncertainties and contingencies and other factors that could cause actual results or events to differ materially from those projected in the forward-looking statements. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A which may prove to be incorrect, include, but are not limited to, (1) that all required third party contractual, regulatory and governmental approvals will be obtained for the development, construction and production of its properties, (2) there being no significant disruptions affecting operations, whether due to labor disruptions, supply disruptions, power disruptions, damage to equipment, non-renewal of title to the Company's claims or otherwise; (3) permitting, development, expansion and power supply proceeding on a basis consistent with the Company's current expectations; (4) currency exchange rates being approximately consistent with current levels; (5) certain price assumptions for copper, gold and silver; (6) prices for and availability of fuel oil, electricity, parts and equipment and other key supplies remaining consistent with current levels; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource and reserves estimates; (9) labor and materials costs increasing on a basis consistent with the Company's current expectations; (10) assumptions made and judgments used in engineering and geological interpretation; and (11) that additional financing sources will be available on reasonable commercial terms in order for the Company to make scheduled repayments of principal, interest, and any applicable premiums on its outstanding indebtedness.
In addition, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include, risks associated with mineral exploration and project development; the need for additional financing; risks associated with the Company's outstanding debt, including the Company's ability to successfully secure additional funds through debt or equity issuances to meet these obligations, including amounts due and payable to the lenders or successfully negotiate to amend or extend their terms; operational risks associated with mining and mineral processing; uncertainty relating to concentrate treatment charges and transportation costs; uncertainty relating to capital and operating costs, production schedules, and economic returns; uncertainties relating to general economic conditions; the Company's substantial reliance on the El Roble mine for revenues; risks related to the integration of businesses and assets acquired by the Company; risks associated with entering into commodity forward and option contracts for base metals production; potential conflicts of interest involving the Company's directors and officers; the Company and/or its directors and officers may be subject to a variety of legal proceedings, the results of which may have a material adverse effect on the Company's business; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, Colombia, Ecuador or other countries in which the Company does or may carry on business; the possibility of cost overruns or unanticipated expenses; fluctuations in copper, gold and silver prices; risks related to mining title and surface rights and access; uncertainties and risks related to carrying on business in foreign countries; environmental liability claims and insurance; social and environmental activism can negatively impact exploration, development and mining activities; reliance on key personnel; currency exchange rate fluctuations; the mineral exploration industry is intensely competitive; dilution from future equity financing could negatively impact holders of the Company's securities; and other risks and uncertainties, including those described in the "Risks Factors" section in this MD&A.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. These forward-looking statements are made as of the date of this MD&A. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements. Except as required by law, the Company does not assume the obligation to revise or update these forward-looking statements after the date of this document or to revise them to reflect the occurrence of future unanticipated events.

The Company has not based its production decisions and ongoing mine production on mineral resource estimates, preliminary economic assessments or feasibility studies, and historically such projects have increased uncertainty and risk of failure. Mineral resources that are not mineral reserves do not have demonstrated economic viability.