

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1 **Name and Address of Company**

Rio2 Limited (“**Rio2**” or the “**Company**”)
355 Burrard Street
Suite 1260
Vancouver, British Columbia, V6C 2G8

Item 2 **Date of Material Change**

December 8, 2025, December 15, 2025 and December 17, 2025

Item 3 **News Release**

The Company disseminated two news releases dated December 8, 2025, a news release dated December 15, 2025, and a news release dated December 17, 2025 through Globe Newswire, and copies were subsequently filed on SEDAR+.

Item 4 **Summary of Material Change**

The Company entered into a definitive agreement (the “**Agreement**”) with Southern Peaks Mining L.P. (“**Southern Peaks**”) to acquire its 99.1% interest in the Condestable mine (“**Condestable Mine**” or “**Condestable**”) located in Peru (the “**Transaction**”) for total consideration of US\$217 million. Southern Peaks is a private business that is owned by management and funds advised by Global Natural Resource Investments.

The Company also entered into an underwriting agreement with Raymond James Ltd., Stifel Canada and BMO Capital Markets as joint bookrunners (collectively, the “**Underwriters**”) pursuant to which the Underwriters have purchased, on a “bought deal” basis, 86,094,750 subscription receipts of the Company (the “**Subscription Receipts**”) at an issue price of C\$2.22 per Subscription Receipt (the “**Issue Price**”) for total gross proceeds of C\$191,130,354 or approximately US\$138 million, which included the full exercise of the Over-Allotment Option (defined herein) (the “**Equity Financing**”). The Equity Financing closed on December 15, 2025.

On December 17, 2025, Rio2 completed its previously announced brokered private placement (the “**Private Placement**”). A total of 6,306,300 common shares of the Company (“**Rio2 Common Shares**”) were sold to investors resident in Peru and Chile at a price per share of C\$2.22 (approximately US\$1.585) for aggregate gross proceeds to the Company of C\$14 million (approximately US\$10 million).

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

Under the terms of the Agreement, Rio2 will acquire all of the issued and outstanding shares of certain subsidiaries of Southern Peaks (the “**SPM Entities**”), including Ariana Management Corporation S.A.C., which ultimately holds a 99.1% interest in Condestable. As consideration for the acquisition, Southern Peaks will receive:

- US\$80 million in cash (the “**Cash Consideration**”) on closing;

- US\$65 million aggregate principal amount of vendor debt financing (“**Vendor Debt**”) on closing;
- approximately 21.9 million Rio2 Common Shares on closing, representing US\$35 million (the “**Consideration Shares**”); and
- total deferred consideration of US\$37 million (the “**Deferred Consideration**”), on the following schedule:
 - US\$5 million on or before December 31, 2027;
 - US\$10 million on or before December 31, 2028;
 - US\$5 million on or before December 31, 2029; and
 - US\$17 million on or before December 31, 2030.

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

Southern Peaks will be subject to certain resale restrictions in respect of the Consideration Shares.

Rio2 anticipates that closing of the Transaction will occur in January 2026. The Transaction has been approved by the board of Rio2 and is not subject to shareholder approval. The Toronto Stock Exchange (“**TSX**”) has accepted notice of the Transaction and conditionally approved the listing of the Rio2 Common Shares issuable thereunder (subject to customary conditions).

Transaction Financing

Rio2 has arranged a US\$203 million financing package to finance the Transaction, comprising:

- US\$65 million aggregate principal amount in Vendor Debt, represented by the Vendor Debt; and
- approximately US\$138 million from the Equity Financing.

Equity Financing

Rio2 entered into an underwriting agreement with the Underwriters, pursuant to which the Underwriters agreed to purchase on a “bought deal” basis 74,865,000 Subscription Receipts at the Issue Price for proceeds of C\$166 million (approximately US\$120 million). The Company granted the Underwriters an option, exercisable at the Issue Price for a period of 30 days following the closing of the Equity Financing, to purchase an additional 15% of the Equity Financing to cover over-allotments (the “**Over-Allotment Option**”). The Underwriters exercised the Over-Allotment Option in full, purchasing a total of 86,094,750 Subscription Receipts at the Issue Price for total gross proceeds of C\$191,130,354 (approximately US\$138 million). The Equity Financing closed on December 15, 2025. The Subscription Receipts began trading on the TSX on December 15, 2025 under the ticker symbol “RIO.R.”

Net proceeds of the Equity Financing will be used to fund the Cash Consideration, and the balance will be used for working capital and general corporate purposes.

The net proceeds from the Equity Financing will be held in escrow pending satisfaction or waiver of certain release conditions, including the satisfaction or waiver of all conditions to the completion of the Transaction substantially in accordance with the terms of the Agreement, other than the payment of the purchase price (“**Release Conditions**”). If the Release Conditions are satisfied on or prior to 11:59 pm (Eastern time) on March 31, 2026 (the “**Outside Date**”), such proceeds will be released to Rio2, and each holder of Subscription Receipts will receive, without additional consideration and without further action, one Rio2 Common Share, subject to customary adjustment provisions, for each Subscription Receipt held upon closing of the Transaction. If (i) the closing of the Transaction does not occur on or prior to the Outside Date, (ii) Rio2 advises the Underwriters or announces to the public that it does not intend to proceed with the Transaction, or (iii) the Agreement is terminated in accordance with its terms, the holders of Subscription Receipts will receive a cash payment equal to the Issue Price of the Subscription Receipts plus their pro rata share of the interest actually earned on the escrowed funds during the term of the escrow.

In connection with the Equity Financing, Rio2 filed a prospectus supplement dated December 10, 2025 to its short form base shelf prospectus dated October 16, 2024, as amended pursuant to amendment no. 1 to such short form base shelf prospectus dated December 3, 2025 (the “**Base Shelf Prospectus**”). The Base Shelf Prospectus and the prospectus supplement are accessible on Rio2’s issuer profile on SEDAR+ at www.sedarplus.ca.

Rio2 completed the Private Placement on December 17, 2025. A total of 6,306,300 Rio2 Common Shares were sold to investors resident in Peru and Chile at a price per share of C\$2.22 (approximately US\$1.585) for aggregate gross proceeds to the Company of C\$14 million (approximately US\$10 million). KALLPA Securities Sociedad Agente de Bolsa S.A. acted as the Company’s agent for the Private Placement. Final acceptance by the TSX of the Private Placement is subject to the completion of customary post-closing filings.

Vendor Debt

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

Following a grace period of 540 days after the closing of the Transaction (the “**Grace Period**”), quarterly principal repayments will total US\$2.5 million and US\$550,000 for the Vendor Senior Promissory Note and the Mezzanine Promissory Note, respectively. The interest rate applicable to the Vendor Senior Promissory Note will be the prime rate of interest quoted by a leading U.S. commercial bank from time to time (“**U.S. Prime**”) plus a margin of 5.0% during the Grace Period, and the U.S. Prime plus a margin of 4.0% thereafter. The interest rate applicable to the Mezzanine Promissory Note will be U.S. Prime plus a margin of 9.0% during the Grace Period, and U.S. Prime plus a margin of 11.0% thereafter. The Vendor Senior Promissory Note will have security over Condestable that is subordinate to the gold and silver stream held by an affiliate of Franco-Nevada Corporation (the “**FN Stream**”) prior to the deposit depletion and pari passu with the FN Stream after the deposit depletion. The Mezzanine Promissory Note will have security over Condestable that is subordinate to both the FN Stream and the Vendor Senior Promissory Note.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted on the basis that it is confidential information.

Item 8 Executive Officer

Kathryn Johnson
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Item 9 Date of Report

December 17, 2025

Forward Looking Statements

This material change report contains forward-looking statements and forward-looking information (collectively “forward-looking information”) within the meaning of applicable securities laws relating to the Transaction. Without limiting the generality of the foregoing, this material change report contains forward-looking information pertaining to the following: the completion of the Transaction and the timing thereof; the expected benefits, synergies and strategic positioning resulting from the Transaction (including diversification and cash flow to support growth); the Vendor Debt arrangements; the use of proceeds from the Equity Financing and the Private Placement; approvals of the TSX with respect to the Transaction and the Private Placement; and other matters ancillary or incidental to the foregoing.

All statements included herein, other than statements of historical fact, may be forward-looking information and such information involves various risks and uncertainties. Forward-looking information is often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. The forward-looking information is based on certain key expectations and assumptions made by Rio2’s management, including but not limited to: expectations concerning prevailing commodity prices (including copper and gold prices), exchange rates and interest rates; capital efficiencies; expectations regarding the availability of debt financing; the successful completion of the Transaction in accordance with the terms of the Agreement; the availability and cost of financing, labor and services; Rio2’s ability to access capital on satisfactory terms; the receipt of all regulatory and exchange approvals for the Transaction and the satisfaction of closing conditions for the Transaction.

Rio2 believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements in this material change report should not be unduly relied upon. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Rio2’s disclosure documents on the SEDAR+ website at www.sedarplus.ca. These risks and uncertainties include, but are not limited to: risks and uncertainties relating

to the completion of debt financing for the Transaction; risks relating to the completion of the Transaction, including the satisfaction of closing conditions and receipt of regulatory approvals; risks relating to the Vendor Debt arrangements and associated security interests; and management's ability to anticipate and manage the factors and risks referred to herein.

Forward-looking statements included in this material change report are made as of the date of this material change report and such information should not be relied upon as representing its views as of any date subsequent to the date of this material change report. Rio2 has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated, and that could cause actual results, performance or achievements to differ materially from current expectations. Rio2 disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.