ATICO MINING CORPORATION

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

For the three months and year ended December 31, 2024

Atico Mining Corporation
Corporate Office: Suite 501 - 543 Granville Street, Vancouver BC, Canada V6C 1X8 T +1 (604) 633-9022

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 April 23, 2025, should be read in conjunction with the Company's condensed interim consolidated financial statements for the years ended December 31, 2024 and 2023 and the related notes contained therewith. The Company reports its financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). 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. 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 completed the acquisition of 90% of the shares of Minera El Roble S.A. ("MINER"), the owner of the El Roble mineral property, taking control of the producing El Roble mine and 6,355 hectares of surrounding claims. MINER's principal asset is the operating El Roble underground copper-gold-silver mine and processing plant, located in Choco, Colombia. With a historic nominal capacity of 400 tonnes per day, the mine had processed over twenty-three years, 1.5 million tonnes of ore at an average head grade of 2.6% copper and an estimated gold grade of 2.5 grams per tonne ("g/t"). Since obtaining control of the mine on November 22, 2013, the Company has upgraded the operation from the historic nominal capacity of 400 tonnes per day to the current nominal capacity of 1,000 tonnes per day.

On September 11, 2019, the Company completed the acquisition of Toachi Mining Inc. ("Toachi") in a share exchange pursuant to a plan of arrangement. Toachi owned 60% of Compania Minera La Plata S.A. ("CMLP") and had an option agreement to earn up to a 75% ownership in CMLP which owns the two concessions comprising the La Plata project in Ecuador, a gold-rich volcanogenic massive sulphide ("VMS") deposit that was the subject of small-scale mining from 1975-1981 by Outokumpu Finland. The La Plata project covers a total area of 2,235 hectares along its 9-kilometer length, which contains known mineralization in two VMS lenses and nine priority exploration targets.

On August 20, 2021, the Company acquired the remaining 40% of the issued and outstanding shares of CMLP. The acquisition was completed pursuant to a share purchase agreement and as a result of the acquisition, CMLP is now a wholly-owned subsidiary of the Company.

In December 2021, the Company entered into an agreement with the mining authority, the National Mining Agency, in Colombia related to an ongoing royalty dispute. By entering into this agreement, the Company was able to apply for a new mining contract and related title for the El Roble property which expired on January 23, 2022. The Company has since been allowed to continue operating while the contract and title renewal process is underway. The agreement required the Company and the National Mining Agency to seek a resolution to the royalty dispute through binding arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce. Additionally, as part of the agreement, the Company entered a five-year payment plan (the "Payment Plan") with the National Mining Agency, which was amended in June 2022, to pay for the disputed royalties in biannual installments totaling COP$101 billion (approximately $23 million), plus interest at an annual rate of 6%. As of December 31, 2024, the Company had made payments for COP$50 billion ($11.3 million) under this Payment Plan. As security for the Payment Plan, the Company has pledged metals concentrate inventory in favor of the National Mining Agency.

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 National Mining Agency, requiring MINER to back pay copper royalties since 1994 (the "Award").

On April 9, 2025, the arbitration tribunal ordered that the payment of the Award be made within the timeframe outlined in the Payment Plan, and that both MINER and the National Mining Agency are responsible for adjusting the Payment Plan to account for the Award and for previous payments made by MINER under the Payment Plan.

The Award resulted in a total pre-tax loss of $24.5 million, recognized in the Company's 2024 income statement. The Company has been recording an arbitration asset for all cumulative payments made under the Payment Plan which amounted to $11.3 million (COP$50 billion) on December 31, 2024. After adjusting for Colombian inflation and interest, this amount has been offset against the Award, resulting in a net liability of $13.2 million (COP$58 billion) owing to the National Mining Agency as of December 31, 2024. Of this amount, $4.7 million is classified as a current liability and $8.5 million as a non-current liability. The liability amount may be subject to change pending the revisions to the Payment Plan by the National Mining Agency and MINER as required by the arbitration tribunal. As payments are made under the Payment Plan, the Company intends to use the proceeds from the sale of the pledged concentrate to substantially reduce its liabilities.

While to date the National Mining Agency has allowed continued operation of El Roble, in the event that title renewal is not extended, operations of El Roble would cease, and related assets would be impaired.

FISCAL 2024 FINANCIAL AND OPERATING HIGHLIGHTS

- Sales for the year increased 19% to $68.5 million when compared with $57.5 million in 2023 due to higher quantities of concentrate sold and higher realized copper and gold prices. Copper ("Cu") and gold ("Au") accounted for 83% and 17% of the 35,774 (2023 – 31,763) dry metric tonnes ("DMT") sold during 2024.

- The average realized price per metal was $4.19 (2023 - $3.94) per pound of copper and $2,452 (2023 - $2,009) per ounce of gold.

- Income from operations was $7.9 million (2023 – $4.4 million loss), while cash flows from operations, before changes in working capital, was $17 million (2023 - $9.7 million). 2023 income from operations included a $5.7 million impairment charge to mineral properties in respect to certain regional exploration targets in Colombia of the El Roble's exploration & evaluation segment. Cash used for investing activities amounted to $16.6 million (2023 - $15.9 million).

- Net loss for 2024 was $18.7 million, compared with $5.8 million for the comparative year. The increase in net loss was primarily due to a $24.5 million pre-tax loss recognized in 2024 as a result of the outcome of the arbitration for El Roble's royalty dispute with the National Mining Agency in Colombia.

- Ending working capital was negative $11.3 million (December 31, 2023 – negative $2.1 million). The Company had $7.0 million (December 31, 2023 - $6.0 million) in long-term loans payable and $8.5 million (December 31, 2023 - $Nil) in long-term arbitration award payable. The decrease in working capital is largely due to the decrease in cash and inventories.

- Cash costs were $142.68 per tonne of processed ore and $2.07 per pound of payable copper produced, which were increases of 10% and 1%, respectively, compared to 2023 (refer to non-GAAP Financial Measures). The increase in cash costs per tonne was primarily driven by inflationary pressures on operating costs in 2024, as well as higher expenses related to tailings' handling and disposal, and to higher infill drilling, stope preparation and backfilling activities at the mine . While cash costs per pound of payable copper increased only marginally, due to an offset by higher copper head grades.

- Cash margin was $2.12 (2023 - $1.90) per pound of payable copper produced (refer to non-GAAP Financial Measures) which was an increase of 12% over 2023, due to the increase in realized copper price as well as increased copper head grades for the year.

- All-in sustaining cash cost per payable pound of copper produced was $3.00 (2023 - $2.87) (refer to non-GAAP Financial Measures) impacted by an increase in sustaining capital expenditures, compared to the prior year, mainly related to mine development costs which included extending mining zones, infrastructure and ramp construction necessary to maintain existing production capacity.

- The Company produced 33,922 (2023 – 32,667) DMT of concentrate with a metal content of 13.7 million (2023 – 13.2 million) pounds ("lbs") of copper and 9,106 (2023 – 10,149) ounces ("oz") of gold.

- Processed tonnes decreased 2% to 274,181 compared to 278,874 in 2023.

- In July 2024, the Company reported results of the La Plata Feasibility Study prepared in accordance with National Instrument 43-101 Standards and filed on SEDAR+ on August 14, 2024. Highlights can be found in La Plata overview of this MD&A.

- In August 2024, the Company entered into an amendment and restatement agreement with Trafigura PTE. LTD. (the "Lender") to amend the US$ 10 million credit agreement entered into with the Lender on February 2022, by extending the maturity date of the credit facility from August 8, 2024, to July 31, 2026 (which was further revised to June 30, 2025 as described below).

Subsequent Events to the Reporting Date:

- 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 National Mining Agency, requiring MINER to back pay copper royalties since 1994.

- On April 9, 2025, the arbitration tribunal ordered that the payment of the Award be made within the timeframe outlined in the Payment Plan, and that both MINER and the National Mining Agency are responsible for adjusting the Payment Plan to account for the Award and for previous payments made by MINER under the Payment Plan.

- On April 8**,** 2025, the Company entered into an agreement with Trafigura PTE. LTD. (the "Lender") to amend the $10,000,000 credit agreement originally executed in February 2022 and previously amended in August 2024. Pursuant to the terms of this amendment, the principal repayment schedule has been revised as follows:

    1. $ 650,000 due on January 31, 2025 (PAID);
    2. $ 650,000 due on April 30, 2025; and
    3. $ 8,700,000 due on June 30, 2025

FOURTH QUARTER 2024 FINANCIAL AND OPERATING HIGHLIGHTS

- Income from operations for the three months ended December 31, 2024 ("Q4-2024") was $1.6 million (Q4-2023 - $4.9 million loss). Cash flows provided by operations, before changes in working capital items, was $0.5 million (Q4-2023 - $2.0 million). Cash used for investing activities amounted to $4.6 million (Q4-2023 - $4.1 million). 2023 income from operations included a $5.7 million impairment charge (above).

- Cash costs were $135.55 per tonne of processed ore and $1.91 per pound of payable copper produced, which were unchanged from Q4-2023 (refer to non-GAAP Financial Measures).

- All-in sustaining cash cost per payable pound of copper produced in Q4-2024 was $2.95 compared to $2.56 in Q4-2023 (refer to non-GAAP Financial Measures), which was primarily due to higher sustaining capital expenditures in Q4-2024, mainly related to mine development costs which included extending mining zones, infrastructure and ramp construction necessary to maintain existing production capacity.

- The Company produced 9,203 (Q4-2023 – 10,727) DMT of concentrate with a metal content of 3.7 million (Q4-2023 – 4.4 million) lbs of copper and 1,999 (Q4-2023 – 2,578) oz of gold.

- Processed tonnes decreased 4% to 69,961 compared to 73,030 in Q4-2023.

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.

The Company continues to work towards obtaining a new contract to renew title on its claims hosting the El Roble property, as its 30-year contract expired on January 23, 2022. The Company has been allowed to continue operating the El Roble mine while the process for the contract and title renewal continues. The Company is working diligently with the National Mining Agency for the issuance of the new title, and while the Company believes the process is progressing favourably, no assurance can be made that the renewal will be obtained.

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 2024	Q4 2024	Q3 2024	Q2 2024	Q1 2024	YTD 2023	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Production (contained metals)[1]										
Copper (000 lbs)	**13,714**	**3,743**	**2,912**	**3,710**	**3,349**	13,242	4,367	3,762	2,803	2,310
Gold (oz)	**9,106**	**1,999**	**2,072**	**2,850**	**2,185**	10,149	2,578	2,705	2,313	2,553
Silver (oz)	**35,451**	**9,066**	**8,239**	**9,972**	**8,174**	36,949	10,810	9,979	7,825	8,335
Mining										
Material (tonnes)	**273,264**	**69,696**	**67,869**	**70,826**	**64,873**	288,987	78,132	77,947	72,340	60,568
Milling										
Milled (tonnes)	**274,181**	**69,961**	**67,354**	**71,079**	**65,787**	278,874	73,030	74,580	68,471	62,793
Tonnes per day	**836**	**827**	**856**	**852**	**811**	825	853	888	799	747
Copper grade (%)	**2.46**	**2.63**	**2.13**	**2.57**	**2.52**	2.34	2.89	2.46	2.04	1.87
Gold grade (g/t)	**1.61**	**1.35**	**1.52**	**1.95**	**1.67**	1.89	1.75	1.83	1.80	2.23
Silver grade (g/t)	**8.42**	**7.19**	**8.70**	**9.30**	**8.49**	10.26	9.86	10.13	9.98	11.20
Recoveries										
Copper (%)	**92.1**	**92.3**	**92.2**	**92.0**	**91.8**	91.8	93.9	93.0	90.6	89.2
Gold (%)	**63.7**	**65.9**	**62.9**	**64.2**	**61.7**	60.1	62.7	61.9	58.4	57.0
Silver (%)	**48.9**	**57.4**	**44.4**	**47.3**	**46.3**	40.7	47.0	41.0	36.6	37.5
Concentrate										
Cu concentrate produced (DMT)	**33,922**	**9,203**	**7,248**	**9,197**	**8,274**	32,667	10,727	9,336	6,789	5,815
Copper (%)	**18.3**	**18.4**	**18.2**	**18.3**	**18.4**	18.4	18.5	18.3	18.7	18.0
Gold (g/t)	**8.3**	**6.8**	**8.9**	**9.6**	**8.2**	9.7	7.5	9.0	10.5	13.7
Silver (g/t)	**32.5**	**30.6**	**35.4**	**33.7**	**30.7**	35.0	31.3	33.2	34.9	44.8
Payable copper produced (000 lbs)	**12,892**	**3,520**	**2,737**	**3,487**	**3,148**	12,451	4,108	3,536	2,638	2,169
Cash cost per pound of payable copper produced[(2]	**2.07**	**1.91**	**2.44**	**1.48**	**2.57**	2.04	1.91	1.97	2.22	2.20

[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 2024, the Company produced 13.7 million lbs of copper, 9,106 oz of gold, and 35,451 oz of silver. The increase in copper production and decrease in gold production compared to the prior year was primarily due to the changes in head grade.

During 2024, the mill operated for 329 days, a decrease of 2% compared to the target set for the year and a decrease of 3% compared to 339 days of operation in 2023. Average copper head-grade increased by 5% relative to 2023, meeting 2024 guidance, while average gold head-grade decreased by 15% relative to 2023, below the bottom end of the 2024 guidance range.

Recoveries remained steady at 92.1% (2023 – 91.8%) for copper and 63.7% (2023 – 60.1%) for gold.

Cash costs were $142.68 per tonne of processed ore and $2.07 per pound of payable copper produced, which were increases of 10% and 1%, respectively, compared to 2023 (refer to non-GAAP Financial Measures). The increase in cash costs per tonne was primarily driven by inflationary pressures on operating costs in 2024, as well as higher expenses related to tailings' handling and disposal, and higher infill drilling, stope preparation and backfilling activities at the mine. While cash costs per pound of payable copper increased only marginally due to an offset by higher copper head grades.

For 2024, all-in sustaining cash cost per payable pound of copper produced was $3.00 (2023 - $2.87) (refer to non-GAAP Financial Measures). The increase was primarily driven by higher sustaining capital expenditures, mainly related to mine development costs, including extending mining zones, infrastructure and ramp construction necessary to maintain existing production capacity.

Cash used for capital expenditure activities at El Roble mine during 2024 was $6.2 million (2023 - $5.5 million), primarily due to mine (underground) exploration and development.

The drift-and-fill mining method continues in Zeus and Maximus with ore being sourced throughout the period from primary and secondary stopes from fifteen sublevels from the 1,687 to the 1,925 level.

(Expressed in US dollars, unless otherwise indicated)

Concentrate Inventory

Amounts in dry metric tonnes	**Q4 2024**	Q4 2023	**YTD 2024**	YTD 2023
Opening inventory	**5,823**	7,939	**8,227**	7,326
Production	**9,203**	10,727	**33,922**	32,667
Sales	**(8,852)**	(10,433)	**(35,774)**	(31,763)
Adjustments	**(5)**	(6)	**(206)**	(3)
Closing inventory	**6,169**	8,227	**6,169**	8,227

Approximately 5,930 dry metric tonnes of metals concentrate in inventories at December 31, 2024, were pledged as security in connection to the agreement between the Company and the National Mining Agency. The security is released proportionally as payments are made in accordance with the payment schedule and may be substituted at a later date for a different type of security. Production is trucked routinely from the El Roble mine to the port of Buenaventura, where 20,000 WMT of concentrate can be stored at the Company´s warehouse. Since the cost of shipping and freight is directly related to the size of the lot to be shipped, the Company plans to sell lots closer to 10,000 WMT.

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 revenue ultimately recognized.

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 Q4-2024, the Company carried forward 5,823 DMT from the previous quarter, produced 9,203 DMT and sold 8,852 DMT of concentrate; the difference (after inventory adjustments) of 6,169 DMT is the concentrate inventory carried over to Q1-2025.

Exploration at El Roble

During Q4-2024, the Company drilled 2,119 meters, between levels 2000 and 2100, on an infilling program on the old workings which started on July 2024, with a total of 6,441 meter completed. The infill drilling resulted in the interception of mineralization beyond the previously defined mineralized shell. The objective of the drill program is to add resources to the mineral resource estimate at El Roble. Work is ongoing to interpret and generate new drilling targets between levels 2000 and 2100 for 2025.

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. A conversion rate of 88% of Measured and Indicated resources to Proven and Probable reserve categories was applied over the current resource estimate. Life of Mine is extended until the first quarter of 2027. More information can be found on the Company's press release dated April 30, 2024, available on SEDAR+ and on the Company's website.

Regional exploration (target delineation) continued during Q4-2024 with detailed geological mapping, rock outcrop analysis, structural interpretation, and geological interpretation assisted by Artificial Intelligence. No regional exploration drilling was completed during Q4-2024, as efforts focused on generating targets for a future diamond drilling (DDH) program.

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 and Toachi from 2016-2019.

Historic resources based on drilling by Cambior and Cornerstone were estimated at 913,977 tonnes grading 8.01 grams gold per tonne, 88.3 grams silver per tonne, 5.01% copper, 6.71% zinc and 0.78% lead per tonne in the inferred category. More recently, Toachi Mining completed a PEA estimating an inferred resource of 1.85 million tonnes grading 4.10 grams gold per tonne, 50.0 grams silver per tonne, 3.30% copper, 4.60% zinc and 0.60% lead per tonne.

The La Plata project consists of two concessions covering a total area of 2,235 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 and Social Impact Assessment ("ESIA") study for the project and the Ministry of Environment, Waters and Ecological Transition (MAATE) initiated the socialization of the ESIA, 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. Until the Assembly passes the necessary organic law, the temporary suspension of the Decree was revoked by the Constitutional Court and the Decree remains in effect. 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.

In January 2024, the Company announced that the Government of Ecuador authorized the extension period for the La Plata mining concession until 2049.

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 which is an important step for the issuance of the La Plata environmental license. 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, 2024, 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 advised the Court of their intention to appeal the Court's decision. The appeal will be heard by the Provincial Court of Justice of Cotopaxi in due course. No date for the appeal has been set.

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 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%
- Underexplored VMS camp, currently identified resources are contained in only 1.6% of total land package

Exploration at La Plata

In 2024, the Company incurred $3.6 million (2023 - $5.5 million) in expenditure at La Plata, primarily on feasibility, engineering and permitting activities. During 2024, exploration activities at La Plata focused on target delineation and reinterpretation of drill data generated during the 2021-2022 campaigns, in preparation for future drilling. No drilling was completed during 2024, and the Company focused on interpreting historical data to generate new targets for an upcoming drilling program.

OUTLOOK

The Company is basing its 2025 guidance on its financial and production plan for the year ending December 31, 2025. Please refer to the Cautionary Note on Forward-Looking Statements at the end of this document. The Company has set the following objectives for 2025:

- Process between 250,000 and 270,000 tonnes.
- Maintain recovery above 91% for copper and 62% for gold.
- Maintain an average copper head grade between 2.1% and 2.3%.
- Maintain an average gold head grade between 2.2 g/t and 2.5 g/t.
- Maintain production between 26,000 and 30,000 dry tonnes of concentrate.
- Maintain production between 5,200 and 5,500 tonnes of copper.
- Maintain production between 12,500 and 13,500 ounces of gold.
- Maintain the mill mechanical availability at 95% to reach 330 days worked.
- Receive the environmental license and advance to a construction decision by the end of the year.
- Continue improving the safety and environmental standards.

SUMMARY OF QUARTERLY RESULTS

The following table provides selected financial information for the eight quarters up to December 31, 2024, and should be read in conjunction with the Company's consolidated financial statements for the years ended December 31, 2024, and 2023.

	Q4-2024	Q3-2024	Q2-2024	Q1-2024
Revenue	**$ 15,177,180**	$ 24,599,601	$ 10,860,467	$ 17,818,115
Income (loss) from operations	**1,567,507**	4,194,608	891,086	1,292,845
Net (loss) income for the period[1]	**(17,291,506)**	1,104,177	(506,770)	(433,643)
(Loss) earnings per share - basic and diluted	**$ (0.14)**	$ 0.01	$ (0.00)	$ (0.00)
Weighted average shares outstanding - basic and diluted	**121,286,185**	121,286,185	121,286,185	121,286,185

	Q4-2023	Q3-2023	Q2-2023	Q1-2023
Revenue	$ 17,252,368	$ 15,279,950	$ 12,228,088	$ 12,783,240
Income (loss) from operations	(4,850,756)	468,178	(602,944)	573,062
Net (loss) income for the period[1]	(3,956,133)	(1,073,650)	(60,936)	(576,008)
(Loss) earnings per share - basic and diluted	$ (0.03)	$ (0.01)	$ (0.00)	$ 0.00
Weighted average shares outstanding - basic and 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 $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 National Mining Agency. The $4.8 million loss from operations in Q4-2023 was due to a one-time $5.7 million impairment of mineral properties in Colombia.

FOURTH QUARTER FINANCIAL RESULTS

The fourth quarter net loss was $19,041,181 million compared to $4,269,122 in Q4-2023, and basic and diluted loss per share was $(0.16) and $(0.03), respectively. Income from mining operations was $2,923,759 (Q4-2023 - $2,339,956), and the Company had income from operations of $1,567,507 (Q4-2023 - $4,850,756 loss).

Sales for Q4-2024 were $15,177,180 (Q4-2023 - $17,252,368) from the shipping and invoicing of 8,852 (Q4-2023 – 10,433) 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.

Three months ended	**December 31, 2024**	December 31, 2023
Sales and realized prices		
Concentrate sold	**$ 14,984,933**	$ 17,515,598
Provisional pricing adjustments[1]	**192,247**	(263,230)
Sales per financial statements	**$ 15,177,180**	$ 17,252,368
Copper		
Provisional sales (000's lbs)	**3,703.8**	4,318.5
Realized price ($/lb)	**4.20**	3.86
Net realized price ($/lb)[2]	**3.95**	3.64
Gold		
Provisional sales (oz)	**993**	2,453
Realized price ($/oz)	**2,671.4**	2,053.2
Net realized price ($/oz)[2]	**450.8**	784.8
Silver		
Provisional sales (oz)	**3,385.7**	9,947.5
Realized price ($/oz)	**0.00**	0.00
Net realized price ($/oz)[2]	**0.00**	0.00

[1] Include adjustments for mark-to-market price, forward sale arrangements, final weight and metal grade assays at port of destination
[2] Adjusted price net of payable metals deductions, treatment and refining charges, and/or transportation charges

(Expressed in US dollars, unless otherwise indicated)

Cost of sales for Q4-2024 was $12,253,421 (Q4-2023 - $14,912,412). The decrease in costs during the quarter was primarily attributable to lower volume sold.

General and administrative ("G&A") expenses for Q4-2024 were lower compared to Q4-2023 consisting of the following components:

	Three months ended December 31, 2024			Three months ended December 31, 2023		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 53,787**	**$ -**	**$ 53,787**	$ 50,011	$ 12,848	$ 62,859
General and administrative	**125,059**	**165,796**	**290,855**	127,394	188,482	315,876
Professional fees	**191,534**	**167,090**	**358,624**	181,298	71,638	252,936
Salaries and benefits	**290,865**	**333,587**	**624,452**	290,766	490,908	781,674
Transfer agent and filing fees	**-**	**8,247**	**8,247**	-	6,796	6,796
	$ 661,245	**$ 674,720**	**$ 1,335,965**	$ 649,469	$ 770,672	$ 1,420,141

Other income and expenses: In Q4-2024, the Company recognized share-based payments expense of $20,287 (Q4-2023 - $73,287) for stock options and restricted share units ("RSUs") granted in between April 2021 and April 2023, where each has a vesting term over 36 months.

In Q4-2024, the Company recognized a pre-tax loss of $24,515,080 as a result of the outcome of the El Roble royalty arbitration in Colombia (Q4-2023 - $Nil), interest and finance costs of $717,083 (Q4-2023 - $510,426) related to its loans payable and accretion on decommissioning and restoration provision and lease liabilities, a net realized loss of $110,976 (Q4-2023 - $46,859 gain) and a net unrealized fair value loss of $148,682 (Q4-2023 – $163,363) on settlements of its derivative instruments, and a foreign exchange loss of $578,432 (Q4-2023 – $590,524). in Q4-2023 the Company had recognized a one-time $5.7 million impairment charge on its mineral properties in Colombia.

In Q4-2024, the Company recognized a current income tax expense of $3,482,068 (Q4-2023 - $1,899,196), and a deferred income tax recovery of $8,943,632 (Q4-2023 - $3,698,284) primarily due to the net loss on the royalty arbitration in Colombia.

FISCAL 2024 ANNUAL FINANCIAL RESULTS

Selected financial information from the Company's three most recently completed financial years is summarized as follows:

Year ended	**December 31, 2024**	December 31, 2023	December 31, 2022
Revenue[(1)]	**$ 68,455,363**	$ 57,543,646	$ 65,166,471
Income from operations	**7,946,046**	(4,412,460)	9,160,517
Net income (loss)[(2)]	**(17,127,742)**	(5,666,727)	(3,671,632)
Earnings (loss) per share - basic and diluted	**(0.14)**	(0.05)	(0.03)
Total assets	**99,278,878**	115,190,247	121,016,887
Total long-term liabilities	**22,624,470**	19,954,342	35,338,562

(1) Include adjustments for mark-to-market price.
(2) Income (loss), after income taxes, attributable to equity holders of the Company.

For the year ended December 31, 2024, net loss was $18,675,541 compared to $5,777,153 in 2023 and basic and diluted loss per share was $(0.14) and $(0.05), respectively. The 2024 net loss was primarily due to a $24.5 million pre-tax loss on the royalty arbitration in Colombia. Income from mining operations was $14,041,818 (2023 - $7,429,460), and the Company had income from operations of $7,946,046 (2023 - $4,412,460 loss). 2023 included a $5.7 million impairment charge to mineral properties in respect to certain regional exploration targets in Colombia of the El Roble's exploration & evaluation segment.

Sales for the year ended December 31, 2024 were $68,455,363 (2023 - $57,543,646) from the shipping and invoicing of 35,774 (2023 – 31,763) 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, final pricing for metals concentrates occurs one or four months after the month of sales.

Year ended	**December 31, 2024**	December 31, 2023
Sales and realized prices		
Concentrate sold	**$ 68,700,235**	$ 57,775,812
Provisional pricing adjustments [1]	**(244,872)**	(232,166)
Sales per financial statements	**$ 68,455,363**	$ 57,543,646
Copper		
Provisional sales (000's lbs)	**14,382.1**	12,952.0
Realized price ($/lb)	**4.19**	3.94
Net realized price ($/lb) [2]	**3.94**	3.70
Gold		
Provisional sales (oz)	**9,008**	9,407
Realized price ($/oz)	**2,452**	2,009
Net realized price ($/oz) [2]	**1,334**	1,044
Silver		
Provisional sales (oz)	**32,653.1**	30,785.6
Realized price ($/oz)	**33.74**	22.91
Net realized price ($/oz) [2]	**0.82**	0.50

[1] Include adjustments for mark-to-market price, forward sale arrangements, final weight and metal grade assays at port of destination
[2] Adjusted for payable metals deductions, treatment and refining charges, and/or transportation charges

Cost of sales for the year ended December 31, 2024 was $54,413,545 (2023 - $50,114,186). The increase in cost of sales over the comparative period was mainly due to the increase in volume of concentrate sold.

General and administrative ("G&A") expenses for the year ended December 31, 2024 were lower than 2023 consisting of the following components:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Operations	**Corporate**	**Total**	Operations	Corporate	Total
Amortization	**$ 209,644**	**$ -**	**$ 209,644**	$ 217,081	$ 20,584	$ 237,665
General and administrative	**764,988**	**696,720**	**1,461,708**	1,309,795	772,862	2,082,657
Professional fees	**781,257**	**496,252**	**1,277,509**	288,791	365,269	654,060
Salaries and benefits	**1,413,033**	**1,320,602**	**2,733,635**	1,268,995	1,514,197	2,783,192
Transfer agent and filing fees	**-**	**52,532**	**52,532**	-	57,901	57,901
	$ 3,168,922	**$ 2,566,106**	**$ 5,735,028**	$ 3,084,662	$ 2,730,813	$ 5,815,475

Other income and expenses: During the year ended December 31, 2024, the Company recognized share-based payments expense of $360,744 (2023 - $329,161) for stock options and RSUs granted between October 2020 and April 2023, where each has a vesting term over 36 months.

During the year ended December 31, 2024, the Company recognized a pre-tax loss of $24,515,080 as a result of the outcome of the El Roble royalty arbitration in Colombia (Q4-2023 - $Nil), interest and finance costs of $2,922,655 (2023 - $2,402,387) related to its loans payable and accretion on decommissioning and restoration provision and lease liabilities, a net realized loss of $1,435,762 (2023 - $46,859 gain) and a net unrealized fair value loss of $28,950 (2023 – $92,920) on settlements of its derivative instruments, and a foreign exchange loss of $691,559 (2023 – $386,632 gain).

During the year ended December 31, 2024, the Company recognized a current income tax expense of $3,616,879 (2023 - $3,648,315), and a deferred income tax recovery of $6,589,298 (2023 - $4,345,438) primarily due to the net loss on the royalty arbitration in Colombia.

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash as at December 31, 2024, totaled $3,055,305 (December 31, 2023 - $8,298,367) and working capital was negative $11,305,822 (December 31, 2023 – $2,055,322). 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, and of accounts payable and loan payments.

The working capital deficiency as of December 31, 2024, included loans and borrowings for $17,834,674, classified in current liabilities, and the portion of the Award payable to the National Mining Agency of $4,671,399 coming due within 12 months.

As of December 31, 2024, the Company had $7,050,000 in long-term loans and borrowings and $8,485,827 of Award payable to the National Mining Agency due beyond one year.

In February 2022, and as amended in May 2023, the Company entered into a secured definitive credit agreement with Trafigura PTE Ltd. (the "Lender") for the principal sum of $10,000,000 for a 30-month term bearing interest at a rate of SOFR plus 5.26% for the first 24 months and then SOFR plus 7.5% thereafter. The funds were used to, amongst other things, fund work on the Company's La Plata Project in Ecuador and for general working capital purposes. On August 5, 2024, the Company amended and restated the credit facility with the Lender by extending the maturity date of the credit facility from August 8, 2024, to July 31, 2026, with the following principal 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 Oct 31, 2025, January 31, 2026, and April 30, 2026; and
4. $ 5,150,000 due on July 31, 2026.

Subsequent to year end, on April 8, 2025, the Company entered into an amendment agreement with the Lender in which the principal repayment schedule was revised, once again, as follows:

1. $ 650,000 due on January 31, 2025 (PAID);
2. $ 650,000 due on April 30, 2025; and
3. $ 8,700,000 due on June 30, 2025

In the amendment agreement, the Lender also waived events of default that in the opinion of the Lender had occurred and caused a material adverse effect to the Company. For added security for the Lender, the Company also agreed to pledge metal concentrate produced at the El Roble property, whether existing and to be produced (that is not pledged in favour of the National Mining Agency), until the credit facility is fully repaid.

In December 2020, the Company entered into an unsecured convertible debenture arrangement with Dundee Corporation ("Dundee") for principal balance of $6,500,000, which carries an interest rate of 7.0% per annum payable quarterly for five years. The principal balance is convertible into 11,627,907 common shares of the Company at $0.559 per share. Over the term of the debenture, the Company may, at its option, redeem the debenture, in whole or in part, at par plus accrued and unpaid interest. The debenture matures in December 2025.

The cash flow generated from mining operations will be insufficient to repay the Company's loans and borrowings entirely at maturity. Consequently, the Company must secure additional funds through debt or equity financing to meet these obligations or negotiate to amend or extend their terms.

While additional funds will be required in order to repay the Company's loans, management believes that existing cash, cash flow generated from operations, and metal concentrate sales can fund the Award payments to the National Mining Agency, current operational requirements and capital projects. 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 depends on external financing, which may not be available on favorable terms.

On September 27, 2024, the Company filed a Short Form Base Shelf Prospectus, with a total offering price, in aggregate, of up to C$15 million in securities over a 25-month period. The securities may be offered separately or together at prices and on terms determined based on market conditions at the time of the sale.

Fourth quarter liquidity and capital resources

During Q4-2024, cash decreased by $2,779,722. The decrease was due to net cash of $1,699,851 and $86,355 provided by financing and operating activities, respectively, offset by $4,565,718 used in investing activities. Exchange rate changes had a negative impact on cash of $210.

Operating activities

During Q4-2024, net cash provided by operating activities totaled $86,355, which included operating cash inflows before changes in non-cash operating working capital items of $522,108 and cash outflows from changes in non-cash working capital items of $435,753. Non-cash working capital changes included the effects of an increase in receivables of $1,020,170 as well as accounts payable and accrued liabilities of $524,850 and increase in inventories of $43,294 and a decrease in prepaid expenses and deposits of $102,861.

Investing activities

Cash used in investing activities during Q4-2024 totaled $4,565,718. The Company paid $1,320,602 and $193,609 towards mine (underground) exploration and development and regional exploration, respectively, at El Roble, and $350,941 towards plant and equipment additions and reclamation activities at El Roble. Additionally, the Company paid $810,990 on feasibility, engineering and permitting activities at La Plata, $110,976 on settlements of derivative instruments and $1,778,600 to the National Mining Agency in Colombia, pursuant to the Payment Plan.

(Expressed in US dollars, unless otherwise indicated)

Financing activities

Cash provided by financing activities during Q4-2024 totaled $1,699,851. The Company withdrew $4,950,000 from its short-term credit facilities in Colombia and repaid $2,340,000 of principal of these short-term credit facilities. Additionally, the Company paid $501,032 towards interest on loans, $240,388 towards payments on leases, as well as $168,729 towards dividends to a subsidiary's non-controlling interest.

Annual liquidity and capital resources

During the year ended December 31, 2024, cash decreased by $5,243,062. The decrease was due to net cash of $16,573,313 and $5,320,995 used in investing and financing activities, respectively, partially offset by $16,823,719 provided by operating activities. Exchange rate changes also had a negative impact on cash of $32,473.

Operating activities

During the year ended December 31, 2024, net cash provided by operating activities totaled $16,683,719, which included operating cash inflows before changes in non-cash operating working capital items of $16,956,186, and cash outflows from changes in non-cash working capital items of $272,467. Non-cash working capital changes included a decrease in receivables of $842,637, accounts payable and accrued liabilities of $2,439,028, inventories of $977,405 and prepaid expenses and deposits of $346,519.

Investing activities

During the year ended December 31, 2024, net cash used in investing activities totaled $16,573,313. The Company paid $4,213,826, $889,763, and $1,060,278 towards mine (underground) exploration and development, regional exploration, and plant and equipment additions, respectively at El Roble. Additionally, the Company paid $3,632,540 on feasibility, permitting and exploration at La Plata and $1,000,000 towards the final installment of the acquisition of non-controlling interests in La Plata, $1,435,762 towards settlements of derivative instruments, $509,793 on reclamation activities at El Roble and paid $3,831,351 to the National Mining Agency, pursuant to the Payment Plan.

Financing activities

During the year ended December 31, 2024, net cash used in financing activities totaled $5,320,995. The Company withdrew $12,430,000 from its short-term credit facilities in Colombia and repaid $13,380,000 of principal of these short-term credit facilities. Additionally, the Company paid $2,654,873 towards interest on loans, $842,016 towards payments on leases, as well as $874,106 towards dividends to a subsidiary's non-controlling interest.

TRANSACTIONS WITH RELATED PARTIES

The Company considers key management personnel to include its management, outside 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:

Year ended December 31, 2024	**Salary or fees**	**Share-based payments**	**Total**
Management	**$ 1,206,259**	**$ 211,868**	**$ 1,418,127**
Directors	**137,752**	**77,532**	**215,284**
	$ 1,344,011	**$ 289,400**	**$ 1,633,411**

Year ended December 31, 2023	Salary or fees	Share-based payments	Total
Management	$ 1,173,679	$ 142,676	$ 1,316,355
Directors	138,000	117,314	255,314
Seabord Management Corp.	159,285	-	159,285
	$ 1,470,964	$ 259,990	$ 1,730,954

As at December 31, 2024, the Company had $701,485 (2023 - $636,049) due to directors and management related to remuneration and performance-based remuneration, which have been included in accounts payable and accrued liabilities.

Seabord Management Corp. ("Seabord") is a management services company that provides the Company with corporate secretarial services, accounting staff, administrative staff, and office space. The Corporate Secretary and the accounting and administrative staff are employees of Seabord and are not paid directly by the Company. Seabord was owned and controlled by a director of the Company until January 1, 2024.

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 and 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 adjustment has been recognized in other financial assets or liabilities 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 December 31, 2024, the Company had outstanding forward arrangements to convert $5,835,000 (December 31, 2023 - $Nil) into Colombian pesos at the negotiated exchange rates up to May 2, 2025, resulting in a net liability carrying amount of $26,732 (December 31, 2023 - $Nil). During the year ended December 31, 2024, the Company had a net realized loss of $118,228 (2023 - $Nil) 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 December 31, 2024, the Company had no outstanding sale arrangements and a carrying amount of $Nil (December 31, 2023 - $92,920). During the Year ended December 31, 2024, the Company had a net realized loss of $1,317,534 (2023 - $46,859 gain) on the settlement of its commodity 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 exercise price of its share purchase warrants and conversion price on the convertible debentures are denominated in Canadian dollars or at a set exchange rate.

CONTINGENCY AND COMMITMENT

In 2015, the Company's operating subsidiary, Minera El Roble S.A. ("MINER"), received a notice of claim from the mining authority (the "National Mining Agency") in Colombia requesting payment of royalties related to past copper production. The Company disputed this claim, maintaining that it has complied with the royalty payments due and called for under the mining contract for the El Roble property. In 2017, the National Mining Agency in Colombia submitted a claim for $5 million (up from $2 million) plus additional interest and fees. The Company defended itself against this action before the Administrative Tribunal of Cundinamarca. The National Mining Agency updated the claim amount to COP$87.9 billion (approximately $19.9 million) for all royalties in dispute up to December 2021, and in June 2022, to COP$101.2 billion (approximately $23.0 million) for all royalties in dispute up to January 23, 2022, the expiry date of the mining contract. Such amounts excluded indexation and related late payment interest.

On December 29, 2021, the Company entered into an agreement (the "Agreement") with the National Mining Agency to resolve the ongoing royalty dispute. This allowed the Company to be recognized as being formally in good standing with the National Mining Agency, enabling the Company to apply for a new mining contract and related title for the El Roble property which expired on January 23, 2022. The Agreement required the Company and the National Mining Agency to seek a resolution to the royalty dispute through binding arbitration at the Center for Arbitration and Conciliation of the Bogota Chamber of Commerce for the purposes of seeking an expedited resolution to the ongoing claim.

Additionally, as part of the Agreement, the Company entered a five-year Payment Plan with the National Mining Agency, which was amended in June 2022, to pay for the disputed royalties in biannual instalments for a total amount of COP$101.2 billion (approximately $23.0 million) plus interest at a 6% annual rate (in aggregate of COP$120.2 billion or approximately $27.3 million) with the following payment schedule: initial upfront payment of COP$3,800,000,000 (paid in 2021), followed by COP$15,130,315,236 (paid in 2022), COP$15,301,117,051 (paid in 2023), COP$7,996,308,155 (paid in May 2024), COP$7,850,738,753 (paid in November 2024), COP$26,501,243,006 (approximately $6.0 million) in year 2025 and COP$43,672,690,093 (approximately $9.9 million) in year 2026. The total amount under the Payment Plan represents all outstanding royalties which the National Mining Agency has claimed through to the expiry date of the mining contract. As of December 31, 2024, the Company had made payments for COP$50 billion ($11.3 million) under this Payment Plan. As security for the Payment Plan, the Company pledged one real estate property located in Colombia in addition to granting a rotating pledge over metal concentrate inventory. The security is being released proportionally as payments are being made in accordance with the payment schedule and the security may be substituted at a later date.

The parties agreed to this interim arrangement until a final arbitration decision was made. The ensuing arbitration proceedings concluded with the final evidentiary hearing held on December 19, 2024, during which the concluding arguments of the parties were presented to the Tribunal. The Tribunal issued its final decision (the "Award") on March 7, 2025, ordering MINER to back pay copper royalties since 1994. On April 9, 2025, the Tribunal clarified that the payment of the Award be made within the timeframe outlined in the Payment Plan, and that both MINER and the National Mining Agency are responsible for adjusting the Payment Plan to account for the Award and for previous payments made by MINER under the Payment Plan.

The Award resulted in a total pre-tax loss of $24.5 million, recognized in the Company's 2024 income statement. The Company has been recording an arbitration asset for all cumulative payments made under the Payment Plan which amounted to $11.3 million (COP$50 billion) at December 31, 2024. After adjusting for Colombian inflation and interest, this amount has been offset against the Award, resulting in a net liability of $13.2 million (COP$58 billion) owing to the National Mining Agency as of December 31, 2024. Of this amount, $4.7 million is classified as a current liability and $8.5 million as a non-current liability. The liability amount may be subject to change pending the revisions to the Payment Plan by the National Mining Agency and MINER as required by the Tribunal. As payments are made under the Payment Plan, the Company intends to apply the proceeds from the sale of the pledged concentrate to reduce its liabilities.

The Company continues to work towards obtaining a new contract to renew title for the operating mine. The Company has been allowed to continue operating while the process for the contract and title renewal continues. There is no assurance the renewal will be obtained.

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 years ended December 31, 2024 and 2023.

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 at the date of this MD&A, the Company had 121,286,185 common shares issued and outstanding. There were also 10,697,229 stock options outstanding with expiry dates ranging from October 9, 2025 to July 5, 2029.

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 and all-in cash cost 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 year ended December 31, 2024:

Expressed in $000's		**Q4 2024**		Q4 2023		**YTD 2024**		YTD 2023
Cash cost per tonne of processed ore								
Cost of sales [(1)]	**$**	**12,253**	$	14,912	**$**	**54,414**	$	50,114
Add / subtract								
Change in concentrate inventory		**485**		(739)		**(1,514)**		1,104
Depletion and amortization in concentrate inventory		**156**		(60)		**1,567**		38
Commercial and government royalties		**(860)**		(946)		**(3,842)**		(3,228)
Depletion and amortization in cost of sales		**(2,551)**		(3,308)		**(11,503)**		(11,779)
Aggregate cash cost		**9,483**		9,859		**39,122**		36,248
Total processed ore (tonnes)		**69,961**		73,030		**274,181**		278,874
Cash cost per tonne of processed ore ($/t)	**$**	**135.55**	$	135.00	**$**	**142.68**	$	129.99
Mining cost per tonne	**$**	**55.45**	$	64.54	**$**	**60.77**	$	58.59
Milling cost per tonne		**32.13**		28.07		**32.00**		29.35
Indirect cost per tonne		**38.17**		32.16		**39.91**		33.37
Distribution cost per tonne		**9.80**		10.23		**10.00**		8.68
Total production cost per tonne of processed ore ($/t)	**$**	**135.55**	$	135.00	**$**	**142.68**	$	129.99

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

Expressed in $000's		**Q4 2024**		Q4 2023		**YTD 2024**		YTD 2023
Cash costs per pound of payable copper produced								
Aggregate cash cost (above)	**$**	**9,483**	$	9,859	**$**	**39,122**	$	36,248
Add / subtract								
By-product credits		**(4,722)**		(4,574)		**(19,635)**		(18,246)
Refining charges		**1,152**		1,504		**4,256**		4,559
Transportation charges		**808**		1,041		**2,917**		2,837
Cash cost applicable to payable copper produced		**6,721**		7,830		**26,660**		25,398
Add / subtract								
Commercial and government royalties		**860**		946		**3,842**		3,228
G&A expenses		**1,306**		1,347		**5,525**		5,578
Share-based payments		**21**		73		**361**		329
Accretion of ARO		**68**		67		**274**		266
Sustaining capital expenditures [(2)]		**1,424**		223		**2,050**		876
All-in sustaining cash cost		**10,400**		10,496		**38,712**		35,675
Add / subtract								
Non-sustaining capital expenditures [(2)]		**331**		571		**3,224**		2,243
Brownfields exploration expenditures [(2)]		**194**		385		**890**		2,369
All-in cash cost		**10,925**		11,451		**42,826**		40,287
Total payable copper produced (000's lbs)		**3,520**		4,108		**12,892**		12,451
Per pound of payable copper produced ($/lb)								
Cash cost, net of by-product credits	**$**	**1.91**	$	1.91	**$**	**2.07**	$	2.04
All-in sustaining cash cost	**$**	**2.95**	$	2.56	**$**	**3.00**	$	2.87
All-in cash cost	**$**	**3.10**	$	2.79	**$**	**3.32**	$	3.24
Cash margin[(3)]	**$**	**2.29**	$	1.95	**$**	**2.12**	$	1.90

(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 $000's		**Q4 2024**		Q4 2023		**YTD 2024**		YTD 2023
Aggregate cash production cost	**$**	**9,483**	$	9,859	**$**	**39,122**	$	36,248
Cash cost per pound of payable copper produced								
Cash cost attributable to copper production[(4)]	**$**	**9,200**	$	8,783	**$**	**32,438**	$	30,136
Add / subtract								
By-product credit from silver		**(31)**		(26)		**(110)**		(143)
Refining charges		**1,152**		1,504		**4,256**		4,559
Transportation charges		**784**		927		**2,431**		2,381
Cash cost applicable to payable copper produced		**11,105**		11,188		**39,015**		36,933
Total payable copper produced (000's lbs)		**3,520**		4,108		**12,892**		12,450
Cash cost per pound of payable copper produced ($/lb)	**$**	**3.15**	$	2.72	**$**	**3.03**	$	2.97
Cash cost per ounce of payable gold produced								
Cash cost attributable to gold production[(4)]	**$**	**283**	$	1,076	**$**	**6,683**	$	6,113
Add / subtract								
Refining charges		**35**		34		**148**		137
Transportation charges		**24**		114		**485**		456
Cash cost applicable to payable gold produced		**342**		1,224		**7,316**		6,706
Total payable gold produced (oz)		**1,777**		2,319		**8,288**		9,362
Cash cost per ounce of payable gold produced ($/oz)	**$**	**192.90**	$	527.91	**$**	**882.72**	$	716.29

(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 derive 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 for the year ended December 31, 2023, 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. For concentrate sold during the year ended December 31, 2024, a 10% change in copper and gold prices would result in an increase/decrease of approximately $5,391,000 and $1,881,000, respectively in the Company's pre-tax income or loss on an annualized basis, respectively.

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 declined 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 December 31, 2024, a 10% change in SOFR and/or LIBOR would result in an increase/decrease of approximately $455,000 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 forecasted 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, taking into account 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 9, 10, and 11 of the financial statements. All current liabilities are settled within one year.

The Company expects the following maturities of its financial liabilities, lease obligations, and other contractual commitments, (excluding payments relating to interest) as of December 31, 2024:

	Less than 1 year	1 - 2 years	More than 2 years	Total
Accounts payable and accrued liabilities	$ 10,439,053	$ -	$ -	$ 10,439,053
Loans and borrowings [(1)]	17,834,674	7,050,000	-	24,884,674
Derivatives	54,564	-	-	54,564
Provision for restricted share units	74,497	66,505	12,442	153,444
Lease liabilities	739,612	890,009	-	1,629,621
Decommissioning and restoration provision	1,483,384	570,983	1,192,717	3,247,084
Arbitration award payable [(2)]	4,671,399	8,485,827	-	13,157,226
	$ 35,297,183	$ 17,063,324	$ 1,205,159	$ 53,565,666

[(1)] Refer to Liquidity and Capital Resources section as the maturities of the credit agreement with the Lender were amended subsequent to year-end.
[(2)] Refer to Contingency and Commitment section

The Company will require additional financing in order to meet its repayment obligations to the Lender on or before June 30, 2025. There can be no assurance that additional financing will be available to the Company on reasonable commercial terms, if at all. The Company may be forced to pursue strategic alternatives such as reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance its indebtedness. If these efforts are unsuccessful, it will have a material adverse effect on the Company, the Company's business and financial condition. Further, if the Company were to default on its obligations under the terms of its outstanding indebtedness in the future, the lenders of the secured debt instruments could enforce their security and seize the Company's assets.

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 December 31, 2024, 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 $645,000 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;
- timing regarding renewing the title on the Company's claims hosting the El Roble property and possible outcomes of any pending arbitration, consultation, litigation, negotiation or regulatory investigation;
- timing and amount of payments of the Award payable to the National Mining Agency in Colombia which are dependent on the Company and the National Mining Agency adjusting the Payment Plan as required by the Tribunal, and agreeing on the adjustments;
- development of the La Plata project and completion of full permitting process on the La Plata project, including finalizing the environmental consultation process;
- 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 the outcome of the Arbitration with the National Mining Agency in Colombia for the royalty dispute; 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 Lender on or before June 30, 2025, 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 and uncertainty around renewal of title to the claims; 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.