marimaca

COPPER CORP.

TSX: MARI

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2024 and 2023

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Marimaca Copper Corp. ("Marimaca Copper" or the "Company") has been prepared based on information available to the Company as at May 13, 2024, and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the related notes for the three months ended March 31, 2024 and March 31, 2023, which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34 Interim Financial Reporting. Since the unaudited condensed interim consolidated financial statements do not include all disclosure required by IFRS for annual statements, they should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended December 31, 2023, combined with the MD&A for the year ended December 31, 2023. The condensed interim consolidated financial statements and MD&A are presented in U.S. dollars. Reference herein of $ is to the United States dollars and C$ is to the Canadian dollar.

Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A and to consult Marimaca Copper's Financial Statements for the three months ended March 31, 2024, and the corresponding notes to the Financial Statements which are available on our website at www.marimaca.com and on SEDAR+ at www.sedarplus.ca.

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

Contents

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

Abbreviation	Period	Abbreviation	Period
Q1 2024	January 1, 2024 – March 31, 2024	**Q1 2023**	January 1, 2023 – March 31, 2023

1 Overview

Marimaca Copper is a Canadian publicly-listed exploration and development company focused on exploring for and developing new copper deposits in Chile. The Company's shares are traded on the Toronto Stock Exchange ("TSX") under the symbol "MARI".

The Company's principal asset is the Marimaca Project, a copper deposit located in the Antofagasta Region of northern Chile. The Company released an updated Mineral Resource Estimate ("MRE") for the Marimaca Project in May 2023. The Company's current technical report (the "2023 MRE") for the Marimaca Project is dated May 18, 2023, and is the technical report most recently filed on SEDAR+ at www.sedarplus.ca under the Company's profile.

The Company continues to focus on the development of the Marimaca Project while concurrently exploring its extensive land holding for additional copper mineralization. This larger area is referred to as the Marimaca District.

2 Highlights

The following are Q1 2024 highlights:

- The Company announced the results of the condemnation drilling program on January 16th, 2024. The program was designed to confirm the preliminary project layout for the permitting and DFS engineering workstreams. Drilling targeted key areas defined for planned site infrastructure to confirm the absence of mineralization and suitability for development. Twenty-one reverse-circulation ("RC") drill holes were completed across the planned Marimaca Project infrastructure areas.
- On February 20th, 2024, Marimaca appointed Ms. Solange González as General Counsel and Corporate Secretary, based in the Company's Santiago, Chile office. Ms. González is a legal executive with nearly 20 years of experience advising Chilean and international companies across Mergers & Acquisitions (M&A), securities law, corporate governance, commercial law and corporate law. Prior to joining Marimaca, Ms. González served as Executive Legal Manager, M&A and Corporate Finance at the Falabella Group, one of Chile's largest multinational retail businesses. Ms. Gonzales replaces Ms. Laura Rich as General Counsel following the announcement of Ms. Rich stepping down from her role on February 5th, 2024.
- The Company announced its 2024 regional exploration strategy on February 27th, 2024. While continue working on the development of its core asset Marimaca Oxide Deposit, the Company's main exploration activities shall focus on the Sierra de Medina property block ("Sierra de Medina"), located approximately 25km from the Marimaca Project.

Corporate

Mineral Resource Estimate

On May 18, 2023, the Company released an updated Mineral Resource Estimate (the "2023 MRE") for the Marimaca Oxide Deposit's ("MOD"s) located in Antofagasta region, Chile. The 2023 MRE incorporated 28,374m of new drilling data completed since the 2022 Mineral Resource Estimate (the "2022 MRE") released in October 2022. The 2023 MRE database consists of 139,164m across 554 drill holes completed since discovery of the MOD in 2016. New drilling data captured in the 2023 MRE was largely targeted at conversion of Inferred Resources to the Measured and Indicated ("M&I") categories.

The 2023 MRE reflected a 44% increase in M&I Resource tonnes to 200Mt at 0.45% CuT for 900kt of contained copper, with an Inferred Resource of 37Mt at 0.38% CuT for 141kt of contained copper.

The 2023 MRE was prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards and National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). (See Marimaca section below).

Disposal of Rayrock

On March 3, 2022, the Company entered into an agreement to sell its wholly-owned indirect subsidiary, Rayrock, which holds the Ivan plant, to a third party (“5Q”). The transaction closed on March 21, 2022. Under the terms of the agreement, 5Q acquired 100% of the issued and outstanding shares of Rayrock.

In December 2023, a majority stake in 5Q was acquired by the Chilean company Cobres y Metales SpA (“CyM”). On December 29, 2023, the Company signed a Memorandum of Understanding (“MOU”) in which Marimaca agreed to amend the deferred payment considerations of the original sale of Rayrock, replacing the previous payment schedule and contingent payments, to a single payment of $7.0 million, subject to actual payment of such amount in full no later than June 30, 2024. No changes applied to the 1.5% net smelter return royalty (“NSR”) granted to the Company on certain concessions held by Rayrock. As a result, a net receivable of $6.6 million was recorded on December 31, 2023. As of March 31, 2024, the Rayrock receivable had its fair value updated to $6.8 million, resulting in an interest income of $0.2 million in Q1 2024 ($nil-Q1 2023).

3 Outlook

Following the release of the 2023 MRE and the Strategic Investment from Mitsubishi, the Company is focused on accelerating its development strategy for the Marimaca Project towards the Definitive Feasibility Study (“DFS”) and permitting submissions.

Several workstreams are ongoing, which will support the Project’s development milestones. The Company’s permitting strategy is progressing to plan with the majority of baseline data collection complete, and the Company now moving into the engineering and writeup phase ahead of the planned submission. In parallel, the Company has appointed Ausenco as the engineering firm to lead the DFS, following a competitive bidding process among leading engineering firms with presence in Chile. The DFS will progress in parallel with the Company’s permitting workstreams.

The Company’s sixth phase of metallurgical test work is now complete and will be an integral component of the supporting data for the DFS. The program was focused on finalizing the base process design criteria and identifying additional enhancements to the Marimaca Project to improve its overall economics and operational risk profile, with a particular focus on optimizing acid consumption and heap leaching conditions. Results of such work program were released by the Company on November 6, 2023. A confirmatory seventh phase of metallurgical test work is underway and is intended to provide final inputs for the development of a detailed geo-metallurgical model, which incorporates the full dataset of geological, mineralogical and metallurgical work completed at the project and will underpin the recovery and operating cost assumptions for the DFS.

The Company also continues to review Its strategy with respect to its regional exploration portfolio. Desktop work has been completed on its various assets including near MOD targets as Mercedes and Cindy, as well as Sierra de Medina. Sierra de Medina, in particular, has become a high priority for the Company given its proximity to Antofagasta Minerals which has had a significant new copper discovery, Cachorro. The Company will continue to assess its options for financing regional exploration given the renewed interest in copper exploration in the market. In Q1 2024, the Company commenced initial geophysics studies at the Sierra de Medina property block which will inform potential future exploration drilling. In addition, the Company complete exploration trenching and road-cuttings at the Mercedes target, with results pending at the time of this report.

4 Marimaca

Location & Mineral Resource Estimate

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

In May 2023, the Company released an independent National Instrument 43-101-compliant updated Mineral Resource Estimate (the 2023 MRE) that was based on 554 drill holes for a total of 139,164m drilled between 2016 and 2022. The 2023 MRE was completed by independent consultants NCL Ingeniería y Construcción SpA ("NCL") and verified by Luis Oviedo of NCL, a qualified person and independent of Marimaca (within the meaning of such terms under NI 43-101).

The 2023 MRE is summarized in the tables below:

Table 1: NI 43-101 2023 Mineral Resource Estimate (reported at a 0.15% CuT cutoff) (Effective Date: May 17,2023)(1)

Mineral Resource Category and Type	Quantity (kt)	CuT (%)	CuS (%)	CuT (t)	CuS (t)
Total Measured	96,954	0.49	0.28	473,912	268,628
Total Indicated	103,358	0.41	0.21	425,797	219,690
Total Measured and Indicated	**200,312**	**0.45**	**0.24**	**899,709**	**488,319**
Total Inferred	**37,289**	**0.38**	**0.15**	**141,252**	**55,802**

* Pit shell constrained resources with demonstrated reasonable prospects for eventual economic extraction (RPEEE) are generated using series of Lerchs-Grossmann pit shell optimizations completed by NCL
* CuT means total copper and CuS means acid soluble copper. Technical and economic parameters include: copper price US$4.00/lb; base mining cost of US$1.51/t with a mining cost adjustment factor of US$0.04/t-10m bench; Heap Leach "HL" processing cost US$5.94/t (incl. G&A); Run-of-Mine "ROM" processing cost US$1.65/t (incl. G&A); SX-EW processing cost and selling cost US$0.16/lb Cu; heap leach recovery 76% of CuT; ROM recovery 40% of CuT; and 42°-52° pit slope angle
* Mineral resources which are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration(1) Amounts in table may not foot due to rounding.

Table 2: 2023 Mineral Resource Estimate Sensitivity(1)

Cut-off grade (% CuT)	Measured			Indicated			Measured + Indicated			Inferred		
	Quantity kt	CuT [%]	CuS [%]	Quantity kt	CuT [%]	CuS [%]	Quantity kt	CuT [%]	CuS [%]	Quantity kt	CuT [%]	CuS [%]
0.40	44.00	0.77	0.44	37.50	0.69	0.38	81.60	0.73	0.41	12.10	0.64	0.24
0.30	60.20	0.65	0.38	55.50	0.58	0.31	115.70	0.62	0.35	18.80	0.54	0.21
0.22	77.80	0.56	0.32	77.00	0.49	0.26	154.90	0.53	0.29	27.20	0.45	0.18
0.20	83.00	0.54	0.31	83.80	0.47	0.25	166.80	0.5	0.28	30.20	0.43	0.17
0.18	88.30	0.52	0.3	91.30	0.44	0.23	179.60	0.48	0.26	33.00	0.41	0.16
0.15	97.00	0.49	0.28	103.40	0.41	0.21	200.30	0.45	0.24	37.30	0.38	0.15
0.10	113.30	0.44	0.24	127.60	0.36	0.18	241.00	0.39	0.21	46.60	0.33	0.13
0.00	146.10	0.35	0.19	178.20	0.27	0.14	324.30	0.31	0.16	72.00	0.24	0.09

* Pit shell constrained resources with demonstrated reasonable prospects for eventual economic extraction (RPEEE) are generated using series of Lerchs-Grossmann pit shell optimizations completed by NCL
* CuT means total copper and CuS means acid soluble copper. Technical and economic parameters include: copper price US$4.00/lb; base mining cost of US$1.51/t with a mining cost adjustment factor of US$0.04/t-10m bench; Heap Leach "HL" processing cost US$5.94/t (incl. G&A); Run-of-Mine "ROM" processing cost US$1.65/t (incl. G&A); SX-EW processing cost and selling cost US$0.16/lb Cu; heap leach recovery 76% of CuT; ROM recovery 40% of CuT; and 42°-52° pit slope angle
* Mineral resources which are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty which may attach to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration
(1) Amounts in table may not foot due to rounding.

Mining Property

As of March 31, 2024, the Company owns all the concessions that make up the Marimaca Project without any outstanding mining option pending to be exercised.

5 Financial Position Review

The Company is an exploration and development company that currently does not generate operational revenue. On March 31, 2024, the Company had cash on hand of $12.7 million (December 31, 2023 - $16.7 million), working capital of $18.9 million (December 31, 2023 – $22.5 million), total assets of $94.2 million (December 31, 2023 - $95.6 million), total liabilities of $1 million (December 31, 2023 - $1.2 million) and recorded a net loss of $2.7 million for Q1 2024 (Q1 2023 – loss of $1.3 million).

The Company recorded a total receivable of $6.8 million (December 31, 2023 - $6.6 million) associated with the sale of Rayrock, as described above.

During Q1 2024, the Company capitalized $2.3 million (Q1 2023 - $1.8 million) to exploration and evaluation assets which was comprised of exploration activities costs.

The total liabilities of $1 million as of March 31, 2024 (December 31, 2023 - $1.2 million) are mainly related to accounts payable and accrued liabilities with a total of $0.9 million, combined with lease liabilities of $0.1 million.

Liquidity

The Company is an exploration and development company that currently does not generate operational revenue. At March 31, 2024, the Company had working capital of $18.9 million (December 31, 2023 – $22.5 million), which management believes is sufficient to meet its obligations and to continue to fund operations for at least the next twelve months.

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

Capital Management

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

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of finance to fund the growth and development of its mining properties, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and adjusts it for changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to the issuance of new capital, issuance of new debt and the sale of assets in whole or in part, including mineral property interests. The Company's overall strategy with respect to management of capital as of March 31, 2024, remains fundamentally unchanged from the year ended December 31, 2023.

Financial Instruments

As at March 31, 2024, the Company's carrying values of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities approximate their fair values due to their short term to maturity.

Credit risk

Credit risk is a risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations as agreed. Financial instruments that potentially subject the Company to credit risk consist of cash and accounts receivable. The Company deposits cash with high credit quality financial institutions as determined by rating agencies.

Currency risk

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

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

Total currency exposure from foreign currencies is equivalent to $0.4 million as of March 31, 2024 ($0.5 million as of December 31, 2023). Based on the net exposures as of March 31, 2024, and assuming that all other variables remain constant, a change of 10% in the Canadian dollar and/or Chilean peso against the US dollar would result in a change in the Company's net loss of approximately $0.03 million, respectively. The Company manages and monitors the currency risk on a regular basis.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Cash is the only financial instrument the Company holds that is impacted by interest. There is limited interest rate risk associated with the Company´s cash balance.

Liquidity risk

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

6 Expenditure Review

Table 3: Expenditures Summary

(In thousands of US dollars)	Three months ended March 31, 2024	2023
Expenses		
Exploration Expenditures	**$ 47**	$ -
Depreciation and amortization	**29**	3
Legal and filing fees	**37**	90
Salaries and corporate costs	**1,273**	943
Share-based compensation	**1,509**	400
Operating loss	**$ (2,895)**	$ (1,436)
Finance income	**302**	104
Change in fair value of derivative	**-**	(4)
Foreign exchange (loss) gain	**(150)**	77
Other non-operating income	**19**	-
Net Income/(Loss)	**$ (2,724)**	**$ (1,259)**
Items that may be subsequently reclassified to net income:		
Foreign currency translation adjustment	**(15)**	5
Total comprehensive loss for the period	**$ (2,739)**	$ (1,254)

Three months ended March 31, 2024 ("Q1 2024") compared to three months ended March 31, 2023 ("Q1 2023")

For the three months ended March 31, 2024, the Company recorded a net loss of \$2.7 million compared to a net loss of \$1.3 million in Q1 2023. The increase in the net loss is attributable mainly to a higher share-based compensation due to the grant of 0.9 million RSUs to management and directors in Q1 2024 compared to nil RSUs granted in Q1 2023, combined with an increase in salaries and corporate costs, which increased to \$1.3 million in Q1 2024 compared to \$0.9 million in Q1 2023, due to the severance and headcount increase in Q1 2024. The increase of \$0.2 million in finance income was a result of a fair value update on Rayrock's receivables.

Table 4: Selected Quarterly Financial Information

(in thousands except per share amounts) [1]	**Q1 2024**	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022 *Restated*
Cash	**$ 12,685**	$ 16,692	$ 18,938	$ 7,801	$ 12,206	$ 14,636	$ 17,777	$ 9,811
Total assets	**94,174**	95,599	97,519	83,340	84,168	84,825	85,298	87,344
Total liabilities	**1,009**	1,204	832	1,129	758	561	972	2,389
Shareholder's equity	**93,165**	94,395	96,687	82,211	83,410	84,264	84,326	84,955
Net income (loss)	(2,724)	(2,883)	(451)	(2,520)	(1,259)	100	(1,422)	(1,440)
Basic and diluted (loss) income per share	**$ (0.03)**	$ (0.03)	$ (0.00)	$ (0.03)	$ (0.01)	$ 0.00	$ (0.02)	$ (0.02)
Weighted Average Number Shares Outstanding	**93,203**	90,485	92,327	88,234	88,226	88,226	88,226	88,209
Cash used in operating activities	**(1,466)**	(501)	(1,005)	(1,161)	(461)	(75)	(2,035)	8
Cash used in financing activities	**(31)**	38	15,057	-	-	(36)	-	-
Cash provided by (used in) investing activities	**$ (2,298)**	$ (1,714)	$ (2,892)	$ (3,484)	$ (1,756)	$ (2,621)	$ 9,999	$ (4,676)

[1] Sum of all quarters may not add up to yearly total due to rounding.

The Company does not generate operational revenues as it is an exploration and development company focused on advancing its Marimaca Project. Historically, the Company has relied on equity financings and loan instruments to fund operations. Variances between the quarterly figures presented in Table 4 are generally due to (i) the availability of cash to fund operations, (ii) the completion of any debt or equity financings in the period, and (iii) the level of exploration/development and/or care & maintenance activities which are directly correlated to the availability of cash resources.

Related Party Disclosure

Key Management Personnel

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

Table 5: Related Party Costs

(In thousands of US dollars)	Three months ended March 31, 2024	2023
Short-term employee benefits	$ 939	$ 532
Share-based payments	985	341
Total	**$ 1,924**	**$ 873**

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

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

7 Outstanding Share Data Authorized and Issued

As at May 10, 2024, the number of common shares outstanding or issuable to other outstanding securities is as follows:

Common Shares	Number
Outstanding [1]	93,241,923
Stock options [2]	7,615,001
Restricted Shares Units ("RSUs")	1,557,254
Warrants [1]	4,640,371
Total	**107,054,549**

(1) On June 21, 2023, Marimaca announced an equity investment with Mitsubishi Corporation ("Mitsubishi"), closed on July 11, 2023. Pursuant to the Strategic Investment, Mitsubishi subscribed for an aggregate 4,640,371 units ("Units") consisting of one common share (a "Common Share") and one Common Share purchase warrant (a "Warrant") at a price of C$4.31 per Unit. Each Warrant entitles Mitsubishi to purchase one additional Common Share at an exercise price of C$5.60 for a period of 24 months following the closing.

(2) Stock Options have exercise prices ranging from C$1.25 to C$5.00 and expire between April 2025 and October 2028.

8 Critical Accounting Estimates

Estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The following discusses the most significant accounting judgments and estimates that the Company has made in the preparation of the financial statements.

a) Impairment of exploration and evaluation assets

The application of the Company's accounting policy for impairment of exploration and evaluation assets requires judgement to determine whether indicators of impairment exist, including factors such as: the period for which the Company has the right to explore has expired or will expire in the future, and is not expected to be renewed; substantive expenditures on exploration activities and evaluation of mineral resources in the specific area is neither budgeted or planned; exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources; and sufficient data exists to indicate that the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. Management has assessed for impairment indicators on the Company's exploration and evaluation assets and has concluded that no impairment indicators exist as of March 31, 2024.

b) Share-based compensation

The Company applies the fair value method of accounting using the Black-Scholes model to determine the fair value of stock-options granted to employees, consultants and directors. The model includes significant assumptions as to the estimated life of the stock options, the forfeiture rate and the volatility of the stock. The Company uses historical data to estimate the expected future volatility of the stock, the estimated lives of the stock options and the forfeiture rate.

Stock options granted might include performance conditions related to the achievement of specified performance targets or a milestone and might pertain either to the performance of the Company as a whole or to some part of the enterprise, such as a subsidiary. The measurement of compensation costs for a stock-based award with a performance condition that will determine the number of options or shares to which all employees receiving the award will be entitled, is based on the best estimate of the outcome of the performance condition. The Company estimates forfeitures awards by individual employees and recognizes them as they occur. Management assesses all the factors and uses its judgment to calculate these estimates.

New and Amended Standards Not Yet Adopted by the Company

Certain pronouncements were issued by the International Accounting Standards Board ("IASB") or the IFRS Interpretations Committee ("IFRIC") that are mandatory for accounting periods commencing on or after January 1, 2024. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted

IFRS 18, Presentation and Disclosure in Financial Statements

The IASB issued the IFRS 18, Presentation and Disclosure in Financial Statements, which is mandatory for accounting periods after January 1, 2027. The Company is currently assessing the impact of this new IFRS Accounting Standard on its financial statements and will update the Company's accounting policies as applicable; no retrospective adjustments to the Condensed Interim Condensed Financial Statements are expected as a result of adopting this new standard.

9 Risk Factors

The Company faces a number of challenges in developing its project, including various business, financial, and operational risks that could significantly impact its cash flows. The most significant risks and uncertainties faced by the Company include:

- Operational Risks
- Exploration Risk
- Estimates of Mineral Resources
- Foreign Political Risk
- Evolving Constitutional and Legislative Landscape in Chile
- New Law on Economic and Environmental Crimes
- Annual License Fee
- Uncertain Fiscal Policies Impacting Mining
- Permits
- Government Regulation
- Environmental Risks
- Management
- Conflicts of Interest
- Infrastructure
- Insurance
- Competition
- Foreign Operations
- The Company is Subject to Certain Risks as an Emerging-Market Issuer
- Investors may have Difficulty in Enforcing their Legal Rights as Against the Subsidiaries of the Company and Certain of the Officers and Directors of the Company, as they are Located Outside of Canada
- The Company's Operations Rely on the Availability of Local Labor and Equipment
- Additional Funding and Dilution
- Commodity Prices
- No History of Dividends
- Foreign Currency Risk
- The Company May be Involved in Legal Proceedings
- Community Relations and Social License to Operate
- Price Volatility of Publicly Traded Securities
- Climate Change, Natural and Other Disasters
- Evolving Corporate Governance and Public Disclosure Regulations

Readers are encouraged to read a full outline and description of the risk factors described in the Company’s Annual Information Form (“AIF”) for the year ended December 31, 2023, filed on SEDAR+ under the Marimaca Copper Corp profile. The occurrence of any one, or combination of, the aforementioned risks could materially adversely impact the Company’s business and as a result, the trading price of the Company’s common shares could decline and investors could lose part or all of their investment.

10 Disclosure

Internal Control over Financial Reporting and Disclosure Controls

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control framework was designed based on the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Disclosure controls and procedures

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. The Company's CEO and CFO have concluded, based on their evaluation of the design of the disclosure controls and procedures, that as of March 31, 2024, the Company's disclosure controls and procedures have been designed to provide reasonable assurance that material information is made known to them by others within the Company.

Internal controls over financial reporting

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

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

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

There have been no changes in the Company's internal control over financial reporting during the three months ending March 31, 2024, that have materially affected, or are reasonably likely to affect, the Company's internal control over financial reporting.

The Company's Management, including the CEO and CFO, believe that disclosure controls and procedures and internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed.

11 Cautionary Statement on Forward Looking Information

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

- the Company's expected production from, and the further potential of, the Company's properties;
- the future price of minerals, particularly copper;
- estimations of mineral reserves and mineral resources;
- conclusions of economic evaluation;
- the realization of mineral reserve estimates;
- the timing and amount of estimated future production;
- costs of production;
- capital expenditures;
- success of exploration activities;
- mining or processing issues;
- currency exchange rates;
- government regulation of mining operations; and
- environmental and permitting risks.

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

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

- uncertainties of mineral resource estimates;
- risks and uncertainties inherent in and relating to estimates of future production and operations, cash and all-in sustaining costs;
- the nature of mineral exploration and mining;
- variations in ore grade and recovery rates; cost of operations;
- fluctuations in the sale prices of products;
- foreign currency fluctuations;
- volatility of mineral prices (including copper prices);
- exploration and development risks;
- liquidity concerns and future financings;

· risks associated with operations in foreign jurisdictions;
· potential revocation or change in permit requirements and project approvals, including uncertainties relating to regulatory procedure and timing for permitting reviews;
· mining operations including but not limited to environmental hazards, industrial accidents, ground control problems and flooding;
· geology including, but not limited to, unusual or unexpected geological formations and events (including but not limited to rock slides and falls of ground), estimation and modelling of grade, tonnes, metallurgy continuity of mineral deposits, dilution, and mineral resources and mineral reserves, and actual ore mined or metal recoveries varying from such estimates;
· mine life and life-of-mine plans and estimates;
· the possibility that future exploration, development or mining results will not be consistent with expectations;
· the potential for and effects of labour actions, disputes or shortages, community or other civil protests or demonstrations or other unanticipated difficulties with or interruptions to operations;
· potential for unexpected costs and expenses including, without limitation, for mine closure and reclamation at current and historical operations;
· uncertain political and economic environments;
· changes in laws or policies, foreign taxation, delays or the inability to obtain and maintain necessary governmental approvals and permits;
· regulatory investigations, enforcement, sanctions or related or other litigation;
· competition;
· no guarantee of titles to explore and operate;
· environmental liabilities and regulatory requirements;
· dependence on key individuals;
· conflicts of interests;
· insurance;
· fluctuation in market value of the Company's common shares;
· rising production costs;
· availability of equipment material and skilled technical workers;
· volatile current global financial conditions;
· the potential impact of the COVID-19 pandemic on the Company and/or its operations, and the mining industry and currency fluctuations;
· the potential impact of future or existing global and regional conflicts, including developments or escalation in the Russia/Ukraine war and Israel/Hamas conflict on the Company's and/or its operations, the mining industry and/or the currency and commodity fluctuations; and
· other risks pertaining to the mining industry, as well as those factors discussed in the section entitled "Risk Factors" in the AIF.

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

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