

# Rio2 Expands in Latin America With the Acquisition of the Producing Condestable Mine

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*Positions Rio2 as a Diversified Latin American Gold Miner with Copper Exposure  
Concurrent C\$140 Million Bought Deal Equity Financing to Support the Acquisition*

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VANCOUVER, British Columbia, Dec. 08, 2025 -- [Rio2 Ltd.](#) ("Rio2" or the "Company") (TSX: RIO; OTCQX: RIOFF; BVL: RIO) today announced that it has entered into a definitive agreement (the "Agreement") with Southern Peaks Mining L.P. ("Southern Peaks") to acquire its 99.1% interest in the Condestable mine ("Condestable Mine" or "Condestable") located in Peru (the "Transaction"). Southern Peaks is a private business that is owned by management and funds advised by Global Natural Resource Investments.

On closing, Southern Peaks will receive total upfront consideration of US\$180 million, including US\$80 million in cash, US\$65 million in vendor debt financing and approximately US\$35 million in common shares of Rio2 (each a "Rio2 Common Share"). Southern Peaks will also receive total deferred consideration of US\$37 million, payable between 2027 and 2030, for total consideration of US\$217 million, implying a Transaction enterprise value of approximately US\$241 million, including the assumption of approximately US\$24 million of net debt (as at September 30, 2025).

Alex Black, Executive Chairman of Rio2, commented: *"The acquisition of Condestable marks a major moment in Rio2's evolution - from gold developer to Latin American diversified producer. With first gold production at Fenix Gold just weeks away, Condestable brings immediate and growing cash flow to support our future growth in gold. Condestable also provides meaningful exposure to copper at a time when copper trades at historic lows relative to gold. Due to the unique transaction structure, there is minimal dilution to our growing gold business. We are particularly thrilled to expand our footprint into Peru - a very familiar country for our team and the place where we established our foundational success a decade ago with Rio Alto Mining."*

Andrew Cox, President and Chief Executive Officer of Rio2, stated: *"Condestable is a stable, well-run, cash-flowing operation that has meaningful expansion potential. We believe there is an excellent opportunity to add value at the mine and see it as a complementary component of Rio2's growth strategy. The team at Southern Peaks has done an exceptional job over the past decade optimizing and improving the operation. We look forward to working with the Southern Peaks team to ensure a seamless transition, and value their ongoing endorsement of Condestable by becoming financial sponsors of Rio2."*

Adolfo Vera, Chief Executive Officer of Southern Peaks, stated: *"We are extremely proud of what Southern Peaks has accomplished at Condestable over the past twelve years, transforming it into a stable, efficient, and socially responsible operation. This transaction represents an exciting next chapter for the mine under Rio2's stewardship, and we are confident that their team will unlock its full potential while continuing to uphold the highest standards of environmental and community engagement. Our ongoing financial participation reflects our strong belief in Condestable's future and Rio2's vision for growth in Latin America."*

Acquisition Highlights

- High-quality operation: Condestable is a well-established underground copper operation forecasted to produce approximately 27 ktpa copper equivalent<sup>1,2</sup> (or approximately 80 kozs on a gold equivalent basis<sup>1,2</sup>) with expansion potential<sup>3</sup> and a reserve life of over ten years supported by a robust Mineral Reserve and Resource base. Pro forma, Rio2 is expected to produce approximately 180 kozs gold equivalent<sup>1,2,4</sup>, with a pathway to potentially produce approximately 380 kozs gold equivalent<sup>1,2</sup> per year with the potential Phase 2 expansion at Fenix Gold<sup>5</sup>.
- Cash flow to fund growth: Condestable is projected to generate average annual EBITDA<sup>6</sup> of approximately US\$110 million at consensus prices<sup>7</sup> or approximately US\$145 million at spot prices<sup>7</sup> over the next five years, supporting the expansions at both Fenix Gold<sup>5</sup> and Condestable<sup>3</sup>. Pro forma, Rio2 is expected to generate average annual EBITDA of approximately US\$330 million<sup>8</sup>.
- Top tier mining jurisdictions: Expansion into Peru complements the Company's established presence in Chile, placing Rio2 in two leading global mining jurisdictions, and re-anchors Rio2's historic success base. Peru currently ranks as the third largest producer of copper in the world.
- Opportune time to invest in copper: Copper currently trades at historic lows relative to gold. Condestable will add modest copper exposure while maintaining Rio2's core business in gold. Copper is expected to be less than 30%<sup>9</sup> of near-term revenue (spot prices), and with the potential development of Fenix Gold Phase 2<sup>5</sup>, gold will comprise over 80% of future revenue contribution (long-term consensus prices)<sup>5,10</sup>.
- Accretive acquisition: Rio2 is acquiring Condestable at approximately 2x<sup>11</sup> EBITDA<sup>6</sup>. The Transaction is expected to deliver a strong all-in internal rate of return<sup>6</sup> and is structured to minimize equity dilution, driving accretion across all key financial and operating per-share metrics.
- Leading ESG credentials: Condestable was recognized with the Copper Mark accreditation through its implementation of internationally-accepted responsible practices and contributions to the UN Sustainable Development Goals. Condestable's use of 100% renewable electricity significantly reduces its carbon footprint.

## Overview of Condestable

Located approximately 90 km south of Lima, Peru, Condestable is a long-life underground copper operation with over 60 years of continuous production history. The mine and its 8,400 tpd processing plant produce a clean concentrate with no penalties. Its coastal location at sea level provides excellent infrastructure access, low logistics risk, and strong operational stability.

There is potential to expand underground mining capacity to 12,000 tpd<sup>3</sup> and potential for open pit development that could materially increase annual production, positioning Condestable as a mid-scale copper operation with strong growth optionality.

Condestable is situated within a highly prospective IOCG (iron oxide copper-gold) belt hosting several major Peruvian copper systems. Condestable has demonstrated consistent year-over-year growth in reserves and resources, the deposit remains open both along strike and at depth, and the large land package of over 45,000 hectares is underexplored. Several high-quality exploration targets have been identified in near-mine and regional areas, supporting resource replacement and growth over the long term. Condestable along with Marcobre, owned and operated by Minsur / Alxar, are the only two IOCG mines currently operating in Peru today.

Condestable is Copper Mark certified and operates using 100% renewable electricity from hydro, and fleet electrification is currently underway. The operation has a well-established history of community engagement and social investment, reinforcing its strong social licence to operate.

A brief video of the Condestable mine, including an aerial fly-over of the site and footage of the mining and processing operations, is available at the following link: <https://youtu.be/G-1g8eHfblo>.

## Transaction Summary:

Under the terms of the Agreement, Rio2 will acquire all of the issued and outstanding shares of certain subsidiaries of Southern Peaks, including Ariana Management Corporation S.A.C., which ultimately holds a 99.1% interest in Condestable.

As consideration for the acquisition, Southern Peaks will receive:

- US\$80 million in cash (the "Cash Consideration") on closing;
- US\$65 million aggregate principal amount of vendor debt financing ("Vendor Debt");
- approximately 21.9 million Rio2 Common Shares on closing, representing US\$35 million; and
- total deferred consideration of US\$37 million (the "Deferred Consideration"), on the following schedule:
  - US\$5 million on or before December 31, 2027;
  - US\$10 million on or before December 31, 2028;
  - US\$5 million on or before December 31, 2029; and
  - US\$17 million on or before December 31, 2030.

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

Rio2 anticipates that closing of the Transaction will occur in January 2026. The Agreement may be terminated by mutual consent, for unmet closing conditions, for uncured material breach, or if completion of the Transaction becomes legally prohibited, and it does not provide for any other termination rights. The Transaction has been approved by the board of Rio2 and is not subject to shareholder approval. The Toronto Stock Exchange ("TSX") has accepted notice of the Transaction and conditionally approved the listing of the Rio2 Common Shares issuable thereunder (subject to customary conditions). The Transaction's closing is subject to certain customary closing conditions for a transaction of this nature, and the receipt of a Peruvian tax certificate.

#### Transaction Financing

Rio2 has arranged an approximate US\$165 million financing package to finance the Transaction, comprising:

- US\$65 million aggregate principal amount in Vendor Debt (as described below); and
- Approximately US\$100 million from a "bought deal" equity financing (the "Equity Financing").

#### *Vendor Debt*

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

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

#### *Equity Financing*

Rio2 has entered into an agreement with Raymond James Ltd., Stifel Nicolaus Canada Inc. and BMO Capital Markets as joint bookrunners (collectively, the "Underwriters"), pursuant to which the Underwriters have agreed to purchase on a "bought deal" basis 63,064,000 subscription receipts of the Company (the "Subscription Receipts") at an issue price of C\$2.22 per Subscription Receipt (the "Issue Price") for total gross proceeds of C\$140 million or approximately US\$100 million. The Company has granted the Underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the Equity Financing, to purchase an additional 15% of the Equity Financing to cover over-allotments, if any.

Net proceeds of the Equity Financing will be used to fund the Cash Consideration and the balance will be

used for working capital and general corporate purposes.

Each Subscription Receipt will entitle the holder to receive, without payment of additional consideration and without further action, one Rio2 Common Share (a "Subscription Receipt Share"), subject to customary adjustment provisions, upon the satisfaction or waiver of certain release conditions, including the satisfaction or waiver of all conditions to the completion of the Transaction substantially in accordance with the terms of the Agreement, other than the payment of the purchase price (the "Release Conditions").

The Equity Financing is expected to close on or about December 15, 2025, subject to certain customary closing conditions, including the receipt of all necessary approvals from the TSX.

In connection with the Equity Financing, the Company will file a prospectus supplement to its short form base shelf prospectus dated October 16, 2024, as amended pursuant to amendment no. 1 to such short form base shelf prospectus dated December 3, 2025 (the "Base Shelf Prospectus"). The prospectus supplement will be filed with the securities regulatory authorities in each of the provinces and territories of Canada, except Quebec.

The Base Shelf Prospectus and the prospectus supplement will be accessible on Rio2's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Base Shelf Prospectus and prospectus supplement relating to the Equity Financing, when available, may be obtained without charge upon request in Canada by contacting Raymond James Ltd. and providing the contact with an email address or address, as applicable. Before investing, prospective investors should read the Base Shelf Prospectus and the prospectus supplement, when available, and the documents incorporated by reference therein.

The Subscription Receipts and the Subscription Receipt Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any applicable securities laws of any state of the United States and may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company, nor shall there be any offer or sale of any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The gross proceeds from the sale of the Subscription Receipts, less (i) 50% of the Underwriters' fee that is payable on closing of the Equity Financing; and (ii) the Underwriters' reasonable out-of-pocket expenses and the reasonable fees, taxes and disbursements of the Underwriters' legal counsel, will be deposited and held in escrow by a subscription receipt agent to be chosen by the Company and the Underwriters, pending the satisfaction or waiver of the Release Conditions. If (i) closing of the Transaction does not occur on or before March 31, 2026 (the "Acquisition Outside Time") and the Agreement is terminated in accordance with its terms; or (ii) the Agreement is terminated in accordance with its terms for any reason prior to the Acquisition Outside Time (each, a "Termination Event"), then an amount per Subscription Receipt equal to the Issue Price plus a pro rata share of any earned interest, calculated from the closing of the Equity Financing to, but excluding, the time of a Termination Event, net of any applicable withholding, will be returned to the holders of the Subscription Receipts, and the Subscription Receipts will be cancelled.

Provided that the Release Conditions are met prior to a Termination Event, the subscription receipt agent will release the remaining 50% of the deposited Underwriters' fee together with all interest earned thereon to the Underwriters, and the balance of the escrowed funds shall be released to the Company (or as directed by the Company).

#### *Private Placement*

Rio2 has also entered into an agreement with KALLPA Securities Sociedad Agente de Bolsa S.A. ("KALLPA") in connection with a private placement (the "Private Placement") for aggregate gross proceeds of up to C\$14 million (or approximately US\$10 million) through the sale of up to 6,306,300 Rio2 Common Shares (the "Private Placement Shares") at the Issue Price.

The Private Placement Shares will be offered on a "commercially reasonable best efforts" brokered private placement basis in Peru, Colombia and Chile. The net proceeds from the sale of the Private Placement

Shares will be used for working capital and general corporate purposes.

Closing of the Private Placement is expected to occur on or around December 23, 2025, or such other date as Rio2 and KALLPA may agree, and remains subject to certain conditions, including receipt of all necessary approvals of the TSX. Completion of the Private Placement is not a closing condition for the Agreement.

#### Update to Fenix Gold Project

As at November 30, 2025, construction at Rio2's 100%-owned Fenix Gold Project was 80% complete and remains on track and on budget for first gold production in January 2026. A full ramp-up to 100,000 ounces of gold per annum is expected to be achieved by the end of 2026.

Timelines for the proposed expansion of the Fenix Gold Project are projected to be as follows:

- Completion of a pre-feasibility study - Q1, 2026
- Mineral reserve and resource update - Q4, 2026
- Completion of a feasibility study - H2, 2027
- Capital expenditure approvals and commitment for the expansion - Q1, 2029
- Completion of desalinated water supply works and completion of project capital works - H2, 2030
- Commencement of ramp-up to higher rate of production - H2, 2030

Timing is indicative and may vary based on permitting and other regulatory approval processes. The Company will provide regular progress updates and advise of any revisions to projected timelines. In connection with the planned expansion of the Fenix Gold Project, the Company is targeting a goal rate of production of 80,000 tonnes of ore per day, with a view to producing at least 300,000 oz of gold per annum for approximately 10 years.

#### Advisors

Edgehill Advisory Ltd. is acting as financial advisor to Rio2, and McMillan LLP and Dentons (Peru) are acting as legal counsel in regard to the Transaction. DLA Piper (Canada) LLP is acting as legal counsel in regard to the Equity Financing and Private Placement.

BMO Capital Markets is acting as financial advisor to Southern Peaks, and Stikeman Elliott LLP, Echeconpar and Maples and Calder are acting as legal counsel.

Blake, Cassels & Graydon LLP is acting as legal counsel to the Underwriters in regard to the Equity Financing.

#### Technical Information

The independent technical report for Condestable entitled "NI 43-101 Technical Report on the Condestable Mine, Lima Department, Peru, dated April 12, 2024, effective date December 31, 2022" (the "Technical Report"), prepared by SLR Consulting (Canada) Ltd. in accordance with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101"), will be filed on SEDAR+ under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca) and will be available on the Company's website at [www.rio2.com](http://www.rio2.com).

#### Qualified Persons

The Technical Report was prepared by SLR Consulting (Canada) Ltd., with contributions from a team of Qualified Persons ("QP") as defined under NI 43-101. The QPs are independent of Rio2 and Southern Peaks and have reviewed and confirmed that this news release fairly and accurately reflects, in the form and context in which it appears, the information contained in the respective sections of the Technical Report for which they are responsible.

For additional information regarding the Fenix Gold Project, including key parameters, assumptions and risks associated with its development, see the independent technical report entitled "NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project" (the "Feasibility Study") pursuant to NI 43-101. The Feasibility Study is dated October 16, 2023, with an effective date of October 16, 2023, a copy of which document is available under Rio2's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

The scientific and technical content of this news release has been reviewed and approved by Enrique Garay, MSc P.Geo/FAIG, who is a QP under NI 43-101. The QP has verified the information disclosed herein using standard verification processes, including the sampling, preparation, security and analytical procedures underlying such information, and is not aware of any significant risks and uncertainties or any limitations on the verification process that could be expected to affect the reliability or confidence in the information discussed herein.

#### About [Rio2 Limited](#)

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as a successful capital markets track record. Rio2 is focused on taking its Fenix Gold Project in Chile to production in the shortest possible timeframe based on a staged development strategy. Rio2 and its wholly owned subsidiary, Fenix Gold Limitada, are companies with the highest environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three pillars (Social, Environment, Economics) of responsible development. As related companies, we reaffirm our commitment to apply environmental standards beyond those that are mandated by regulators, seeking to protect and preserve the environment of the territories that we operate in.

To learn more about Rio2 Limited, please visit: [www.rio2.com](http://www.rio2.com) or Rio2's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

#### ON BEHALF OF THE BOARD OF RIO2 LIMITED

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#### Cautionary Note

*This news release refers to the potential expansion of production at the Condestable Mine to 10,000 tonnes of ore per day, with a further potential increase to 12,000 tonnes of ore per day. In June 2025, a MEIA was submitted to the Peruvian mining regulatory authorities to obtain the required permits for expanding production at the Condestable Mine to 10,000 tonnes of ore per day. Where there is no certainty in this regard, current expectations are that approval of the MEIA could be received as early as August 2026. Following the completion of the Transaction, Rio2 intends to conduct studies to assess the feasibility of a further increase in underground production at the Condestable Mine to a target rate of 12,000 tonnes of ore per day. This additional increase in production to 12,000 tonnes of ore per day remains conceptual in nature and it is uncertain if further exploration will delineate additional mineral resources. In addition, such an increase is subject to obtaining a procedural short-form permit which would be expected in the ordinary course. There is no certainty of increased production at the Condestable Mine.*

#### Forward-Looking Information

*This news release contains forward-looking statements and forward-looking information (collectively "forward-looking information") within the meaning of applicable securities laws relating to the Transaction, the*

operations of the Condestable Mine and its potential expansion, expansion of the Fenix Gold Project, and other aspects of Rio2's future operations, strategy and plans. Without limiting the generality of the foregoing, this news release contains forward-looking information pertaining to the following: the completion of the Transaction and the timing thereof; the expected benefits, synergies and strategic positioning resulting from the Transaction (including diversification, cash flow to support growth, minimal share dilution, accretion across key per-share metrics, and strong internal rate of return); production estimates and growth in reserve and resources for the Condestable Mine; expected EBITDA generation from Condestable and on a pro forma basis; expansion potential at both Fenix Gold and Condestable Mine; approval of the Modified Environmental Impact Assessment and short-form permit and related timing; Rio2's plans and areas of focus for Condestable; the completion of the Equity Financing, the Private Placement and Vendor Debt arrangements; the use of proceeds from the Equity Financing and the Private Placement; approvals of the TSX with respect to the Transaction, Equity Financing and Private Placement; copper and gold price expectations and revenue contributions; expected reserve life of over ten years for the Condestable Mine; revenue contribution of gold and copper; exploration targets and resource replacement potential at Condestable Mine; timing of commencement of gold production from the Fenix Gold Project; the completion of the pre-feasibility study, the mineral reserve and resources update, the feasibility study, the desalinated water supply works and the project capital works for the potential Phase 2 expansion of the Fenix Gold Project, the potential mining rate and gold production upon completion of the potential Phase 2 expansion of the Fenix Gold Project, and other matters ancillary or incidental to the foregoing.

All statements included herein, other than statements of historical fact, may be forward-looking information and such information involves various risks and uncertainties. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. The forward-looking information is based on certain key expectations and assumptions made by Rio2's management, including but not limited to: expectations concerning prevailing commodity prices (including copper and gold prices), exchange rates, interest rates, applicable royalty rates and tax laws; capital efficiencies; legislative and regulatory environment of Chile and Peru; future mining and production rates and estimates of capital and operating costs for both the Fenix Gold Project and Condestable Mine; expectations regarding the availability of debt financing and completion of the Equity Financing and the Private Placement; estimates of reserves and resources at both properties; anticipated timing and results of capital expenditures and expansion projects; the sufficiency of capital expenditures in carrying out planned activities; results of operations and performance; the successful completion of the Transaction in accordance with the terms of the Agreement; the availability and cost of financing, labor and services; Rio2's ability to access capital on satisfactory terms; the integration of Condestable operations; the realization of expected synergies and benefits from the Transaction; the receipt of all regulatory and exchange approvals for the Transaction and the satisfaction of closing conditions for the Transaction.

Rio2 believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements in this news release should not be unduly relied upon. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Rio2's disclosure documents on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). These risks and uncertainties include, but are not limited to: risks and uncertainties relating to the completion of debt and equity financings for the Transaction; risks relating to the completion of the Transaction, including the satisfaction of closing conditions and receipt of regulatory approvals; risks associated with the integration of Condestable operations; risks relating to copper price volatility and market conditions; operational risks at the Condestable Mine; risks associated with mining operations in Peru; risks relating to the Vendor Debt arrangements and associated security interests; currency fluctuation risks; regulatory and permitting risks in both Chile and Peru; and management's ability to anticipate and manage the factors and risks referred to herein.

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

#### Non-GAAP Measures



*This press release includes certain performance measures ("non-GAAP measures") which are not specified, defined, or determined under generally accepted accounting principles (in the Corporation's case, International Financial Reporting Standards, or "IFRS"), such as EBITDA, IRR and AISC.*

*These are common performance measures in the Corporation's industry, but because they do not have any mandated standardized definitions, they may not be comparable to similar measures presented by other issuers. Accordingly, the Corporation uses such measures to provide additional information and readers should not consider them in isolation or as a substitute for measures of performance prepared in accordance with generally accepted accounting principles ("GAAP"). These financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. Readers are cautioned that these non-GAAP measures should not be construed as an alternative to other measures of financial performance calculated in accordance with IFRS. These non-GAAP measures provide additional information that Management believes is meaningful in describing the Corporation's operational performance, liquidity and capacity to fund capital expenditures and other activities. Management believes that the presentation of these non-GAAP measures provides useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.*

*"Adjusted working capital" is comprised of cash, accounts receivable, reclamation deposits, deposits and prepaid expenses (current and long-term), net of accounts payable and accrued liabilities. Management utilizes Adjusted working capital to monitor its capital structure, liquidity, and its ability to fund current operations. There is no directly comparable GAAP measure for Adjusted working capital. The Corporation believes that Adjusted working capital can provide useful information to investors and shareholders in understanding the capital structure, liquidity and the Corporation's ability to fund current operations.*

*"AISC" or "All-In Sustaining Costs" is a comprehensive metric defined by the World Gold Council that includes all expenses to maintain current mining operations, such as production costs, general and administrative expenses, and sustaining capital.*

*"Cash Flow" is used to assess the Corporation's ability to generate the necessary funds to manage production levels and fund future capital expenditures. Cash flow is calculated as cash flow from (used in) operating activities, adding back changes in non-cash working capital. The most directly comparable GAAP measure is cash flow (used in) operating activities.*

*"EBITDA" is defined as net income (loss) before interest, income taxes, and depreciation and amortization, and is used as an alternative measure of profitability of the Corporation's operations. The most directly comparable GAAP measure is cash flow from (used in) operating activities. EBITDA excludes any non-cash gain or loss that could arise from the accounting treatment of the streams.*

*"Enterprise Value" or "EV" is calculated by adding Market Capitalization and Net Debt. Management uses enterprise value to assess the valuation of the Corporation. There is no directly comparable GAAP measure to EV as Market Capitalization is based on current share price.*

*"Free Cash Flow" is used as an indicator of the efficiency and liquidity of the Corporation's business, measuring its funds after capital expenditures available to manage debt levels, pursue acquisitions and assess the optionality to pay dividends and/or return capital to shareholders through activities such as share repurchases. The most directly comparable GAAP measure is cash flow from (used in) operating activities. Free Cash Flow is calculated as cash flow from (used in) operating activities, less interest, office lease expenses, cash taxes and capital expenditures.*

*"IRR" is internal rate of return and is defined by the Corporation as the return, as a percentage, on invested capital. It represents the annualized, compounded rate of return implied by future cash flows. There is no directly comparable GAAP measure for IRR. The Corporation believes that IRR can provide useful information to investors and shareholders in understanding what return is expected for the respective investment.*

*"Market Capitalization" is calculated as the number of Common Shares or fully diluted in-the-money shares outstanding multiplied by the Offering Price and/or current closing market price per Common Share. The*



*Corporation believes that Market Capitalization can provide useful information to investors and shareholders in understanding the value of the Corporation.*

*"Net Debt" represents the carrying value of the Corporation's debt instruments. The Corporation uses Net Debt as an alternative to total outstanding debt as Rio2's management believes it provides a more accurate measure in assessing the liquidity of the Corporation. The Corporation believes that Net Debt can provide useful information to investors and shareholders in understanding the overall liquidity of the Corporation.*

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<sup>1</sup> Copper and gold equivalent is calculated using current consensus commodity prices.

<sup>2</sup> Based on the average forecasted production from 2026 to 2030, including the gold credit factor, per the technical report entitled "Technical Report on the Condestable Mine, Lima Department, Peru" (the "Technical Report") dated effective December 31, 2022.

<sup>3</sup> A modification of the environmental impact assessment ("MEIA") was submitted to obtain the permit required to expand ore production to 10,000 tpd. Following completion of the Transaction, Rio2 intends to study the feasibility of further expanding production to 12,000 tpd. Such an expansion is conceptual in nature and is subject to obtaining a procedural short-form permit. See "Cautionary Note".

<sup>4</sup> Based on projected average production from 2027 to 2030 in the the technical report entitled "NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project" (the "FS") dated effective October 16, 2023 (excludes 2026 as it is a ramp-up year for Fenix Gold in the FS).

<sup>5</sup> A pre-feasibility study and subsequent feasibility study are intended to be undertaken in respect of the potential Phase 2 expansion of Fenix Gold to assess the feasibility of a goal rate of production of 80,000 tonnes of ore per day with a view of producing at least 300,000 ounces of gold per year over a ten-year period.

<sup>6</sup> Non-IFRS financial measure.

<sup>7</sup> Based on average forecasted EBITDA from 2026 to 2030 per the Technical Report. Includes the impact of the FN Stream (defined herein).

<sup>8</sup> Based on average from 2027 and 2028 in the FS and Technical Report using current consensus prices. Includes the impact of the streams and flexible prepay.

<sup>9</sup> Based on average forecasted revenue by metal from 2027 and 2028 per the FS and Technical Report.

<sup>10</sup> Condestable based on the average of 2031 and 2032 from the Technical Report.

<sup>11</sup> Based on upfront consideration of US\$180 million plus total deferred consideration of US\$37 million (total US\$217 million).

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