



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2022

This Management’s Discussion and Analysis (“MD&A”) of financial position and results of operations of Marimaca Copper Corp. (“Marimaca Copper” or the “Company”) has been prepared based upon information available to Marimaca Copper as at November 14, 2022 and should be read in conjunction with the Company’s unaudited condensed consolidated financial statements and related notes as at and for the three and nine months ended September 30, 2022 and 2021 (the “Financial Statements”). The Financial Statements and this MD&A are presented in U.S. dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) applicable to the preparation of condensed interim financial statements, including IAS 34, Interim Financial Reporting.

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 and nine months ended September 30, 2022 and 2021 and the corresponding notes to the Financial Statements which are available on our website at www.marimaca.com and on SEDAR at www.sedar.com.

Additional information related to Marimaca Copper, including our Annual Information Form (“AIF”), is available under the Company’s profile on SEDAR at www.sedar.com and the Company’s website at www.marimaca.com.

Contents

1	Overview _____	3
2	Highlights _____	3
3	Outlook _____	6
4	Marimaca _____	7
5	Financial Position Review _____	10
6	Expenditure Review _____	12
7	Outstanding Share Data Authorized and Issued _____	14
8	Critical Accounting Estimates _____	15
9	Disclosure _____	16
10	Cautionary Statement on Forward Looking Information _____	17

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 trade 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. In August 2020, Marimaca Copper released a Preliminary Economic Assessment ("PEA") for the Marimaca Project which confirmed its potential to be a low capital cost, high margin, copper mine.

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 some highlights for 2022:

- Company secures future water supply for the Marimaca Project under a water option agreement;
- Completed an updated Mineral Resource Estimate on the Marimaca Project;
- Sale of a 1% net smelter return royalty ("NSR") for \$15.5 million;
- Disposal of Minera Rayrock Limitada ("Rayrock"), an indirect wholly-owned subsidiary, for up to \$17.0 million in structured instalments and contingent payments;
- Completed a total of 41,572 metres ("m") in 165 holes on the Marimaca Oxide Deposit ("MOD") and the extension beneath the MOD ("MAMIX"), in a combination of reverse circulation and diamond drilling;
- Identification of several new exploration targets across the broader Marimaca district, including, Mercedes East, Mititus and Santos;
- Completed the Phase V metallurgical test work which confirmed the understanding of the MOD's metallurgical performance;
- Adoption of Sustainability Commitments and Stakeholder Engagement Standards for the Company;
- Approval and adoption of the Warrant Incentive Program;
- Commenced technical baseline studies to support the permitting application, which includes chemical/physical stability studies and hydrology/hydrogeology studies; and
- Establishment of the Environmental, Social and Governance ("ESG") and a standalone Nominations and Governance committees.

Corporate

Water Option Agreement

On November 7, 2022, the Company announced that it had entered into a water option agreement to secure the future water supply required for the Marimaca Project. Under the terms of the agreement, seawater would be supplied following its use in cooling systems at an electricity plant in Mejillones, located 25km from the Marimaca Project and operated by one of Chile's largest energy suppliers. The option has a term of 5 years, with the ability to extend for 2 years, has an annual cost of \$0.2 million and will allow the Company to advance final project permitting and technical studies, including water pipeline studies that are already underway.

The exercise of the option will trigger the execution of a water supply agreement priced on a take-or-pay basis for the project's life of mine, the principal terms of which have been negotiated and agreed in the option documentation. The agreed pricing arrangement is at a lower cost than originally projected in the 2020 Preliminary Economic Assessment ("PEA") (available on www.sedar.com). As disclosed in the PEA, and consistent with Marimaca's 5 phases of metallurgical test work, the Marimaca Project is designed to use seawater-based process solutions in place of fresh water.

2022 Mineral Resource Estimate

On October 13, 2022, the Company released an updated Mineral Resource Estimate (the "2022 MRE") for the MOD located in Antofagasta region, Chile. The 2022 MRE demonstrates significant resource growth over the 2019 MRE and marks an important step-change in the scale of the Marimaca Project, supporting a higher production rate than previously suggested.

The 2022 MRE reflected a 98% increase in Measured and Indicated Resource ("M&I") tonnes to 140 million tonnes ("Mt") at 0.48% CuT for 665.5 thousand tonnes ("kt") of contained copper and a 92% increase in Inferred Resource tonnes to 83Mt at 0.39% CuT for 322.9kt of contained copper over the Company's previous 2019 MRE.

The 2022 MRE incorporates 19,580m of approximately 42,000m of drilling (reverse circulation and diamond) completed in 2022 for a total of over 110,000m of drilling completed since 2016. The balance of the 2022 infill drilling program, totalling approximately 22,000m, will be included in a subsequent MRE planned for early 2023.

The 2022 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*).

Osisko Gold Royalties Transaction

On September 8, 2022, the Company announced a \$15.5 million investment from Osisko Gold Royalties Ltd. ("Osisko") in exchange for a 1% net smelter return royalty ("NSR") on certain claims covering the Marimaca Project and some claims immediately adjacent to it (the "Osisko Transaction").

Marimaca, together with certain of its wholly-owned Chilean subsidiaries, and Osisko entered into an Investment Agreement and a Royalty Agreement whereby Marimaca granted an unsecured 1.0% NSR to Osisko on concessions that currently host the Marimaca Oxide Deposit as well as certain rights including a right of first refusal with respect to any royalty, stream, or similar interest in connection with project financing of the Marimaca Project for cash consideration of US\$15.5 million in aggregate. Under the Investment Agreement, Marimaca has agreed to exercise certain buyback rights in respect of royalties granted under the 1-23 Purchase Agreement and La Atomica option agreement prior to commercial production which total US\$6.0 million in aggregate.

Disposal of Rayrock

On March 4, 2022, the Company announced it had entered into a binding agreement to sell certain non-core Rayrock assets, including the Ivan SX-EW Processing Plant and associated mining claims and the associated reclamation liability, to 5Q SpA, a privately-held specialist mineral processing company based in Santiago, Chile, for total cash consideration of up to US\$11.0 million, plus up to US\$6.0 million in contingent payments. Details of the transaction are outlined below.

Transaction Details

Total Consideration

- Up to \$11.0 million in total consideration to Marimaca
 - US\$150,000 upon signing
 - US\$350,000 upon approval of the Ivan Rayrock technical permits
 - US\$1.8 million – US\$2.1 million on the 12-month anniversary of the transaction*, determined by LME copper price
 - US\$2.7 million – US\$3.1 million on the 18-month anniversary of the transaction*, determined by LME copper price
 - US\$4.1 million – US\$5.2 million on the 24-month anniversary of the transaction*, determined by LME copper price
- A 1.5% NSR on future production from the Ivan underground ore body

Contingent Payments

- Up to \$6.0 million in contingent payments based on potential future stockpile acquisitions to be processed through the Ivan Plant, based on the amount of contained copper in the stockpiles acquired
 - US\$1.0m for stockpiles containing 5,000t – 10,000t total copper
 - US\$2.0m for stockpiles containing 10,000t – 20,000t total copper
 - US\$4.0m for stockpiles containing 20,000t – 30,000t total copper
 - US\$6.0m for stockpiles containing >30,000t total copper

The transaction closed on March 21, 2022. The statement of financial position as at December 31, 2021, included the classification of the assets and liabilities associated with Rayrock as held for sale and included in current assets and/or current liabilities. These amounts were recorded at their carrying values in accordance with IFRS 5 which states that these should be measured at the lower of carrying value and fair value less costs to sell. All expenses associated with Rayrock have been presented as discontinued operations on the statement of loss and comprehensive loss for the three and nine months ended September 30, 2022 and 2021.

As at the date of this MD&A, the Company has received the initial \$0.15 million cash payment under the terms of the transaction.

Impact of the COVID-19 Pandemic

The COVID-19 global health pandemic has had a significant impact on the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown. The adverse effects of the pandemic may continue for an extended and unknown period of time, particularly as variant strains of the virus are identified. The impact of the pandemic to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. Efforts have been undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects has been impacted. The broader impact of the COVID-19 pandemic or future pandemics or similar public health emergencies on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on Marimaca Copper's results of operations, financial condition and the trading price of Marimaca Copper's securities.

3 Outlook

The Company recently announced its 2022 MRE on its Marimaca Project which demonstrated a significant resource growth from the previous 2019 MRE. The 2022 MRE is based on approximately 20,000 meters ("m") completed in the first half of 2022. The Company drilled a total of 41,572m in 2022. The Company is planning on completing an updated Mineral Resource Estimate (the "2023 MRE") which will include an additional approximate 22,000m of drilling completed in the second half of 2022 and is expected to convert the Inferred Resources included in the 2022 MRE to the Measured and Indicated categories. This updated MRE is expected to be completed in Q1 2023 and will be incorporated into a Definitive Feasibility Study ("DFS") in 2023.

The Company is currently assessing both 50kt and 60kt per annum copper cathode production cases (compared to the 36Kt per annum average production in the PEA), which is expected to be used for the DFS. Some of the following assumptions in the PEA are expected to be consistent with a 50kt or 60kt per annum production cases:

- High grade core which comprises the first six years of the 2019 PEA mine life is expected to remain intact and accessible;
- Very low strip ratio of 1:1 expected to be maintained in constraining pit shell, with all resources captured in a single continuous pit;
- Clear opportunities remain for additional resource expansion with further exploration, as mineralization remains open to the east, south-east and down plunge; and
- Near mine (<5km) satellite targets discovered in 2021, Mercedes, Cindy, and Robles, provide high probability targets for further mine life extension.

In parallel, the Company is focused on planning, implementing and completing the detailed engineering and additional environmental activities required for its environmental declaration, which is a key component of obtaining environmental and sectoral permits in Chile for its Marimaca Project.

4 Marimaca

Location & 2022 Mineral Resource Estimate

The Marimaca Project is the Company's flagship asset and is located in the Antofagasta Region of northern Chile. The Marimaca Project is recognised for its exceptional location, just 14 kilometres from the highway and powerlines, 25 kilometres from the port of Mejillones and 45 kilometres from the regional capital of Antofagasta.

In October 2022, the Company released an independent National Instrument 43-101 compliant updated Mineral Resource Estimate, the 2022 MRE, that was based on 385 reverse circulation holes ("RC") and 39 diamond holes ("DD") for a total of 110,790m drilled between 2016 and 2022 and was completed at a range of cut-off grades by independent consultants NCL Ingeniería y Construcción SpA ("NCL"). The 2022 MRE comprises 140 million tonnes, with an average grade of 0.48% total copper within the Measured & Indicated Categories of mineral resources (approximately 665Kt of contained copper), and 83 million tonnes with an average grade of 0.39% total copper within the Inferred Category of mineral resources (approximately 323kt of contained copper).

Table 1: NI-43-101 2022 Mineral Resource Estimate

Mineral Resource Category	Quantity (kt)	CuT (%)	CuS (%)	CuT (t)	CuS (t)
Total Measured	47,051	0.54	0.36	253,157	167,614
Total Indicated	92,516	0.45	0.26	412,375	244,200
Total Measured and Indicated	139,567	0.48	0.28	665,531	385,388
Total Inferred	82,678	0.39	0.16	322,910	128,416

* 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; mining cost US\$1.51/t; HL processing cost US\$5.94/t (incl. G&A); ROM processing cost US\$1.65/t (incl. G&A); selling cost US\$0.16/lb Cu; heap leach recovery 76% of CuT; ROM recovery 40% of CuT; and 45°-52° pit slope angle

* With the economic parameters stated above, the Cut-Off grade of the Mineral Resource Estimate is approximately 0.15% CuT and a strip ratio of 1:1 has been estimated by NCL.

* 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.

Table 2: 2022 Mineral Resource Estimate Sensitivity

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 [%]
0.4	24,607	0.79	0.53	37,550	0.72	0.44	62,158	0.74	0.48	27,222	0.68	0.25
0.3	32,157	0.68	0.46	54,563	0.6	0.37	86,720	0.63	0.4	41,422	0.56	0.22
0.25	36,837	0.63	0.42	65,910	0.55	0.33	102,746	0.58	0.36	52,332	0.5	0.2
0.22	40,000	0.6	0.4	73,517	0.51	0.31	113,517	0.54	0.34	60,431	0.47	0.19
0.2	42,206	0.58	0.39	78,880	0.49	0.3	121,086	0.52	0.33	66,256	0.44	0.18
0.19	43,281	0.57	0.38	81,684	0.48	0.29	124,965	0.51	0.32	69,408	0.43	0.17
0.18	44,291	0.56	0.37	84,610	0.47	0.28	128,900	0.5	0.31	72,670	0.42	0.17
0.15	47,051	0.54	0.36	92,516	0.45	0.26	139,567	0.48	0.3	82,678	0.39	0.16
0.1	50,536	0.51	0.34	100,946	0.42	0.25	151,482	0.45	0.28	96,064	0.35	0.14
0.05	57,125	0.46	0.3	119,653	0.36	0.21	176,777	0.39	0.24	123,552	0.29	0.11
0	61,333	0.43	0.28	129,985	0.34	0.2	191,318	0.37	0.22	134,056	0.27	0.11

* 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; mining cost US\$1.51/t; HL processing cost US\$5.94/t (incl. G&A); ROM processing cost US\$1.65/t (incl. G&A); selling cost US\$0.16/lb Cu; heap leach recovery 76% of CuT; ROM recovery 40% of CuT; and 45°-52° pit slope angle

* With the economic parameters stated above, the Cut-Off grade of the Mineral Resource Estimate is approximately 0.15% CuT and a strip ratio of 1:1 has been estimated by NCL.

* 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

Preliminary Economic Assessment (“PEA”)

In August 2020, the Company released a PEA for the Marimaca Project which confirmed its potential to be a low capital cost, high margin, copper mine. It is significantly advantaged by its location with easy access to infrastructure including power, transport and water as well as a highly skilled, local, work force and simple logistics. The full technical report titled “PRELIMINARY ECONOMIC ASSESSMENT MARIMACA PROJECT ANTOFAGASTA, II REGION, CHILE NI 43 101 Technical Report” can be found on SEDAR at www.sedar.com.

Summary of Economic Assumptions and Results in the PEA are presented in the table below:

Table 3: Summary of Economic Assumptions and Results

Copper Price Assumption	US\$3.15/lb flat real
Pre-Tax NPV₈ & IRR	US\$757 million / 39.9%
Post-Tax NPV₈ & IRR	US\$524 million / 33.5%
Payback Period from First Production	2.6 years

Pre-Production Capital Costs	US\$285 million ¹
Life of Mine Sustaining Capital	US\$66 million
Life of Mine C1 Operating Costs	US\$1.22/lb of copper ²
Mine Life	12 years
Ave. Annual Metal Production (first 6 years)	Approximately 40,000 tonnes
Ave. Annual Metal Production Life of Mine (incl. ramp up)	35,600 tonnes
Steady State Average Process Recovery (Heap and ROM)	76% / 40%

The PEA's sensitivities are as follows:

Table 4: Sensitivity Analysis to Copper Price, Life of Mine Capital and Operating Costs

Copper Price US\$/lb	Post-Tax NPV ₈	Post-Tax NPV ₈	Post-Tax NPV ₈	Post-Tax NPV ₈	Post-Tax NPV ₈	Base Case IRR (%)
	Base Case US\$ millions	Capex (-10%) US\$ millions	Capex (+10%) US\$ millions	Opex (-10%) US\$ millions	Opex (+10%) US\$ millions	
2.85	408	434	381	455	360	28.6%
3.00	466	492	439	514	418	31.1%
3.15	524	550	498	572	476	33.5%
3.30	582	608	556	630	535	35.7%
3.45	640	666	614	688	592	38.0%

The PEA was prepared in accordance with the requirements of the National Instrument 43-101, Standards of Disclosure for Mineral Projects, ("NI 43-101") and is based on the MRE completed by NCL outlined above. The PEA is considered preliminary in nature and includes Inferred Mineral Resources that are considered too speculative, geologically, to have the economic considerations applied that would enable classification as Mineral Reserves. There is no certainty that the conclusions within the PEA will be realized. The PEA is based on the material assumptions including assumptions about the availability of funding. While the Company considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the PEA can be achieved.

No Mineral Reserves have been estimated for the Marimaca Project. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.

¹ Assumes mining fleet is financed through a lease to own contract structure to minimize upfront capital cost.

² All in sustaining costs is defined as cash cost (C1) plus general and administrative expenses, sustaining capital expenditure, deferred stripping, royalties and lease payments and is used by management to evaluate performance inclusive of sustaining expenditure required to maintain current production levels.

5 Financial Position Review

The Company is an exploration and development company that currently does not generate revenue from its assets. At September 30, 2022, the Company had \$17.8 million in cash (December 31, 2021 - \$26.8 million), working capital of \$16.9 million (December 31, 2021 – \$29.1 million), total assets of \$85.3 million (December 31, 2021 - \$92.8 million), total liabilities of \$1.0 million (December 31, 2021 - \$9.5 million) and recorded a net loss of \$2.3 million for the nine months ended September 30, 2022 (2021 – Net loss of \$14.0 million).

Amounts receivable as at September 30, 2022 total \$10.0 million (December 31, 2021 – nil) and relate to the future consideration under the Rayrock disposal as explained in the Corporate section above.

During the nine months ended September 30, 2022, the Company capitalized \$18.8 million to exploration and evaluation assets, of which \$5.5 million related to property option payments. The proceeds of \$15.5 million from the Osisko Transaction reduced the carrying value of the Company’s exploration and evaluation assets.

Total liabilities of \$2.4 million (December 31, 2021 - \$9.5 million) comprised solely accounts payable and accrued liabilities.

Marimaca 1-23 Claims Acquisition (“Acquisition Debt”)

On February 14, 2020, and later amended in May 2020, the Company signed the definite agreements acquiring the remaining 49% interest in the 1-23 Claims for a total cash payment of \$12.2 million which is payable as follows: (i) \$6.0 million upon signing of the definitive agreements; (ii) \$3.2 million in October 2021; and (iii) \$3.0 million in February 2022. The sellers agreed to transfer their 49% interest in the 1-23 Claims upon the execution date of the definitive agreements. The Company paid the initial \$6.0 million upon execution of the definitive agreement and recorded the fair value of the remaining two instalments as a liability. As at September 30, 2022, all payments have been made by the Company.

Commitments and Option Payments

The following table shows the contractual obligations of the Company including property options payments as at November 14, 2022:

Table 5: Option Payments

<i>(In thousands of US dollars)</i>	2023	TOTAL
Llanos and Mercedes	1,400	1,400
Akicy, Emilia & La Esperada	600	600
Total	\$ 2,000	\$ 2,000

La Atómica Claims

The Company acquired 100% of the La Atomica property by paying a total of \$6.0 million from 2017 to 2021. A 1.5% NSR is payable on the claims, with the Company retaining an option to purchase 0.5% of the 1.5% NSR for \$2.0 million at any time.

Atahualpa Claims

Under the terms of a January 2018 LOI, the Company acquired 100% of the Atahualpa, Tarso, Sierra and Sorpresa claims, which are immediately adjoining the Marimaca Project for a total cash consideration of \$6.0 million. A 2% NSR is payable on the claims under the original option agreement. The Company acquired the outstanding 2% NSR on the property for \$2.2 million payable from 2019 to 2022.

Olimpo y Cedro (formerly called Naguayán)

The Company acquired 100% of the Olimpo y Cedro properties for a total cash consideration of \$6.5 million paid from 2018 to 2022. A 1.5% NSR is payable, with the Company retaining an option to purchase 0.5% of the 1.5% NSR for \$2 million within the first 12 months following the start of commercial production on the property.

Llanos/Mercedes

Under the terms of a May 2019 option agreement, the Company may acquire the Llanos/Mercedes properties for a total consideration of \$2.0 million payable as follows: \$0.05 million upon signing (paid); \$0.05 million on the 16-month anniversary (paid); \$0.1 million on the 24-month anniversary (paid); \$0.125 million on the 28-month anniversary (paid); \$0.125 million on the 36-month anniversary (paid); \$0.15 million on the 40-month anniversary (paid); and \$1.4 million on the 48-month anniversary. In addition, the Llanos and Mercedes claims are subject to a 1% NSR with a buyback option for the NSR of \$0.5 million exercisable up to 24 months from the start of commercial production.

Akicy, Emilia & Esperada

Under the terms of a July 2020 option agreement, the Company may acquire the Cincy 1-10 and Esperada 1-17 (1-5 and 11-15) properties for a total consideration of \$0.5 million payable as follows: \$0.01 million upon signing (paid); \$0.08 million on the 12-month anniversary (paid); \$0.11 million on the 24-month anniversary (paid) and \$0.3 million on the 36-month anniversary. These claims are subject to a 1.5% NSR with a buyback clause to buy a 0.5% NSR for \$0.5 million exercisable at any time.

Under the terms of an August 2020 option agreement, the Company may acquire the Emilia 1-10 properties for a total consideration of \$0.5 million payable as follows: \$0.01 million upon signing (paid); \$0.08 million on the 12-month anniversary (paid); \$0.11 million on the 24-month anniversary (paid); and \$0.3 million on the 36-month anniversary. These claims are subject to a 1.5% NSR with a buyback clause to buy a 0.5% NSR for \$0.5 million exercisable at any time.

Under the terms of a December 2020 option agreement, the Company may acquire the Esperada 1-17 (6-10 and 16-17) properties for a total consideration of \$0.25 million payable as follows: \$0.13 million upon signing (paid) and \$0.12 million on the 12-month anniversary (paid). These claims are subject to a 1.5% NSR with a buyback clause to buy a 0.5% NSR for \$0.3 million exercisable at any time.

6 Expenditure Review

Table 6: Expenditures Summary

<i>(In thousands of US dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Expenses				
Exploration expenditures	\$ 29	\$ 1,777	\$ 84	\$ 5,070
Depreciation and amortization	12	30	35	35
Legal and filing fees	74	30	176	172
Other corporate costs	189	10	558	343
Salaries and management fees	479	614	1,253	1,235
Share-based compensation	686	1,240	3,321	5,944
Operating loss	(1,469)	(3,701)	(5,427)	(12,799)
Finance income (expense)	50	(219)	126	(362)
Foreign exchange gain (loss)	(3)	152	223	116
Gain on sale of Rayrock	-	-	2,990	-
Loss from continuing operations	\$ (1,422)	\$ (3,768)	\$ (2,088)	\$ (13,045)
Discontinued operations				
Loss from discontinued operations	-	(226)	(173)	(1,002)
Net loss	\$ (1,422)	\$ (3,994)	\$ (2,261)	\$ (14,047)
<i>Items that may be subsequently reclassified to net income:</i>				
Foreign currency translation adjustment	(191)	(1,057)	(45)	(88)
Total comprehensive loss for the period	\$ (1,613)	\$ (5,051)	\$ (2,306)	\$ (14,135)

Three months ended September 30, 2022 (“Q3 2022”) compared to three months ended September 30, 2021 (“Q3 2021”)

For the three months ended September 30, 2022, the Company recorded a net income of \$1.4 million compared to a net loss of \$4.0 million in Q3 2021. The decrease in the loss is attributable to the capitalizing of exploration expenses associated with the Marimaca Project in Q3 2022 whereas exploration activities in Q3 2021 related to regional exploration and were expensed and a decrease in share-based compensation. In Q3 2021, exploration activities were associated with regional targets that do not yet have defined resources.

Other corporate costs increased to \$0.2 million which are related to an increase in travel expenses and insurance compared to Q3 2021.

Share-based compensation, related to the vesting of previously granted stock options and restricted shares units (“RSUs”) was \$0.7 million for Q3 2022 compared to \$1.2 million in Q3 2021. The decrease is due to the timing of vesting provisions in the associated grants.

Loss from Rayrock totalled \$nil in Q3 2022 compared to \$0.3 million in Q3 2021 as Rayrock was disposed of on March 21, 2022.

Table 7: Selected Quarterly Financial Information

<i>(in 000's except per share amounts)⁽¹⁾</i>	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Cash	\$ 17,777	\$ 9,811	\$ 14,578	\$ 26,786
Total assets	85,298	87,344	84,444	92,797
Total liabilities	972	2,389	1,514	9,486
Shareholder's equity	84,326	84,955	82,930	83,311
Net (loss) income	(1,422)	1,076	(2,211)	(4,759)
Basic and diluted loss per share	\$ (0.02)	\$ 0.02	\$ (0.02)	\$ (0.05)
Weighted Average Number Shares Outstanding ⁽²⁾	88,226	88,209	88,076	85,475
Cash used in operating activities	(2,035)	2,820	(3,716)	(1,985)
Cash (used in) provided by financing activities	15,500	-	(3,000)	(3,108)
Cash used in investing activities ⁽³⁾	(5,501)	(7,488)	(5,665)	(4,591)
<i>(in 000's except per share amounts)⁽¹⁾</i>	Q3 2021	Q2 2021	Q1 2021	Q4 2020
Cash and cash equivalents	\$ 36,376	\$ 41,069	\$ 44,614	\$ 13,853
Total assets	97,747	101,345	103,397	69,962
Total liabilities	12,226	12,015	12,415	12,768
Shareholder's equity	85,521	89,330	90,982	57,194
Net (loss) income	(3,994)	(6,661)	(3,392)	(2,890)
Basic and diluted (loss) income per share	\$ (0.05)	\$ (0.08)	\$ (0.04)	\$ (0.04)
Weighted Average Number Shares Outstanding ⁽²⁾	87,930	87,871	77,876	73,641
Cash (used in) provided by operating activities	(2,456)	(2,746)	(3,558)	1,030
Cash provided by financing activities	(120)	712	35,926	15,250
Cash used in investing activities	(1,064)	(2,220)	(1,863)	(2,035)

⁽¹⁾ Sum of all quarters may not add up to yearly total due to rounding.

⁽²⁾ All share outstanding numbers have been adjusted to reflect the 25:1 share consolidation completed in early 2020.

⁽³⁾ Cash used in investing activities includes exploration expenditures capitalized and property option payments.

The Company does not generate revenues from its assets 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 7 are generally due to (i) the availability of cash to fund operations; (ii) the completion of any debt or equity financings in the period; (iii) the deconsolidation of previous wholly-owned subsidiary; and (iii) the level of exploration/development and/or care & maintenance activities which is directly correlated to the availability of cash resources.

The main variances in cash are due to the following: (i) the sale of the NSR to Osisko in Q3 2022 for net proceeds of \$15.5 million; and (ii) the completion of equity financings in Q1 2021 and Q4 2020 for net proceeds of \$57.0 million; and (ii) the completion of a private placement in Q3 2019 raising gross proceeds of \$12.6 million. Total assets increased over the quarters due to property acquisitions and option payments. The reduction in total assets in Q3 2022 was due to a combination of capitalized exploration expenditures offset by the Osisko NSR. Total assets and total liabilities were reduced in Q1 2022 due to the disposition of Rayrock.

Related Party Disclosure

Key Management Personnel

The Company considers all key management personnel having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity as related parties.

Table 8: Related Party Costs

<i>(In thousands of US dollars)</i>	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Short-term employee benefits	\$ 355	\$ 473	\$ 1,158	\$ 824
Share-based payments	616	1,274	3,097	4,599
Total	\$ 971	\$ 1,747	\$ 4,255	\$ 5,423

⁽¹⁾ Includes salary, 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 November 14, 2022, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	88,028,036
Stock options	7,473,977
Restricted Shares Units ("RSUs")	410,554
Warrants	11,069,054
Broker warrants	88,873
Total	107,070,494

⁽¹⁾ Stock Options have exercise prices ranging from C\$1.25 to C\$5.00 and expiries between August 2021 and September 2027.

⁽²⁾ Warrants have an exercise price of C\$4.10 per warrant and expire on December 3, 2022.

⁽³⁾ Broker Warrants have an exercise price of C\$3.15 per warrant and expire on December 3, 2022.

Stock Options and RSUs

During 2020, the Company adopted a new incentive plan (the "Omnibus Plan") which allows for the issuance of stock options and restricted share units ("RSUs") and replaced the Company old stock option plan. The maximum number of common shares of the Company available for issuance under the Omnibus Plan will not exceed 10% of the Company's issued and outstanding common shares, less the number of common shares subject to grants of stock options under the Company's previous plan.

During the three and nine months ended September 30, 2022, the Company granted 0.2 million stock options (Q3 2021 – nil) and 0.2 million stock options (2021 – 3.5 million), respectively. The stock options have a weighted average exercise price of C\$3.70 per stock option (2021 – C\$4.98) and a weighted average life of 5 years (2021 – 5 years). The fair value of the stock options was estimated to be C\$0.3 million in aggregate (2021 – C\$9.5 million).

Stock options were valued using the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted: risk-free rate – 3.40% (2021 – 0.30%); volatility – 58% (2021 – 67%); expected life – 5 years (2010 – 5 years) and dividend yield – 0% (2021 – 0%).

During the three and nine months ended September 30, 2022, the Company recorded \$0.7 million (Q3 2021 - \$1.4 million) and \$3.3 million (2021 – \$5.9 million), respectively, in share-based compensation associated with the vesting of previously granted stock options and RSUs.

8 Critical Accounting Estimates

Impact of the COVID-19 Pandemic

The COVID-19 global health pandemic has had a significant impact on the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown. The adverse effects of the pandemic may continue for an extended and unknown period of time, particularly as variant strains of the virus are identified. The impact of the pandemic to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts have been undertaken to slow the spread of the COVID-19 pandemic, the operation and development of mining projects has been impacted. The broader impact of the COVID-19 pandemic or future pandemics or similar public health emergencies on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on Marimaca Copper's results of operations, financial condition and the trading price of Marimaca Copper's securities.

Impairment of E&E 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 September 30, 2022.

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.

9 Disclosure

Internal Control over Financial Reporting and Disclosure Controls

Disclosure controls and procedures

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management, including the Chief Executive Officer and the Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures. As of September 20, 2022, the Chief Executive Officer and the Chief Financial Officer have each concluded that the Company's disclosure controls and procedures, as defined in NI 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

Internal controls over financial reporting

Internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is also responsible for the design of the Company's internal control over financial reporting in order 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 controls over financial reporting include policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the 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 our internal controls over financial reporting during the three and nine months ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management, including the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company's internal controls over financial reporting. As of September 30, 2022, the Chief

Executive Officer and Chief Financial Officer have each concluded that the Company's internal controls over financial reporting, as defined in NI 52-109 - Certification of Disclosure in Issuer's Annual and Interim Filings, are effective to achieve the purpose for which they have been designed.

10 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 gold and 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 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;
- 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 the Russia/Ukraine war 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.

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 and each of the documents incorporated by reference herein 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.

