Permitting Progress in Mexico: What It Means for Santo Tomás

Three weeks ago we sent out our Q2 2026 investor newsletter, and one theme kept surfacing as we pulled the drill data, the PEA metrics, and the community updates together: Mexico's regulatory environment for mining is experiencing a positive shift, as evidenced by Agnico Eagle's Second Quarter 2026 Results, wherein it references SEMARNAT (the senior Mexican environmental authority) approval of the project's MIA (Manifestación de Impacto Ambiental). We are therefore pleased to provide this letter as an update focused on that theme, with Santo Tomás' progress at the center of it.

WHERE SANTO TOMÁS STANDS

Santo Tomás holds federal and state priority status under Plan México and its state-level component, Plan Sinaloa. In 2025, SEMARNAT issued a resolution confirming our exploration program could proceed, and Phase 2 drilling began in March 2026. That, combined with the long-standing community support we've built in Choix, puts Santo Tomás in a strong position as we keep advancing one of North America's largest porphyry copper projects toward a completed Pre-Feasibility Study. Board-level relationships matter here as well. Faysal Rodriguez, our board member and Senior Vice President, Mexico of Torex Gold, has well-established relationships with many of the senior administrative members of Mexico’s bureaucracy, at both State and Federal levels.

However, we are not being complacent. None of this means that Santo Tomás' permitting path can be assumed. A permit resolution or priority designation is not a construction authorization, and further approvals, conditions, and infrastructure authorizations are still ahead. What it does mean is that the regulatory environment within which Santo Tomás operates is moving in a direction that supports the project's continued advancement, and that is visible elsewhere in Mexico's mining sector.

THE CLOSEST PERMITTING COMPARISON WE HAVE IS SAN NICOLÁS

San Nicolás is a copper-zinc volcanogenic massive sulphide ("VMS") deposit in Zacatecas, held by a joint venture between Teck Resources and Agnico Eagle. It is a large-scale, advanced-stage project that has been moving through the same federal permitting process that Santo Tomás will follow. With what we know of Mexico's permitting pipeline this year, this project is the closest comparable we have. San Nicolás is designed for surface mining operations at a similar scale and with similar operating characteristics as Santo Tomás. For us, the approval of their MIA is a helpful and timely indicator.

THE BROADER PATTERN

This fits a pattern we've been monitoring for some time. Mexico's government has been working through a backlog of stalled mining permits since the Sheinbaum administration took office in the last quarter of 2024. As of June 30, 2026, it had resolved 155 of 185 mining environmental procedures tracked jointly with the Ministry of Economy, an 83.8% clearance rate, according to BNamericas. We want to be candid and precise about what that figure means: it reflects cases that have received a decision, but not all are fully resolved, and we don't have a full breakdown of how many have resulted in rejection. However, within those 155 filings that have been resolved are those specific to the surface mining projects identified below, each independently confirmed through the respective companies' public disclosures:

MINING ENVIRONMENTAL PROCEDURES RESOLVED

83.8%

155 of 185 — as of June 30, 2026

Resolved cases include decisions that are not full approvals. Source: BNamericas.

> **San Nicolás (Zacatecas)** – Agnico Eagle received both its land use change permit (ETJ) and its environmental impact assessment (MIA-R) in July 2026, according to Agnico Eagle's second quarter 2026 results, published July 29, 2026. The joint

venture is now expected to advance the additional permits, authorizations, and licenses required under Mexican law before construction or operations can commence.

Camino Rojo (Zacatecas) – Orla Mining received its MIA approval from SEMARNAT in March 2026, along with the Change of Land Use approval needed to mine the remainder of its oxide open pit.

El Pilar (Sonora) – Southern Copper's US$551 million SX-EW project had its permits formally re-authorized in July 2026, after nearly a decade in regulatory limbo.

San Antonio (Sonora) – Axo Metals received a positive MIA decision in July 2026, clearing the primary environmental authorization needed for construction.

PERMITTING MOMENTUM, DATED

Camino Rojo (Zacatecas) MIA approved	MARCH 2026
San Nicolás (Zacatecas) ETJ and MIA-R approved	JULY 2026
El Pilar (Sonora) Permits re-authorized	JULY 2026
San Antonio (Sonora) MIA approved	JULY 2026

WHAT THIS TELLS US

We are not saying that the Mexican permitting environment is no longer an exacting issue, and we're not suggesting that the regulatory path ahead for Santo Tomás is guaranteed or without further commitment. San Nicolás' outcome doesn't change Santo Tomás' own regulatory status, and every project identified above has additional approvals, conditions, or infrastructure authorizations ahead of its final production permit. What we can point to, however, is a clearer precedent and a credible pathway to approval than that which existed even a year ago. We believe this is a relevant factor for anyone evaluating copper development risk in Mexico today.

SANTO TOMÁS BY THE NUMBERS

From an investor's perspective, permitting momentum matters most when it's paired with technical and economic credibility, and Santo Tomás already has real, disclosed economics behind it. Our PEA (based on a US$4.00/lb copper price) outlines a post-tax NPV of US$1.48 billion at an 8% discount rate, a 22.2% IRR, and a 3.8-year payback of an initial capex of US$1.1 billion, with a C1 cash cost of US$1.54 per pound of copper produced over an approximately 22.6-year mine life.

Post-tax NPV (8%)	US$1.48 billion	C1 cash cost	US$1.54/lb Cu
NPV:CAPEX ratio	1.34x	Mine life	22.6 years
Post-tax IRR	22.2%	Indicated Resource	4,465 M lb at 0.37% CuEq*
Payback / Initial capex	3.8 yrs / US$1.1B	Inferred Resource	4,058 M lb at 0.35% CuEq

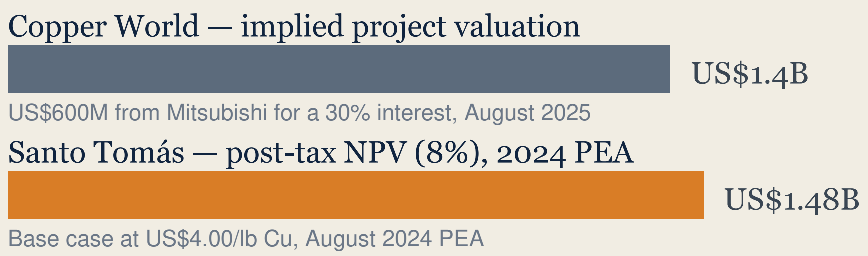
Figures from the Company's August 2024 Preliminary Economic Assessment, base case at US$4.00/lb Cu. See 'Cautionary Note' for disclosure on Preliminary Economic Assessments.

* CuEq calculations from the August 2024 Technical Report are presented at the end of this letter

In the opinion of Oroco Management, the inclusion of prevailing commodity prices in any future financial evaluation should substantially improve the NPV, as evidenced by the sensitivity evaluations in the 2024 PEA. At this point, however, we are bound by regulatory requirements to not disclose any calculations that are not provided as part of a NI 43-101 compliant document. You, as a reader, are therefore left to do your own calculations as to the impact on the project's NPV of the current copper price.

WHAT THE MARKET PAYS FOR DE-RISKING

Last August, Hudbay Minerals' Copper World project, a large-tonnage, open-pit copper porphyry deposit that has advanced through a Pre-Feasibility Study, attracted a US$600 million investment from Mitsubishi Corporation for a 30% project interest, implying a US$1.4 billion project valuation. Copper World shares many positive characteristics with Santo Tomás: scale, proximity to infrastructure, and a well-supported technical study. As a driver of value, the importance of Santo Tomás reaching pre-feasibility status is clear to us and the Oroco team remains fully focussed on delivering that in the next 12 months. In the meantime, every metre drilled, every supporting study, and every permitting advancement brings us closer to that objective.



A disclosed transaction value and a PEA-derived NPV are different measures and are not directly comparable. Shown together for reference only.

We believe that the markers that San Nicolás and Copper World have set out are useful pointers for the future pathway for Oroco. We would like to thank you, our shareholders, for your support and ongoing commitment to this exciting story.

Sincerely,

Charles Cryer

CEO, Oroco Resource Corp.

MINERAL RESOURCE STATEMENT (PHASE 1)

Category	Zone	Tonnes Mt	Average Grade					In-situ Metal[3]				
			CuEq[10] (%)	Cu (%)	Mo (%)	Au (g/t)	Ag (g/t)	CuEq[10] (M lb)	Cu [11] (M lb)	Mo [11] (M lb)	Au[11] (koz)	Ag [11] (koz)
Indicated	North Zone Pit - sulphide	540.6	0.37	0.33	0.008	0.028	2.1	4,465	3,976	95.4	483.4	36,524
	Total Indicated	**540.6**	**0.37**	**0.33**	**0.008**	**0.028**	**2.1**	**4,465**	**3,976**	**95.4**	**483.4**	**36,524**
Inferred	North Zone Pit - sulphide	90.0	0.34	0.31	0.005	0.021	1.7	679	620	10.2	61.4	4,949
	North Zone Pit - oxide	4.4	0.31	0.31	0.002	0.053	1.6	29	29	0.2	7.4	228

	South Zone Pit - sulphide	399.2	0.36	0.32	0.008	0.023	2.0	3,132	2,789	71.2	294.4	26,200
	South Zone Pit - oxide	36.7	0.27	0.27	0.004	0.020	1.6	218	218	2.8	23.8	1,851
	Total Inferred	**530.3**	**0.35**	**0.31**	**0.007**	**0.023**	**1.9**	**4,058**	**3,657**	**84.4**	**387.1**	**33,229**

After Table 14-22 — August 2024 NI 43-101 Technical Report

Notes:

1. Mineral resources are not mineral reserves and do not have demonstrated economic viability.
2. Abbreviations used in the table above include: Mt = million metric tonnes, % = percent, g/t = grams per metric tonne, M lb = million pound, and Koz = thousand troy ounces.
3. All figures are rounded to reflect the relative accuracy of the estimates. Totals in Table 14-22 may not sum or recalculate from related values in the table due to rounding of values in the table, reflecting fewer significant digits than were carried in the original calculations.
4. Metal assays are capped where appropriate. At this stage of the Project, it is the Company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold.
5. All dollar amounts are presented in US dollars.
6. Bulk density is estimated on a block basis using specific gravity data collected on diamond drill core.
7. Economic pit constrained resource with reasonable prospects of eventual economic extraction ("RPEEE") were based on a copper price of $4.00/lb, molybdenum price of $13.50/lb, a gold price of $1,700/oz, and a silver price of $22.50/oz. Metal recovery factors of 83.7% for copper, 66% for molybdenum, 53% for gold and 53% for silver have been applied. Selling costs are $0.56/lb copper, $1.69/lb molybdenum, $191.71/oz gold and $2.94/oz silver. Slope angles varied by pit sector and range from 40 degrees to 49 degrees.
8. The in-situ economic copper (CoG) was calculated resulting in a 0.15% Cu CoG.
9. CoG assumptions include: a copper price of $4.00/lb, molybdenum price of $13.50/lb, gold price of $1,700/oz, and silver price of $22.50/oz. Suitable benchmarked technical and economic parameters for open pit mining, including a 98% mining recovery and costs of mining at $2.40/t, processing at $4.79/t, G&A at $0.67/t, with Private Royalties at 1.5% for molybdenum, gold, silver, and copper, have been applied in consideration of the RPEEE. Recoveries are applied as listed in Note 7.
10. Equivalent Copper (CuEq) percent is calculated with the formula CuEq% = ((Cu grade * Cu recovery [83.7% sulphide or 75.0% oxide] * Cu price) + (Mo grade * Mo recovery [59%] * Mo price) + (Au grade * Au recovery [53%] * Au price) + (Ag grade * Ag recovery [53%] * Ag price)) / (Cu price * Cu recovery [83.7% sulphide or 75.0% oxide]). It assumed that the Santo Tomás Project will produce a conventional (flotation) copper concentrate product based on metal recoveries at 83.7% Cu (sulphide) or 75% Cu (oxide), 59% Mo, 53% Au, and 53% Ag based on initial preliminary metallurgical test work.
11. Reported contained individual metals in Table 14-22, represent in-situ metal, calculated on a 100% recovery basis, except for CuEq% (see Note 10).

QUALIFIED PERSON

The scientific and technical information concerning the Santo Tomás Project contained in this shareholder letter has been reviewed and approved by Andrew Ware, RM-SME, a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects and a senior consulting geoscientist to the Company.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This shareholder letter contains "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information in this letter includes, but is not limited to, statements regarding: the Company's interpretation of developments in Mexico's mining regulatory environment; the possible relevance of permitting decisions concerning other mining projects; the ability of the Company to obtain and maintain environmental, land-use, water, infrastructure and other permits, authorizations and approvals required for Santo Tomás; the continuation, objectives and anticipated benefits of the Phase 2 drill program; the completion, timing, content and results of an updated Mineral Resource Estimate and a Pre-Feasibility Study, currently targeted for Q2/Q3 2027; and the potential advancement, development and economic prospects of the Santo Tomás Project.

Forward-looking information is based on management's expectations, estimates and assumptions as of the date of this letter. Material assumptions include, among other things: continued access to the Project and cooperation from local stakeholders; the timely receipt and maintenance of required permits and authorizations on acceptable terms; the availability of drilling contractors, equipment, laboratories, consultants and qualified personnel; the timely receipt and interpretation of drilling, metallurgical, geotechnical, hydrogeological and other study results; the availability of sufficient financing to complete planned work; the accuracy of the assumptions and estimates contained in the August 2024 PEA, to the extent relied upon; and the absence of material adverse changes in commodity prices, costs, exchange rates, laws, government policies, political conditions, security conditions, environmental requirements or community relations. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual events, results or performance to differ materially from those expressed or implied. These risks include, without limitation: delays in or denial of permits and authorizations; the imposition of material conditions on any approval; changes in Mexican mining, environmental, water, land-use, tax or other laws and policies; the fact that inclusion in a governmental economic-development initiative does not constitute a permit or guarantee regulatory approval; the fact that regulatory decisions concerning other projects have no legal or predictive effect on Santo Tomás; unexpected drilling or study results; changes in the scope, cost or schedule of the Phase 2 program or the proposed Pre-Feasibility Study; contractor, equipment and laboratory delays; title, access, surface-rights and community-relations risks; environmental, water, tailings, infrastructure, metallurgical and geotechnical risks; commodity-price, inflation, exchange-rate and financing risks; and the other risks described in the Company's most recently filed management's discussion and analysis and other continuous disclosure documents available under the Company's profile on SEDAR+. Although the Company believes that the assumptions and expectations reflected in such forward-looking information are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Readers should not place undue reliance on forward-looking information. Forward-looking information speaks only as of the date of this letter, and the Company undertakes no obligation to update or revise it except as required by applicable law.