



Letter to Shareholders: Year in Review and Outlook for 2026

29 December 2025

Ahead of the year-end, it feels like an appropriate moment to pause, reflect on what has been an intense and formative year for Fitzroy Minerals, and then to look forward to what 2026 may hold. It has been a year of hard work, a few setbacks, improving market conditions, and above all some key breakthroughs.

We entered 2025 still finalising the Buen Retiro acquisition along with the added requirement of completing a contingent C\$3 million capital raise. At the same time, our exploration ambitions were deliberately modest but focused. The plan for Caballos was to drill a single “what if” hole that would determine whether the project merited continued sole funding or a farm-out. For Polimet, the intention was to test for plunging ore shoots with around 2,500 metres of drilling.

In practice, events moved faster (and more dramatically) than expected. The first drillhole at Caballos, CAB-DDH001, proved to be a genuinely important hole, and it was largely on the back of that result that we were able to complete the C\$3 million financing in March and close the Buen Retiro acquisition. This was achieved against the backdrop of extremely tough market conditions for junior miners, and I remain grateful to those shareholders who backed us at that point.

The months from March to May were operationally challenging as we restarted drilling at Buen Retiro and prepared for a more sustained exploration programme at Caballos. Ultimately our drilling progress at Caballos was not fully satisfactory until September when we finally had a drill contractor on site capable of executing to standard. The turning point, however, came earlier at Buen Retiro with BRT-DDH022 which intersected 110 metres at 1.94% copper close to surface, including 58 metres at 3.06%. Drilled in May, the result was released in early June and fundamentally changed the risk-reward profile at Buen Retiro. It was Game On!

With two strong drill holes (BRT-DDH022 and CAB-DDH001) in two projects with scale, and gradually improving market conditions, we were able to complete a C\$12 million financing in July.

By September we had delivered a large number of consistently mineralized drill holes at Buen Retiro, with a concentration in the Southwest area. Our confidence in a potentially viable Heap Leach Joint Venture using Pucobre’s *Planta Biocobre* to reduce capex grew.

As you may recall, Pucobre S.A. is a US\$1.9 billion market cap company that produces approximately 38,000 tonnes of copper and which is building a new 26,000 tonne copper-in-concentrate and 13,000 ounce gold per annum mine. It has a 30% claw-back right on Buen Retiro and a nearby, under-utilised electro-win plant.

The idea of early production and near-term cash flow began to take shape, and with it a broader narrative: that Fitzroy could be an exploration company supported by non-operated cash flow. Buen Retiro naturally emerged as the lead project in the portfolio. This was reinforced in early December, when weaker-than-hoped results from Caballos contrasted with encouraging sulphide indications at Buen Retiro. Gilberto's visit to Manto Verde and Candelaria allowed us to compare photographs of our core that is, quite strikingly, almost indistinguishable from the core seen at those world-class IOCG deposits.

The final quarter of the year also included a Directors' site visit, Chilean elections won by pro-Business President Karst, a rising global awareness of geopolitics and mineral assets, and a copper market that is visibly tightening. Strategic commentary across the industry has converged on the view that new copper supply will fall well short of demand in the years ahead. I explored this theme in an article for *The Spectator*, arguing that electrification, AI, and grid renewal are driving a structural copper shortage that cannot be solved quickly, given long development timelines and rising capital intensity. In that article I forecast that copper prices will reach US\$20,000 per tonne (US\$9.07/lb) and possibly US\$30,000 per tonne (US\$13.61/lb).

Against a strong macro backdrop, our discussions with Pucobre regarding the Heap Leach project continue to advance well, and we have recently started to intersect key sulphide intervals that validate our belief that there is Manto Verde and Candelaria-style mineralization at Buen Retiro. Operationally, we finish the year having drilled just over 3,000 metres at Caballos, just under 2,500 meters at Polimet, and approximately 13,000 metres at Buen Retiro.

Alongside exploration, the Company itself has matured significantly. The field teams have been strengthened with additional geological and logistical support, and we have engaged a suite of senior consultants across geophysics, metallurgy, geology, and mining in preparation for growth and the year ahead. We are rolling out improved safety training, formalising company policies, and a new QAQC and database software system. Interest from mid-tier and larger Companies is also tangible, with a number of NDAs signed and data room access requests granted.

Looking ahead to 2026, we see four clear work streams coming into focus. Two of those work streams are at Buen Retiro, comprising a Pre-Feasibility Study for the Heap Leach project and, separately, ongoing exploration of the sulphide potential. Elsewhere we will continue exploration work at Caballos which will involve an airborne geophysical survey of the whole area and potentially more drilling. And we will also stay alert to exploration opportunities in Chile which may fit well within our existing portfolio. Our ambition is to end 2026 with a finished Pre-Feasibility Study on the Buen Retiro Heap Leach project plus a major sulphide discovery at Buen Retiro or at Caballos, or both, and a pipeline of future projects in the portfolio.

Capital markets have woken up, and copper M&A is firmly on the map. This year in South America alone we have seen Anglo American-Teck merge to consolidate their Chilean and Peruvian copper portfolios, Glencore buy Japan's JX Advanced Metals sale of its stake in Quechua, Peru, and most recently Jiangxi Copper Co's purchase of Solgold plc and its' Ecuadorian copper asset, Cascabel.

This copper cycle has the makings of a big one and I believe that as we meet our discovery and de-risking goals next year it will be a great time to be a Fitzroy Minerals shareholder. Thank you for your support through 2025. I am genuinely excited about what lies ahead in 2026 and beyond, and I look forward to sharing that journey with you.

Yours sincerely,

A handwritten signature in cursive script that reads "Merlin".

Merlin Marr-Johnson, President & CEO