



RIO2 LIMITED

ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED DECEMBER 31, 2017

MAY 30, 2018

Statements in this Annual Information Form may be viewed as forward-looking statements. Such statements involve risks and uncertainties that could cause actual results to differ materially from those projected. There are no assurances Rio2 Limited (the "Company" or "Rio2") can fulfill such forward-looking statements and the Company undertakes no obligation to update such statements. Such forward-looking statements are only predictions; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. The forward-looking statements or information contained in this Annual Information Form are made as of the date hereof and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

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INTRODUCTION

This is the Annual Information Form for Rio2 Limited. Unless otherwise indicated, all information in this Annual Information Form is provided as of May 30, 2018.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form. Additional terms are defined separately throughout this Annual Information Form.

"AIF" means this annual information form;

"Amalco" means the corporation formed upon the amalgamation of Rio2 and Atacama to be named "Rio2 Limited" as set forth in the Plan of Arrangement;

"Amalco Share" means a common share of Amalco immediately after the Effective Time;

"Amalco Share Incentive Plan" means the new share incentive plan for directors, officers, employees, advisors and consultants of Amalco to be considered, and if thought fit, approved by the Rio2 Shareholders and the Atacama Shareholders at the Atacama Meeting and the Meeting, respectively, and, if so approved, to become effective at the Effective Time;

"Amalco Stock Option Plan" means the new stock option plan for directors, officers, employees, advisors and consultants of Amalco to be considered, and if thought fit, approved by the Rio2 Shareholders and the Atacama Shareholders at the Atacama Meeting and the Meeting, respectively, and, if so approved, to become effective at the Effective Time;

"Amalco Incentive Plans" means, collectively the Amalco Share Incentive Plan and the Amalco Stock Option Plan;

"Arrangement" means the arrangement pursuant to which, among other things, Rio2 and Atacama will be amalgamated under the provisions of Section 182 of the OBCA, on the terms and conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.9 of the Arrangement Agreement or Article 6 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of Rio2 and Atacama, each acting reasonably;

"Arrangement Agreement" means the agreement made as of May 14, 2018 between Rio2 and Atacama, including the schedules thereto, as the same may be supplemented or amended from time to time;

"Articles of Arrangement" means the articles of arrangement of Rio2 and Atacama in respect of the Arrangement, required under the OBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to Rio2 and Atacama, each acting reasonably;

"Atacama" means Atacama Pacific Gold Corporation, a corporation incorporated under the CBCA;

"Atacama Meeting" means the special meeting of the Atacama Shareholders to be held on or about July 16, 2018, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the continuance of Atacama from the CBCA to the OBCA, the Arrangement and the Amalco Incentive Plans;

"Atacama Shareholder" means a holder of one of more common shares of Atacama;

"Board" means the board of directors of the Company;

"CBCA" means the Canada Business Corporations Act, R.S.C. 1985, c. C-44, as amended;

“Cerro Maricunga Gold Project” means Atacama’s direct and indirect 100% interest in the mineral rights and interests to explore and exploit minerals from the concessions located in Chile 140 kilometres northeast of Copiapo, Chile held by a subsidiary of Atacama;

“Certificate of Arrangement” means the certificate of arrangement giving effect to the Arrangement, issued pursuant to Section 183(2) of the OBCA after the Articles of Arrangement have been filed;

“Common Shares” or **“Rio2 Shares”** means the common shares in the capital of the Company;

“Company” or **“Rio2”** means Rio2 Limited;

“Court” means the Ontario Superior Court of Justice;

“Director” means the director appointed pursuant to Section 278 of the OBCA;

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date or such other time as Atacama and Rio2 may agree upon in writing;

“Final Order” means the order of the Court approving the Arrangement under Section 182 of the OBCA, in form and substance acceptable to Atacama and Rio2, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both Atacama and Rio2, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both Atacama and Rio2, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

“Financing” means the private placement of Subscription Receipts provided for in the Financing Agreement to be undertaken by Rio2 in connection with the transactions contemplated by the Arrangement Agreement for minimum gross proceeds of \$10,000,000 at the price of \$1.00 per Rio2 Subscription Receipt, subject to an over-allotment option for 1,500,000 Subscription Receipts and Rio2’s right, in its sole discretion, to increase the size of the Financing, after notification by email to the President and Chief Executive Officer of Atacama, the proceeds of which less 50% of the underwriters’ commission and the expenses of the underwriters will be placed into escrow and released at the Effective Time;

“Financing Agreement” means the letter agreement entered into between Rio2 and Clarus Securities Inc., together with Raymond James Ltd. as lead underwriters, on May 14, 2018 for the purposes of completing the Financing, which agreement provides for the Financing Termination Provisions in favour of the underwriters;

“Financing Termination Provisions” means the “regulatory proceedings out”, “material change or change in material fact out”, “disaster out” and “due diligence out” termination rights in favour of the underwriters in the Financing Agreement, in each case other than termination as a result of an act or omission by Rio2;

“Interim Order” means the interim order of the Court contemplated by Section 2.2 of the Arrangement Agreement, providing for, among other things, the calling and holding of the Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both Atacama and Rio2, each acting reasonably;

“Meeting” means the special meeting of holders of Rio2 Shares to be held on or about July 16, 2018, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Rio2 Arrangement Resolution and Rio2 Amalco Incentive Plans Resolution;

“OBCA” means the *Business Corporation Act (Ontario)*;

"Plan of Arrangement" means the plan of arrangement substantially in the form and content set out in Schedule A to the Arrangement Agreement which was filed under Rio2's profile on SEDAR at www.sedar.com on May 15, 2018, as amended, modified or supplemented from time to time in accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order, with the consent of Atacama and Rio2, each acting reasonably;

"Rio2 Amalco Incentive Plans Resolution" means the ordinary resolution of the holders of Rio2 Shareholders related to the Amalco Incentive Plans to be considered and, if thought fit, passed by the Rio2 Shareholders at the Meeting, substantially in the form of Appendix "F" to this Circular;

"Rio2 Arrangement Resolution" means the resolution to be considered and, if thought fit, passed by the holders of Rio2 Shares at the Meeting to approve the Arrangement;

"Share Incentive Awards" means awards of the Company granted under the Share Incentive Plan;

"Share Incentive Plan" means the share incentive plan of the Company as approved at the April 2017 meeting;

"Stock Option Plan" means the stock option plan of the Company as approved at the April 2017 meeting;

"Stock Options" means stock options of the Company granted under the Stock Option Plan;

"Subscription Receipts" means the subscription receipts to be sold by Rio2 in connection with the Financing, with each subscription receipt to be automatically exchanged (for no further consideration and with no further action on the part of the holder thereof) for one Rio2 Share upon the satisfaction of certain escrow release conditions which will then be automatically exchanged (for no further consideration and with no further action on the part of the holder thereof) for 0.6667 Amalco Share at the Effective Time pursuant to the Arrangement; and

"TSXV" means the TSX Venture Exchange Inc.

Words importing the singular number only include the plural and vice versa and words importing any gender include all genders. All dollar amounts set forth in this AIF are in Canadian dollars, except where otherwise indicated.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this AIF may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this AIF contains forward-looking statements, pertaining to the following:

- the completion of the Financing;
- the perceived benefits of the Arrangement;
- the timing of the Meeting and the Final Order;
- the satisfaction or waiver of the conditions precedent to the completion of the Arrangement set out in the Arrangement Agreement;

- the anticipated Effective Date;
- the satisfaction of conditions for listing of the Amalco Shares issuable pursuant to the Arrangement on the TSXV and the timing thereof;
- the anticipated receipt of all required regulatory and third-party approvals for the Arrangement;
- the timing and progress of mining exploration;
- the expected success of mining operations;
- the government regulation of mining operations;
- the success of securing or maintaining licenses, permits and authorizations;
- expectations regarding the Company's ability to raise capital;
- expenditures to be made by the Company to meet certain work commitments;
- environmental risks; and
- potential title disputes or claims and limitations on insurance coverage.

With respect to forward-looking statements listed above and contained in this AIF, the Company has made assumptions regarding, among other things:

- the perceived benefits of the Arrangement, which are based upon a number of facts, including the terms and conditions of the Arrangement Agreement and current industry, economic and market conditions;
- certain steps in, and timing of, the Arrangement and the Effective Date of the Arrangement, which are based upon the terms of the Arrangement Agreement and advice received from counsel to Rio2 relating to timing expectations;
- the listing of the Amalco Shares issuable pursuant to the Arrangement on the TSXV, which are based on receiving approval from, and fulfilling all of the requirements of the TSXV;
- the effects of the Arrangement on Rio2, which are based on Rio2's management's current expectations;
- the legislative and regulatory environment;
- the impact of increasing competition;
- the success and timely completion of planned exploration and development projects;
- that general business and economic conditions will not change in a materially adverse manner;
- that costs related to development of mine properties will remain consistent with historical experiences;
- the anticipated results of exploration, development and production activities; and
- the Company's ability to obtain additional financing on satisfactory terms.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Rio2 believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include:

- Rio2 may fail to realize the anticipated benefits of the Arrangement;
- the conditions to completion of the Financing are not satisfied or the Financing is not otherwise completed;
- the conditions to completion of the Arrangement, including receiving all required regulatory and third-party approvals, Court approval and TSXV approval for the listing of the Amalco Shares issuable pursuant to the Arrangement may not be satisfied or waived which may result in the Arrangement not being completed;
- the timing of the Meeting and Final Order and the anticipated Effective Date may be changed or delayed;
- Rio2 and Atacama will incur significant costs relating to the Arrangement, regardless of whether the Arrangement is completed or not completed;

- the Arrangement Agreement could be terminated by either Rio2 or Atacama under certain circumstances including as a result of the occurrence of a material adverse effect respecting the other Party;
- if the Arrangement is not completed, holders of Rio2 Shares will not realize the benefits of the Arrangement and Rio2's future business and operations could be adversely affected;
- changes in income tax laws or actions taken by taxing authorities could have adverse implications on Atacama, Rio2 or their respective securityholders;
- risks related to actual results of current and planned exploration activities;
- future prices of resources;
- possible variations in ore reserves, grade or recovery rates and other risks in the mining industry;
- delays in obtaining governmental approvals or financing or in the completion of development or construction activities;
- risks related to general business, economic, competitive, political and social uncertainties including the current global recessionary economic conditions in the credit markets;
- risks related to foreign currency fluctuations;
- risks related to the Company's share price;
- changes in environmental regulation;
- changes in project parameters as plans continue to be refined;
- future prices of gold and other metals;
- access to skilled labour;
- dependence upon key management personnel and executives;
- timing and availability of external financing on acceptable terms;
- liabilities and risks, including environmental liabilities and risks, inherent in the mining and mineral exploration business;
- reliance on joint venture partners; and
- other factors discussed in the section entitled "*Risk Factors*" in this AIF.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. **Forward-looking statements contained herein are made as of the date of the AIF and the Company disclaims any obligation to update any forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.**

CORPORATE STRUCTURE AND OVERVIEW

Name, Address and Incorporation

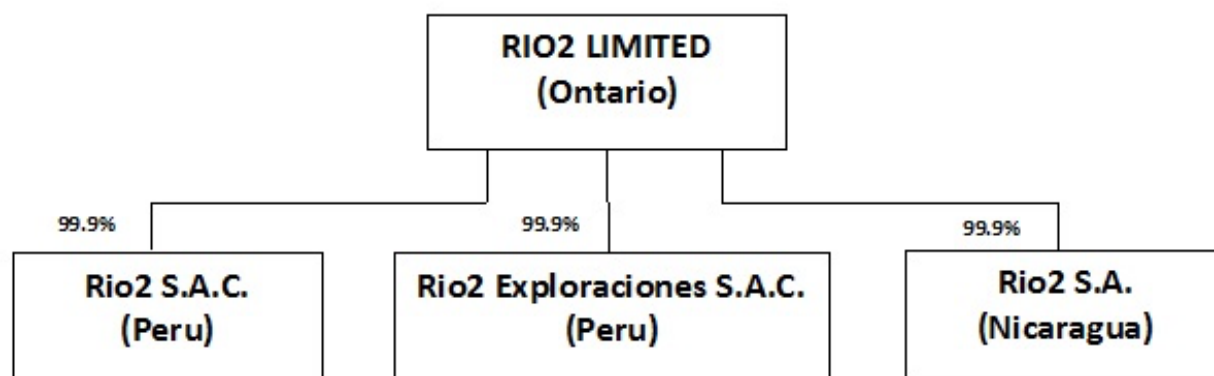
The Company was incorporated as "Prospector Consolidated Resources Inc." under the *Business Corporations Act* (British Columbia) on May 3, 2004. On January 31, 2011, and its shares began trading on the TSXV effective November 28, 2016 under the symbol "PRR".

The Company continued from the Province of British Columbia to the Province of Ontario (the "Continuance") pursuant to a resolution passed by shareholders of the Company at the Company's Annual General and Special Meeting (the "April 2017 Meeting") held on April 21, 2017. In addition to the Continuance, the Company changed its name to Rio2 Limited on April 27, 2017 pursuant to a resolution passed by the shareholders of the Company at the Meeting. Commencing at the opening of trading on Friday, April 28, 2017, the Common Shares of the Company began to trade on the TSXV under the symbol "RIO".

The Company's registered office is located at Suite 6000, 1 First Canadian Place, 100 King St. West, Toronto, ON, M5X 1E2.

Intercorporate Relationships

The following diagram describes the inter-corporate relationship between the Company and its subsidiaries as at the date hereof. The balance of the shares of Rio2 S.A.C., Rio2 Exploraciones S.A.C. and Lagunas Norte Operaciones S.A.C. are registered in the name of Alexander Black, the Chief Executive Officer, President and a director of the Company, and are held in trust by him for the benefit of Rio2. The balance of the shares of Rio2 S.A. are owned by Rio2 Exploraciones S.A.C.



DESCRIPTION OF BUSINESS

About Rio2

Rio2 is building a multi-asset, multi-jurisdiction, precious metals company focused in the Americas. With the potential acquisition of the Cerro Maricunga Gold Project through the Arrangement and initiatives in Peru and Nicaragua, Rio2 will continue pursuing additional strategic acquisitions to compile an attractive portfolio of precious metal assets where it can deploy its operational excellence and responsible mining practises to create value for its shareholders.

Rio2 has assembled a highly experienced executive team to generate significant shareholder value, with proven technical skills in the development and operations of mines and capital markets experience.

Through its strategy of acquiring precious metals assets at exploration, development and operating stages, the executive team will grow Rio2 and create long-term shareholder value through the development of high-margin, strong free-cash-flowing mining operations.

At December 31, 2017 and at present, Rio2 does not have a mineral project that is material to Rio2.

On May 14, 2018 Rio2 and Atacama entered into the Arrangement Agreement pursuant to which, subject to the approval of the shareholders of each of Rio2 and Atacama, the approval of the Court and the satisfaction or waiver of other closing conditions customary in transactions of this nature, Rio2 and Atacama will amalgamate to form Amalco by way of the Plan of Arrangement completed under the OBCA (previously defined as the “Arrangement”). Amalco will continue to operate under the name Rio2 Limited and will be managed by Rio2’s existing executive team led by Alexander Black as President and Chief Executive Officer.

Under the terms of the Arrangement Agreement, each Atacama shareholder will receive 0.6601 shares of the combined company (previously defined as “**Amalco Shares**”) for each Atacama common share held and each Rio2 shareholder will receive 0.6667 Amalco Shares for each Rio2 Common Share held. Upon completion of the Arrangement and the Financing (described below), the combined company will have

approximately 102,000,000 common shares outstanding. Approximately 42.5% of the fully-diluted in-the-money shares of Amalco will be held by former Rio2 shareholders and 57.5% held by former Atacama shareholders.

In connection with the Arrangement, the Company entered into an agreement with Clarus Securities Inc. and Raymond James Ltd. (collectively the “Underwriters”), pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, 10,000,000 Subscription Receipts at a price of \$1.00 per Subscription Receipt for gross proceeds to Rio2 of \$10,000,000 (previously defined as the “Financing”). The closing of the Financing is expected to take place on or about June 7, 2018.

Competitive Conditions

The precious metal mineral exploration and mining business is competitive.

In addition, the Company also competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties. The Company’s ability to acquire precious metal mineral properties in the future will depend on, among other things, its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition. See “*Risk Factors*”.

Specialized Skills and Knowledge

All aspects of the Company’s business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, accounting, transaction identification and negotiation and accessing capital. In so far as the mining industry is competitive with respect to attracting experienced employees, management intends to use its relationships and its prospect as a growth company to employ individuals with the required skills to advance the business.

There remains demand for highly skilled and experienced workers in the Company’s industry and employment markets can vary with volatility in the mining industry. See “*Risk Factors*”.

Employees

As at December 31, 2017, the Company had three full-time employees and six consultants.

Environmental Protection

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, provincial and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. Compliance with such laws and regulations increases the costs of and delays planning, designing, drilling and developing the Company’s properties.

Rio2 has policies and procedures in place relating to corporate governance, business conduct and general guidelines. As the Company develops, the Company expects to develop additional appropriate guidelines and procedures.

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following is a summary of the general development of the Company’s business over the three most recently completed financial years.

Year Ended December 31, 2015

As a result of difficult financing and market conditions, the Company did not undertake any significant corporate activities during the year ended December 31, 2015.

On July 20, 2015, the listing of the Common Shares was transferred to the NEX board of the TSXV.

Year Ended December 31, 2016

Throughout the latter part of 2016, the Company entered into negotiations to complete a number of transactions in order to obtain new financing and explore additional corporate opportunities.

On November 24, 2016, the Company announced that it had completed a series of transactions resulting in the Company's reactivation and graduation to the TSXV as a Tier 2 Mining Issuer (the "Reactivation").

In November 2016, the Company completed a non-brokered private placement financing (the "November 2016 Financing") of 42,890,000 Common Shares at a price of \$0.05 per share for gross proceeds of \$2,144,500. At the same time, all of the then-current directors of the Company resigned, and Alexander Black, Klaus Zeitler and Daniel Kenney were appointed to the Company's Board, with Mr. Black acting as Chairman, Chief Executive Officer and President and Mr. Kenney acting as Corporate Secretary. Please refer to "*Directors and Officers*" below for biographies of Messers Black, Zeitler and Kenney.

Year Ended December 31, 2017

On February 24, 2017, the Company completed a private placement for the issuance of 15,000,000 Common Shares at a price of \$0.50 per share for gross proceeds of \$7,500,000 (the "February 2017 Financing").

On March 1, 2017, the Company announced the appointment of additional executive officers - including Mr. Tim Williams as Executive Vice President and Chief Operating Officer, Mr. Jose Luis Martinez as Executive Vice President – Corporate Development & Strategy, Mr. Ian Dreyer as Senior Vice President – Geology and Mr. David D'Onofrio as Chief Financial Officer and Corporate Secretary. The Company also announced the granting of share incentive awards and stock options to its directors, officers and consultants.

On March 16, 2017 the Audit Committee and Board of the Company approved the resignation of DMCL LLP Chartered Professional Accountants and the appointment of Grant Thornton LLP, Chartered Professional Accountants.

Through the course of 2017, the Company acquired an option to acquire seven gold exploration prospects totalling approximately 19,000 hectares in Peru and also applied for 10,000 hectares of exploration concessions in Nicaragua.

At the April 2017 Meeting, the Company's shareholders fixed the number of directors at six and appointed Alexander Black, Klaus Zeitler, Sidney Robinson, David Thomas, Ram Ramachandran and Daniel Kenney to its Board. Grant Thornton LLP, Chartered Accountants were ratified as auditors of the Company. By special resolution, shareholders also approved the Company's name change to Rio2 Limited. Also by special resolution, shareholders approved the Continuation of the Company from the Province of British Columbia into the Province of Ontario. Additionally, shareholders approved the adoption of by-laws, ratified the Stock Option Plan and the Share Incentive Plan. The Continuation to the Province of Ontario under the OBCA and the name change to Rio2 Limited was effected on April 27. On the same date, Common Shares of the Company commenced trading under the symbol "RIO".

On May 30, 2017 the Company announced the appointments of Kathryn Johnson as Executive Vice President – Chief Financial Officer and Corporate Secretary and Luc English as Country Manager – Nicaragua. Both Kathryn and Luc assumed their new positions with the Company on 1 June 2017.

On September 1, 2017 Rio2 announced the appointments of Alejandra Gomez as Senior Vice President – Corporate Communications and Andrew Cox as Senior Vice President – Operations.

Subsequent to the year ended December 31, 2017

Rio2 and Atacama entered into the Arrangement Agreement pursuant to which, subject to the approval of the shareholders of each of the Company and Atacama, the approval of the Court and the satisfaction or waiver of other closing conditions customary in transactions of this nature, Rio2 and Atacama will amalgamate to form Amalco by way of the Plan of Arrangement completed under the OBCA. Amalco will continue to operate under the name Rio2 Limited and will be managed by Rio2's existing executive team led by Alexander Black as President and Chief Executive Officer.

Under the terms of the Arrangement Agreement, each Atacama shareholder will receive 0.6601 Amalco Shares for each Atacama common share held and each Rio2 shareholder will receive 0.6667 Amalco Shares for each Rio2 Share held. Upon completion of the Arrangement and the Financing (described below), Amalco will have approximately 102,000,000 common shares outstanding. Approximately 42.5% of the fully-diluted in-the-money shares of Amalco will be held by former Rio2 shareholders and 57.5% held by former Atacama shareholders.

The exchange ratio represents consideration to Atacama shareholders of C\$0.95 per Atacama common share based on the closing price of Rio2 common shares of C\$0.96 per share on the TSXV as at May 11, 2018. This value implies a 58% premium over the May 11, 2018 closing price of Atacama's common shares of C\$0.60 and a 45% premium calculated on the 20-day volume weighted average price of each respective company as of May 11, 2018.

Each of the Rio2 and Atacama board of directors have unanimously approved the Arrangement Agreement and will recommend that their respective shareholders vote in favour of the Arrangement.

The Arrangement will be effected by way of a Plan of Arrangement completed under the OBCA pursuant to which both companies will amalgamate as a single entity. Prior to the Effective Time of the Arrangement, Atacama will continue from the CBCA to the OBCA.

The Arrangement will require the approval by at least 66⅔% of the votes cast on a special resolution by Rio2 shareholders and Atacama shareholders present in person or represented by proxy at their respective shareholder meetings, as well as a minority vote of Atacama common shareholders required under Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions. The votes attached to shares held by the Atacama Chief Executive Officer will be excluded from the minority vote on the basis that he is entitled to a collateral benefit in the form of a change of control payment that exceeds 5% of the value of the shares he will exchange in the Arrangement. The number of excluded shares is 1,517,133 representing approximately 1.8% of the votes attached to all outstanding Atacama common shares. In addition, Atacama will require the approval of its shareholders by special resolution to continue to the OBCA from the CBCA in order to complete the Arrangement. In addition to shareholder and Court approvals, the Arrangement is subject to applicable regulatory approvals and the satisfaction of other closing conditions customary of transactions of this nature, including the approval of the TSXV, the completion of the Financing, and that there are no material adverse changes to either company.

Directors and senior officers of Atacama, collectively holding approximately 22.7% of the outstanding Atacama shares, have entered into support agreements pursuant to which they have agreed to vote in favour of the Arrangement. Directors, senior officers and certain shareholders of Rio2, collectively holding approximately 50.8% of the outstanding Rio2 shares, have entered into support agreements pursuant to which they have agreed to vote in favour of the Arrangement.

The Arrangement Agreement includes customary deal protection provisions including, among other things, non-solicitation covenants on the part of Atacama, "fiduciary out" provisions that entitle Atacama to consider and accept a superior proposal and a right in favour of Rio2 to match any superior proposal. The Arrangement Agreement provides for a \$3.0 million termination fee payable by one party to the other in

certain instances and a cost reimbursement fee of up to \$750,000 payable by one party to the other in certain circumstances if the Arrangement is not completed.

It is anticipated that both shareholders meetings and the completion of the Arrangement will take place by mid to late July 2018.

The board of directors of each of Rio2 and Atacama has determined that the Arrangement is in the best interests of their respective shareholders based on a number of factors, including verbal fairness opinions received from their respective financial advisors. The board of directors of each of Rio2 and Atacama has unanimously approved the terms of the Arrangement and recommends that their respective shareholders vote in favour of the Arrangement.

The Company entered into an agreement with the Underwriters, pursuant to which the Underwriters have agreed to purchase for resale, on a bought deal private placement basis, 10,000,000 Subscription Receipts at a price of \$1.00 per Subscription Receipt for gross proceeds to Rio2 of \$10,000,000 (previously defined as the “**Financing**”). The closing of the Financing is expected to take place on May 31, 2018. Kallpa Securities SAB of Lima, Peru will act as a special selling agent in Latin America in connection with the Financing.

The Financing is being completed in connection with Arrangement between Rio2 and Atacama. The gross proceeds from the Financing will be deposited upon closing of the Financing and held in escrow and shall be released immediately prior to the completion of the Arrangement upon the satisfaction of certain conditions (the “Escrow Release Conditions”). Each Subscription Receipt will entitle the holder thereof to receive 0.6667 of an Amalco Share as part of the Arrangement.

The Company has granted the Underwriters an over-allotment option (the “Over-Allotment Option”) to purchase for resale an additional 1,500,000 Subscription Receipts for gross proceeds to the Company of \$1,500,000 on the same terms and conditions as the Financing. The Over-Allotment Option is exercisable in whole or in part at any time up to 48 hours prior to the closing of the Financing.

The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the “Subscription Receipt Agreement”) to be entered into among the Company, the Underwriters and a subscription receipt agent to be agreed upon. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Financing (less 50% of the Underwriters’ cash commission and all of the Underwriters’ expenses) (the “Escrowed Funds”) will be held in escrow pending satisfaction of the Escrow Release Conditions, including (a) the satisfaction or waiver of each of the conditions precedent to the Arrangement, without amendment or waiver in a manner that would be materially adverse to Rio2; and (b) the receipt of all required shareholder, third party (as applicable) and regulatory approvals in connection with the Arrangement, including the conditional acceptance by the TSXV of Amalco Shares on the TSXV.

Upon satisfaction of the Escrow Release Conditions, the Escrowed Funds, together with any interest earned thereon, will be released to the Company. If the Escrow Release Conditions have not been satisfied by 5:00 p.m. (EST) on the date that is three months from the closing date of the Financing, the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts and any interest that has been earned on the Escrowed Funds.

The net proceeds of the Financing will be used by the Company for additional drilling and studies related to completing a definitive feasibility study for the Cerro Maricunga Gold Project, expenses of the Arrangement, as well as for general corporate and working capital purposes.

The Financing is subject to certain conditions including receipt of all regulatory approvals, including the acceptance of the TSXV, and satisfaction of all conditions for the completion of the Arrangement.

Significant Acquisitions

The Company did not complete any significant acquisitions during the financial year ended December 31, 2017.

RISK FACTORS

The Company's business consists of the exploration, evaluation and development of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise or risks now thought to be immaterial may become material. No guarantee is provided that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company.

An investment in the Common Shares involves a number of risks. In addition to the other information contained in this AIF, investors should give careful consideration to the following, factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline, and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Company's operations. In addition to the risks described elsewhere and the other information contained in this AIF, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. References in the below Risk Factors to "we", "our" or "us" refer to the management of the Company.

Risks Related to the Arrangement

The following are risks related specifically to the Arrangement.

Failure to Realize Anticipated Benefits of the Arrangement

Rio2 is proposing to complete the Arrangement to realize certain benefits. Achieving the benefits of the Arrangement depends in part on successfully consolidating functions and integrating operations in a timely and efficient manner, as well as the ability of Rio2, after giving effect to the Arrangement, to realize the anticipated growth opportunities and synergies from integrating the acquired Atacama assets with those of Rio2. The integration of acquired assets requires the dedication of substantial management effort, time and resources which may divert Rio2's management's focus and resources from other strategic opportunities and from operational matters during this process.

The Completion of the Arrangement is Subject to Certain Conditions

There can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver or that the Arrangement Agreement will not be terminated by Rio2 or Atacama prior to completion of the Arrangement. Failure to complete the Arrangement could materially negatively impact the price of the Rio2 Shares.

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of Rio2, including completion of the Financing, receipt of the approval of the TSXV for the listing of the Amalco Shares issuable pursuant to the Arrangement, approval of the Rio2 Shareholders, approval of the shareholders of Atacama and receipt of the Final Order. There can be no certainty, nor can Rio2, provide any assurance that these conditions will be satisfied or, if satisfied, when they will be satisfied. If the Arrangement is not completed, the market price of the Rio2 Shares may be adversely affected.

Rio2 to Incur Significant Costs Associated with the Arrangement

Rio2 will incur significant direct transaction costs in connection with the Arrangement. Actual direct transaction costs incurred in connection with the Arrangement may be higher than expected. In addition, additional costs may be incurred to the extent that any shareholders of Rio2 exercise their dissent rights and receive payment of the fair value of their shares. Moreover, certain of Rio2's costs related to the Arrangement, including legal, financial advisory services, accounting, printing and mailing costs, must be paid even if the Arrangement is not completed.

The Arrangement Agreement May Be Terminated

Each of Rio2 and Atacama has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can Rio2 provide any assurance, that the Arrangement Agreement will not be terminated by any party before the completion of the Arrangement. For instance, each of Rio2 and Atacama has the right, in certain circumstances, to terminate the Arrangement Agreement if a material adverse effect respecting the other party occurs. There is no assurance that a material adverse effect will not occur before the Effective Date, in which case Rio2 or Atacama could elect to terminate the Arrangement Agreement and the Arrangement would not proceed.

Under the Arrangement Agreement, Rio2 is required to pay a termination fee, and Atacama is required to pay a termination fee, in certain circumstances.

If the Arrangement is Not Completed, Rio2's Future Business and Operations Could be Adversely Affected

If the Arrangement is not completed, Rio2 may be subject to a number of additional material risks, including the following:

- Rio2 may have lost other opportunities that would have otherwise been available had the Arrangement Agreement not been executed, including, without limitation, opportunities not pursued as a result of affirmative and negative covenants made by it in the Arrangement Agreement, such as covenants affecting the conduct of its business outside the ordinary course of business;
- Rio2 may be unable to obtain additional sources of financing or conclude another sale, merger or amalgamation on as favourable terms, in a timely manner, or at all; and
- the obligation of Rio2 to pay a termination fee to Atacama or reimburse Atacama for its expenses pursuant to the terms of the Arrangement Agreement in certain circumstances.

Risks Associated with Rio2

In addition, whether or not the Arrangement is completed, Rio2 will continue to face many of the risks that it currently faces with respect to its business and affairs. A description of these risk factors is set out below.

Limited History of Operations

Since the Reactivation completed in November 2016, the Company has had a limited operating history upon which an evaluation of the Company, its current business and its prospects can be based. An investor should consider any purchase of the Company's securities in light of the risks, expenses and problems frequently encountered by all companies in the early stages of their corporate development.

Risks Inherent in Acquisitions

It is part of the Company's corporate strategy to actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into

acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of the Company's key employees and/or consultants or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on its financial condition.

The Company also competes with numerous other companies and individuals in the search for and the acquisition of attractive precious metal mineral properties. The Company's ability to acquire precious metal mineral properties in the future will depend not only on its ability to select and acquire suitable producing properties or prospects for precious metal development or mineral exploration. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition.

Dilution and Future Sales of Common Shares

The Company is in the exploration stage of its corporate development; it owns no producing or otherwise material properties and, consequently has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are primarily funded by equity subscriptions. The Company may issue additional shares in the future, which may dilute a shareholder's holdings in the Company. The Company's articles permit the issuance of an unlimited number of Common Shares and shareholders will have no pre-emptive rights in connection with further issuances. The directors of the Company have the discretion to determine the terms of further issuances of Common Shares, subject to compliance with applicable corporate and securities laws and stock exchange regulations.

Nature of Mining, Mineral Exploration and Development Projects

Mining exploration and development operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the exploration, development and production of minerals, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body,

expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Uncertainty of Exploration and Development Projects

The future development of any of the Company's future projects will require extensive drilling, testing, the construction and operation of a mine, processing plants and related infrastructure. As a result, the Company is subject to all of the risks associated with establishing mining operations, including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- costs of operating a mine in a specific environment;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- adequate access to the site; and
- unforeseen events.

The costs, timing and complexities of mine construction and development are increased by the remote location of the Company's properties. It is not unusual in a new mining operation to experience unexpected problems and delays during the construction and development of the mine. In addition, delays in the commencement or expansion of mineral production often occur and, once commenced or expanded, the production of a mine may not meet expectations or estimates set forth in the feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities at its properties.

Uninsured Risks Exist and May Affect Certain Values

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

Key-Man and Liability Insurance Factors Should be Considered

The success of the Company will be largely dependent upon the performance of its key officers. The Company has not, as yet, purchased any "key-man" insurance with respect to any of its directors, officers, key employees and has no current plans to do so.

Although the Company may obtain liability insurance in an amount which management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities

and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Ability to Attract and Retain Qualified Personnel

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, they will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Factors Beyond Company's Control

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and processing facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

Government Regulation and Permitting

The current or future operations of the Company, including development activities, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, water use, environmental protection, land claims of local people, mine safety and other matters.

Such exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that will require the Company to obtain permits, licences and approvals from various governmental agencies. There can be no assurance, however, that all permits, licences and approvals that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

Environmental Risks and Hazards

The Company's activities are subject to extensive national, provincial, and local laws and regulations governing environmental protection and employee health and safety. The Company is required to obtain governmental permits and provide bonding requirements under environmental laws. All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner, which will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental laws and regulations are complex and have tended to become more stringent over time. These laws are continuously evolving. The Company is not able to predict the impact of any future changes in environmental laws and regulations on its future financial position due to the uncertainty surrounding the ultimate form such changes may take.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted.

Other Tax Considerations

The Canadian federal and provincial tax treatment of natural resource activities has a material effect on the advisability of investing in mining companies. The ability of the Company to claim and collect tax credits relating to its natural resource activities and the return on an investment in Common Shares will be subject to applicable tax laws. There can be no assurance that applicable tax laws will not be amended so as to fundamentally alter the tax consequences of claiming and collecting tax credits and holding or disposing of the Common Shares.

Price Volatility of Publicly Traded Securities

Securities of exploration and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company's shares include the following:

- the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
- limited trading volumes and general market interest in the Company's securities may affect an investor's ability to trade the Company's shares; and
- the relatively small number of publicly held shares may limit the ability of some institutions to invest in the Company's securities.

As a result of any of these factors, the market price of the Company's shares at any given point in time may not accurately reflect the Company's long-term value.

Conflicts of Interest

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under, the OBCA, and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

DIVIDENDS AND DISTRIBUTIONS

No dividends or distributions have been declared in the three most recently completed financial years of the Company. Any decision to pay dividends or distributions on the Common Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the relevant time.

CAPITAL STRUCTURE

General Description of Share Capital

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2017 and the date hereof, 59,694,362 Common Shares were issued and outstanding as fully paid and non-assessable shares.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holders of another class of shares are entitled to vote). Subject to the rights attaching to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board and are entitled to receive the remaining property upon liquidation of the Company.

MARKET FOR SECURITIES

The Common Shares of the Company are listed and posted for trading on the TSXV under the stock market symbol "RIO".

Trading History

The Company's Common Shares were traded on the NEX under the symbol "PRR.H" for the majority of 2016. On November 28, 2016, the Company's Common Shares began trading on the TSXV under the symbol "PPR". On April 27, 2017 after the Company's name change to Rio2 Limited, the Company's Common Shares began trading under the symbol "RIO". The following table sets forth the price range in Canadian dollars of the Common Shares and volume traded on the NEX and TSXV for the periods indicated.

Period	High (\$)	Low (\$)	Volume
2016			
January	N/A	N/A	0
February	0.005	0.005	1,000
March	N/A	N/A	0
April	N/A	N/A	0
May	N/A	0.005	4,000
June	0.04	0.04	46,882
July	0.005	0.005	8,000
August	0.03	0.03	152,166
September	N/A	N/A	600
October	N/A	N/A	1,000

Period	High (\$)	Low (\$)	Volume
2016			
November	0.50	0.31	79,199
December	0.50	0.45	60,688
2017			
January	0.85	0.58	39,246
February	1.25	0.70	84,449
March	1.90	1.25	148,601
April	1.90	1.42	84,710
May	1.89	1.30	177,321
June	1.40	1.02	222,440
July	1.18	1.00	105,944
August	1.14	1.00	123,481
September	1.35	1.00	32,214
October	1.07	0.95	45,311
November	1.00	0.86	532,662
December	1.05	0.56	209,162

Prior Sales

During the year ended December 31, 2017, Rio2 issued the following securities that are not listed or quoted on a marketplace.

Date of Issuance	Number and Type of Securities	Exercise Price or Award Value per Rio2 Share
March 1, 2017	2,050,000 Stock Options	Exercise Price of \$1.02
March 1, 2017	530,000 Share Incentive Awards	Award Value of \$1.19
April 24, 2017	750,000 Stock Options	Exercise Price of \$1.50
May 30, 2017	250,000 Stock Options	Exercise Price of \$1.71
May 30, 2017	100,000 Share Incentive Awards	Award Value of \$1.71
September 1, 2017	650,000 Stock Options	Exercise Price of \$1.11
September 1, 2017	250,000 Share Incentive Awards	Award Value of \$1.10

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company and date first appointed or elected as a director and/or executive officer and their principal occupation(s) within the past five years.

Name and Municipality of Residence	Position(s) Held with the Company and Period of Service	Principal Occupation
Alexander Black Lima, Peru	President, CEO and Director since November 23, 2016	Mr. Black lives in Lima, Peru and has 35 years' experience in the mining industry. Mr. Black holds a BSc in Mining Engineering from the University of South Australia and is a member of the Australasian Institute of Mining and Metallurgy. Prior to moving to Peru in 2000, Mr. Black was the founder and Managing Director of international mining consulting services group Global Mining Services from 1994 to 2000. In 1996, Mr. Black also founded and was Chairman of OFEX listed AGR Limited with exploration projects in Ghana and Mongolia. In 2002, Mr. Black took control of Chariot Resources Limited as a listed TSXV shell and played a key role in the acquisition of the Mina Justa Copper Project and formation of the Korean joint venture with Chariot Resources. Upon his resignation as Chairman & Executive VP of Chariot Resources in 2006, Mr. Black founded the Peruvian registered Rio Alto S.A.C. In 2009 after successfully negotiating the acquisition of the La Arena Gold Project from Iamgold Corp, Rio Alto was acquired by Mexican Silver Mines and renamed Rio Alto Mining Limited. In 2014, Rio Alto also completed the successful acquisition of Sulliden Gold and the Shahuindo Gold Project for C\$300M. Mr. Black, as President & CEO of Rio Alto Mining Limited and his experienced management team built Rio Alto from a C\$12M company in 2009 to a C\$1.2 billion company in 2015 at the time of the acquisition by Tahoe Resources Inc.
Kathryn Johnson North Vancouver, British Columbia, Canada	Executive Vice President - Chief Financial Officer and Corporate Secretary since June 1, 2017	Ms. Johnson is based in Vancouver and has over 10 years of experience in the mining industry, primarily in Latin America. Kathryn brings extensive experience in accounting and finance, including financings, mergers and acquisitions, project development, internal controls and financial reporting. Kathryn held various senior positions at Rio Alto Mining Limited until acquired in 2015. Her last position was Chief Financial Officer and prior to that Vice President, Corporate Controller and Corporate Reporting. While at Rio Alto Mining, Kathryn was a key member of the team that successfully completed the acquisition of Sulliden Gold and the Shahuindo Gold Project for \$300 million in 2014 and the subsequent sale of Rio Alto to Tahoe Resources Inc. for \$1.2 billion. Ms. Johnson has also held the positions of Financial Reporting Contractor at Goldcorp and Director of Finance at Tahoe Resources. She holds a BA with a double major in History and Political Science from the University of British Columbia and is a CPA, CA who earned her chartered accountant designation while articling at PricewaterhouseCoopers LLP in Vancouver.

Name and Municipality of Residence	Position(s) Held with the Company and Period of Service	Principal Occupation
Tim Williams Oakville, Ontario, Canada	Executive Vice President - Chief Operating Officer since March 1, 2017	Prior to joining the Company, Mr. Williams was Vice President Operations for Rio Alto Mining Limited from 2010 to 2015. Mr. William's responsibilities included overseeing the construction and operation of the La Arena gold mine, and overseeing the construction of the Shahuindo gold mine, both located in Peru. Following the acquisition of Rio Alto Mining Limited by Tahoe Resources Inc. in April 2015, Mr. Williams was the Vice President Operations and Country Manager in Peru until August 2016. Prior to his involvement with Rio Alto Mining Limited, Mr. Williams managed the El Brocal and the Marcona open pit mining contracts for Stracon - GyM in Peru. Mr. Williams has also held senior operating positions in Compania Minera Volcan at their Cerro de Pasco operations also located in Peru. Before arriving in Peru, Mr. Williams held mining production roles with Anglo Gold Ashanti at Geita in Tanzania, geotechnical and mine planning roles at WMCs Leinster Nickel Operations and MIM's McArthur River mine both located in Australia. Mr. Williams has also worked in the consulting industry with AMC Mining at their Perth, WA office. Tim holds a Master's Degree in Mining Geomechanics, a Bachelor's Degree in Mining and Economic Geology, and a Post Graduate Diploma in Mining, from Curtin University, Western Australian School of Mines. He is a Fellow of the Australasian Institute of Mining and Metallurgy.
Jose Luis Martinez Toronto, Ontario, Canada	Executive Vice President - Chief Strategy Officer since March 1, 2017	Mr. Martinez is an accomplished Investment Banking professional with over 23 years of Global Banking experience who has been deploying his capital markets expertise and regional knowledge since Rio2 was founded. Prior to Rio2, Mr. Martinez led business development and relationship management for TD Securities Investment Banking in Latin America for 10 years, where he had a focus in the Mining sector. Mr. Martinez led Mergers & Acquisitions Advisory Assignments, Equity Underwriting, and Debt Financing for clients in Latin America and Canada. Prior to this, Mr. Martinez spent over 12 years covering and executing a wide array of financing transactions for large public, state-owned and multinational companies in Latin America. During this period, he served as Head of TD Securities' South America Regional Representative Office in Chile. Throughout his career, Mr. Martinez has developed strong and trusted relationships with executives of large public and private companies, as well as controlling shareholders of leading private conglomerates across Latin America. Mr. Martinez has been lead representative in global banking and mining conferences, with numerous speaking engagements across Latin America, focusing on Mining and Capital Market. Mr. Martinez holds an MBA from University of Toronto, Canada and a Bachelor of Business Administration from Universidad de Lima, Peru.

Name and Municipality of Residence	Position(s) Held with the Company and Period of Service	Principal Occupation
Klaus Zeitler ⁽¹⁾⁽²⁾ West Vancouver, British Columbia, Canada	Director since November 23, 2016, Chairman of the Board of Directors since April 24, 2017	Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association. Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4.0 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986 founded and was a director and the first CEO of Metal Mining (later Inmet Mining Corporation) with assets of over \$4.0 billion, and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and had responsibilities for the exploration and development of mines in Peru, Mexico and the USA. Since his retirement in 2002 from Teck and in addition to being Executive Chairman and a director of Amerigo, Dr. Zeitler was the Chairman of the Board of Directors of Rio Alto Mining Limited from 2011 to 2015, a director of Tahoe Resources Ltd. from April 2015 to May 2017 and is presently a director of Western Copper and Gold Corporation and Chairman of Los Andes Copper Ltd..
Daniel Kenney Calgary, Alberta, Canada	Director since November 23, 2016	Mr. Kenney has been a partner with the law firm of DLA Piper (Canada) LLP since September 2004, practicing in the areas of securities, mining, oil and gas and general corporate/commercial matters. Mr. Kenney served as a director and Corporate Secretary of Rio Alto Mining Limited.
Sidney Robinson ⁽⁴⁾ Toronto, Ontario, Canada	Director since April 21, 2017	Mr. Robinson is currently a Trustee of Chartwell Retirement Residences, a member of its Audit Committee and Chair of its Governance, Nominating and Compensation Committee. He was a senior partner of Torys LLP, a law firm, until January 2004, practicing corporate/commercial law, with emphasis on financings, mergers and acquisitions and international projects. In his practice, Mr. Robinson acted as strategic and legal advisor to senior management and boards of many large corporate issuers. Mr. Robinson was a long-time member of Torys LLP's executive committee. Mr. Robinson is a member of the Board of Directors of Amerigo Resources Inc., where he sits on the Audit and the Nominating Committees and is Chair of the Compensation Committee, and is a former director of Rio Alto Mining Limited and of Inmet Mining Corporation. He has also served on the Board of Directors of several private corporations, is a founding partner of Butterfield & Robinson Inc., and was the first Chairman of Canada Post Corporation's Real Estate Advisory Committee. Mr. Robinson holds an M.A. and an LL.B from the University of Toronto and an LL.M from Osgoode Hall Law School.

Name and Municipality of Residence	Position(s) Held with the Company and Period of Service	Principal Occupation
Ram Ramachandran ⁽³⁾⁽⁵⁾ Aurora, Ontario	Director since April 21, 2017	Mr. Ramachandran has over 25 years of financial reporting experience in a multitude of capacities. During the past 15 years Ram has consulted extensively on financial reporting and regulatory matters for public companies, accounting and law firms. Mr. Ramachandran's contributions to the capital markets include authoring and launching the "Canadian Securities Reporter", a proprietary public company subscription service currently available through the CICA's Knotia website. Mr. Ramachandran has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and served as a senior member in the national office of an international accounting firm. Mr. Ramachandran was also a member of the OSC's Continuous Disclosure Advisory Committee (2004-2007) and has completed the IFRS Certification program offered by the Institute of Chartered Accountants in England & Wales. Mr. Ramachandran originally qualified as a Chartered Accountant in England & Wales in 1978 and subsequently in Ontario in 1984 (now retired).
David Thomas ⁽⁴⁾⁽⁵⁾ Park City, Utah, USA	Director since April 21, 2017	Mr. Thomas spent the last 10 years of his career developing the Toromocho Copper Project, owned by Chinalco Mining Corporation International, in Peru. He held the positions of Executive Vice President and Chief Operation Officer, Vice President of Operations, as well as serving as an advisor and consultant to Chinalco Mining Corporation International, until his retirement at the end of 2014. Mr. Thomas was a director of Rio Alto Mining Limited from 2008 to 2009. From 2002 to 2004, he worked as the Managing Director of Volta Aluminum Company, an aluminum smelter in Ghana, owned by Kaiser Aluminum and Alcoa. During this time, he was also a director of Anglesey Aluminum, a joint venture company of Kaiser Aluminum and Rio Tinto in Wales. From 2000 to 2002, Mr. Thomas was Vice President, Technical Services of PT Freeport Indonesia. Previously, Mr. Thomas worked for over 10 years for Southern Peru Copper Corporation where he served as Vice President, Operations, Chief Engineer, Area Manager and Mine Manager. From 1996 to 1999, Mr. Thomas served as a director of Resource Pacific Pty Ltd. (Australia). Mr. Thomas obtained a BS Degree in Mining Engineering from the University of Utah and a MS Degree from the University of Minnesota in Mineral Resources Engineering.

Notes:

- (1) Chairman of the Board.
- (2) Chair of the Corporate Governance & Compensation Committee.
- (3) Chair of the Audit Committee.
- (4) Member of the Audit Committee.
- (5) Member of the Corporate Governance & Compensation Committee.

To the knowledge of the Company, as of the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly or exercised control or direction over, 30,295,000 Common Shares or approximately 51% of the issued and outstanding Common Shares of the Company. The Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this AIF is based upon information furnished to the Company by the above individuals and/or management.

The directors listed above will hold office until the next annual meeting of the Company or until their successors are elected or appointed.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, or within ten years prior to the date of this AIF, has been a director, a chief executive officer or a chief financial officer of any company (including the Company), that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an “**Order**”), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, is, or within ten years prior to the date of this AIF, has been a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, has, within the past ten years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain directors and officers of the Company and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with corporate laws, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors of the Company have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA. The OBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the OBCA.

AUDIT COMMITTEE

Audit Committee Charter

The Company's Audit Committee Charter is attached hereto as Schedule “A”.

Audit Committee Composition and Relevant Education and Experience

As at the date hereof, the Audit Committee is comprised of the members set out in the table below. All of the member of the Audit Committee are “independent” directors of Rio2 as defined by National Instrument 52-110 – Audit Committees (“NI 52-110”). All of the members of the Audit Committee have been involved in the financing, administration and operation of managing public companies for several years and have been either directly involved in the preparation of financial statements, filing of quarterly and annual financial statements, dealing with auditors, as management, or a member of the Board, or as a member of the audit committee. All members have the experience and background that provides the ability to read, analyze, and understand the complexities surrounding the preparation and issuance of financial statements that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised in the Company’s financial statements.

Name	Financially Literate ⁽²⁾	Education and Experience
Ram Ramachandran ⁽¹⁾	Yes	Mr. Ramachandran holds the CPA, CA designation. Mr. Ramachandran has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and served as a senior member in the national office of an international accounting firm. Mr. Ramachandran was also a member of the OSC's Continuous Disclosure Advisory Committee (2004-2007) and has completed the IFRS Certification program offered by the Institute of Chartered Accountants in England & Wales. Mr. Ramachandran originally qualified as a Chartered Accountant in England & Wales in 1978 and subsequently in Ontario in 1984. Mr. Ramachandran has served as the Chief Financial Officer of Purepoint Uranium Group Inc. since June, 2004.
Sidney Robinson	Yes	Mr. Robinson holds an M.A. and an LL.B. from the University of Toronto and an LL.M. from Osgoode Hall Law School and was admitted to the Ontario bar in 1968. Mr. Robinson is a Corporate Director, Former Senior Partner at Torys LLP Toronto, a law firm, and practiced Corporate and Commercial law with emphasis on financing, mergers and acquisitions and international projects. Mr. Robinson is a Director and Audit Committee member at Chartwell Retirement Residences and a Director at Amerigo Resources Inc.
David Thomas	Yes	Mr. Thomas holds a M.Sc. Mr. Thomas held the positions of Executive Vice President and Chief Operation Officer, Vice President of Operations, as well as serving as an advisor and consultant to Chinalco Mining Corporation International, until his retirement at the end of 2014.

Notes:

- (1) Chairman of the Audit Committee.
(2) Within the meaning of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company’s financial year ended December 31, 2017, was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

Other than as disclosed herein, at no time since the commencement of the Company’s financial year ended December 31, 2017, has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption). Alexander Black, Klaus Zeitler and Daniel Kenney were the sole members of the Board and served as the sole members of the Audit Committee upon completion of the Reactivation and the concurrent resignation of the then incumbent directors through to following the election of additional directors of the Company at the April 2017 Meeting when the current members of the

Audit Committee were appointed. The Company relied upon the exemption provided by Section 6.1.1(6) of NI 52-110 from the independence requirements of Section 6.1.1(3) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading “External Auditors” of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Company and the fees for those services.

External Auditor Service Fees

The aggregate fees billed by the Company’s external auditors in each of the three fiscal years noted below for audit and other fees are as follows:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
2017	\$29,000	Nil	\$4,800	Nil
2016	\$9,000	Nil	Nil	Nil
2015	\$9,000	Nil	Nil	Nil

Notes:

- (1) These fees include professional services provided by the external auditors for audits of the annual financial statements and related regulatory filings.
- (2) These fees relate to the review of interim financial statements and related regulatory filings.
- (3) These fees include professional services for tax compliance and tax advice.
- (4) These fees include any other permitted services not included in any of the above-stated categories.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There were no legal proceedings during the year ended December 31, 2017, to which the Company is a party, or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated.

There are no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during legal proceedings material to the Company to which the Company is a party or of which any of its property is the subject matter, and there are no such proceedings known to the Company to be contemplated during the financial year ended December 31, 2017.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein, or as disclosed on SEDAR, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or any shareholder holding more than 10% of the Common Shares or any associate or affiliate of any of the foregoing in any transaction within the three most recently completed financial years or during the current financial year or any proposed or ongoing transaction of the Company which has or will materially affect the Company.

As part of the Reactivation completed in November 2016, a then-current director of the Company entered into a debt settlement and release agreement with the Company whereby he settled debt and accrued interest in the amount of \$160,000 for \$64,000.

Persons who would subsequently become directors, officers and insiders of the Company participated in the November 2016 Financing, purchasing an aggregate of 36,000,000 Common Shares. Directors, officers and insiders of the Company and persons who would subsequently become officers of the Company participated in the February 2017 Financing, purchasing on aggregate of 4,944,000 Common Shares.

TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar is Computershare Trust Company of Canada at its Vancouver office located at 200, 510 Burrard Street, Vancouver, BC V6C 3B9.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business or as described below, Rio2 has not entered into any material contract since the beginning of the most recently completed financial year, or before the most recently completed financial year but still in effect.

The Arrangement Agreement between Rio2 and Atacama. See “*General Development of the Business - Subsequent Events*”.

INTERESTS OF EXPERTS

Names of Experts

The Company's auditor is Grant Thornton LLP, of Vancouver, British Columbia.

Interests of Experts

To the best knowledge of the Company, the qualified persons named under “Names of Experts” beneficially own, directly or indirectly, less than 1% of any class of the Company's outstanding Common Shares of the Company.

ADDITIONAL INFORMATION

Additional information, including directors' and executive officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in Management Information Circulars and Proxy Statements prepared in connection with past meetings of shareholders including the Management Information Circular and Proxy Statement for the April 2017 Meeting. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2017. Copies of the foregoing documents and any document, incorporated by reference in this AIF may be obtained by accessing SEDAR, the electronic system recording Canadian public securities filings, at www.sedar.com.

SCHEDULE “A” AUDIT COMMITTEE CHARTER

Mandate

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.

- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.
- (j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Risk Management

- 1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
- 2. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
- 3. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

Other

Review any related-party transactions.