ANNUAL INFORMATION FORM

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For the year ended December 31, 2020

Dated: April 19, 2021

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ADVISORIES

*In this Annual Information Form ("**AIF**"), unless otherwise specified or if the context otherwise requires, references to "we", "us", "our", "its", "the Company" or "Rio2" mean Rio2 Limited. The information in this AIF is stated as at December 31, 2020 unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended December 31, 2020 and notes that follow, as well as the accompanying annual Management's Discussion and Analysis ("**MD&A**"), which are available on the Canadian Securities Administrator's SEDAR System at www.sedar.com.*

Cautionary Statement Regarding Forward-Looking Information and Statements

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 anticipated receipt of all required regulatory and third-party approvals for the Fenix Gold Project;
- 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 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;
- the Company's ability to obtain additional financing on satisfactory terms;
- the Company's ability to attract and retain skilled staff;
- the Company's ability to obtain, comply with and renew permits and licenses in a timely manner; and
- the impact (and the duration thereof) that the COVID-19 pandemic will have on the Company's operations.

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:

- the conditions for completion of financing for the Fenix Gold project are not satisfied;
- the Company is in the exploration/development stage and cannot assure profitability;
- Rio2's actual financial position and performance may significantly differ from the expectations of the management;
- changes in Chilean law regulations which could impact Rio2 future business and financial performance;
- risks inherent in acquisitions of the Company;
- the Company's ability to attract and retain qualified personnel;
- risks with title to mineral properties;
- competition and scarcity of mineral lands;
- environmental risks and hazards;
- infrastructure risks;
- risks with respect to the COVID-19 public health crisis;
- repatriation of earnings;
- risks with respect to foreign operations;
- stress in the global economy;
- sales of Common shares by existing shareholders could reduce the market price of Rio2; and
- the other factors considered under "*Risk Factors*" in this AIF and other filings made by the Company with Canadian securities authorities

The Company has included the above summary of assumptions and risks related to forward-looking statements contained in this AIF in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

Additional information on these and other factors is available in the reports filed by the Company with Canadian securities regulators and available on SEDAR (as defined herein). The forward-looking statements and information contained in this AIF are made as of the date hereof.

Readers are cautioned that the preparation of financial statements in accordance with generally accepted accounting principles in Canada requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes. The information contained in this AIF, including the documents incorporated by reference herein, identifies additional factors that could affect the operating results and performance of the Company. Readers are encouraged to carefully consider such factors.

Readers are also cautioned against placing undue reliance on forward-looking statements, which are given as of the date expressed in this AIF, or the MD&A disclosure incorporated by reference herein, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to publicly update or revise any forward-looking statements in this AIF or the MD&A or other disclosure incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law.

Market, Independent Third Party and Industry Data

This AIF includes market and industry data that has been obtained from third party sources. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data are believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

Scientific and Technical Information

Mr. Enrique Garay, MSc. P. Geo (AIG Member), Senior Vice President, Geology of Rio2, is a Qualified Person as defined under NI 43-101. All of the scientific and technical disclosure contained in this AIF regarding the Fenix Gold Project has been reviewed and approved by Mr. Garay. For additional information regarding the Fenix Gold Project, including key parameters, assumptions and risks associated with its mineral resource and reserve estimates, see the 2019 Technical Report, a copy of which is available on SEDAR under Rio's SEDAR profile at www.sedar.com.

The exploration programs described in this AIF are prepared and/or designed and carried out under the supervision of Mr. Garay. The scientific and technical information in this AIF has been updated with current information where applicable.

Cautionary Note to U.S. Investors regarding Mineral Reserves and Resources

This AIF has been prepared in accordance with the requirements of Canadian provincial securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included have been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These definitions differ from the definitions in requirements under United States securities laws adopted by the United States Securities and Exchange Commission. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. An "inferred mineral resource" is that part of a mineral resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and must not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.

Investors are cautioned not to assume that all or any part of mineral reserves and mineral resources determined in accordance with NI 43-101 and CIM standards will qualify as, or be identical to, mineral reserves and mineral resources estimated under the standards of the SEC applicable to U.S. companies. The SEC has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC. The Company is not required to provide disclosure on its mineral properties under the SEC's new rules and will continue to provide disclosure under NI 43-101 and the CIM standards

Accordingly, information contained in this AIF that contain descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

Monetary References

Except as otherwise indicated, all dollar amounts in this AIF are expressed in Canadian dollars and references to $ are to Canadian dollars. References to US$ are to United States dollars.

GLOSSARY OF TERMS

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

"**2019 Technical Report**" means report entitled "Updated Pre-Feasibility Study for the Fenix Gold Project" dated effective August 15, 2019 and filed on SEDAR on October 17, 2019;

"**AIF**" means this annual information form;

"**Atacama**" means Atacama Pacific Gold Corporation;

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

"**CIM**" means the Canadian Institute of Mining, Metallurgy and Petroleum;

"**CIM Standards**" means the definitions adopted by the CIM Council on May 10, 2014, which are utilized by the Canadian Securities Administrators in NI 43-101;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company** "or "**Rio2**" means Rio2 Limited;

"**Effective Date**" means April 19, 2021;

"**Fenix Gold Project**" means Rio2'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 Copiapó, Chile held by Fenix Gold Limitada (Chile), a wholly owned subsidiary of Rio2 Limited;

"**g/t**" means grams per tonne;

"**g/t Au**" means grams per tonne gold;

"**grade**" is the amount of metal in each tonne of ore, expressed as troy ounces per ton or grams per tonne for precious metals and as a percentage for most other metals;

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;

"**km**" means kilometre;

"**NI 43-101**" means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations*;

"**OBCA**" means the *Business Corporation Act (Ontario*);

"**open pit mine**" is a mine where materials are removed from a working that is open to the surface;

“**ore**” is rock containing metallic or non-metallic minerals that can be mined and processed at a profit;

“**ore body**” is a sufficiently large amount of ore that is contiguous and can be mined economically;

“**oz**” means one troy ounce weighing 31.10348 grams;

“**Qualified Person**” means a “qualified person” as defined in NI 43-101;

“**RC**” means reverse circulation;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Share Incentive Plan**” means the share incentive plan of the Company;

“**Stock Option Plan**” means the stock option plan of the Company;

“**tpd**” means tonnes per day; and

“**TSXV**” means the TSX Venture Exchange Inc.

CIM DEFINITION STANDARDS

In this AIF, the definitions of Proven and Probable Mineral Reserves and Measured, Indicated and Inferred Mineral Resources are those used by Canadian Securities Administrators and conform to the definitions utilized by the CIM in the CIM Standards. The Mineral Reserves and Mineral Resources estimations for the Fenix Gold Project have been prepared in accordance with the CIM Standards that are incorporated by reference in NI 43-101. The following definitions are reproduced from the CIM Standards:

A “**Mineral Resource**” is a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An “**Inferred Mineral Resource**” is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

An “**Indicated Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined below) in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.

A “**Measured Mineral Resource**” is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A "**Mineral Reserve**" is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a pre-feasibility study or feasibility study.

A "**Probable Mineral Reserve**" is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A "**Proven Mineral Reserve**" is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the CIM Definition Standards, "**Modifying Factors**" are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

CORPORATE STRUCTURE AND OVERVIEW

Name, Address and Incorporation

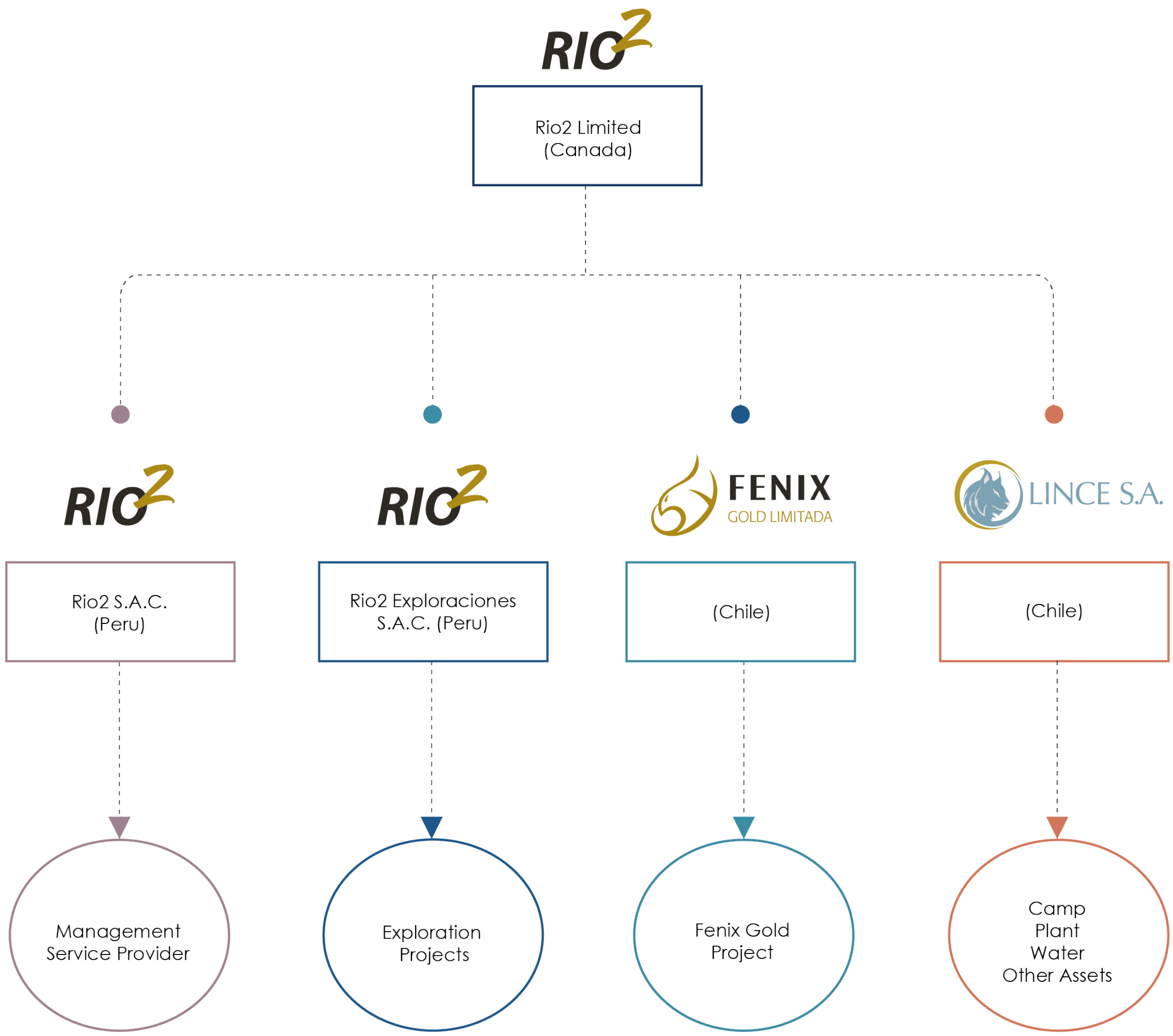
The Company was incorporated as "Prospector Consolidated Resources Inc." under the *Business Corporations Act* (British Columbia) on May 3, 2004. The Company continued from the Province of British Columbia to the Province of Ontario on April 25, 2017 and changed its name to "Rio2 Limited" on April 26, 2017.

On July 24, 2018, Rio2 completed a business combination transaction with Atacama by way of a court approved plan of arrangement through which the companies amalgamated as a single entity (the "**Atacama Arrangement**"). The combined company that resulted from the Atacama Arrangement continues to operate under the name Rio2 Limited and is managed by Rio2's existing executive team.

The Company's head office is located at Suite 1000 – 355 Burrard Street, Vancouver, BC, V6C 2G8 and its 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 Effective Date:



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as a successful capital markets track record. The Company's principal exploration/development property is the Fenix Gold Project, which is described in further detail below under "*Mineral Projects*".

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, 2018

During the first quarter of 2018, Rio2 continued evaluating precious metals projects in the Americas with a view to complete an acquisition of a gold project and to assemble a highly experienced technical and corporate team with a solid experience base of developing and building mines.

As a result, in May, 2018, Rio2 announced a proposed business combination (the “Transaction”) with Atacama Pacific Gold Corporation (“Atacama”) and a bought deal private placement of 10,000,000 subscription receipts at a price of $1.00 per subscription receipt for gross proceeds of $10,000,000 to be completed in connection with this Transaction.

The business combination was completed on July 24, 2018 by way of a court approved plan of arrangement (the “Arrangement”) through which Rio2 and Atacama amalgamated as a single entity with the name of Rio2 Limited and the same management team as the original Rio2 Limited. Following the completion of the Arrangement, the principal property of Rio2 Limited became the Cerro Maricunga Gold Project, located in Chile.

Pursuant to the terms of the Arrangement, each Atacama shareholder received 0.6601 Common Shares for each Atacama common share held and each Rio2 shareholder received 0.6667 Common Shares for each former Rio2 common share held. In connection with closing of the Atacama Arrangement, the proceeds of the $10,000,000 private placement of subscription receipts were released from escrow and the underlying Common Shares were issued.

As part of the Company’s strategy of providing Latin American investors with the possibility to invest within Latin America and participate in the Company’s growth with projects in the region, Rio2 started listing its common shares on the Lima Stock Exchange on September 7, 2018, under the ticker symbol “RIO”.

In order to simplify reference to the project and differentiate it from others that use the word “Maricunga” in their project and/or company names, on September 17, 2018, Rio2 changed the name of the Cerro Maricunga Gold Project to the Fenix Gold Project and the name of the Company’s Chilean subsidiary from Minera Atacama Pacific Gold Chile Limitada to Fenix Gold Limitada.

On September 17, 2018, the Company also announced it had appointed Enrique Garay as Senior Vice President, Geology, to its leadership team. Mr. Garay replaced Ian Dreyer who was appointed to a newly created position as Senior Vice President, Technical Services. A 7,000-meter in-pit drilling program led by Mr. Garay commenced at its Fenix Gold Project in November, 2018. During the same month, the Company initiated the Environmental Baseline Study on the Fenix Gold Project.

Year ended December 31, 2019

On January 22, 2019, the Company announced drilling results from the first 11 RC drill holes and four surface trenches at its Fenix Gold Project. The drilling represented 2,236 meters drilled to date of an approximate 7,000-meter drilling program that had commenced in late November 2018. The objective of this drilling was to test east-west structural feeders that the geologists believe are controlling the near surface higher grade mineralization. The Company’s geologists also resampled surface exposures of the mineralized resource to include this information in a revised resource estimate.

In order to fund work and studies in connection with completion of the updated resource estimate for the Fenix Gold Project, including the 7,000 meter drilling program and surface sampling program, the ongoing water options and environmental baseline studies and for general working capital purposes, the Company closed a two-tranche non-brokered private placement offering of units during the first quarter of 2019 (first tranche closed February 28 and the second March 13, 2019). Pursuant to this placement Rio2 issued 15,217,391 units for aggregate gross proceeds of $7,000,000. Each unit consisted of one Common Share and one common share purchase warrant, with each warrant entitling the holder to acquire one Common

Share at an exercise price of $0.65 per Common Share for a period of two years following the issuance of the warrants.

On March 14, 2019, and in order to provide greater exposure, accessibility and liquidity to existing and potential U.S. investors, Rio2 commenced trading its shares on the OTCQX® Best Market under the ticker "RIOFF".

On March 21, 2019, the Company announced additional drilling results from 28 RC drill holes and six surface trenches at its Fenix Gold Project.

On August 13, 2019, the Company closed a non-brokered private placement offering of units. Rio2 issued 62,500,000 units at a price of $0.40 per unit for aggregate gross proceeds of $25,000,000. Each unit consisted of one Common Share and one-half of one common share purchase warrant. Each whole warrant entitled the holder to acquire one Common Share at an exercise price of $0.50 per Common Share for a period of 36 months following the closing of the private placement.

On September 4, 2019, Rio2 announced the results of the updated mineral resource estimate ("MRE") and pre-feasibility study for its Fenix Gold Project. The updated MRE for the Project is 5.0 million oz of gold in the measured and indicated category and 1.4 million oz of gold in the inferred category constrained within a $1,500 USD gold price pit shell. The mineral resource remains open at depth and along strike.

On October 17, 2019, Rio2 filed the 43-101 independent technical report dated October 15th, 2019, entitled "Updated Pre-feasibility Study for the Fenix Gold Project" (the "Technical Report", or "PFS"). The PFS allowed Rio2 to re-imagine and re-engineer the project with a focus on shortening the timeline to construction/production, simplifying the approval process and permitting of the project, lowering initial capex, concentrating on higher grades during early years of production and optimally minimizing the initial strip ratio. The Company also arrived at the innovative solution of trucking water to the project with the sole purpose of fast-tracking and simplifying the approvals process and permitting of the project.

Year ended December 31, 2020

In response to the COVID-19 Pandemic and subsequent and repeated lockdown orders in the different regions where the Company operates, Rio2 shifted their employees to remote work and gave them the support and access they needed to continue to manage the affairs of its business via dedicated and safe virtual business platform. Steps were taken to ensure home office facilities were adequate and included ergonomic furnishings appropriate to the nature of the work. Comprehensive desktop and server antivirus and a vpn firewall were installed or upgraded. In the regions where lockdowns were lifted, the Company established Covid-19 protocols as per the local regulations. The Company carries out Covid-19 awareness campaigns on a regular basis in all the regions where it operates.

During the first quarter of the year, Rio2 worked on the strategic acquisition of Compañía Minera Paso San Francisco S.A. which closed on April 15. Subsequent to the acquisition, Rio2 changed Minera Paso San Francisco's name to Lince S.A. ("Lince"). Lince owns strategic mining infrastructure and facilities located 22 km from the Fenix Gold Project and will help with the optimization plans for the development of the Fenix Gold Project.

In April of 2020, Rio2 engaged a market surveillance and Regulation SHO compliance monitoring services provider in order to determine naked short sale trading of the Company's shares in the US and Canada.

Also in the month of April, Rio2 filed its Environmental Impact Assessment ("EIA") for the construction and operation of its Fenix Gold Project with the Chilean Environmental Impact Assessment System. The objectives of the EIA are to identify, prevent, minimize, correct and mitigate any potential impacts to the environment or the social framework of the Fenix Gold Project. Work on the EIA commenced in November 2018 with the preparation of an Environmental Baseline Study which included the documentation of flora, fauna, climate, air quality, archeological sites, hydrogeology, soil usage, geology, geomorphology, hydrogeology, geochemistry, water quality, paleontology, landscape, noise and vibrations along with a socio-demographic survey and ecosystem characterization during the various seasons of the year. The Environmental Baseline Study was completed in January 2020. A favorable environmental qualification resolution (RCA) is expected to be received by Q2 2021.

During the second half of the year, and while progressing through the Environmental Impact Assessment review and approval process, Rio2 carried out number of activities in order to prepare for construction of a mine at the Fenix Gold Project, among which were:

- strengthening of its Fenix Gold Project team with the appointments of Flavio Fuentes Olivares as Manager, Legal and Permitting and Mr. Edgardo Briones Landauro as Construction Manager;
- appointment of the lead contractors for the process plant/site infrastructure; leach pad and civil design; and civil earthmoving and construction;
- signing a non-binding letter of agreement with Sixth Wave Innovations Inc. for leaching and recovery testing of ore samples from Fenix Gold Project;
- obtaining provisional easement rights to surface lands owned by the Chilean government required for development and construction of the Fenix Gold Project;
- engaging Scotiabank on October 21, 2020 to act as the Company's financial advisor in evaluating financing options to fund the development of the Fenix Gold Project.

In October the Company initiated a new Chile-wide exploration strategy. This effort is to expand the Company's footprint in Chile in addition to the current development of its Fenix Gold Project.

Subsequent to Year ended December 31, 2020

Rio2 has continued with various activities in preparation for construction of a mine at the Fenix Gold Project in 2021, including engineering and other technical work and advancing the EIA approval process.

Additionally, the Company continued evaluation of financing options to fund the further development of the Project.

Significant Acquisitions

The Company did not complete any significant acquisitions during the financial year ended December 31, 2020.

DESCRIPTION OF BUSINESS

General

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as a successful capital markets track record. Rio2 is focused on taking its Fenix Gold Project in Chile to production in the shortest possible timeframe based on a staged development strategy. In addition to the Fenix Gold Project in development in Chile, Rio2 continues to pursue additional strategic acquisitions where it can deploy its operational excellence and responsible mining practices to build a multi-asset, multi-jurisdiction, precious metals company.

The Company’s principal development property is the Fenix Gold Project, which is described in further detail below under “*Mineral Projects*”.

Stage of Development

The Company is in the exploration and development stage and does not produce, develop or sell any products at this time and consequently, has no current operating income or cash flows from the properties that it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are funded solely by equity financings.

Competitive Conditions

The gold exploration and mining business is competitive. The Company competes with numerous other companies and individuals that have resources significantly in excess of those of the Company, in the search for and the acquisition of mineral properties. The ability of the Company to acquire mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for 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, 2020, the Company had 56 full-time employees and 129 contractors and as at the Effective Date, the Company had 53 full-time employees and 55 contractors. To continue with the development of its assets, the Company may require additional experienced employees and third-party consultants and contractors. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees will be retained by the Company when necessary. See “*Risk Factors*”.

Information Regarding Chile

Chile, with a continental area of 295,000 square miles (764,000 square kilometers) excluding the Antarctic territory with an area of 490,000 square miles (1,269,000 square kilometers), is a long narrow ribbon of land stretching almost 2,700 miles (4,345 kilometers) along the west coast of South America with an average width of only 110 miles (177 kilometers), varying between 60 miles (97 kilometers) and 250 miles (402 kilometers). The country is wedged between the Andes on the east and the Pacific Ocean on the west, bordering Peru on the north and Bolivia and Argentina on the east. Southern Chile is an archipelago, with Cape Horn at its tip. There are five distinct and well-defined geographic regions: the northern desert, the high Andean sector, the central valley, the southern lake district, and the archipelago. Santiago is the capital and the commercial center of the country.

Chile's population totals approximately 16 million, of which about 85 percent is urban, with a concentration of nearly 6,5 million in the metropolitan region (Santiago). Near half are under 25 years of age and men account for about 49 percent of the total.

The current President was elected for a four-year period, which is the normal duration under the Constitution. A unitary republic is contemplated, including a strong executive, a legislature with both a Senate and a Chamber of Deputies and an independent judiciary. Individual guarantees are well defined and protected.

The whole purpose of the current political structure is to establish a well-balanced democracy to continue the Chilean republican tradition.

The Chilean legal system follows the Spanish and French patterns. The Civil Code was enacted in 1855 and has served as a model for other countries in Central and South America. Many other codes and laws are in force and a court decision is only valid for the specific case for which it is delivered. This legal structure is supported by an independent and well established judiciary that includes a Supreme Court, Courts of Appeals and Judges of First Instance. Civil, criminal and labor judges exist. In addition, recourse to an arbitrator is provided for in order to settle civil and commercial disputes.

Cycles

The mining business is subject to global economic cycles which affect the marketability of products derived from mining.

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. The Company is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Company. However, 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. On December 7, 2020, the Board formed a Health, Safety, and Community Committee (the "**HSC Committee**") tasked to oversee responsibilities regarding the health and safety of its employees and contractors, the conduct by the Company of its operations in an environmentally responsible manner and the development and maintenance of positive relationships with communities in the area of influence the Company's projects. Consistent with this function, the HSC Committee will encourage continuous improvement of, and will foster adherence to the Company's policies, procedures and practices at all levels.

MINERAL PROJECTS

The Fenix Gold Project

The Fenix Gold Project (16,050 hectare) is located in Atacama Region, in the Copiapó Province - Chile, specifically in the Maricunga Mineral Belt, approximately 160 kilometers northeast of Copiapó by International Road CH-31. It is one of the largest undeveloped pre-feasibility stage gold oxide projects in the Americas. The Fenix Gold Project is 100% owned by Fenix Gold Limitada, a subsidiary of Rio2, and is not subject to third party royalties, back-in rights or payments.

A more complete description of the Fenix Gold Project may be found within the 2019 Technical Report, a copy of which is available on the Company's profile on SEDAR. Unless stated otherwise, information in this section is summarized, complied, extracted or incorporated by reference from the 2019 Technical Report. The 2019 Technical Report was prepared on behalf of the Company in accordance with NI 43-101 by Qualified Persons. Defined terms used in this summary shall have the meanings ascribed to such terms in the 2019 Technical Report. The reference numbers of the tables and figures set out in this section are those attributed by the 2019 Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the 2019 Technical Report. Readers are encouraged to read the full 2019 Technical Report.

The summary of the Fenix Gold Project set out below has been extracted from the "Executive Summary" of the 2019 Technical Report. The 2019 Technical Report is incorporated by reference in its entirety into this AIF.

Executive Summary

1.1 Introduction

This technical report, detailing the results of the Fenix Gold Project ("**Fenix**" or "the **Project**") Pre-feasibility Study (PFS), has been prepared and compiled by Mining Plus S.A.C ("**Mining Plus**") at the request of Rio2 Limited ("**Rio2**"), a publicly listed company trading on the Toronto Venture Exchange under the trading symbol RIO. The report was prepared according to the guidelines set out under Canadian Securities Administrators "Form 43-101F1 Technical Report" of National Instrument Standards of Disclosure for Mineral Projects ("**NI 43-101**").

The Project was formerly known as the Cerro Maricunga Project. Rio2 formally changed the name of the Project on September 17, 2018. The reason for the name change was to simplify reference to the project and differentiate it from others that use the word "Maricunga" in their project and/or company names.

This is an update to the 2014 PFS compiled by Atacama Pacific Gold Corporation ("**Atacama**") and presents a major change in strategy since that time.

The reasons for these changes are explained in this document.

All dollar denominations stated in this report are United States Dollars ($) unless specifically stated otherwise.

This PFS focuses on the development of the Fenix Gold Project on a throughput of 20,000 tpd. The primary reason Rio2 has elected to start at this rate of production is to allow for the trucking of water from Copiapó, which will expedite and simplify the approval and permitting process of the mine. By choosing the option of trucking water to the mine site, the Company has reduced the timeline to construction from five years to two years. Once the project is in production, the Company will focus on the logistics and timing of constructing the previously planned water pipeline from Copiapó (outlined in the 2014 PFS) which will sustain a mining rate of up to 80,000 tpd, four times of what is contemplated in this PFS.

Under the PFS mine plan, the Project will be able to produce for sixteen years with average annual production of 85,000 oz of gold for total Life of Mine ("**LOM**") production of 1.37 million oz. LOM All in Sustaining Cost ("**AISC**") is estimated at $997/oz. The Project demonstrates strong returns with an after-tax Net Present Value discounted at 5% ("**NPV5**") of $121 million and an after-tax Internal Rate of Return ("**IRR**") of 27.4% using the base case gold price of $1,300/oz ($241 million and 44.3% at $1,500/oz gold price). The Project is expected to generate average annual after-tax net operating cash flow of $15.1 million with cumulative LOM after-tax net cash flow of $222 million. At $1,500/oz gold, the Project would average more than $25 million in after-tax net operating cash flow annually and generate more than $422 in cumulative after-tax net cash flow over the 16-year mine life.

1.2 Property and Location

The Fenix Gold Project is located in the Maricunga Mineral Belt which is a well-known gold mining district that contains over 70 million ounces of gold and hosts the La Coipa and Maricunga (formerly Refugio) mines, as well as the Volcan, Caspiche, Lobo Marte and Cerro Casale deposits.

The Fenix Gold Project includes Exploration and Exploitation concessions that partially overlap, including overlapping areas; the surface area of the concessions is approximately 16,050 hectares.

There are no significant population centres or infrastructure in the immediate vicinity of the Project. Small indigenous communities raise crops and livestock in the valleys that drain the region, but there is no farming in the immediate vicinity of the Project.

Chile is an advanced country in terms of mining technology and infrastructure. Copiapó, the nearest major city to the Project is located approximately 140 km southwest by major sealed and unsealed roads. Copiapó city has an approximate population of 175,162 inhabitants in 2017 as per the United Nations Statistics Division (http://data.un.org).

Experienced mining and processing personnel can be sourced from Copiapó, or elsewhere in Chile where a generally well-trained and experienced workforce exists. Furthermore, Copiapó is a well-established support and logistics centre for mining activities in the region.

Rio2 owns and controls the Fenix Gold Project through its Chilean subsidiary, Fenix Gold Limitada. The project location is shown in Figure 1-1.

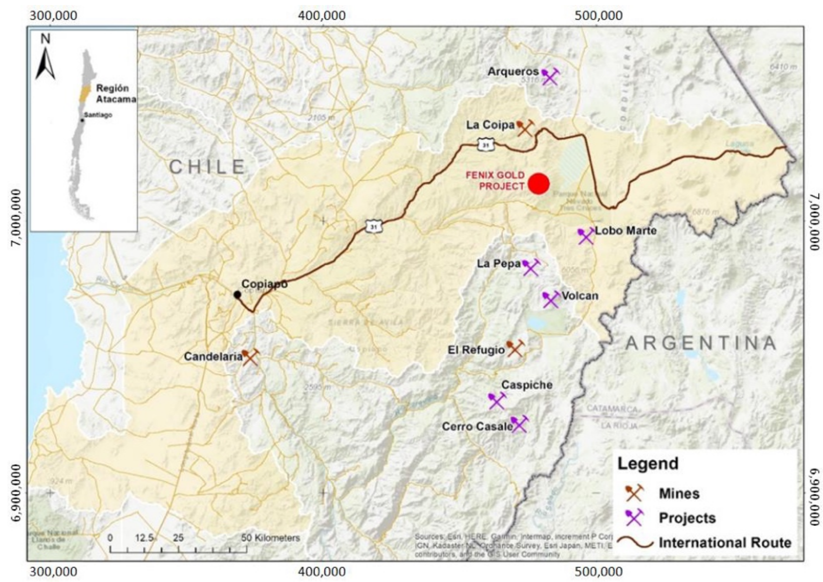


Figure 1-1: Location Map of the Fenix Gold Project

1.3 Geology and Mineralization

Surface mapping, trenching and drilling indicate that gold mineralization at Fenix is confined to a NW-SE trending corridor consisting of volcanic rocks that host large breccia complexes bounded by fault structures. The strike extension of mineralization is 2.5 km in NW-SE direction, up to 600 m in NE-SW direction and to depths of 600 m. The mineralization remains open at depth and to the east.

Three mineralized zones have been defined, based on gold distribution, in trenches, outcrops and drill holes. The zones are named Fenix North, Fenix Central and Fenix South.

Gold mineralization is disseminated and is most strongly associated with black banded quartz veinlets (BBV). The banding in BBV's is due to variable concentrations of tiny gas inclusions and very fine magnetite aligned parallel to the veinlet margins. Sulphides are rare in the deposit, typically accounting for <0.1 wt% and are primarily pyrite.

The deposit has been classified by Greg Corbett based on mineralogy and hydrothermal assemblage as Epithermal Low Sulphidation type deposit.

1.4 Exploration

The Project has been rigorously explored by trenching, mapping, geophysics and drilling over eight stages during the years 2008-2017 by Atacama. Rio2 completed a small infill drill program (7,066 m RC) and some check superficial mapping and sampling in 2018/19.

Exploration drilling consists of 91 diamond drill holes (DDH) totalling 31,047.21 m, and 293 reverse circulation (RC) drill holes totalling 84,500.55 m.

There has been very limited exploration of any kind outside the known mineralization footprint.

1.5 Mineral Resource Estimate

The Mineral Resource Estimate (MRE) has been updated to include a 39 hole (7,066 m) RC drill program completed in 2018/19, and surface channel sampling. For the first time, the updated MRE is based on a 3-D geological model.

The additional data, new geological model and revised modelling parameters have had no material effect on the combined Measured and Indicated resources when compared to the 2014 PFS. This suggests that the resource estimate is robust for bulk mining.

Inferred resources have increased markedly from the 2014 PFS. Inferred resources have been projected up to 150 m from the base of drilling, in line with ranges demonstrated in gold variograms.

Resources presented in Table 1-1 are constrained within a $1,500/ounce optimized open pit.

Table 1: Resource Statement for the Fenix Gold Project, 0.15 g/t Au Cut-off Grade

Resource Classification	Million Metric Tons	Grade Au g/t	Au Ounces (x1000)
Measured	122.4	0.41	1,630
Indicated	288.3	0.36	3,355
Total Measured + Indicated	**410.7**	**0.38**	**4,985**
Inferred	136.6	0.32	1,388

Notes:

(1) Mineral Resources reported is inclusive of mineral reserves.

(2) Table 1-1 includes all Measured, Indicated, and Inferred Resources contained within the "Resource Pit", which represents the test for eventual extraction applied.

(3) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.

(4) Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.

(5) Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

(6) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource

and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

1.6 Mineral Reserve Estimate

The Mineral Reserves presented in the following table are constrained within a $1,225/oz optimized open pit and are reported as in-situ dry million tonnes and include 3% mining dilution and 97% mining recovery using a cut-off grade of 0.24 g/t Au.

Table 2: Mineral Reserves (Mining Plus, 2019)

Reserve Category	Million Tonnes	Grade (Au/gt)	Contained Gold (koz)	Recoverable Gold (koz)
Proven	53	0.52	866	650
Probable	63	0.47	962	722
Proven and Probable	116	0.49	1,828	1,372

The Mineral Reserve Statement contains the total minable reserve for the deposits described in Section 15.1. The Mineral Reserve passed an economic test conducted on the production schedule. The results of the economic analysis are shown in Section 22.

1.7 Mineral Processing and Recovery Methods

Mineral Processing

High-grade ore will be crushed to a P80 size of 4 inches via a single stage Gyratory crusher with lime dosing occurring before the crushed ore is fed to a stockpile. Crushed ore will rehandled and trucked from the crushed ore stockpile to the leach pad. Agglomeration of crushed ore is not required.

Low-grade ore will be mined and stockpiled for crushing and leaching in later years.

Processing operations will treat the solutions from the heap leach facility operating in a new ADR (adsorption, desorption and refining) plant capable of treating 20,000 tpd of ore to pad or 1,058 cubic meters per hour of pregnant solution to produce doré bars. The plant layout is designed to be upgradeable to 40,000 tpd and 80,000 tpd respectively.

Processing costs are estimated at $4.10 per tonne treated over the current life of mine, which includes water purchase, and water transport costs.

Recovery Methods

The leach pad area will be prepared and covered with an impermeable liner. Corrugated, perforated drainage piping will be laid on the liner for collection of the pregnant leach solution. A protective layer of finely crushed, permeable ore will be placed on top of the liner to prevent damage from the mobile equipment and during ore loading. The ore will be stacked on the pad in 10m lifts.

The heap leach pad is located 4 km from the pit, at an elevation of 4,376 m above sea level. The pad will be developed in four stages with a stacking volume for Stage 1 of 10.3 Mt; 30.6 Mt for Stage 2; 27.7 Mt for Stage 3 and 60.7 Mt for the final stage. The total pad capacity will be 129 Mt. The irrigation system will uniformly apply cyanide solution directly onto the levelled surface of the leach pile through a drip irrigation system, at an irrigation rate of 10 L/hm2 with an irrigation cycle of 90 days.

Two stockpiles have been planned for storing the low-grade ore between years 1 and 12 with a total required capacity of 25.7 Mt. From years 13 to 17 low-grade ore will be recovered from the stockpile and taken to the crusher.

The percolation rate through the heap will depend on the viscosity and specific gravity of the solution, the mineral void space, the percentage of fines, mineral affinity for the solution and air entrapment.

Once the heap is irrigated and the ore reaches the absorption moisture, the gold rich solution will drain to the lowest part of the pad and then into the pregnant leach solution (PLS) pond before being pumped to the ADR processing plant.

1.8 Infrastructure

The Fenix Gold Project requires significant infrastructure for the mining and processing. The infrastructure includes roads, power supply, water supply, workshops, warehouses, offices, laboratories, site establishment, camp and other facilities as shown in Figure 1-2.

Power

The power supply for the Project will be generated via diesel generators. Three generators, two in continuous operation and one on standby, will be installed in the power plant located in the ADR plant. There will also be two generators installed at the crusher, which will also supply power to the mine workshops.

Grid power is located within 25 km of the mine site and connection to the grid will be considered as the Fenix Gold Project is expanded.

Water

The 20,000 tpd project requires a water supply of up to 24 l/s. The Fenix Gold Project has access to water via a contract signed with Aguas Chañar S.A. [(1)] ("Aguas Chañar"), the major water supplier to the town of Copiapó, to supply up to 80 l/s of treated town wastewater from its Piedra Colgada treatment facility located to the north of Copiapó. The original plan, outlined in the 2014 PFS, was to build a pipeline with associated power line from the Aguas Chañar facilities to Fenix Gold along the existing main road, international road CH31, from Copiapó to Argentina, which passes within 20 km of the Project. This plan is still being considered for the future expansion of the Project, discussions are ongoing with infrastructure companies who are interested and able to finance and build the pipeline, and other mining companies who may wish to share in the benefit of the pipeline project. The capital costs, operating costs and cost of water for the larger water solution are set out in the 2014 PFS.

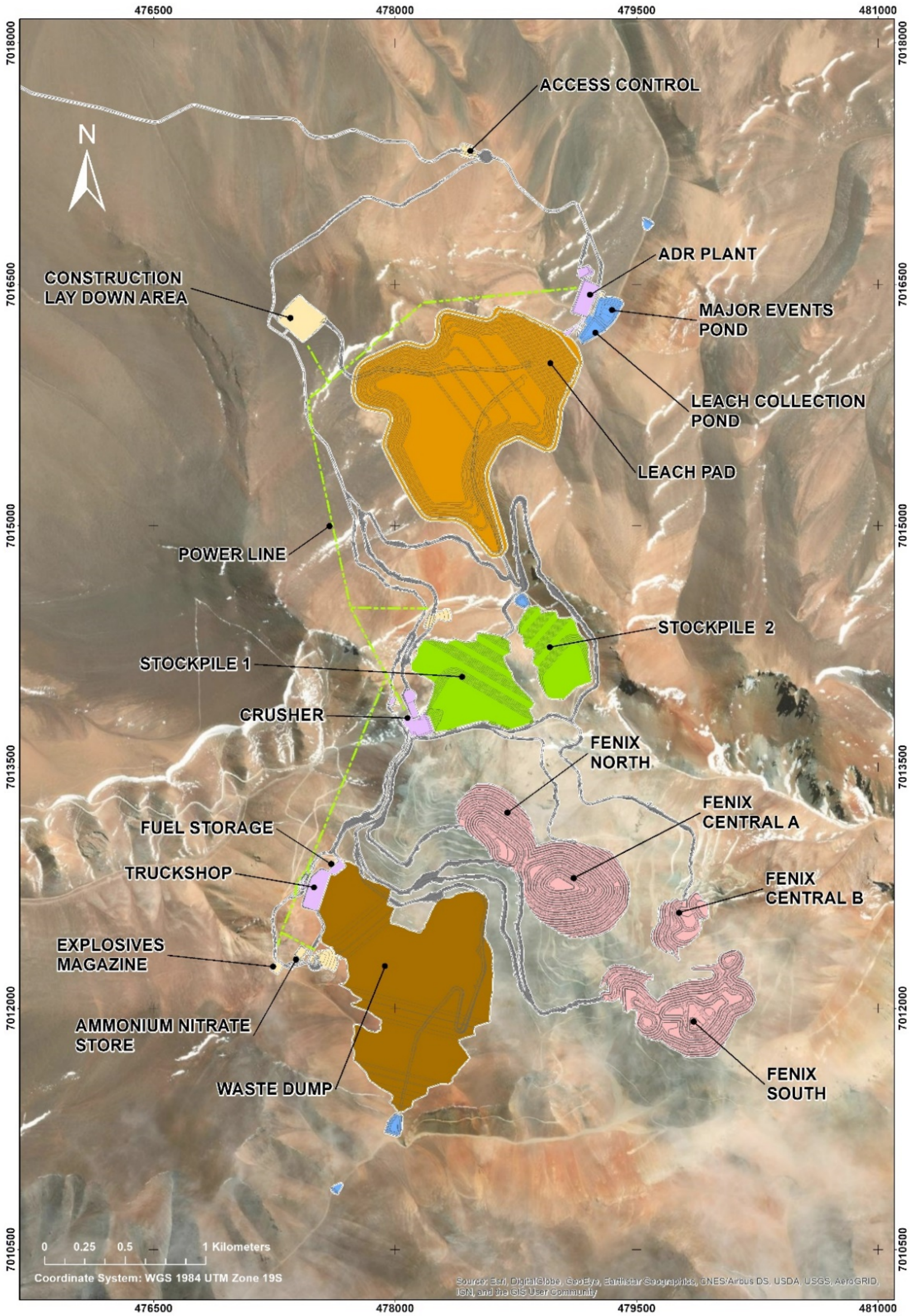
The water for the 20,000 tpd project will be transported by 30 tonne capacity water tankers, loading from the Aguas Chañar facility and discharging to the process plant located at the Project, a distance of approximately 158 km.

Estimated water costs are $1.56 per tonne of ore processed for the first four years of production then decrease to $1.51 per tonne for the remaining life of the project. The water cost includes the purchase price and transportation of the water to site.

The Company is currently reviewing a number of additional water options involving permitted, unused water rights, which are closer to the planned mining operations with the objective of improving the economics of the water supply to the Project.

[(1)] Subsequent to publication of the 2019 PFS, Aguas Chañar changed its name to Nueva Atacama S. A. In December, 2019, the agreement was amended to guarantee a supply of 20 l/s of treated wastewater from its Piedra Colgada treatment facility located to the north of Copiapó. The difference between the 24l/s and 20 l/s is to be supplied by water available at Lince.

Figure 1-2: Key Infrastructure Facilities



1.9 Capital and Operating Cost Estimates

Capital and operating costs for the Fenix Gold Project were developed based on the mine plan, production schedule, process plant design, and required infrastructure. The capital costs were estimated based on designs for the infrastructure, including, equipment, materials, labour, and services required for the construction and implementation of the various components. Operating costs were estimated for equipment, labour, materials, power, supplies, fuel, with supporting costs from consultants and potential suppliers to operate the mine and plant as designed.

The capital and operating cost estimates have been prepared by HLC Ingeniería y Construcción (HLC), Anddes Asociados (Anddes), STRACON and Rio2. Capital and operating costs are presented in Table 1-3 and Table 1-4.

Table 1-3: *Capital Cost Summary*

Area	Capex $M	Sustaining $M	Total $M
Mining	8.58	0.85	9.43
Process Plant	35.37	16.27	51.64
Civil Construction	41.18	44.09	85.27
Contingency	14.23	13.81	28.04
Owner costs	11.84	4.57	16.41
Closure Costs		15.4	15.4
Total	**111.2**	**95**	**206.2**

Table 1-4: Summary of Operating Costs

Area	LOM Cost ($M)	US $/t ore
Mining	505.8	4.4
Processing	467.2	4.1
G&A	228.6	1.99
Off-site Overhead	41.5	0.36
Gold Sales, Insurance, Legal and Social	27.4	0.24
Royalty	1.3	0.01
Total	**1271.8**	**11.1**

1.10 Economic Analysis

The financial evaluation presents the determination of the net present value (NPV), payback period (time in years to recapture the initial capital investment), and the internal rate of return (IRR) for the project. Annual cash flow projections were estimated over the life of the mine based on the estimates of capital expenditures, production cost, and sales revenue. Revenues are based on the gold production.

The cash cost summary and the financial analysis results are presented in Table 1-5 and Table 1-6 respectively.

Table 1-5: Cash Cost Summary

Description	Million $	$/Oz Au*
Mining	505.8	368.8
Processing	467.2	340.6
G&A	228.6	166.7
Off-site Overhead	41.5	30.3
Gold Sales, Insurance, Legal and Social	27.4	20
Royalty	1.3	1
Total	**1271.8**	**927.4**

Table 1-6: Financial Analysis Results

Million $	After Tax	Pre Tax
NPV @ 0%	222	305
NPV @ 5%	121	168
After-tax IRR	27.40%	31.90%
Payback Years	4.3	3

1.11 Conclusions

The following conclusions have been made:

- The Fenix Gold Project has a 16 year LOM and will produce 1.37M ounces of gold with strong economic returns:
    - LOM AISC of $997/Oz.
    - After-tax NPV5 of $121M using a base case gold price of $1300/Oz.
    - After-tax IRR of 27.4% using a base case gold price of $1300/Oz.
    - The project is expected to generate annual after-tax profits of $15.1M.
    - Cumulative LOM after-tax net cash flow of $222M.
- The use of trucked water in place of a piped water supply offers the following advantages when compared to the 2014 FS:
    - Reduced permitting time.
    - Reduced timeline to production.
    - Reduced CAPEX requirements.
- The mine design allows for a reconfiguration and upscaling of mine operations if a piped water supply becomes available.
- The identification of alternative water supplies closer to mine operations offers the potential to reduce operating costs and improve project economics.
- Connection to the Chilean power network (SIC) could potentially improve project economics.
- The plant is designed for easy upscaling from 20,000 tpd to 40,000 tpd and 80,000 tpd.
- Gold recovery of 75% is achievable with simple processing; ore crushed to a P80 size of 4 inches via a single stage Gyratory crusher with lime dosing prior to placement on the leach pad.

1.12 Recommendations

These are the recommendations for further work in order to advance to the next phase of developing the project and prepare for a full construction decision for the 20,000 tpd starter project Rio2.

Recommendations are estimated to cost $3.54M to complete (Table 1-7):

Table 1-7: Estimated cost to complete Recommendations

Item	Estimated Cost $M
Complete EIA including studies	1.20
Complete Mechanical and Electrical Engineering	1.00
Investigate Connection to SIC	0.02
Geotechnical Drilling and design	0.60
Condemnation Drilling	0.35
Optimize Mine Schedule	0.02
Model Mg Distribution	0.01
Column Leach Testing of P80 4"	0.15
Mineralogical Analysis of Head Samples	0.02
Trade-off Study Truck v Conveyor to move ore to stockpile	0.02
Production scale pilot tests of run of mine ore (ROM)	0.15
Total	**3.54**

1.12.1 General

- Complete environmental baseline studies and commence the Environmental Impact Study (EIA) presentation process.
- Complete the hydrological and geochemical study required for the EIA.
- Complete mechanical, electrical and geotechnical engineering for all the components of the project to the level adequate to apply for the relevant permits.
- Maintain and enhance relationships with relevant social and community groups throughout the EIA process.
- Plan for a phase of trial mining.

1.12.2 Engineering

- Continue to refine the civil engineering plans for the waste dump, process, heap leach and stockpile areas to level of construction ready.

1.12.3 Water

- Continue to review water supply options; new water sources offer the potential to provide time and cost savings and improve project economics, and the potential to expand the project.
- Continue discussions with Trends Industrial SA on their ENAPAC Project to build a desalination plant and a pipeline from the coast to partner mining projects.

1.12.4 Power Supply

- Investigate the potential to connect the Project to the Chilean power grid (SIC).

1.12.5 Mining

- Complete a geotechnical drilling program and study to confirm pit design parameters.
- Complete condemnation drilling in pad and waste dump footprints.
- Optimize mine planning and scheduling in order to improve costs.
- Optimization of waste dump, pad and stockpiling distances.
- Define the terms of the proposed mining alliance agreement.
- Source quotes for supply for diesel and explosives.

1.12.6 Mineral Processing

- Model Magnesium (Mg) distribution to understand lime consumption.
- Undertake a column leach test campaign on mineral crushed to a P80 size of 4" from Fenix North, Fenix Central and Fenix South to optimize gold recovery and reagent consumption in order to better define the metallurgical properties of each zone.
- It is recommended to carry out the mineralogical analysis on the remaining head samples from the KCA 2017 Fenix South leach tests to determine if chalcocite or other cyanide soluble copper minerals are present or if there are other causes for the higher refractory behaviour.
- For tests with the Fenix South material, copper extraction should be measured at the same frequency as the gold extraction to determine if there is any correlation between the two.
- Undertake geotechnical laboratory testing of leached ore samples taken after column tests are completed to better understand geotechnical properties such as shear strength and permeability.
- Mineralogical analyses to be carried out on the head samples at the start of the tests and the residues at the end of the tests.
- The Mine Plan currently shows trucking ore from the crusher to the leach pad. A trade off study for Trucking from Crusher stockpile vs Conveyor system to Pad needs to be completed. This trade off study should consider the re-handle of the future stockpile material to the Pad also.
- Production scale pilot tests of Run of Mine ("**ROM**") material for recoveries in the first year of mine production to determine the cost benefit of crushing vs ROM.
- Obtain formal process plant reagent quotes from suppliers.
- Continue to develop engineering solutions to manage the impact of the climatic conditions, specifically cold weather and high winds, on the operation of the leach pad and the ADR Plant.
- During the production scale pilot tests and future column tests quantify the as mined moisture content as a percentage of ROM and 4" crushed material. During these tests measure and capture the saturation percentage required for solution to percolate through the mineral, which will help confirm the water requirement for "wetting" mineral, also conduct tests on leached material to capture the residual moisture percentage retained in the mineral.
- Undertake evaporation measurements in the Pad location to confirm the evaporation rate that should be applied to the Leach Pad Water Balance.

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.

There is no certainty 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.

History of Net Losses and Uncertainty of Availability of Additional Financing

The Company has received no revenue to date from the exploration activities on its properties and typically records annual net losses on its activities. During the years ended December 31, 2020, 2019 and 2018 the Company incurred losses of $11.9 Million, $10.3 million, and $8.2 million, respectively. As of December 31, 2020, the Company has an accumulated deficit of $50 million.

The Fenix Gold Project will require significant initial capital to construct (See *"Mineral Projects – Fenix Gold Project*" above) that will likely require the involvement of multiple capital sources and participants. The Company has conducted preliminary investigations as to potential financing sources and the level of financing each component may reasonably be expected to contribute. However, the actual availability of project financing, the involvement of any or all of the potential participant groups with which the Company has held initial discussions and their level of participation, and the details and terms of any eventual project financing scenario for Fenix Gold will be dependent on numerous conditions, including but not limited to general market conditions, metal prices, and other economic considerations at the time of a financing and construction decision. Many of the factors on which securing project financing may depend are outside of the Company's control and there can be no assurance that the Company will be successful in arranging project financing at all, or if so, under acceptable terms and conditions. Taking Fenix Gold into production will require, among other things, approval for the Environmental Impact Assessment by the Environmental Assessment Service in Atacama, Chile; completion of detailed engineering plans; obtaining all necessary permits; and sufficient financing. Even if the Company does undertake development activity on any of its properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. The Company had working capital of approximately $15.8 million as at December 31, 2019 and no source of revenue and will require significant cash and/or alternative financing arrangements in order to develop its assets and meet its ongoing general and administrative costs and exploration commitments and to maintain its mineral property interests, which may require working capital and/or project financing in the future. There can be no assurance that such financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders.

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;
- significant and increasing competition exists for mineral acquisition opportunities, some of which is with large established mining companies with substantial capabilities and far greater financial and technical resources than the Company;
- 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 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.

Nature of Mining, Mineral Exploration and Development Projects

Mining 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 the Fenix Gold Project or 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.

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 pre-feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities in its Fenix Gold Project.

Mineral Reserves and Mineral Resources

No assurance can be given that the anticipated tonnages and grades in respect of Mineral Reserves and Mineral Resources contained in this AIF will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves will be mined or processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve data is not indicative of future results of operations.

If the Company's actual Mineral Reserves and Mineral Resources are less than current estimates or if the Company fails to develop its Mineral Resource base through the realization of identified mineralized potential, its production, results of operations or financial condition may be materially and adversely affected. Evaluation of Mineral Reserves and Mineral Resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of Inferred Mineral Resource is the lowest confidence Mineral Resource category and is subject to the most variability. There is no assurance that Inferred Mineral Resources will be upgraded to Measured Mineral Resources or Indicated Mineral Resource and subsequently to Proven Mineral Reserves and Probable Mineral Reserves as a result of continued exploration.

Health and Safety Risks

By their nature, exploration and mining activities present a variety of hazards and associated health and safety risks. Workers involved in the Company's operations are subject to many inherent health and safety risks and hazards, including, but not limited to, underground mine fires, underground rock falls, equipment or structural fires, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, exposure to biological, physical or ergonomic agents, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and vehicle incidents, incidents related to cranes and rigging, and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. In addition, personnel involved with remote activities such those associated with exploration may be exposed to risks related to wildlife, environmental conditions or civil unrest. While every effort is made by the Company to control and eliminate potential health and safety risks, these risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations. Incidents resulting in serious injury or death, or those having a negative impact on surrounding communities (real or perceived) could result in litigation and/or regulatory action (including, but not limited to suspension of operations and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

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, licenses and approvals from various governmental agencies. There can be no assurance, however, that all permits, licenses 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.

Risks with Title to Mineral Properties

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance. The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

Competition and Scarcity of Mineral Lands

The mining industry is intensely competitive, with many companies and individuals engaged in the mining business including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties. Increased competition for experienced mining professionals, equipment and other resources could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

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.

Infrastructure

Mining, processing, development and exploration activities and mining operations depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

COVID-19 Public Health Crisis

The Company’s business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic. In Chile, the first case of COVID-19 was confirmed on March 3, 2020, almost two months after the novel coronavirus SARS-CoV-2 was officially declared by China CDC as the causal agent of the outbreak initiated on Wuhan on November 17, 2019. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. On March 18, 2020, Rio2 reported that all of its personnel were working from home and continuing to manage the affairs of its business via the Company’s virtual business platform.

The Company continues to monitor events closely and follows guidance from local, provincial and governmental health authorities, in Canada, Peru and Chile, to ensure that our business practices are aligned with the latest recommendations.

The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic.

Foreign Operations

Operations in any foreign country may be exposed to economic and other risks and uncertainties which may include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

The current outbreak of COVID-19 has imposed traveling restrictions that prevent the Company’s senior management from traveling to Chile.

Changes, if any, in mining or investment policies or shifts in political attitudes in Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety.

Repatriation of Earnings

There is no assurance that Chile or any of the countries in which the Company may operate in future will not impose restrictions on the repatriation of earnings to foreign entities.

General economic and political conditions in Chile

A significant portion of the operations of the Company are conducted in Chile and are dependent upon the performance of the local economy. As a result, general economic conditions in Chile may have a material adverse impact on the Company business, financial position and results of operations.

Government action in response to exchange rate movement, monetary policies, inflation control, energy shortages and economic instability, among other matters, may have important effects on the Company's operations. Uncertainty over whether governments will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Chile and to heightened volatility in the market value of securities issued by companies operating in these jurisdictions.

Laws of Foreign Jurisdictions

The Company has material subsidiaries organized under the laws of foreign jurisdictions and certain of the Company's directors, management and personnel are located in foreign jurisdictions, and as a result investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities which are predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

The courts in some of the foreign jurisdictions in which the Company operates may offer less certainty as to the judicial outcome of legal proceedings or a more protracted judicial process than is the case in more established economies. Operating in emerging markets can increase the risk that contractual and/or mineral rights may be disregarded or unilaterally altered. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. In addition, there may be limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Company's contracts, joint ventures, licenses, license applications or other legal arrangements. Accordingly, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions. Moreover, the commitment of local businesses, government officials and agencies and the judicial system in these jurisdictions to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. These uncertainties and delays could have a material adverse effect on the Company's business and operational results.

Introduction of New Tax Laws

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, Chile or any of the countries in which the Company's operations or business is located, could result in an increase in taxes, or other governmental charges, duties or impositions, or an unreasonable delay in the refund of certain taxes owing to the Company. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's profits being subject to additional taxation, result in the Company not recovering certain taxes on a timely basis or at all, or that could otherwise have a material adverse effect on the Company.

Since October 2019, Chile has been experiencing widescale public demonstrations demanding, among other things, constitutional and legal reforms, including demands for social program benefit increases and public funding for services that are currently private. In connection with this, the government has been considering tax reform and has introduced a number of tax changes that affect businesses, including but not limited to a new tax on investments and a tax on land holdings. Other tax changes could be considered or proposed in the future, including but not limited to increases to mining or income taxes or new royalties or changes to value added taxes.

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.

Currency Fluctuations

The operations of the Company in Chile or any of the countries in which the Company may operate in future are subject to currency fluctuations against the Canadian and US dollar, and such fluctuations may materially affect the financial position and results of the Company.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

Share Price Fluctuations

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance or the underlying asset values of prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Price Volatility of Publicly Traded Securitie*s*

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.

Internal Controls

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that material information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting.

Anti-Corruption and Anti-Bribery Laws

The Company's operations are governed by, and involve interactions with, various levels of government in foreign countries. The Company is required to comply with anti-corruption and anti- bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (US) and similar laws in Chile and Peru. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti- bribery laws. A company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that it, its employees, contractors or third-party agents will comply strictly with all such applicable laws. If the Company becomes subject to an enforcement action or is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation, result in significant penalties or sanctions, and have a material adverse effect on the Company's operations.

Compliance with Canada's Extractive Sector Transparency Measures Act

The Extractive Sector Transparency Measures Act (Canada) ("ESTMA") requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals which are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups. ESTMA reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure reporting or structuring payments to avoid reporting. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company’s reputation.

Potential 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.

Forward-Looking Statements and Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties related to forward-looking statements and information are found under the heading "*Cautionary Statement Regarding Forward-Looking Information and Statements*" in this AIF.

CAPITAL STRUCTURE

General Description of Share Capital

Common Shares

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2020, 190,706,348 Common Shares were issued and outstanding as fully paid and non-assessable shares. As at the Effective Date, 199,593,604 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 of Directors of the Company and are entitled to receive the remaining property upon liquidation of the Company.

Stock Options

The Company has the Stock Option Plan for the granting of incentive stock options to the officers, employees, directors and consultants. The Stock Option Plan has received regulatory and shareholder approval, the latter being most-recently obtained at the Company’s Annual General and Special Meeting of Shareholders held on June 25, 2020. The Stock Option Plan is administered by the Corporate Governance and Compensation Committee of the Board of Directors (the “**CGC Committee**”).

As at the Effective Date, the Company had 14,493,501 outstanding stock options to purchase up to 14,493,501 Common Shares, representing approximately 7.2% of the Company's issued and outstanding Common Shares, at exercise prices ranging from $0.55 to $2.56 and expiring between July 31, 2021 and June 26, 2025.

The following table summarizes details of the stock options granted by the Company during the financial year ended December 31, 2020:

Date of Issuance	Exercise Price ($)	Number of Options Granted	Expiry Date
June 26, 2020	$0.65	3,850,000	June 26, 2025

The Stock Option Plan is more fully described in the Company's Management Information Circular dated May 15, 2020 which is available on SEDAR.

Restricted Share Units

Additionally, the Company has a Share Incentive Plan administered by the CGC Committee. The Share Incentive Plan is a fixed plan; therefore, it is not subject to annual shareholder approval. However, approval will be sought if amendments are required. Two types of share awards may be granted under the Share Incentive Plan: time-based awards and performance-based awards. The CGC Committee, at its sole discretion, will determine the persons to whom awards may be granted, the number of Common Shares to be covered by each award and the allocation of the award between time-based awards and performance-based awards.

As at the Effective Date, the Company had 500,000 restricted share units ("**RSUs**") outstanding with expiry dates ranging between December 15, 2022 and June 30, 2024.

The following table summarizes details of the RSUs granted by the Company during the financial year ended December 31, 2019:

Date of Issuance	Exercise Price (C$)	Number of RSUs Granted	Expiry Date
December 31, 2020	N/A	400,000	June 30, 2024

Warrants

As at the Effective Date, the Company has 28,274,450 warrants with an exercise price of $0.50 per Common Share outstanding, with an expiry date of August 13, 2022.

The Company did not issue warrants during the year ended December 31, 2020.

Dividends and Distributions

Rio2 has not paid any dividends on its common shares since its incorporation. The Company's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Company's business. Any decision to pay dividends on common shares in the future will be made by the board of directors of the Company on the basis of the earnings, financial requirements and other conditions existing at such time.

Escrowed Securities

The Company has no escrowed securities.

MARKET FOR SECURITIES

Trading Price and Volume of Common Shares

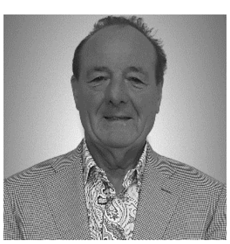
The Common Shares are listed and posted for trading on the TSXV under the symbol "RIO". The following table sets forth the price range (high and low prices) in Canadian dollars of the Common Shares and volume traded on the TSXV, for the periods indicated.

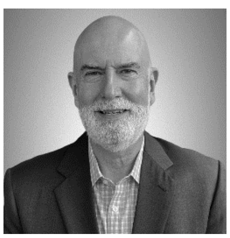
2020	High ($)	Low ($)	Volume
January	0.47	0.38	5,320,043
February	0.44	0.30	4,482,107
March	0.39	0.14	5,110,701
April	0.58	0.22	8,516,437
May	0.64	0.46	7,090,176
June	0.84	0.52	6,585,090
July	0.95	0.71	10,461,498
August	1.03	0.79	7,766,672
September	0.99	0.77	6,990,344
October	0.88	0.77	2,370,432
November	0.93	0.79	1,980,229
December	0.99	0.82	2,468,926
2021			
January	1.03	0.77	2,972,982
February	0.90	0.70	3,231,016
March	0.85	0.71	1,409,139
April (through April 16, 2021)	0.85	0.72	1,233,546

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

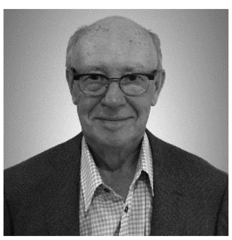
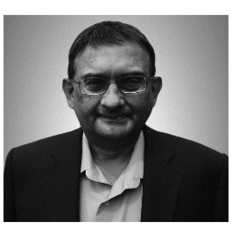
The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company and date first appointed or elected as a director and/or executive officer and their principal occupation(s)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

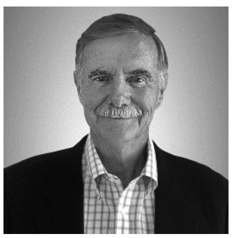
Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
	**Chairman of the Board** since April 24, 2017 Director of Rio2 since November 23, 2016	Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in 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

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
Klaus Zeitler **West Vancouver,** **British Columbia,** **Canada** Member of: • Corporate Governance and Compensation Committee (Chair)		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 Metall 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 Resources Ltd., Dr. Zeitler was Chairman of the Board of Rio Alto 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.
 **Alex Black** **Lima, Peru** Member of: • Health Safety and Community Committee	**CEO, President and Director** since November 23, 2016	Mr. Black lives in Lima, Peru and has 40 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 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 $300M. Mr. Black, as President & Chief Executive Officer of Rio Alto Mining Limited and his experienced management team built Rio Alto from a $12M company in 2009 to a $1.2 billion company in 2015 at the time of the acquisition by Tahoe Resources Inc.

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
 **Kathryn Johnson** **West Vancouver,** **Bristish Columbia,** **Canada**	**CFO, EVP & Corporate Secretary** Since May 30, 2017	Kathryn 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 it was acquired in 2015. Her last position was Chief Financial Officer and prior to that Vice President - Corporate Reporting and Corporate Controller. 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 $1.2Bn. Kathryn 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.
 **Jose Luis Martinez** **Toronto,** **Ontario,** **Canada**	**EVP – Chief Strategy Officer** since March 1, 2017	Jose Luis Martinez is based in Toronto, Canada, and is responsible for leading strategy, M&A, financing, and capital markets initiatives for Rio2. Jose Luis is an accomplished investment banking professional with extensive global banking experience in the Canadian financial sector. He has been deploying his corporate finance and capital markets expertise since Rio2 was founded. Prior to Rio2, Jose Luis spent over 22 years as a senior investment banker and corporate banker at TD Securities in Canada. Jose Luis spent 10 years in investment banking, originating transactions and advising a wide variety of mining clients ranging from TSX-listed companies, global diversified public companies, and large private

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
		conglomerates in M&A, equity underwriting, and debt financing. In an international context, Jose Luis spent 12 years as an international banker covering the Latin American market. He originated and executed on a wide array of financing transactions for large public, private, state-owned, and multinational companies. During this period, he spent 4 years as the Head of TD Securities' South America based in Chile. Jose Luis holds an MBA from the Rotman School of Management at University of Toronto in Canada and a Bachelor of Business Administration from Universidad de Lima in Peru.
 **Andrew Cox** **Lima,** **Peru**	**SVP Operations** since September 1, 2017 and **EVP – COO** since July 7, 2020	Andrew Cox is based in Lima, Peru, and has over 24 years of experience in mining operations around the world. Andrew held various positions at Rio Alto Mining Ltd. since 2011 until acquired in 2015. He was operations manager at La Arena mine from 2011 to 2014, moving to the Shahuindo gold project as acting operations manager for the first year of construction in 2015. Following the acquisition of Rio Alto Mining Ltd. by Tahoe Resources Inc. in April, 2015, Andrew was the corporate operations manager in Peru, until December 2016. Prior to his involvement with Rio Alto Mining, Andrew managed the dam embankment project at Oceanagold's Macraes Flat mine and the Alliance Mining contract at the Globe Progress mine for Stracon New Zealand from 2009 to 2011. In 2005, he joined mining and civil contractor Stracon GyM in Peru as manager of the El Brocal open-pit mining contract until 2009. Andrew started his career with 10 years in alluvial gold mining and exploration in New Zealand, Chile and Bolivia with L& M Mining. Later, he moved to a role as Production Geologist at Solid Energy´s Stockton Mine in New Zealand. Andrew holds an MSc, geology hons, from the University of Canterbury in New Zealand.

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
 **Albrecht Schneider** **Santiago, Chile**	**Director** of Rio2 since July 16, 2018 (Previously a director and officer of Atacama)	Mr. Schneider was the co-founder of Atacama Pacific Gold Corporation and discovered with his team the Cerro Maricunga gold deposit. He served as the Executive Chairman and as a director of Atacama Pacific Gold Corporation until the completion of the business combination with Rio2 in July 2018. Mr. Schneider is a Professional Geologist with more than 25 years of field management and project generation in South America. He is currently the President of SBX Consultores, a geological consulting firm in Santiago, Chile. Mr. Schneider has held senior management positions with several other public companies including TVX Gold and generated the Volcan gold discovery in Chile for Andina Minerals. He has also acted as a Chilean representative for TVX Normandy Americas, Newmont Mining, and Kinross Gold and has acted as an international consultant for Antofagasta and Gold Fields. Mr. Schneider received a Ph.D. (Geology) from Imperial College, University of London in 1985.
 **Sidney Robinson** **Ontario, Canada** Member of: • Audit Committee	**Director** of Rio2 since April 21, 2017	Mr. Robinson is currently a member of the board of directors of Amerigo Resources Ltd. 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 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.
 **Ram Ramachandran** **Aurora, Ontario, Canada**	**Director** of Rio2 since April 21, 2017	Mr. Ramachandran has over 35 years of capital markets experience. Mr. Ramachandran has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and as a senior member in the national office of an international accounting firm. Mr. Ramachandran originally qualified as a Chartered Accountant in England & Wales in 1978 and subsequently in Ontario in 1984 (now retired).

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
Member of: • Audit Committee (Chair) • Corporate Governance and Compensation Committee • Health Safety and Community Committee		
 **David Thomas** **Park City, Utah, USA** Member of: • Audit Committee • Corporate Governance and Compensation Committee • Health, Safety, and Community Committee (Chair)	**Director** of Rio2 since April 21, 2017	Mr. Thomas has over 40 years' experience in the mining industry. Early in his career Mr. Thomas had assignments with Kennecott Copper Corporation, Bougainville Copper Limited, Amselco Minerals, Arimetco International and Austpac Resources in Australia. He also was a Vice President and Technical Director for Mellon Bank in Pittsburgh, PA, from 1989 to 1993. Mr. Thomas worked for 12 years for Southern Peru Copper Corporation, 1977-87 and 1997-99, based in Peru, where he served as Mine Manager, Area Manager, Chief Engineer and Vice President of Operations. From 2000 to 2001, Mr. Thomas was Vice President Technical Services for PT Freeport Indonesia. From 2002 to 2004, he worked as the Managing Director of Volta Aluminum Company in Ghana, which was 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 2005 to 2014, Mr. Thomas worked on the team developing the Toromocho Copper Project in Peru, owned by Chinalco Mining Corporation International. As well as serving as an advisor and consultant to the company, he also held the position of Vice President, Operations and Executive Vice President and Chief Operating Officer. Mr. Thomas holds a BSc in Mining Engineering from the University of Utah, and an MSc in Mineral Resources Engineering from the University of Minnesota.

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation
 **Drago Kisic** **Lima, Peru**	**Director** since May 28, 2019	Mr. Kisic is a founding member and shareholder of Macro Group (Macroconsult, Macroinvest, Macrocapitales Safi, Macro Assets Management and Macro Wealth), President of the Board of Macrocapitales SAFI, Banco Pichincha Perú S.A., Bodega San Nicolás, Inmobiliarias Cerro Lindo SAC and Alto Las Viñas SAC. Currently, Mr. Kisic is a member of the boards of: Corporacion Rey, Haug S.A.; Clinica Médica Cayetano Heredia, Corporación Lindley, Promotora San Andres and Asociación de Bancos del Perú (ASBANC). From 1978 to 1981 he worked as Senior Economist for the Banco Central de Reserva del Perú and was Chairman of the Board of the Comisión Nacional Supervisora de Empresas y Valores (CONASEV) between 1981 and 1982. Between 1982 and 1985 he acted as Advisor to the Executive Director of the World Bank in Washington DC, USA. In 1998 he was a member of the Advisory Committee of the Peruvian Ministry of Foreign Affairs and President of the commission of border integration in the peace negotiations between Peru and Ecuador. Mr. Kisic was a director of Rio Alto Mining Limited (TSX) (between 2010 and 2015) and Tahoe Resources Limited (from August 2015 to February 2019). Mr. Kisic holds a B.S. from Pontificia Universidad Católica del Perú and a Master's degree (B-Phil) from Oxford University.

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 29,395,640 Common Shares or approximately 14.8% 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

The Audit Committee shall be composed of a minimum of three directors. The members shall be appointed annually by the Board, typically at the first meeting of the Board following the annual shareholder's meeting. Unless a Chair is appointed by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Pursuant to National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) the Company is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Charter

The text of the Company's Audit Committee Charter is set in Schedule "A" to this AIF.

Audit Committee Composition and Relevant Education and Experience

The members of Rio2's Audit Committee are:

1. Ram Ramachandran, Chair
2. Sidney Robinson
3. David Thomas

For a description of their education and experience relevant to serving as member of the Audit Committee please see "*Directors and Officers*" section of this AIF.

All members of the Audit Committee are independent.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 of NI 52-110 (Acquisition of Financial Literacy), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "A" under the heading "*Audit Committee Charter - Responsibilities and Duties - External Auditors*".

External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in respect of each of the financial year ending December 31, 2020, and 2019 for audit and other fees are as follows:

Financial Year Ending	Audit Fees(1)	Audited Related Fees(2)	Tax Fees	All Other Fees
2020	$72,760	Nil	Nil	Nil
2019	$52,000	Nil	Nil	Nil

Notes:

(1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.

(2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees."

PROMOTERS

Since January 1, 2020 no person or company has acted as a promoter of the Company.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property is or was during the last financial year subject, and there are no such proceedings known by the Company to be contemplated.

REGULATORY ACTIONS

There are no: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial

year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below, none of the directors or executive officers, or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's shares, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transactions in which the Company has participated within the three most recently completed financial years or in the current financial year prior to the date of this AIF, which has materially affected or is reasonably expected to materially affect the Company. Certain directors, executive officers, and/or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's shares have participated in financings of the Company and/or have been granted stock options of the Company and/or received consulting fees for services provided to the Company.

Atacama and Rio2 entered into an arrangement agreement dated May 14, 2018 (the "Arrangement Agreement"). Mr. Albrecht Schneider, currently a director of Rio2, was Atacama's Executive Chairman and largest shareholder, he managed Atacama's exploration activities in Chile and Atacama contracted with companies controlled by him through professional and administrative services agreements for geological, exploration, engineering and administration services and office space in Chile. Mr. Schneider received a payment of $687,500 as a result of the change in control of Atacama pursuant to the Arrangement.

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. See "Risk Factors – Potential Conflicts of Interest" and "Conflicts of Interest".

TRANSFER AGENTS AND REGISTRARS

The registrar and transfer agent for the common shares of the Company is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Company has not entered into any material contracts within the last financial year and up to the Effective Date, or before the last financial year but which are still in effect, and that are required to be filed under section 12.2 of NI 51-102 at the time this AIF is filed or would be required to be filed under section 12.2 of NI 51-102 at the time this AIF is filed but for the fact that such material contracts were previously filed.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Corporation's most recently completed financial year other than Mining Plus S.A.C, Raul Espinoza, Anthony Maycock, Mario Rossi, Denys Parra, Andres Beluzan and Enrique Garay, Senior Vice President, Geology of Rio2 Limited, and Grant Thornton LLP, the Company's external auditors.

As at the date of hereof, Mining Plus S.A.C, Raul Espinoza, Anthony Maycock, Mario Rossi, Denys Parra and Andres Beluzan did not beneficially own any Common Shares of the Company. Enrique Garay, beneficially owns, directly or indirectly, less than 1% of the outstanding Common Shares and 550,000 stock options.

Grant Thornton LLP have confirmed that they are independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com and on the Company's website at www.rio2.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

Schedule “A”

RIO2 LIMITED

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 a 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.