



**NOTICE OF ANNUAL GENERAL AND SPECIAL  
MEETING OF SHAREHOLDERS**

**to be held**

**at 2 p.m. (EST) on December 14, 2022**

**ONLINE AT:**

**<https://meetnow.global/MKKFVPU>**

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**MANAGEMENT INFORMATION CIRCULAR**

**Date: November 1, 2022**

**Rio2 Limited**

#1000 – 355 Burrard Street

Vancouver, BC V6C 2G8

**Telephone:** 1 (604) 762-4720

**Email:** [info@rio2.com](mailto:info@rio2.com)

**Website:** [www.rio2.com](http://www.rio2.com)

## **INFORMATION CIRCULAR**

Rio2 Limited (the “**Company**” or “**Rio2**”) is providing this management information circular (the “**Circular**”) to its shareholders as of the close of business on October 21, 2022, the “**Record Date**” for its 2022 Annual General and Special Meeting (the “**Meeting**”) of the Company to be held on December 14, 2022 at the time and for the purposes set forth in the accompanying Notice of Meeting and at any adjournments or postponements thereof.

Unless the context otherwise requires, references in this Information Circular to the Company are references to Rio2 Limited and its subsidiaries.

In this Information Circular references to “C\$” are to amounts in Canadian dollars and references to “\$” are to amounts in United States dollars.

This Information Circular and certain information referenced within it, is publicly available on the Company’s website at [www.rio2.com](http://www.rio2.com) and under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

## **PROXY INFORMATION**

### **SOLICITATION OF PROXIES**

The information contained in this Circular is furnished in connections with the solicitation of proxies to be used at the Meeting to be held on December 14, 2022 at 2:00 p.m. EST via live webcast at <https://meetnow.global/MKKFVPU> for the purposes set out in the accompanying Notice of the Meeting.

We will solicit proxies for the Meeting primarily by mail; however, directors, officers and employees of the Company may also solicit proxies by telephone, electronic transmission or in person in respect of the Meeting. The solicitation of proxies for the Meeting is being made by or on behalf of management of Rio2 Limited, and Rio2 will bear the cost in respect of the Meeting.

### **QUORUM AND APPROVAL**

A quorum of shareholders is present at a meeting of shareholders irrespective of the number of persons actually present at the meeting, if at least 15% of the shares entitled to vote at the meeting are present in person or represented by proxy, and at least two persons entitled to vote at the meeting are actually present at the meeting or represented by Proxy.

### **ATTENDING THE MEETING**

Shareholders and duly appointed proxyholders can attend the meeting online by going to <https://meetnow.global/MKKFVPU>.

You are a **registered** shareholder if your name appears on your share certificate or appears as the registered shareholder with our transfer agent.

You are a **non-registered (beneficial)** shareholder if your shares are registered in the name of a bank, trust company, securities broker, trustee or other financial institution or nominee on your behalf (your *nominee*).

Please be sure to follow the appropriate voting procedure.

- Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “**Shareholder**” and entering a Control Number or an Invitation Code before the start of the Meeting.
  - Registered Shareholders - The 15-digit control number is located on the form of proxy or in the email notification you received.
  - Duly appointed proxyholders – Computershare will provide the proxyholder with an Invitation Code after the voting deadline has passed.
- Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-Registered Shareholders who have not appointed themselves may attend the meeting by clicking “**Guest**” and completing the online form.

**IT IS IMPORTANT THAT YOU ARE CONNECTED TO THE INTERNET AT ALL TIMES DURING THE MEETING IN ORDER TO VOTE WHEN BALLOTING COMMENCES.**

**IN ORDER TO PARTICIPATE ONLINE, SHAREHOLDERS MUST HAVE A VALID 15-DIGIT CONTROL NUMBER AND PROXYHOLDERS MUST HAVE RECEIVED AN EMAIL FROM COMPUTERSHARE CONTAINING AN INVITATION CODE**

## **PARTICIPATING AT THE MEETING**

The meeting will be hosted online by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the Online Meeting is provided below. The Meeting will begin at 2 p.m. EST on December 14, 2022.

- Registered Shareholders (as defined in this Circular under the heading “ATTENDING THE MEETING”) that have a 15-digit control number, along with duly appointed proxyholders who were assigned an Invitation Code by Computershare Trust Company of Canada / Computershare Investor Services Inc. (“Computershare”) (see details under the heading “Appointment of Proxies”), will be able to vote and submit questions during the meeting. To do so, please go to <https://meetnow.global/MKKFVPU> prior to the start of the meeting to login. Click on “Shareholder” and enter your 15-digit control number or click on “Invitation Code” and enter your Invitation Code. Non-Registered Shareholders (as defined in this Circular under the heading “Non-Registered Shareholders”) who have not appointed themselves to vote at the Meeting, may login as a guest, by clicking on “Guest” and complete the online form.
- United States Beneficial Holders: To attend and vote at the virtual Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to

request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare.

Requests for registration should be directed to:

Computershare  
100 University Avenue  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2Y1  
OR  
Email: [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com)

Requests for registration must be labeled as “Legal Proxy” and be received no later than December 12, 2022, 2022 by 5 p.m. EST. You will receive a confirmation of your registration by email after we receive your registration materials. You may attend the Meeting and vote your shares at <https://meetnow.global/MKKFVPU> during the Meeting. Please note that you are required to register your appointment at <http://www.computershare.com/Rio2>.

- Non-Registered Shareholders who do not have a 15-digit control number or Invitation Code will only be able to attend as a guest which allows them listen to the meeting however will not be able to vote or submit questions. Please see the information under the heading “Non-Registered Shareholders” for an explanation of why certain shareholders may not receive a form of proxy.
- If you are using a 15-digit control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.
- If you are eligible to vote at the meeting, it is important that you are connected to the internet at all times during the meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the meeting.

## VOTING AT THE MEETING

A registered shareholder of **Common Shares**, or a Non-Registered Shareholder who has appointed themselves or a third party proxyholder to represent them at the meeting, will appear on a list of shareholders prepared by Computershare, the transfer agent and registrar for the meeting. To have their Shares/Units voted at the meeting, each Registered Shareholder or proxyholder will be required to enter their control number or Invitation Code provided by Computershare at <https://meetnow.global/MKKFVPU> prior to the start of the meeting. In order to vote, Non-Registered Shareholders who appoint themselves as a proxyholder **MUST** register with Computershare at <http://www.computershare.com/Rio2> after submitting their voting instruction form in order to receive an Invitation Code (please see the information under the headings “Appointment of Proxies” below for details).

## APPOINTMENT OF PROXIES

A shareholder has the right to appoint a person (a “third party proxyholder”, who need not be a shareholder) to represent such shareholder at the meeting other than the management designees identified in the proxy (or voting instruction form), including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the online meeting must submit their proxy or voting instruction form (if applicable) prior to registering your proxyholder. Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the

**proxyholder will result in the proxyholder not receiving a username to participate in the meeting.** To register a proxyholder, shareholders MUST visit <https://www.computershare.com/Rio2> by and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with an Invitation Code via email.

Each shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the form of proxy accompanying this Circular. All Common Shares represented at the meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. In the absence of any such specification as to voting on the proxy, the management designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein. A proxy can be submitted to Computershare either in person, or by mail or courier, to 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com). The proxy must be deposited with Computershare by no later than 5 p.m. EST on December 12, 2022, or if the meeting is adjourned or postponed, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, before the commencement of such adjourned or postponed meeting. If a shareholder who has submitted a proxy attends the meeting via the webcast and has accepted the terms and conditions when entering the meeting online, any votes cast by such shareholder on a ballot will be counted and the submitted proxy will be disregarded.

**WITHOUT AN INVITATION CODE, PROXYHOLDERS WILL NOT BE ABLE TO VOTE AT THE MEETING**

## RECEIVING DOCUMENTS

In February 2013, the Canadian Securities Administrators implemented regulatory amendments to securities laws, including National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”), governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to deliver proxy-related materials to their shareholders using the “notice-and-access” mechanism (as defined under NI 54-101, and sometimes referred to herein as the “**notice-and-access provisions**”) by posting such materials both on SEDAR and a non-SEDAR website, rather than delivering the materials by mail. The use of the notice-and-access reduces paper waste and mailing costs to the Company. In order for the Company to employ notice-and-access, the Company must send a notice to shareholders indicating that the proxy-related materials have been posted electronically and explaining how a shareholder can access them or obtain from the Company a paper copy of those materials. The required elements of such notice have been built into the accompanying Notice of Meeting.

The Company is sending this Information Circular to non-registered (beneficial) shareholders using notice-and-access as permitted by NI 54-101 and NI 51-102. The Meeting materials, including this Information Circular, are available on under the Company's profile on SEDAR and on the Company's website at <https://www.rio2.com/investors> and will remain on the website for at least one full year from the date that the Meeting materials are posted on SEDAR.

To obtain additional information about notice-and-access provisions, shareholders may contact the Company's transfer agent, Computershare, at [www.computershare.com/noticeandaccess](http://www.computershare.com/noticeandaccess) or 1-855-805-1250 (toll-free).

The Company will not use procedures known as “stratification” in relation to its use of the notice-and-access provisions in relation to the Meeting. Stratification occurs when a reporting issuer using notice-and-access provides a paper copy of the relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting. In relation to the Meeting, registered shareholders will receive a paper copy of each of the Notice of the Meeting and a form of proxy, whereas Non-Registered shareholders will receive a paper copy of the Notice of the Meeting and a Voting Instruction Form (VIF).

To obtain a printed paper copy of the Information Circular prior to the date of the Meeting please call 1 (604) 762-4720. The Company will, upon request, mail a paper copy of the Information Circular at no cost within three business days following receipt of such request. The Company will, upon request, mail a paper copy of the Information Circular at no cost within ten calendar days following receipt of such request, if received after the Meeting.

## **CHANGING YOUR VOTE**

In addition to revocation in any other manner permitted by law, a registered shareholder, his or her attorney authorized in writing or, if the shareholder is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. Only registered shareholders have the right to revoke a proxy. Non-Registered shareholders who wish to change their vote should contact their respective Nominees well in advance of the Meeting to revoke the proxy on their behalf.

**If, as a registered shareholder, you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you do NOT wish to revoke a previously submitted proxy, do not accept the terms and conditions, and you will be able to participate in the Meeting as a guest only.**

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital of the Company consists of an unlimited number of common shares (the “Common Shares”) without par value. As at the date of this Information Circular there are **257,510,649** Common Shares issued and outstanding. The Company has only one class of shares.

Persons who are registered shareholders at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each Common Share held. To the knowledge of the Directors and executive officers of the Company, no person beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Company, except the following:

<b>Name</b>	<b>No. of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup></b>	<b>Percentage of Outstanding Shares</b>
2176423 Ontario (Eric Sprott) <sup>(1)</sup>	25,933,371	10.20%

<sup>(1)</sup> As reported on an Early Warning Report filed on Sedar on August 13, 2019 and further updated on August 15, 2022.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Board, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

### **1. RECEIVE THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED DECEMBER 31, 2021**

Rio2’s Audited Consolidated Financial Statements for the year ended December 31, 2021 and the auditor’s report, are available on our website ([www.rio2.com](http://www.rio2.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

## 2. FIX THE NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

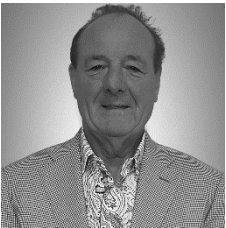
At the Meeting, it will be proposed that six directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed.

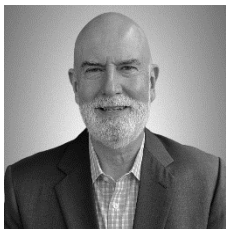
**UNLESS OTHERWISE DIRECTED, IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR FIXING THE NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING AT SIX (6)**



## 3. ELECTION OF DIRECTORS

The Board has nominated six directors for re-election at the Meeting. Each nominee is well-qualified to serve on the Board and has expressed willingness to do so.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Company presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

Name and Municipality of Residence	Position(s) Held and Period of Service	Principal Occupation	Number and Percentage of Common Shares Held or Controlled as at the Effective Date <sup>(1)(2)</sup>
	Chairman of the Rio2 Board since April 24, 2017  Independent Director of Rio2 since November 23, 2016	<p>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.</p> <p>Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4.0 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986 founded and was a director and the first CEO of 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</p>	1,927,002 <sup>(1)</sup> 0.74% <sup>(2)</sup>
<b>Klaus Zeitler</b> <sup>(5) (8)</sup> West Vancouver, British Columbia, Canada			

		<p>responsibilities for the exploration and development of mines in Peru, Mexico and the USA.</p> <p>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.</p>	
	<p>CEO, President and Non-Independent Director of Rio2 since November 23, 2016</p>	<p>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 &amp; Executive VP of Chariot Resources in 2006, Mr. Black founded the Peruvian registered Rio Alto S.A.C.</p> <p>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 &amp; 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.</p>	<p>15,687,221 <sup>(1)</sup> 6.09%<sup>(2)</sup></p>
<p><b>Alex Black</b> <sup>(7)</sup> Lima, Peru</p>			
	<p>Non- Independent Director of Rio2 since July 16, 2018 (Previously a director and officer of Atacama Pacific Gold Corporation)</p>	<p>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.</p> <p>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.</p> <p>Mr. Schneider received a Ph.D. (Geology) from Imperial College, University of London in 1985.</p>	<p>11,255,734 <sup>(1)</sup> 4.37%<sup>(2)</sup></p>
<p><b>Albrecht Schneider</b> Santiago, Chile</p>			
	<p>Independent Director of Rio2 since April 21, 2017</p>	<p>Mr. Robinson 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, Amerigo Resources Ltd, and of Inmet Mining Corporation. He has also served on the Board of Directors of several private corporations, is a founding partner of Butterfield &amp; Robinson Inc., and was the</p>	<p>133,340<sup>(1)</sup> 0.05%<sup>(2)</sup></p>

<b>Sidney Robinson</b> <sup>(3)</sup> Ontario, Canada		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.	
	Independent 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).	66,670 <sup>(1)</sup> 0.02% <sup>(2)</sup>
<b>Ram Ramachandran</b> <sup>(4)(6)(7)</sup> Aurora, Ontario, Canada			
	Independent Director since May 28, 2019	Mr. Kistic 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. Kistic 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 Peru 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. Kistic was a director of Rio Alto Mining Limited (TSX) (between 2010 and 2015) and Tahoe Resources Limited (from August 2015 to February 2019).	85,838 <sup>(1)</sup> 0.03% <sup>(2)</sup>
<b>Drago Kistic</b> Lima, Peru <sup>(3)(6)</sup>		Mr. Kistic holds a B.S. from Pontificia Universidad Católica del Perú and a Master's degree (B-Phil) from Oxford University.	

#### Notes:

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this Circular, based upon information furnished to the Corporation by the above individuals
- (2) Assumes a total of 257,510,649 Common Shares issued and outstanding as at the date of this Circular
- (3) Member of the Audit Committee
- (4) Chairman of the Audit Committee
- (5) Chairman of the Corporate Governance & Compensation Committee
- (6) Member of the Corporate Governance & Compensation Committee
- (7) Member of the Health Safety and Community Committee
- (8) Chairman of the Health Safety and Community Committee

**UNLESS OTHERWISE DIRECTED, IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF THE PERSONS NAMED IN THE TABLE ABOVE TO THE BOARD**

Management does not contemplate that any of the nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the Ontario Business Corporations Act ("OBCA").

#### **Cease Trade Orders or Bankruptcies**

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that:

- (a) was the subject of: (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 proposed director was acting in the capacity as director or executive officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director or executive officer.

No proposed director, within 10 years before the date of the Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

#### *Personal Bankruptcies*

No proposed director has within 10 years before the date of the Circular, 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.

#### *Penalties and Sanctions*

No proposed director has been subject to:

- (a) 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
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **4. APPOINTMENT OF INDEPENDENT AUDITOR**

The Board of Directors, on recommendation of the Audit Committee, is recommending that Grant Thornton LLP be appointed as the independent auditor to serve for the ensuing year. Grant Thornton LLP was first appointed as the auditor of Rio2 on April 21, 2017. Shareholders will also be asked to authorize the Board to set the auditor's pay for the ensuing year.

**UNLESS OTHERWISE DIRECTED, IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPOINTMENT OF GRANT THORNTON LLP, CHARTERED ACCOUNTANTS, OF VANCOUVER, BRITISH COLUMBIA, AS AUDITOR OF THE CORPORATION FOR THE ENSUING YEAR**

## 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, 2019, 2020, and 2021 for audit and other fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audited Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees
2021	\$53,400	\$32,300	Nil	Nil
2020	\$54,300	Nil	Nil	Nil
2019	\$39,200	Nil	Nil	Nil

<sup>(1)</sup> "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.

<sup>(2)</sup> "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." For fiscal year ended December 31, 2021, Audit-Related Fees include fees paid to the Company's auditor in respect of a review of the Q1 financial statements in connection to the Company's short term prospectus released on August 4, 2021 and fees paid in relation to the review of the Precious Metals Purchase Agreement ("PMPA").

## 5. RE-APPROVAL OF ROLLING STOCK OPTION PLAN

Under the policies of the Exchange, a "rolling" stock option plan must be re-approved on a yearly basis by shareholders. Accordingly, the shareholders will be asked to pass an ordinary resolution approving the company's rolling stock option plan (the "Option Plan"), which was first approved by shareholders on July 16, 2018. Please see the ***Stock Options and Other Compensation Securities*** section appearing on page 7 of this document for more details. A copy of the full text of the Option Plan is available upon request to the Company.

### *Text of Ordinary Resolution to Approve the Plan*

**Management of the Company believes the re-approval of the Option Plan as described above is in the best interests of the Company and recommends that shareholders vote in favour of the ordinary resolution re-approving the Plan.**

The shareholders at the Meeting will be asked to pass an ordinary resolution re-approving the Option Plan. All shareholders present at the Meeting, whether in person or by proxy, will be entitled to vote on the following resolution:

**"BE IT RESOLVED THAT the Company's Stock Option Plan dated July 16, 2018, be and is hereby ratified, confirmed and approved with such additional provisions and amendments of a clerical or non-material nature, provided that such are not inconsistent with the Policies of the TSX Venture Exchange, as the directors of the Company may deem necessary or advisable."**

**IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING OR IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. UNLESS SUCH AUTHORITY IS WITHHELD, THE PERSONS NAMED IN THE ENCLOSED PROXY INTEND TO VOTE FOR THE RE-APPROVAL OF THE PLAN**

## **STATEMENT OF EXECUTIVE COMPENSATION**

**For the Fiscal Year Ended December 31, 2021**

### **GENERAL**

The following information, first provided on May 19, 2022, has been updated as at the date of this Information Circular and is provided as required under Form 51-102F6 (the “**Form**”), as such term is set out in National Instrument 51-102 *Continuous Disclosure Obligations*. Except as otherwise indicated, all dollar amounts in this Form are expressed in US dollars and references to \$ are US dollars.

For the purpose of this Statement of Executive Compensation:

“**CEO**” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**CFO**” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- a. a CEO;
- b. a CFO;
- c. each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6), for that financial year; and
- d. each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Based on the foregoing definition of NEO, during the last completed fiscal year of the Company, Rio2 had five NEOs:

- Alexander Black, President and Chief Executive Officer;
- Kathryn Johnson, Executive Vice President - Chief Financial Officer and Corporate Secretary;
- Jose Luis Martinez, Executive Vice President - Chief Strategy Officer;
- Andrew Cox, Executive Vice President - Chief Operating Officer; and
- Ian Dreyer, Senior Vice President - Technical Services.

### **DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION DISCUSSION & ANALYSIS**

#### **Corporate Governance and Compensation Committee**

In respect of compensation matters, the Corporate Governance, and Compensation Committee of the Board (the “**CGC Committee**”) has the following responsibilities:

- reviewing and approving the corporate and individual goals and objectives relevant to senior management’s compensation, evaluating performance, and setting compensation levels based upon this evaluation;

- reviewing the recommendations of the CEO with respect to compensation of other management members, and for fixing their compensation, including annual bonuses and the granting of stock options under the Company's stock option plan;
- reviewing executive compensation disclosure before the Company publicly discloses this information; and
- reviewing compensation policies and proposals with reference to industry sectors and markets in which the Company operates.

The CGC Committee members are independent directors Klaus Zeitler (Chairman), Ram Ramachandran, David Thomas (until November 1, 2021) and Drago Kistic (from November 1, 2021). Meetings of the Committee are documented in the form of meeting minutes. In establishing policies covering compensation, including annual bonuses and stock option grants, the CGC Committee takes into consideration the recommendations of the CEO, advice of independent consultants, when retained, and industry standards. The majority of the members of the CGC Committee have direct experience which is relevant to their responsibilities in executive compensation as they have been previously, and are currently, involved with compensation matters at other companies, both public and private, which they are directors. Each of the CGC Committee members have developed appropriate skills and experience, including management experience in human resources or executive compensation gained from their former business dealings as executive officers or directors of private or public entities in similar industries to that in which the Company operates, in order to make decisions on the suitability of the Company's compensation policies and practices.

Skills and experience that enable the CGC Committee to make decisions on the suitability of the Company's compensation policies and practise include:

*Klaus Zeitler:*

Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association.

Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4 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 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.

*Ram Ramachandran:*

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).

*David Thomas:*

Mr. Thomas had 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 held a BSc in Mining Engineering from the University of Utah, and an MSc in Mineral Resources Engineering from the University of Minnesota.

Mr. Thomas passed away unexpectedly at his home in Park City, Utah on Monday, November 1, 2021. Mr. Drago Kistic was appointed to the Audit and Compensation and Governance Committees on the same date.

#### *Drago Kistic:*

Drago Kistic is a founding member and shareholder of Macro Group (Macroconsult, Macroinvest, Macrocapitales Safi, Macro Assets Management and Macro Wealth) in Peru. From 1975 to 1981 he worked as Senior Economist for the Banco Central de Reserva del Peru 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 but 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. Drago Kistic Wagner holds a B.S. from Pontificia Universidad Católica del Perú and a Master's degree (B-Phil) from Oxford University.

### **Objectives of Compensation Policy**

The Company's process for determining executive compensation, which is designed to attract and retain highly qualified individuals, relies on recommendations from the CGC Committee for approval by the Company's board of directors (the "**Board**").

The CGC Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

In June 2018, the Company retained the services of an independent consulting firm, Lane Caputo Compensation Inc. ("**Lane Caputo**") to undertake a full review of the Company's compensation program for its executive officers and directors. Lane Caputo has not provided any services to the Company or its subsidiaries, or to any of its directors or members of management, other than the services discussed in this section. No fees were paid to Lane Caputo or any other compensation consultant during the years ended December 31, 2020 and December 31, 2021.

Lane Caputo provided information and advice in respect of executive compensation for the Company based on industry comparable companies and other relevant factors. A peer group of mining companies was developed against which Lane Caputo benchmarked the competitiveness of Rio2's senior executive and Board compensation practices. The 17 companies in the peer group developed for this review at that time were Almaden Minerals Ltd., Equinox Gold Corp., Sabina Gold & Silver Corp., Aquila Resources Inc., Harte Gold Corp., Victoria Gold Corp., Barkerville Gold Mines Ltd., INV Metals Inc., Vista Gold Corp., Bear Creek Mining Corp, Orezone Gold Corp., West African Resources Ltd., Belo Sun Mining Corp., Orla Mining Ltd., Western Copper and Gold Corp., Dalradian Resources Inc., and Pershing Gold Corp.

After reviewing Lane Caputo's final report and recommendation and the Company's past and existing compensation programs and levels for executives in comparison to the practices of a peer group of companies and practices in the current market, and after taking into consideration the Company's history and various potential risks associated with different compensation programs, the CGC Committee made its recommendations to the Board of Directors for approval in August 2018. The Board of Directors approved the recommendations and the new compensation program took effect, there have

been no further changes to the Company's compensation programs after 2018. Please see the **Employment, Consulting and Management Agreements** section of this form for more details about NEO's employment agreements.

In evaluating the performance of the Company's executives for the possible award of bonuses or long term incentive compensation, the Compensation Committee reviews the achievement of project specific goals included in the Company's plans such as: identifying mineral prospects; executing successful drill programs; advancing or completing scoping, prefeasibility or feasibility studies; building and maintaining social licence through community relationships and initiatives; acquiring necessary permits; and successfully advancing projects and/or initiatives that accomplish the Company's goals. In addition, the Committee considers management's performance in unplanned situations and their ability to manage projects through complex political and social situations. Finally, corporate objectives such as successful capital raising (if applicable), peer benchmarking (as further discussed below) and market performance are considered. The Company's compensation of executives may consist of any or all of a base salary, cash bonuses and long-term incentive compensation.

### **Elements of Compensation**

The Company's executive compensation policy consists of base salaries, bonuses, and long-term incentives granted through a Stock Option Plan and a Share Incentive Plan. An executive's initial base salary is recommended by the CGC Committee, based on the committee members' knowledge of typical mining industry salary levels commensurate with the executive's level of experience and skill set. The Company's executives are eligible for cash bonuses, as provided in their employment agreements. In its annual management compensation review, the CGC Committee may consider, and recommend the Board approve, the payment of a cash bonus to one or more executives to reward the achievement of performance goals or successful execution of the Company's corporate strategy.

The CGC Committee also annually considers grants under the Company's Stock Option Plan and Share Incentive Plan based on the achievement of performance goals or successful execution of the Company's corporate strategy. When considering and recommending future compensation to the Board for approval, the CGC Committee's review is focused on the individual executive salaries, performance-based bonus opportunity, and security-based award grants (including consideration of previous grants), with a review of the aggregate level of salary, performance based bonus, and security-based award grants for the balance of the staff.

The stock option plan was last approved by shareholders on September 21, 2021.

### **Compensation Policies and Risk Management**

Through the CGC Committee, the Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. The CGC Committee conducts an annual review of the risks, if any, associated with the Company's compensation policies and practices. Executive compensation is comprised of short-term compensation in the form of a base salary and long-term ownership through the Company's Stock Option Plan and Share Incentive Plan. This structure ensures that a significant portion of executive compensation (stock options and restricted share units) are both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited. Furthermore, the short-term component of executive compensation (base salary) represents a relatively small part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions. Due to the small size of the Company and its current level of activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with Rio2's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

## Hedging of Economic Risks in the Company's Securities

The Company has not adopted a policy prohibiting Directors or Officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or Officers. However, the Company is not aware of any Directors or Officers having entered into this type of transaction.

## NAMED EXECUTIVE OFFICER COMPENSATION

The following table (presented in accordance with National Instrument Form 51-102F6 - Statement of Executive Compensation ("Form 51-102F6")) sets forth all annual and long term compensation for services in all capacities to the Company and its subsidiaries for the last three most recently completed financial years of the Company in respect of each Named Executive Officer ("NEO").

**NEO Summary Compensation Table**

Name and principal position	Year <sup>(1)</sup>	Salary (\$) <sup>(2)</sup>	Share based awards (\$) <sup>(2)(3)</sup>	Option based awards (\$) <sup>(2) (4)</sup>	Non-equity Incentive plan compensation (\$)		All Other compensation (\$)		Total compensation (\$)
					Annual Incentive plans <sup>(5)</sup>	Long term incentive plans	Annual Fees	Other	
Alexander Black, CEO, President & Director <sup>(6)</sup>	2021	300,000	Nil	Nil	200,000	N/A	Nil	26,463	526,463
	2020	300,000	Nil	Nil	200,000	N/A	Nil	706	500,706
	2019	300,000	58,784	169,830	Nil	N/A	Nil	Nil	528,614
Kathryn Johnson, EVP, CFO & Corporate Secretary	2021	250,000	Nil	129,136	125,000	N/A	Nil	12,090	516,226
	2020	197,500	69,325	80,716	50,000	N/A	Nil	1,612	399,153
	2019	180,000	Nil	101,898	Nil	N/A	Nil	Nil	281,898
Jose Luis Martinez, EVP, CSO	2021	250,000	Nil	129,136	125,000	N/A	Nil	13,058	517,194
	2020	250,000	103,988	121,073	50,000	N/A	Nil	1,387	526,448
	2019	250,000	Nil	509,492	150,000	N/A	Nil	Nil	909,492
Andrew Cox, EVP & COO <sup>(7)</sup>	2021	280,000	Nil	129,136	140,000	N/A	Nil	50,920	600,056
	2020	272,000	103,988	121,073	50,000	N/A	Nil	640	547,701
	2019	264,000	Nil	67,932	Nil	N/A	Nil	Nil	331,932
Ian Dreyer, SVP Technical Services	2021	222,000	Nil	64,568	110,000	N/A	Nil	16,121	412,689
	2020	222,000	Nil	60,537	Nil	N/A	Nil	523	283,060
	2019	222,000	Nil	67,932	Nil	N/A	Nil	Nil	289,932

(1) Fiscal Year ending December 31, 2021.

(2) All compensation amounts awarded, earned, paid, or payable are reflected in US Dollars, which is the functional/reporting currency of the Company. Amounts denominated in C\$ have been converted into US\$ for reporting purposes at an average exchange rate. For the financial

year ended December 31, 2021 the average exchange rate was C\$1.2535/US\$1.00. For the financial years ended December 31, 2020 and 2019 the average exchange rate was C\$1.3415/US\$1.00 and C\$1.3269/US\$1.00, respectively. The exchange rate was acquired from the Bank of Canada.

- (3) Value of Restricted Share Units granted during the year. Value is calculated based on the closing value of Rio2 share value on the TSX-V on the date of issuance.
- (4) Value of Stock Options granted during the year. Value is calculated for options granted during the year using the Black Scholes Option Pricing Model and the following assumptions: expected dividend yield (0%), expected stock price volatility (157%), risk-free interest rate (0.36%) and expected life of options (5 years). The Company selected the Black Scholes model given its prevalence of use within North America.
- (5) Bonuses earned during the financial year.
- (6) Mr. Black did not receive any additional compensation for serving as a director of the Company.
- (7) Mr. Cox was appointed Executive Vice President - Chief Operating Officer on July 8, 2020.

## **Employment, Consulting and Management Agreements**

As at December 31, 2021, the Company had employment agreements with Ms. Johnson, Messrs. Black, Cox, and Dreyer, and a Consulting Services Agreement with IBLATAM, a company controlled by Mr. Jose Luis Martinez, that included compensation in the form of salary, bonuses, and share awards as well as the payment of benefits in the event of termination of employment or change of control of the Company.

### *Alex Black, President & CEO*

The Company entered into an employment agreement with Mr. Black on August 31, 2018 with an effective date of September 1, 2018. The agreement has an indefinite term, provides for an annual salary of US\$300,000 and entitles Mr. Black to participate in the Company's option and share incentive plans and group health insurance plan. Mr. Black may terminate his employment agreement with thirty (30) days' written notice to the Company. The Company may terminate his agreement for cause at any time with no further obligations to Mr. Black.

On August 31, 2022, Mr. Black agreed to a 50% reduction of his US\$300,000 salary for a period of 12 months.

### *Kathryn Johnson, EVP - CFO & Corporate Secretary*

The Company entered into an employment agreement with Ms. Johnson on September 19, 2018 with an effective date of August 1, 2018. The agreement had an indefinite term, provided for an annual salary of \$180,000 and entitled Ms. Johnson to participate in the Company's option and share incentive plans and group health insurance plan. On October 1, 2020, Ms. Johnson's salary was increased to \$250,000 all other terms of her employment agreement remain unchanged. Ms. Johnson may terminate her employment agreement with thirty (30) days' written notice to the Company. The Company may terminate her agreement for cause at any time with no further obligations to Ms. Johnson.

### *Jose Luis Martinez, EVP - Chief Strategy Officer*

The Company entered into an employment agreement with Mr. Martinez on September 19, 2018, with an effective date of August 1, 2018. The agreement had an indefinite term, provided for an annual salary of \$250,000, and entitled Mr. Martinez to participate in the Company's option and share incentive plans and group health insurance plan. On January 1, 2022, Mr. Martinez terminated his employment agreement with Rio2; on the same date IBLATAM Inc., a company of which Jose Luis Martinez is the principal, entered into a Consulting Services Agreement with Rio2. This agreement provides for a monthly consultancy fee of \$22,833.34 (plus any applicable taxes). Additionally, Mr. Martinez (the "Consultant") will be eligible to receive an incentive fee on such terms and in such amount as may be determined by Rio2 in its sole and absolute discretion from time to time and to participate in Rio2's Stock Option Plan and Share Incentive Plan. Mr. Martinez may terminate his consulting agreement with thirty (30) days' written notice to the Company and Rio2 may terminate the consulting agreement without good reason upon providing the Consultant with thirty (30) days advance written notice.

### *Andrew Cox, EVP - Chief Operating Officer*

Rio2 SAC, a wholly-owned subsidiary of Rio2 Limited, entered into an employment agreement with Mr. Cox on August 1, 2018 by which Mr. Cox would be Senior Vice President - Operations. The agreement had an indefinite term, provides for an annual salary of \$264,000 and entitled Mr. Cox to participate in the Company's option and share incentive plans and group

health insurance plan. The agreement was amended on July 7, 2020 to reflect Mr. Cox's appointment as Executive Vice President - Chief Operating Officer. The amended agreement provides for an annual salary of \$280,000; all other terms remain unchanged. The Company may terminate his agreement for cause at any time with no further obligations to Mr. Cox.

*Ian Dreyer, SVP - Technical Services*

Rio2 SAC, a wholly-owned subsidiary of Rio2 Limited, entered into an employment agreement with Mr. Dreyer on September 1, 2018 by which Mr. Dreyer would be Senior Vice President - Technical Services. The agreement has an indefinite term, provides for an annual salary of U\$222,000 and entitles Mr. Dreyer to participate in the Company's option and share incentive plans and group health insurance plan.

The Company terminated Mr. Dreyer's employment agreement on August 31, 2022.

**Termination and Change of Control Benefits**

On August 1, 2018, the Company entered into employment agreements with Kathryn Johnson, Andrew Cox, and Ian Dreyer; on September 1, 2018, with Alex Black; and on January 1, 2022, with IBLATAM (a company controlled by Jose Luis Martinez).

*Alex Black*

If the Company terminates his employment agreement without cause, Mr. Black will be entitled to all unpaid base salary, accrued vacation, and any accrued but unpaid incentive bonuses. Additionally, he will receive a retiring allowance equal to the sum of two years of base salary; plus, if an annual incentive bonus target amount has been set by the Board, an amount equal to the Executive's annual incentive bonus target amount in effect on the termination date multiplied by two, provided if no annual incentive bonus target has been set by the Corporation, then an amount equal to the average of incentive bonuses awarded for the previous two years multiplied by two. He will also be entitled to continue in the Company's group health insurance plan for two years from termination date. If within twelve months of a change of control Mr. Black is terminated by the Company, he will be entitled to a retiring allowance equal to 24 months of base salary plus an amount equal to two times the annual incentive bonus (if such bonus target amount has been set by the Board), and the immediate vesting of all unvested securities granted to him under the Share Incentive and Stock Option Plans.

On July 20, 2022, the Company and Mr. Black agreed to an amendment of his employment agreement which reduced his termination without cause entitlements to all base salary earned, but not yet paid, as well as all vacation pay accrued up to the end of the applicable period of notice required under applicable employment standards legislation; any accrued but unpaid incentive bonuses, six months' base salary, plus two months of base salary per year worked, and coverage under the Company's health insurance plan for a period equivalent to the number of months' base salary paid.

*Kathryn Johnson*

If the Company terminates her employment agreement without cause, Ms. Johnson will be entitled to all unpaid base salary, accrued vacation, and any accrued but unpaid incentive bonuses. Additionally, she will be entitled to a retiring allowance equal to the sum of two years of base salary; plus, if an annual incentive bonus target amount has been set by the Board, an amount equal to the Executive's annual incentive bonus target amount in effect on the termination date multiplied by two, provided if no annual incentive bonus target has been set by the Corporation, then an amount equal to the average of incentive bonuses awarded for the previous two years multiplied by two. If there is a change of control, or within twelve months of a change of control, Ms. Johnson is terminated by the Company, she will be entitled to a retiring allowance equal to 24 months of base salary, plus an amount equal to two times her annual target incentive bonus (if such bonus target amount has been set by the Board), plus the immediate vesting of all unvested securities granted to her under the Share Incentive and Stock Option Plans.

On July 22, 2022, the Company and Ms. Johnson agreed to an amendment of her employment agreement which reduced her termination without cause entitlements to all base salary earned, but not yet paid, as well as all vacation pay accrued up to the end of the applicable period of notice required under applicable employment standards legislation; plus any accrued but unpaid Incentive Bonuses; plus a retiring allowance equal to sum of 6 months of Base Salary plus 2 months of

Base Salary for every complete year of employment, and, if applicable, an amount equal to Ms. Johnson's Incentive Bonus annual target amount in effect on the termination date multiplied by the fraction the numerator of which is the number of months of base salary retiring allowance to be paid to her.

*Jose Luis Martinez*

If the Company terminates his consulting agreement without good reason, Mr. Martinez will be entitled to the monthly consultancy fee; any accrued or unpaid incentive fee; two years of consultancy fees; and, if an annual incentive fee target has been set by the Company, an amount equal to that annual incentive fee target multiplied by two, provided if no annual incentive fee target has been set by Rio2, an amount equal to the average of incentive fees awarded (or, as applicable, the annual bonus awarded to Mr. Martinez as an employee of Rio2 for the years of 2020 and 2021) for the previous two years multiplied by two. If there is a change of control, or within six (6) months of the change of control, Mr. Martinez will be entitled to be provided with payment of the accrued monthly consultancy fees, any accrued and unpaid incentive fee, two years of consultancy fees, and, if an annual incentive fee target has been set by Rio2 for the Consultant as of the date of such termination, an amount equal to that annual incentive fee target multiplied by two, provided if no annual incentive fee target has been set by Rio2, an amount equal to the average of incentive fees awarded (or, as applicable, the annual bonus awarded to Mr. Martinez as an employee of Rio2 for the years of 2020 and 2021) for the previous two years multiplied by two; and the immediate vesting of any unvested securities under the Option Plan, the Share Incentive Plan or any Other Plans which had been granted to the Consultant prior to the change in control.

*Andrew Cox*

If the Company terminates his employment agreement without cause, Mr. Cox will be entitled to all unpaid base salary, accrued vacation, and any accrued but unpaid incentive bonuses. Additionally, he will be entitled to a retiring allowance equal to the sum of two years of base salary; plus, if an annual incentive bonus target amount has been set by the Board, an amount equal to the Executive's annual incentive bonus target amount in effect on the termination date multiplied by two, provided if no annual incentive bonus target has been set by the Corporation, then an amount equal to the average of incentive bonuses awarded for the previous two years multiplied by two. If there is a change of control or within twelve months of a change of control Mr. Cox is terminated by the Company, he will be entitled to a retiring allowance equal to 24 months of base salary, plus an amount equal to two times his annual target incentive bonus (if such bonus target amount has been set by the Board), plus the immediate vesting of all unvested securities granted to him under the Share Incentive and Stock Option Plans.

On July 20, 2022, the Company and Mr. Black agreed to an amendment of his employment agreement which reduced his termination without cause entitlements to all base salary earned, but not yet paid, as well as all vacation pay accrued up to the end of the applicable period of notice required under applicable employment standards legislation; any accrued but unpaid incentive bonuses, six months' base salary, plus two months of base salary per year worked, and coverage under the Company's health insurance plan for a period equivalent to the number of months' base salary paid.

*Ian Dreyer*

If the Company terminates his employment agreement without cause, Mr. Dreyer will be entitled to all unpaid base salary, accrued vacation, and any accrued but unpaid incentive bonuses. Additionally, he will be entitled to a retiring allowance equal to the sum of two years of base salary; plus, if an annual incentive bonus target amount has been set by the Board, an amount equal to the Executive's annual incentive bonus target amount in effect on the termination date multiplied by two, provided if no annual incentive bonus target has been set by the Corporation, then an amount equal to the average of incentive bonuses awarded for the previous two years multiplied by two. If within twelve months of a change of control Mr. Dreyer is terminated by the Company, he will be entitled to a retiring allowance equal to 24 months of base salary, plus an amount equal to two times his annual target incentive bonus (if such bonus target amount has been set by the Board), plus the immediate vesting of all unvested securities granted to him under the Share Incentive and Stock Option Plans.

On July 20, 2022, the Company and Mr. Black agreed to an amendment of his employment agreement which reduced his termination without cause entitlements to all base salary earned, but not yet paid, as well as all vacation pay accrued up to the end of the applicable period of notice required under applicable employment standards legislation; any accrued but

unpaid incentive bonuses, six months' base salary, plus two months of base salary per year worked, and coverage under the Company's health insurance plan for a period equivalent to the number of months' base salary paid.

The Company terminated Mr. Dreyer's employment agreement on August 31, 2022.

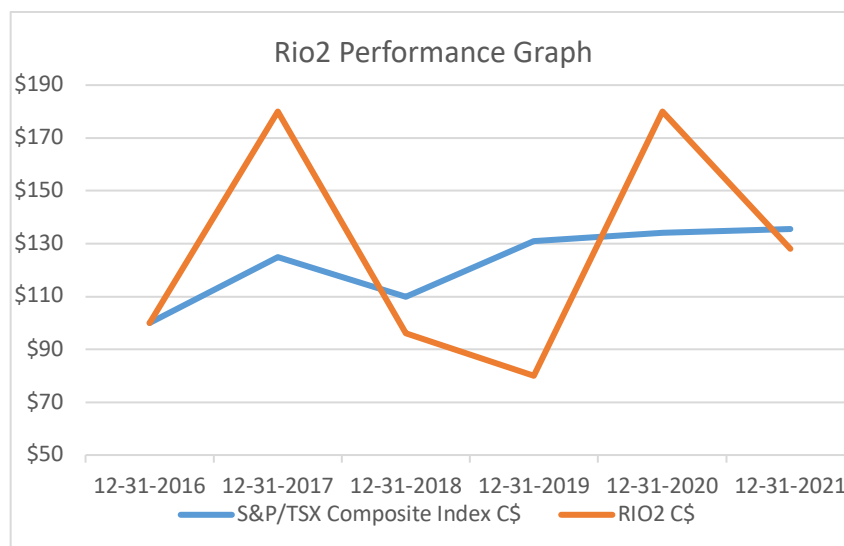
The following table provides detail regarding the estimated payments to each NEO on a termination without cause or following a change of control, assuming a triggering event occurred on December 31, 2021, calculated under the employment contracts in effect at the time. Amounts shown are exclusive of applicable taxes.

Name and principal position	Severance Payment	
	Termination severance payment following without cause Termination <sup>(1)</sup>	Termination following change of control resulting in severance payment
	\$	\$
Alex Black	1,000,000	1,000,000
Kathryn Johnson	703,408	703,408
Jose Luis Martinez	705,681	705,681
Andrew Cox	655,000	655,000
Ian Dreyer	499,000	499,000

<sup>(1)</sup> For more detail regarding executives' employment agreements and for amendments to the same subsequent to December 31, 2021, please see the **Employment, Consulting and Management Agreements** section of this document.

## Rio2 Performance Graph

The following performance graph illustrates the Company's five-year cumulative total shareholder return (assuming reinvestment of dividends, if any, on each dividend payment date) on a \$100 investment in the Company's Shares compared to the return on a comparable investment on the S&P/TSX Composite Index. The share trading data is as reported by the TSX.



	<b>S&amp;P/TSX Composite Index</b>	<b>RIO</b>
	C\$	C\$
12/31/2016	100	100
12/31/2017	125	180
12/31/2018	110	96
12/31/2019	131	80
12/31/2020	134	180
12/31/2021	136	128

There is little correlation between the compensation of Named Executive Officers and the stock price of the Company. Stock prices are affected by many external factors in the mineral exploration industry and the retention and compensation of senior executives to manage the Company cannot be directly related to stock price. There are two factors that are important in consideration of the stock price as compared to executive compensation: (1) the senior executives of the Company are significant shareholders of the Company so that changes in the stock price do affect them directly, and (2) the Share-Based portion of NEOs' compensation package.

#### **NEO Outstanding Share-based awards and option-based awards**

This table includes all awards outstanding at the end of December 31, 2021.

	<b>Option-based Awards</b>				<b>Share-based Awards</b>		
<b>Name</b>	<b>Number of securities underlying unexercised options <sup>(1)</sup></b>	<b>Option exercise price (C\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options<sup>(2)</sup> (\$)</b>	<b>Number of shares or units of shares that have not vested (#)</b>	<b>Market or payout value of share-based awards that have not vested (\$)</b>	<b>Market or payout value of vested share-based awards not paid out or distributed (\$)</b>
Alexander Black, CEO, President & Director	500,000	0.55	Sep 9, 2024	35,495	50,000	25,241	Nil
Kathryn Johnson, EVP, CFO & Corporate Secretary	166,675 66,670 120,000 300,000 200,000 300,000	2.56 0.82 0.65 0.55 0.65 0.65	May 30, 2022 Mar 29, 2023 Sep 27, 2023 Sep 9, 2024 Jun 26, 2025 Sep 21, 2026	N/A N/A N/A 21,297 N/A N/A	66,667	33,654	Nil
Jose Luis Martinez, EVP, CSO	333,350 133,340 200,000 1,500,000 300,000 300,000	1.53 0.82 0.65 0.55 0.65 0.65	Mar 1, 2022 Mar 29, 2023 Sep 27, 2023 Sep 9, 2024 Jun 26, 2025 Sep 21, 2026	N/A N/A N/A 106,484 N/A N/A	100,000	50,481	Nil

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised options <sup>(1)</sup>	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Andrew Cox, <sup>(3)</sup> EVP & COO	166,675	1.66	Sep 1, 2022	N/A	100,000	50,481	Nil
	66,670	0.82	Mar 29, 2023	N/A			
	90,000	0.65	Sep 27, 2023	N/A			
	200,000	0.55	Sep 9, 2024	14,198			
	300,000	0.65	Jun 26, 2025	N/A			
	300,000	0.65	Sep 21, 2026	N/A			
Ian Dreyer, SVP Technical Services	166,675	\$1.53	Mar 1, 2022	N/A	Nil	Nil	Nil
	66,670	\$0.82	Mar 29, 2023	N/A			
	90,000	\$0.65	Sep 27, 2023	N/A			
	200,000	\$0.55	Sep 9, 2024	14,198			
	150,000	\$0.65	Jun 26, 2025	N/A			
	150,000	\$0.65	Sep 21, 2026	N/A			

(1) Each stock option is exercisable for one common share for a period of five years from grant and are priced in C\$. Value is calculated by multiplying the number of securities which may be acquired on exercise of the options by the difference, if any, between the market value of the securities underlying the options at financial year-end and the exercise price of the option. The amount is then converted to US dollars at an exchange rate of C\$1.2678/US\$1.000. The exchange rate was acquired from the Bank of Canada. The closing price for the Company's shares on December 31, 2021 was C\$0.64. The value shown in this column does not represent the actual value the individual could receive. The actual gain, if any, on exercise will depend on the price of Rio2's common shares on the date of exercise.

(2) The options granted by Rio2 vest 1/3 equally over a three-year period.

(3) Mr. Cox was appointed EVP - Chief Operating Officer on July 8, 2020.

None of the awards disclosed in the table above have been transferred at any price other than fair market value.

#### **NEO Incentive Plan Awards – value vested or earned during the year**

The following table illustrates the value earned or vested by each NEO during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year <sup>(1)(2)</sup> (\$)	Share-based awards – Value vested during the year <sup>(3)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Alexander Black, CEO, President & Director	11,967	51,057	Nil
Kathryn Johnson, EVP, CFO & Corporate Secretary	14,094	37,229	Nil

Jose Luis Martinez, EVP, CSO	46,270	55,884	Nil
Andrew Cox, <sup>(4)</sup> EVP & COO	15,158	55,844	Nil
Ian Dreyer, SVP Technical Services	9,972	Nil	Nil

- (1) Value calculated by multiplying the number of options vesting by the difference between the market price of the common shares on the vesting date and the exercise price of the option. The amount is then converted to US dollars at an exchange rate of C\$1.2535/US\$1.000, which is the average exchange rate for the year ended December 31, 2021. The exchange rate was acquired from the Bank of Canada. The exchange rate was acquired from the Bank of Canada.
- (2) The options granted by Rio2 vest 1/3 equally over a three-year period.
- (3) Value calculated by multiplying the number of shares by the market value of the underlying shares on the vesting date. The amount is then converted to US dollars at an exchange rate of C\$1.2535/US\$1.000, which is the average exchange rate for the year ended December 31, 2021. The exchange rate was acquired from the Bank of Canada.
- (4) Mr. Cox was appointed Chief Operating Officer on July 8, 2020.

## Stock Options and Other Compensation Securities

### Share Incentive Plan

The Company's Share Incentive Plan (the "**Share Plan**") is administered by the CGC Committee of the Board of Directors and it was ratified and re-approved by shareholders on July 16, 2018. The Share 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 Plan: time-based awards and performance-based awards. In determining 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, the Board of Directors may take into account such factors as it shall determine in its sole discretion, including any one or more of the following factors:

- i. compensation data for comparable benchmark positions among the Company's peer comparison group;
- ii. the duties, responsibilities, position and seniority of the grantee;
- iii. various corporate performance measures for the applicable period compared with internally established performance measures approved by the Company's board and/or similar performance;
- iv. measures of members of the Company's peer comparison group for such period;
- v. the individual contributions and potential contributions of the grantee to the Company's success;
- vi. the fair market value or current market price of the Common Shares at the time of such award; and
- vii. such other factors as the Board of Directors deems relevant in its sole discretion in connection with accomplishing the purposes of the Share Plan.

The Share Plan contains the following restrictions:

- i. the aggregate number of awards that could be issued to any single holder shall not exceed 1% of the aggregate number of issued and outstanding Common Shares (including Common Shares issuable upon exchange of exchangeable shares of the Company and/or other fully paid securities exchangeable into Common Shares) ("Total Common Shares") in any 12-month period (unless the Company has obtained disinterested shareholder approval);
- ii. the aggregate number of awards that could be issued to Insiders (as defined by the applicable Stock Exchange) shall not exceed 2% of the Total Common Shares in any 12-month period (unless the Company has obtained disinterested shareholder approval);
- iii. the maximum number of Common Shares that are issuable at any time under the Share Plan shall not exceed 1,823,033 Common Shares; and

- iv. the number of Common Shares that are issuable at any time, under the Share Plan or when combined with all of the Company's other security based compensation arrangements (including but not limited to the Option Plan), shall not exceed 10% of the Total Common Shares.

Payment arrangements shall be as follows, unless otherwise directed by the Board:

- i. as to 1/3 of the award value of such award, on the first anniversary of the date of grant of the award;
- ii. as to 1/3 of the award value of such award, on the second anniversary of the date of grant of the award; and
- iii. as to the remaining 1/3 of the award value of such award, on the third anniversary of the date of grant of the award.

If the holder is on a leave of absence before any of the payment dates, such payment date(s) shall be extended by that portion of the duration of the leave of absence that is in excess of three (3) months. In the event that any payment date falls during a black-out period, such payment date shall be amended to the date that is three (3) business days following the date the black-out is lifted. In the event of a change of control (as defined in the Share Incentive Plan), the payment date for the award value of those incentive awards that have not yet been paid as of such time shall be the closing date of the change of control and the payout multiplier applicable to any performance based awards shall be determined by the board. In no event shall a payment date be later than December 15th of the third year following the year in which the award was granted.

On the payment date, the Company has sole and absolute discretion in settling the value of the notional Common Shares underlying the award, by any of the following methods or by a combination of such methods: (i) payment in Common Shares issued from treasury; (ii) payment in cash; or (iii) payment in Common Shares acquired by the Company on a stock exchange.

The Share Plan does not contain any provisions for financial assistance by the Company in respect of any awards granted thereunder.

The principal objectives of the Share Plan are:

- a. to retain and attract the qualified directors, officers, employees and other service providers that the Company requires;
- b. to promote a proprietary interest in us by such persons and to encourage such persons to remain in the Company's employ and put forth maximum efforts for the success of the Company's business; and
- c. to focus the Company's management on operating and financial performance and long-term total shareholder return.

The Company believes this Share Plan provides competitiveness within the Canadian mining industry and facilitates the achievement of the Company's long-term goals. In addition, this incentive-based compensation program is intended to reward the Company's directors, officers, employees and other service providers for meeting certain pre-defined operational and financial goals which have been identified for increasing long-term total shareholder return.

The Share Plan contains anti-dilution provisions which allow the Board to make such adjustments to the Share Plan, to any awards as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to holders thereunder.

The summary is qualified in its entirety by reference to the full text of the Rio2 Share Incentive Plan, a copy of which can be found on Sedar at [www.sedar.com](http://www.sedar.com).

### **Stock Option Plan**

The Company's Incentive Stock Option Plan (the "**Option Plan**") is administered by the CGC Committee of the Board of Directors and it was last approved by shareholders on September 21, 2021. This is a "rolling plan" and as such it requires annual approval by shareholders. The Option Plan is governed by and construed in accordance with the laws of the Province of Ontario.

The aggregate number of shares issuable upon the exercise of all options granted under the Option Plan, when combined with the securities issuable under all other security based compensation arrangements, including the Share Plan, shall not exceed 10% of the issued and outstanding common shares of the Company from time to time.

If any Option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Option Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Option Plan.

a) The number of shares subject to options shall be determined the Board, but no one Participant shall be granted Options which exceed, in aggregate, the maximum number permitted by the TSX Venture Exchange.

b) The aggregate number of Shares that may be issued pursuant to the exercise of Options awarded under the Option Plan and all other security based compensation arrangements of the Company is 10% of the issued and outstanding Shares from time to time, subject to the following additional limitations:

- i. the aggregate number of Shares reserved for issuance to any one person under the Plan, together with all other share compensation arrangements of the Company, within a 12-month period, must not exceed 5% of the outstanding issue of Shares (on a non-diluted basis);
- ii. the aggregate number of Shares reserved for issuance to any one Insider pursuant to the Plan, together with all other share compensation arrangements of the Company, must not exceed 5% of the outstanding issue of Shares;
- iii. the aggregate number of Shares issued to Insiders pursuant to the Option Plan, together with all other share compensation arrangements of the Company, within a 12-month period, must not exceed 10% of the outstanding issue of Shares; and
- iv. the aggregate number of Shares reserved for issuance to Insiders pursuant to the Option Plan, together with all other share compensation arrangements, at any time, must not exceed 10% of the issue of Shares;

Subject to Exchange Policies and any limitations imposed by any other regulatory authority having jurisdiction over the Company, the exercise price of an Option granted under the Option Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In the event that the Company proposes to reduce the exercise price of Options granted to an Optionee who is an Insider of the Company at the time of the proposed amendment, such amendment shall not be effective until disinterested shareholder approval has been obtained in respect of the reduction of the exercise price, if required by the rules and policies of the Exchange then in effect.

The Option Plan also includes a blackout provision. Pursuant to the policies of the Company respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Company's securities. These periods are referred to as "blackout periods". A blackout period is designed to prevent a person from trading while in possession of material information that is not yet available to other shareholders.

The regulatory authorities recognize these blackout periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their company's internal trading policies. As a result, certain regulatory authorities have provided a framework for extending Options that would otherwise expire during a blackout period. The Option Plan includes a provision that should an Option expiration date fall within a blackout period or immediately following a blackout period, the expiration date will automatically be extended for 10 business days following the end of the blackout period.

The maximum length of any Option shall be ten (10) years from the date the Option is granted. Notwithstanding the above, a participant's Options will expire one (1) year after a participant ceases to act for the Company, other than for cause or by reason of death. Options of a participant that provides investor relations activities will expire 30 days after the cessation of the participant's services to the Company. In the event of the death of a participant, the participant's estate shall have

twelve (12) months in which to exercise the outstanding Options. If a participant ceases to be a director, officer, employee of, or consultant to, the Company for cause, any granted but unexercised Options shall terminate and become null and void immediately. The Options are not assignable, other than by reason of death.

If the number of outstanding Common Shares are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another company or entity through a reorganization, amalgamation, arrangement, merger, re-capitalization, re-classification, stock dividend, subdivision, consolidation or similar transaction, or in case of any transfer of all or substantially all of the assets or undertaking of the Company to another entity (any of which being, a "Reorganization"), any adjustments relating to the Common Shares subject to Options or issued on exercise of Options and the exercise price per Common Share shall be adjusted by the Board of Directors, in its sole and absolute discretion, provided that a participant shall be thereafter entitled to receive the amount of securities or property (including cash) to which such participant would have been entitled to receive as a result of such Reorganization if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of his Option(s). The Option Plan provides for cashless exercise but does not provide for any financial assistance from the Company to facilitate the exercise of Options.

Under the rules and policies of certain stock exchanges, an option plan should have proper amendment provisions which specifies whether shareholder approval is required for a type of amendment and such amendment procedure must be approved by shareholders. The amendment provisions of the Option Plan allow the Board of Directors to terminate or discontinue the Option Plan at any time without the consent of the option holders provided that such termination or discontinuance shall not result in a material adverse change to the terms of any Options granted under the Option Plan.

The Board of Directors may not amend the Option Plan and any Options granted under it without further shareholder approval, to the extent that such amendments relate to among other things:

- a. reducing the exercise price of an Option;
- b. canceling any Options previously granted and re-issuing such Options;
- c. extending the original expiry date of an Option;
- d. amending the limitations on the maximum number of Common Shares reserved or issued to Insiders;
- e. amending the limitations on the maximum number of Shares reserved or issued to Non-Management Directors;
- f. increasing the maximum number of Options issuable pursuant to the Option Plan;
- g. making any amendment to the Option Plan that would permit a optionee to transfer or assign Options to a new beneficial holder other than in the case of death of the optionee; or
- h. amend the amendment provisions of the Option Plan.

In the cases of a, b, c, and d above, the votes attached to Common Shares held directly or indirectly by Insiders benefiting from the amendments will be excluded. The foregoing amendments to the Option Plan are subject to disinterested shareholder approval.

The principal objectives of the Company's Option Plan are:

- a. to provide incentive compensation to directors, officers, employees and consultants of the Company and its subsidiaries;
- b. to assist the Company and its subsidiaries in attracting, motivating and retaining qualified directors, management personnel and consultants; and
- c. to provide additional incentive for participants' efforts to promote the growth and success of the business of the Company.

The full text of the Option Plan is available on the Company's profile with SEDAR and a copy can be obtained by contacting the Company by email to [info@rio2.com](mailto:info@rio2.com) or by phone calling 1 (604) 762-4720.

## Pension

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## **DIRECTOR COMPENSATION**

### **Director Compensation Table**

The following table sets forth all amounts of compensation provided to directors who are not NEOs for the financial year ended December 31, 2021.

Name	Fees Earned <sup>(1)</sup> (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-equity incentive Plan Compensation (\$)	All Other Compensation (\$) <sup>(2)</sup>	Total (\$)
Klaus Zeitler	38,304	Nil	64,568	Nil	8,778	111,650
Ram Ramachandran	30,324	Nil	64,568	Nil	8,778	103,670
Dave Thomas	26,334	Nil	64,568	Nil	8,778	99,680
Albrecht Schneider	21,546	Nil	64,568	Nil	8,778	94,892
Sidney Robinson	21,546	Nil	64,568	Nil	8,778	94,892
Drago Kisic	21,546	Nil	64,568	Nil	8,778	94,892

(1) See Compensation of Directors below.

(2) Payment of Meeting Fees.

The compensation set out in the preceding table was paid to the Directors for acting in their capacity as Directors and committee members, and for meeting and committee participation.

### **Compensation of Directors**

On July 1, 2019, the Board of Directors adopted a Directors' compensation plan (the "Directors' Compensation Plan").

The objectives of the plan are:

- to attract and retain Directors with the skills and experience necessary to provide excellence in board oversight;
- to remunerate Directors for the substantial amount of time and level of responsibility dedicated to the Company; and
- to align Directors' interests with those of Shareholders.

### Director Outstanding Share-based awards and option-based awards

This table includes all awards outstanding at the end of December 31, 2021.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options <sup>(1)</sup> (#)	Option exercise price (C\$)	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup> (\$)	Number of shares or units of shares that have not vested <sup>(3)</sup> (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Klaus Zeitler	166,675	1.53	Mar 1, 2022	N/A	Nil	N/A	N/A
	66,670	0.82	Mar 29, 2023	N/A			
	100,000	0.65	Sep 27, 2023	N/A			
	200,000	0.55	Sep 9, 2024	14,198			
	150,000	0.65	June 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			
Ram Ramachandran	166,675	2.25	Apr 24, 2022	N/A	Nil	N/A	N/A
	66,670	\$0.82	Mar 29, 2023	N/A			
	100,000	0.65	Sep 27, 2023	N/A			
	200,000	0.55	Sep 9, 2024	14,198			
	150,000	0.65	Jun 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			
Dave Thomas	166,675	2.25	Apr 24, 2022	Nil	Nil	N/A	N/A
	66,670	0.82	Mar 29, 2023	N/A			
	100,000	0.65	Sep 27, 2023	N/A			
	200,000	0.55	Sep 9, 2024	14,198			
	150,000	0.65	Jun 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			
Albrecht Schneider	100,000	0.65	Sep 27, 2023	N/A	Nil	N/A	N/A
	200,000	0.55	Sep 9, 2024	14,198			
	150,000	0.65	Jun 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			
Sidney Robinson	166,675	2.25	Apr 24, 2022	N/A	Nil	N/A	N/A
	66,670	0.82	Mar 29, 2023	N/A			
	100,000	0.65	Sep 27, 2023	N/A			
	200,000	0.55	Sep 9, 2024	14,198			
	150,000	0.65	Jun 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			
Drago Kisic	200,000	0.55	Sep 9, 2024	14,198	Nil	N/A	N/A
	150,000	0.65	Jun 26, 2025	N/A			
	150,000	0.65	Sep 21, 2026	N/A			

(1) Each stock option is exercisable for one common share for a period of five years from grant and are priced in C\$.

(2) Value is calculated by multiplying the number of securities which may be acquired on exercise of the options by the difference, if any, between the market value of the securities underlying the options at financial year-end and the exercise price of the option. The amount is then converted to US dollars at an exchange rate of C\$1.2535/US\$1.000, which is the average exchange rate for the year ended

December 31, 2021. The exchange rate was acquired from the Bank of Canada. The closing price for the Company's shares on December 31, 2021 was \$0.64.

- (3) The options granted by Rio2 vest 1/3 equally over a three-year period.

None of the awards disclosed in the table above have been transferred at any price other than fair market value.

#### **Director Incentive Plan Awards – value vested or earned during the year**

The following table illustrates the value earned or vested by each NEO during the year ended December 31, 2021.

<b>Name</b>	<b>Option-based awards – Value vested during the year <sup>(1) (2)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the year <sup>(3)</sup></b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b> <b>(\$)</b>
Klaus Zeitler	9,972	Nil	Nil
Ram Ramachandran	9,972	Nil	Nil
Dave Thomas	9,972	Nil	Nil
Albrecht Schneider	9,972	Nil	Nil
Sidney Robinson	9,972	Nil	Nil
Drago Kisic	9,972	Nil	Nil

- (1) Value calculated by multiplying the number of options vesting by the difference between the market price of the common shares on the vesting date and the exercise price of the option. The amount is then converted to US dollars at an exchange rate of C\$1.2535/US\$1.000, which is the average exchange rate for the year ended December 31, 2021. The exchange rate was acquired from the Bank of Canada.
- (2) The options granted by Rio2 vest 1/3 equally over a three-year period.
- (3) Value calculated by multiplying the number of shares by the market value of the underlying shares on the vesting date.

#### **Exercise of Stock Options**

During the financial year ended December 31, 2021 no NEO or directors of the Company exercised incentive stock options.

#### **INDEBTEDNESS TO COMPANY OF DIRECTORS AND EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As of the date of this Information Circular, there is no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or any of its subsidiaries which is owing, to the Company or any of its subsidiaries, or owing to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, either pursuant to a purchase of securities of the Company or otherwise.

No individual who is, or at any time, during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or its subsidiaries; or
- whose indebtedness to another entity is, or at any time since the beginning of the most recently completed

financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors or the appointment of auditors.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Atacama Pacific Gold Corporation and Rio2 Limited entered into an arrangement agreement dated May 14, 2018 (the "**Arrangement Agreement**"). Under the terms of the Arrangement Agreement, among other things, Atacama was continued under the OBCA, and Atacama and Rio2 were amalgamated and continued as one corporation ("**New Rio2**") and, upon completion and as a result of the Arrangement, Atacama shareholders received 0.6601 of a common share of new Rio2 for each common share of Atacama held. Each shareholder of Rio2 received 0.6667 of a New Rio2 share for each common share of Rio2 held.

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.

Other than disclosed above, no informed person (as defined in NI 51-102) of the Company, any proposed Director of the Company or any associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or any of its subsidiaries.

### **MANAGEMENT CONTRACTS**

On September 28, 2018 the Company entered into an agreement with SBX Asesorias e Inversiones Limitada of Av. Presidente Kennedy 5757, oficina 508. Torre Oriente, Las Condes. Santiago, Chile ("SBX") whereby SBX would provide mining consulting services in Chile to Rio2 for a monthly fee of \$25,000. Albrecht Schneider, a director of the Company is the principal of SBX. This agreement expired on July 31, 2020. SBX is not indebted towards the Company in respect of loans, advances or guarantees of indebtedness. Other than services provided to the Company by SBX, no management functions of the Company are performed to any substantial degree by a person other than the executive Officers or Directors of the Company. Please see the Employment, Consulting and Management Agreements section above for a summary of the management contracts of the Company.

## **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 Circular.

### **AUDIT COMMITTEE COMPOSITION AND RELEVANT EDUCATION AND EXPERIENCE**

The members of Rio2's Audit Committee are:

- 1) Ram Ramachandran, Chair
- 2) Sidney Robinson
- 3) Drago Kisic

For a description of their education and experience relevant to serving as member of the Audit Committee please see section **3. ELECTION OF DIRECTORS** on page 7 of this Circular.

All members of the Audit Committee are independent and financially literate.

### **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.

### **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.

### **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*".

## 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*”.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. To achieve this goal, the Company has implemented an Audit Committee Charter and a Whistle-Blower Policy. See “*AUDIT COMMITTEE CHARTER*” at Schedule “A” hereto.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular, as summarized below.

### BOARD OF DIRECTORS

An “independent director” generally is one who has no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. The definition of independence in National Instrument 58-101 (“**NI 58-101**”) is the definition set out in NI 52-110.

The Board is currently comprised of five independent directors and two directors who are not considered to be independent. NI 58-101 recommends that the Board of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director’s independent judgment. The Board is responsible for assessing director independence. The Board has assessed the independence of each director in accordance with National Instrument 58-101 and NI 52-110. Following this assessment, the Board of Directors concluded that Klaus Zeitler, Sidney Robinson, Ram Ramachandran, and Drago Kistic are all independent directors under NI 58-101. Alexander Black, the President and Chief Executive Officer of the Company, is a member of management and as a result, he is not an independent director.

### DIRECTORSHIPS

The following directors of the Company are currently directors of the following reporting issuers:

Director	Other Reporting Issuers
Klaus Zeitler	Amerigo Resources Ltd. Western Copper and Gold Corporation

## **PARTICIPATION OF DIRECTORS IN BOARD MEETINGS**

The Board meets at least once every quarter to review, among other things, the performance of the Company relative to its corporate goals, plans and performance in prior years. The Board also holds a meeting each year to review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process establishes, among other things, benchmarks against which the Board may assess the performance of management. Additional meetings of the Board are called from time to time to deal with special matters as circumstances require.

The Board has adopted the practice of following each meeting with an independent directors' discussion. The Board ensures open and candid discussion among its independent directors by continuously monitoring situations where a conflict of interest or perceived conflict of interest with respect to a director may exist. In cases where such a conflict of interest or perceived conflict of interest is identified, it is addressed in accordance with applicable corporate law and policies. The Board may determine that it is appropriate to hold an in-camera session excluding a director with a conflict of interest or perceived conflict of interest, or such director may consider that it is appropriate to recuse him or herself from considering and voting with respect to the matter under consideration.

In the year ended December 31, 2021 the following Board and Committee meetings were held: Eleven meetings of the Board of Directors; two meetings of the Audit Committee, at which all members were present.

## **BOARD MANDATE**

The Board does not have a written mandate. The Board is responsible for the supervision of the management of the Company and must act in the best interests of the Company and the shareholders. The Board acts in accordance with the *Business Corporations Act* (Ontario) (the "OBCA"), the Articles of the Company, and the specific terms of reference as laid out for each committee and the Board of Directors as a whole. The Board has the responsibility for adopting a strategic planning process and reviewing and approving the Company's strategic plan developed and proposed by management and monitoring performance against the plan. The Board is responsible for developing and adopting policies and procedures to identify the principal business risks of the Company and ensure that appropriate systems are implemented to manage these risks. The Board is also responsible for developing and adopting policies and procedures to ensure that that integrity of the internal controls and management information systems of the Company. Matters that require Board approval include, among other things: (i) the approval of the quarterly and annual financial statements and management's discussion and analysis; (ii) the issuance of securities; (iii) significant acquisitions; (iv) annual capital and operating plans and budgets; and (v) the compensation of members of the executive management team.

## **POSITION DESCRIPTIONS**

The Board has developed written position descriptions for the Chairman of the Board of Directors. The Company has no written description for its Committee chair positions; however, the Corporation has a mandate for each Committee and the roles and responsibilities of each Committee chair position are implied therein.

The Board and CEO and CFO have not developed a written position description for the CEO and CFO. However, the Board, acting through the CGC Committee, is responsible for monitoring and evaluating the performance of management, including the CEO.

## **ORIENTATION AND CONTINUING EDUCATION**

The Board provides an overview of the Company's business activities, systems and business plan to all new directors. New director candidates have free access to any of our employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Company.

No formal continuing education program currently exists for the directors of the Company. The Company encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director. The Company conducts informal director evaluations from time to time.

## **ETHICAL BUSINESS CONDUCT**

The Board has adopted a written Code of Business Conduct and Ethics, which is available for review on the Company's website at [www.rio2.com](http://www.rio2.com). The Code is administered by the Corporate Governance & Compensation Committee, who delegates the day-to-day responsibility for administering and interpreting the Code to the Chief Financial Officer of the Company. The CFO periodically reports to the Corporate Governance & Compensation Committee in respect of administration of the Code, and any reports of variance from the Code will be reported to the Board. The Company has not had to file any material change reports pertaining to any conduct of a director or executive officer that constitutes a departure from the Code.

The Board has also adopted a Whistle Blower Policy which establishes the complaint procedure for concerns about any aspect of the Company's activities and operations. The Company has also adopted a Disclosure and Confidentiality Policy which establishes procedures for ensuring adequate disclosure and compliance with disclosure requirements as well as procedures for maintaining confidentiality.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company may also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

## **NOMINATION OF DIRECTORS**

The Board determines new nominees to the Board although no formal process has been adopted. The Board does not have a nominating committee for this purpose. The nominees are generally the result of recruitment efforts by current members of the Board, including as a result of both formal and informal discussions among Board members and officers. In considering Board composition and to encourage an objective nomination process, the Board periodically assesses the size, structure and composition of the Board, taking into consideration current strengths, skills and experience of the Board, proposed retirements and the requirements and strategic direction of the Company.

## **COMPENSATION**

The Board reviews the compensation of directors annually. Until June 30, 2019, there were no directors' compensation arrangements in place. Commencing July 1, 2020, members of the Board received an annual retainer (pro-rated for the year ended 2019), as well as meeting fees for each board, audit committee or compensation committee meeting attended.

The Chairman of the Board's annual retainer is C\$40,000 per year. Board Members receive an annual retainer of C\$27,000. Additional retainers of C\$11,000 to the Chair of the Audit Committee, C\$8,000 to the Chair of the Compensation Committee and C\$8,000 to the Chair of the Health, Safety and Community Committee are paid. Meeting fees are C\$1,000 per meeting.

For a discussion of the compensation of directors, see "Named Executive Officer Compensation" in the case of directors who are also officers of Rio2 and "Director Compensation" in respect of directors who are not also officers of Rio2.

## **OTHER BOARD COMMITTEES**

The Company has no other committees than the Audit, Corporate Governance & Compensation Committee and the Health Safety and Community Committee. The primary function of the Health, Safety and Community Committee of the Board of Directors of the Corporation is to assist the Board of Directors in fulfilling its oversight 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 Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels.

## **ASSESSMENTS**

The Board has not implemented a formal process for assessing its effectiveness. As a result of the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc and informal basis.

The Board does not formally assess the performance or contribution of individual Board members or committee members.

## **DIRECTOR TERM LIMITS**

The Board believes that issues relating to Board effectiveness, Board renewal and Board succession planning are best addressed by a strong Chairperson, a thoughtful governance committee and independent-thinking Board members. The Board is responsible for recommending to shareholders from time to time candidates for election to the Board that together contribute the right mix of skills and expertise to the Board. To assist in making those recommendations, the Board periodically conducts informal reviews of the effectiveness of the Board and individual Board members. When considering the composition of the Board, the Chairperson and the other members of the Board also take into consideration the skills of all Board members to ensure that the Board possesses the requisite experience, expertise and business and operational insight to effectively guide the Company.

The Company has not adopted term limits for the directors on its Board. The Board is concerned that imposing arbitrary and inflexible director term limits may result in the Company losing valued directors at a time when the Company most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when they force a high performing director off the Board. As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

## **POLICIES REGARDING THE REPRESENTATION OF WOMEN ON THE BOARD**

The Company does not have a written policy relating to the identification and nomination of women directors. All appointments to the Board are made on merit, in the context of the skills and experience the Board, as a whole, requires to be effective. When considering and recommending qualified director nominees, the Board takes the background and diversity (including gender) of all directors and nominees into consideration.

## **CONSIDERATION OF THE REPRESENTATION OF WOMEN IN THE DIRECTOR IDENTIFICATION AND SELECTION PROCESS**

The Board thoroughly considers any new director nominees, including an evaluation of the skills and experience of the current directors, determining the gaps in skills and experience that exist and finding potential candidates to fill those gaps and round out the skills and experience of the Board as a whole. Diversity (including the representation of women on the Board and in executive officer positions) is a factor considered in determining the optimum composition of the Board. The

final recommendation for nomination or appointment to the Board has been based on the best combination of skills and experience for the position, with due regard for the benefits of diversity on the Board.

#### **CONSIDERATION GIVEN TO THE REPRESENTATION OF WOMEN IN EXECUTIVE OFFICER APPOINTMENTS**

The Board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

#### **COMPANY'S TARGETS REGARDING THE REPRESENTATION OF WOMEN ON THE BOARD AND IN EXECUTIVE OFFICER POSITIONS**

The Board does not have specific targets in respect of appointing women to the Board and in respect of executive officer appointments, as a result of its commitment to a principle-based selection process, as discussed above. However, the Board does understand and appreciate the importance of gender equality and diversity and is committed to strengthening diversity when recruiting for a Board appointment or executive officer position.

#### **NUMBER OF WOMEN ON THE BOARD AND IN EXECUTIVE OFFICER POSITIONS**

As of the Effective Date, there are currently nil women on the Board (0%), and one out of three executive officers is a woman.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company and its business activities including financial information provided in the Rio2 Annual Financial Statements and related MD&A for the most recently completed financial year is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.rio2.com](http://www.rio2.com). Shareholders may contact the Company at 1 (604) 762-4720 to request copies of the Company's financial statements and MD&A free of charge. Following the Meeting, the voting results for each item on the proxy form will be available on SEDAR and on the Company's website.

### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

APPROVED BY THE BOARD OF DIRECTORS

s/ "Alex Black"

Alex Black, President & CEO

## **Schedule “A”**

### **AUDIT COMMITTEE CHARTER**

#### ***Mandate***

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

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

#### ***Composition***

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

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

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

#### ***Meetings***

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

#### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

##### Documents/Reports Review

- a) Review and update this Charter annually.
- b) Review the Company’s financial statements, MD&A and any annual and interim earnings, press releases before

the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

#### External Auditors

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

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

#### ***Financial Reporting Processes***

- a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

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

#### Risk Management

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

#### ***Other***

Review any related-party transactions.