

Rio2 Limited

Treasury Offering of Common Shares

Term Sheet

July 21, 2021

A copy of the amended and restated preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada, except for Quebec, but has not yet become final for the purpose of the sale of securities. A copy of the amended and restated preliminary short form prospectus, any amendment to the amended and restated preliminary short form prospectus and the final short form prospectus that has been filed is required to be delivered with this document. The amended and restated preliminary short form prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final short form prospectus has been issued.

This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the amended and restated preliminary short form prospectus, any amendment to the amended and restated preliminary short form prospectus and the final short form prospectus and any amendment thereto for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision. Copies of the amended and restated preliminary short form prospectus and the final short form prospectus may be obtained from Scotia Capital Inc., Attention: Equity Capital Markets, Scotia Plaza, 64th Floor, 40 King Street West, Toronto, Ontario M5H 3Y2, or by telephone at 1-416-863-7704 or by email at equityprospectus@scotiabank.com.

The securities being offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state of the United States (as defined in Regulation S under the U.S. Securities Act (the "United States")) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This term sheet does not constitute an offer to sell, or a solicitation of an offer to buy, any of these securities within the United States.

Issuer:	Rio2 Limited (the " Company ").
Offered Shares:	Treasury offering of 38,500,000 common shares of the Company (the " Shares ").
Offering Amount:	Approximately C\$25.0 million offering (the " Offering ")
Issue Price:	C\$0.65 per Share.
Over-Allotment Option:	The Company has granted the Underwriters an option to purchase up to an additional 15% of the Shares issued pursuant to the Offering, exercisable in whole or in part at the Underwriters' sole discretion, at any time for a period of 30 days after the Closing Date.
Concurrent Non-Brokered Private Placement:	Concurrently with the Offering, the Company will sell 9,792,880 Shares (the " Placement Shares ") to Wheaton Precious Metals Corp. on a non-brokered private placement basis for gross proceeds of the Canadian dollar equivalent to US\$5 million (~C\$6.4 million) (the " Private Placement Offering "), provided the gross proceeds of the Offering and Private Placement Offering exceed US\$20 million. The Placement Shares will be issued on the same terms at which the Shares are offered for sale under the Offering. The Private Placement Offering is expected to close simultaneously with the Offering and is conditional on the Closing of the Offering. Closing of the Offering is conditional on Closing of the Private Placement Offering.
Use of Proceeds:	Not less than US\$20 million, being the sum of net proceeds of the Offering plus the proceeds of the Private Placement (the " Combined Proceeds "), will be used to fund development of the Company's Fenix Gold Project and associated mine and camp infrastructure (which, for greater certainty includes development of related infrastructure by Lince S.A., a wholly owned subsidiary of the Company). The remaining Combined Proceeds is expected to be used for general working capital purposes.
Offering Basis:	Underwritten public offering by way of a short form prospectus available for sale in each of the provinces and territories of Canada, except Quebec, to Qualified Institutional Buyers in the U.S. pursuant to Rule 144A of the Securities Act of 1933, as amended, and internationally, as permitted.

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Listing:	The Company will apply to have the Shares listed on the TSX Venture Exchange ("TSXV"). The Shares are currently listed on the TSXV under the symbol "RIO".
Eligibility:	Eligible for RRSPs, RRIFs, RESPs, TFSAs, RDSPs and DPSPs subject to the usual rules regarding prohibited investments for such plans.
Joint Bookrunners:	Scotiabank, CIBC Capital Markets and Raymond James Ltd.
Commission:	The Company will pay a cash commission of 6.0% (reduced to 4.0% in respect of certain specified institutional purchasers and 1.0% in respect of President's List purchasers) of the gross proceeds from the issuance of the Shares (including exercise of the Over-Allotment Option).
Closing:	On or about August 6, 2021.

United Kingdom Persons

This document does not constitute a prospectus for the purpose of the Prospectus Regulation (EU) 2017/1129 (as it forms part of domestic law in the UK by virtue of the European Union (Withdrawal) Act 2018) ("**UK Prospectus Regulation**") and the prospectus regulation rules issued by the Financial Conduct Authority ("**FCA**") pursuant to section 84 of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") and has not been approved by or filed with the FCA. The information contained in this document is only being made, supplied or directed at persons in the United Kingdom who are qualified investors within the meaning of article 2(e) of the UK Prospectus Regulation, and the Shares are not being offered or sold and will not be offered or sold to the public in the United Kingdom (within the meaning of section 102B of the FSMA), save in circumstances where it is lawful to do so without an approved prospectus being made available to the public before the offer is made. In addition, in the United Kingdom no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received by it in connection with the issue or sale of any Shares except in circumstances in which section 21(1) of FSMA does not apply to the Company and this document is made, supplied or directed at qualified investors in the United Kingdom who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (as amended) (the "**FPO**"); or (ii) high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in article 49 of the FPO or (iii) persons who fall within another exemption to the FPO (all such persons being "Relevant Persons"). Any investment or investment activity to which this document relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Each recipient is deemed to confirm, represent and warrant to the Company that they are a Relevant Person.