



## 2021 Onyen Report

### RISK MANAGEMENT

Rio2 is in the process of developing its Fenix Gold Project in Chile. During the 2021 reporting period the Company had no operations.

Although to date we do not have operational activities, this first ESG Report is our starting point to report progress on the applicability of our commitment to sustainability. It will assist us in tracking the progressive implementation of proactive actions that have as an objective to develop a Project that is increasingly committed to the rational use of resources, caring for the environment and our commitment to society. This report includes the risks, challenges, and opportunities identified in the Environmental Impact Assessment (EIA) for the Fenix Gold Project filed with the Chilean Environmental Impact Assessment System in 2020.

The potential future risks and opportunities for Fenix Gold are broad and complex and extend beyond financial and operational considerations to encompass geopolitical, social and environmental issues. While we recognize that material sustainability issues (for example, climate change, water use, and conflict with communities) can affect our operations and finances, our approach to risk management encompasses identifying and managing risks sustainably so as to ensure the achievement of business objectives. Our risk management model will be based on a preventive approach throughout the life cycle of the mine.

Our risk management process will:

- help identify existing and emerging risks to our business;
- incorporate effective risk management practices and tools into our culture, systems, and processes;
- maintain processes to consolidate risk assessments in risk analysis at the company level;
- provide our executives and relevant board committees with assurance regarding its effectiveness; and
- promote alignment with our company's ESG policies throughout the organization.

The identified risks will be managed effectively by the company's employees applying the highest levels of knowledge and experience. It is expected that a risk register will be maintained, and managed by the Operations Manager.

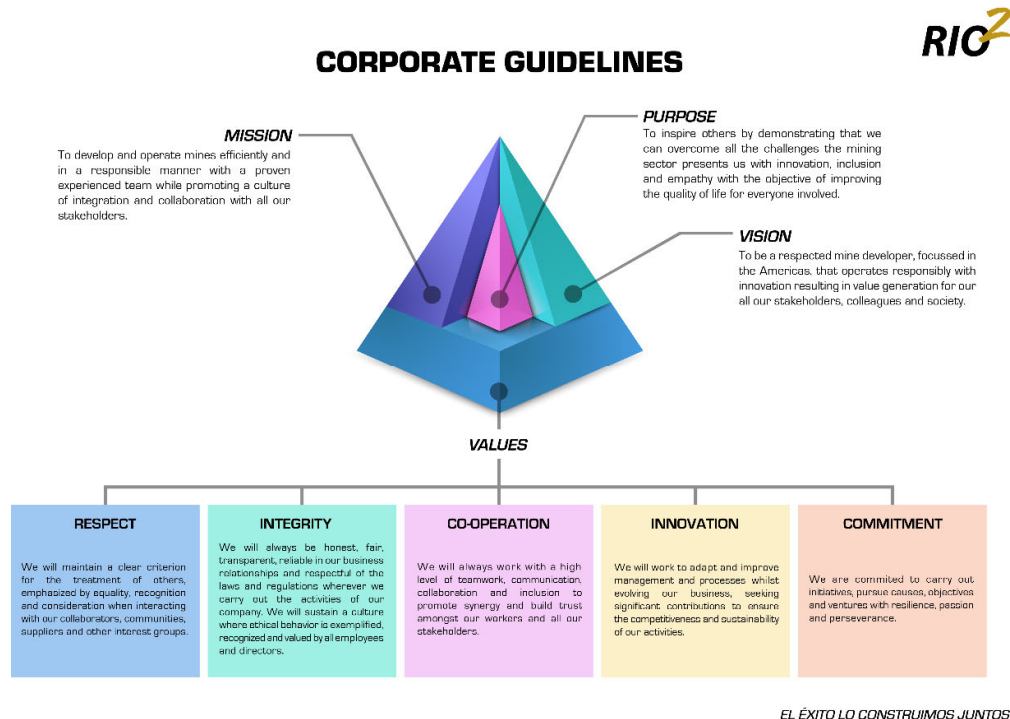
Among the most critical risks, we recognize that climate change is a physical risk factor for our operations, with implications such as:

- Water shortages for processes and projects
- Damage to infrastructure or operational delays due to extreme weather events

Various water supply alternatives were evaluated as a control measure for the first risk. As a result, the Company decided to use treated water for the planned operation of its Fenix Gold Project to avoid using underground or surface water. Treated water will be supplied by the Nueva Atacama Water Treatment Plant in Copiapó. It is also worth noting that the project design foresees the recirculation of all the process water. In the second case, the engineering of the Fenix Gold project includes design criteria that will mitigate possible damages in the event of extreme weather events.

Rio2 aims to make risk management part of the corporate culture and identity, and develop our work in a proactive, preventive and sustainable manner by applying the Company’s Business Conduct and Ethics Code and corporate governance policies and guidelines.

Rio2's corporate guidelines are the essence of the Organization. The Purpose, Mission, Vision and Values that we present were developed as a team and approved by our Board of Directors, and apply to all our personnel in Canada, Peru and Chile.



**KEY IMPACTS**

Significant impacts of the Fenix Gold Project included in the EIA are:

AREA OF INFLUENCE	IMPACT	CONTROL AND MITIGATION MEASURES
<b>FAUNA</b>	Disruption to the reptile population’s habitat (lizards) due to the intervention of land in which these species of reptiles are identified.	<ul style="list-style-type: none"> <li>• Rescue and relocation</li> </ul>

		<ul style="list-style-type: none"> <li>• Hunt prohibited as well as any unnecessary alteration to their environment</li> <li>• Disruption controlled</li> <li>• Training</li> </ul>
<b>SOCIAL</b>	<p>The Intervention of natural resources for the exercise of community interests linked to the collection of plants and herbs for medicinal use during Fenix Gold's construction phase.</p> <p>Difficulties exercising or manifesting traditions, culture, or community interests linked to the transhumance activity during Project's construction, operations, and closure phases.</p>	<ul style="list-style-type: none"> <li>• Program to promote Colla communities' traditional practices related to transhumance activity.</li> <li>• Program to promote traditional Colla practices related to the collection of herbs and medicinal plants.</li> <li>• Comprehensive road safety plan for the Colla indigenous communities</li> </ul>

The EIA also identifies the following non-significant impacts:

AREA OF INFLUENCE	IMPACT	CONTROL AND MITIGATION MEASURES
<b>ENVIRONMENTAL</b>	Impact on fauna and flora	<ul style="list-style-type: none"> <li>• Xerophytic Formations Work Plan Controlled disturbance, rescue and relocation.</li> <li>• Training and protection measures for flora and fauna</li> </ul>
	Noise	<ul style="list-style-type: none"> <li>• Noise modelling</li> </ul>
	Emissions	<ul style="list-style-type: none"> <li>• Monitoring and emissions below standards</li> </ul>
	Water consumption	<ul style="list-style-type: none"> <li>• Recirculation</li> <li>• Use of treated water for the mining process</li> </ul>
	Particle Pollution	<ul style="list-style-type: none"> <li>• Adding moisture and Bischofite to roads</li> </ul>
<b>ARCHAEOLOGICAL</b>	Archaeological remains	<ul style="list-style-type: none"> <li>• Delimitation and fencing of sites</li> <li>• Archaeological and Paleontological Monitoring</li> </ul>

Lastly, we have identified the following positive social and economic impacts:

AREA OF INFLUENCE	IMPACT	CONTROL MEASURES
<b>SOCIAL</b>	<p>Local Employment</p> <p>Local Service Providers</p> <p>Local Development</p>	Inclusive social policy based on the hiring of service providers and local personnel from Copiapó and the Atacama Region
<b>FINANCIAL</b>	Taxes	
	Value creation	