



2021 Onyen Report

**Describe the nature of any social risks, for all operating countries, that could have a material risk to operations (ONYEN)**

The land where the Fenix Gold Project is developed is the property of the Republic of Chile (Fiscal property). The properties assigned to the Colla de la Cordillera Indigenous Communities are distant from the Fenix Gold Project. However, after carrying out the Human Environment studies required by the Authority for its Environmental Impact Study, Rio2 concluded that the Indigenous Communities Colla Runa Urka, Pai Ote, Pastos Grandes, Sol Naciente, and Comuna of Copiapó transit through a wide area, and that, in some cases and during certain years, they cross the Project access area through a ravine called Bailahuén as part of one of their transhumance routes of approximately 7 km. The Colla Sinchi Wayra community does not practice transhumance, but they do collect herbs in a sector called Quebrada la Pelada, in addition to having water rights in the Ojo de la Pelada 2 sector. (Please see attached map).

Transhumant livestock farming is a practice that expresses a particular form of cultural appropriation of a territory and its resources, born from the knowledge acquired empirically by the people who make up the different Colla indigenous communities based on the relationship with the land and its use for cattle raising. However, it is an activity that territorially covers sectors regularly each year, depending on the availability of the resources of interest.

For this reason, Fenix Gold has disclosed to the Chilean Environmental Assessment Service (SEA) 02 significant impacts:

- 1) Intervention of natural resources for the exercise of community interests linked to the collection of plants and herbs for medicinal use, during the Project's construction phase.
- 2) Difficulty in exercising or manifesting traditions, culture, or community interests linked to the transhumance activity during the Project's construction, operation, and closure phase.

Fenix Gold has informed the Evaluation Authority of the current characteristics of this area. This entail single bi-directional access that does not have a berm and is of variable width, with a track for each direction of traffic, it is developed in a predominantly straight route, the slope is 2% to 3%, it does not have road signs that indicate speed regulation and it does not have demarcation.

For this reason, Rio2 has proposed the improvement of access to this area, over a period of 4 months, in specific sectors of the 20.3 km area between Fenix Camp and the Fenix Project. This activity ensures the unrestricted transit of the Communities along the 7 km section of the road. It is important to

mention that, in the testimonies of some partners of the C.I.C. (Colla Indigenous Communities) that transhumance routes are not for continuous use, that is, their use is intertemporal depending on the availability of resources that support transhumant livestock.

Additionally, Rio2 has carried out an Evaluation and Impact Analysis to project whether the project's rehabilitation and traffic activities would significantly impact C.I.C.'s free circulation. This study showed that transit would not be disrupted. This means that an increase in travel times will not be generated and the variables that determine effects on the road will remain within acceptable ranges during all Project phases.