



## 2021 Onyen Report

### **Describe due diligence practices and procedures with respect to indigenous rights of communities in which it operates or intends to operate (SASB EM-MM-210a.3.1)**

*Affiliations: SASB EM-MM-210a.1, EM-MM-210a.2*

#### **Fenix Gold Project Indigenous Communities Due Diligence Timeline**

2018 – Start of early relationship development process with identified Colla Communities

2019 – Beginning of information collection on the Human Environment related to the Colla Indigenous Communities. Once finalized all the data obtained became part of the Environmental Impact Statement (DIA) "Sondajes Fenix Gold"

2019-2020 - Beginning of information collection for the production of an anthropological study for the Human Environment component of the Environmental Impact Study of the Fenix Gold Project. This component would also include all the anthropological information contained in the DIA "Sondajes Fenix Gold"

2020 - 2021 – Start of Citizen Participation Process (PAC)

2021 - Start of the Indigenous Consultation process

The Fenix Gold Project is located over land owned by the Republic of Chile to which the Company has been granted easement rights. The properties assigned to the Colla Indigenous Communities from the cordillera are distant from the Project. However, after carrying out the Human Environment Studies required by the Chilean Authority for Fenix Gold's Environmental Impact Assessment, Rio2 concluded that the Colla Indigenous Communities Runa Urka, Pai Ote, Pastos Grandes, Sol Naciente and Comuna de Copiapó transit through a wide area, and that occasionally, they cross the Project access area through a ravine called Bailahuén as part of one of their transhumance routes of approximately 7 km. The Sinchi Wayra colla community does not practice transhumance, rather they collect herbs in an area 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 available resources of interest.

Fenix Gold has deployed good practices and procedures within the community relationship process before and during the Environmental Impact Assessment (EIA) filing with the Colla indigenous communities related to the project, respecting their rights and culture. Among these procedures are:

1. Open door process through which communities receive regular updates on Project progress
2. During the Environmental Impact Assessment's preparation process:
  - a. Anthropological information gathering
  - b. Workshops for community consultation regarding contents of the Environmental Impact Assessment
3. Signing collaboration agreements as part of the Company's HSE Policy.

The anthropological surveys are duly reviewed and approved by the communities and have also been filed as part of the Environmental Impact Assessment. The surveys are available online at the SEA Atacama Environmental Evaluation Service website located at <https://infofirma.sea.gob.cl/DocumentosSEA/MostrarDocumento?docId=86/f2/6cfbc28de6b30bbb0f20f77e14e90338cfbd> Chapter 3.12 Baseline - Human Environment (only available in Spanish).

As reflected in the anthropological studies, the following significant impacts on the Human Environment were defined:

1. Difficulty for the exercise or manifestation of traditions, culture, or community interests linked to the transhumance activity during the construction, operation, and closure phase, due to the qualification and use of the Camp and the access road to the worksite.
2. Intervention of natural resources for the exercise of community interests linked to the activity of collecting plants and herbs for medicinal use during the construction phase

The Environmental Evaluation Service (SEA), responsible for evaluating the environmental impact assessment of the Fenix Gold Project, declared the Indigenous Consultation Process to have begun with the six Colla communities related to the project, based on the identified impacts. Thus, since April 2021, a series of meetings have been held with the six communities. The goals of this process are:

1. Delivery of detailed project information
2. Identification of significant impacts associated with the Human Environment component
3. Identification of voluntary measures and commitments to implement during the development of the project
4. Execution of the Final Agreement Protocol between the SEA, Communities, and the Fenix Gold Project