



2022 Onyen Report

RISK MANAGEMENT

Rio2 is in the process of developing its Fenix Gold Project in Chile. During the 2022 reporting period the Company had no operations.

Although to date we do not have operational activities, this report is an effective tool to help us outline our progress and ongoing commitment to ESG issues. We continue to apply our resources and know-how to developing the Fenix Gold Project in Chile, and to report progress on the applicability of our commitment to sustainability. The report will assist us in tracking the progressive implementation of our proactive actions whose objective is to develop a Project that is increasingly committed to caring for the environment and 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.

On July 5, 2022 the Atacama Regional Evaluation Commission informed its decision not to approve the Environmental Impact Assessment ("EIA") for its Fenix Gold Project in Chile, stating that there was insufficient information to rule out negative impact to three species, Guanacos, Vicuñas and Chinchillas. On August 31, 2022, Rio2's local subsidiary, Fenix Gold Limitada, decided to exercise its right to file an administrative appeal before the Ministries Committee, as the EIA study was completed according to the Guidelines of the Chilean Environmental Evaluation Service (SEA).

The Ministries Committee comprises the Ministries of Environment (Chairman), Health, Economy, Agriculture, Energy and Mining. The national director of the Environmental Assessment Service ("SEA") is the secretary of the Committee.

It should be noted that the administrative appeal is not a judicial process, and the decision of the Ministries Committee may be subjective and not consider the technical and legal arguments of the EIA decision being appealed. Should Rio2 receive a negative decision from the appeal, the Company will take the matter to a judicial level and vigorously defend its legal right to have the decision overturned.

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 responsibly 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;
- React to, and incorporate new risks and opportunities as identified.
- 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 know-how and experience. A risk register will be maintained, and managed by the Operations Manager and team.

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

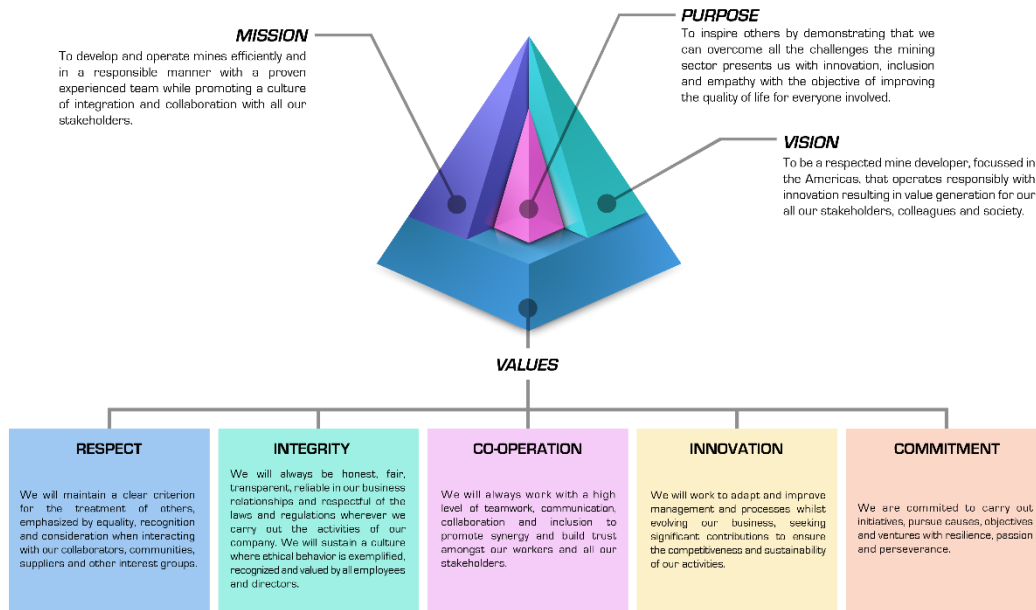
- Water shortages for processes and projects
- Damage to infrastructure or operational delays due to extreme weather events

Various water supply alternatives were evaluated as a control measure for the first risk. As a result, the Company decided to use treated waste water for the planned operation of its Fenix Gold Project to avoid using underground or surface fresh 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, so no effluents or industrial discharges will be generated. In the second case, the engineering of the Fenix Gold project includes design criteria that will minimize water losses and 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.

CORPORATE GUIDELINES



EL ÉXITO LO CONSTRUIMOS JUNTOS.

KEY IMPACTS

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

AREA OF INFLUENCE	IMPACT	CONTROL AND MITIGATION MEASURES
FAUNA	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"> • Rescue and relocation • Hunt prohibited as well as any unnecessary alteration to their environment • Disruption controlled • Training
SOCIAL	<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"> • Program to promote Colla communities' traditional practices related to transhumance activity. • Program to promote traditional Colla practices related to the collection of herbs and medicinal plants. • Comprehensive road safety plan for the Colla indigenous communities

The EIA also identifies the following non-significant impacts:

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

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

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