



**Description of social risks, for all operating countries, that could have a material risk to operations**

We have been working closely with the Indigenous Colla Communities in the project area (see the map below, which identifies the locations of community headquarters and their distances from the project). As part of our good neighbor policy and in fulfillment of the commitments made during the environmental evaluation stage, we have established strong and lasting collaborative relationships with these communities. This effort has helped us minimize the risk of administrative or judicial claims against our Environmental License.

The Fenix Gold Project is dedicated to implementing high environmental and social standards at both national and international levels. This commitment includes promoting continuous improvement both within the Project and in the surrounding community.

To date, we have identified the following potential risks that could cause delays in construction and operational processes. Our on-site teams regularly assess these risks:

**1. Conflicts with Indigenous Communities**

- Potential tensions with Colla communities due to land use, access to natural resources, and cultural heritage.

**2. Impacts on Traditional Lifestyles**

- Socioeconomic changes affecting traditional practices such as transhumance, herding, or the gathering of medicinal herbs.

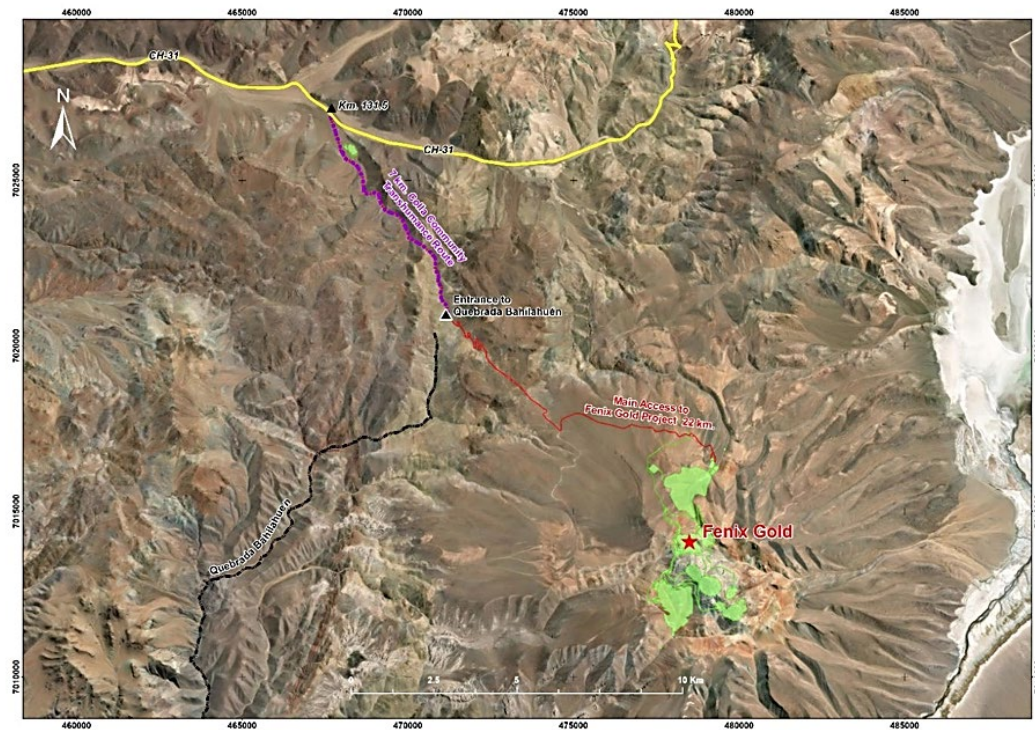
**3. Migration and Pressure on Local Services**

- Population increase in nearby localities during the construction phase, creating pressure on health, water, education, and housing services.

**4. Employability and Unmet Expectations**

- Conflicts may arise if local hiring is not properly prioritized.
- Disappointment in communities if the jobs offered are temporary or low-skilled.

Rio2 Limited, through its subsidiary Fenix Gold, is dedicated to collaborating with communities and civil society at large to uphold the highest standards of safety and environmental protection, thus preventing conflicts.



**Transhumance Route Colla Indigenous Communities**

The Fenix Gold Project is located on government land in Chile (Fiscal property). The lands reserved for the "Colla de la Cordillera" indigenous communities are situated away from the Fenix Gold Project site. However, after completing the necessary environmental studies for its Environmental Impact Study, Rio2 discovered that the Indigenous Colla Communities (ICC), which include Runa Urka, Pai Ote, Pastos Grandes, Sol Naciente, and the Comuna of Copiapó, traverse a large area. In certain years, they use a ravine called Bailahuén as part of their transhumance routes, which span approximately 7 km and occasionally pass through the Project's access area.

Additionally, Rio2 conducted an evaluation and impact analysis to determine whether the Project's operations and traffic activities would significantly affect the free movement of the ICC. The study concluded that the community's traffic flow would remain uninterrupted, ensuring that there would be no increase in travel times. The factors influencing road effects would remain within acceptable limits throughout all phases of the Project.