



## ANNUAL INFORMATION FORM

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For the year ended December 31, 2023

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## ADVISORIES

*In this Annual Information Form (“AIF”), unless otherwise specified or if the context otherwise requires, references to “we”, “us”, “our”, “its”, the “Company” or “Rio2” mean Rio2 Limited. The information in this AIF is stated as at December 31, 2023 unless otherwise indicated. For additional information and details, readers are referred to the audited consolidated financial statements for the year ended December 31, 2023, and notes that follow, as well as the accompanying annual Management's Discussion and Analysis (“MD&A”), both of which are available under the Company's issuer profile on the System for Electronic Data Analysis and Retrieval + (“SEDAR+”) at [www.sedarplus.ca](http://www.sedarplus.ca).*

*Additional information relating to the Company, including its consolidated financial statements and management's discussion and analysis (“MD&A”) for its most recently completed financial year, may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.rio2.com](http://www.rio2.com)*

*Additional information, including the Company's director (“Director”) and officer remuneration indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular dated April 2, 2024. Unless otherwise stated, this additional information does not form part of this AIF.*

### Cautionary Statement Regarding Forward-Looking Information and Statements

Certain statements contained in this AIF may constitute forward-looking information or forward-looking statements under securities laws (collectively, the “**forward-looking information**”). These statements relate to future events or future performance, business prospects or opportunities for the Company. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “propose”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

In particular, examples of forward-looking information in this AIF include, but are not limited to, statements pertaining to the following:

- the anticipated receipt of all required regulatory and third-party approvals for the Fenix Gold Project;
- the timing and progress of mining exploration;
- the expected success of mining operations;
- the government regulation of mining operations;
- the success of securing or maintaining licenses, permits and authorizations;
- expectations regarding the Company's ability to raise capital;
- expenditures to be made by the Company to meet certain work commitments;
- environmental risks; and
- potential title disputes or claims and limitations on insurance coverage.

With respect to forward-looking statements listed above and contained in this AIF, the Company has made assumptions regarding, among other things:

- the legislative and regulatory environment;
- the impact of increasing competition;

- the success and timely completion of planned exploration and development projects;
- that general business and economic conditions will not change in a materially adverse manner;
- that costs related to development of mine properties will remain consistent with historical experiences;
- the anticipated results of exploration, development and production activities;
- the Company's ability to obtain additional financing on satisfactory terms;
- the Company's ability to attract and retain skilled staff; and
- the Company's ability to obtain, comply with and renew permits and licenses in a timely manner.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF.

Some of the risks that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to, the following:

- the conditions for completion of financing for the Fenix Gold project are not satisfied;
- the Company is in the exploration/development stage and cannot assure profitability;
- the Company's actual financial position and performance may significantly differ from the expectations of the management;
- changes in Chilean law regulations which could impact Rio2 future business and financial performance;
- risks inherent in acquisitions of the Company;
- the Company's ability to attract and retain qualified personnel;
- risks with title to mineral properties;
- competition and scarcity of mineral lands;
- environmental risks and hazards;
- infrastructure risks;
- repatriation of earnings;
- risks with respect to foreign operations;
- stress in the global economy;
- sales of Common shares by existing shareholders could reduce the market price of Rio2; and
- the other factors considered under "*Risk Factors*" in this AIF and other filings made by the Company with Canadian securities authorities

The Company has included the above summary of assumptions and risks related to forward-looking statements contained in this AIF in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

**Additional information on these and other factors is available in the reports filed by the Company with Canadian securities regulators and available under the Company's issuer profile on SEDAR+ . The forward-looking statements and information contained in this AIF are made as of the date hereof.**

**Readers are cautioned that the preparation of financial statements in accordance with generally accepted accounting principles in Canada requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These estimates may change, having either a negative or positive effect on net earnings as further information becomes available and as the economic environment changes. The information contained in this AIF, including the documents incorporated by reference herein, identifies**

**additional factors that could affect the operating results and performance of the Company. Readers are encouraged to carefully consider such factors.**

**Readers are also cautioned against placing undue reliance on forward-looking statements, which are given as of the date expressed in this AIF, or the MD&A disclosure incorporated by reference herein, and not to use future-oriented information or financial outlooks for anything other than their intended purpose. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The Company undertakes no obligation to publicly update or revise any forward-looking statements in this AIF or the MD&A or other disclosure incorporated by reference herein, whether as a result of new information, future events or otherwise, except as required by law.**

### **Market, Independent Third Party and Industry Data**

This AIF includes market and industry data that has been obtained from third party sources. The Company believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data are believed to be reliable, the Company has not independently verified any of the data from third party sources referred to in this AIF or ascertained the underlying economic assumptions relied upon by such sources.

### **Scientific and Technical Information**

Mr. Ian Dreyer, B.App.Sc. MAIG, a consultant to Rio2, is a Qualified Person as defined under National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). All of the scientific and technical disclosure contained in this AIF regarding the Fenix Gold Project has been reviewed and approved by Mr. Dreyer. For additional information regarding the Fenix Gold Project, including key parameters, assumptions and risks associated with its mineral resource and reserve estimates, see the October 16, 2023 Technical Report, a copy of which is available under the Company's issuer profile on SEDAR+ [www.sedarplus.ca](http://www.sedarplus.ca).

The exploration programs described in this AIF are prepared and/or designed and carried out under the supervision of Mr. Dreyer. The scientific and technical information in this AIF has been updated with current information where applicable.

### **Canadian Mineral Property Disclosure Standards and Resource Estimates**

The discussion of mineral deposit classifications in this AIF uses the certain technical terms presented below as they are defined in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") Definition Standards on mineral resources and reserves (the "**CIM Standards**") adopted by the CIM Council, as required by NI 43-101. The following definitions are reproduced from the latest version of the CIM Standards, which were adopted by the CIM Council on May 10, 2014 (the "**CIM Definitions**"). Estimated mineral resources fall into two broad categories dependent on whether the economic viability of them has been established and these are namely "resources" (potential for economic viability) and "reserves" (viable economic production is feasible). Resources are sub-divided into categories depending on the confidence level of the estimate based on level of detail of sampling and geological understanding of the deposit. The categories, from lowest confidence to highest confidence, are inferred resource, indicated resource and measured resource. The CIM definitions are as follows:

| Term                              | Definition  |
|-----------------------------------|---|
| <b>Mineral Resource</b>           | A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.  |
| <b>Measured Mineral Resource</b>  | That part of a mineral resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of modifying factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A measured mineral resource has a higher level of confidence than that applying to either an Indicated mineral resource or an inferred mineral resource. It may be converted to a proven mineral reserve or to a probable mineral reserve.  |
| <b>Indicated Mineral Resource</b> | That part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of modifying factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An indicated mineral resource has a lower level of confidence than that applying to a measured mineral resource and may only be converted to a probable mineral reserve.   |
| <b>Inferred Mineral Resource</b>  | That part of a mineral resource for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An inferred mineral resource has a lower level of confidence than that applying to an indicated mineral resource and may not be converted to a mineral reserve. It is reasonably expected that the majority of inferred mineral resources could be upgraded to indicated mineral resources with continued exploration.   |
| <b>Mineral Reserve</b>            | The economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of modifying factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which mineral reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a mineral reserve must be demonstrated by a pre-feasibility study or feasibility study. |
| <b>Proven Mineral Reserve</b>     | The economically mineable part of a measured mineral resource. A proven mineral reserve implies a high degree of confidence in the modifying factors.   |
| <b>Probable Mineral Reserve</b>   | The economically mineable part of an indicated, and in some circumstances, a measured mineral resource. The confidence in the modifying factors applying to a probable mineral reserve is lower than that applying to a proven mineral reserve.   |

| Term                         | Definition   |
|------------------------------|--|
| <b>Modifying Factors</b>     | Considerations used to convert mineral resources to mineral reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.   |
| <b>Feasibility Study</b>     | A comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable modifying factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a pre-feasibility study.  |
| <b>Pre-feasibility Study</b> | A comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the modifying factors and the evaluation of any other relevant factors which are sufficient for a qualified person, acting reasonably, to determine if all or part of the mineral resource may be converted to a mineral reserve at the time of reporting. A pre-feasibility study is at a lower confidence level than a feasibility study. |

### Cautionary Note to U.S. Investors regarding Mineral Reserves and Resources

The United States Securities and Exchange Commission (the “**SEC**”) has adopted amendments to its disclosure rules to modernize the mineral property disclosure requirements for issuers whose securities are being registered with the SEC under the United States Securities Act of 1933, as amended, or are subject to reporting requirements under the United States Securities Exchange Act of 1934, as amended. These amendments became effective February 25, 2019, with compliance required by SEC registrant companies for the first fiscal year beginning on or after January 1, 2021 (the “**SEC Mineral Disclosure Rules**”). The SEC Mineral Disclosure Rules have replaced the historical property disclosure requirements for mining registrants that were included in SEC Industry Guide 7, which has been rescinded.

As a result of the adoption of the SEC Mineral Disclosure Rules, the SEC now recognizes estimates of “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”, which are defined in substantially similar terms to the corresponding CIM Standards. In addition, the SEC has amended its definitions of “Proven Mineral Reserves” and “Probable Mineral Reserves” to be substantially similar to the corresponding CIM Standards.

United States investors are cautioned that while the foregoing terms are “substantially similar” to corresponding definitions under the CIM Standards, there are differences in the definitions under the SEC Mineral Disclosure Rules and the CIM Standards. Accordingly, there is no assurance any Mineral Resources that the Company may report as “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources” or Mineral Reserves that the Company may report as “Proven Mineral Reserves” or “Probable Mineral Reserves”, under NI 43-101, would be the same had the Company prepared the resource or reserve estimates under the standards adopted under the SEC Mineral Disclosure Rules.

United States investors are also cautioned that while the SEC will now recognize “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”, investors should not assume

that any part or all of the mineral deposits in these categories would ever be converted into a more reliable category of Mineral Resources or into Mineral Reserves. Mineralization described by these terms has a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. Accordingly, investors are cautioned not to assume that any Measured Mineral Resources, Indicated Mineral Resources, or Inferred Mineral Resources that the Company reports are or will be economically or legally mineable.

Further, Inferred Mineral Resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, United States investors are also cautioned not to assume that all or any part of the Inferred resources exist. In accordance with Canadian securities laws, estimates of Inferred Mineral Resources cannot form the basis of feasibility or other economic studies, except in limited circumstances as permitted under NI 43-101.

In addition, Canadian regulations allow the disclosure of “contained ounces” amongst other expressions of mineralization; however, the SEC has historically only permitted issuers to report mineralization as in place tonnage and grade without reference to unit measures.

For the above reasons, information contained in this AIF containing descriptions of the Company’s mineral properties may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

## Currency

We report our financial results and prepare our financial statements in United States dollars. Unless otherwise indicated, all currency amounts in this AIF are expressed in United States dollars. References to “CAD” are to Canadian dollars.

## GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF. Additional terms are defined separately throughout this AIF.

| Defined Term            | Definition   |
|-------------------------|--|
| "2021 Offering"         | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";   |
| "2023 Technical Report" | means the NI 43-101 technical report entitled "Feasibility Study for the Fenix Gold Project" dated effective October 16, 2023 and filed on SEDAR+ on October 18, 2023; |
| "AIF"                   | means this annual information form;  |
| "Atacama Arrangement"   | has the meaning ascribed thereto under the heading " <i>Corporate Structure and Overview</i> ";  |
| "Atacama"               | means Atacama Pacific Gold Corporation;  |
| "Audit Committee"       | means the audit committee of the Company;  |
| "Board"                 | means the board of directors of the Company;   |
| "CEO"                   | means Chief Executive Officer;   |
| "CFO"                   | means Chief Financial Officer;   |
| "CIM Standards"         | means the definitions adopted by the CIM Council on May 10, 2014, which are utilized by the Canadian Securities Administrators in NI 43-101;                           |
| "CIM"                   | means the Canadian Institute of Mining, Metallurgy and Petroleum;  |
| "Common Shares"         | means common shares in the capital of the Company;   |



| <b>Defined Term</b>            | <b>Definition</b>   |
|--------------------------------|---|
| "Company Financial Statements" | means, collectively, the audited financial statements of the Company for the year ended December 31, 2023, together with the notes thereto and the auditors' reports thereon,   |
| "Company" or "Rio2"            | means Rio2 Limited;   |
| "Effective Date"               | means July 22, 2024;  |
| "EIA"                          | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "Endeavour"                    | means Endeavour Financial Limited;  |
| "Exchange" or "TSXV"           | means the TSX Venture Exchange;   |
| "Feasibility Study"            | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "Fenix Gold Project"           | means the Company's direct and indirect 100% interest in the mineral rights and interests to explore and exploit minerals from the concessions located in Chile 140 kilometers northeast of Copiapó, Chile, held by Fenix Gold; |
| "Fenix Gold"                   | means Fenix Gold Limitada, a wholly owned subsidiary of the Company;  |
| "Gold Stream"                  | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "IFRS"                         | means the International Financial Reporting Standards, as issued by the International Accounting Standards Board, as adopted by the Canadian Accounting Standards Board;  |
| "MD&A"                         | means the Company's management's discussion and analysis;   |
| "Mine"                         | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "NI 43-101"                    | means National Instrument 43-101 - <i>Standards of Disclosure for Mineral Projects</i> ;  |
| "NI 45-106"                    | means National Instrument 45-106 - <i>Prospectus Exemptions</i> ;   |
| "NI 51-102"                    | means National Instrument 51-102 - <i>Continuous Disclosure Obligations</i> ;   |
| "NSR"                          | means net smelter return;   |
| "OBCA"                         | means the <i>Business Corporations Act (Ontario)</i> ;  |
| "open pit mine"                | means a mine where materials are removed from a working that is open to the surface;  |
| "Options"                      | means stock options issued pursuant to the terms of the Stock Option Plan;  |
| "ore body"                     | means a sufficiently large amount of ore that is contiguous and can be mined economically;  |
| "ore"                          | means a rock containing metallic or non-metallic minerals that can be mined and processed at a profit;  |
| "Qualified Person"             | means a "qualified person" as defined in NI 43-101;   |
| "RC"                           | means reverse circulation;  |
| "ROM"                          | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "SEC"                          | means the United States Securities and Exchange Commission;   |
| "SEDAR+"                       | means the System for Electronic Data Analysis and Retrieval +   |
| "Share Incentive Plan"         | means the share incentive plan of the Company;  |
| "Stock Option Plan"            | means the stock option plan of the Company;   |
| "the 2024 Offering"            | has the meaning ascribed thereto under the heading " <i>General Development of the Business</i> ";  |
| "U.S. Exchange Act"            | means the <i>United States Securities Exchange Act of 1934</i> , as amended from time to time;  |

| Defined Term                       | Definition   |
|------------------------------------|--|
| "U.S." or "United States" or "USA" | means the United States of America, its territories and possessions, and any state of the United States of America and the District of Columbia; |
| "WPMI"                             | means Wheaton Precious Metals International Ltd., a wholly-owned subsidiary of Wheaton Precious Metals Corp.;                                    |

### Unit Abbreviations

| Abbreviation    | Unit Description                 |
|-----------------|----------------------------------|
| B               | Billion                          |
| ft              | Feet                             |
| g               | Gram                             |
| g/t             | Grams per tonne                  |
| >               | Greater than                     |
| ha              | Hectare (10,000 m <sup>2</sup> ) |
| k               | Kilo (thousand)                  |
| kg              | Kilogram                         |
| km              | Kilometer                        |
| <               | Less than                        |
| m               | Metres                           |
| µm              | Microns                          |
| mi              | Mile                             |
| M               | Million                          |
| Mt              | Million tonnes                   |
| oz              | Ounce                            |
| ppm             | Parts per million                |
| %               | Percent                          |
| lb              | Pounds                           |
| km <sup>2</sup> | Square kilometer                 |
| t               | Tonnes (metric - 1,000 kg)       |
| Tpd or tdp      | Tons per day                     |
| ton             | Tons (Imperial - 2,000 lb)       |

## CORPORATE STRUCTURE AND OVERVIEW

### Name, Address and Incorporation

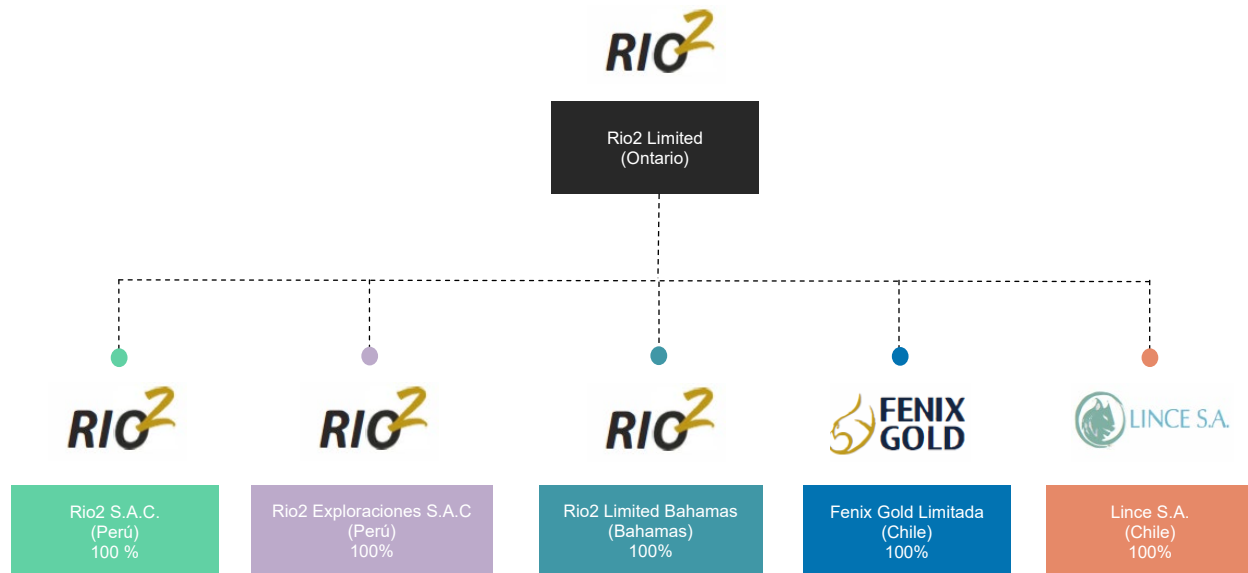
The Company was incorporated as “Prospector Consolidated Resources Inc.” under the *Business Corporations Act* (British Columbia) on May 3, 2004. The Company continued from the Province of British Columbia to the Province of Ontario on April 25, 2017, and changed its name to “Rio2 Limited” on April 26, 2017.

On July 24, 2018, Rio2 completed a business combination transaction with Atacama by way of a court approved plan of arrangement through which the companies amalgamated as a single entity (the “**Atacama Arrangement**”). The combined company that resulted from the Atacama Arrangement continues to operate under the name “Rio2 Limited” and is managed by Rio2’s existing executive team.

The Company’s head office is located at Suite 1000, 355 Burrard Street, Vancouver, British Columbia, V6C 2G8 and its registered office is located at Suite 6000, 1 First Canadian Place, 100 King Street West, Toronto, Ontario, M5X 1E2.

### Intercorporate Relationships

The following diagram describes the inter-corporate relationship between the Company and its subsidiaries as at the Effective Date:



## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as successful capital markets track record. Rio2 is focused on taking its Fenix Gold Project in Chile to production in the shortest possible timeframe based on a staged development strategy. Rio2 and its wholly owned subsidiary, Fenix Gold, are companies with high environmental standards that are rooted in the entities’ belief that it is possible to develop mining projects that respect the three (3) pillars (social, environmental and economic) of responsible development. The Company is committed to applying standards beyond those that are mandated by regulators, as it seeks to protect and preserve the

environment of the territories that it operates in. The Company's principal exploration/development property is the Fenix Gold Project, which is described in further detail below under the heading "*Mineral Projects*".

### **Three Year History**

The following is a summary of the general development of the Company's business over the three (3) most recently completed financial years. The summary provided herein includes only events, such as acquisitions or dispositions, or conditions that have influenced the general development of the business.

#### **Year ended December 31, 2021**

On May 4, 2021, the Company provided an update regarding its progress on the Fenix Gold Project to advise that preparations were underway for the purchase of lead order items and equipment for the fabrication of 20,000 tonnes per day adsorption/desorption processing plant, for fabrication off-site and to be transported to the Fenix Gold Mine site for assembly once the requisite construction permits are issued.

On June 22, 2021, the Company announced that it obtained positive results from the run of mine ("**ROM**") heap leaching trial for the Fenix Gold Project. This trial was conducted by Fenix Gold personnel and overseen by HLC Ingeniería y Construcción, the Company's independent metallurgical consultants. The successful completion of the ROM heap leaching trial was an important milestone for the Company as it simplifies the mining and processing components of the Fenix Gold mine and the results of the trial were pending for the finalization of the construction financing associated with the Fenix Gold Project.

On July 20, 2021, the Company announced that it arranged the mine construction financing package (the "**Mine Financing Package**") totaling approximately \$125 to \$135 million to finance the construction of the mine at the Fenix Gold Project (the "**Mine**"). The Mine Financing Package was comprised of the following:

- A non-binding term sheet with WPMI (the "**WPMI Gold Stream LOI**"), a wholly owned subsidiary of Wheaton, with respect to the Gold Stream (as defined herein);
- The appointment of BNP Paribas as mandated lead arranger for a senior project debt facility of \$50 to \$60 million;
- A marketed public offering of Common Shares for aggregate gross proceeds of approximately CAD\$25 million (approximately \$19.6 million) with a syndicate of underwriters co-led by The Bank of Nova Scotia, Canadian Imperial Bank of Commerce and CIBC Capital Markets and Raymond James Ltd. (the "**2021 Offering**") pursuant to which the Company granted the underwriters an over-allotment option to purchase up to an additional 15% of the Common Shares issued pursuant to the 2021 Offering (the "**Over-Allotment Option**") on the same terms exercisable in whole or in part, at any time and from time to time, up to 30 days from and including the closing date of the 2021 Offering; and
- A non-brokered private placement of Common Shares to WPMI, or an affiliate thereof, for aggregate proceeds of \$5 million, at an offering price equal to, and concurrent with, the 2021 Offering (the "**Concurrent Financing**").

On July 20, 2021, the Company engaged BNP Paribas to act as the sole and exclusive bookrunner, sole exclusive lead arranger and sole and exclusive administrative agent for a senior project debt facility in the amount of \$50 to \$60 million.

On July 21, 2021, the Company filed a preliminary short form prospectus in connection with the 2021 Offering and in connection therewith, announced the pricing of the 2021 Offering and the Concurrent Financing of CAD\$0.65 per Common Share.

On August 4, 2021, the Company filed an amended and restated independent technical report, entitled "Amended and Restated Pre-feasibility Study for the Fenix Gold Project" (the "**2021 Technical Report**") pursuant to NI 43-101 on August 4, 2021. The amended and restated report was filed for the purpose of enhancing disclosure in the data verification section of the 2021 Technical Report. The 2021 Technical

Report is dated August 3, 2021, with an effective date of August 15, 2019, and amends and restates the technical report entitled “Updated Pre-feasibility Study for the Fenix Gold Project” dated October 15, 2019.

On August 5, 2021, the Company announced that it obtained a receipt for its final short form prospectus dated August 4, 2021, filed in connection with the 2021 Offering.

On August 10, 2021, the Company announced that it closed the 2021 Offering and the Concurrent Financing for aggregate gross proceeds of CAD\$35,144,122. In connection with the closing of the 2021 Offering and the Concurrent Financing, the Company issued an aggregate of 54,517,880 Common Shares.

On August 16, 2021, the Company announced that it entered into an agreement with Sixth wave Innovations Inc. in respect of further IXOS® mining technology trials.

On September 22, 2021, the Company announced that it granted 4,200,000 Options to certain directors, officers, employees and consultants, pursuant to the Stock Option Plan. The Options have an expiry date of September 21, 2026 and vest in equal portions on each of the first, second and third anniversaries of the date of grant. Each Option entitles the holder thereof to purchase one Common Share at a price of CAD\$0.65, for a period of five (5) years from the date of grant.

On November 16, 2021, the Company announced that the Company entered into a definitive precious metals purchase agreement (the “**Gold Stream**”) with WPMI, in relation to the Fenix Gold Project. Pursuant to the terms of the Gold Stream, WPMI will purchase 6.0% of the gold production from the Fenix Gold Project until 90,000 ounces of gold has been delivered and 4.0% of the gold production until 140,000 ounces of gold have been delivered, after which the **Gold Stream** would be reduced to 3.5% of the gold production for the remaining life of the Mine. Upon entering into the Gold Stream, WPMI paid to the Company a cash deposit of \$50 million, with \$25 million to follow at closing of Gold Stream and the remaining \$25 million payable upon receipt of the Environmental Impact Assessment (the “**EIA**”) approval for the Mine, and the satisfaction of other customary conditions precedent. In addition, WPMI agreed to make ongoing payments for gold ounces delivered, equal to 18.0% of the spot gold price until the value of gold delivered less the production payment is equal to the upfront consideration of \$50 million, at which point the production payment would increase to 22.0% of the spot gold price.

On December 22, 2021, the Company announced the closing of the sale of the Anocarire mining concessions by Fenix Gold to Andex Minerals Chile SpA (“**Andex**”) following the successful completion of Andex’s purchase option. The Anocarire mining concessions were one of the non-core assets resulting from the Company’s business combination with Atacama Pacific Corporation in July 2018. The concessions are located in the district of Putre, Province of Parinacota, Region I, Chile, approximately 120 km east of Arica and 60 km southeast of the town of Putre. The total consideration received by the Company were: (i) cash payments in the aggregate amount of \$6,400,000; (ii) a 1.5% NSR comprised of \$5,000,000 received at closing; (iii) \$1,400,000 received in partial payments over three (3) years; and (iv) the grant of a 1.5% NSR royalty in respect of all mining products extracted from the Fenix Gold Project from the start of commercial production for a period of 100 years. There are no development synergies between the future Fenix Gold mine and the Anocarire concessions.

### ***Year ended December 31, 2022***

On January 11, 2022, the Company announced that the second phase test work of patented IXOS® purification polymer would begin at the Fenix Gold Project in mid-January 2022. The Company concurrently announced that it had granted 2,100,000 Options to certain officers and employees. The Options have an expiry date of January 11, 2027 and vest in equal installments on each of the first, second and third anniversaries of the date of grant. Each Option entitles the holder thereof to purchase one Share at a price of \$0.65 for a period of five (5) years from the date of grant.

On March 29, 2022, the Company announced that it had received a deposit payment of \$25 million from WPMI in connection with and pursuant to the terms of the Gold Stream.

On June 23, 2022, the Company provided an update on the EIA process for the Fenix Gold Project that initially began in April 2020. The Company announced that the Environmental Assessment Service published a consolidated evaluation report (the “**Consolidated Evaluation Report**”) with the recommendation to reject the EIA for the Fenix Gold Project, to be presented to the Comisión de Evaluación Regional for a vote on the EIA.

On July 5, 2022, the Company announced that the Comisión de Evaluación Regional voted against the EIA for the Fenix Gold Project. Following this decision, the Company announced that it would work on evaluating options and noted that Fenix Gold remained with the conviction that it had provided sufficient technical information and studies necessary to obtain a favourable EIA decision.

On July 11, 2022, the Company provided an update with respect to the Atacama Regional Evaluation Commission’s decision not to approve the EIA for the Fenix Gold Project. The Company noted that it was for the Environmental Qualification Resolution (the “**RCA**”), being the administrative document with which the Environmental Assessment Service outlines the rationale for their decisions, to finalize an action plan thereafter.

On September 7, 2022, the Company provided a further update with respect to the Atacama Regional Evaluation Commission’s decision not to approve the EIA for the Fenix Gold Project. The Company announced that the RCA was issued on July 19, 2022, and Fenix Gold filed an administrative appeal before the Committee of Ministers (Chile) on August 31, 2022. The Company also announced that all contracts with third-party contractors and suppliers had been suspended or terminated and staff numbers in Chile, Peru and Canada was reduced from 82, prior to the rejection of the EIA, to 22 at the date of this announcement.

On November 22, 2022, the Company announced that it had entered into a binding agreement to sell a package of Chilean royalty interests to Osisko Gold Royalties Ltd. (“**Osisko**”) for aggregate consideration of \$5 million (the “**Osisko Royalty Sale**”). The Osisko Royalty Sale provides for the sale of the Company’s 1.5% royalty on the Anocarire Project and its 1.25% royalty on the Horizonte Project, both of which were located in Chile.

On November 28, 2022, the Company announced the promotions of: (i) Mr. Andrew Cox to President and CEO; (ii) Mr. Alex Black to Executive Chairman; and (iii) Mr. Klaus Zeitler to Lead Director. The Company further announced the resignation and departure of Mr. Jose Luis Martinez, Executive Vice President, Strategy, of the Company.

On November 28, 2022, the Company also announced that it had completed the Osisko Royalty Sale.

On December 12, 2022, the Company announced the publication of its inaugural environmental, social and governance (“**ESG**”) report. This report represents a comprehensive review of the Company’s ESG factors related to the Company’s development activities at its Fenix Gold Project. A copy of the report is available at the Company’s website at: [www.rio2.com](http://www.rio2.com).

### ***Year ended December 31, 2023***

On January 5, 2023, the Company announced that it had entered into shares for services agreements (the “**2023 Shares for Services Agreements**”) with certain directors, employees and consultants. Pursuant to the terms of the 2023 Shares for Services Agreements, such directors, employees and consultants agreed to receive all or a portion of their respective director fees, wages or consultancy fees for the period from January 1, 2023 to December 31, 2023, in Common Shares, with the remaining amount, if any, to be settled in cash. The total value of the security-based compensation intended for issuance in connection therewith was up to CAD\$750,000.

On January 11, 2023, the Company granted 7,150,000 Options to certain directors, officers, employees and consultants pursuant to the Company’s Stock Option Plan. The Options have an expiry date of January

11, 2028 and will vest in equal portions on each of the first, second and third anniversaries of the date of grant. Each Option entitles the holder thereof to purchase one Common Share at a price of CAD\$0.30 for a period of five (5) years from the grant date.

On March 9, 2023, the Company provided an outline of its plans to complete the financing for the construction of the Fenix Gold Project. Such plan included the appointment of an independent financial advisor, the completion of a Feasibility Study on the development of the Fenix Gold Project, the review and restructuring of the Gold Stream and the re-engagement of lenders in connection with the senior project debt facility of the Fenix Gold Project.

In connection therewith, the Company announced that it had appointed Endeavour Financial Limited (“**Endeavour**”) with respect to the financing and construction of the Mine. Pursuant to the terms of the appointment, Endeavour agreed to provide a full-service approach to the financial advisory, which includes the review and restructuring of the existing Gold Stream, technical guidance during the completion of the Feasibility Study and dealing with lenders on the debt component of financings of the Company.

The Company further announced that: (i) the Company intends on revising and restructuring the Gold Stream with WPMI, given the rejection of the EIA; (ii) the Company halted technical due diligence, with an expected reactivation once the planned Feasibility Study is completed; and (iii) the Company is conducting additional monitoring studies of the fauna in the Fenix Gold Project area to provide supporting information for its administrative appeal before the Committee of Ministers (Chile).

On March 27, 2023, the Company announced that it obtained disinterested shareholder approval for the issuance of Common Shares pursuant to the terms of the 2023 Shares for Services Agreements.

On April 11, 2023, the Company announced the issuance of 736,151 Common Shares at a deemed price of CAD\$0.15 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On June 20, 2023, the Company announced that the Chilean Internal Revenue Service issued to Fenix Gold, an IVA/VAT (Impuestos a Las Ventas y Servicios/Value Added Tax) refund in the amount of CLP\$4,073,551,385 (the equivalent of approximately \$5,092,000 at the exchange rate prevailing at the time of the refund). The Company announced that the funds received in connection with the foregoing would provide additional working capital for the continued advancement of the Fenix Gold Project.

On July 7, 2023, the Company announced the issuance of 372,974 Common Shares at a deemed price of CAD\$0.27 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On September 5, 2023, the Company announced the completion of its Feasibility Study for the Fenix Gold Project, which includes updated Mineral Resource and Mineral Reserve estimates, a ROM operational plan and updated capital and operating cost estimates. The Feasibility Study was authored by international mining consultants, Mining Plus Peru S.A.C. (“**Mining Plus**”).

On September 5, 2023, the Company also announced the publication of its 2022 ESG report, which represents a comprehensive review of the Company’s ESG factors related to the Company’s development activities at the Fenix Gold Project. A copy of the report is available at the Company’s website at: [www.rio2.com](http://www.rio2.com).

On October 5, 2023, the Company announced the issuance of 479,198 Common Shares at a deemed price of CAD\$0.21 per Common Share pursuant to the terms of the 2023 Shares for Services Agreements.

On October 18, 2023, the Company announced that it filed an independent technical report dated and effective October 16, 2023, entitled “NI 43-101 Technical Report on the Feasibility Study for the Fenix Gold Project” (the “**Technical Report**”) pursuant to NI 43-101. The Technical Report is available in its entirety on SEDAR+ under the Company’s issuer profile at [www.sedarplus.ca](http://www.sedarplus.ca).

On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.

### Recent Developments

On January 8, 2024, the Company announced the issuance of 253,273 Common Shares at a deemed price of \$0.38 per Common Share, pursuant to the terms of the 2023 Shares for Services Agreements.

On January 29, 2024, the Company announced that it had entered into shares for services agreements (the “**2024 Shares for Services Agreements**”) with certain directors, employees and consultants. Pursuant to the terms of the 2024 Shares for Services Agreements, such directors, employees and consultants agreed to receive all or a portion of their respective director fees, wages or consultancy fees for the period from January 1, 2024 to December 31, 2024, in Common Shares, with the remaining amount, if any, to be settled in cash. The total value of the security-based compensation intended for issuance in connection therewith was up to CAD\$750,000.

On April 8, 2024, the Company announced that Fenix Gold received the formal *Resolución de Calificación Ambiental* (the “**RCA**”) for the Fenix Gold Project. The RCA allows Fenix Gold to advance permitting activities for the Fenix Gold Project. Four principal sectorial permits are required before construction can commence at the Fenix Gold Project: 1) Mining Methods; 2) Process Plant; 3) Waste Dumps & Stockpiles; and 4) Closure Plan and the Company announced that work on these permits was underway, with an anticipated timeline of the end of July 2024.

The Company further announced that the Company had been working with Endeavour to develop the optimum financing solution for the Fenix Gold Project. In this regard, the Company and Endeavour developed a shortlist of institutions who were provided with additional information relating to the Company and the Fenix Gold Project through a virtual data room with the objective of obtaining formal expressions of interest.

In addition to the above, the Company also announced that it had entered into an engagement letter agreement with Eight Capital to act as lead agent and sole bookrunner, on behalf of a syndicate of agents, in connection with a private placement of up to 25,640,000 Common Shares at a price of CAD\$0.39 per Common Share, for aggregate gross proceeds of up to CAD\$9,999,600 (the “**2024 Offering**”).

On April 9, 2024, the Company announced that it had entered into an amending agreement with Eight Capital to upsize the 2024 Offering to allow for the issuance of up to 59,030,000 Common Shares at a price of CAD\$0.39 per Common Share for aggregate gross proceeds of up to CAD\$23,021,700. Of the 59,030,000 Common Shares being offered, up to a 25,640,000 Common Shares were offered for sale pursuant to the listed issuer financing exemption under Part 5A of NI 45-106 for aggregate gross proceeds of up to CAD\$9,999,600 (the “**LIFE Offering**”) and the remaining balance of Common Shares were offered for sale pursuant to other exemptions under NI 45-106 and in accordance with applicable securities laws. The Company filed an offering document in connection with the LIFE Offering, a copy of which can be accessed under the Company’s issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

On April 17, 2024, the Company announced the closing of the 2024 Offering, including the LIFE Offering, and issued an aggregate of 59,030,000 Common Shares at a price of CAD\$0.39 per Common Share for aggregate gross proceeds of CAD\$23,021,700.

### Significant Acquisitions

The Company did not complete any significant acquisitions during the financial year ended December 31, 2023.



## DESCRIPTION OF BUSINESS

### General

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as successful capital markets track record. Rio2 is focused on taking its Fenix Gold Project in Chile to production in the shortest possible timeframe based on a staged development strategy. In addition to the Fenix Gold Project in development in Chile, Rio2 continues to pursue additional strategic acquisitions where it can deploy its operational excellence and responsible mining practices to build a multi-asset, multi-jurisdiction, precious metals company.

The Company's principal development property is the Fenix Gold Project, which is described in further detail below under "*Mineral Projects*".

### Specialized Skills and Knowledge

All aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, accounting, transaction identification and negotiation and accessing capital. In so far as the mining industry is competitive with respect to attracting experienced employees, management intends to use its relationships and its prospect as a growth company to employ individuals with the required skills to advance the business.

There remains demand for highly skilled and experienced workers in the Company's industry and employment markets can vary with volatility in the mining industry. See "*Risk Factors*".

### Competitive Conditions

The gold exploration and mining business is competitive. The Company competes with numerous other companies and individuals that have resources significantly in excess of those of the Company, in the search for and the acquisition of mineral properties. The ability of the Company to acquire mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration. There is no assurance that any such investigations or negotiations will result in the completion of an acquisition. See "*Risk Factors*".

### Cycles

The mining business is subject to global economic cycles which affect the marketability of products derived from mining.

### Stage of Development

The Company is in the exploration and development stage and does not produce, develop or sell any products at this time and consequently, has no current operating income or cash flows from the properties that it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are funded solely by equity financings.

### Environmental Protection

The current and future operations of the Company, including development and mining activities, are subject to extensive federal, provincial and local laws and regulations governing environmental protection, including protection and remediation of the environment and other matters. The Company is in full compliance with all environmental protection requirements under applicable law, and such requirements do not have a material impact on the capital expenditures, profit or loss or the competitive position of the Company. However, compliance with such laws and regulations increases the costs of and delays planning, designing, drilling and developing the Company's properties.

Rio2 has policies and procedures in place relating to corporate governance, business conduct and general guidelines. On December 7, 2020, the Board formed a Health, Safety, and Community Committee (the “**HSC Committee**”) tasked to oversee responsibilities regarding the health and safety of its employees and contractors, the conduct by the Company of its operations in an environmentally responsible manner and the development and maintenance of positive relationships with communities in the area of influence the Company’s projects. Consistent with this function, the HSC Committee will encourage continuous improvement of, and will foster adherence to the Company’s policies, procedures and practices at all levels.

Under the guidance of the HSC Committee, the Company has produced an ESG report for the years 2021, 2022 and is currently finalizing the report for the year 2023.

## **Employees**

As at December 31, 2023, the Company had 30 full-time employees and 11 contractors and as at the Effective Date, the Company had 40 full-time employees and 30 contractors. To continue with the development of its assets, the Company may require additional experienced employees and third-party consultants and contractors. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees will be retained by the Company when necessary. See “*Risk Factors*”.

## **Information Regarding Chile**

Chile, with a continental area of 295,000 square miles (764,000 square kilometers) excluding the Antarctic territory with an area of 490,000 square miles (1,269,000 square kilometers), is a long narrow ribbon of land stretching almost 2,700 miles (4,345 kilometers) along the west coast of South America with an average width of only 110 miles (177 kilometers), varying between 60 miles (97 kilometers) and 250 miles (402 kilometers). The country is wedged between the Andes on the east and the Pacific Ocean on the west, bordering Peru on the north and Bolivia and Argentina on the east. Southern Chile is an archipelago, with Cape Horn at its tip. There are five distinct and well-defined geographic regions: the northern desert, the high Andean sector, the central valley, the southern lake district, and the archipelago. Santiago is the capital and the commercial center of the country. Chile’s population totals approximately 19 million, of which about 85 percent is urban, with a concentration of nearly 6.5 million in the metropolitan region (Santiago). The median age in Chile is 35.7 years.

The Company’s operations are in Chile. Although Chile has proven to be a stable democracy, it faced a wave of social unrest in 2019 that led to the establishment of two processes to draft a new constitution in 2022 and 2023. The people of Chile voted in both instances to reject the proposed new constitutions.

Operations in any foreign country may be exposed to economic and other risks and uncertainties, which may include, but are not limited to, terrorism, hostage taking, military repression, expropriation, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes in mining or investment policies or shifts in political attitudes in Chile may adversely affect the Company’s operations or profitability. Operations may be affected in varying degrees by government regulations concerning, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety. The Chilean legal system follows the Spanish and French patterns. The Civil Code was enacted in 1855 and has served as a model for other countries in Central and South America. Many other codes and laws are in force and a court decision is only valid for the specific case for which it is delivered.

This legal structure is supported by an independent and well-established judiciary that includes a Supreme Court, Courts of Appeals and Judges of First Instance. Civil, criminal and labor judges exist. In addition, recourse to an arbitrator is provided for in order to settle civil and commercial disputes. See “*Risk Factors*”.

## MINERAL PROJECTS

### The Fenix Gold Project

The Fenix Gold Project (16,050 hectare) is located in Atacama Region, in the Copiapó Province - Chile, specifically in the Maricunga Mineral Belt, approximately 160 kilometers northeast of Copiapó by International Road CH-31. It is one of the largest undeveloped pre-feasibility stage gold oxide projects in the Americas. The Fenix Gold Project is 100% owned by Fenix Gold Limitada, a subsidiary of Rio2, and is not subject to third party royalties, back-in rights or payments.

A more complete description of the Fenix Gold Project may be found within the 2023 Technical Report, a copy of which is available on the Company’s issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Unless stated otherwise, information in this section is summarized, compiled, extracted or incorporated by reference from the 2023 Technical Report. The 2023 Technical Report was prepared on behalf of the Company in accordance with NI 43-101 by Erick Ponce, FAusIMM (Min), Anthony Maycock, P.Eng, Denys Parra, SME, Registered Member, Carlos Arevalo, Chilean Mining Commission, Registered Member, Andres Beluzan, Chilean Mining Commission, Registered Member and Francisco Javier Rovira, Competent Person in Mineral Resources and Reserves. Defined terms used in this summary shall have the meanings ascribed to such terms in the 2023 Technical Report. The reference numbers of the tables and figures set out in this section are those attributed by the 2023 Technical Report. For a complete description of the assumptions, qualifications and procedures associated with the following information, reference should be made to the full text of the 2023 Technical Report. Readers are encouraged to read the full 2023 Technical Report.

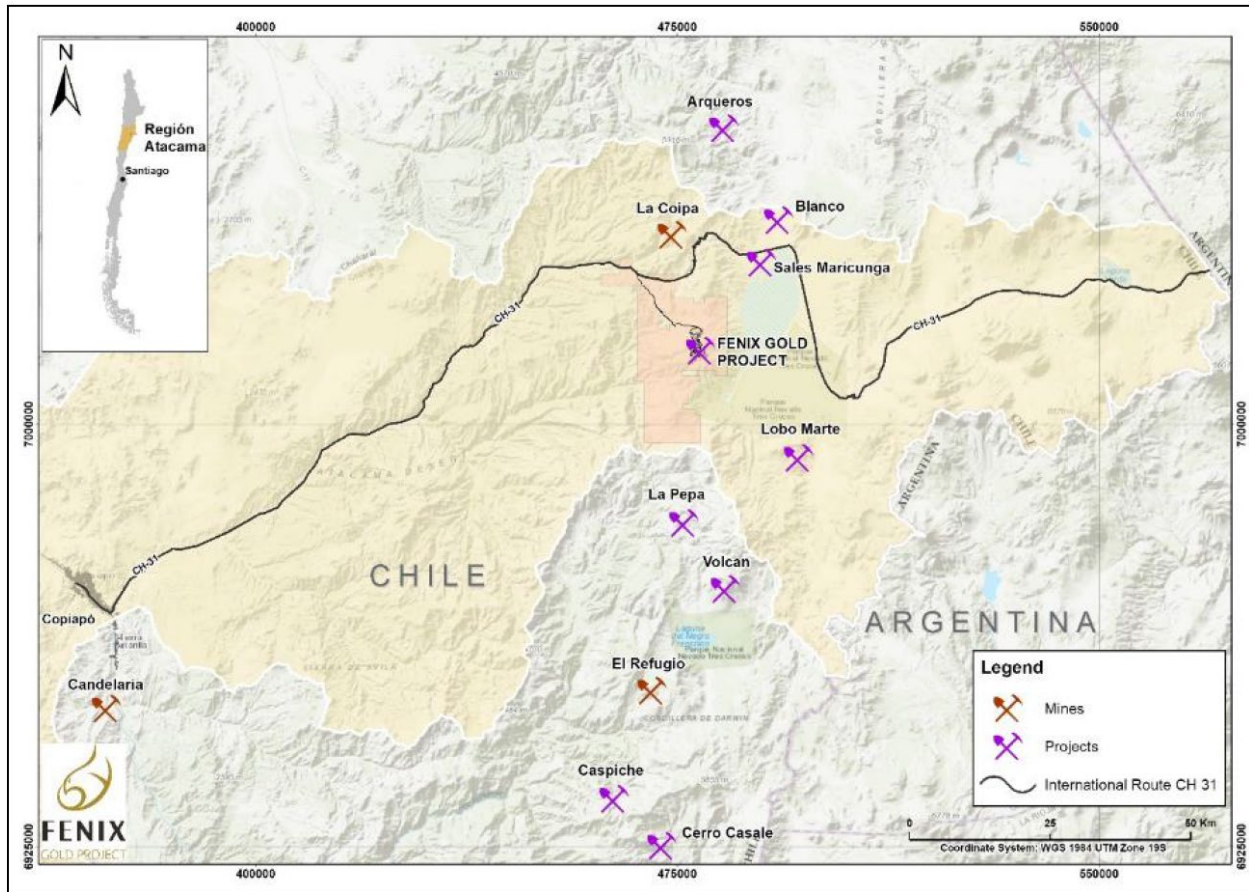
The summary of the Fenix Gold Project set out below has been extracted from the “Executive Summary” of the 2023 Technical Report dated October 16, 2023. The 2023 Technical Report is incorporated by reference in its entirety into this AIF.

### ***Property and Location***

The Fenix Gold Project is located in Chile’s III Region (Atacama) in the Maricunga Mineral Belt (“**MMB**”), a mining district with a history of mining and a gold endowment of over 70 million ounces. MMB hosts the La Coipa and Maricunga mines, and the Lobo Marte, Volcan, Caspiche, and Cerro Casale gold deposits. Some Lithium projects are also located nearby.

The Fenix Gold Project is approximately 117 Km northeast of Copiapó City and approximately 50 Km west of Chile’s border with Argentina. It is located along the western flanks of the Chilean Andes at a mean elevation of approximately 4,500m (see Figure 1-1). The Pan-American Highway and the provincial road network connect the Fenix Gold Project to the Pacific Ocean ports at Antofagasta and Coquimbo.

The Fenix Gold Project location is shown in Figure 1-1.



**Figure 1-1: Location Map of the Fenix Gold Project**

The Fenix Gold Project includes 21,746 hectares of exploration and 15,545 hectares of exploitation concessions, comprising an area of approximately 37,291 hectares. Fenix Gold has obtained and registered a provisional easement over the land (843.27ha) where it will develop the Fenix Gold Project by a Resolution dated August 13, 2020, from the 4th Civil Court of Copiapó. This Resolution has been registered in the registry of the “Conservador de Bienes Raíces de Copiapó” on October 21, 2020.

Obtaining this provisional easement was an important milestone for Fenix Gold as it now holds the title to access the surface land where it will develop the Fenix Gold Project, allowing it to move forward with the application for certain permits while awaiting the approval of its Environmental Impact Study.

***Accessibility, Climate, Local Resources, Infrastructure and Physiography***

The Fenix Gold Project is located approximately 160 Km from Copiapó and is accessed via 140 Km of paved highway and 20 Km of maintained single-track dirt road. The approximate travel time from Copiapó is 2.5 hours.

The Fenix Gold Project is situated on the western slopes of the Andes Cordillera in the high desert of the Atacama Region of Chile at an elevation of approximately 3,400-to-5,000m above sea level. The climate in the area surrounding the Fenix Gold Project is classified as a “low marginal desert climate.”

The climate is considered extremely dry. Annual precipitation totals approximately 150mm on average, falling largely as snow during the winter months (June to September). Temperatures in the Fenix Gold Project area range from -30°C at night in the winter months, to 20°C during the daytime in the summer

months. There is no surface water source flowing through the Fenix Gold Project area and no underground water sources have been identified. Phreatic water levels were also not found during drilling in the pit area.

There are no major population centers or civil infrastructures in the immediate vicinity of the Fenix Gold Project. Small-scale farming is present in the valleys that drain the highlands. Farming in this area is typically done by indigenous peoples and consists of crop farming and raising livestock. Farming activity has not been recorded near the Fenix Gold Project.

Copiapó, an established regional mining support and logistics hub, has a population of approximately 171,000 (2022 AZ Nations, n.d.) and can supply a skilled and experienced mining and mineral processing workforce.

The Fenix Gold Project is approximately 25 Km from Chile's national power grid, Central Interconnected System (SIC). However, electrical generators were considered in the proposed start-up plan. The connection to the national power grid will be a future improvement for the Fenix Gold Project, most likely in conjunction with establishing a water pipeline.

### **History**

Independent prospectors identified mineralization in the general area of the Fenix Gold Project in the early 1980's. In December 2007, a private Chilean exploration company, SBX, discovered gold mineralization in the Cerro Maricunga geological formation, with gold grades ranging from 0.2 g/t to 3 g/t. SBX named the discovery "Cerro Maricunga".

Minera Newcrest Chile Ltda ("**MNCL**") entered into an agreement with SBX to evaluate the Fenix Gold Project in 2007. Following their evaluation, MNCL chose to exit the option agreement with SBX. In 2008, Gold Fields ("**GFC**") entered into an agreement with SBX to evaluate the Fenix Gold Project, and following their work, GFC concluded that Cerro Maricunga had the potential to host a significant gold deposit. However, GFC elected to discontinue their interest in the Fenix Gold Project.

Between 2008 and early 2010, SBX privately funded an extensive exploration program including metallurgical testing and a diamond drill hole program. Phase I drill results were positive and in October 2010, SBX took the Cerro Maricunga Project public after listing on the Toronto Stock Exchange as Atacama Pacific Gold Corporation ("**APG**"). Also, in October 2010, APG commenced Phase II drilling at the Fenix Gold Project site and generated further positive results supporting the potential for a significant oxide-gold deposit.

Metallurgical test work conducted during 2011 indicated the deposit could be amenable to heap-leach processing. A third phase of drilling designed to define the extent of mineralization began in 2011. APG funded a program of infill drilling and additional metallurgical testing that concluded in May 2013. Following the results of Phase IV drilling, APG published a Pre-feasibility Study (PFS) for the Cerro Maricunga Project (PFS, 2014). In 2017, APG commenced Phase V drilling for metallurgical testing.

In July of 2018, Rio2 and APG announced a merger which saw Rio2 gain control of the Cerro Maricunga Property. Rio2 renamed the Fenix Gold Project to "Fenix Gold Project," and Atacama Pacific Gold Chile was renamed to Fenix Gold Limitada ("**FGL**"). Since assuming control of the Fenix Gold Project, Rio2 has completed Phase VI, Phase VII, and Phase VIII drilling and has published the "Updated Pre-feasibility Study for the Fenix Gold Project" in 2019. This report provided an update to the PFS, 2014 study published by APG. The 2019 Updated PFS study was amended and restated in August 2021.

In February 2022, Rio2 developed a structural model of the Fenix Gold Project and constructed a new geological model in 2023. This geological model was completed using a new version of the detailed geological mapping, which included descriptions of drill holes and a new structural map. Geotechnical and hydrogeological studies for the pit and mine components were also completed. Additionally, Rio2 completed pilot metallurgical testwork on a 426-dry-tonne ore sample.

The Environmental Impact Assessment for the Fenix Gold Project was completed and submitted in April 2020 to the Environmental Assessment Service. In June 2022, the SEA published the Consolidated valuation Report recommending that the Fenix Gold Project be rejected. This recommendation was supported by the Atacama Regional Evaluation Commission in early July 2022. Fenix Gold submitted an administrative appeal in August 2022. <sup>1</sup>

### ***Geology and Mineralization***

The Fenix Gold Project is located near the summit of the Cerro Maricunga Volcanic Complex, where it hosts a NW-SE-trending oxidized gold system approximately 2.5 Km long, 0.75 Km wide and 600m deep.

The stratigraphy of the Fenix Gold Project is characterized by the following geologic units: 1) a pre-mineral unit ("**Early Phreatomagmatism Unit**") formed by a set of domes and lava-domes which are rhyodacitic to andesitic and which intrude a sequence of block and ash pyroclastic breccias; 2) a syn-mineral series (Phreatomagmatic Unit) of massive-to-stratified ash tuffs, fine-to-medium lapilli tuffs, breccia tuffs and pyroclastic breccias of phreatomagmatic origin and with subvolcanic intrusions which are genetically related; and 3) a post-mineral group of small-volume dacitic domes that crosscut all previous units ("**Late Phreatomagmatism Unit**").

The Phreatomagmatic Unit is associated with at least 10 maar-diatreme-type volcanic structures ("**maar-diatreme field**") of different preservation degrees, which have been crosscut by NW-SE and late NE-SW faults and fractures.

The gold mineralization is hosted mainly by tuffs, breccias, and dacitic subvolcanic intrusions from the Phreatomagmatic Unit and, to a lesser extent, by andesites and dacitic domes of the same unit. The high-grade gold is commonly associated with low-temperature black banded quartz veins ("**BBV**"), which occur in sheeted veins, stockworks, subangular fragments in phreatomagmatic breccias and in hydrothermal injections of silica-magnetite. Low-grade gold is also present in veinless rocks as microscopic auriferous magnetite/ilmenite disseminated in a breccia matrix. Copper sulfides such as chalcocite-digenite, chalcopyrite and bornite have also been detected as small inclusions in quartz.

The deposit is interpreted as an intrusion-related, low-sulfidation, quartz-sulphide, Au±Cu deep epithermal mineralization, which has been lately remobilized by supergene processes facilitated by the permeable fine-grained matrix of the phreatomagmatic breccias.

The alteration associated with the mineralization is a weak homogeneous argillization represented by nontronite, silica, magnetite (chlorite), and, to a lesser extent, restricted silicification. Removed from this alteration, a ring-shaped kaolinite-hematite halo affects the country rocks, likely due to supergene alteration derived from disseminated pyrite.

### ***Exploration***

The Fenix Gold Project has been explored by trenching, mapping, geophysics, and drilling. The Phase I drilling program completed a total of 2,142m during the years 2007 to 2010, and was undertaken by SBX.

Atacama Pacific Gold Corporation ("**APG**") completed 106,339 m of drilling corresponding to Phases II through V over the years 2010-2017. APG also generated geological maps and conducted metallurgical and geotechnical testing.

Rio2 has carried out exploration activities since 2018. Several research studies were conducted from 2018 to 2022, including reports focusing on geophysics, petrology, and mineralogy. Included in these reports, was a structural study conducted by Dr. Pamela Pérez and a volcanological study completed by Dr. Jorge

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<sup>1</sup> On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.

Clavero and Valentina Ramirez. During 2020 and 2021, 8 diamond drill holes were drilled for the purposes of geotechnical studies, one of which was completed by DERK in 2022 and which examined the stability of the designed reserve pits.

During 2020 and 2021, 426 tonnes of ore from Fenix North, Fenix Central, and Fenix South were stockpiled for the purposes of metallurgical testing in a pilot plant by HLC Ingenieria y Construccion.

### ***Drilling***

In total, 408 drill holes totaling 120,055m were drilled at the Fenix Gold Project site. The 2020-2021 and 2022 drilling campaigns complied with mineral exploration best practices for diamond and Reverse Circulation (“RC”) drilling.

### ***Sample Preparation and Data Verification***

During the 2020-2021 and 2022 drilling campaigns, Rio2 conducted sampling, sample preparation, and sample analysis procedures according to industry best standards. Rio2 maintained high sample security standards throughout the entire sampling process.

No significant differences between the collar coordinates measured with a hand-held GPS and the coordinates recorded in the Fenix Gold Project database by Rio2 were observed.

Survey, logging, sampling, and assay data were properly transferred into the Fenix Gold Project database. No transcription errors were observed when comparing the original survey, logging and assay data with the data recorded in the Fenix Gold Project database.

Lithologies, structures, alterations and mineralization were properly documented, and data recorded in the logs generally respect the observed core and cuttings.

Interpretations involved in the geological model respect the data recorded in the logs and the sections. The interpretations from adjoining sections are consistent with the characteristics of the deposit represented by the model.

No twinned holes were drilled during the 2020-2021 and 2022 drilling campaigns. The sampling, sample preparation and analytical precision for gold assays processed at the ALS lab and Andes Analytical Assay Ltda (“AAA”) laboratories were within industry standard limits for assay samples obtained from the 2020-2021 and 2022 drilling campaigns.

Rio2 used commercial standards, produced, and properly certified by Geostats Pty (Australia) to carry out the Assessment of Accuracy during the 2020-2021 and 2022 campaigns. Shewhart diagrams were prepared for each standard and accuracy biases were calculated. As a result, the Au accuracy at ALS and AAA are considered acceptable.

No significant Au contamination occurred during sample preparation at the ALS and AAA labs through the 2020-2021 and 2022 drilling campaigns.

The QP organized a re-sampling program to independently validate the ALS and AAA data during the 2020-2021 and 2022 campaigns. The check samples were submitted for re-assaying to Certimin, a laboratory with formal accreditations and the check assay data were processed utilizing the RMA method. As a result, the accuracy of ALS & AAA relative to Certimin for Au assay, was acceptable as validated by the high value of the coefficient of determination ( $R^2 = 0.993$ ).

## Mineral Processing and Metallurgical Testing

From 2008 to 2021, several metallurgical study campaigns have been conducted on mineralised material from various zones of the Fenix Gold deposit, formerly known as Cerro Maricunga. The sequence of campaigns is displayed in Figure 1-2. The total metallurgical test work involves 105 bottle rolls tests, 42 column leach tests and 1 pilot scale leaching test. The laboratories that performed the tests were: Advanced Mineral Technology Laboratory Ltd (AMTEL) of London, Ontario, Canada;

Kappes, Cassidy & Associates (KCA), based in Reno, Nevada, USA; Plenge, based in Lima, Peru; and HLC, Lima, Peru, which performed the pilot scale testwork.

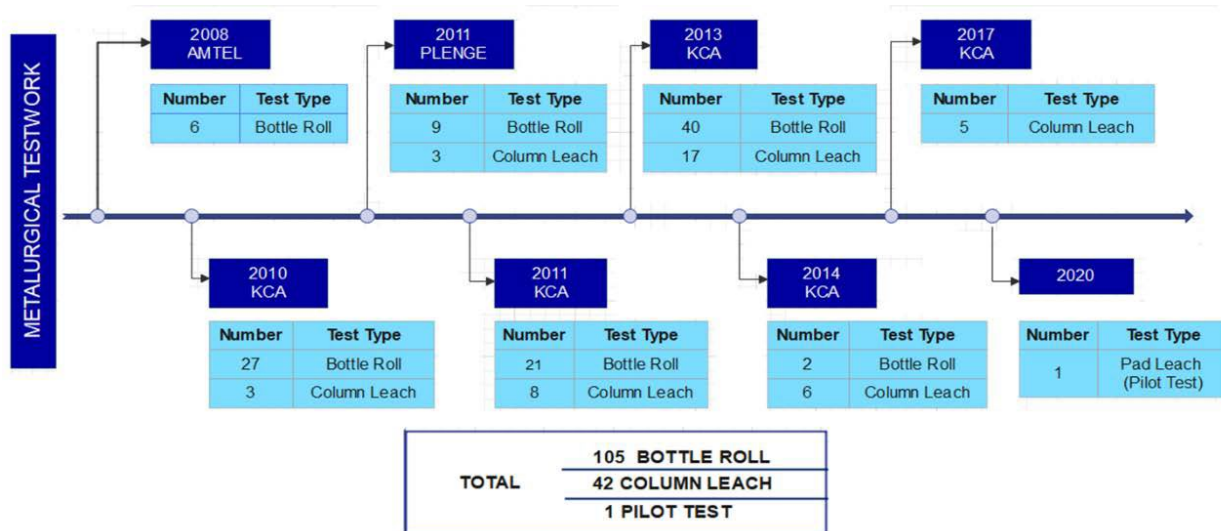


Figure 1-2: Testwork campaigns from 2008 to 2021.

The purpose of the 2008 to 2014 campaigns was to study gold and silver extractions under different leaching conditions and ore sizing distributions to provide basic design parameters for an industrial heap leach circuit.

The tests determined the optimum pH conditions, reagent consumption (cyanide, lime, and cement), metal recovery (gold, silver, and copper), leaching kinetics and particle size. Crushing tests were also conducted to determine the crushing work index and the abrasion index; high-pressure grinding roll (HPGR) crushing technology was also tested. For these campaigns, drill core and trench material were tested from different zones of the deposit to provide results considered representative of the deposit.

In 2017, leach tests were conducted by KCA for Atacama Pacific Gold. The purpose of this testwork was to study gold extraction in coarse-size particle fractions crushed to P80 -100mm and P80 -75mm, in an attempt to potentially reduce the crushing requirement. KCA received core samples identified from Fenix South, Fenix Central and Fenix North zones. The irrigation time was 123 days and the calculated gold head grades ranged from 0.383g/t to 0.898g/t. Gold recovery for the columns ranged from 53% to 77%.

In 2020, HLC Ingeniería y Construcción SpA (“HLC”) conducted pilot scale leaching tests at the Fenix Gold Project facilities in Copiapó, Chile. The purpose of the pilot scale testing was to demonstrate that 75% gold extraction could be obtained from blasted ROM material with a P80 -100mm, using water sources from the Nueva Atacama treatment facility.



The leach test was carried out on a concrete pad protected by a High-Density Polyethylene (HDPE) liner; pad dimensions were 8m x 8m x 3m high. A total of 426 dry tonnes of mineralized material from the three pits was treated with approximately 18% originating from the Fenix North Pit, 48% from the Fenix Central Pit and 34% from the Fenix South. Material from each pit was obtained by blasting, with a target P80 of -100mm. The blasted samples exhibited fragment sizes less than 150mm.

The pad was irrigated with cyanide solution with 150 ppm of free cyanide and the leach time was 81 days, plus 5 days of drain down. The gold, silver, and copper recoveries were determined together with the irrigation rate and reagent consumption. Gold and silver extractions were 75.1% and 12.4% respectively, while cyanide consumption was 0.175 kg/t. Lime was added to maintain the pH level above 10, with a consumption rate of 2.99 kg/t.

Gold extraction for all column tests carried out from 2010 to 2021 was in the range of 70% to 89%, except for the tests carried out in 2017, where two composites from CX top and bottom zones showed gold extractions between 53% and 57% respectively. These results were atypical with respect to previous tests utilizing material obtained from the same zone. It should be noted that when the CX top and CX bottom samples were included in a blend (20/20/20/20 CX-Top CX-Bottom LXPX-Top LXPX-Bottom PXLX-Bottom), the overall recovery was 75%.

The results from the pilot pad support the gold extraction obtained by KCA in 2017 for the composites from the three zones of the deposit CX, LX and PX giving an average gold extraction of 77% (without considering Samples CX-Top and CX-Bottom). The tests were carried out on a range of P100 particle size between -150mm and -75mm.

Based on the results of the column leach and pilot tests from 2010 to 2020, crush size has little effect on gold extraction. There is a weak correlation between metal recovery and feed size, with a decrease in gold recovery of 7% over a sample range of 20mm to 140mm.

### **Mineral Resource Estimate**

The 2019 Mineral Resource Estimate (“MRE”) was updated to include 13 holes totaling 3,570m of RC and diamond drilling completed in 2021 and 2022. The additional data, new geological model and revised modeling parameters have had no material effect on the combined Measured and Indicated resources when compared to the 2019 PFS. This suggests that the resource estimate is robust for bulk mining.

Inferred resources have decreased compared to the 2019 PFS. This is due to the increase in G&A and process mining costs, combined with lower recoveries than in the 2019 study. The revised costs are considered better aligned with current market conditions.

The Mineral Resource was determined inside a Whittle Open Pit Optimization. The optimization utilizes input parameters that consider an expanded project with access to water via a pipeline, which reflects the longer-term potential of the Fenix Gold Project on the Measured, Indicated, and Inferred resources. Resources presented in Table 1-1 are constrained within an optimized open pit with a \$1,800/oz gold price and correspond to a cut-off grade of 0.15g/t Au, inclusive of Reserves.

| Mineral Classification     | Resource | Million metric tonnes | Au Grade (g/t) | Au Ounces (x1000) |
|----------------------------|----------|-----------------------|----------------|-------------------|
| Measured                   |          | 123.3                 | 0.42           | 1,671             |
| Indicated                  |          | 266                   | 0.36           | 3,086             |
| Total Measured + Indicated |          | 389.2                 | 0.38           | 4,757             |
| Inferred                   |          | 90.8                  | 0.33           | 959               |

**Table 1-1:** Mineral Resource statement for the Fenix Gold Project, 0.15 g/t Au cut-off grade.

**Notes:**

1. Mineral Resources reported is inclusive of Mineral Reserves.
2. Metal price of \$1800 per ounce gold was used to estimate Mineral Resources.
3. Table 1-1 includes all Measured, Indicated, and Inferred Resources contained within the "Resource Pit", which represents the test for eventual extraction applied.
4. Mineral Resources were prepared by Independent Consultant Andres Beluzan Chartered Professional, Mining Engineering and a registered member in good standing of the Chilean Mining Commission, REG# 215
5. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.
6. Mineral Resources are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.
7. Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.
8. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

**Mineral Reserve Estimate**

The Mineral Reserves statement has been prepared according to the CIM Standards.

The Proven Mineral Reserve is based on Measured Mineral Resources and the Probable Mineral Reserve is based on Indicated Mineral Resources after considering and applying modifying factors to all economic, mining, metallurgical, social, environmental, statutory, and financial aspects of the Fenix Gold Project.

Mining Plus developed the mine dilution methodology based on contact dilution of lateral contact edges on each block of the three-dimensional block model ("3DBM"). The dilution algorithm used to determine the dilution of one block is based on the surrounding grades of others and is further detailed in section 15.5.

The Mineral Reserve estimate is shown in Table 1-2 reported with a cut-off grade of 0.235g/t gold. The Mineral Reserves are reported as in-situ dry tonnes within the operational pit, totaling 114.7Mt of proven and probable mineral reserve, 97.1Mt of waste material, a stripping ratio ("SR") of 0.85 and 211.8Mt total ROM material.

| Mineral Reserve Classification      | Million metric tonnes | Au Grade (g/t) | Au Ounces (x1000) |
|-------------------------------------|-----------------------|----------------|-------------------|
| Proven                              | 63.2                  | 0.50           | 1,022             |
| Probable                            | 51.5                  | 0.45           | 750               |
| <b>Total Ore (Proven+ Probable)</b> | <b>114.7</b>          | <b>0.48</b>    | <b>1,772</b>      |

**Table 1-2:** Mineral Reserves statement.

**Notes:**

1. Totals may not add up correctly due to rounding.
2. Metal price of \$1,650 per ounce gold was used to estimate Mineral Reserves.
3. Mineral reserves are estimated using a minimum cut-off grade of 0.235 g/t Au and assuming metallurgical recovery of 75% on average for the life of mine.
4. Mineral Reserves were prepared by Erick Ponce FAusIMM, Area Manager, Mining Plus.
5. Mineral Reserves are reported in accordance with Canadian Securities Administrators (CSA) National Instrument 43-101 (NI 43-101) and have been estimated in conformity with generally accepted Canadian Institute of Mining, Metallurgy and Petroleum (CIM) "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines.

## ***Mining Methods***

The Fenix Gold Project consists of an open pit mine which will be developed using conventional drill and blast techniques, with a truck and excavator configuration. The mineral processing rate is 20,000 tpd Run of Mine (ROM) ore to Heap Leach Pad (PAD). The mining rate was determined based on the processing rate, which is primarily a function of the available process feedwater.

The final pit design of the Fenix Gold Project is based on an optimal pit shell Revenue Factor (“**RF**”) 0.96 selected during the optimization process. The design includes a ramp width of 14 m, which follows Chilean mining regulations. The final pit is divided into sectors, namely: Fenix North, Fenix Central A, Fenix Central B and Fenix South. Mining Plus reviewed and validated the final pit design, while geotechnical parameters were provided by DERK.

A detailed mining schedule was developed by Mining Plus. The first two years were scheduled on a monthly basis, followed by two years with a quarterly outlook and from year five onwards, on an annual basis. The primary objective of the mining sequence was to maximize the value of the Fenix Gold Project.

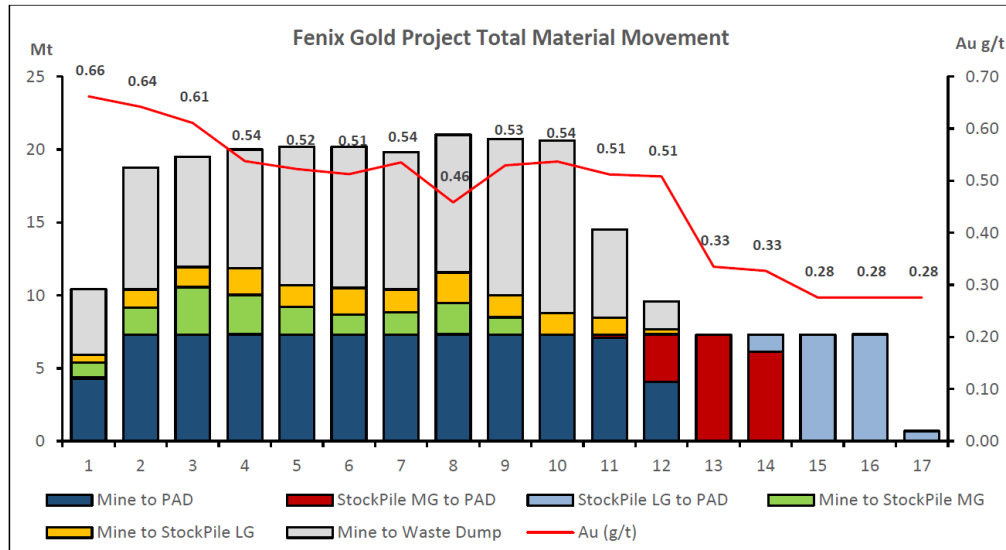
The cut-off grade was set at 0.235g/t Au as provided by Rio2 and validated by Mining Plus. To further improve the economics and increase cash flow, medium grade and low-grade stockpiles were utilized in the mining strategy.

Year one of production has a planned placement rate of 12,000tpd on the PAD, which will operate at a placement rate of 20,000tpd once ramped up to full production. During the initial 12 years, the average grade will be 0.54g/t Au, with an average production of 91Koz of recovered gold. During these years, the mine schedule will reach the maximum annual mining rate of 21Mtpa. From years 13 to 17, 100% of gold production will originate from 100% stockpile rehandle to PAD with an average grade of 0.30 g/t Au producing 54 Koz of recovered gold as average. The final year completes the rehandle from stockpiles in two months.

Mining operations are based on 365 calendar days per year, with two 12-hour shifts per day. Over a year, 10 days are scheduled to be lost due to weather conditions. STRACON will be responsible for mining operations as part of the alliance contract with Rio2. The mining fleet was estimated by STRACON and consists of 2 DM45 drilling units, a total of 4 units of 6 m<sup>3</sup> bucket excavators, 42 units of 43 t capacity haul trucks, and an associated ancillary and support fleet. The mining contractor will be responsible for purchasing, transporting, and mobilizing the fleet under the aforementioned alliance.

The stability analysis of the mine design was performed by DERK and complies with the acceptability criteria defined in the static, operational earthquake, and maximum credible earthquake scenarios. Anddes completed the stability analysis for mine components, which resulted in acceptable safety factor values for all evaluated scenarios.

The planned production schedule for the Fenix Gold Project is presented in source: Mining Plus 2023 Figure 1-3.



**Figure 1-3: Fenix Gold Project, Mine Schedule**

### Recovery Methods

Metallurgical tests were conducted between 2010 and 2017. A pilot plant test was completed in 2021 by HLC Ingeniería y Construcción SpA (“HLC”). The testwork showed that the feed for the Fenix Gold process plant is suitable for gold recovery by heap leaching.

The PAD design is based on leaching approximately 114.65 Mt of ROM feed over the Life of Mine (“LOM”) with an average head grade of 0.48 g/t Au. At a throughput rate of 20 Ktpd of ROM feed (7.3 Mtpa), the mine life is estimated to last 17 years. HLC estimates that in the leach stage the gold recovery is approximately 75.12%, and the Adsorption, Desorption, Recovery (ADR) plant is estimated to have a recovery efficiency of 99.3%. Losses at the ADR plant are due to the loss of gold in the fine carbon and the smelting slag. The overall gold recovery is estimated to be 74.6%.

The ROM material from the open pit will have an F80 particle size of 100 mm and, will be transported by 43 t capacity trucks to the heap leach pad, where it will be placed in 10 m vertical height lifts. Lime will be added to the trucks at the lime plant and the mixture will be dumped on the heap for leaching.

The irrigation system will uniformly apply a cyanide solution directly onto the leveled surface of the material to be leached via a drip irrigation system. The irrigation rate will be 10 l/h.m2 with a 90-day irrigation cycle.

Leaching will use a diluted sodium cyanide solution to dissolve the gold which will be recovered from the pregnant leach solution (PLS) in the ADR plant. The gold is recovered from PLS in an adsorption circuit with activated carbon in a series of cascading columns (CIC circuit). Desorption then separates gold from the loaded carbon with acid washing to remove inorganic contaminants, leading to elution of the carbon to produce a gold-rich solution. Within the process, regenerated carbon is recycled into the CIC circuit. The final stage of the recovery process is electrowinning, where the gold-bearing sludge obtained from electrowinning will be filtered and then dried in a retort furnace where any mercury will also be removed. The dried material will be refined in a tilting furnace to obtain doré bars.

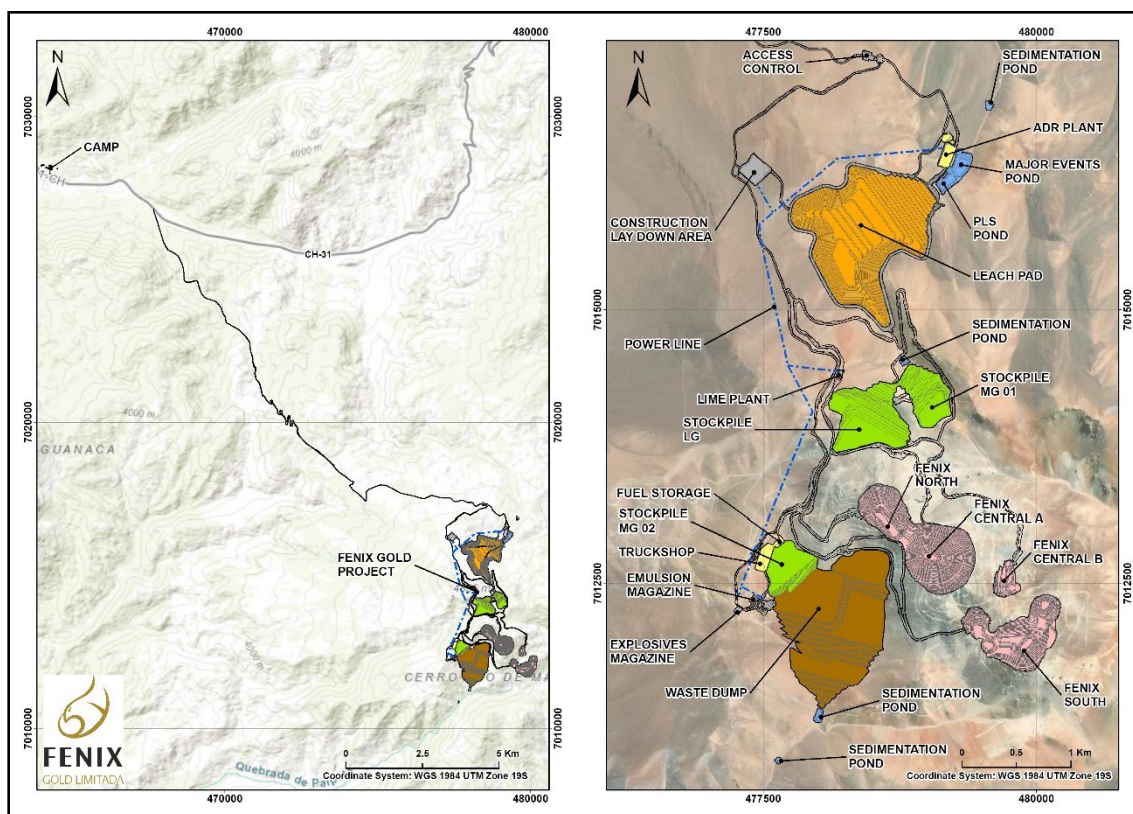
The heap leach was designed by Anddes Asociados SAC (“Anddes”). The leach pad was designed to be constructed in four phases and has capacity to store the total ore from the mine schedule plus 13% additional capacity. The base of the leach pad is inclined at 2% towards the PLS and major event pond and the PLS flows by gravity to the adsorption circuit. The leach pad has a single Linear Low-Density Polyethylene (“LLDPE”) geomembrane liner and an underdrain system installed below the liner for capturing any potential solution leakage. The rich solution is collected by HDPE perforated dual wall collection pipes and pumped directly to the plant or the PLS pond.

The PLS pond has a double HDPE geomembrane liner system and will have an installed capacity of 28,000 m<sup>3</sup> from the first year of the life of mine. The PLS pond doubles in size as the major events pond, during the first 6 years of operation. A designated major events pond will be built in year 6 of the mine operation. It will utilize a double HDPE geomembrane liner system and will have a capacity of 50,000 m<sup>3</sup>.

Gold recovery was simulated using a gold production model provided by HLC. The model is based on inputs from the mine plan and considers losses due to extraction kinetics, gold losses in fine carbon, and losses in the smelter slag. The feed to the leach pad will have a moisture content of 2%. It is expected that there will generally be a water deficit for the process and make-up freshwater will be required. It is estimated that the make-up freshwater requirement will be 1,800 m<sup>3</sup>/d.

### Project Infrastructure

The overall site plan is shown in Figure 1-4 and includes the major project facilities such as the mine open pits, waste dump, stockpiles, leach pad, PLS and major event ponds, ADR plant, power supply, water supply, lime dosing area, workshops, warehouses, offices, laboratory, camp, fuel storage and delivery and other facilities, including the access road to the Fenix Gold Project area. The main infrastructure locations were selected to take advantage of the local topography, and environmental considerations, and to minimize capital and operating costs.



Source: Rio2, 2023

### Access

Access to the camp is via Route CH-31, which connects the city of Copiapó and the Lazaro camp of Lince S.A. via 127 Km of paved highway. The Lazaro Camp will be used by Fenix Gold for the construction and operation of the Fenix Gold Project. An existing 20.2 Km access road to the Fenix Gold Project exists off Route CH-31 at approximately the 131.5 Km mark. The current access road needs upgrading to comply with safety standards requiring a maximum gradient of 10% and maintaining a total effective width of 9.10m.

## ***Water Supply***

The Fenix Gold Project will require a water supply of up to 23.7 l/s (85.3 m<sup>3</sup>/hr) during the operations stage. The water will primarily be used for ROM ore processing. The water requirement calculation also includes a provision for dust suppression, as well as feedwater requirements for workshops, offices, etc.

The Fenix Gold Project will have access to water via a contract signed with the major water supplier in Copiapó called Nueva Atacama, formerly known as Aguas Chañar. The contract will supply up to 20 l/s of treated wastewater from its Piedra Colgada treatment facility located to the north of Copiapó. The water loading infrastructure was built by Fenix Gold at the Nueva Atacama facilities and has been fully commissioned. The water will be transported by 30 m<sup>3</sup> water tankers to the Fenix Gold Project site.

An additional water up to 5 l/s supply of water will be sourced from Lince S.A as required. There will be three main freshwater/fire water tanks for the Fenix Gold Project, two with a capacity of 360 m<sup>3</sup>, and one with a capacity of 2,300 m<sup>3</sup>. Potable water systems will be installed at both the ADR plant and at the mine maintenance shop. The water that will feed the two potable water treatment plants will be drawn from the Lince S.A. well and trucked to the site.

## ***Plant Infrastructure***

Most of the process buildings for the Fenix Gold Project were designed as steel frame buildings with modular thermo-acoustic panels. The plant office building, dining room, change room, ADR plant, maintenance workshop, and powerhouse buildings will all be housed in a pre-engineered steel building.

The reagent storage will be inside the ADR building and will consist of two separate storage areas, one for cyanide and one for carbon. The gold room will be adjacent to the ADR building and will be a reinforced concrete block, steel frame building with modular thermo-acoustic panels and highsecurity control. Chemical analysis of drill hole samples and process plant samples will be completed on-site by a contractor. The process plant structure was designed with earmarked space for the installation of a chemical laboratory in the future.

The Fenix Gold Project will use the existing metallurgical laboratory located at the Lince S.A. infrastructure site, located near the Lazaro camp. These facilities will be used utilized for column tests, where there are 10 steel columns of 0.7m diameter and 6.0 m height, designed to simulate to heap leaching conditions.

The powerhouse in its final configuration will contain four 1,100 kW generators, three in operation and one on standby. The powerhouse area will include one fuel storage tank with a capacity of 520,000 litres, sufficient fuel for 24 days of operation.

## ***Mine Facilities***

The explosive storage facility will be contained in a warehouse structure and is planned to be located close to the waste dump. Detonators, detonating fuses, and cables will be stored in protected 20 ft long containers. Each container will be isolated by containment walls constructed from compacted material following standard safety construction procedures. These facilities will be utilized for column tests consisting of 10 steel columns of 0.7m diameter and 6.0 m height, designed to simulate heap leaching conditions.

The truck shop facility includes lubricant storage, mine maintenance, welding, tire workshop, truck wash, dining room, and administrative office.

The mine fuel station will be located in proximity to the truck shop and will be supplied by fuel tankers from the Compañía de Petróleos de Chile (COPEC). Fuel storage will consist of five tanks, each with a capacity of 60,000 l, which will supply the site operations for 30 days assuming normal operations.

## ***Power Supply***

The power supply for the Fenix Gold Project will be supplied via four 1,100 kW diesel generators, three in operation and one on standby. One fuel storage tank with a capacity of 520,000 litres provides sufficient fuel for 24 days of operation. Initially, there will be only three generator sets will be installed.

The power distribution system will consist of a 13.2 kV medium voltage distribution line using single concrete pole structures to carry the line and double portal-type structures for anchoring and/or topping structures. This line will supply power to the lime plant, mine workshop, and explosives storage area. The distribution line will have a total length of approximately 7 Km.

## ***Camp***

The Lazaro camp is located at kilometer 127 of Route CH-31 on the property of Lince S.A. The camp is designed to accommodate up to 565 people and covers an area of approximately 10 ha. Additionally, the old camp infrastructure can be reconditioned to provide additional capacity to accommodate 155 people. The facilities include management and worker dormitories, offices, a medical center, a training room, and kitchen, a recreation area a fuel depot, an electrical substation, a water treatment plant, a sewage treatment plant, and a parking lot. These facilities will be used initially by the construction contractors and later by the operations staff.

## ***Site Services***

Emergency medical services will be available in a clinic located next to the main office. The medical services will include an ambulance and will be contracted out by Fenix Gold.

Cell phone service coverage will be established to provide coverage to the construction offices and camp area and eventually the mine site construction areas. Internet access is distributed via a satellite system located at the camp. As the infrastructure is constructed and the Fenix Gold Project advances the internet access will be extended to include the mine, plant, and workshop areas onsite.

All solid waste, industrial waste and toxic waste generated on the site will be temporarily stored in a designated transfer center where it will be classified and stored awaiting transport to an approved final disposal facility.

## ***Market Studies and Contracts***

Rio2 has not conducted a market study related to gold and silver doré. Gold and silver are freely traded commodities for which there is a steady demand from numerous buyers. A sale price of US \$1750/oz of gold was used utilized for the economic analysis, which, when vetted by the Qualified Person was considered it reasonable, given that gold has been trading above this price since 2018.

On November 16th, 2021, Rio2 signed a stream agreement with Wheaton Precious Metals over the gold production of the Fenix Gold Project. Under the gold stream agreement, Wheaton will purchase 6.0% of gold production from the Fenix Gold Project until 90,000 oz of gold is delivered, followed by 4.0% of the gold production until 140,000 oz of gold is delivered, after which the Gold Stream will reduce to 3.5% of the gold production for the remaining of the life of mine.

The Treated Water Supply Agreement (TWSA) signed on December 27th, 2019, is in effect to date and ensures water supply for the Fenix Gold project. The first amendment signed on December 2nd, 2021, included the construction of the water loading system located at the Nueva Atacama plant in Copiapó, this infrastructure was completed in 2022. The second amendment was signed on December 15th, 2022, as a result of the rejection of the EIA which made not possible to comply with deadlines established in the initial contract. The revised contract has the EIA approval date to act as a trigger to begin water supply for the construction phase of up to 10 l/s then increasing to 20 l/s during the operation phase.

In October 2021, Rio2 and STRACON finalized a contract that covered services related to earthmoving and construction, mining, and water transport for the Fenix Gold Project. The contract was placed into suspension on August 19th, 2022, after the EIA was rejected and the outcome of the appeal process was pending.

### ***Environmental Studies, Permitting, Social and Community Impact***

#### ***Environmental***

The Environmental Impact Assessment (EIA) for the Fenix Gold Project was submitted to the Environmental Assessment Service SEA - (*Servicio de Evaluación Ambiental*) for evaluation in April 2020. The assessment examined air quality, hydrology, hydrogeology, water quality, climate and meteorology, flora and fauna, archaeology, human interest studies, impact assessments, mitigation and management plans, and closure plans.

Due to the pandemic, the evaluation was suspended and recommenced in November 2020. The Fenix Gold Project, as originally submitted and defined in the EIA and its annexes, underwent substantial improvements through each of its three addendums in response to the consultations of the SEA and the OAECAS (Órganos de la Administración del Estado con Competencias Ambientales) the amendments are summarized in Table 1-3.

| <b>Document</b>         | <b>Issued by</b> | <b>Date of Issue/Presentation</b> |
|-------------------------|------------------|-----------------------------------|
| ICSARA 1 (Observations) | SEA              | January 2021                      |
| Addenda 1 (Replies)     | Fenix Gold       | March 2021                        |
| ICSARA 2                | SEA              | July 2021                         |
| Addenda Complementaria  | Fenix Gold       | December 2021                     |
| ICSARA 3                | SEA              | January 2022                      |
| Addenda Excepcional     | Fenix Gold       | April 2022                        |

**Table 1-3:** ICSARAS and Addenda during the EIA assessment process.

The Citizen Participation Process (PAC - *Participación Ciudadana*) began in December 2020 and was concluded in February 2021. The indigenous consultation process began in March 2021 with the participation of six indigenous communities (PaiOte, Sinchi Wayra, Runa Urca, Pastos Grandes, Sol Naciente, and Comuna de Copiapó) and was approved in April 2022 with the signing of the Final Agreement Protocols (FAP) with the six indigenous communities.

In June 2022 the Technical Committee led by the SEA, with two OECAS representatives (CONADI and CONAF), and the SEREMI for Environment, published the Consolidated Evaluation Report recommending the rejection of the Fenix Gold Project, a decision that was confirmed by the Atacama Regional Evaluation Commission in early July 2022. Following, Fenix Gold entered an administrative appeal to the Committee of Ministers in August 2022, the Committee of Ministers is currently evaluating the Fenix Gold Project and a decision before the end of 2023.<sup>2</sup>

#### ***Human Environment***

Since 2019 Rio2 Fenix Gold, has carried out a process of dialogue and early engagement with the various stakeholders. This dialogue was focussed on the Fenix Gold Project, allowing Fenix Gold to understand

<sup>2</sup> On December 20, 2023, the Company announced that Fenix Gold received approval of the EIA for the construction and operation of the Fenix Gold Project.



the perceptions and points of view of the stakeholders and the challenges and opportunities that should be considered during the construction and operation of the mine.

The indigenous communities closest to the Fenix Gold Project and included in its area of influence are located in Quebrada San Andrés and Quebrada Paipote, where they maintain their main productive activities, such as raising livestock, grazing, and agriculture for their own consumption, handcraft, and collecting medicinal herbs as part of their cultural manifestations and ancestral customs.

The EIA process included two mechanisms to inform the stakeholders about the Fenix Gold Project, and any significant effects. The first one is the Citizen Participation Process (PAC - *Participación Ciudadana*) which included online and in-person activities. The event involved various civil society participants. This Citizens Participation Process was concluded satisfactorily in February 2021.

The second mechanism is the Indigenous Consultation Process, which was developed in conjunction with the six aforementioned communities. The impacts identified, and the control and mitigation measures proposed in the EIA were presented to the communities. The participants had the opportunity to review, comment, and accept or improve on each of the proposals proposed in the EIA.

This dialogue process proved highly successful and resulted in the signing of six Protocols of Final Agreement (“**PAF**”) between the SEA, Fenix Gold, and each of the six communities in April 2022.

### ***Potential Emissions, Waste, and Effluents Generated by the Fenix Gold Project***

The development of the Fenix Gold Project will generate emissions, effluents, and mining waste in all its stages. As a result, environmental control actions were proposed to mitigate potential impacts. Mining waste from the Fenix Gold Project consists of both waste material extracted from the pits and the leached ore that will remain on the heap leach pad after leaching is complete. Due to the static nature of the heap leaching process, the leached ore waste will be washed in situ at the end of operations to remove cyanide ready for closure.

The leach pad will have coronation channels and a sedimentation pond for non-contact water management during operations. Mining waste material generated by the Fenix Gold Project during the construction and mining stages will be disposed of in the waste dump. The waste dump will have a contact water management system consisting of a network of drains at the base of the dump, which will channel any eventual flow of

contact water to a sedimentation pool to control and manage this water. For non-contact water, contour channels are planned with their respective sedimentation pools. The limited precipitation in the Fenix Gold Project area makes this aspect relatively simple to manage.

The waste dump complies with all regulatory and technical requirements to ensure physical and chemical stability. The permit to establish a waste dump or ore stockpile was submitted in April 2021 and received technical approval in May 2022 and its resolution is conditional on the approval of the Environmental Qualification Resolution (“**RQA**”).

According to the studies and geochemical models completed for the Fenix Gold Project, it has been confirmed that the Fenix Gold Project will not be a potential Acid Drainage Generator (“**ADG**”). This is due to the composition of the sterile material, the scarcity of precipitation in the area, and the high evaporation rate.

Industrial waste (hazardous and non-hazardous) will be managed by an officially authorized company. Recycling and reuse segregation will be conducted before final disposal to minimize the volume. Final waste disposal will be carried out at authorized sites.

### ***Closure and Post-Closure Stage***

Once the operation phase of the Fenix Gold Project is completed, the activities established for the closure of the mine site will be carried out. Closure activities were planned according to current regulations and accepted industry practices.

Specific closure measures will be implemented, the general criteria established for closure are; the de-energization, dismantling, demolition, removal, and disposal of surface installations corresponding to structures and constructions.

As for the remaining mining facilities such as pits, waste dumps, and leaching heaps, the general criterion will be to achieve the physical and chemical stability of these facilities in order to protect the health and safety of people and the environment, as provided in Chilean Law No. 20,551, which regulates the closure of mining sites and facilities. The Fenix Gold Project closure plan will have a duration of 1 year.

After the closure, all environmental and physical variables will be monitored to verify the physical and chemical stability of the mining components and to identify the necessary corrective measures when needed.

Maintenance or restitution of the accesses, contour channels, sedimentation pools, PLS pool, and emergency pool, will be implemented as ongoing maintenance measures every 10 years.

Based on the results of the various risk assessments conducted, the remaining facilities will not require monitoring.

### ***Capital and Operating Cost***

Capital and operating cost estimates were prepared by HLC, Anddes, STRACON, and Rio2 and are quoted in United States dollars (US\$).

#### ***Capital Cost***

In 2022, during the pre-construction phase of the Fenix Gold project and before the EIA was rejected, a total of \$28.73 million was expended for the Fenix Gold Project's preconstruction (See Table 21-1) the expenditure included the construction of a 565-person camp, water loading infrastructure in Copiapó, the purchase of long-lead items such as electrical switchgear, electrical transformers, pumps, prefabricated components of the adsorption/desorption process plant, and preliminary earthworks. This expenditure is included in the financial model for the Fenix Gold Project under investment to date expenditure.

The forward-looking capital cost estimate ("**Capex**") for the Fenix Gold Project is based on an operation processing 20,000 tonnes per day (dry basis). The initial capital was estimated in accordance with the Association for the Advancement of Cost Engineering ("**AACE**") International Class 2 standards, indicating an expected accuracy range of  $\pm 10\%$ . The sustaining capital was prepared considering Class 2 and Class 3 standards with an accuracy range of  $\pm 10\%$  and  $\pm 20\%$ .

The capital estimate was prepared based on an exchange rate of \$803.84 Chilean Pesos per 1.00 US\$. The total life of mine capital investment including initial and sustaining capital for the Fenix Gold Project are displayed in Table 1-4. The total Capex is estimated to be \$204.59M excluding Goods and Services Tax.

| Description                 | Capex \$M     | Sustaining \$M | Total \$M     |
|-----------------------------|---------------|----------------|---------------|
| Owner cost                  | 15.02         | -              | 15.02         |
| Mine Capex                  | 3.77          | 15.53          | 19.31         |
| Process Capex               | 43.62         | 22.85          | 66.47         |
| Construction and facilities | 21.30         | 8.36           | 29.66         |
| Indirect Cost               | 25.63         | 21.61          | 47.24         |
| Mine closure                | -             | 11.10          | 11.10         |
| Contingency                 | 7.23          | 8.56           | 15.79         |
| <b>Total</b>                | <b>116.57</b> | <b>88.02</b>   | <b>204.59</b> |

**Table 1-4 – Total life of mine Capex summary**

The following parameters and assumptions were considered for the Capex estimation:

- Construction of the first stage is projected to take 14 months. Month 13 is designated as the pre-production stage and from month 14 onwards it is considered as the production stage.
- The mine capital cost includes waste dump and stockpile development, explosive magazine construction, and mining equipment mobilization and demobilization. It excludes mining equipment acquisition costs, as the operation will be carried out by the mining contractor STRACON under an alliance agreement.
- The processing capital cost, estimated by HLC and Anddes, includes infrastructure for gold production such as the ADR plant, leach pad preparation, PSL and mayor events pond, lime dosing station and chemical analysis lab. The construction of the heap leach will be in 4 stages and will be built as mining progresses. Only the first stage is considered in the construction phase of the Fenix Gold Project as initial Capex.
- The mining closure cost considers six sectors (mine, plant, workshop, linear works, camp, monitoring) and the activity of closure monitoring. It is expected that the Chilean government will be responsible for the post-closure monitoring, while the Fenix Gold Project owner contributes to a post-closure fund.
- The capital estimate excludes foreign currency fluctuations, interest, financing costs, general sales, and withholding taxes (included in the financial analysis), working capital, and risks from political upheaval, government policy changes, labor disputes, permitting delays, or other force majeure events.

#### *Operating Cost*

- The operating cost was estimated by Rio2, HLC, and STRACON and was compiled and reviewed by Mining Plus. The average operating costs over the life of mine are presented in Table 1-5.

| Description     | LOM Cost \$M    | Total \$/t ore |
|-----------------|-----------------|----------------|
| Mining cost     | 650.64          | 5.67           |
| Processing cost | 633.98          | 5.53           |
| G&A             | 247.95          | 2.16           |
| Selling cost    | 13.22           | 0.12           |
| Royalty         | 1.35            | 0.01           |
| <b>Total</b>    | <b>1,547.14</b> | <b>13.49</b>   |

**Table 1-5 – Summary of operating costs.**

The operating cost estimates are based on the following assumptions:

- The fuel price used was \$3.98/gal, or \$1.05/l.
- Mining costs were estimated by contractor STRACON based on material destinations in the mine plan, including fuel.
- Process operating costs were estimated by HLC using test work, supplier quotes, HLC's cost database, and first principles.
- Processing costs include water trucking by 30 m3 capacity fleet from Copiapó, estimated by STRACON.
- Administrative costs were estimated by Rio2 based on the head count and organizational chart and site personnel required in the mine plan.

### **Economic Analysis**

Rio2 and Mining Plus developed the economic model for the Fenix Gold Project using capital and operating costs provided by Anddes, HLC, STRACON, and Rio2. The model was based on a gold price of \$1750/oz and calculated both pre-tax and after-tax Net Present Value (NPV), payback period, and internal rate of return (“IRR”). Table 1-6 summarizes the results of the economic evaluation.

| Description                     | Units       | Value    |
|---------------------------------|-------------|----------|
| <b>General</b>                  |             |          |
| Gold Price                      | US\$/oz     | 1,750    |
| Mine Life                       | Years       | 17       |
| Total ore to heap Leach         | Kt          | 114,653  |
| Total Waste                     | Kt          | 97,102   |
| Strip ratio                     |             | 0.85     |
| <b>Production</b>               |             |          |
| Gold grade to heap leach        | g/t         | 0.48     |
| Gold recovery                   | %           | 74.6%    |
| Total Ounces recovered          | Koz         | 1,321.72 |
| Total Average Annual Production | Koz         | 81.93    |
| <b>Operating cost</b>           |             |          |
| Royalty                         | US\$/ oz au | 1.02     |
| Selling cost                    | US\$/ oz au | 10.00    |
| Mining Costs                    | US\$/mined  | 3.07     |
| Processing Costs                | US\$/ore    | 5.53     |
| G&A Costs                       | US\$/ore    | 2.16     |
| Cash cost                       | US\$/ oz au | 1,170.55 |
| AISC                            | US\$/ oz au | 1,237.14 |
| <b>Capital cost</b>             |             |          |
| Initial Capital                 | US\$ M      | 116.57   |
| Sustaining Capital              | US\$ M      | 76.92    |
| Closure Cost                    | US\$ M      | 11.10    |
| <b>Financial results</b>        |             |          |
| NPV @ 5% Pre-Tax                | US\$ M      | 292.64   |
| IRR Pre-Tax                     | %           | 37.25%   |
| NPV @ 5% After-Tax              | US\$ M      | 210.31   |
| IRR After-Tax                   | %           | 28.54%   |
| Payback After-Tax               | Years       | 2.75     |

**Table 1-6 – Summary of financial result.**

The following parameters and assumptions were considered:

- Gold production was estimated at 1.32 Moz over a 17-year mine life.
- Gold sales are assumed to occur in the same period as pre-production and production and cash flows include royalties and streaming.
- Closure costs are included based on when they are incurred.
- Royalties are paid according to Chilean law, which is based on production and mining margins.
- Initial capital is \$116.57M including infrastructure and contingencies and sustaining capital is \$88M for infrastructure maintenance and leach pad.
- Initial capital excludes sunk costs like exploration and permitting.
- 27% income tax rate (according to Chilean law) and 16.7% tax depreciation rate were used.
- Financials assume 100% equity financing, 17 years of production after 1 year of construction.
- After-tax NPV at a 5% discount rate is \$210.31M, after-tax IRR is 28.54% and the payback period is 2.75 years.
- Rio2 compiled after-tax results.

### Sensitivity Analysis

Mining Plus conducted a sensitivity analysis of the after-tax NPV and IRR based on various parameters of the economic evaluation. The key results are shown below, indicating that the Fenix Gold Project's NPV and IRR are most sensitive to changes in gold price and operating costs. Table 1-7 shows the results of the after-tax sensitivity analysis.

| Sensitivity Analysis       |       |       |       |
|----------------------------|-------|-------|-------|
| Gold Price                 |       |       |       |
| Gold Price (\$/oz)         | 1,600 | 1,750 | 1,900 |
| NPV@5% after tax (US\$ M)  | 117   | 210   | 304   |
| IRR after tax              | 19.2% | 28.5% | 37.2% |
| Capital Costs              |       |       |       |
| Capital Costs              | -10%  | 205   | 10%   |
| NPV@5% after tax (US\$ M)  | 223   | 210   | 197   |
| IRR (after tax)            | 32.5% | 28.5% | 25.3% |
| Operating Costs            |       |       |       |
| Operating Costs            | -10%  | 1547  | 10%   |
| NPV@5% after tax (US\$ M)  | 288   | 210   | 133   |
| IRR (after tax)            | 35.8% | 28.5% | 20.8% |
| Discount rate              |       |       |       |
| Discount Rate              | 5%    | 8%    | 10%   |
| NPV@5% before tax (US\$ M) | 293   | 222   | 185   |
| NPV@5% after tax (US\$ M)  | 210   | 155   | 126   |

**Table 1-7 – NPV and IRR sensitivity analysis.**

### Interpretations and Conclusions

The Fenix Gold Project is defined by an estimated Mineral Resource that has been converted to a Mineral Reserve in accordance with the 2014 CIM Definition Standards through the application of feasibility level of engineering design and project costing.

The Fenix Gold Project will be mined at an annual rate of 7.3 Mt of ore per year with an overall stripping ratio of 0.8. Ore will be processed by a low-cost ROM heap leach that will produce 1.32 million oz of gold over 17 years. Based on the assumptions and parameters presented in this report, the Fenix Gold Project generates positive financial results that support the declaration of Mineral Reserves.

## ***Recommendations***

The following subsections summarize the key recommendations resulting from the review of each area of investigation carried out in this study to improve the base case design.

### *Exploration*

The recommendation is based on the common presence of magnetite in the deposit and its close correlation between ground magnetic anomalies and mineralization. The QP suggests Rio2 incorporate magnetic susceptibility as one of the parameters to characterize lithologies, alteration, and mineral zones.

### *Drilling*

This QP recommends that Rio2 complete a full record of recoveries through all phases, particularly in the case of RC. This includes drilling diameter, depth, and lithology to investigate and mitigate the variables involved in decreasing recoveries.

### *Sample Preparation, Analyses, and Security*

The QP recommends Rio2 maintain protocols of all sampling, sample preparation, and sample analysis for future drilling campaign to be executed in the Fenix Gold Project. This helps to identify and remediate eventual data acquisition misfits affecting accuracy, precision, or contamination of data supporting the Resource estimation.

### *Data Verification*

The QP author of the chapter suggests the following recommendations:

- Boundaries between intrusive and country rocks are often unclear since the contacts are given by transitions where mutual ingressions and inclusions of one unit into the other are normally observed. The QP recommends Rio2 define an additional lithological term expressing the mixed nature between the two end members.
- In future drilling campaigns, Rio2 should twin approximately 10% RC holes with diamond drilling holes to support the quality of the RC drilling.
- Rio2 should try to investigate the causes of the bias obtained from Au high-grade standard results during the 2022 drilling campaign at AAA lab.
- The Rio2 Quality Control (“**QC**”) program needs to be completed for the 2022 drillholes by incorporating 2% fine blanks and 4% external controls. These samples should be routinely considered in a comprehensive QC program as they allow evaluation of the primary laboratory performance.

### *Mineral Reserve and Mining Methods*

The following recommendations are made as the Fenix Gold Project advances through construction:

- The main opportunity to increase the Fenix Gold Project value is access to water via a pipeline that could allow a throughput expansion of around 80 – 100 Ktpd, lowering processing costs, as well as administration costs. Given that water restricts the operation size, this opportunity could advance some of the Mineral Resources to Mineral Reserves
- The mine plan design allows for a reconfiguration and upscaling of the mine operation to host a bigger mining fleet after the first three years of production. The schedule to increase production will depend on access to water via a pipeline.
- Future studies should include detailed production blasting parameters and fragmentation results.
- Geotechnical Work and Hydrogeology
- The following geotechnical and hydrogeological recommendations apply to the Fenix Gold Project.

- Shear strength and hydraulic conductivity testing on ore samples and shear strength testing on soil/geomembrane interface must be completed during the operation stage to confirm or update the geotechnical model and to anticipate stability issues.
- A robust geotechnical instrumentation and monitoring program must be implemented in the leach pad, ponds, and waste dump facilities to prevent any anomaly in the performance of those facilities.
- Monitor and reassess the behavior of surface and groundwater in the basin or sub-basin of the Fenix Gold Project area to ensure that the water resources found in the Fenix Gold Project environment are not affected by mining activities.

### *Recovery Methods*

The QP author of the Mineral processing and metallurgical test work section suggests the following recommendations:

- It is important to include the total copper, copper oxide, and secondary copper grades in the block model in order to predict high lime and cyanide consumptions, as well as high copper dissolution in the pregnant solution, which would cause problems in the ADR plant circuit and report to the doré bars.
- Further studies are recommended to confirm or rule out the impact of magnesium salts and sulphates on lime consumption. Inductively Coupled Plasma (ICP) tests on the feed reported magnesium values up to 2.34% and sulphates up to 0.34%.
- The samples do not contain significant quantities of fines (>10% 200#mesh), therefore, it is recommended that the irrigation rate could be increased to more than 12 l/h.m<sup>2</sup>, to shorten leaching times.

### *Site Infrastructure*

Site infrastructure recommendations include:

- The implementation of communication infrastructure such as cell phone, radio towers, and repeaters need to be completed as early as possible to warrant good site coverage and communications as required to ensure safe and efficient operations during the various stages of the Fenix Gold Project.
- The Fenix Gold Project will initially use inflatable structures imported from Canada to be used as temporary workshops. The main workshop construction is scheduled for the second year of operation. It is important to complete this infrastructure and connect it to the power line.

### *Water Management*

The Fenix Gold project is dependent on water trucked from Copiapó or the Lince camp infrastructure site. Water is an expensive and scarce commodity that requires exceptional control and recycling and reutilization programs to be executed throughout the life of the Fenix Gold Project. Other recommendations for water management include:

- All main roads should be surfaced and maintained with dust suppressants to minimize the use of water application for dust control.
- Control water losses by reducing evaporation on the leach pad and associated ponds. The FS considers the use of special Thermofilm covers for the leach pad. Ponds will be covered with floating covers or floating ball technology to reduce evaporation.

### *Environment, Permitting, Social and Community Relations*

In the 2022 EIA, both mitigation measures and voluntary commitments were proposed by Fenix Gold that controlled and managed the environmental impact identified in the study. The effectiveness of these

measures and commitments should be monitored and execute adjustments if opportunities are identified to improve results.

The benefits of these voluntary commitments extend outside of the immediate area to the Fenix Gold Project. Accordingly, these voluntary commitments were socialized with local and national authorities, as well as all other stakeholders. It is recommended that the results of these commitments are continuously communicated to keep the stakeholders informed and involved.

All programs and plans proposed in the EIA, as well as, subsequent voluntary commitments, or conditions approved by the Committee of Ministers will be executed in the early stages of the Fenix Gold Project. This is to allow early identification of any variations in the functioning of the natural systems in and around the Fenix Gold Project, allowing for control and mitigation of any potential environmental risk.

### *Social*

It is recommended that Fenix Gold maintain good control over the execution of the Voluntary Cooperation Agreements (VCA) signed with the Colla Communities. These agreements encompass employment, health, technology, productive development, and others. This is to maintain a positive long-term relationship between the parties.

Fenix Gold should have a designated point of contact with the communities so that their questions or problems are properly received, attended, and mitigated in a timely manner.

## **RISK FACTORS**

The Company's business consists of the exploration, evaluation and development of mineral properties and is subject to certain risks. The risks described below are not the only risks facing the Company and other risks now unknown to the Company may arise or risks now thought to be immaterial may become material.

There is no certainty that other factors will not affect the Company in the future. Many of these risks are beyond the control of the Company. An investment in the Common Shares involves a number of risks. In addition to the other information contained in this AIF, investors should give careful consideration to the following, factors, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF. If any of the following events described as risks or uncertainties actually occurs, the business, prospects, financial condition and operating results of the Company would likely suffer, possibly materially. In that event, the market price of the Common Shares could decline, and investors could lose all or part of their investment. Additional risks and uncertainties presently unknown, or that are not believed to be material at this time, may also impair or have a material adverse effect on the Company's operations.

In addition to the risks described elsewhere and the other information contained in this AIF, prospective investors should carefully consider each of and the cumulative effect of all of the following risk factors. References in the below Risk Factors to "we", "our" or "us" refer to the management of the Company.

### **History of Net Losses and Uncertainty of Availability of Additional Financing**

The Company has received no revenue to date from the exploration activities on its properties and typically records annual net losses on its activities. During the years ended December 31, 2023, 2022 and 2021 the Company incurred losses of \$12.4 Million, \$2.3 million, and \$10.5 million, respectively. As of December 31, 2023, the Company has an accumulated deficit of \$63.4 million.

The Fenix Gold Project will require significant initial capital to construct (See "*Mineral Projects – Fenix Gold Project*" above) that will likely require the involvement of multiple capital sources and participants. The Company has conducted preliminary investigations as to potential financing sources and the level of financing each component may reasonably be expected to contribute. However, the actual availability of



project financing, the involvement of any or all of the potential participant groups with which the Company has held initial discussions and their level of participation, and the details and terms of any eventual project financing scenario for Fenix Gold will be dependent on numerous conditions, including but not limited to general market conditions, metal prices, and other economic considerations at the time of a financing and construction decision. Many of the factors on which securing project financing may depend are outside of the Company's control and there can be no assurance that the Company will be successful in arranging project financing at all, or if so, under acceptable terms and conditions. Taking Fenix Gold into production will require, among other things, completion of detailed engineering plans; obtaining all necessary permits; and sufficient financing. Even if the Company does undertake development activity on any of its properties, there is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future. The Company had working capital of approximately \$4.3 million as at December 31, 2023 and no source of revenue and will require significant cash and/or alternative financing arrangements in order to develop its assets and meet its ongoing general and administrative costs and exploration commitments and to maintain its mineral property interests, which may require working capital and/or project financing in the future. There can be no assurance that such financing will be available on reasonable terms, if at all, and if available, may be dilutive to existing shareholders.

### **Risks Inherent in Acquisitions**

It is part of the Company's corporate strategy to actively pursue the acquisition of exploration, development and production assets consistent with its acquisition and growth strategy. From time to time, the Company may also acquire securities of or other interests in companies with respect to which it may enter into acquisitions or other transactions. Acquisition transactions involve inherent risks, including but not limited to:

- accurately assessing the value, strengths, weaknesses, contingent and other liabilities and potential profitability of acquisition candidates;
- significant and increasing competition exists for mineral acquisition opportunities, some of which is with large established mining companies with substantial capabilities and far greater financial and technical resources than the Company;
- ability to achieve identified and anticipated operating and financial synergies;
- unanticipated costs;
- diversion of management attention from existing business;
- potential loss of the Company's key employees or key employees of any business acquired;
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the acquisition; and
- decline in the value of acquired properties, companies or securities.

Any one or more of these factors or other risks could cause the Company not to realize the anticipated benefits of an acquisition of properties or companies and could have a material adverse effect on its financial condition.

### **Nature of Mining, Mineral Exploration and Development Projects**

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in the exploration, development and production of minerals, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated

tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

### **Uncertainty of Exploration and Development Projects**

The future development of the Fenix Gold Project or any of the Company's future projects will require extensive drilling, testing, the construction and operation of a mine, processing plants and related infrastructure. As a result, the Company is subject to all of the risks associated with establishing mining operations, including:

- the timing and cost, which will be considerable, of the construction of mining and processing facilities;
- the availability and costs of skilled labour, power, water, transportation and mining equipment;
- costs of operating a mine in a specific environment;
- the need to obtain necessary environmental and other governmental approvals and permits, and the timing of those approvals and permits;
- adequate access to the site; and
- unforeseen events.

It is not unusual in a new mining operation to experience unexpected problems and delays during the construction and development of the mine. In addition, delays in the commencement or expansion of mineral production often occur and, once commenced or expanded, the production of a mine may not meet expectations or estimates set forth in the pre-feasibility study. Accordingly, there are no assurances that the Company will successfully develop mining activities in its Fenix Gold Project.

### **Mineral Reserves and Mineral Resources**

No assurance can be given that the anticipated tonnages and grades in respect of Mineral Reserves and Mineral Resources contained in this AIF will be achieved, that the indicated level of recovery will be realized or that Mineral Reserves will be mined or processed profitably. Actual Mineral Reserves may not conform to geological, metallurgical or other expectations, and the volume and grade of ore recovered may differ from estimated levels. There are numerous uncertainties inherent in estimating Mineral Reserves and Mineral Resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any Mineral Reserve or Mineral Resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. There can be no assurance that recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Lower market prices, increased production costs, reduced recovery rates and other factors may result in a revision of Mineral Reserve estimates from time to time or may render the Company's Mineral Reserves uneconomic to exploit. Mineral Reserve data is not indicative of future results of operations.

If the Company's actual Mineral Reserves and Mineral Resources are less than current estimates or if the Company fails to develop its Mineral Resource base through the realization of identified mineralized potential, its production, results of operations or financial condition may be materially and adversely

affected. Evaluation of Mineral Reserves and Mineral Resources occurs from time to time and they may change depending on further geological interpretation, drilling results and metal prices. The category of Inferred Mineral Resource is the lowest confidence Mineral Resource category and is subject to the most variability. There is no assurance that Inferred Mineral Resources will be upgraded to Measured Mineral Resources or Indicated Mineral Resource and subsequently to Proven Mineral Reserves and Probable Mineral Reserves as a result of continued exploration.

### **Volatility in Gold Prices**

The profitability of the Gold Stream and current or future streams or royalty interests, is directly related to the market price of gold or other precious metals. The Company's revenue is particularly sensitive to changes in the price of gold. Market prices may fluctuate widely and are affected by numerous factors beyond the control of the Company or any mining company, including metal supply, industrial and jewelry fabrication, investment demand, central banking economic policy, expectations with respect to the rate of inflation, the relative strength of the dollar and other currencies, interest rates, gold purchases, sales and loans by central banks, forward sales by metal producers, global or regional political, trade, economic or banking conditions and various other factors.

The price of gold has fluctuated widely in recent years. These fluctuations can be material, can occur over short periods of time and are affected by numerous factors beyond the control of the Company. Depending on the market price of gold, the Company may determine that it is not economically feasible to continue commercial production at some or all of its operations or the development of some or all of the Fenix Gold Project. In such circumstances, the Company may also choose to curtail or suspend some or all of its exploration activities.

### **Health and Safety Risks**

By their nature, exploration and mining activities present a variety of hazards and associated health and safety risks. Workers involved in the Company's operations are subject to many inherent health and safety risks and hazards, including, but not limited to, underground mine fires, underground rock falls, equipment or structural fires, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, exposure to biological, physical or ergonomic agents, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and vehicle incidents, incidents related to cranes and rigging, and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. In addition, personnel involved with remote activities such those associated with exploration may be exposed to risks related to wildlife, environmental conditions or civil unrest. While every effort is made by the Company to control and eliminate potential health and safety risks, these risks cannot be eliminated and may adversely affect the Company's reputation, business and future operations. Incidents resulting in serious injury or death, or those having a negative impact on surrounding communities (real or perceived) could result in litigation and/or regulatory action (including, but not limited to suspension of operations and/or fines and penalties), or otherwise adversely affect the Company's reputation and ability to meet its objectives.

### **Uninsured Risks Exist and May Affect Certain Values**

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the Common Shares.

## **Key-Man and Liability Insurance Factors Should Be Considered**

The success of the Company will be largely dependent upon the performance of its key officers. The Company has not, as yet, purchased any “key-man” insurance with respect to any of its directors, officers, key employees and has no current plans to do so.

Although the Company may obtain liability insurance in an amount which management considers adequate, the nature of the risks for mining companies is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

## **Dependence on Outside Parties**

The Company has relied upon consultants, engineers and others and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to construct mines, to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

## **Ability to Attract and Retain Qualified Personnel**

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, they will require additional key financial, administrative and mining personnel as well as additional operations staff. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

## **Factors Beyond Company's Control**

The exploration and development of mineral properties and the marketability of any minerals contained in such properties will be affected by numerous factors beyond the control of the Company. These factors include government regulation, high levels of volatility in market prices, availability of markets, availability of adequate transportation and processing facilities and the imposition of new or amendments to existing taxes and royalties. The effect of these factors cannot be accurately predicted.

## **Government Regulation and Permitting**

The current or future operations of the Company, including development activities, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, water use, environmental protection, land claims of local people, mine safety and other matters. Such exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that will require the Company to obtain permits, licenses and approvals from various governmental agencies. There can be no assurance, however, that all permits, licenses and approvals that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which the Company might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

To the best of the Company's knowledge, it is operating in compliance with all applicable rules and regulations.

### **Risks with Title to Mineral Properties**

Title on mineral properties and mining rights involves certain risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the ambiguous conveyance history of many mining properties. Although the Company has, with the assistance of its legal advisors, diligently investigated and validated title to its mineral claims, there is no guarantee that the Company will not encounter challenges or loss of title to its assets. The Company does not carry title insurance. The Company cannot give any assurance that title to properties it acquired individually or through historical share acquisitions will not be impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. Failure by the Company to retain title to properties which comprise its projects could have a material adverse effect on the Company and the value of its Common Shares.

### **Competition and Scarcity of Mineral Lands**

The mining industry is intensely competitive, with many companies and individuals engaged in the mining business including large, established mining companies with substantial capabilities. There is a limited supply of desirable mineral lands available for claim staking, lease or other acquisition in the areas where the Company contemplates conducting exploration activities. The Company may be at a disadvantage in its efforts to acquire quality mining properties as it must compete with individuals and companies which in many cases have greater financial resources and larger technical staffs than the Company. Accordingly, there can be no assurance that the Company will be able to compete successfully for new mining properties. Increased competition for experienced mining professionals, equipment and other resources could adversely affect the Company's ability to attract necessary capital funding or acquire suitable producing properties or prospects for mineral exploration.

### **Environmental Risks and Hazards**

The Company's activities are subject to extensive national, provincial, and local laws and regulations governing environmental protection and employee health and safety. The Company is required to obtain governmental permits and provide bonding requirements under environmental laws. All phases of the Company's operations are subject to environmental regulation. These regulations mandate, among other things, the maintenance of water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner, which will require stricter standards and enforcement, increased fines and penalties for non-compliance, and more stringent environmental assessments of proposed projects.

There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

**Environmental laws and regulations are complex and have tended to become more stringent over time.**

These laws are continuously evolving. The Company is not able to predict the impact of any future changes in environmental laws and regulations on its future financial position due to the uncertainty surrounding the ultimate form such changes may take.

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted.

**Infrastructure**

Mining, processing, development and exploration activities and mining operations depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which effect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

**Foreign Operations**

Operations in any foreign country may be exposed to economic and other risks and uncertainties which may include, but are not limited to, terrorism; hostage taking; military repression; expropriation; extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing leases, licenses, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitudes in Chile may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, new production royalties, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local peoples, water use and mine safety.

**Repatriation of Earnings**

There is no assurance that Chile or any of the countries in which the Company may operate in future will not impose restrictions on the repatriation of earnings to foreign entities.

**General economic and political conditions in Chile**

A significant portion of the operations of the Company are conducted in Chile and are dependent upon the performance of the local economy. As a result, general economic conditions in Chile may have a material adverse impact on the Company business, financial position and results of operations.

Government action in response to exchange rate movement, monetary policies, inflation control, energy shortages and economic instability, among other matters, may have important effects on the Company's operations. Uncertainty over whether governments will implement changes in policy or regulation affecting these or other factors in the future may contribute to economic uncertainty in Chile and to heightened volatility in the market value of securities issued by companies operating in these jurisdictions.

## **Political Regulatory Risks with Foreign Operations**

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations and return of capital. This may affect the Company's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has an interest or in respect of which it has obtained exploration and development rights to date.

The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Furthermore, the Company expects to conduct a material portion of its exploration, mine development and other mining activities in Chile, which exposes the Company to certain jurisdictional risks including, but not limited to: fluctuations in currency exchange rates, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits and contracts, changes in taxation policies, restrictions on foreign exchanges and repatriation, changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

## **Laws of Foreign Jurisdictions**

The Company has material subsidiaries organized under the laws of foreign jurisdictions and certain of the Company's directors, management and personnel are located in foreign jurisdictions, and as a result investors may have difficulty in effecting service of process within Canada and collecting from or enforcing against the Company, or its directors and officers, any judgments issued by the Canadian courts or Canadian securities regulatory authorities which are predicated on the civil liability provisions of Canadian securities legislation or other laws of Canada. Similarly, in the event a dispute arises in connection with the Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada.

The courts in some of the foreign jurisdictions in which the Company operates may offer less certainty as to the judicial outcome of legal proceedings or a more protracted judicial process than is the case in more established economies. Operating in emerging markets can increase the risk that contractual and/or mineral rights may be disregarded or unilaterally altered. Businesses can become involved in lengthy court cases over simple issues when rulings are not clearly defined, and the poor drafting of laws and excessive delays in the legal process for resolving issues or disputes compound such problems. In addition, there may be limited or no relevant case law providing guidance on how courts would interpret such laws and the application of such laws to the Company's contracts, joint ventures, licenses, license applications or other legal arrangements. Accordingly, there can be no assurance that contracts, joint ventures, licenses, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in these jurisdictions. Moreover, the commitment of local businesses, government officials and agencies and the judicial system in these jurisdictions to abide by legal requirements and negotiated agreements may be more uncertain and may be susceptible to revision or cancellation, and legal redress may be uncertain or delayed. These uncertainties and delays could have a material adverse effect on the Company's business and operational results.

## **Introduction of New Tax Laws**

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, Chile or any of the countries in which the Company's operations or business is located, could result in an increase in taxes, or other governmental charges, duties or impositions, or an unreasonable delay in the refund of certain taxes owing to the Company. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in the Company's

profits being subject to additional taxation, result in the Company not recovering certain taxes on a timely basis or at all, or that could otherwise have a material adverse effect on the Company.

### **Other Tax Considerations**

The Canadian federal and provincial tax treatment of natural resource activities has a material effect on the advisability of investing in mining companies. The ability of the Company to claim and collect tax credits relating to its natural resource activities and the return on an investment in Common Shares will be subject to applicable tax laws. There can be no assurance that applicable tax laws will not be amended so as to fundamentally alter the tax consequences of claiming and collecting tax credits and holding or disposing of the Common Shares.

### **Currency Fluctuations**

The operations of the Company in Chile or any of the countries in which the Company may operate in future are subject to currency fluctuations against the Canadian and US dollar, and such fluctuations may materially affect the financial position and results of the Company.

### **Stress in the Global Economy**

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and the Company is dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on the Company's business, operating results, and financial condition.

### **Share Price Fluctuations**

The market price of securities of many companies, particularly development stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance or the underlying asset values of prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

### **Price Volatility of Publicly Traded Securities**

Securities of exploration and mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in North America and globally, and market perceptions of the relative attractiveness of particular industries. The Company's share price is also likely to be significantly affected by short-term changes in metal prices or in the Company's financial condition or results of operations as reflected in quarterly earnings reports. Other factors unrelated to the Company's performance that may have an effect on the price of the Company's shares include the following:

- the extent of analyst coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow its securities;
- limited trading volumes and general market interest in the Company's securities may affect an investor's ability to trade the Company's shares; and
- the relatively small number of publicly held shares may limit the ability of some institutions to invest in the Company's securities.



As a result of any of these factors, the market price of the Company's shares at any given point in time may not accurately reflect the Company's long-term value.

### **Internal Controls**

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Disclosure controls and procedures are designed to ensure that material information required to be disclosed by a company in reports filed with securities regulatory agencies is recorded, processed, summarized and reported on a timely basis and is accumulated and communicated to a company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Company has invested resources to document and analyze its system of disclosure controls and its internal control over financial reporting. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to the reliability of financial reporting.

### **Anti-Corruption and Anti-Bribery Laws**

The Company's operations are governed by, and involve interactions with, various levels of government in foreign countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (US) and similar laws in Chile and Peru. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. A company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that it, its employees, contractors or third-party agents will comply strictly with all such applicable laws. If the Company becomes subject to an enforcement action or is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation, result in significant penalties or sanctions, and have a material adverse effect on the Company's operations.

### **Compliance with Canada's Extractive Sector Transparency Measures Act**

*The Extractive Sector Transparency Measures Act* (Canada) ("ESTMA") requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals which are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups. ESTMA reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure reporting or structuring payments to avoid reporting. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company's reputation.

### **Potential Conflicts of Interest**

There are potential conflicts of interest which the directors and officers of the Company may be subject in connection with the operations of the Company. Some of the directors and officers of the Company may be, or may become, engaged in the mineral exploration or mining industry, and situations may arise where directors, officers and promoters will be in direct conflict with the Company. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under, the OBCA, and the applicable statutes of the jurisdictions of incorporation of the Company's subsidiaries.

### **Forward-Looking Statements and Information May Prove Inaccurate**

Shareholders and prospective investors are cautioned not to place undue reliance on the Company's forward-looking statements. By their nature, forward-looking statements involve numerous assumptions,

known and unknown risk and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties related to forward-looking statements and information are found under the heading "*Cautionary Statement Regarding Forward-Looking Information and Statements*" in this AIF.

## **DIVIDENDS AND DISTRIBUTIONS**

Rio2 has not paid any dividends on its Common Shares since its incorporation. The Company's current dividend or distribution policy is to retain any earnings and other cash resources for the operation and development of the Company's business. Any decision to pay dividends on Common Shares in the future will be made by the Board on the basis of the earnings, financial requirements and other conditions existing at such time.

## **CAPITAL STRUCTURE**

### **General Description of Share Capital**

#### ***Common Shares***

The Company is authorized to issue an unlimited number of Common Shares. As at December 31, 2023, 259,232,306 Common Shares were issued and outstanding as fully paid and non-assessable shares. As at the Effective Date, 318,598,913 Common Shares were issued and outstanding as fully paid and non-assessable shares.

The holders of the Common Shares are entitled to receive notice of and attend any meeting of the Company's shareholders and are entitled to one vote for each Common Share held (except at meetings where only the holders of another class of shares are entitled to vote). Subject to the rights attaching to any other class of shares, the holders of the Common Shares are entitled to receive dividends, if, as and when declared by the Board of Directors of the Company and are entitled to receive the remaining property upon liquidation of the Company.

#### ***Stock Options***

The Company has the Stock Option Plan for the granting of incentive stock options to the officers, employees, directors and consultants. The Stock Option Plan has received regulatory and shareholder approval, the latter being most-recently obtained at the Company's Annual General and Special Meeting of Shareholders held on May 15, 2024. The Stock Option Plan is administered by the Corporate Governance and Compensation Committee of the Board of Directors (the "**CGC Committee**").

As at the Effective Date, the Company had 21,930,000 outstanding Options to purchase up to 21,930,000 Common Shares, representing approximately 6.9% of the Company's issued and outstanding Common Shares, at exercise prices ranging from \$0.30 to \$0.65 and expiring between September 9, 2024, and January 11, 2028.

Additionally, the Company has a Share Incentive Plan administered by the CGC Committee. Rio2's 2018 fixed Share Incentive Plan was amended in 2024 to ensure compliance with Exchange Policy 4.4 – *Security Based Compensation*, which was implemented by the Exchange on November 24, 2021. The amended Share Incentive Plan (the "**Amended Plan**") was approved by shareholders on May 15, 2024 and by the Exchange on May 27, 2024. The Amended Plan will function as a rolling plan and as such, the maximum number of Common Shares issuable pursuant to all Awards (as defined herein) issued under the Amended Plan and other security based compensation plans (including the Stock Option Plan) of the Company shall

not exceed 10% of the outstanding Common Shares from time to time. As of the date of this AIF, there are 318,598,913 Common Shares issued and outstanding and therefore 31,895,892 Common Shares are reserved for grant and issuance pursuant to the settlement of Awards pursuant to the Amended Plan and the Stock Option Plan. The CGC Committee, at its sole discretion, will determine the persons to whom awards may be granted, the number of Common Shares to be covered by each award and the allocation of the award between time-based awards and performance-based awards.

The Stock Option Plan and the Amended Plan are more fully described in the Company's Management Information Circular dated April 2, 2024, copies of which are available on the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Restricted Share Units

As at the Effective Date, the Company has no restricted share units ("RSUs") outstanding.

## MARKET FOR SECURITIES

### Trading Price and Volume of Common Shares

The Common Shares are listed and posted for trading on the TSXV under the symbol "RIO". The following table sets forth the price range (high and low prices) in Canadian dollars of the Common Shares and volume traded on the TSXV, for the periods indicated.

| 2023      | High (Can\$) | Low (Can\$) | Volume     |
|-----------|--------------|-------------|------------|
| January   | 0.28         | 0.19        | 2,118,919  |
| February  | 0.23         | 0.16        | 954,127    |
| March     | 0.20         | 0.14        | 1,294,003  |
| April     | 0.23         | 0.14        | 4,219,939  |
| May       | 0.21         | 0.18        | 1,120,647  |
| June      | 0.30         | 0.18        | 2,844,473  |
| July      | 0.29         | 0.23        | 1,621,952  |
| August    | 0.27         | 0.20        | 738,642    |
| September | 0.24         | 0.19        | 1,028,800  |
| October   | 0.22         | 0.18        | 2,674,770  |
| November  | 0.19         | 0.15        | 1,186,216  |
| December  | 0.44         | 0.18        | 14,312,236 |

## PRIOR SALES

The following table summarizes the securities of the Company that are outstanding as at the date of this AIF, but not listed or quoted on a marketplace, that were issued by the Company during the financial year ended December 31, 2023:

| Date of Issuance | Cumulative Number of Securities | Issue or Exercise Price or Fair Market Value per Common Share (CAD\$) | Expiry Date  | Reason for Issuance |
|------------------|---------------------------------|---|--------------|---------------------|
| Jan 11, 2023     | 7,500,000                       | \$0.30  | Jan 11, 2028 | Option Grant        |
| Jan 25, 2023     | 83,334                          | \$0.23  | N/A          | RSU payment         |
| Apr 6, 2023      | 736,151                         | \$0.15  | N/A          | Shares for Services |
| July 6, 2023     | 372,974                         | \$0.27  | N/A          | Shares for Services |
| Oct 5, 2023      | 479,198                         | \$0.21  | N/A          | Shares for Services |

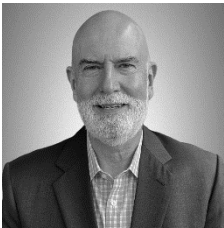
### ESCROWED SECURITIES

To the Company's knowledge, the Company does not have any securities held in escrow or that are subject to a contractual restriction on transfer.

### DIRECTORS AND OFFICERS


#### Name, Occupation and Security Holdings

The following table sets forth the names and municipalities of residence of the current directors and executive officers of the Company, their respective positions and offices with the Company and date first appointed or elected as a director and/or executive officer and their principal occupation(s) within the past five years.

|   |  |
|---|--|
|    | <p><b>Alex Black</b><br/>Lima,<br/>Peru</p> <p><b>Executive Chairman of the Board of Rio2</b> since November 28, 2022</p> <p>President, CEO &amp; Director from November 28, 2016 to November 28, 2022</p> |
| <p>Mr. Black lives in Lima, Peru and has 40 years' experience in the mining industry. Mr. Black holds a BSc in Mining Engineering from the University of South Australia and is a member of the Australasian Institute of Mining and Metallurgy. Prior to moving to Peru in 2000, Mr. Black was the founder and Managing Director of international mining consulting services group Global Mining Services from 1994 to 2000. In 1996, Mr. Black also founded and was Chairman of OFEX listed AGR Limited with exploration projects in Ghana and Mongolia. In 2002, Mr. Black took control of role in the acquisition of the Mina Justa Copper Project and formation of the Korean joint venture with Chariot Resources. Upon his resignation as Chairman &amp; Executive VP of Chariot Resources in 2006, Mr. Black founded the Peruvian registered Rio Alto S.A.C.</p> <p>In 2009 after successfully negotiating the acquisition of the La Arena Gold Project from Iamgold Corp, Rio Alto was acquired by Mexican Silver Mines and renamed Rio Alto Mining Limited. In 2014, Rio Alto also completed the successful acquisition of Sulliden Gold and the Shahuindo Gold Project for \$300M. Mr. Black, as President &amp; Chief</p> |  |

Executive Officer of Rio Alto Mining Limited and his experienced management team built Rio Alto from a \$12M company in 2009 to a \$1.2 billion company in 2015 at the time of the acquisition by Tahoe Resources Inc.

|   |  |
|---|--|
| <b>Ownership or Control Over Voting Shares Held <sup>(1)</sup></b><br><br>17,678,810 - 5.54% <sup>(2)</sup> | <b>Board/Committee Membership</b><br><br>Member of the Health, Safety, and Community Committee |
|---|--|

|   |  |
|---|--|
|  | <p><b>Andrew Cox</b><br/>Lima,<br/>Peru</p> <p><b>Non Independent Director</b> since December 15, 2022<br/>President &amp; CEO since November 28, 2022</p> |
|---|--|

Andrew Cox is based in Lima, Peru, and has over 28 years of experience in mining operations around the world. Andrew held various positions at Rio Alto Mining Ltd. since 2011 until acquired in 2015. He was operations manager at La Arena mine from 2011 to 2014, moving to the Shahuindo gold project as acting operations manager for the first year of construction in 2015.

Following the acquisition of Rio Alto Mining Ltd. by Tahoe Resources Inc. in April, 2015, Andrew was the corporate operations manager in Peru, until December 2016. Prior to his involvement with Rio Alto Mining, Andrew managed the dam embankment project at Oceanagold's Macraes Flat mine and the Alliance Mining contract at the Globe Progress mine for Stracon New Zealand from 2009 to 2011. In 2005, he joined mining and civil contractor Stracon GyM in Peru as manager of the El Brocal open-pit mining contract until 2009. Andrew started his career with 10 years in alluvial gold mining and exploration in New Zealand, Chile and Bolivia with L & M Mining. Later, he moved to a role as Production Geologist at Solid Energy's Stockton Mine in New Zealand. Andrew holds an MSc, geology hons, from the University of Canterbury in New Zealand.

|  |  |
|--|--|
| <b>Ownership or Control Over Voting Shares Held <sup>(1)</sup></b><br><br>384,799 – 0.12% <sup>(2)</sup> | <b>Board/Committee Membership</b><br><br>N/A |
|--|--|


|   |  |
|---|--|
|  | <p><b>Kathryn Johnson</b><br/>West Vancouver,<br/>British Columbia,<br/>Canada</p> <p><b>EVP, CFO and Corporate Secretary</b> of Rio2 since May 30, 2017</p> |
|---|--|

Kathryn Johnson is based in Vancouver and has over 15 years of experience in the mining industry, primarily in Latin America. Kathryn brings extensive experience in accounting and finance, including financings, mergers and acquisitions, project development, internal controls and financial reporting.

Kathryn held various senior positions at Rio Alto Mining Limited until it was acquired in 2015. Her last position was Chief Financial Officer and prior to that Vice President - Corporate Reporting and Corporate Controller. While at Rio

Alto Mining, Kathryn was a key member of the team that successfully completed the acquisition of Sulliden Gold and the Shahuindo Gold Project for \$300 million in 2014 and the subsequent sale of Rio Alto to Tahoe Resources Inc. for \$1.2Bn. Kathryn has also held the positions of Financial Reporting Contractor at Goldcorp and Director of Finance at Tahoe Resources. She holds a BA with a double major in History and Political Science from the University of British Columbia and is a CPA, CA who earned her chartered accountant designation while articling at PricewaterhouseCoopers LLP in Vancouver.

| Ownership or Control Over Voting Shares Held <sup>(1)</sup> | Board/Committee Membership |
|---|----------------------------|
| 966,244 – 0.30% <sup>(2)</sup>                              | N/A                        |

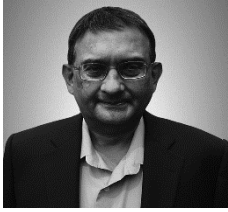
|   |  |
|---|--|
|  | <p><b>Klaus Zeitler</b> <sup>(5) (8)</sup><br/>West Vancouver,<br/>British Columbia,<br/>Canada</p> <p><b>Lead Independent Director</b> of Rio2 since November 23, 2022</p> <p>Chairman of the Rio2 Board from April 24, 2017 to November 23, 2022</p> |
|---|--|

Dr. Klaus Zeitler received his professional education at Karlsruhe University from 1959 to 1966 and obtained a PhD in economic planning. Dr. Zeitler is a member of the Canadian Institute of Mining and Metallurgy and the Prospectors and Developers Association.

Dr. Zeitler financed, built and managed base metal and gold mines worldwide (Europe, Africa, North America, South America, Pacific) with a total investment value of \$4.0 billion. Dr. Zeitler was a managing director of Metallgesellschaft AG, a German metals conglomerate, and in 1986 founded and was a director and the first CEO of Metall Mining (later Inmet Mining Corporation) with assets of over \$4.0 billion, and base metal and gold mines in different parts of the world. After having been a director of Teck and Cominco (“Teck”) for many years, Dr. Zeitler joined Teck in 1997 as Senior Vice President and had responsibilities for the exploration and development of mines in Peru, Mexico and the USA.

Since his retirement in 2002 from Teck, and in addition to being Executive Chairman and a director of Amerigo Resources Ltd., Dr. Zeitler was Chairman of the Board of Rio Alto Limited from 2011 to 2015, a director of Tahoe Resources Ltd. from April 2015 to May 2017, and is presently a director of Western Copper and Gold Corporation.

| Ownership or Control Over Voting Shares Held <sup>(1)</sup> | Board/Committee Membership   |
|---|--|
| 2,465,694 – 0.77% <sup>(2)</sup>                            | Chairman of the Corporate Governance & Compensation Committee<br>Chairman of the Health, Safety, and Community Committee |

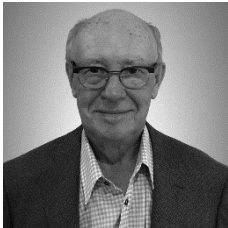


**Ram Ramachandran**  
Aurora,  
Ontario,  
Canada

**Independent Director** since April 24, 2017

Mr. Ramachandran has over 35 years of capital markets experience. Mr. Ramachandran has previously served as Associate Chief Accountant and Deputy Director, Corporate Finance at the Ontario Securities Commission and as a senior member in the national office of an international accounting firm. Mr. Ramachandran originally qualified as a Chartered Accountant in England & Wales in 1978 and subsequently in Ontario in 1984 (now retired).

|   |   |
|---|---|
| <p><b>Ownership or Control Over Voting Shares Held<sup>(1)</sup></b></p> <p>418,032 – 0.13%<sup>(2)</sup></p> | <p><b>Board/Committee Membership</b></p> <p>Chairman of the Audit Committee<br/>Member of the Corporate Governance &amp; Compensation Committee<br/>Member of the Health, Safety, and Community Committee</p> |
|---|---|

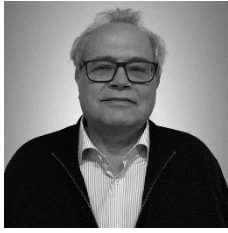


**Sidney Robinson**  
Toronto,  
Ontario,  
Canada

**Independent Director** since April 24, 2017

Mr. Robinson was a senior partner of Torys LLP, a law firm, until January 2004, practicing corporate/commercial law, with emphasis on financings, mergers and acquisitions and international projects. In his practice, Mr. Robinson acted as strategic and legal advisor to senior management and boards of many large corporate issuers. Mr. Robinson was a long-time member of Torys LLP's executive committee. Mr. Robinson is a former director of Rio Alto Mining Limited, Amerigo Resources Ltd, and of Inmet Mining Corporation. He has also served on the Board of Directors of several private corporations, is a founding partner of Butterfield & Robinson Inc., and was the first Chairman of Canada Post Corporation's Real Estate Advisory Committee. Mr. Robinson holds an M.A. and an LL.B from the University of Toronto and an LL.M from Osgoode Hall Law School.

|   |   |
|---|---|
| <p><b>Ownership or Control Over Voting Shares Held<sup>(1)</sup></b></p> <p>532,047 – 0.16%<sup>(2)</sup></p> | <p><b>Board/Committee Membership</b></p> <p>Member of the Audit Committee</p> |
|---|---|



**Albrecht Schneider**

Santiago,  
Chile

**Independent Director** since July 16, 2018

Mr. Schneider was the co-founder of Atacama Pacific Gold Corporation and discovered with his team the Cerro Maricunga gold deposit. He served as the Executive Chairman and as a director of Atacama Pacific Gold Corporation until the completion of the business combination with Rio2 in July 2018.

Mr. Schneider is a Professional Geologist with more than 25 years of field management and project generation experience in South America. He is currently the President of SBX Consultores, a geological consulting firm in Santiago, Chile. Mr. Schneider has held senior management positions with several other public companies including TVX Gold and generated the Volcan gold discovery in Chile for Andina Minerals. He has also acted as a Chilean representative for TVX Normandy Americas, Newmont Mining, and Kinross Gold and has acted as an international consultant for Antofagasta and Gold Fields.

Mr. Schneider received a Ph.D. (Geology) from Imperial College, University of London in 1985.

**Ownership or Control Over Voting Shares Held**

(1)

12,173,607 – 3.2%(2)

**Board/Committee Membership**

N/A



**Drago Kistic**

Lima,  
Peru

**Independent Director** since May 28, 2019

Mr. Kistic is a founding member and shareholder of Macro Group (Macroconsult, Macroinvest, Macrocapitales Safi, Macro Assets Management and Macro Wealth), President of the Board of Macrocapitales SAFI, Banco Pichincha Perú S.A., Bodega San Nicolás, Inmobiliarias Cerro Lindo SAC and Alto Las Viñas SAC. Currently, Mr. Kistic is a member of the boards of: Corporacion Rey, Haug S.A.; Clinica Médica Cayetano Heredia, Corporación Lindley, Promotora San Andres and Asociación de Bancos del Perú (ASBANC). From 1978 to 1981 he worked as Senior Economist for the Banco Central de Reserva del Peru and was Chairman of the Board of the Comisión Nacional Supervisora de Empresas y Valores (CONASEV) between 1981 and 1982. Between 1982 and 1985 he acted as Advisor to the Executive Director of the World Bank in Washington DC, USA. In 1998 he was a member of the Advisory Committee of the Peruvian Ministry of Foreign Affairs and President of the commission of border integration in the peace negotiations between Peru and Ecuador. Mr. Kistic was a director of Rio Alto Mining Limited (TSX) (between 2010 and 2015) and Tahoe Resources Limited (from August 2015 to February 2019).

Mr. Kistic holds a B.S. from Pontificia Universidad Católica del Perú and a Master's degree (B-Phil) from Oxford University.



| Ownership or Control Over Voting Shares Held <sup>(1)</sup> | Board/Committee Membership   |
|---|--|
| 234,211 – 0.07% <sup>(2)</sup>                              | Member of the Audit Committee<br>Member of the Corporate Governance & Compensation Committee |

(1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this AIF, based upon information furnished to the Corporation by the above individuals.

(2) Assumes a total of 318,598,913 Common Shares issued and outstanding as at the effective date of this AIF.

To the knowledge of the Company, as of the date hereof, the directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly or exercised control or direction over 34,853,444 Common Shares or approximately 10.94% of the issued and outstanding Common Shares of the Company. The Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the date of this AIF is based upon information furnished to the Company by the above individuals and/or management.

The directors listed above will hold office until the next annual meeting of the Company or until their successors are elected or appointed.

### AUDIT COMMITTEE

The Audit Committee shall be composed of a minimum of three directors. The members shall be appointed annually by the Board, typically at the first meeting of the Board following the annual shareholder's meeting. Unless a Chair is appointed by the full Board, the members of the Audit Committee may designate a Chair by a majority vote of the full Audit Committee membership.

All members of the Audit Committee shall meet the independence, financial literacy and experience requirements under applicable laws, rules and regulations binding on the Company from time to time, including without limitation the applicable rules of any stock exchanges upon which the Company's securities are listed and any requirements for independence and financial literacy under applicable securities laws.

Pursuant to National Instrument 52-110 *Audit Committees* (“NI 52-110”) the Company is required to disclose certain information with respect to its Audit Committee, as summarized below.

#### Audit Committee Charter

The text of the Company’s Audit Committee Charter is set in Schedule “A” to this AIF.

#### Audit Committee Composition and Relevant Education and Experience

The members of Rio2’s Audit Committee are:

1. Ram Ramachandran, Chair
2. Sidney Robinson
3. Drago Kisic

For a description of their education and experience relevant to serving as member of the Audit Committee please see “*Directors and Officers*” section of this AIF.

All members of the Audit Committee are independent.

## Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.3(2) of NI 52-110 (Controlled Companies), Section 3.4 of NI 52-110 (Events Outside Control of Member), Section 3.5 of NI 52-110 (Death, Disability or Resignation of Audit Committee Member), Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances) or Section 3.8 of NI 52-110 (Acquisition of Financial Literacy), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "A" under the heading "*Audit Committee Charter - Responsibilities and Duties - External Auditors*".

## External Auditor Service Fees

The aggregate fees billed by the Company's external auditors in respect of each of the financial year ending December 31, 2023, and 2022 for audit and other fees are as follows:

| Financial Year Ending | Audit Fees <sup>(1)</sup> | Audited Related Fees <sup>(2)</sup> | Tax Fees | All Other Fees |
|-----------------------|---------------------------|-------------------------------------|----------|----------------|
| 2023                  | \$60,200                  | Nil                                 | Nil      | Nil            |
| 2022                  | \$65,700                  | Nil                                 | Nil      | Nil            |

### Notes:

- (1) "Audit Fees" are the aggregate fees charged by the Company's auditors for the audit of the Company's consolidated annual financial statements, reviews of interim financial statements and attestation services that are provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-Related Fees" are fees charged by the Company's auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees."

## CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer of the Company is, or within ten (10) years prior to the date of this AIF, has been a director, a chief executive officer or a chief financial officer of any company (including the Company), that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, is, or within ten (10) years prior to the date of this AIF, has been a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, has, within the past ten (10) years prior to the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

## **CONFLICTS OF INTEREST**

Certain directors and officers of the Company and its subsidiaries are associated with other reporting issuers or other corporations which may give rise to conflicts of interest. In accordance with corporate laws, directors who have a material interest or any person who is a party to a material contract or a proposed material contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors of the Company have either other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. Conflicts, if any, will be subject to the procedures and remedies available under the OBCA. The OBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the OBCA.

## **PROMOTERS**

Since January 1, 2022, and to the effective date of this AIF, no person or company has acted as a promoter of the Company.

## **LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

### **Legal Proceedings**

There are no legal proceedings to which the Company is a party or, to the best of the Company's knowledge, to which any of the Company's property is or was during the last financial year subject, and there are no such proceedings known by the Company to be contemplated.

### **Regulatory Actions**

The Company is not aware of any: (a) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company's most recently completed financial

year and up to the date of this AIF; (b) other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (c) settlement agreements the Company entered into with a court relating to securities legislation or with a securities regulatory authority during the Company's most recently completed financial year and up to the date of this AIF.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

Other than as disclosed below, none of the directors or executive officers, or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's shares, nor any associate or affiliate of the foregoing, has any material interest, direct or indirect, in any transactions in which the Company has participated within the three most recently completed financial years or in the current financial year prior to the date of this AIF, which has materially affected or is reasonably expected to materially affect the Company. Certain directors, executive officers, and/or shareholders that beneficially own, control or direct (directly or indirectly) more than 10% of the Company's shares have participated in financings of the Company and/or have been granted stock options of the Company and/or received consulting fees for services provided to the Company.

Atacama and Rio2 entered into an arrangement agreement dated May 14, 2018. Mr. Albrecht Schneider, currently a director of Rio2, was Atacama's Executive Chairman and largest shareholder, he managed Atacama's exploration activities in Chile and Atacama contracted with companies controlled by him through professional and administrative services agreements for geological, exploration, engineering and administration services and office space in Chile. Mr. Schneider received a payment of \$687,500 as a result of the change in control of Atacama pursuant to the arrangement.

The Company's directors and officers may serve as directors or officers of other public resource companies or have significant shareholdings in other public resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The interests of these companies may differ from time to time. See "Risk Factors – Potential Conflicts of Interest" and "Conflicts of Interest".

### **TRANSFER AGENTS AND REGISTRARS**

The registrar and transfer agent for the Common Shares of the Company is Computershare Investor Services Inc. at its principal office in Vancouver, British Columbia.

### **MATERIAL CONTRACTS**

The Company's only material contract as of the Effective Date is:

- the Gold Stream entered into between Fenix Gold and WPML dated November 16, 2021.

All other agreements entered into and still in effect are in the normal course of business.

### **INTERESTS OF EXPERTS**

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the Corporation's most recently completed financial year other than Mining Plus S.A.C, Erick Ponce (QP) FAusIMM (Min), Anthony Maycock (QP) P. Eng, Denys Parra (QP) SME, Registered Member, Carlos Arevalo (QP) Chilean Mining Commission, Registered Member, Andres Beluzán (QP) Chilean Mining Commission, Registered Member, Francisco Javier Rovira (QP) Competent Person in Mineral

Resources and Reserves, and Ian Dreyer, QP for Rio2 Limited, and Grant Thornton LLP, the Company's external auditors.

As at the date of hereof, Mining Plus S.A.C, Eric Ponce, Anthony Maycock, Carlos Arevalos, Denys Parra, Carlos Arevalos, Andres Beluzán, and Francisco Javier Rovira did not beneficially own any Common Shares of the Company. Ian Dreyer beneficially owns, directly or indirectly, less than 3% of the outstanding Common Shares and 900,000 stock options.

Grant Thornton LLP have confirmed that they are independent of the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on the Company's issuer profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.rio2.com](http://www.rio2.com). Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Company's Information Circular for its most recent annual general meeting of shareholders that involved the election of directors. Additional financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

## **Schedule “A”**

### **RIO2 LIMITED**

#### **Audit Committee Charter**

##### ***Mandate***

The primary function of the audit committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
- Review and appraise the performance of the Company’s external auditors.
- Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

##### ***Composition***

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

##### ***Meetings***

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

##### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

## Documents/Reports Review

- a) Review and update this Charter annually.
- b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

## External Auditors

- a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.
- c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- f) At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- i) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

## ***Financial Reporting Processes***

- a) In consultation with the external auditors, review with management the integrity of the

Company's financial reporting process, both internal and external.

- b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- e) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- i) Review certification process.
- j) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

#### Risk Management

1. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
2. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
3. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

#### **Other**

Review any related-party transactions.