Rio2 Outlines Plans for Completion of Fenix Gold Mine Financing

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VANCOUVER, March 09, 2023 - Rio2 Ltd. ("Rio2" or "the Company") (TSXV: RIO; OTCQX: RIOFF; BVL: RIO) is providing an outline of its plans to complete the financing for the construction of the Fenix Gold Project ("the Project") in Chile.

The plan includes appointing an independent financial advisor, completing a Feasibility Study on the development of the Fenix Gold Project, reviewing and restructuring the precious metals purchase agreement with Wheaton Precious Metals International Ltd and re-engaging with lenders for the senior project debt facility of the Project construction financing.

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

Rio2 has appointed Endeavour Financial ("Endeavour") to provide financial advisory services with respect to the financing and construction of the Fenix Gold Mine.

Endeavour will work closely with Rio2 board and management in developing the optimum financing solution for the Fenix Gold Project given the Project's current status. Endeavour will provide a full-service approach to the financial advisory, which includes the review and restructuring of the existing precious metals purchase agreement, technical guidance during the completion of the Feasibility Study and dealing with lenders on the debt component of the financing.

FENIX GOLD FEASIBILITY STUDY

An updated Pre-Feasibility Study was prepared for the Fenix Gold Project in August 2019 and amended and restated on August 3, 2021.

Since that date, and over the course of H1 2022, the Company completed detailed engineering and updated cost estimates for the purpose of financing discussions with lenders for the construction of the Project. Discussions with lenders were halted on July 5, 2022, when the approval of the Project's Environmental Impact Assessment ("EIA") was formally declined by the Chilean Government. Given the Project's current status, the Company has decided to incorporate the detailed engineering into a new study and update operating and capital costs to reflect today's cost environment. The gold price will also be updated to a more appropriate level, given the August 2019 study was based on a gold price of $1,250. This new study will be completed to a Feasibility level and is expected to be completed and published by the end of Q2, 2023. The Feasibility Study will be a key document for consideration by the Project's potential lenders.

PRECIOUS METALS PURCHASE AGREEMENT

On March 29, 2022, Rio2 announced that it had received a deposit payment of US$25,000,000 from Wheaton Precious Metals International Ltd. ("WPMI") in connection with the previously announced precious metals purchase agreement on Rio2's Fenix Gold Project in Chile (the "Gold Stream").

Under the Gold Stream, WPMI will purchase 6.0% of the gold production until 90,000 ounces of gold have been delivered, thereafter dropping to 4.0% of the gold production until 140,000 ounces of gold have been delivered, after which the Gold Stream will reduce to 3.5% of the gold production for the life of mine from the Fenix Gold Project. In addition, WPMI will make ongoing production payments for gold ounces delivered equal to 18% of the spot gold price until the value of gold delivered to WPMI less the production payments is equal to the total upfront consideration payable by WPMI under the Gold Stream of US$50 million, at which point the production payment will increase to 22% of the spot gold price. As part of the agreement, a second deposit of US$25,000,000 was to be paid to Rio2 following the receipt of the EIA approval for the Fenix Gold Project, and subject to the satisfaction of certain other customary conditions.

As the approval of the EIA was declined by the Chilean Government on July 5, 2022, the timing and completion dates of the construction and eventual production of the Fenix Gold Project are currently unknown. Given this uncertainty, Rio2, in close consultation with Endeavour Financial, is planning to revise and restructure the agreement with WPMI as soon as practicable.

DISCUSSIONS WITH LENDERS

Discussions with potential lenders were well advanced prior to the negative EIA decision by the Chilean Government on July 5, 2022.

Technical due diligence was almost completed by independent experts acting on behalf of the lenders before July. On receipt of the negative EIA decision, it was decided with the lenders that the due diligence work be put on hold, with reactivation expected once the planned Feasibility Study is completed.

Despite the suspension of activities pertaining to the construction of the Project, Rio2 is encouraged that lenders are still showing interest in participating in financing the Fenix Gold Mine construction.

STATUS OF ADMINISTRATIVE APPEAL PROCESS

On August 31, 2022, Rio2's local subsidiary Fenix Gold Limitada ("Fenix Gold"), decided to exercise its right to file an administrative appeal before the Ministries Committee. The Ministries Committee is composed of the Ministries of Environment (Chairman), Health, Economy, Agriculture, Energy and Mining. The national director of the Environmental Assessment Service ("SEA") is the secretary of the Committee.

The basis of the administrative appeal is based on the following key findings:

(a) The Fenix Gold Project was presented for environmental assessment through an EIA, which is the most stringent instrument contemplated by Chilean Environmental Law. The EIA also included a successful public consultation process and successful special consultation process for indigenous communities, under the rules of the OIT No. 169 International Convention. The rejection of the EIA is not based on legal incompatibilities that cannot be overcome, but on the need, according to the authorities´ view, to provide additional information to discard potential impacts to *Chinchilla chinchilla, Lama guanicoe and Vicugna vicugna*;

(b) Fenix Gold provided quality information in the EIA to demonstrate there were no significant risks to the aforementioned fauna species. This finding was incrementally strengthened and supported during the process through additional monitoring campaigns and data compilation, in direct response to the authorities' requests;

(c) The monitoring campaigns and technical information produced by Fenix Gold and its external advisors were prepared using the methodologies and guidelines established by the authorities and consistent with similar precedents in the area;

(d) Certain requests or observations from the authorities, incorrectly referred to by SEA as "not addressed" by Fenix Gold, were made after the assessment process was closed, in which it is not legally possible for the Company to present additional answers. Making requests or observations after the EIA process is closed is not consistent with the nature and rules of the environmental impact assessment process.

As a result of these key findings, Rio2 is of the view that the rejection of the Project is not consistent with the environmental assessment process that took place, and, therefore, the Company believes there are strong legal and technical grounds for seeking the review of the rejection of the EIA before the Ministries Committee, which has the faculties to reverse the decision made at the regional level.

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

In parallel with the administrative process, Rio2 is conducting additional monitoring studies of the fauna in the Project area to provide supporting information for the appeal process. A list of additional voluntary commitments has been developed to help address any remaining concerns that the authorities may require to guarantee the sustainable execution of the Project. The Company believes this additional work will provide a positive contribution during the administrative appeal process.

Timing for the administrative appeal has yet to be formally communicated to Rio2 management.

FENIX GOLD PROJECT

The Fenix Gold Project is one of the largest undeveloped gold oxide, heap leach projects in the Americas, hosting a Measured and Indicated mineral resource (as such term is defined in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects,* "NI 43-101") of 5 Million ounces of gold which the Company believes will make a positive contribution to the Atacama Region and Chile. The Project is an example of modern gold mining where a full complement of technical, environmental, and social considerations has been consulted on and designed in from the outset. The Project represents a significant investment in the gold mining business in Chile by a junior mining company of approximately US$210M of initial and sustaining capital and will generate employment for at least 1,200 people during the construction phase and 550 people during the 17 years operations phase. The mine being contemplated at the Project will be a run-of-mine heap leach operation; no crushing or tailings storage facilities are required, thereby minimizing the overall impact and footprint of the Project.

TECHNICAL INFORMATION

The scientific and technical content of this news release has been reviewed, approved and verified by Enrique Garay, MSc. P. Geo (AIG Member), a consultant to Rio2 Ltd., who is a QP under NI 43-101 has also reviewed, approved and verified the scientific and technical content of this news release. For additional information regarding the Project, including key parameters, assumptions and risks associated with its development, see the independent technical report entitled "*Updated Pre-Feasibility Study for the Fenix Gold Project, Atacama, III Region, Chile*" dated August 3, 2021, with an effective date of August 15, 2019, a copy of which document is available under Rio2's SEDAR profile at www.sedar.com

ABOUT RIO2 LIMITED

Rio2 is a mining company with a focus on development and mining operations with a team that has proven technical skills as well as a 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 Limitada, are companies with the highest environmental standards and responsibility with the firm conviction that it is possible to develop mining projects that respect the three axes (Social, Environment, and Economics) of sustainable development. As related companies, we reaffirm our commitment to apply environmental standards beyond those that are mandated by regulators, seeking to protect and preserve the environment of the territories that we operate in.

ABOUT ENDEAVOUR FINANCIAL

Endeavour Financial, with offices in London, UK, George Town, Cayman Islands and Vancouver, British Columbia, is one of the top mining financial advisory firms, with a record of success in the mining industry, specializing in arranging multi-sourced funding solutions for development-stage companies. Founded in 1988, Endeavour Financial has a well-established reputation of achieving success with over US$500 million in royalty and stream finance, US$4 billion in debt finance and US$28 billion in mergers and acquisitions. The Endeavour Financial team has diverse experience in both natural resources and finance, including investment bankers, geologists, mining engineers, cash flow modelers and financiers.

Forward-Looking Statements

This news release contains forward-looking statements and forward-looking information (collectively ???"forward-looking information") within the meaning of applicable securities laws relating to Rio2's planned ?development of the Project and other aspects of Rio2's anticipated future ?operations and ?plans. In addition, without limiting the generality of the foregoing, this news release ?contains forward-?looking information pertaining to the following: the development of financing solution for the Fenix Gold Project given the Project's current status?; the preparation of a new study in respect of the feasibility of the Fenix Gold Project; the potential revision and restructuring of the Gold Stream; discussions with potential lenders who may participate in the financing of the Fenix Gold Project; Rio2's appeal of the decision of the SEA to not approve Rio2's EIA and the related undertaking of additional studies of the fauna in the area of the Fenix Gold Project; the potential development of a mine at the Project and the expected capital investment required for such mine; ??development and operating plans; certain anticipated economic benefits of a mine at the Project to the local region and other matters ancillary or incidental to the foregoing. ?

All statements included herein, other than statements of historical fact, may be forward-looking information and such information involves various risks and uncertainties. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", and similar expressions. The forward-looking information is based on certain key expectations and assumptions made by Rio2's management which may prove to be incorrect, including but not limited to: expectations concerning the preparation and timing for completion of the new study in respect of the Fenix Gold Project; expectations concerning revision and restructuring of the Gold Stream; expectations concerning the appeal of the decision of the SEA to not approve Rio2's EIA; expectations regarding the availability of debt financing; expectations concerning prevailing commodity prices, exchange rates, interest rates, applicable royalty rates and tax laws; capital efficiencies; legislative and regulatory environment of Chile; future production rates and estimates of capital and operating costs; estimates of reserves and resources; anticipated results of capital expenditures; the sufficiency of capital expenditures in carrying out planned activities; performance; the availability and cost of financing, labor and services; and Rio2's ability to access capital on satisfactory terms.

Rio2 believes the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements in this news release should not be unduly relied upon. A description of assumptions used to develop such forward-looking information and a description of risk factors that may cause actual results to differ materially from forward-looking information can be found in Rio2's disclosure documents on the SEDAR website at www.sedar.com. These risks and uncertainties include, but are not limited to: risks and uncertainties relating to the completion of the financings as described herein, and management's ability to anticipate and manage the factors and risks referred to herein. Forward-looking statements included in this news release are made as of the date of this news release and such information should not be relied upon as representing its views as of any date after the date of this news release. Rio2 has attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. Rio2 disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.

To learn more about Rio2 Limited, please visit: www.rio2.com or Rio2's SEDAR profile at www.sedar.com.

ON BEHALF OF THE BOARD OF Rio2 Ltd.

Alex Black
Executive Chairman
Email: alex.black@rio2.com
?Tel: +51 99279 4655?

Kathryn Johnson
Executive Vice President, CFO & Corporate Secretary
Email: kathryn.johnson@rio2.com
?Tel: +1 604 762 4720?

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