



# **IMAGE**

**RESOURCES**



## **Modern Slavery Statement – CY2021**

**Image Resources NL**

**ABN: 57 063 977 579**

**ABOUT THIS STATEMENT**

This is the first Modern Slavery Statement for Image Resources NL covering the period 1 January 2021 through 31 December 2021 (**CY2021**). It is submitted in compliance with modern slavery reporting requirements under Australia’s **Modern Slavery Act 2018 (Cth)**.

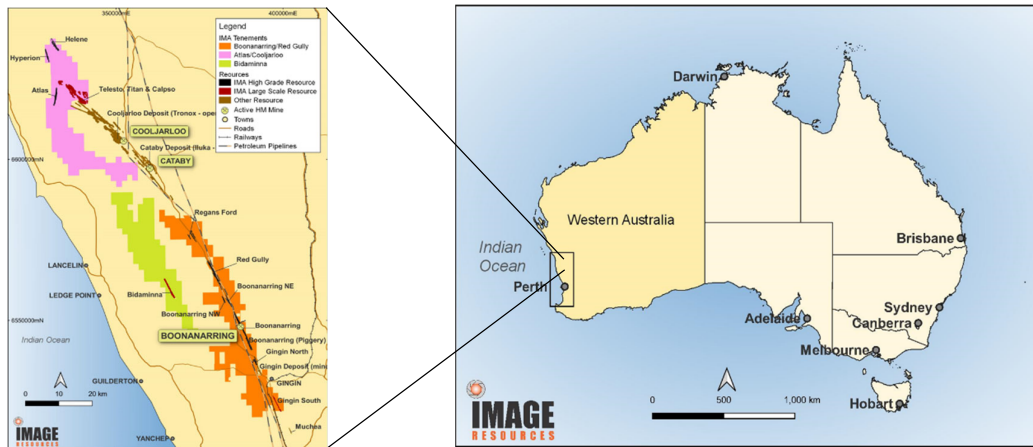
This statement is made on behalf of Image Resources NL (ABN 57 063 977 579) and its wholly-owned subsidiaries Craton Resources Pty Ltd (ACN 648 631 314) and Titon Resources Pty Ltd (ACN 655 038 083), (collectively **Image** or **the Company**).

**COMPANY INTRODUCTION**

Image Resources NL is an Australian public company listed on the Australian Securities Exchange (ASX: IMA) since 2002. The Company’s primary business (starting in CY2019) is mining and processing mineral sands ore and producing a heavy mineral concentrate for export to global markets, and with a focus on sales into China. Revenue range: A\$100-200m.

The Company owns and controls a portfolio of exploration licences and mining leases (**Tenements**) all located in the North Perth Basin in Western Australia, stretching approximately 80-200km north of the capital city of Perth. This portfolio of mineral sands Tenements (shown colour-coded in three main groups in Figure 1) contains numerous project areas, all with identified Mineral Resources for potential future project development, two with Ore Reserves and one with active mining and production operations.

**Figure 1. Tenement location map**



During this reporting period Image operated a single mining operation (Boonanarring) located 80 kilometres north of Perth, and was engaged in typical pre-development drilling and feasibility studies on three of its other project areas associated with its Tenements.

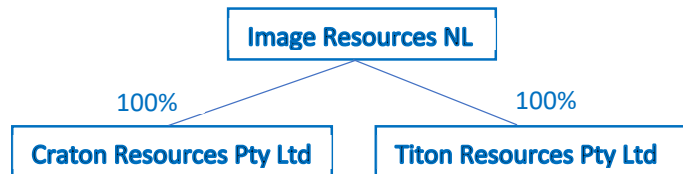
The Company employs approximately 60 employees directly and upwards of 150 contractors and consultants through its mining operation, exploration and field activities as well as its corporate office.

Since Image transitioned to be an active mining company in 2019, it has taken a proactive approach to meeting or exceeding its commitments in the areas of safety, environmental protection and social engagement, and has adopted a continuous improvement approach through its policies, procedures, processes and practices. The Company is also currently engaged in the development of a formal environmental, social and governance (ESG) reporting framework to be completed in calendar year 2022.

## STRUCTURE, OPERATIONS AND SUPPLY CHAIN

The structure of the Company is a listed public company (Image Resources NL) owned by its shareholders and controlled by an independent board of directors, and includes two wholly-owned subsidiary companies established in CY2021 to hold certain project assets as shown in Figure 2.

**Figure 2 – Company Structure**



Company operations consist of a single mining and processing operation and associated product logistics and ship loading operations; field drilling and study activities and corporate operations.

### Employment Practices

One of Image’s major areas of expenditure is labour costs, for both direct employment as well as indirect employment through tier 1 suppliers (e.g., contractors and consultants). Importantly, given the Company operates exclusively in Western Australia in the very competitive mining industry as a listed public company, the risk of modern slavery practices to exist in the Company’s employment practices is considered to be extremely low to non-existent. The justification for such a low-risk rating is based on the following:

- salaries in the mining industry in general, and specifically for Image are higher than the rates specified in the applicable Mining Industry Award and Clerk Award;
- total remuneration packages typically include short-term and long-term incentive bonuses based on performance;
- generous leave allowances including, but not limited to, sick leave, personal and carer’s leave, annual leave and long service leave;
- employee participation in annual performance reviews to align skills with expectations and to identify training, growth and advancement opportunities;
- annual salary reviews to align remuneration with market rates;
- employment practices, protocols and procedures shaped and guided by formal written policies and procedures;
- promotion of a strong health and safety culture with associated training and with effectiveness measured through the use of participatory safety audits and encouraged reporting and tracking of incidents and related statistics throughout the Company and including reporting of statistics to the Board of Directors and shareholders;
- open door policy with respect to employee reporting or queries to their supervisor/manager regarding working conditions, work place safety, bullying or any form of discrimination; and
- a formal whistle-blower policy.

### Supply Chain

Major supply chain items include fuel for mining, drilling and transport equipment and product logistics; spare parts for mining, drilling, transport, logistics and processing equipment;

miscellaneous office, safety and operating supplies; and a variety of contracting and consulting services to support the Company’s ongoing operational, sales and administrative functions as well as its project pre-development activities including design, engineering, testing and reporting.

Capital equipment procurement during this reporting period was minimal, but will likely increase in CY2022 and more substantially in CY2023.

For this reporting period, the vast majority of the Company’s supply chain is Australian based and most is sourced locally in Western Australia from reputable companies that have been successfully operating in the mining sector for decades. Therefore, the overall risks of Image’s supply chain involving modern slavery practices are minimal.

None-the-less, the Company is committed to providing educational materials to its employees and contractors regarding awareness of modern slavery issues, and working to improve its overall procurement procedures through modern slavery education, audits and surveys, to identify and eliminate the potential of parts of the Company’s supply chain to harbour modern slavery practices.

**IDENTIFIED RISK AREAS**

Based on an initial review of the Company’s supply chain, following review of available educational materials as eLearning Modules (3) available from Australian Border Force (ABF) (<https://modernslaveryregister.gov.au/resources/>), three areas of the Company’s supply chain have been identified as higher risk areas with the potential to harbour modern slavery practices. Those areas being the procurement from tier 1 suppliers of:

- 1) computers and associated hardware;
- 2) uniforms and safety clothing; and
- 3) cleaning services.

The magnitude of risk of each area (based on total annual expenditures) is deemed to be relatively low, with annual expenditures and a percentage of total Company annual expenditures, for each area, as follows:

<b>Supply Chain Risk Area</b>	<b>CY2021 Expenditure (AUD, 000s)</b>	<b>% of Total CY2021 Expenditures</b>
computers/hardware	~\$100	0.10%
uniforms/clothing	~\$60	0.06%
cleaning services	~\$35	0.04%

**ACTIONS TO BE TAKEN TO ASSESS AND ADDRESS RISKS**

As this statement represents the first such statement on modern slavery by the Company, the actions to be taken in the new year (CY2022) to assess and address the identified higher risk areas above, as well as various other elements of the supply chain, includes dissemination of modern slavery educational materials to all employees, awareness training presentation to the Board of Directors, and select training sessions on supplier audit and survey methods for employees and managers involved with the procurement of goods and services for the Company.

To more comprehensively identify, mitigate and manage modern slavery risks in the Company’s supply chain in CY2022, risk assessment tools such as ethiXbase and Norton Rose Fulbright’s Modern Slavery risk assessment module will be considered.

In addition, each identified risk area will be reviewed to determine if procurement contracts can/should be modified to include termination clauses that can be triggered:

- in the event modern slavery practices are suspected or discovered; and/or
- a supplier is unable to provide sufficient assurances that its contractors, subcontractors and suppliers (tiers 2 and 3) have procedures in place to minimise the potential for modern slavery practices.

In the event modern slavery issues with suppliers are identified, steps to be taken may include ABF notification, providing the supplier with educational materials and training, contract modifications to minimise or remedy the risks of modern slavery, periodic follow-on audits or surveys to confirm compliance and contract cancellations (where lawful and if and as necessary).

### **MEASURE OF EFFECTIVENESS**

During CY2022, the measure of effectiveness of the Company's actions to assess and if necessary to minimise or eliminate the risks of modern slavery practices from its supply chain will include the following milestones:

- >50% of the Company's employees have received modern slavery educational materials and/or awareness training;
- >75% of its Board members and senior executives have received modern slavery awareness training;
- 100% of its procurement employees and managers have received modern slavery awareness and prevention training;
- All three identified higher risk areas have been assessed to determine the potential risks of modern slavery practices for tier 2 suppliers/contractors; and
- Responsibility for annual reviews and reporting on modern slavery has been folded into the Board's corporate governance calendar (as opposed to forming a modern slavery working group).

### **CONSULTATION WITH OWNED/CONTROLLED ENTITIES**

Both of the Company's owned and controlled entities are private entities set up to hold certain project assets as subsets of the Company's overall portfolio of mining tenements, licences and/or mining operations. Both have common directors with the listed entity Image Resources NL and neither entity has any operational functions or employees. Procurement for materials or services for these entities is conducted by procurement employees of Image Resources NL.

### **OTHER INFORMATION**

Image Resources NL recognises its greatest strength is its employees. The Company values the contribution of its employees and strives to treat all its employees equitably and fairly.

Image is an equal opportunity employer that strives to remunerate its employees commensurate with similar positions in the Australian mining industry. The Company reviews employee performance and salary levels on an annual basis and maintains records regarding turnover and gender diversity, however no aspirational goals have been established.

Recruiting practices are guided by formal policies on diversity and employment equality and affirmative action, including indigenous employment opportunities. The diversity policy serves to prevent discrimination on the basis of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. The equality and affirmative action policy

serves to align with Western Australian law which makes it unlawful to discriminate on the grounds of sex, marital status, pregnancy, sexual orientation, family responsibility or family status, race, religion, political conviction, impairment, age or gender history. It also serves to prevent the unlawful acts of sexual harassment and victimisation.

Day-to-day business operations are guided by formal policies on work, health and safety and environmental protection, and all employees and directors are inducted under a formal code of conduct which serves to promote honesty, integrity, respect, fairness and overall ethical behaviour. The reporting of all minor and even close-call safety incidents is strongly encouraged, and these are tracked as indicators to focus continuous improvement training requirements.

The Company and its subsidiaries require its directors, officers and employees to observe high standards of business conduct and ethics, as well as full compliance with all applicable governmental laws, rules and regulations, corporate reporting and disclosure, accounting practices, accounting controls, auditing practices and other matters relating to preventing fraud against shareholders or other stakeholders. To help ensure such practices are followed, the Audit Committee has adopted a formal whistle-blower policy to provide a confidential and anonymous process that encourages employees to report any illegal or unethical activities for investigation.

Image's procurement practices include typical methods of securing multiple quotes for goods and services, however, the Company is not focused solely on the lowest price, in recognition that the lowest prices for some goods or services may be an indicator and potentially a driver of supplier practices with a higher potential to harbour modern slavery.

#### **APPROVAL**

This statement was endorsed by the Chief Executive and approved by the Board of Directors of Image Resources.

A handwritten signature in blue ink, appearing to read "Patrick Mutz".

**Patrick Mutz**  
Managing Director & Chief Executive Officer

13 June 2022