

# Modern Slavery Statement

For the 12-month period ended 30 June 2024



**BASE  
RESOURCES**

## Important Notices

This statement captures the activities of Base Resources Limited and its subsidiaries for the period from 1 July 2023 to 30 June 2024 (**FY24** or the **reporting period**).

The statement has been prepared by our Sustainability team, with input from members of the Modern Slavery Group.

This statement is made by Base Resources Limited (ACN 125 546 910) (**Base Resources** or the **Company**), a public company incorporated under Australia's *Corporations Act 2001* (Cth). During the reporting period, the Company was listed on the Australian Securities Exchange and the London Stock Exchange's AIM.

Base Resources is a "reporting entity" under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and this statement has been issued by the Company in accordance with section 13 of that Act. Base Resources controls several entities. None of these entities qualify as a "reporting entity" under the Modern Slavery Act.

Unless the context requires otherwise, this statement is made in respect of Base Resources and each of the entities it controls (together, the **Group**), including its two operating subsidiaries, Base Titanium Limited (a Kenya incorporated company) and Base Toliara SARL (a Madagascar incorporated company). Accordingly, references to "we", "our" and "us" are to the Group as a whole. For further details about Base Resources' controlled entities, refer to Base Resources' 2024 Annual Report, accessible at; <https://baseresources.com.au/investors/reports/>.

On 2 October 2024, Energy Fuels Inc. acquired all of the shares in Base Resources by way of a scheme of arrangement under Australia's *Corporations Act 2001* (Cth). As this merger was implemented subsequent to the end of the reporting period, the implications of this merger – e.g. in terms of ownership and control of Base Resources and therefore the Group – have not been reflected in this statement.

## Statement of compliance with the Modern Slavery Act

### Principal Governing Body Approval

This statement was approved by the Board of Base Resources, being the Company's "principal governing body" as that term is defined in the Modern Slavery Act, see page 26.

### Signature of Responsible Member

This statement is signed by Kevin Balloch, a director of Base Resources, who is therefore a "responsible member" of the Company, as that term is defined in the Modern Slavery Act, see page 26.



## Mandatory Criteria

This statement addresses each of the mandatory criteria in section 16 of the Modern Slavery Act, as specified in the table below.

Mandatory Criteria	Section(s)	Page reference
Identify the reporting entity	Important Notices, 1	2, 5-6
Describe the reporting entity's structure, operations and supply chains.	1, 3 and 4	5-6, 10-11, 12
Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5	13-17
Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	This Statement, 2 and 6	4, 7-9, 18-20
Describe how the reporting entity assesses the effectiveness of these actions.	7	21-22
Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).	8	23
Any other information that the reporting entity, or the entity giving the statement, considers relevant.	N/A	N/A



## THIS STATEMENT

This statement outlines our efforts to identify, assess, and mitigate the risks of modern slavery within our mineral sands' operations and supply chains during FY24.

In our interconnected world, the pursuit of environmental sustainability and carbon neutrality cannot be separated from the fight against modern slavery and the role of businesses in ensuring the protection of human rights across their supply chains. As global communities strive to meet ambitious climate goals and transition toward a greener future, it is imperative to recognise that the fight against modern slavery and the protection of human rights is intrinsically linked to environmental sustainability.

Modern slavery refers to severe exploitation and constitutes a grave abuse of human rights. Specifically, it is an umbrella term encompassing various situations where individuals are exploited and their personal freedoms are significantly undermined or deprived, including slavery, servitude, forced or compulsory labour, and human trafficking.

Since its formal inception for the financial year ended 30 June 2020, our dedicated modern slavery program has been implemented in a considered and methodical manner. Our focus in the early years was predominately on developing, embedding and integrating a governance framework for modern slavery across our organisation, building internal capability and understanding and developing partnerships to assist with our modern slavery response, particularly for management of the modern slavery risk in our supply chains.

In recent years, we have concentrated on applying our framework by enhancing partnerships and developing both internal capabilities and external stakeholder capacity. This approach has led to meaningful engagement with both new and existing suppliers, as well as among our host communities. FY24 was no different and we continued to strengthen our partnerships and build internal capabilities, all with the goal of ensuring ongoing improvement.

With mining at Kwale Operations concluding at the end of 2024 and project development activities for our Toliara Project ramping up following the recent lifting of suspension, we anticipate the next reporting period will see the emergence of new modern slavery risks. The next reporting period will be dedicated to preparation for managing these risks.

**We acknowledge the significance of protecting human rights across our operations and supply chains, recognising its importance to our employees, customers, suppliers, shareholders, and the communities in which we operate.**



# 1 WHO WE ARE

## About Base Resources

Base Resources is a Perth-based, African-focused heavy mineral sands and rare earths producer and developer. Since 2013, Base Resources has operated the established Kwale Operations, our heavy mineral sands mining operation in Kwale County, located on the south coast of Kenya, which produces a suite of heavy mineral sands products, namely ilmenite, rutile and zircon. We are also developing the 100% owned Toliara Project in Madagascar, which is a high-grade, long-life heavy mineral sands and rare earths project.

We have a clear understanding of, and commitment to, our purpose being to contribute to solving the problems of people and planet. We do so profitably, without profiting from causing problems.

Our core values centre around sustainability, integrity, and community engagement. We emphasise conducting business ethically and transparently, fostering a safe and inclusive work environment, and prioritising the well-being of the communities in which we operate. We are committed to upholding human rights, minimising environmental impact, and ensuring that our operations contribute positively to both local and global stakeholders.

Our approach to sustainability is anchored in this purpose, with foundational philosophies that place sustainability at the centre of our business:

- We demonstrate that sustainable mining can be a reality, where essential resource extraction is undertaken, generating requisite shareholder returns, whilst improving environmental, social and economic outcomes.
- We minimise environmental disturbance, restore land we do disturb and seek opportunities for enhancement to ultimately leave a physical environment that is richer for our presence.
- We facilitate meaningful and lasting improvement in the lives of those in the communities in which we operate.
- As we seek to identify issues and opportunities to be addressed, and develop and implement solutions, we know we do better when we listen respectfully to those with different perspectives, act in partnership with others, and consider the full life cycle of mining.
- We recognise that trade-offs between impacts – social and environmental, local and global – will naturally exist, may be challenging to reconcile but need to be navigated to produce the best collective outcome.
- We explicitly design all aspects of our business to deliver on this core organisational purpose.

We are guided by **The Base Way** – a set of beliefs and principles that permeate every aspect of our business and our culture. The Base Way is grounded in our belief in the potential of our people, the power of the team, the value of resources and absolute integrity.



## Our Assets

Kwale Operations has been Kenya’s largest mine since mining commenced in 2013. Kwale Operations featured an assemblage rich in rutile, ilmenite and zircon and its products have been exported to North America, Asia and Europe.

Kwale Operations’ mine life has always been short. Despite undertaking a regional exploration program in recent years, only modest extensions were able to be achieved, and mining will conclude at the end of 2024. Given this, during FY24 (as well as subsequently), there has been a key focus on equipping our workforce for life after mining, rehabilitation, progressing identified potential post mine land uses and preparing for decommissioning and closure of the Kwale Operations.

The Toliara Project in Madagascar is considered one of the best undeveloped heavy mineral sands opportunities in the world due to its high grade and assemblage of ilmenite, rutile and zircon, as well as monazite. Project development was constrained during the reporting period due to a Government of Madagascar-imposed suspension pending agreement on the fiscal terms applicable to the project. With the suspension lifted and agreement on fiscal terms reached subsequent to the end of the reporting period, on-ground project development activities have recommenced, with a final investment decision targeted for early 2026.

## What We Produce

Base Resources has produced ilmenite, rutile and zircon at Kwale Operations, which are all considered critical minerals. These same products together with monazite are proposed to be produced at the Toliara Project.

Ilmenite and rutile are different grades of titanium dioxide (TiO<sub>2</sub>) minerals and are used predominantly to produce pigments for paint, paper, plastics, textiles and inks. TiO<sub>2</sub> pigment is prized for its opacity, reflectivity and whiteness and its ability to absorb and reflect ultraviolet radiation. It is also non-toxic and inert to most chemical reagents.

High grade TiO<sub>2</sub> minerals (which include rutile) can also be used to produce titanium metal, which is corrosion resistant and has the highest strength to weight ratio of any metal. Titanium metal is used across aerospace and defence industries as well as in medical devices, sporting equipment and jewellery. High grade TiO<sub>2</sub> minerals are also used in the flux in welding consumables such as welding rods and fluxcore wire which is used extensively in ship building.

Zircon has a range of end-uses, including in production of ceramic tiles, which accounts for more than 50% of global consumption. Milled zircon enables ceramic tile manufacturers to achieve brilliant opacity, whiteness and brightness in their products. Other unique properties include heat and wear resistance, stability, opacity, hardness and strength, making zircon sought after for other applications such as refractories, foundries and specialty chemicals. Demand for zircon is closely linked to growth in global construction and increasing urbanisation in the developing world.

Monazite is a rich source of rare earth elements, which are critical in the production of permanent magnets used in wind turbines and electric vehicles, as well as in various high-tech applications such as electronics, medical imaging, and defence systems.



## 2 OUR GOVERNANCE FRAMEWORK

### Introduction

Our corporate governance framework is underpinned by our purpose to contribute to solving the problems of people and planet and to do so profitably, without profiting from causing problems, along with the core set of principles forming **The Base Way**.

We have established a corporate governance framework comprising a suite of policies, charters, codes and system documents. As international standards and principles of best practice are constantly evolving, our corporate governance framework is regularly reviewed and enhanced to ensure it remains appropriate.

### Organisational Responsibilities

During the reporting period, our Board had ultimate responsibility for overseeing the Group's approach to sustainability, with the Board expressly reserving responsibility in the Board Charter for (among other matters) defining the Group's environmental, social and ethics vision and ensuring that the Group's overall strategy and systems are aligned with that vision. The Board's Environment, Social and Ethics (**ESE**) Committee, established in FY21, assisted the Board with its oversight responsibility in respect of sustainability matters, with its responsibilities including overseeing the management of ESE risks, including human rights-related risks.

The Managing Director was accountable to the Board for management of our ESE risks and implementation of systems to achieve our ESE vision and was supported by senior management across the Group. Day-to-day management of sustainability and ethics, including human rights-related matters, was overseen by our corporate team with our teams at Kwale Operations and the Toliara Project responsible for these matters on site in Kenya and Madagascar respectively.

To assist with our management of community-related risks, we have also established liaison committees to act as an interface between ourselves and our host communities. These committees are important in the information sharing process and provide an avenue for ensuring our systems are understood by the broader communities. They also provide a mechanism for locals from our host communities to raise grievances and concerns, including in relation to human rights issues.

### Internal Policies

Environmental, social, and ethical considerations are integrated into a range of policies, charters, codes, and system documents addressing specific aspects of sustainability. Sitting over-the-top of these is our overarching **Sustainability Policy** which defines a consistent set of principles, objectives and performance standards applicable across our environment, our people, our communities, ethics, and responsible business. This integration and consistency of principles, objectives and performance standards ensures that these important issues are part of our 'business as usual' practices.

All policies and system documents are accessible by employees on our controlled document management system. Key aspects of these are communicated during induction processes.

Certain corporate governance policies, standards, codes of conduct and documents are accessible at <https://baseresources.com.au/who-we-are/corporate-governance/> with our sustainability policies and standards accessible at <https://baseresources.com.au/sustainability/sustainability-policies-and-standards/>. Our sustainability reporting is accessible at <https://baseresources.com.au/sustainability/sustainability-reporting/>.



## Internal Systems, Processes and Documents

Our modern slavery governance framework is supported by several key policies and system documents, including those detailed below.

Our **Whistleblower System** provides current and former employees and suppliers and their relatives with a safe, secure, confidential and transparent mechanism for reporting inappropriate conduct, including any human rights concerns, and investigating and addressing such allegations in a timely manner. The reporting channels consist of an internal reporting mechanism to specified senior employees and officers, as well as an external reporting mechanism, referred to as IntegrityLine, and operated by an independent whistleblower service provider. Information about our Whistleblower System is made available to all staff, including via our controlled document management system, and to external stakeholders, including via our website. Individuals holding the position of Whistleblower Receiving Officer or Whistleblower Protection Officer are provided with specific training on their responsibilities and obligations.

Our **Fair Treatment System** provides a more informal grievance resolution process for allegations by our employees of unfair treatment. Grievances are to be initially raised to an employee’s manager-once-removed for consideration and assessment. Provision is also made for a second level of consideration by the relevant employee’s manager-twice-removed.

Our **New Supplier Onboarding Process** consolidated our mandatory onboarding steps for new suppliers in a single, easy-to-use document. Steps include application of our Modern Slavery Risk Assessment Procedure (Risk Assessment Procedure), provision of the Supplier Code to all new suppliers and, subject to limited exceptions, contracting on Base’s standard terms and conditions. Further details about our Risk Assessment Procedure, Supplier Code and standard terms and conditions and how they mitigate our modern slavery risk are below.

### Supplier Code

Sets out our core requirements and expectations for our suppliers, which include that our suppliers’ workforces are free from modern slavery and any other human rights abuses. The Supplier Code also expressly requires suppliers to report inappropriate conduct they become aware of in respect of Base Resources and includes information on how to access our IntegrityLine.

### Risk Assessment Procedure

Developed in FY21, our Risk Assessment Procedure is a step-by-step guide for identifying, assessing and addressing modern slavery risks for both new suppliers and existing suppliers – refer below for further details about our Risk Assessment Procedure and a flowchart illustrating its steps and operation.

### Standard Terms and Conditions

For our standard terms and conditions, we have developed both long and short form anti-modern slavery clauses, to be selected depending on the relevant supplier’s assessed modern slavery risk profile. Our standard terms and conditions also require adherence to the Supplier Code.

### Modern Slavery Work Group

Established in FY20, we have a dedicated, cross-functional Modern Slavery Work Group (Work Group), which reported to our Chief Legal Officer for the reporting period. The Work Group comprises employees from across the Group and among its members there is in-depth knowledge of the Group’s direct suppliers, employees and their employment and working conditions, recruitment practices and related System documents, as well as legal, sustainability financial and human rights expertise.

The Work Group is responsible for development and implementation of annual Group-wide workplans to mitigate our modern slavery risks, preparation of our annual modern slavery statements and assessment of the effectiveness of the actions we are undertaking to identify, assess and address our modern slavery risks.





### Further Details about our Risk Assessment Procedure

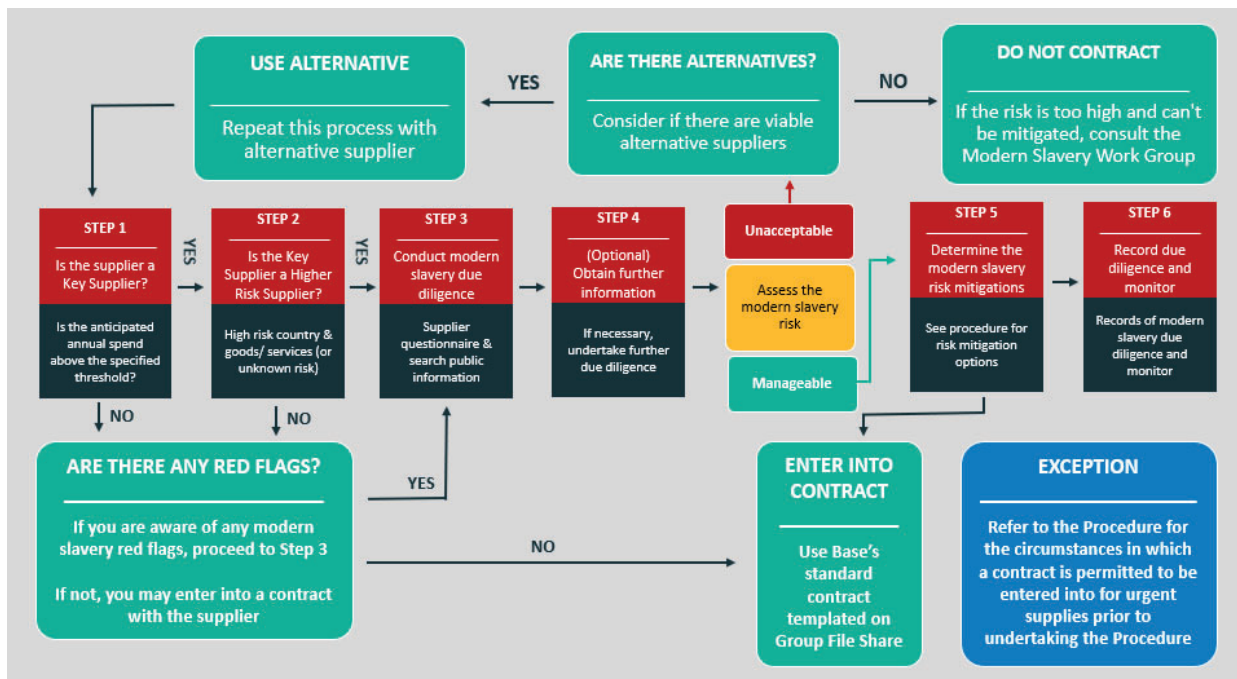
The Risk Assessment Procedure is applied to all new suppliers before they are formally engaged, with a limited exception for urgent supply needs. However, to ensure requisite focus and attention on higher risk new suppliers, the Risk Assessment Procedure only requires modern slavery due diligence to be undertaken on a supplier to determine what (if any) modern slavery risk mitigations are to be implemented if:

- The supplier’s anticipated annual spend is over a certain amount.
- The supplier is designated as higher risk following application of an initial risk designation exercise, which considers:
  - The rank on the Global Slavery Index (or GSI) of the country in which the relevant supplier is located.
  - Whether the supplier is in a sector or provides products or services that research has historically shown have higher reported instances of modern slavery.

Our supplier modern slavery due diligence involves assessment of targeted public information and information received from our suppliers in response to our supplier questionnaire. This questionnaire contains questions about:

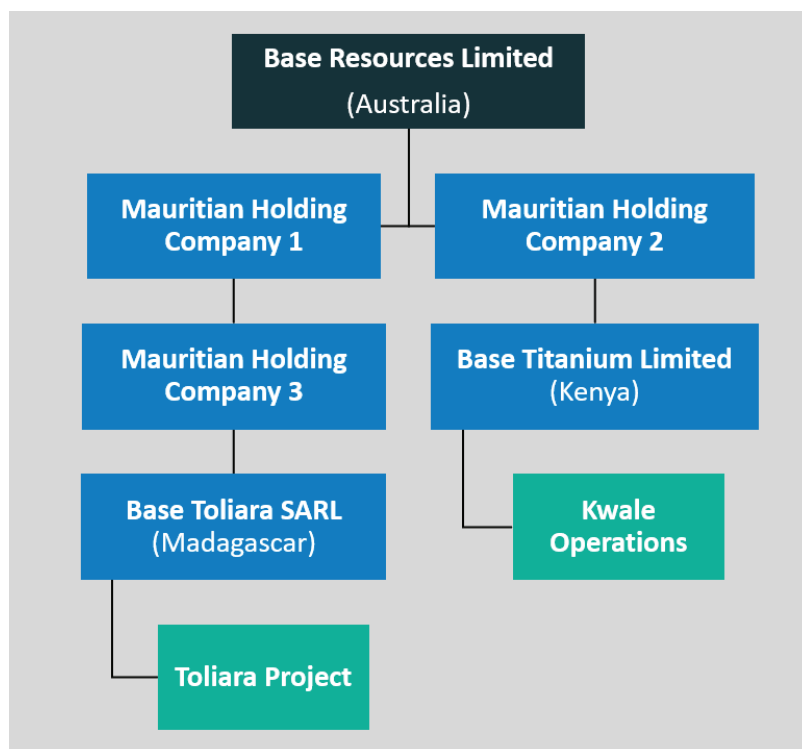
- The supplier’s internal policies and controls to ensure to ensure employee pay and working conditions comply with applicable law and otherwise mitigate modern slavery risks in their operations.
- Their internal policies and controls to mitigate modern slavery risks in their supply chains.
- Employment practices, including how they obtain and engage their labour force.
- Grievance mechanism and whistleblower reporting mechanisms for employees and non-employees.
- Their business, including what and where they source goods or inputs.

As has generally been our experience during our supplier engagements, we recognise that our local suppliers often will not have well-developed, or indeed any, formal policies or controls to mitigate the risk of modern slavery in their supply chains. While this will increase their modern slavery risks, we also recognise that refusing to deal with such suppliers will do little to combat modern slavery or maximise the positive outcomes from our activities for our host communities and host nations. Consequently, the Risk Assessment Procedure only suggests not dealing with such suppliers where they do not demonstrate a genuine concern for modern slavery and do not indicate that they would be responsive to developing their own internal policies and controls.



### 3 OUR STRUCTURE AND EMPLOYEES

Below is an extract of our corporate structure during the reporting period. The extract shows the chain of ownership from Base Resources to our operating subsidiaries, Base Titanium and Base Toliara. Base Resources’ other subsidiaries, some of which are shown below, are either dormant or intermediate holding companies.



As at 30 June 2024, we had 970 employees across the Group, the majority of whom (908) work at our Kwale Operations in Kenya. The remaining employees were in Madagascar (40) and Australia (22). Our workforce also included graduates, interns and apprentices, all participating in our tailored programs designed to enhance their job prospects. To maximise opportunities presented by the two rain seasons in Kenya, during FY24, we once again employed women and men from the surrounding communities on fixed-term contracts to assist with the planting of plants and trees as part of our environmental and rehabilitation programs for our Kwale Operations.

Base upholds the rights of our employees to freedom of association and collective bargaining, ensures fair and living wages, and fair treatment without discrimination. Employees are provided with written contracts detailing the terms and conditions of their employment, which are designed to comply with local legal requirements.

#### Labour Recruitment and Influx Management

In accordance with International Best Practices (IBP) and Good International Industry Practice (GIIP) recommendations, our Labour, Recruitment and Influx Management Plans (LRIMP) and associated recruitment procedures incorporate measures to mitigate the risks of modern slavery in the recruitment and remuneration of our employees. These measures include the restricted use of recruitment agencies and outsourced labour providers, particularly for in-country and lower-skilled positions, as well as identification and bank account verification procedures for prospective employees.

For the recruitment for our upcoming Toliara Project, we will develop and implement transparent procedures to facilitate access to project-related employment opportunities in an organised, fair manner. These procedures will encompass comprehensive grievance management systems and mechanisms to identify instances and mitigate risks of applicants being asked for payment or favours to secure their application being considered or for payment or favours should they be employed. Additionally, we will establish information offices to ensure



that all employment-related information is widely communicated and readily accessible to interested individuals.

In addition to ensuring transparency and reducing the risks of modern slavery in the labour recruitment process, the LRIMP established the mechanism for prioritising opportunities for local communities in recruitment at our development projects to reduce the risks and impacts associated with influx and in-migration. Each plan is project-specific, developed ahead of the project implementation phase in consultation with government and local communities, and adapted to meet local regulatory requirements and social context. The LRIMP therefore provides the opportunity to not only manage the risks and impacts associated with labour recruitment and influx but also maximise the proportion of local people employed on the project, thereby optimising benefits for local communities.

The LRIMP is enacted through the development of a candidate database developed to facilitate local recruitment. Prior to the commencement of project construction, local communities are invited to register their interest in working on the project. Information is collected in a candidate database that is later utilised to source suitably qualified individuals, with preference given based on a zoning system designed to prioritise those from local communities ahead of other candidates. Through this system, priority is given to those who have been resettled or are residing near the mine site, with progressively lower priority given to those living in zones further away from our operations. Membership of a priority zone is based on historical ties to the zone as confirmed by community leaders. To ensure maximum effectiveness, we also require our site-based contractors and their sub-contractors to adhere to the LRIMP and utilise the candidate database to source local staff.

As of 30 June 2024, the Kwale Operations workforce was 98% Kenyan, and 90% of our employees in Madagascar were host-country nationals.



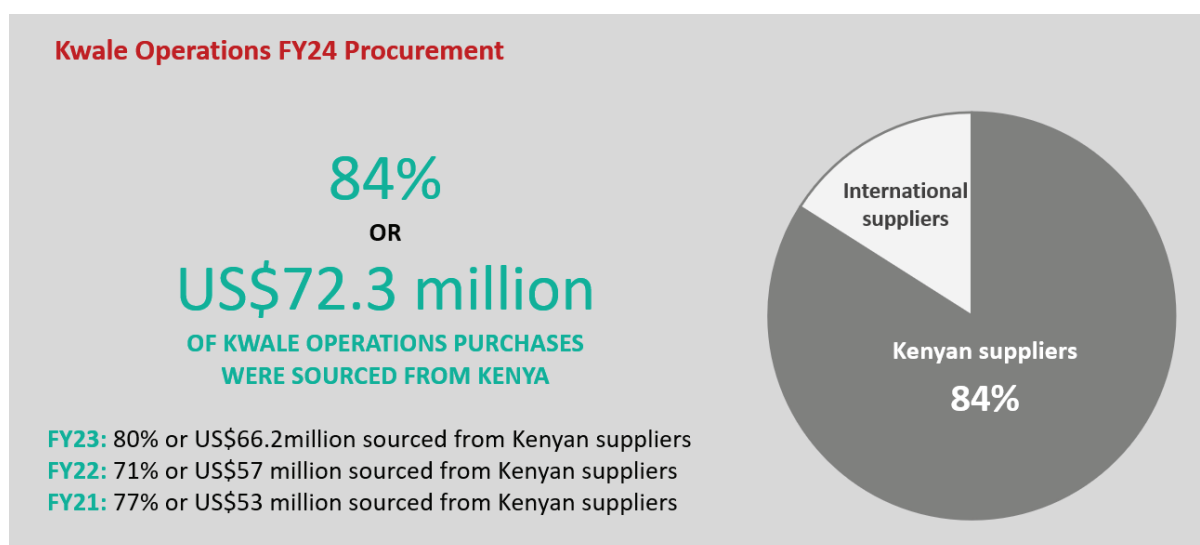
## 4 OUR SUPPLY CHAINS

We utilise a wide range of products and services. As a mining company, the main products and services we use are:

- Mining and general industrial equipment, parts and consumables.
- Flocculant, fuel and electricity.
- Personal Protective Equipment (PPE) and clothing.
- Product transport (shipping and road) and logistics services.
- Engineering and construction services.
- Security, camp and other site-related services.
- Exploration and mining-related services.
- Environmental and social advisory and consultancy services.
- Finance, auditing, tax, legal, insurance and other professional services.

While our suppliers are located across the globe, where appropriate, we prioritise local suppliers to further support the economies where we operate. At Kwale Operations, guided by our Procurement and Supply Policy, we apply a similar approach to selecting suppliers as we do with employment, using the “zoning system” under which preference is sequentially given to suppliers within Kwale County, Mombasa County and then the rest of Kenya, before international suppliers. This system has proven effective, and we have established extensive relationships with a diverse range of local and national Kenyan suppliers.

In FY24, for the Kwale Operations approximately 84% (430) of the suppliers from which goods and services were sourced were from Kenya. Of these, 81 suppliers (17%) were based locally in Kwale.



On an overall and Group-wide basis, during FY24, we had approximately 827 suppliers, with our total supplier spend being approximately US\$107 million. Of these suppliers, approximately 88% were based in Kenya, 2% were based in Madagascar and 10% were based in Australia.

Contractual arrangements with our suppliers range from one-off purchase orders subject to our standard terms and conditions, to multi-year or multi-purchase contracts.

Our suppliers are primarily engaged by Base Resources, Base Titanium and Base Toliara. The Group’s intermediate holding companies have a limited number of suppliers, principally providing company secretarial, accounting and other professional services.

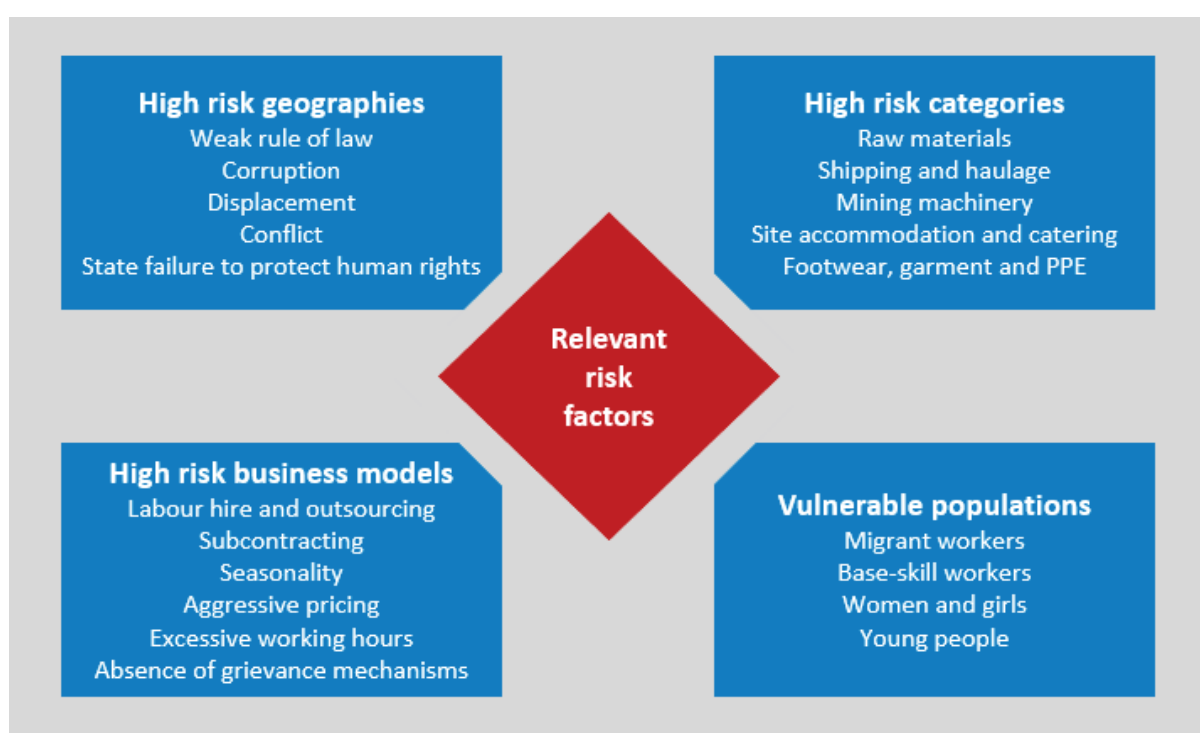


## 5 OUR MODERN SLAVERY RISKS

The extractives industry is inherently high-risk for modern slavery with several factors that exacerbate these vulnerabilities. These include:

- The frequent operation in high-risk geographies or the inclusion of such geographies within supply chains.
- The short-term and temporary nature of certain work phases, such as construction.
- The prevalent use of labour hire and outsourcing for construction and maintenance tasks to third-party contractors.
- The chartering and contracting of sea transport, a sector known for its high risk of modern slavery.

We have assessed our relationship to modern slavery risk using the cause, contribute and directly linked continuum outlined in the United Nations Guidance on Business and Human Rights and highlighted in the Australian Government’s guidance for entities required to report on their modern slavery actions under the Modern Slavery Act. This risk relationship also guides the way we respond to modern slavery risks or potential instances of modern slavery. Relevant risk factors considered as part of our assessment are shown below.



Modern Slavery Risk	Cause	How the risk could apply to us	Our Assessment
	<p>A business may cause modern slavery or other human rights harm where its actions directly result in modern slavery occurring.</p>	<p>Resource companies may contribute to modern slavery in limited circumstances. For example, this can occur if a company employs young workers and subjects them to hazardous tasks.</p>	<p>In FY24, most of our employees were based in Kenya. In the future, and as activities at Kwale transition post-mining activities, it is expected that most of our employees will be based in Madagascar. Both countries are reported to have a high prevalence of modern slavery on the 2023 GSI. Consequently, particularly in Kenya and Madagascar, we have strict human resources and recruitment procedures. Given these procedures and our employment and governance policies, processes and systems, and our strict adherence to regulatory requirements, we consider our likelihood of causing modern slavery to be low. Our structured recruitment practices are designed to prioritise employment of locals which also reduces the potential for low-skilled (potentially vulnerable) migrant workers to be employed.</p> <p>Prior internal reviews and evaluations have substantiated that our policies, systems, and processes for ensuring compliance with legal standards regarding employee remuneration and working conditions were being adhered to. We recognise, however, the importance of maintaining vigilance and ensuring our employees are reminded of the secure and confidential mechanisms available for reporting any labour rights violations or other human rights concerns.</p>
	<p>A business may contribute to modern slavery or other human rights harm where its actions or omissions, whether intentional or inadvertent, facilitate or incentivise modern slavery.</p>	<p>Resource companies could contribute to modern slavery in a range of ways. This could include setting unrealistic cost targets and delivery timeframes that incentivise suppliers to engage in modern slavery or by prioritising cost savings over ethical labour practices. It may also occur where a resource company disregards evidence a supplier is engaged in modern slavery.</p>	<p>Despite a substantial portion of our suppliers being based in Kenya and Madagascar, regions with a higher incidence of modern slavery, we believe the risk of our operations contributing to such practices to be low. Our procurement processes, modern slavery risk assessment procedure and associated contractual protections and controls help to mitigate the risk that we might contribute to modern slavery practices.</p> <p>We have applied or are in the process of applying our Risk Assessment Procedure to a large proportion of higher spend and potentially high-risk suppliers. We ensure our global procurement and finance teams are trained in modern slavery risk identification and understand our requirements for risk assessments, risk mitigation and reporting. We work closely with our suppliers to build their knowledge and</p>



Modern Slavery Risk	How the risk could apply to us	Our Assessment
<p><b>Directly Linked</b></p>		<p>understanding about modern slavery risks and develop associated policies and controls. We engage a Kenya-based CSO, Human Rights Agenda (HURIA) Mombasa, to assist with this and contextualise modern slavery risks for our suppliers. Our present use of recruitment providers is also limited to expatriate and senior positions.</p>
	<p>A business may be directly linked to modern slavery through its services, products, operations or external initiatives and programs funded by the business. This includes situations where modern slavery may occur in businesses' extended supply chains, operations or company-funded initiatives and programs, even if the business itself is not directly engaging in these practices.</p>	<p>Resource companies face a high risk of exposure to modern slavery due to the complex structure and extensive reach of their supply chains, operations or company-funded initiatives and programs. Modern slavery may be present in the lower tiers of these supply chains, which are integral to the company's products or services of in programs and initiatives funded by the company. The intricate and global nature of extended supply chains further increases the likelihood of being directly linked to modern slavery practices.</p> <p>We consider our greatest risk exposure to be within our extended supply chain and through the smallholder farmers in the cooperative (known as the PAVI cooperative) we helped establish and co-fund with other organisations as part of our agricultural livelihood improvement programs.</p> <p>We procure a wide variety of goods and services from suppliers and, being an African-focused mining company, many of our suppliers located in countries ranked as high-risk for modern slavery.</p> <p>We continue to strengthen our partnerships and capability building initiatives to drive collaborative action with our suppliers and the PAVI cooperative to manage these risks. In the case of our suppliers, our Risk Assessment Procedure includes actions to identify supply chain risk, undertake due diligence on suppliers and implement risk mitigation actions where necessary. Over time, we have become more efficient and adept at implementing risk mitigation actions in the form of training and policy and controls development.</p> <p>Our capability building initiatives have been undertaken in collaboration with HURIA. They are designed to educate, inform and support our direct suppliers to better understand and manage the potential modern slavery risks in their own operations and supply chains.</p>

**Our Specific Supply Chain Risks**

During FY24, with in-country development activities for our Toliara Project remaining suspended, our supply chain risks were primarily associated with our Kwale Operations in Kenya. This is anticipated to change going forward, as mining activities at Kwale Operations will conclude at the end of 2024 and in-country development activities at our Toliara Project re-commenced in November 2024, after the Government lifted the suspension of on-ground activities. Given the location of both our Kwale Operations and Toliara Project in regions that rely heavily on tourism this further elevates the modern slavery risk. Tourism is subject to sharp seasonal fluctuations, which could cause tourism-focused businesses to use the services of labour recruitment companies and/or look to migrant workers. Based on HURIA's research in Kenya, we identified a risk that we may be directly



linked to modern slavery through our local hotel accommodation providers in Kwale County. With a similar tourism profile, the same risk may apply with our local accommodation providers in Madagascar.

We recognise that our higher-risk supply categories include:

- Shipping and haulage.
- Building, construction and decommissioning.
- Mining machinery and equipment.
- Parts and consumables.
- Accommodation, catering and security.
- PPE and clothing.

### Analysis of our Supply Chain

During FY24, our operational activities in Australia and Madagascar were similar to previous financial years. Our Kwale Operations saw an increase in rehabilitation and closure preparation activities and lower production volumes due to the mining of lower grade deposits as the operations draw to a close. This resulting in our supplier base remaining largely unchanged, albeit our spend was lower, particularly with respect to shipping and haulage and procurement of mining machinery and equipment.

We undertook a detailed analysis of our top 40 suppliers by spend (**Top 40 Suppliers**) for the prior reporting period and given our supplier base remained largely unchanged, this analysis was not re-run during FY24. The analysis of our Top 40 Suppliers showed (among other things) that:

- 54% of these suppliers were located in Kenya and 5% were located in Madagascar, with other suppliers located in lower risk countries including Australia, Canada, South Africa, Japan, Germany, Singapore and the United Kingdom.
- 80% of spend was identified as potentially high risk for modern slavery and was almost entirely attributable to spend on mining and processing consumables, equipment for mining, haulage and site-related services. The high percentage of potentially high modern slavery risk spend is considered typical for a company operating in the resources sector in higher risk jurisdictions.
- Our highest spend category was haulage, accounting for 44% of the potentially high risk spend. Other lower value but potentially high-risk categories for modern slavery included fuel, heavy equipment, security, parts and equipment, and camp accommodation management and catering.

### What we have learned

Our engagements, both direct and indirect (e.g. through HURIA), with our suppliers in Kenya and Madagascar have highlighted the generally low levels of awareness and understanding about modern slavery, its prevalence and the importance of managing modern slavery risks among our supplier-base. Lack of employment and business opportunities; generally high levels of unemployment; higher levels of poverty; weak regulation of private sector activities and the use of low skilled employees contribute to modern slavery risks in these jurisdictions. Cultural sensitivities relating to the historical association of slavery with East Africa may also be a contributing factor.

### Modern Slavery, Labour Rights and Mine Closure

We recognise that the labour rights and modern slavery risk profile of our Kwale Operations could change as we transition into the planned decommissioning and closure phase, scheduled to start in January 2025. Decommissioning activities and mine closure can result in modern slavery risks, especially in regions with weak governance and regulatory oversight, with a key risk of mine closure being the significant loss of employment.

To address these evolving risks, we have implemented initiatives to seek to mitigate them. A broad overview of the anticipated operational and supply chains risks and our approach to managing these risks is presented in the table that follows:





#### Decommissioning Risk – Risk to workers in our supply chain

During the decommissioning phase, there is a risk to workers within our supply chain. The heightened demand for temporary labour to dismantle equipment and conduct site remediation may attract suppliers who exploit workers. The decommissioning, repurposing, and reuse of plant and equipment may expose workers to hazardous conditions, thereby compromising their safety and well-being. Following the decommissioning and removal of materials from Kwale Operations, the subsequent repurposing and recycling of materials (such as steel, batteries, and copper cable) may involve or support informal, unregulated industries where workers are subjected to poor pay and unsafe working conditions.

#### Mitigations

- Our Supplier Onboarding Process and Modern Slavery Risk Assessment procedure will be applied to contractors involved in decommissioning activities.

#### Closure Risk – Workforce loss of employment

As employees seek alternative employment opportunities and/or pursue alternative livelihood options they may find themselves vulnerable to exploitation and modern slavery due to their loss of employment. The lack of opportunities for former employees may push them towards informal and exploitative sectors where they may become susceptible to modern slavery or human trafficking practices.

#### Mitigations

- A program designed to provide our employees with the necessary tools and information to allow them to plan for and take control of their future after closure of Kwale Operations is a key component for the closure of the operations. It includes financial management training and transition training to up-skill employees.
- Recognising that our employees have gained valuable experience at Base Titanium, we have also taken steps to prepare them for entering the Kenyan and mining job markets and have connected them to reputable external recruiters through development of a skills database that will be made available to recruiters.
- Through HURIA, we also provided training on modern slavery and exploitative practices in the areas surrounding Kwale Operations to local chiefs, assistant chiefs, village elders and local office holders to build capacity in the region.



## 6 ACTIONS TAKEN DURING FY24

### A Testament to our Commitment

Base Resources' commitment to contributing to the eradication of modern slavery was demonstrated through our initiatives and achievements in FY24. Our approach is rooted in strengthening partnerships, enhancing internal capabilities, building external stakeholder capacity and pursuing continual improvement.

During the reporting period, and building upon the foundations established and the workplans implemented in previous years, we focused our efforts across the following areas:

- Detailed modern slavery risk assessments and due diligence.
- Strengthening partnerships.
- Building internal capability, awareness raising and training.
- Building supplier and other external stakeholder capacity.
- System improvements/enhancements.

The specific actions that were implemented during FY24 across these key focus areas as detailed below.

#### Strengthening Partnerships

##### We do this through

- Communication and engagement.
- Identification, engagement, and specialist collaboration with Non-Government Organisations (NGOs) and Civil Society Organisations (CSOs).

##### FY24 highlights

- Continued our partnership with SD Strategies, specialists in modern slavery and human rights risk management, to further refine and develop our modern slavery eLearning course for our suppliers.
- Ongoing collaboration with HURIA. During FY24, HURIA provided one-on-one support to individual Base Titanium suppliers for the development and implementation of their own modern slavery policies and internal controls and delivered information forums and training sessions to external stakeholders.
- Ongoing stakeholder mapping undertaken by our stakeholder engagement consultants, Africa Practice, as part of a broader stakeholder mapping program for the Toliara Project. NGOs/CSOs in the human rights and modern slavery space were identified in the Toliara region with a view to form a future partnership.
- 44 individuals from 24 suppliers (23 direct supplier and one indirect supplier) were invited to undertake the online training. As at 30 June 2024, 59% of the individuals, from 20 of the suppliers invited (representing 83%) completed the training during FY24. During FY25, follow-ups will once again be made with those individuals that were yet to complete the online training.

##### Future activities

- Follow-ups of those invited suppliers for whom no individuals completed the online training.
- Engagement and awareness-raising forums will be conducted to enhance knowledge and understanding of modern slavery within the local context for our Toliara Project.
- Leveraging the stakeholder mapping exercise undertaken in FY24, assess and select NGOs/CSOs in Madagascar for collaboration.



## Building Internal Capacity

### We do this through

- Modern Slavery Work Group.
- Online and face-to-face multi-faceted training.
- Communication and engagement.
- Awareness raising and support.

### FY24 highlights

- The Modern Slavery Work Group, comprising employees from across the Base Resources group, with members having in-depth knowledge of the Group's direct suppliers, employees' terms of engagement and working conditions as well as legal, sustainability, financial and human rights expertise, met regularly, with ten meetings held. Additional ad-hoc meetings with two or more members were also held to discuss specific aspects of our modern slavery response.
- A member of Base Titanium's Training Department completed the Modern Slavery online employee training and was designated as a dedicated point of contact for Kenyan suppliers undertaking the online supplier training to provide assistance with completion of the online training module.
- 28 additional employees completed the Modern Slavery employee online training.
- We extended the employee online training beyond the Finance, Procurement, Legal and HR Departments to include 18 employees who engage directly or indirectly with local communities (Community, Environment and Security Departments).

### Future activities

- Modern Slavery training for new Base Toliara employees where relevant.
- Identification and training of a Base Toliara resource to be the dedicated point of contact for Madagascar suppliers undertaking the online supplier training.



## Building External Stakeholder Capacity

### We do this through

- Online and face-to-face multi-faceted training.
- Communication and engagement.
- Awareness raising for other external stakeholders.

### FY24 highlights

- 26 individuals from 24 Base Titanium suppliers completed the online training.
- Seven employees from suppliers of Base Toliara completed the online training.
- HURIA conducted in-person training sessions for 14 Base Titanium supplier employees (from 11 suppliers) in Kenya, including extending offering this training in Nairobi to broaden the number of suppliers that could potentially attend the training.
- HURIA presented 10 information forums for PAVI farmers with 449 (201 women and 248 men) attending the sessions.
- HURIA conducted in-person training sessions for 49 (12 women and 37 men) local chiefs, assistant chiefs, village elders/ representatives and local office holders.
- Some suppliers were also given the opportunity to receive additional, one-on-one support with policy implementation from HURIA, funded by Base Resources. Four Base Titanium suppliers have reportedly adopted modern slavery policies as a result of HURIA's engagement.

### Future activities

- Online training module for Toliara Project suppliers, currently available in French and Malagasy, to be produced in English.
- Modern Slavery Risk Assessment Procedure will be applied to Toliara Project construction contractors.
- Information for the contractor onboarding pack to be development to address modern slavery risks.
- Develop processes to ensure Toliara Project community programs do not indirectly contribute to modern slavery.



## 7 EVALUATING THE EFFECTIVENESS OF OUR ACTIONS

We are committed to continual improvement of our modern slavery response and assessing the effectiveness of our actions to mitigate our modern slavery risks. It is imperative that our response is not only implemented but also evaluated for its effectiveness and utility. Without such evaluation, our efforts may fail to achieve their intended impact, potentially allowing modern slavery risks to persist undetected and unaddressed. We principally achieve this by:

- Setting annual targets for modern slavery actions and tracking achievement of those targets through our Work Group.
- Carrying out internal reviews of adherence to our anti-modern slavery processes.
- Assessing our existing measures, and consideration of future measures, against data obtained from previous modern slavery actions (e.g. supplier due diligence).

The following provides an overview of our effectiveness assessment processes across key components of our modern slavery response.

Components of our modern slavery response	How we assess effectiveness	Key outcomes
<b>Governance framework</b>	<ul style="list-style-type: none"> <li>• Policy and process review to ensure IBP alignment.</li> <li>• New Supplier Onboarding Process review.</li> <li>• Board and committee engagement and reporting.</li> </ul>	<ul style="list-style-type: none"> <li>• Policies and procedures continue to be aligned with current IBP; no changes necessary in FY24.</li> <li>• Incorporated modern slavery aspects into the New Supplier Onboarding Process routine internal control testing as part of broader control testing.</li> <li>• Reviewed the New Supplier Onboarding Process for six new suppliers across our operations and identified that all steps in the New Supplier Onboarding Process had been followed, with no issues noted.</li> <li>• ESE Committee provided with proposed annual workplans and kept informed on the progress of these workplans.</li> </ul>
<b>Strengthening partnerships</b>	<ul style="list-style-type: none"> <li>• Strengthening collaboration with CSOs/NGOs and industry groups to stay updated on emerging trends and best practices in sustainability and environmental, social and governance issues.</li> </ul>	<ul style="list-style-type: none"> <li>• FY24 saw the continued strengthening of our collaboration and partnership with HURIA, which resulted in enhanced external stakeholder engagement through providing a local context to modern slavery risks, vulnerabilities and impacts.</li> <li>• Ongoing engagement and feedback.</li> <li>• Willingness of CSOs/NGOs to participate in our initiatives.</li> </ul>



<p><b>Capability building internal (employee) and external stakeholders</b></p>	<ul style="list-style-type: none"> <li>• Training participant feedback, including from employees, and suppliers and other external stakeholders.</li> <li>• Course evaluation and feedback by our CSO partner.</li> </ul>	<ul style="list-style-type: none"> <li>• Feedback from internal and external training has continued to be positive with trainees indicating a better understanding of modern slavery and broader human rights issues and practical actions they can take to identify and mitigate the risks.</li> <li>• Successfully delivered supplier face-to-face modern slavery training again in FY24, with training sessions in Mombasa and Nairobi.</li> <li>• HURIA offered tailored assistance to Base Titanium suppliers in creating and implementing their own internal modern slavery policies and controls. As a result of HURIA's involvement, four Base Titanium suppliers have reportedly adopted modern slavery policies.</li> <li>• We became aware that a participating farmer had reported being subject to exploitative practices, with the report subsequently handled by the sub-committee of the PAVI cooperative Board.</li> <li>• Engaging our personnel and suppliers on the intent of key policies and processes relating to modern slavery risk management, including (for our personnel) our New Supplier Onboarding Process has helped them to better understand the 'why' and has resulted in greater buy-in across the organisation.</li> </ul>
<p><b>Grievance and reporting</b></p>	<ul style="list-style-type: none"> <li>• Review of modern slavery reporting to ensure alignment with IBP.</li> <li>• Review of grievances.</li> </ul>	<ul style="list-style-type: none"> <li>• Review of modern slavery reporting was found to be consistent with IBP but identified opportunities for improvement.</li> <li>• Our Whistleblower System, together with our employee delegate forums, stakeholder grievance mechanisms and Fair Treatment System are actively promoted and remain accessible to our stakeholders.</li> <li>• We reviewed the whistleblower reports and grievances received through the various available mechanisms and we did not receive any whistleblower reports or grievances relating to worker rights or modern slavery in FY24.</li> </ul>



## 8 PREPARATION, CONSULTATION AND APPROVAL PROCESS FOR THIS STATEMENT

This statement was prepared by the Base Resources' Sustainability Team, with input from members of the Modern Slavery Work Group and members of the Base Resources senior management team.

Engagement and consultation with Base Resources' two operating subsidiaries, Base Titanium and Base Toliara, and key business areas in the preparation of this statement occurred through the Modern Slavery Work Group, which comprises employees of Base Resources and both operating subsidiaries, and from the Group's finance and procurement, human resources, external affairs, sustainability and legal teams.

This statement was approved by the Company's Board of Directors.

Date: 29 December 2024



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Kevin Balloch  
**Director**

