

# MODERN SLAVERY STATEMENT

2023



## 1. Introduction

This joint statement covers AIC Mines Limited (ACN 060 156 452) (**AIC Mines**) and AIC Copper Pty Ltd (ACN 651 088 256) (**AIC Copper**), both of which are reporting entities. The statement has been prepared to meet the requirements of the Australian Modern Slavery Act 2018 (Cth) (**Act**) for the financial year ending 30 June 2023 (**Reporting Period**). It outlines the steps taken by AIC Mines and AIC Copper during the Reporting Period to address the risk of modern slavery in our operations and in the supply chain of the suppliers of the business. It also captures the activities of the entities owned or controlled by AIC Mines.

This is AIC Mines and AIC Copper's first statement published in accordance with the Act. No instances of modern slavery have been identified in our business.

In this statement we refer to modern slavery as that term is defined in the Act. This includes human trafficking, forced labour, debt bondage and slavery being situations where coercion, threats and deception are used to exploit victims and undermine or deprive them of their freedom.

## 2. Structure, Operations and Supply Chain

AIC Mines (ASX: A1M) is an ASX listed, growth focused Australian resources company. Its strategy is to build a portfolio of copper and gold assets in Australia through exploration, development and acquisition.

### 2.1 Structure

AIC Mines was formed from the 2019 merger between Intrepid Mines and AIC Resources.

In November 2021, AIC Mines acquired the Eloise Copper Mine from FMR Investments Pty Ltd. The mine is located 60 kilometres southeast of Cloncurry in North Queensland.

Following the successful takeover of Demetallica Limited, Demetallica became a wholly owned subsidiary of AIC Mines in January 2023. Demetallica's Jericho copper deposit is located 4 kilometres south of the Eloise processing facilities. Development of the Jericho deposit will be transformational for Eloise.

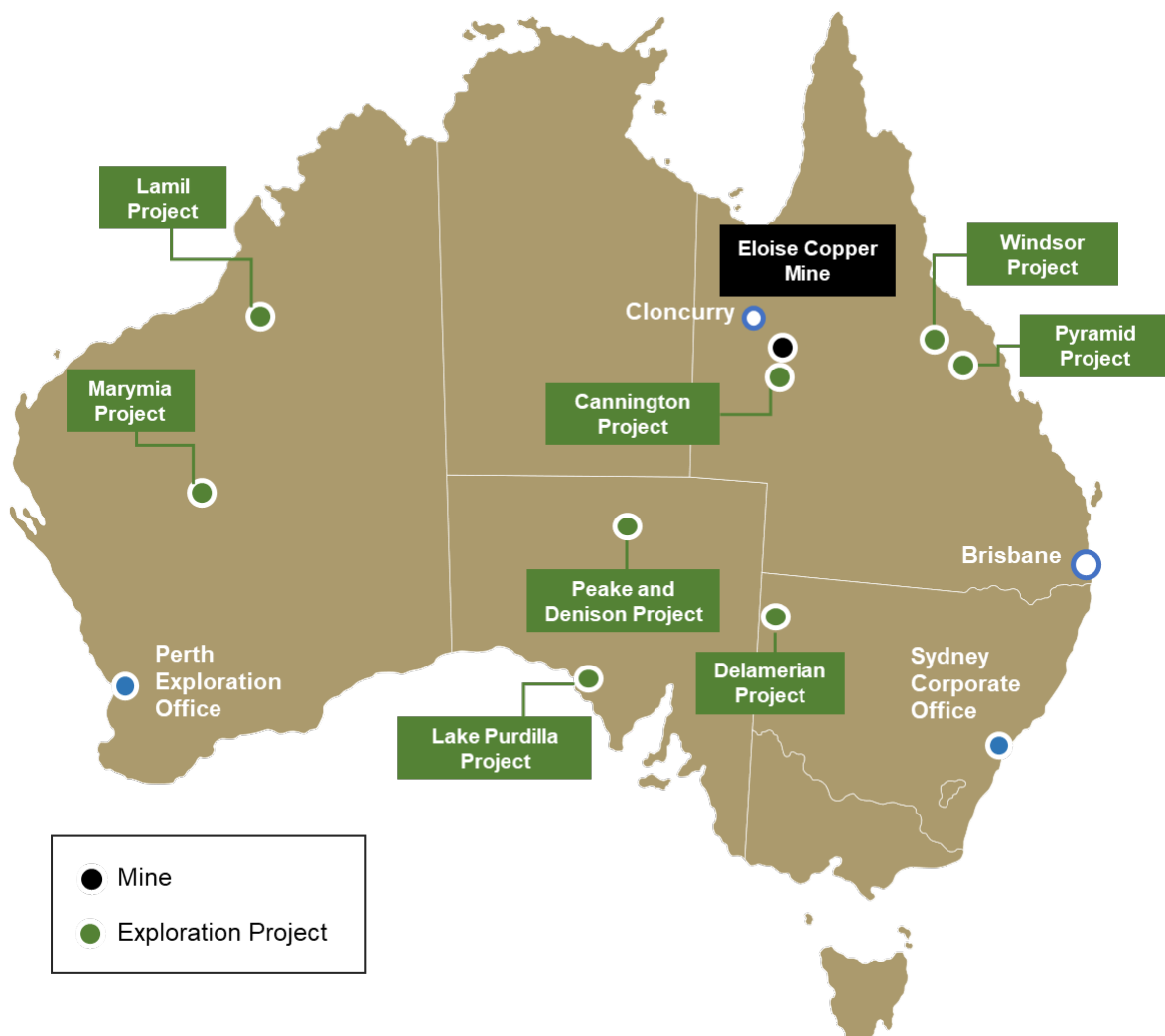
The AIC Mines Group\* has a small corporate office in Sydney and an exploration office in Perth. The Eloise Copper Mine is operated by AIC Copper. A new entity, AIC Jericho Pty Ltd, was incorporated during the Reporting Period as the development vehicle for the Jericho deposit. Exploration activities across Australia are carried out through various subsidiaries.

\*In this statement, "the AIC Mines Group" is used to refer to AIC Mines Limited and the entities which it owns or controls (including AIC Copper).

### 2.2 Operations

The principal operations of the AIC Mines Group for the Reporting Period included mining and processing at the Eloise Copper mine, development of the Jericho copper deposit, mineral exploration and assessing business development opportunities.

## AIC Mines Operations – all located within Australia



### Eloise Copper Mine

Eloise is an owner-miner operation with a mining contractor used for underground development and production drilling. Current operations consist of an underground mine accessed via decline. The upper levels of the mine (above 1,190m below surface) are extracted by longhole open stoping and the lower levels are extracted by sublevel caving. Processing is via conventional crushing, grinding and sulphide flotation with capacity to treat up to 725,000tpa.

All concentrate from the Eloise mine is currently trucked to the Mount Isa smelter and sold to a single purchaser.

As at the end of the Reporting Period, Eloise had 145 employees and 82 contractors. Site personnel are employed on a commute basis and accommodated onsite while working 12-hour shifts. There is on site accommodation for up to 306 people.

## Jericho Copper Deposit

Planned development of the Jericho mine and expansion of the Eloise processing plant will lift production to over 20,000tpa copper and 10,000ozpa gold. Activities during the Reporting Period included:

- Commencement of resource extension and definition drilling program
- Mine design
- Development approval applications

## Exploration

The AIC Mines Group holds a pipeline of copper, gold and base metal exploration projects capturing extensive land positions in well-endowed mineral sub-provinces across Australia.

## Corporate

The Sydney corporate office consists of the following functions:

- Finance
- Human Resources
- Company Secretarial
- Legal
- Investor Relations
- Business Development

## 2.3 Supply Chain

The AIC Mines Group supply chain covers a range of supply categories including:

Technology	<ul style="list-style-type: none"><li>• Computer Hardware</li><li>• Electronic Equipment – mobile phones</li><li>• Office supplies</li></ul>
Services	<ul style="list-style-type: none"><li>• Labour services</li><li>• Professional services – legal, audit &amp; engineering</li><li>• Drilling services</li><li>• Electrical services</li><li>• Cleaning services</li><li>• Catering services</li></ul>
Bulk material	<ul style="list-style-type: none"><li>• Diesel</li><li>• Oils</li><li>• Cement</li><li>• Chemicals</li></ul>
Personal Protective Equipment	<ul style="list-style-type: none"><li>• Apparel</li><li>• Respiratory safety equipment</li></ul>
Operations	<ul style="list-style-type: none"><li>• Mining equipment</li><li>• Transport</li></ul>

In this Reporting Period, the AIC Mines Group directly engaged approximately 750 suppliers with a total spend of over \$150 million. Of these suppliers, almost all (approximately 745) were Australian based (though some components of goods and services were sourced from overseas by these

suppliers). Approximately 65% of our suppliers are located in Queensland, Australia. The suppliers not based in Australia were based in Canada, Ireland and Singapore.

We remain focused on addressing the risks of modern slavery within our tier 1 suppliers and improving our understanding of risk beyond tier 1. Tier 1 suppliers are those suppliers with whom AIC Mines Group companies have a direct contractual relationship. Our ten largest suppliers by value make up approximately 75% of the value of our supply chain and include companies which supply civil construction services, diesel, explosives, mining equipment, mining services and transportation.

### **3. Risks of Modern Slavery in AIC Mines Operations and Supply Chains**

#### **3.1 Operations**

We consider the risks of modern slavery practices within our direct operations to be low.

In terms of key factors which elevate the risk of modern slavery, we considered the following in the context of our operations:

**High-risk geographies:** e.g. conflict, weak rule of law, corruption

As outlined above, all of AIC Mines Group operations are conducted in Australia with the majority of employees located at the Eloise Copper mine in North Queensland.

**Vulnerable populations:** e.g. migrant workers and base-skill workers

We recruit, where possible, from the local employment market with the exception of certain skilled positions. As an operating mine, many roles are technical and require substantial training.

**High-risk business models:** e.g. casual labour, labour hire and aggressive pricing

Our corporate and exploration teams located in Sydney and Perth are permanent employees of the AIC Mines Group.

At the Eloise mine, 64% of the workforce are permanent AIC Mines employees. Similar to other mining operations of the scale of AIC Mines, we are reliant on contractors. Our underground mining contractor provides 29% of the total Eloise workforce. However, these workers are generally based at Eloise on a full-time ongoing basis.

Due to the prevailing labour market challenges, a number of labour hire providers are used to provide short term labour placements while recruitment for permanent ongoing employees is progressed. In most instances, contractors filling short term placements are encouraged to apply for permanent ongoing employment.

#### **Employment challenges**

The mining sector is traditionally well paid and AIC has to be competitive in this respect to attract reliable, good talent.

#### **Policies, Code of Conduct and Compliance**

In addition to the above, our risk assessment also took into account our health and safety policies, ethical standards and conduct requirements as provided for in our Code of Conduct. We have internal robust processes to ensure that we operate according to AIC Mines values.

### **3.2 Supply chain**

We performed a desktop analysis of our supply chain (including an analysis of Modern Slavery statements previously lodged by key suppliers) to identify areas where higher risk factors could be present. We identified the following categories that potentially present higher risks of modern slavery:

- Personal Protective Equipment (PPE)
- Cleaning services (corporate offices)
- Chemicals and Diesel
- Tyres
- Transport and logistics

Factors that elevate the risk of modern slavery practices in the above categories include:

- Low-skilled and manual labour, including through engagement of migrant workers
- The use of labour hire agencies and complex subcontracting arrangements
- Short-term and temporary nature of certain work
- Complex supply chains for manufactured products and raw materials sourced from higher risk jurisdictions
- Lack of transparency over indirect suppliers

In addition to these higher risk factors, we also assessed the degree of potential influence the AIC Mines Group has with our suppliers derived primarily from the nature and length of our business relationship, spend and volume. This enabled us to identify the suppliers where we have greater opportunities to influence change. While we will not turn a blind eye to poor human rights records of companies, where AIC Mines has negligible leverage, we prioritise our efforts where we can make the greatest impact.

We recognise that modern slavery does not occur in a vacuum, and situations where modern slavery takes place are likely to already involve a range of other violations of the human rights of workers. Therefore, in assessing our supply chain we have also considered wider labour rights issues and applied a broader human rights risk lens to the Group's relationships. This is an ongoing process and we continue to review to identify red flags.

### **4. Actions taken to assess and address these risks (including due diligence and remediation processes)**

As we develop our due diligence system, we aim to:

- systematically map our risks – acknowledging that the areas of biggest risk of modern slavery may sit:
  - outside our high value and strategic suppliers; or
  - deep within our supply chain;
- prioritise our responses according to the most severe risks to people and where we have greatest influence;
- ascertain the appropriate response required to avoid, mitigate or manage those risks;

- integrate our due diligence processes for managing modern slavery and other human rights risks with existing risk management processes in the business.

#### **4.1 Risk and Sustainability Committee**

In Q4 2023, AIC Mines formed a new Risk and Sustainability Committee. The Committee assists the Board in fulfilling its oversight responsibility relating to (inter alia) AIC Mines measures, systems and controls to manage workplace health and safety, environment, community and other sustainability incidents. In this Reporting Period a key action undertaken by the Committee was to endorse the adoption of a Sustainability Strategy. The Sustainability Strategy includes commitments to:

- develop a “deep dive” assessment of a sample of suppliers to further test our approach to modern slavery due diligence;
- develop a responsible sourcing policy; and
- increase community engagement to enhance local sourcing of contractors and supplies.

The Sustainability Strategy was approved by the Board in June 2023.

#### **4.2 Company Values**

Our culture is based on responsibility, efficiency and transparency. We care deeply about our performance in relation to human rights and we value open relationships and communication based on integrity, co-operation, openness and trust, with our people, stakeholders and the communities in which we operate. We expect the same from our contractors and suppliers.

#### **4.3 Policies**

We have several policies in place applicable across the AIC Mines Group that are relevant to human rights and modern slavery. These policies, including our Code of Conduct, Sustainability Policy, Anti Bribery and Corruption Policy and Whistleblower Policy, are available on our website at [Corporate Governance – AIC Mines](#).

#### **4.4 Strengthening Supplier Contracts**

One of the ways in which we establish expectations with our suppliers is via the contracting process. During the Reporting Period, we commenced incorporating modern slavery provisions in our supply contracts. These provisions require the supplier to warrant that it conducts its business in a manner that is consistent with applicable modern slavery laws and that it will notify AIC Mines upon becoming aware of any breach or suspected breach by the supplier (anywhere in their supply chain).

#### **4.5 Education and Training**

We are developing training to assist our employees, particularly those involved with procurement, to identify actual or potential risks of modern slavery within our business and supply chains and to understand the appropriate escalation process should any incidents be suspected or identified.

### **5. Effectiveness of controls**

AIC Mines is committed to eliminating modern slavery in its operations and supply chain and ensuring that human rights are respected. We are focused on gaining a better understanding of where in our operations and supply chains modern slavery risks may be present.

Our Risk and Sustainability Committee maintains oversight of our modern slavery controls and processes. It is intended that the Committee will undertake specific training on modern slavery, to better understand and implement the controls AIC Mines has in place to reduce risks of modern slavery. This training will also assist the Committee to better evaluate the effectiveness of those actions taken.

## **6. Consultation with owned and controlled entities**

All of the AIC Mines Group members operate under AIC Mines policies and processes, including in relation to human rights. We have consulted the relevant Group companies in the development of this statement. In particular, the Eloise management team (AIC Copper) with operational responsibility for the Eloise mine provided feedback.

## **7. Approval and signing requirements**

This statement has been approved by the Board of AIC Mines Limited on 14 December 2023.



**Aaron Colleran**

Managing Director and CEO  
AIC Mines Limited

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