

2021

MODERN SLAVERY STATEMENT



MESSAGE FROM THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

At Aurelia Metals we are deeply committed to our Values, which guide our efforts to become a mining business recognised for creating exceptional value through our people and a portfolio of gold and base metal assets. Our Value of 'Integrity' means we do what's right, and this is the approach we take to addressing any human rights harm, including modern slavery.

There is no doubt that modern slavery risks exist throughout our supply chain, and we take this very seriously. In the past year, the evolving COVID-19 pandemic has continued to interrupt global supply chains and this added another layer of complexity. At Aurelia Metals, this gives us cause for bringing an even sharper focus to business integrity issues.

While the challenge is significant, we are dedicated to continuously improving our modern slavery approach. In doing this, we recognise the need to work closely with our suppliers, workforce and other stakeholders to develop a common understanding of modern slavery risks that allow us to identify, assess and address them in a meaningful manner. The ultimate goal is to mature our capability to manage modern slavery to a point where it becomes integrated into the way we do business.

Aurelia Metals recognises its obligations under the Modern Slavery Act and we have made progress towards the priorities we set last year. We welcome the opportunity to share last year's progress with you, as well as our efforts to strengthen our approach in FY22.

Looking ahead, we will continue to embed modern slavery mitigation into our operational processes and investment activities. We will also continue work with our business partners to build their capacity to manage modern slavery and labour exploitation risks. Our expectations are they take the same zero tolerance approach to these issues as we do.

I am pleased to present our 2021 Modern Slavery Statement, which has been approved by the Aurelia Metals Limited Board. Together, we welcome your feedback.



Dan Clifford
Managing Director and Chief Executive Officer



ABOUT THIS STATEMENT

This statement is made under the *Modern Slavery Act 2018* (Cth) (the **Act**) for the reporting period 1 July 2020 to 30 June 2021 (**FY21**) and is published by Aurelia Metals Limited and its subsidiaries (as set out in the “Reporting Entity” section).

In line with our Values, we are committed to operating honestly and ethically with respect to human rights across our operations and supply chain. We see this as a fundamental element to our social responsibility and the sustainability of our operations.

This Modern Slavery Statement has been prepared and approved in accordance with the requirements of the Act.

Reporting Entity

Aurelia Metals Limited (ACN 108 476 384) (**Aurelia Metals**) is an Australian gold and base metals mining and exploration company, headquartered in Brisbane, Australia and publicly listed on the Australian Securities Exchange (ASX:AMI). This statement covers the activities of Aurelia Metals and its wholly owned subsidiaries, which are:

- Defiance Resources Pty Ltd (ACN 119 700 220)
- Hera Resources Pty Ltd (ACN 138 992 999)
- Nymagee Resources Pty Ltd (ACN 154 131 138)
- Peak Gold Asia Pacific Pty Ltd (ACN 103 879 054)
- Peak Gold Mines Pty Ltd (ACN 001 533 777)
- Dargues Gold Mine Pty Ltd (ACN 117 848 790)
- Big Island Mining Pty Ltd (ACN 112 787 470)



Peak Mine, NSW

ORGANISATIONAL STRUCTURE, OPERATIONS AND SUPPLY CHAIN

Structure and Operations

Aurelia Metals wholly-owns three operating gold and base metals operations in New South Wales, being the Peak Mine and Hera Mine in the Cobar Basin and the Dargues Mine in south-eastern New South Wales. Aurelia Metals does not have any operations outside of Australia.

In FY21, Aurelia Metals had revenue of \$416.5 million and produced the following:



GOLD
104 koz



LEAD
25.9 kt



ZINC
25.1 kt



COPPER
4.7 kt

As at the date of this statement, Aurelia Metals and its subsidiaries have approximately 275 employees and engage approximately 450 contractors.

The Peak Mine is located in the northern part of the Cobar Basin in New South Wales and comprises a number of polymetallic underground deposits plus an 800ktpa gold and base metals processing plant. The Peak Mine produces gold as well as lead, zinc and copper concentrates.

The Hera Mine is located approximately 100km south-east of Cobar in New South Wales and comprises a polymetallic underground mining operation and associated 450ktpa processing plant. The Hera Mine produces gold as well as a bulk lead-zinc concentrate.

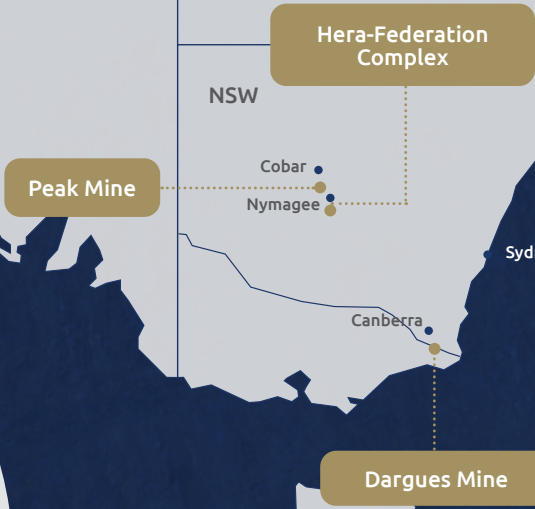
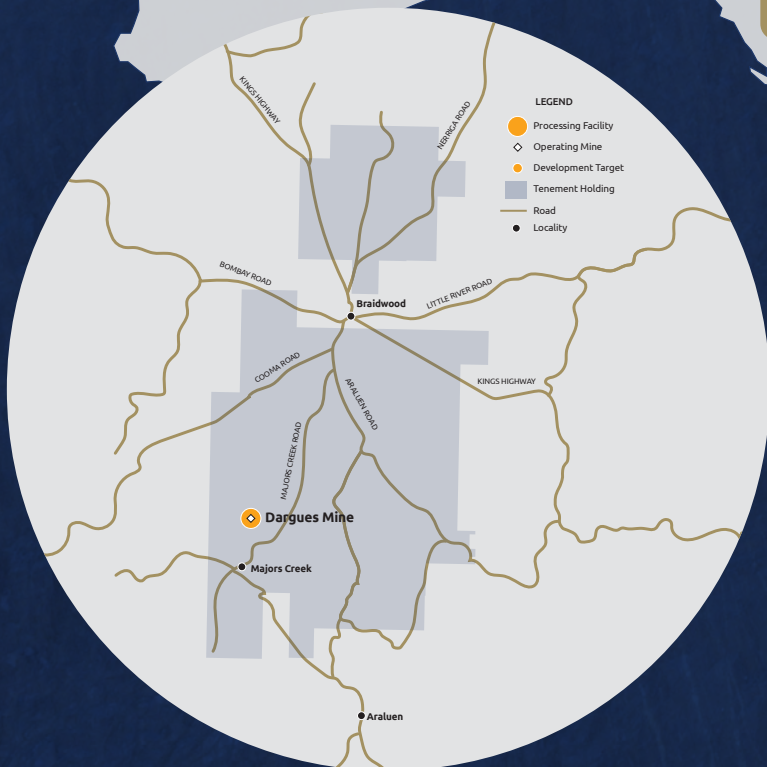
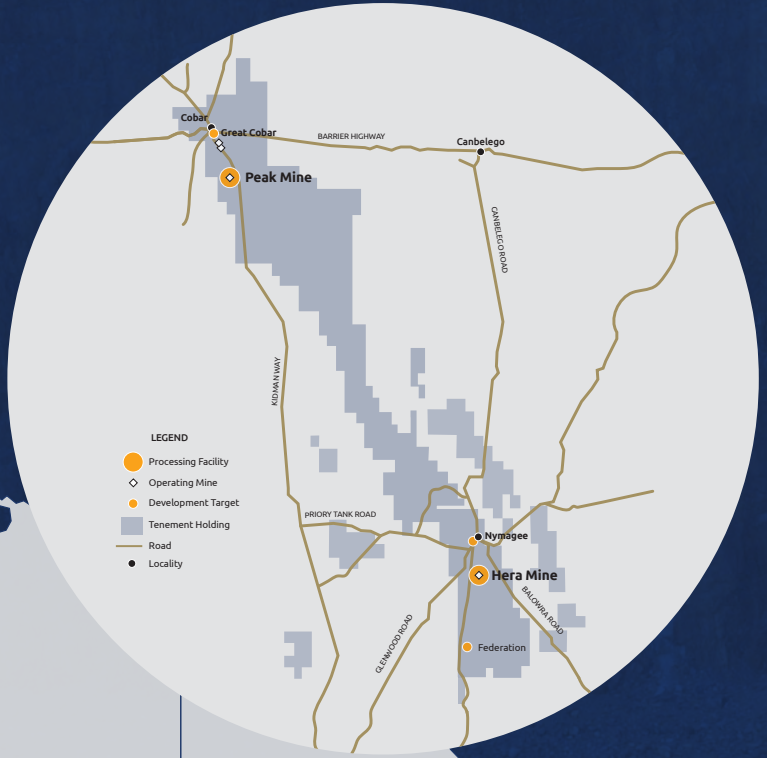
The Dargues Mine was acquired by Aurelia Metals in December 2020 and is located approximately 60km south-east of Canberra in New South Wales. The Dargues Mine comprises an underground mine and 355 ktpa processing plant and produces a gold concentrate.

Our base metal concentrates are primarily sold to commodity traders for on-sale, usually into China. Our gold doré is sold to an Australian precious metals refiner.

Aurelia Metals' exploration activities are located around our existing mining operations in New South Wales.



Aurelia Metals' Portfolio



Supply Chain

Aurelia Metals' procurement activities involve suppliers across the entire mining value chain which we have broadly categorised as exploration, support services, mining, processing, transportation and corporate activities.

In FY21, Aurelia Metals procured over \$320 million of goods and services from approximately 1,000 direct suppliers (Tier 1). Approximately 40% of our procurement was within our local regions, near our operations. This reflects our continued commitment to 'spending local' where possible and supporting the communities in which we operate.

Aurelia Metals' Supply Chain



Exploration

- Drilling contractors
- Geological services and consultants



Mining

- Mining contractors
- Equipment and maintenance services
- Drill and blast (explosives etc.)
- Fuels and oils



Processing

- Chemical and reagent suppliers
- Lab services and testing
- Mill and grinding consumables
- TSF management/upgrades/construction



Support Services

- Utility providers (power, water, gas, communication etc.)
- Engineering and fabrication services
- Parts and consumable suppliers
- Cleaning and waste management
- Camp accommodation and services



Transportation

- Freight (road and rail)
- Haulage
- Port services and shipping



Corporate and Administration

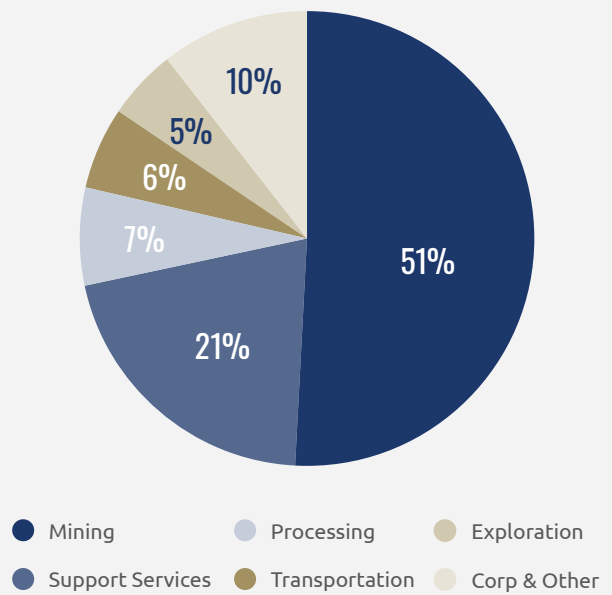
- Advisory and regulatory services
- IT services
- Insurance

Figure 1: Aurelia Metals' supply chain with examples of typical products and services procured

Set out in Figure 2 below is a breakdown of Aurelia Metals' supply chain spend in FY21 by category¹.

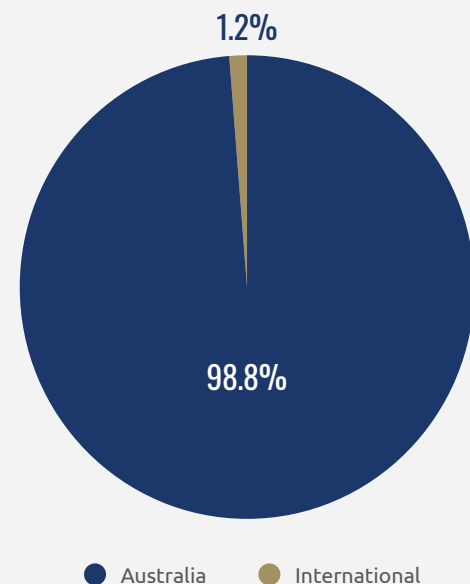
Figure 2: Aurelia Metals FY21 supply chain spend by category

FY21 supply chain spend by category¹



In FY21, over 98% of our direct procurement spend occurred with Australian suppliers with the balance being international (those suppliers were located primarily in Singapore, South Korea, Denmark and the United Kingdom).

FY21 supply chain spend by location



1. Based on 85% of total expenditure for goods and services in FY21.

RISKS OF MODERN SLAVERY

Country

Aurelia Metals' operations are carried out entirely within Australia. According to the 2018 Global Slavery Index, Australia is ranked within the top 5 countries for the lowest prevalence of modern slavery¹. However, notwithstanding the low prevalence of modern slavery within Australia, Aurelia Metals acknowledges that modern slavery risks still exist.

Operations

Aurelia Metals operates the surface and processing activities at all of its mines, but contracts out the underground mining operations at all three sites to a specialist mining contractor. Its mining contractor, PYBAR Mining Services, is also required to prepare and lodge a Modern Slavery Statement in accordance with the Act.

Aurelia Metals also contracts out other components of our operations including drilling (surface and underground drilling), exploration drilling, transport/haulage, crushing services, laboratory analysis services and equipment hire. We are responsible for the procurement of goods and services associated with the surface and processing activities and our underground mining contractor is responsible for procurement of goods and consumables related to the underground services.

Approximately 38% of the total workforce are Aurelia Metals employees. Our underground mining contractor's staff account for approximately 39% and other contractors engaged by Aurelia Metals account for 23%. The majority of Aurelia Metals' staff are employed directly by Aurelia Metals on permanent contracts with wages and conditions meeting minimum legal requirements under Australian law. All roles are contained within our structured remuneration framework which is benchmarked against market data.

Aurelia Metals acknowledges that good corporate governance is important in order to promote investor confidence and enhance our reputation with employees, suppliers and external stakeholders. Our approach to corporate governance and sustainability can be found in our 2021 Appendix 4G and Corporate Governance Statement² and our 2021 Annual Report³.

On the basis of the above, Aurelia Metals considers that it does not cause or contribute to modern slavery in its operations (based on the UN Guiding Principles on Business and Human Rights and the "cause", "contribute" and "directly linked" continuum).



1. <https://www.globallslaveryindex.org/2018/data/country-data/australia/>

2. <https://www.aureliametals.com.au/about/corporate-governance>

3. <https://www.aureliametals.com.au/investors/annual-reports>

Supply Chain

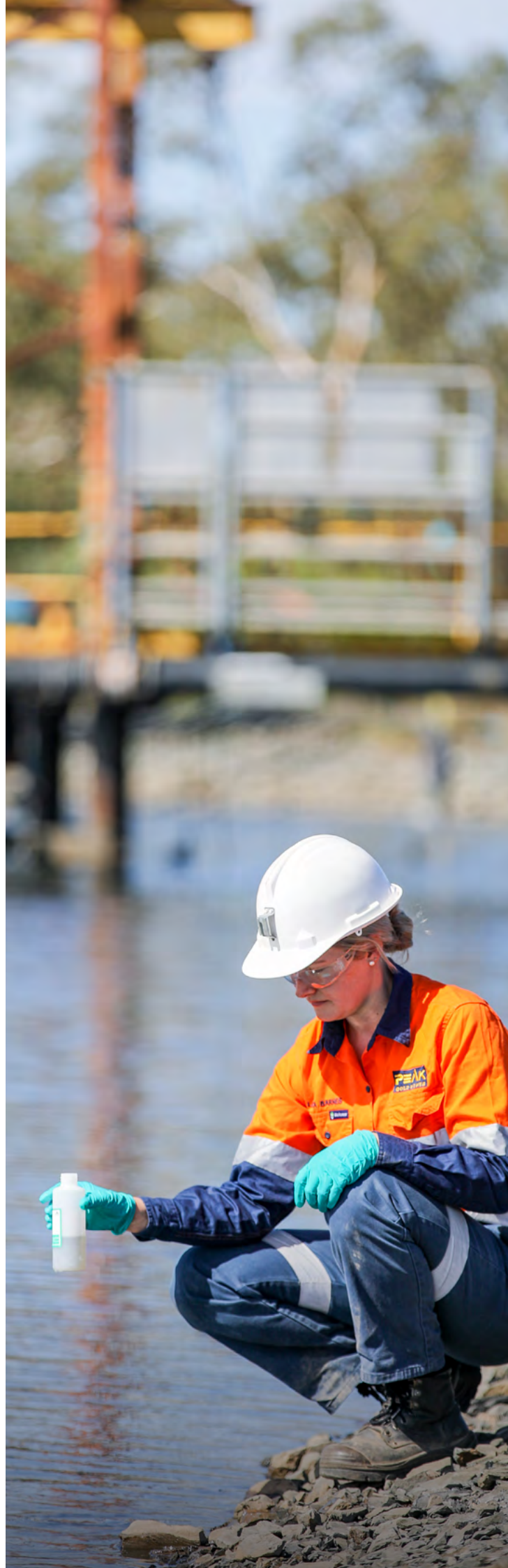
Our approach to assessing supply chain risk is based on expenditure, type of product/service, sector/industry and geographical location. Furthermore, as PYBAR Mining Services is the underground mining contractor at all of our operating sites, their supply chain is also relevant.

The majority of our expenditure is with Tier 1 suppliers within Australia, which based on the 2018 Global Slavery Index¹, has a low prevalence of modern slavery. However, we recognise that their supply chains may extend overseas to countries and jurisdictions with a higher risk of modern slavery.

We have identified the following procurement categories where there is a risk for us to be linked to modern slavery, which are very similar to what we identified in FY20:

- **Uniforms and personal protective equipment (PPE)** – Aurelia Metals purchases uniforms and PPE for all of its staff, including branded clothing (high visibility workwear, corporate uniforms), hard hats, eye and face protection, footwear, gloves and ear protection. Although we purchase the majority of our products from Australian suppliers, often the clothing and PPE is produced overseas. We appreciate that the garments industry is recognised as one that has a high risk of modern slavery.
- **Electronics (computers, IT equipment and mobile phones)** – Aurelia Metals provides computers and mobile phones to its employees. The electronics industry is also recognised as an industry that has a high risk of modern slavery due to the locations where the electronics are produced and the associated raw materials used.
- **Cleaning** – We have cleaning contractors for our head office, as well as for each of our mine sites. Cleaning often carries a high risk of modern slavery due to the nature of the work.
- **Facilities management** – At one of our operations, we contract out camp management facilities (accommodation, cleaning and food services) to a third party provider. We acknowledge that these activities may carry a higher risk of modern slavery due to the nature of the work.
- **Transport and logistics (including shipping)** – Aurelia Metals transports its concentrates via road and rail and then exports its concentrates overseas via ships from various ports in Australia. The global shipping industry has been identified as being susceptible to modern slavery risks, particularly in relation to its use of migrant labour and the working conditions on board vessels. Aurelia Metals charters its ships through logistics companies and shipbrokers and has limited visibility in relation to the employment practices and working conditions on vessels.

1. <https://www.globallslaveryindex.org/2018/findings/country-studies/australia/>



OUR APPROACH TO MODERN SLAVERY

Building on from the actions we took in FY20, Aurelia Metals has taken the following actions in FY21 to assess and address modern slavery risks in its operations and supply chains:

Governance

Aurelia Metals has a Sustainability and Risk Committee that assists the Board in matters pertaining to sustainability including safety, health, environment, climate change, community relations (social responsibility), risk management and modern slavery. In FY21, we also established a Modern Slavery Working Group comprising representatives from head office and site with a cross section of functional areas (legal, finance, procurement, sustainability, human resources) to identify and pursue actions to assess and address modern slavery risks in our business. The Working Group currently meets quarterly.

Policies

In FY21 we developed our updated Code of Conduct, called “The Aurelia Way”, which encompasses our Values and guides all aspects of our business. It describes how we should interact internally with our colleagues, as well as externally with our stakeholders and suppliers. It also sets out our expectations for our business partners and suppliers, including that they should share our commitment to safety, human rights and working ethically and lawfully. Human rights and modern slavery are a component of “The Aurelia Way”.

Aurelia Metals also has a Whistleblower Policy in place. We encourage employees, contractors, suppliers and stakeholders to feel safe to come forward without fear of retaliation to report conduct they reasonably believe may be illegal, unethical or inconsistent with Aurelia Metals’ Values or “The Aurelia Way”. Aurelia Metals has internal Whistleblower Protection Officers as well as an external, independent whistleblower service – Stopline, as a mechanism for employees, contractors and suppliers to report concerns. Any reports made pursuant to our Whistleblower Policy are categorised and reported to the Board each month. At present, this is the most effective grievance mechanism for people to report any modern slavery incidents and for Aurelia Metals to appropriately respond.

Risk Assessment

We continued to undertake further due diligence to assess the risk of modern slavery in our operations and supply chains. This included:

- undertaking risk assessments on identified suppliers (based on spend, the type of product/service, sector/industry and geographical location) and sending these suppliers a survey/questionnaire in relation to modern slavery. We sent out 22 questionnaires to our existing suppliers which covered 57% of Aurelia Metals’ total expenditure in FY21;
- including modern slavery as a component in all tenders as well as in our new supplier onboarding process; and
- continued engagement with PYBAR Mining Services, as our mining services contractor, in relation to their actions regarding the risk of modern slavery.

Training

We incorporated modern slavery into our induction training for all new personnel and contractors at the Peak and Hera Mines. Induction training is mandatory and must be undertaken by any person before they are able to work on site. The training familiarises new employees and contractors with relevant site rules and Aurelia Metals’ corporate policies. Since March 2021, 441 people have undertaken the updated induction training which included modern slavery.

Updated contracts

In 2021, we rolled out a new suite of standard template contracts (which we use to engage suppliers and contractors) which included modern slavery obligations, including compliance with laws and reporting obligations.



Assessing the Effectiveness of our Actions

Moving forward, we plan to develop a more robust framework for assessing the effectiveness of our actions in relation to modern slavery risks. At present:

- there were no reports under Aurelia Metals' Whistleblower Policy in relation to modern slavery;
- in FY21, 55% of our existing suppliers who were sent a modern slavery questionnaire responded; and
- we periodically review and update our group risk register (which includes modern slavery aspects).

In the future, we plan on developing a set of key performance indicators against which our actions can be assessed. It is envisaged that this will include any feedback from the grievance mechanisms and any actions that arise from the supplier questionnaire responses.

Going Forward

Aurelia Metals is aiming for continuous improvement in our actions to assess and address modern slavery risks in our operations and supply chains, including how we assess the effectiveness of those actions. In FY22, Aurelia Metals is prioritising the following:

- Roll out of Aurelia Metals' updated Code of Conduct - "The Aurelia Way" to all employees, and relevant contractors and suppliers, including undertaking mandatory training on "The Aurelia Way". Included in this is a specific section on human rights and modern slavery.
- Complete a group level modern slavery risk assessment and establish a program for assessing and monitoring significant modern slavery risks.
- Develop a set of key performance indicators for being able to measure the effectiveness of our actions in relation to modern slavery. This could include matters such as:
 - tracking how many modern slavery incidents are raised and what actions are taken in response (through our Whistleblower grievance mechanism or otherwise);
 - the number of workers trained in modern slavery;
 - the number of supplier questionnaires issued and responses received; and
 - tracking any actions arising out of supplier questionnaire responses and the group level modern slavery risk assessment.
- Gather information from our logistics companies/brokers/shippers regarding their actions in relation to modern slavery, as we have identified shipping as a risk that we have limited visibility on.
- Continue to:
 - undertake risk assessments on identified suppliers (based on spend, the type of product/service, sector/industry and geographical location) and require these suppliers to complete a supplier survey/questionnaire in relation to modern slavery;
 - embed modern slavery in our tender and supplier onboarding processes; and
 - undertake modern slavery training as part of inductions of new employees and contractors.

Consultation with Subsidiaries

Aurelia Metals has a number of wholly owned subsidiaries. However, the companies operate as a consolidated group, and under common leadership and policies. All of the policies described in this statement apply to Aurelia Metals and its subsidiaries. Aurelia Metals' Managing Director and Chief Executive Officer is a director of each of the subsidiary companies, and the Company Secretary of Aurelia Metals is also the company secretary for each of the subsidiaries. Therefore there is common governance and oversight within the group in relation to modern slavery.

At Aurelia Metals, we are committed to continually improving our approach to modern slavery to ensure we are able to identify, assess and reduce the risk of modern slavery in our operations and supply chains.

This Modern Slavery Statement has been approved by the Board of Directors of Aurelia Metals Limited.



Dan Clifford
Managing Director and Chief Executive Officer
Aurelia Metals Limited

26 November 2021





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