

# MODERN SLAVERY STATEMENT

2024



## 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, and also captures the activities of the entities owned or controlled by AIC Mines. 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 2024 (**Reporting Period**). It outlines AIC Mines' and AIC Copper's commitment to address the risk of modern slavery in their operations and supply chain.

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

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.

References in this statement to the 'AIC Mines Group' and to the terms 'we', 'us' and 'our' are references to AIC Mines and the entities that AIC Mines controls, including AIC Copper, unless otherwise indicated.

## 2. Structure, Operations and Supply Chain

AIC Mines is an ASX listed, growth oriented Australian copper mining company. Its strategy is to build a portfolio of copper and gold assets in Australia through exploration, development and acquisition.

AIC Mines owns and operates the Eloise copper mine, a high-grade operating underground mine located 60 kilometres southeast of Cloncurry in North Queensland. Work is currently underway to expand the operation with the development of the nearby Jericho copper deposit.

AIC Mines is also advancing a portfolio of exploration projects, located throughout Australia, that are prospective for copper and gold.

### 2.1 Structure

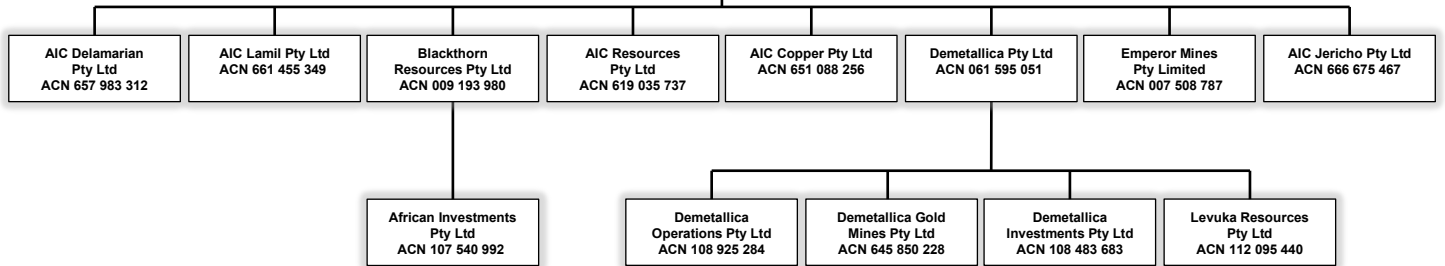
AIC Mines is the parent company of the AIC Mines Group with its registered office in Perth. The company and all subsidiaries are incorporated in Australia.

The AIC Mines Group has a corporate office in Sydney and an exploration office in Perth. Exploration activities across Australia are carried out through various subsidiaries.

A structure chart of the AIC Mines Group is set out on the following page.

# AIC Mines Group Legal Structure

**AIC Mines Limited**  
ACN 060 156 452



## 2.2 Operations

The principal activities of the AIC Mines Group for the Reporting Period included mining and ore processing at the Eloise copper mine, mine development of the Jericho copper deposit, and mineral exploration. All operations took place within Australia.

### 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 and longhole stoping. 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 196 employees and 62 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 303 people.

### Jericho Copper Project

Development of the nearby Jericho copper deposit, via a 3 km link drive from the Eloise decline, commenced in June 2024. Expansion of the Eloise processing plant capacity, from the current capacity of 725,000tpa to initially 1,100,000tpa, is also planned. Plant expansion activities are expected to commence in June 2025.

Jericho project development activities during the Reporting Period included:

- Development approval applications
- Commencement of the Eloise to Jericho link drive
- Advancement of surface works in preparation for mining
- Pre-sinking work for the first ventilation shaft for the link drive.

### 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.

AIC Mines is realigning its exploration portfolio, where economically rational to do so, to focus on copper, Queensland and late-stage projects.

### 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 &amp; software</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 (PPE)	<ul style="list-style-type: none"> <li>• Work apparel</li> <li>• Respiratory safety equipment</li> </ul>
Operations	<ul style="list-style-type: none"> <li>• Mining equipment</li> <li>• Transport</li> <li>• Hire equipment</li> </ul>

In this Reporting Period, the AIC Mines Group directly engaged approximately 571 suppliers with a total spend of over \$165 million. Of these suppliers, almost all (approximately 565) were Australian based (though certain components of goods and services were sourced from overseas by these suppliers). Approximately 53% of our suppliers are in Queensland, Australia. The suppliers not based in Australia were based in Canada, Ireland, Singapore and the United Kingdom.

We remain focused on addressing the risks of modern slavery associated with those suppliers with whom AIC Mines Group has a direct contractual relationship (**tier 1 suppliers**), while also endeavouring to improve our understanding of risk beyond tier 1. Our ten largest tier 1 suppliers by value make up approximately 55% 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. We recognise that there is potential for greater exposure in tier 2 suppliers and beyond.

The following key factors were considered in assessing the extent to which our operations may have **caused or contributed to\*** an elevated risk of modern slavery:

*[\*We note the UN Guiding Principles on Business and Human Rights (UNGPs) and the concept that adverse human rights impacts may be caused or contributed through a business's own activities, or may be directly linked to its operations, products or services by its business relationships.]*

**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. All employees are Australian citizens, residents or holders of valid Australian work visas and are engaged under formally documented contracts of employment. 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, respectively, are employees of the AIC Mines Group with the exception of some casual labour which is used to complete season field work.

At the Eloise mine, 76% of the workforce are permanent AIC Mines Group employees. Our underground mining contractor, Pybar, who has been appointed to provide mining services to both

Eloise and Jericho, provides 14% of the total Eloise workforce. The remaining 10% of the workforce is made up of smaller contracting groups who perform specialist mining services such as production drilling or temporary works. The Pybar workers are generally based at Eloise on a full-time ongoing basis.

Due to labour market challenges, a number of established labour hire providers are used to provide short term labour placements while recruitment for permanent ongoing employees is progressed. Where practical, contractors filling short term placements will be eligible to apply for permanent ongoing employment. Labour hire workers are employed on comparable rates to permanent employees.

### Policies, Code of Conduct and Compliance

In addition to the above, our risk assessment also took into account our health and safety policies, procurement policies, ethical standards and and conduct requirements as provided for in our Code of Conduct. All workers are able to voice concerns freely and confidentially, including through regular employee engagement surveys. The results of these surveys are shared both with employees and the Board.



### 3.2 Supply Chain

As we progress the development activity for the Jericho project and expansion of the Eloise processing plant, we shall be expanding our supply chain, however for the Reporting Period our supply chain remained largely consistent with the previous period.

The areas previously identified where higher risk factors could be present remain relevant. The following categories continue to 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 (particularly for tier 2 suppliers and beyond)
- 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

While our tier 1 suppliers for the above goods and services are based in Australia, we acknowledge that there may be higher risk jurisdictions deeper in our supply chain, particularly for PPE, tyres, chemicals and diesel. We will be undertaking an in-depth analysis of the multi tiers in our PPE supply chain during FY25 where our products may be sourced offshore.

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

As we continue to 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;
- 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**

The Risk and Sustainability Committee oversees progress against AIC Mines sustainability commitments which include our modern slavery commitments. The Committee meets quarterly and 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 metrics.

##### **4.2 Sustainability Commitments**

AIC Mines delivered its first Sustainability Report in 2024. The Report includes progress updates on goals the company set for itself in its 2023 Sustainability Strategy. The goals relevant to modern slavery were:



2023 Commitment	FY24 Progress
Develop a “deep dive” assessment of a sample of suppliers to further test our approach to modern slavery due diligence.	Initial analysis of potential high risk supply chains undertaken to determine the potential focus of any deep dive; sample of eight tier 1 suppliers identified; and engagement with these suppliers commenced, initially through a modern slavery questionnaire. In identifying the sample of suppliers we acknowledge that a lower spend does not equate to a lower risk.
Develop a responsible sourcing policy.	Policy completed and implemented. As a means of communicating AIC Mines’ expectations when it comes to human rights, diversity and inclusion, health and safety, and environmental stewardship, we have developed a responsible sourcing policy and it is expected that the terms outlined in the policy will be adhered to by all suppliers. The Policy stipulates that suppliers must mitigate against modern slavery and human rights risks in their operations.
Increase community engagement to enhance local sourcing of contractors and supplies.	Local supplier engagement continued through 2024. We attended in-person events in Cloncurry to meet with local contractors and suppliers to discuss and identify potential engagement opportunities at Eloise. We engaged multiple local businesses over the last 12 months including engineering design consultants, a civil construction company, a bus operating company and concrete suppliers and will continue to work with local businesses where opportunities arise

Relevant new goals set out in the 2024 Sustainability Report include:

FY25/26 Commitment	Comment
Review our modern slavery screening process to ensure alignment with our evolving procurement processes.	ESG consultant engaged whose scope of work includes analysing optimal management approaches to risks of modern slavery.
Set targets for percentage of subcontractor work spend to be engaged locally (where viable).	
Map surrounding local educational facilities to assess opportunities to develop ongoing vocational and capacity building partnerships.	

### **4.3 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.

### **4.4 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](#).

### **4.5 Responsible Sourcing Policy**

As a means of communicating AIC Mines' expectations when it comes to human rights, diversity and inclusion, health and safety, and environmental stewardship, we have developed a responsible sourcing policy that is provided as a term of engagement to all contractors and it is expected that the terms outlined in the policy will be adhered to by all suppliers. We have explored various ways of enhancing local sourcing of contractors and suppliers.

### **4.6 Eloise Procurement**

We commenced a review of key supply items at Eloise during the Reporting Period, which is ongoing. A supply agreement incorporating modern slavery provisions is included in our tender package. 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).

### **4.7 Targeted 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.

During the Reporting Period the Risk & Sustainability Committee undertook on-line training to assist the members to better evaluate the risks in AIC Mines supply chain and determine the effectiveness of the due diligence undertaken by the company.

## **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.

## **6. Key actions for FY25**

To move forward on our objectives, these are our key action items for FY25:

- a) Develop a detailed AIC Mines modern slavery risk assessment that will rank suppliers as high, medium or low risk.
- b) Deep dive into two potential high-risk suppliers during the year as detailed case studies to understand and mitigate the risks.
- c) Embed mandatory Modern Slavery training module for all relevant personnel.

## 7. 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), who have operational responsibility for the Eloise mine, provided feedback.

## 8. Approval

This statement has been approved by the Board of AIC Mines Limited on 12 December 2024.



**Aaron Colleran**

Managing Director and CEO  
AIC Mines Limited

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