

2020

MODERN SLAVERY STATEMENT



INTRODUCTION

In December 2018, the Commonwealth government passed the *Modern Slavery Act 2018 (Cth) (the Act)*, which requires certain entities to report on the risks of modern slavery in their operations and supply chains and the actions taken to address those risks. The Act is Australia's response to combatting modern slavery in global supply chains.

The Act defines modern slavery to include eight types of serious exploitation: trafficking in persons; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruiting for labour or services; and the worst forms of child labour.

This is Aurelia Metals Limited's first Modern Slavery Statement under the Act for the reporting period 1 July 2019 to 30 June 2020. This statement covers the activities of Aurelia Metals Limited and its wholly owned subsidiaries.¹

Under the UN Guiding Principles on Business and Human Rights, entities have a responsibility to respect human rights in their operations and supply chains by avoiding causing or contributing to human rights impacts in their own operations and preventing or mitigating adverse human rights impacts that are linked to their operations by their business relationships. Aurelia Metals Limited aims to ensure that it operates 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 in accordance with the requirements of the Act and the *Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities*.

REPORTING ENTITY

Aurelia Metals Limited (ACN 108 476 384) (**Aurelia Metals**) is an Australian mining and exploration company, headquartered in Brisbane, Australia and publicly listed on the Australian Securities Exchange (ASX:AMI).

ORGANISATIONAL STRUCTURE AND OPERATIONS

During the reporting period, Aurelia Metals wholly-owned two operating gold and base metals operations in the Cobar Basin in western New South Wales, being the Peak Mine and the Hera Mine.²

In FY20, Aurelia Metals had revenue of \$331.8 million and produced 91,672 ounces of gold. As at the date of this statement, Aurelia Metals and its subsidiaries have approximately 260 employees.³

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.

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.

- ¹ See Aurelia Metals 2020 Annual Report at <https://www.aureliametals.com/investors/annual-reports> for a list of relevant entities during the reporting period.
- ² In December 2020, Aurelia Metals acquired the Dargues Mine in south-eastern New South Wales, however as this occurred after the reporting period, this statement does not include information in relation to the Dargues Mine.
- ³ This number includes 37 employees at the Dargues Mine which Aurelia Metals only acquired in December 2020, which is not within the reporting period.

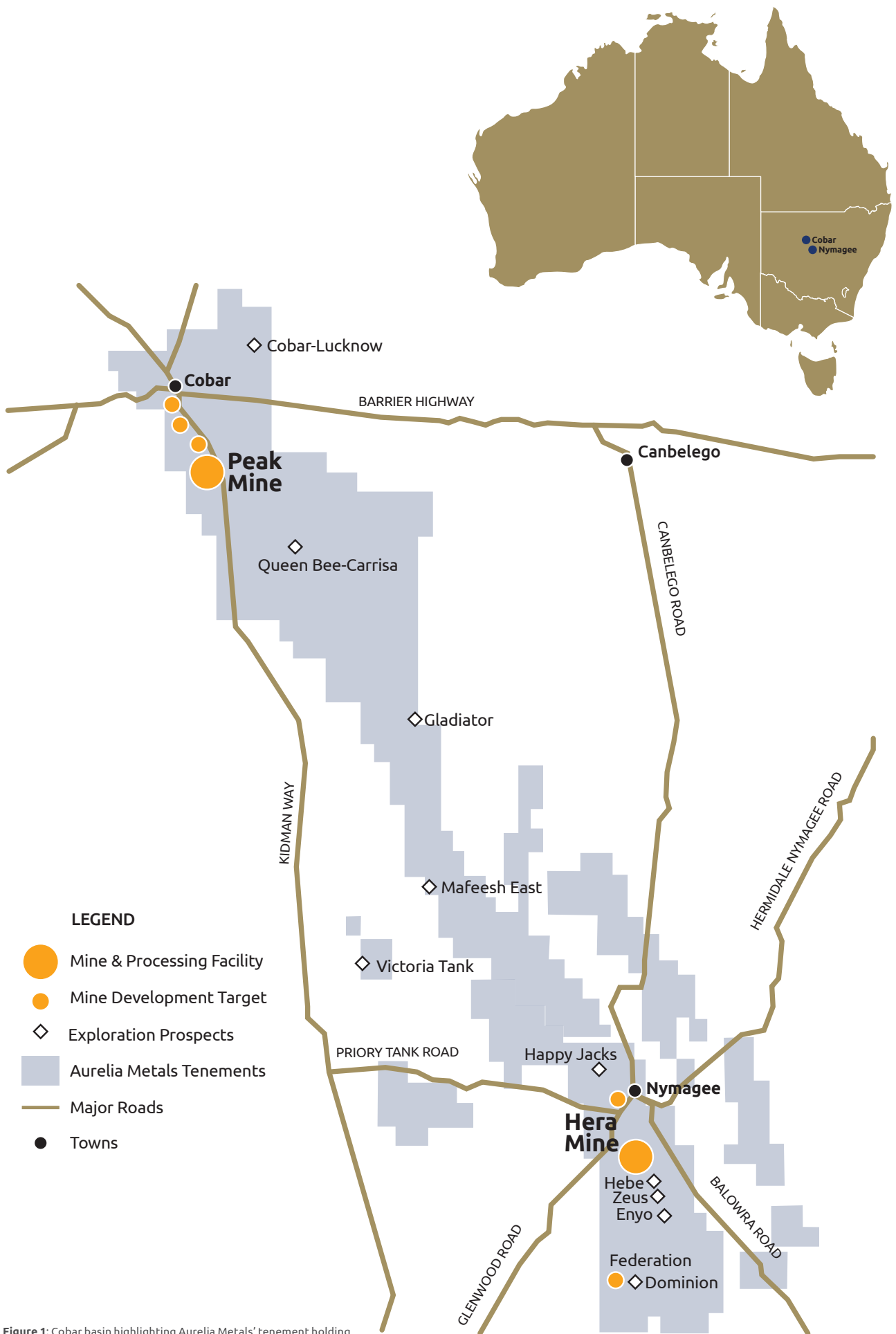


Figure 1: Cobar basin highlighting Aurelia Metals' tenement holding

SUPPLY CHAIN

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

In FY20, Aurelia Metals procured over \$280 million of goods and services from over 1,000 direct suppliers (Tier 1). Over half of this spend was paid to businesses operating in regional New South Wales 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



Support Services

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



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



Transportation

- Freight
- Haulage
- Port and shipping

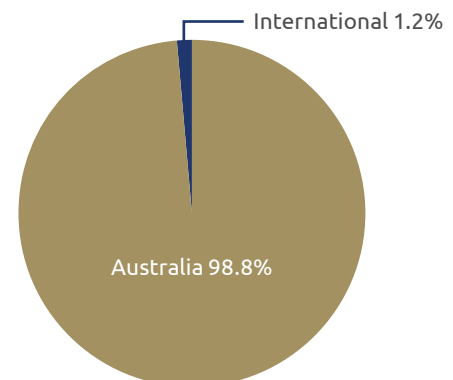


Corporate and Administration

- Advisory and regulatory services
- IT services

Figure 2: Aurelia Metals' supply chain with examples of typical products and services procured

FY20 Supply Chain spend by location



In FY20, over 98% of our direct procurement spend occurred with Australian suppliers with the balance being international (those suppliers were located primarily in Singapore, Germany, Canada and the United States of America).

RISKS OF MODERN SLAVERY

Operations

Extractive industries generally are at risk of modern slavery. However, Aurelia Metals' operations are carried out entirely within Australia and according to the 2018 Global Slavery Index, modern slavery does not have a high prevalence in Australia¹.

Aurelia Metals operates the surface and processing activities at both its Peak and Hera Mines, but contracts out the underground mining operations at both 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.² Approximately half of the total workforce at each mine site are Aurelia Metals employees, with the other half being our underground mining contractor's staff. 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.

Aurelia Metals acknowledges that good corporate governance is important in order to promote investor confidence and enhance our corporate reputation with employees, suppliers and external stakeholders. Our approach to corporate governance can be found in our 2020 Appendix 4G and Corporate Governance Statement.³

On the basis of the above, combined with Australia's strong regulatory environment, Aurelia Metals considers the risk of modern slavery in its operations as low.

Supply Chain

Our initial 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 our two operating sites, their supply chain is also relevant.² 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 contribute to modern slavery:

- **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.
- **Shipping** – Aurelia Metals 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/>

² PYBAR Mining Services' 2020 Modern Slavery Statement <https://modernslaveryregister.gov.au/statements/1109/>

³ <https://www.aureliametals.com/about/corporate-governance>

OUR APPROACH TO MODERN SLAVERY

Aurelia Metals took the following actions in FY20 in relation to assessing and addressing modern slavery risks:

- **Governance** – the Aurelia Metals board of directors and management were made aware of the company's obligations and responsibilities in relation to modern slavery.
- **Engaging specialists** – we engaged an independent, modern slavery specialist to prepare and commence Aurelia Metals' modern slavery compliance strategy. The work included undertaking a governance review and 'gap' analysis in relation to Aurelia Metals' current policies and procedures, and commencing a desktop due diligence process on our supplier list.
- **Supplier list** – we undertook a high level review of our supplier lists across both sites and at the corporate level, in order to map our supply chain and identify any modern slavery risks.
- **Updated contract templates** – in late 2019, we updated all of our standard template contracts (which we use to engage suppliers and contractors) to include modern slavery obligations including compliance with laws, undertaking training and reporting obligations.

ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

We recognise the importance of reviewing the effectiveness of our approach and actions to ensure we are adequately and appropriately identifying and addressing modern slavery risks. Our approach includes:

- Undertaking a review of our modern slavery approach on an annual basis.
- Periodically reviewing our group risk register (which includes modern slavery aspects).

Given this is the first year of reporting, we aim to expand our measures to assess the effectiveness of our actions in future reporting periods.

GOING FORWARD

Building on from our actions in FY20, Aurelia Metals has commenced a number of actions in order to enhance our response to modern slavery risks in our operations and supply chains. In FY21, Aurelia Metals is prioritising the following:

- Development of "The Aurelia Way", which incorporates our values, code of conduct and will also detail our expectations from our suppliers. It is expected that this will continue into FY22. Update information requested from suppliers in order to better assess potential modern slavery risks (i.e. updating supplier on-boarding forms).
- Continue to undertake further due diligence in order to understand our supply chains and assess the risk of modern slavery. This will include undertaking risk assessments on identified suppliers (based on spend, the type of product/service, sector/industry and geographical location).
- Development of a supplier survey/questionnaire for suppliers identified during the risk assessment and engagement with identified suppliers in relation to modern slavery.
- Continued engagement with PYBAR Mining Services, as our mining services contractor, in relation to their actions regarding the risk of modern slavery.
- Ensure modern slavery is incorporated as part of our training, particularly with employees engaged in goods and services procurement.
- Establish 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).
- Ensure that modern slavery is addressed in tenders and all new major supplier contracts, as well as any necessary updates to our procurement processes and contract award processes.
- Consider and implement any necessary remediation processes, including grievance mechanisms and working with suppliers if modern slavery risks are identified in their supply chains.
- Develop a more detailed framework to assess the effectiveness of our actions regarding modern slavery.

CONSULTATION WITH SUBSIDIARIES

Aurelia Metals has a number of wholly owned subsidiaries. However, the companies operate as a consolidated group and under common company policies. 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 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.



Daniel Clifford
Managing Director and Chief Executive Officer
Aurelia Metals Limited

15th March 2021





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