



Conuma Resources Limited

2024 Report under the Fighting Against Forced Labour and Child Labour in Supply Chains Act

Introduction

This report has been prepared by Conuma Resources Limited (Conuma) in response to the reporting requirements under Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act (the “Act”) for its financial year January 1, 2024, to December 31, 2024. This is the second non-joint report submitted by Conuma.

Conuma is not subject to reporting requirements in supply chain legislation in any other jurisdictions. It is a corporation operating mine sites with assets that meet the threshold required for reporting, including at least \$20 million in assets for at least one of two recent financial years, has generated at least \$40 million in revenue for at least two of the most recent financial years, and employs at least 250 employees for the past two financial years. It has operations in Northeastern British Columbia (NEBC), Canada.

Conuma produces and supplies steelmaking coal to the global steel manufacturing industry. Although Conuma produces all its coal in Canada, it is sold outside Canada. To support its operational requirements, Conuma imports goods produced outside of Canada.

Conuma recognizes that the mining industry plays an important role in preventing and assessing the risk of forced labour and child labour in Canada’s supply chain. It acknowledges these risks and is committed to continually improving its due diligence, risk assessment, remediation, and training processes. Conuma is also committed to respecting the human rights of people impacted by its operations and supply chain.

Activities

Under the requirements of the Act, Conuma reports on its activities related to the production, sale, and distribution of goods both within and outside of Canada, as well as the importation of goods into Canada. Conuma’s operations are based entirely in British Columbia (BC) and include the Quintette, Willow Creek, Brule, Wolverine, and Trend-Roman mines. Conuma sells steelmaking coal to global markets and imports a range of goods to support its Canadian operations. These imported goods—typically equipment, machinery, parts, and materials—are essential to supporting Conuma’s mining and logistical activities. While limited in volume and value, they are subject to procurement oversight consistent with Conuma’s responsible sourcing practices.

Supply Chain

Conuma's supply chain encompasses a wide range of goods and services critical to large-scale mining operations. These include mobile equipment, machinery, fuel and lubricants, explosives, and various industrial and support services. Most of Conuma's direct suppliers are based in Canada, with a strong regional focus—32% of total procurement spend in 2024 was with suppliers located in NEBC. Conuma also outsources certain operational functions to third-party providers in Canada and the United States, including heavy equipment maintenance, transportation and logistics, and specialized mechanical, electrical, and construction services.

Steps to prevent and reduce the risks of forced labour and child labour

In alignment with regulatory expectations, Conuma undertook measures during the 2024 calendar year to identify, prevent, and reduce the risk of forced and child labour within its supply chain. A review of supply chain risks for the 2023 financial year was completed in early 2024, followed by a similar assessment of the 2024 financial year in early 2025. Conuma recognizes its responsibility to conduct ongoing due diligence and is committed to addressing and monitoring forced and child labour risks across its operations and procurement practices.

Organizational Structure

Conuma is a leading producer and supplier of coal for steelmaking in the global steel manufacturing industry. With its operations centred in NEBC, Canada, it excels in delivering high-quality steelmaking coal to many of the world's leading steelmakers. Conuma owns five mines and employs approximately 1,000 people, with headquarters in Tumbler Ridge, NEBC, and a corporate office in Vancouver, BC.

Risk Assessment

In early 2024 and again in early 2025, Conuma engaged an external advisor to assess the risk of forced and child labour within a targeted group of our direct suppliers. This group represents over 80% of our annual supplier spend and includes both customer-specified suppliers and those operating outside North America, where labour laws may differ significantly.

The risk assessment conducted in both 2024 and 2025 identified that a very small percentage of tier 2 and 3 suppliers were providing goods from countries and industries that are known for the prevalence of forced and/or child labour. Conuma partnered with an external organization to conduct this independent risk assessment, which would support Conuma in identifying, prioritizing, and managing forced/child labour risks in the supply chain. Based on the findings of this analysis, a very small percentage of these companies were potentially at risk (the assessment purely identifies potential risk exposure, not definitive cases). Recognizing that no percentage of forced/child labour is acceptable, Conuma will continue to monitor and manage this potential risk.

Forced labour and child labour risk

Conuma operates in relatively low-risk jurisdictions, based on an assessment process that applies a Conflict-Affected and High-Risk Area (CAHRA) tool that uses country-level data indicators spanning multiple topics, including forced labour and child labour. However, Conuma acknowledges that the nature of mining activities and related supply chains can create potential human rights risks. Its approach to identifying the risks of forced labour and child labour focuses on the sector it operates in, which will require monitoring, reporting, and tracking of processes and steps taken to mitigate them.

Its policies and procedures include the following risk identification factors:

- The location of the contractor or supplier and the strength of the rule of law in those jurisdictions.
- The industry and type of goods and services provided, such as personal protective equipment (PPE) and products originating from mineral exploration or processing.
- Conuma's level of influence and relationship with the supplier.

Remediation

Remediation measures and remediation of income loss have not been identified regarding any income loss to vulnerable families resulting from measures taken to eliminate the use of forced labour or child labour in its activities and supply chains.

Conuma is in the relatively early stages of addressing forced and child labour risks within its supply chains, having undertaken risk assessments in early 2024 and again in early 2025 to identify potential areas of concern. While specific policies or procedures for remediation or grievance mechanisms have not yet been implemented, their development and adoption are anticipated as a logical progression in response to the findings of these assessments.

Employee training

At the time of this report, Conuma has initiated training efforts to address the risks of forced labour and child labour in its operations and supply chains. In 2024 and early 2025, Conuma's procurement staff completed targeted training focused on identifying, understanding, and responding to forced and child labour indicators in the supply chain. The training included an overview of international labour standards, common risk factors by region and industry, due diligence expectations under Canadian and global frameworks, and practical steps for escalating concerns or suspected violations. The sessions also emphasized the importance of ethical sourcing practices and provided tools to support risk-informed procurement decisions. This initial training forms the foundation of Conuma's broader human rights training program, which will be expanded to other employee groups in the future.

Vendor Engagement

In 2024, Conuma engaged directly with nine of its top ten vendors to discuss responsible sourcing practices, including preventing forced and child labour in supply chains. During these meetings, each vendor outlined measures to identify, manage, and mitigate forced and child labour risks within their respective supply chains.

Assessing Effectiveness

To assess the effectiveness of its efforts in preventing forced and child labour, Conuma focused its 2024 risk assessment on its most critical tier 1 suppliers—those representing approximately 80% of annual procurement spend, with added attention to suppliers operating outside Canada or importing mined raw materials. These suppliers were prioritized due to their potential exposure to jurisdictions with weaker labour protections.

Conuma then mapped and evaluated its tier 2 and tier 3 supply chain using an extensive dataset of buyer-supplier relationships and AI-driven analysis. Suppliers across all three tiers were screened against more than 30 restricted entity lists and credible databases identifying high-risk geographies, sectors, and goods-location pairings associated with forced or child labour.

While Conuma has not yet implemented direct performance metrics or KPIs for remediation, the depth and breadth of this assessment establish an appropriate baseline. Effectiveness will be monitored and strengthened by integrating S-211 compliance into Conuma's vendor prequalification process (launched in 2024) and through future engagement with internal and third-party resources to manage and reassess supplier risk.

Conuma's sustainability standards, procedures and reporting are aligned with industry standards. It recognizes the importance of human rights legislation and strives to align its practices and initiatives with the United Nations Sustainable Development Goals vision for a better and more sustainable future for all, recognizing these goals as a guiding framework for positive global impact.

Conuma's Sustainability Reports can be found at <https://conumaresources.com/sustainability/reports/>

Attestation

In accordance with the requirements of the Act, and particularly section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act for the reporting year listed above.

“I have the authority to bind Conuma Resources Limited.”

Full name: Rowland Wallenius

Title: Chief Financial Officer

Date: May 31, 2025

Signature: _____
Signed by: *Rowland Wallenius*
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