



## **Conuma Resources Limited**

# **2025 Report under the Fighting Against Forced 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 and Child Labour in Supply Chains Act* (the "Act") for its financial year from January 1, 2025, to December 31, 2025. This is Conuma's third non-joint report submitted under the Act.

Conuma meets the reporting thresholds under the Act, including applicable asset, revenue, and employee criteria, and operates mining assets 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, all its produced coal is sold to customers 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 addressing the risk of forced and child labour in its supply chain. Based on its current risk assessments, Conuma's direct supplier base is assessed as low risk, with limited indirect exposure identified in lower-tier supply chains. Conuma is committed to continually improving its due diligence, risk assessment, remediation, and training processes, and to respecting the human rights of people impacted by its operations and supply chain.

### **Activities**

As required by 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 entirely based in British Columbia (BC), including the Quintette and Willow Creek mines. The company also owns three additional mines—Wolverine, Brule, and Trend-Roman—which are currently in care and maintenance. 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 imported goods represent a smaller portion of overall procurement spend, they are the primary source of potential exposure to forced and child labour risks within Conuma's supply chain.

### **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.

Over the past three years, most of Conuma's direct suppliers have been based in Canada, with approximately 25% of procurement spend directed to suppliers located in NEBC. Conuma's supplier base, nevertheless, includes indirect exposure to foreign jurisdictions through imported goods and multi-tier supply chains. 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**

During the 2025 calendar year, Conuma undertook measures to identify, prevent, and reduce the risk of forced and child labour within its supply chain. A review of supply chain risks for the 2024 financial year was completed in early 2025, followed by a similar assessment of the 2025 financial year in early 2026.

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. These activities have improved Conuma's visibility into supply chain risks and strengthened its ability to identify and prioritize areas requiring further due diligence.

### **Organizational Structure**

Conuma is a leading producer and supplier of steelmaking coal to the global steel manufacturing industry. Its operations are centred in NEBC, Canada, and it supplies steelmaking coal to customers in international markets. Conuma owns five mines, two of which are operating, and three of which are in care and maintenance. It employs approximately 1,000 people, with headquarters in Tumbler Ridge, NEBC, and a corporate office in Vancouver, BC.

Oversight of supply chain human rights risks is integrated within Conuma's broader governance framework, including executive-level accountability and alignment with procurement and sustainability functions.

### **Risk Assessment**

Conuma has worked with an external advisor to assess a targeted segment of its direct supplier base. This group represented approximately 60% to 75% of the Company's total annual supplier spend and included both North American suppliers and suppliers operating outside North America, where labour protections may differ.

Risk assessments conducted in 2023, 2024, and 2025 identified that a small percentage (approximately 2% to 3%) of tier 2 and tier 3 suppliers may have been associated with goods originating from countries or industries in which forced labour and/or child labour are considered to present elevated risk.

These assessments identify potential exposure rather than confirmed instances. The assessment methodology is aligned with internationally recognized risk-based due diligence approaches, including the Organization for Economic Co-operation and Development ("OECD") Due Diligence Guidance for Responsible Supply Chains, and incorporates third-party data sources and analytical tools to enhance visibility into multi-tier supplier relationships.

Recognizing that no percentage of forced or child labour is acceptable, Conuma will continue to monitor and manage these risks.

## **Forced and child labour risk**

Conuma's operations are in jurisdictions assessed as low risk for forced and child labour. However, the Company recognizes that global supply chains—particularly in manufacturing and resource-related sectors—can present indirect risks requiring ongoing monitoring. Conuma's approach focuses on identifying and monitoring these risks through structured risk assessment, monitoring, and mitigation processes.

Conuma's 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 the relevant jurisdiction.
- 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 over, and relationship with, the supplier.

## **Remediation**

Conuma has not identified any instances requiring remediation or any measures to remediate the loss of income to vulnerable families resulting from efforts to eliminate the use of forced labour or child labour in its activities and supply chains.

Conuma is in the early stage of program development in addressing forced and child labour risks within its supply chains, having undertaken risk assessments in 2024, 2025 and again in early 2026 to identify potential areas of concern. Conuma recognizes the importance of establishing formal remediation and grievance mechanisms and plans to develop these as part of the next phase of its supply chain due diligence program.

## **Employee training**

Conuma continues its training efforts to address the risks of forced and child labour in its operations and supply chains. Beginning in 2024 and continuing through 2025, Conuma's procurement staff completed targeted training focused on identifying, understanding, and responding to indicators of forced and child labour 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 transition to a recurring program with periodic refreshers and expansion to additional employee groups.

## **Supplier Due Diligence**

In 2025, Conuma required 25 of its tier 1 suppliers to complete self-assessments related to forced and child labour, 15 of which were also included in the tier 2 and tier 3 risk mapping exercise described above. The self-assessment asks suppliers to confirm whether they uphold expectations aligned with those set out for our own business under the Act, including policies, transparency, risk identification, training, and other controls related to forced and child labour.

We also updated our commercial contracts to include explicit prohibitions on forced and child labour, with non-compliance constituting grounds for contractual remedies, including termination where appropriate. These measures strengthen Conuma's ability to influence supplier behaviour and enforce compliance expectations.

### **Assessing Effectiveness**

To assess the effectiveness of its efforts in preventing forced and child labour, Conuma undertook a detailed, third-party supported supply chain risk assessment in 2025, focusing on its most critical tier 1 suppliers—representing approximately 70–75% of annual procurement spend. These suppliers included those operating inside and outside Canada, where labour protections may differ.

Using an extensive dataset of buyer–supplier relationships and AI-driven analysis, the assessment improved visibility into Conuma's tier 2 and tier 3 supply chain. Suppliers across all tiers were screened against more than 30 restricted entity lists and credible databases identifying high-risk geographies, industries, and goods-location pairings associated with forced or child labour.

The assessment found that:

- No tier 1 suppliers were identified as operating in high-prevalence jurisdictions for modern slavery, supplying goods from high-risk sectors in those jurisdictions, or appearing on restricted entity lists.
- Indirect exposure exists at lower tiers, with approximately 2.6% of tier 2 entities and 2.4% of tier 3 entities identified as having potential exposure to forced and/or child labour risks, based on geography, industry, restricted entity screening, or adverse media.
- Identified risks are indicative rather than confirmatory, highlighting areas requiring further due diligence, monitoring, and engagement.

These results support a risk-based approach and enable Conuma to focus its efforts on areas of higher potential exposure. They indicate that Conuma's direct supplier base is currently assessed as low risk, while improving visibility into indirect supply chain exposures where future due diligence efforts will be focused. As with all multi-tier supply chain assessments, visibility into lower-tier suppliers remains inherently limited and subject to ongoing improvement.

While Conuma has not yet established formal quantitative KPIs for remediation, it has begun tracking leading indicators such as supplier participation in due diligence processes and engagement with higher-risk suppliers. Effectiveness will be further strengthened through:

- Integration of the Act's requirements into its supplier prequalification process (launched in 2024),
- Targeted engagement with suppliers linked to higher-risk jurisdictions or industries, and
- Ongoing use of third-party tools and data to monitor, reassess, and refine supply chain risk over time.

Conuma's approach is aligned with recognized international frameworks and reflects its commitment to respecting human rights. The Company continues to align its practices with the principles of the United Nations Sustainable Development Goals, using them as a guiding framework for responsible and sustainable business conduct.

Conuma will continue refining these indicators over time to track supplier engagement, risk reduction, and the effectiveness of its due diligence processes.

Conuma's Sustainability Reports are available at <https://conumaresources.com/sustainability/reports/>

### **Conuma's Progress Since Beginning its S-211 Journey**

Since beginning its work under the Act in 2023, Conuma has significantly advanced its understanding and management of forced and child labour risks within its supply chain. What began as an initial compliance-focused review has evolved into a more structured and risk-based due diligence program incorporating third-party supported supply chain mapping, enhanced supplier engagement, targeted employee training, supplier self-assessments, and contractual protections related to forced and child labour.

Over this period, Conuma has improved visibility into its tier 2 and tier 3 supply chain, strengthened procurement-related governance processes, and expanded the integration of human rights considerations into supplier onboarding and risk assessment activities. Conuma recognizes that this is an ongoing journey requiring continuous improvement, and the Company remains committed to further strengthening its due diligence and oversight processes over time.

### **Looking Ahead**

Looking ahead, Conuma will continue to strengthen its approach by expanding supplier engagement, enhancing due diligence processes, and developing and formalizing remediation and grievance mechanisms. This includes expanding due diligence coverage beyond current priority suppliers and further integrating human rights considerations into procurement and operational processes. Conuma remains committed to continuous improvement and to aligning its practices with evolving regulatory expectations and industry standards.

**Attestation**

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

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

Full name: Rowland Wallenius

Title: Chief Financial Officer

Date: May 14, 2026

Signature: \_\_\_\_\_

Signed by:  
*Rowland Wallenius*  
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