

Federation Mining Sustainability Report – 2022



**FEDERATION
MINING**

Reporting Period

1st of July 2021 – 30th of June 2022

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Managing Directors Introduction

The Federation Mining company has made good progress in the last year. Our aim is to build a new underground gold mine in the West Coast region of the South Island of New Zealand that will provide employment for over one hundred people and contribute strongly to the local and broader New Zealand economies. This will be done within the guiding principles of caring for the environment, our people, and stakeholders.



The team in New Zealand has made good progress on the access decline towards our target beneath the old workings of the Blackwater Mine. The decline has advanced over two kilometres from the portal entry point on the surface and has one kilometre to reach a point adjacent to the Blackwater quartz reef which was mined 70 years ago. At this point a tunnel will be developed alongside the reef and resource drilling will commence. By June 2023 Federation Mining will have completed half of the planned drill program, to prove the reef continues at depth, and this will provide confidence for further investment.

There is a team of over forty people involved in the development of the twin tunnels, most reside in the local area, and expenditure to advance the project to this point is \$40m. Federation estimates that 70% of that expenditure goes into the New Zealand economy.

The teamwork and commitment to the project is evident in the good safety record to date and the stability of the workforce. The company has supported the team through training, skills development, good leadership, and regular and open communication.

Federation Mining made a commitment to net zero emissions for long term sustainable outcomes for our stakeholders, our team is actively working on plans to make this transition and leverage the opportunity presented by hydro electricity generation in New Zealand.

In 2022 Federation Mining prepared an application for a Resource Consent, which was submitted in June 2022. This was a significant task. The purpose was to seek approval to build and operate a gold processing plant and construct a Waste Rock Stack for surface storage of material from mine development and ore processing. The focus for the company within the consent was to maintain water quality in the Snowy River as a fundamental requirement for the mining operation.

As part of this important step stakeholders were engaged and informed of our plan, through meetings with neighbours and town hall meetings at Ikamatua and Reefton. As well our team met regularly with Ngai Tahu, Department of Conservation, and with key stakeholders and Government agencies.

Federation Mining has a Board which met quarterly to review the management of the company and project. The full Board visited the site for the first time in May 2022, because of border closures. Audit and Risk Committees were established to provide oversight. Our two investors are AustralianSuper and Crown Holdings, who both received regular reports and updates on progress. AustralianSuper is represented on the Board. The annual Mining Permit review was held in September 2021.

In the period July 2021 to June 2022 Federation Mining met their key targets of advancing the access development safely and sustainably and completing the Resource Consent application.

The year ahead will be a milestone for the company with our aim of satisfying the Councils of our commitment to the environment and mining responsibly, completing the access development and starting the resource drilling program. As well Federation will be seeking additional investment for taking the mine through to production. That is the purchase of additional mining equipment, developing the orebody to support consistent and safe ore extraction, and building the process plant and Waste Rock Stack for long term operations. The surface works include the construction of a water treatment plant to treat and clean all water from underground and water collected on the surface from normal operations.

Federation Mining is pleased with progress and is excited about the year ahead, and to be part of the West Coast community long into the future.

Mark Le Messurier | Managing Director



Snowy River – Portal Access

Our Story

Federation Mining

Federation is an Australian incorporated unlisted public company with a gold development project in New Zealand. The Company was founded by Mark Le Messurier and Jim Askew with the purpose of building a new gold/copper mining company. Federation is financially backed with high quality investment from Australia's largest superannuation company, AustralianSuper.

Federation's flagship site, Snowy River Mine is located on the South Island of New Zealand approximately 30 kilometres from the township of Reefton and 10 kilometres from the township of Ikamatua.

The Snowy River Mine is operated by Tasman Mining Limited, a wholly owned subsidiary of Federation Mining (Australia). The mining permit and operation is owned by OceanaGold and the current Resource Consent is in the name of OceanaGold.

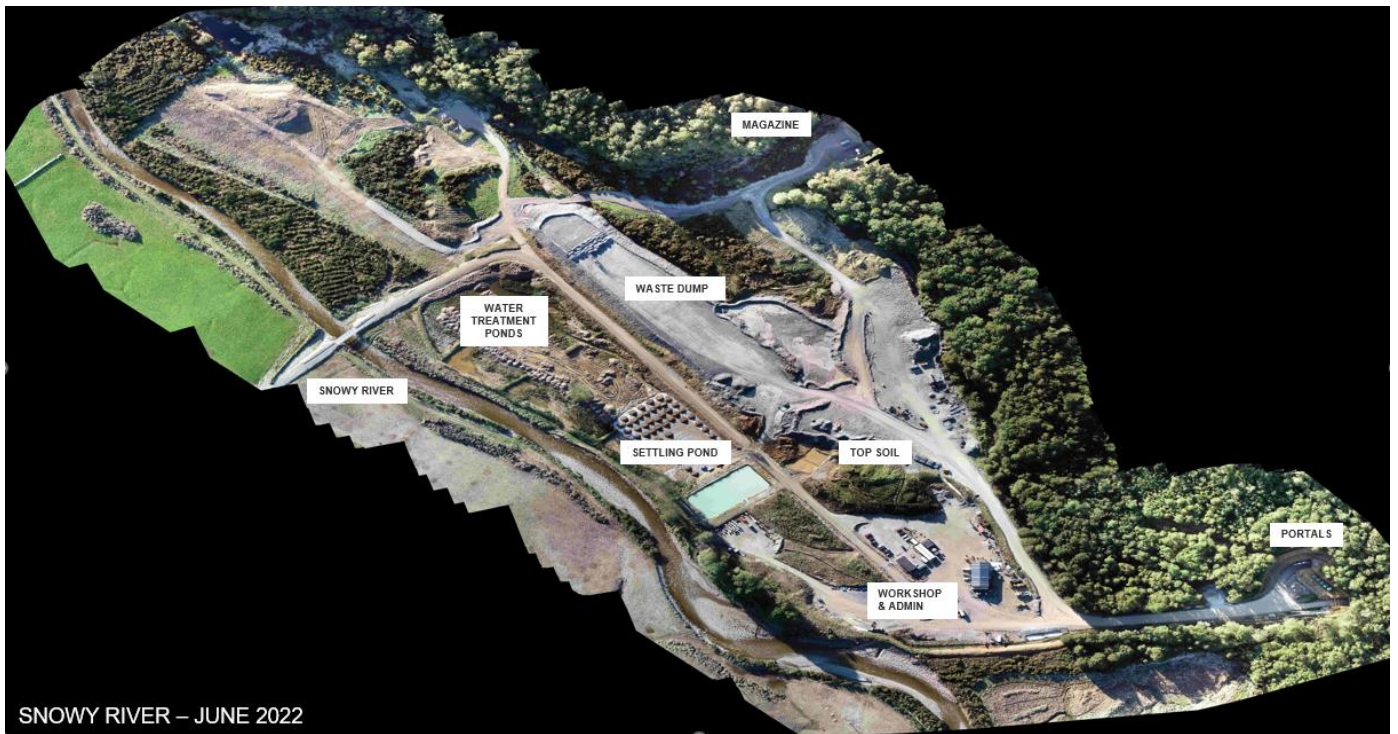
Federation Mining's head office is based in Sydney, Australia, made up of our Managing Director Mark Le Messurier and Executive Team as well as support staff.

Federation's strategic scope for the Snowy River Mine project is:

- Deliver a safe modern underground narrow vein gold operation that produces around 65-70koz/ annum for a minimum 10 year mine life
- Generate significant local employment over the next 10+ years
- Minimal impact to land with small surface infrastructure footprint for processing plant
- Water management program prioritises the use of recycled water and storm water capture for operational usage
- Support the regional economy and seek partnerships with New Zealand based businesses

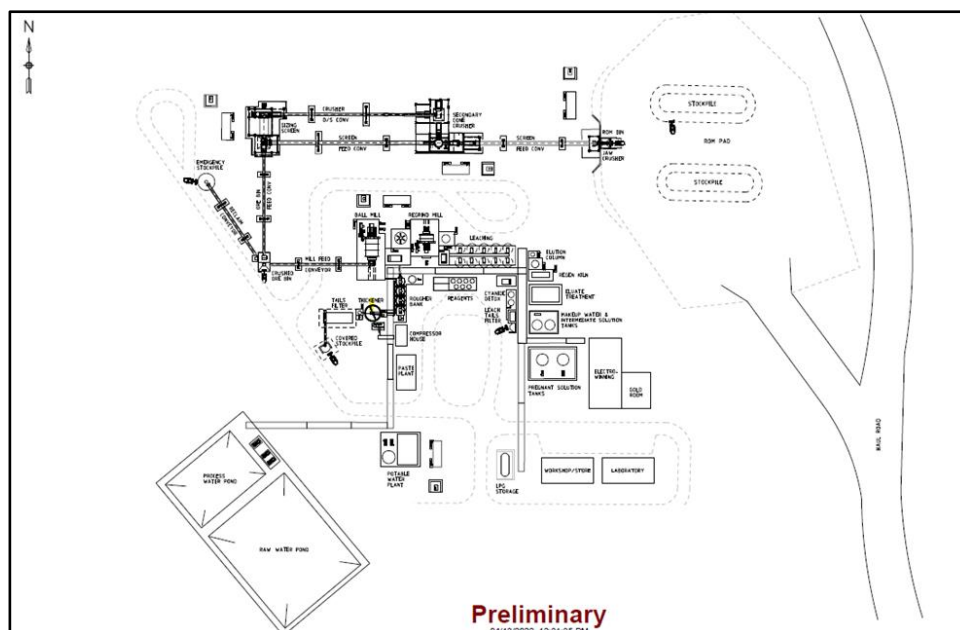
Federation entered into a Deed of Agreement with OceanaGold for the development of the Snowy River Mine including:

- The establishment of site surface infrastructure (2020)
- Construction and development of twin tunnels and drill platforms (2020-2023)
- Completion of resource drilling and a feasibility study (2023-2024)



Snowy River – Site Overview – June 2022

In June 2022, Federation Mining submitted a Resource Consent application to the West Coast Regional Council and the Buller District Council for the future processing plant to be constructed on the Snowy River Mine site for onsite processing of ore. If granted, this will provide the site with the opportunity to construct and operate a processing plant on site, increasing our workforce from approximately 50 to approximately 140. Included in this application is the installation of a Water Treatment Plant.



Snowy River – Proposed Processing Plant Design

Values

In consultation with our teams, Federation has developed our core values. These values are accompanied by our guiding principles and form who we are as a team and company. Our Senior Management Team has presented these values to our team through a series of meetings throughout the year.

Our Values

Success

Standards

Teamwork

Integrity

Our Guiding Principles

We act as one team, with integrity, ensuring our individual contribution has an impact on the success of the business

We will hold ourselves to the highest standards to keep our people safe, protect the environment, respect cultural heritage and build partnerships with the community

We will plan and prepare relentlessly to ensure we complete work safely and deliver on our commitments

We will treat each other fairly and with respect, embrace diversity and work together as a team

We establish strong governance processes

Board of Directors

Head office for Federation Mining is based in Sydney, led by Managing Director, Mark Le Messurier and the Executive Team.

Federation Mining's Board of Directors is comprised of 5 members, including representatives from our major shareholder, AustralianSuper.

- Jim Askew - Chairperson
- Mark Le Messurier – Managing Director
- Luke Smith - AustralianSuper nominee Director
- Romina Gaudion - AustralianSuper nominee Director
- Bob Vassie - Independent Director

The Board of Directors meets regularly and has several sub committees to assist in the execution of its responsibilities including:

- Risk & Sustainability
- Audit & Remuneration

The Board of Directors receives weekly site reports, which outline the key operational activities and any stakeholder activities. The Board also receives a monthly Executive Report which provides detail from each Executive on the month's activities as well as updates on site activities, development progress, training updates and any current projects being completed.

The Board and sub committees meet in accordance with the meeting schedule and all formal sessions are documented by the Company Secretary and signed by the Chairperson.

The Board oversees the operations of both the parent entity Federation Mining and subsidiary Tasman Mining. During every board meeting the Company Secretary has an agenda item for Directors to declare any conflicts of interest, this process is documented and noted in the minutes.

Board & Sub Committee Attendance

Board Meeting	Jim Askew	Mark Le Messurier	Bob Vassie	Romina Gaudion	Luke Smith
August 2021	✓	✓	✓	✓	✓
October 2021	✓	✓	✓	✓	✓
February 2022	✓	✓	✓	✓	✓
April 2022	✓	✓	✓	✓	✓

Audit & Remuneration Committee	Jim Askew	Mark Le Messurier	Bob Vassie	Romina Gaudion	Luke Smith
September 2021	✓	✓	✓	✓	✓
June 2022	✓	✓	✓	✓	✓

Sustainability & Risk Committee	Jim Askew	Mark Le Messurier	Bob Vassie	Romina Gaudion	Luke Smith
September 2021	✓	✓	✓	✓	✓



Federation Mining Board of Directors – Snowy River Site Visit – April 2022

Board Profile

Jim Askew – Chairperson



Jim Askew is the non-executive chair of Federation and has been involved with the Blackwater (now known as Snowy River) project since 1986.

Jim has a unique and deep understanding of the New Zealand mining industry and government serving on the OceanaGold Board for a period of over 12 years. During his tenure as Chairperson, he oversaw the operations of the Macraes Mine on the South Island, the Waihi Mine on the North Island and the successful closure and restoration of the Globe progress operation near Reefton on the West Coast.

Mr. Askew is also presently on the Boards of Evolution Mining (ASX), Endeavour Mining (LSE) and Syrah Resources (ASX).

Mark Le Messurier – Managing Director



Mark is a mining engineer with 35 years of experience in hard rock base metal and precious metal mining. He served as the Chief Operating Officer of Evolution Mining for seven years, a leading Australian gold miner, prior to establishing Federation with Jim Askew in 2018.

Mark has had significant success driving the rapid growth of mining projects and operations with a strong focus on driving operational excellence.

Mark holds a Bachelor Mining Engineering Degree, an MBA, and is a member of the Australian Institute of Company Directors.

Mr Le Messurier has worked at Evolution (ASX), Sinogold (ASX), Barrick (NYSE), Western Mining (ASX), and Rio Tinto (ASX).

Bob Vassie – Independent Director



Independent Director Bob Vassie is a New Zealand citizen and a mining engineer with 35 years multi-commodity and international experience. Bob spent 18 years with Rio Tinto (ASX) in global mining and resource development executive roles followed by MD & CEO positions in Ivanhoe Australia and St Barbara Ltd (ASX) with a focus on executive leadership, resource development and business development including M&A.

Bob served as a board member for the Minerals Council of Australia from 2014 to 2020 where he chaired the MCA Gold Forum and currently serves on the AusIMM Council for Diversity and Inclusion. Mr Vassie recently retired from the role of Managing Director and CEO of St Barbara Ltd.

Mr. Vassie is also presently on the Boards of Aurelia Metals (ASX) and the Chair of Ramelius Resources (ASX).

Romina Gaudion – AustralianSuper nominee Director



Ms Gaudion is a corporate lawyer with over 20 years' experience in mergers and acquisitions and investments work. She is currently the Managing Legal Counsel, Investments at AustralianSuper and has previously worked at BHP for 10 years, in both Strategy and Business Development and in Group Legal. Ms Gaudion commenced her career at Herbert Smith Freehills as a corporate lawyer focusing on public market takeovers and equity capital market deals.

Ms Gaudion holds an MBA from the University of Oxford and is a graduate of the Australian Institute of Company Directors.

Luke Smith - AustralianSuper nominee Director



Mr Smith has over 20 years' experience in mining and mining investment, both in Australia and overseas. He is currently Senior Portfolio Manager of Australian Equities at AustralianSuper, having joined in 2015. Mr Smith's previous roles include Head of Mining Research at Canaccord Genuity and Portfolio Manager for ASX listed specialist resource investment company, Lion Selection Group.

Mr Smith has also worked as a mining engineer, predominantly in gold and coal, and has completed a MComm (Finance) from the University of New South Wales.

Executive Team Profile

The Executive Team comprises of our Managing Director and 4 company executives. Each executive has extensive industry skills and knowledge and brings a collaborative approach to ensure Federation succeeds as a modern sustainable mining company.



Mark Le Messurier
Managing Director



Simon Delander
Vice President
Sustainability



Bruce Higson-Smith
Vice President
Business Development



Kerry Angel
Chief Financial Officer



Lincoln Smith
General Manager
Snowy River Mine

Mark Le Messurier - Mark is a mining engineer and executive with 35 years of experience in hard rock base metal and precious metal mining. He most recently served as the Chief Operating Officer of Evolution Mining for seven years from its foundation in 2011, a leading Australian gold miner with a market capitalisation of over AUD\$5 billion, prior to establishing Federation Mining with Jim Askew in 2018.

Simon Delander - Simon is risk manager and mining executive with a broad range of experience in business support functions in both mining and heavy industries spanning over 20 years. Simon has an MBA, Master in Risk Management and under graduate qualifications in Applied Science and Risk. Prior to joining Federation Mining, he has held senior group sustainability roles with Evolution Mining, Minerals and Metals Group (MMG), Jacobs Engineering Group and GoldCorp. He is a results orientated risk specialist and performance leader, able to apply deep knowledge of HSEC & operations management to lead robust risk management frameworks.

Bruce Higson-Smith - Bruce is a mining engineer with 35 years' experience both with mining companies and private equity firms specialising in mining. Prior to Federation, Bruce served Golden Star Resources in a variety of roles – VP Corporate Development, VP Finance, and General Manager of Bogoso-Prestea and Wassa Mines in Ghana. Previous to that he was an investment manager with a number of mining specific private equity funds including the Emerging Markets Gold Fund and the Resource Capital Funds

Kerry Angel - Kerry is an accountant with twenty-five years' experience in senior accounting and management roles working in chartered accounting, mining, mining services and exploration companies in Australia and Africa. Kerry has five years' experience working as the CFO and Company Secretary for ASX listed exploration companies.

Lincoln Smith - Lincoln is an experienced mine manager who is contracted to Federation Mining to oversee the completion of the decline and drill drive in 2023. Lincoln will be responsible for all activities at the Snowy River Project including holding the Site Senior Executive position.

Tasman Mining

Our New Zealand subsidiary, Tasman Mining is wholly owned by Federation and operates a small Board in accordance with New Zealand corporation's law. This report covers activities within both entities Tasman Mining and Federation Mining.

All Board meetings are recorded, and any conflicts of interest declared and noted in the minutes.

The Tasman Mining Board comprises of 2 board members:

- Mark Le Messurier – Managing Director
- Mark Cadzow - Director

Mark Cadzow – Tasman Mining Director



Mark Cadzow is a metallurgist with over 40 years' experience in mineral processing, precious metals, sulphide minerals and coal. He spent 10 years with BP Australia and Carbad PL in coal and mineral research and development, before joining OGL in 1991, holding a number of positions within the company including his position as EVP and Chief Development Officer until his retirement in 2021. During his time with OGL, Mr. Cadzow has been responsible for the major upgrades at the Macraes Gold Processing Plant, development of the Frasers Underground and Reefion Gold Project in New Zealand, Didipio Gold Project in the Philippines and the Haile Gold Project in South Carolina USA. He holds a Bachelor of Applied Science (Metallurgy).

Corporate Governance

Federation's suite of policies has been developed in consultation with our team and endorsed by our Board of Directors. All Corporate policies are subject to annual review by our Senior Management Team and Board of Directors. Company policies are issued to all employees on commencement and updated when changes are made. Policies are accessible to our team and stakeholders on our [website](#).

- Code of Conduct
- Anti-Bribery & Anti-Corruption Policy
- Diversity & Inclusion Policy
- Remuneration Policy
- Tax Compliance Policy
- Cyber Security Policy
- Risk Management Policy
- Sustainability Policy
- Whistleblower Policy
- Modern Slavery Standard
- Cultural Heritage Policy
- Data Privacy Policy
- Health & Safety Policy

The delegation of responsibility for implementation and oversight of the Corporate Policies is detailed and assigned within each document.

Federation Mining undertakes external assurance on our financials (EY), closure cost estimates (Lane Associates) and greenhouse gas emission calculations (Greenbase). The results of these assurance activities are provided to the Federation Mining Board and Executive Team.

Code of Conduct

The Federation Mining Code of Conduct was revised in the last 12 months and communicated to our work force. There were no breaches of the Code of Conduct reported during the last year.

Whistle Blower

The Federation Mining Whistle Blower policy was revised in the last 12 months and communicated to our work force. Federation uses an independent third party to manage the Whistle Blower hot line. There were no calls to the hot line during the last year.

Anti-Bribery & Anti-Corruption Policy

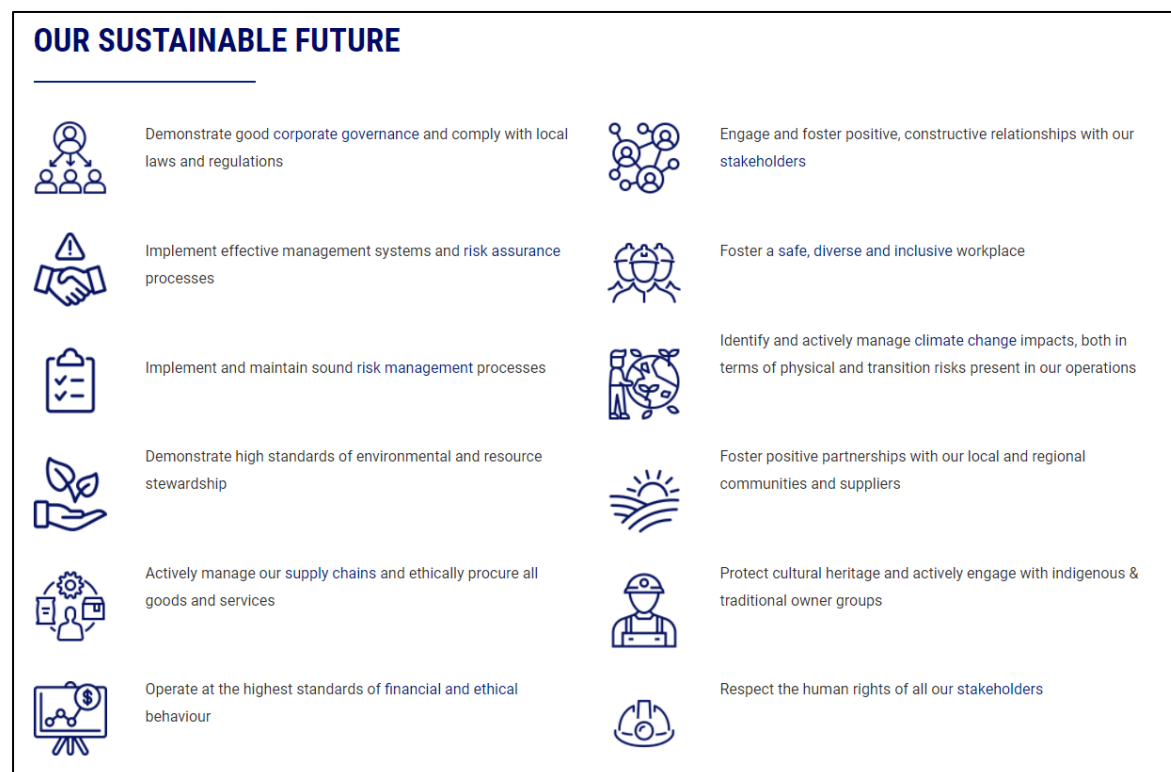
The Federation Mining Anti-Bribery & Anti-Corruption Policy was revised in the last 12 months and communicated to our work force. There were no breaches of the policies reported during the last year.

Sustainability

Federation Mining is committed to the care of the environment and to the consideration and support of the stakeholder community, before, during and after the development of the Snowy River Project.

The objective of our sustainability efforts is to deliver value to our stakeholders over the long term through safe, environmentally responsible and socially respectful operations.

We place great importance on implementing and sustaining high standards and in building stable partnerships within the community.



Our Performance

Progress at Snowy River continued over the year with the team progressing the declines to reach a total of 4692 metres of total development. Upgrades and additional surface works were also completed as the growing needs of the site evolved.

This financial year, crews developed a total of 3720 metres, making the average monthly advance 310 metres developed 310. This amount includes development over both declines and in ancillary development. Ancillary development includes the cross-cuts between the declines, additional development for stock piles or for electrical and refuge chamber storage.

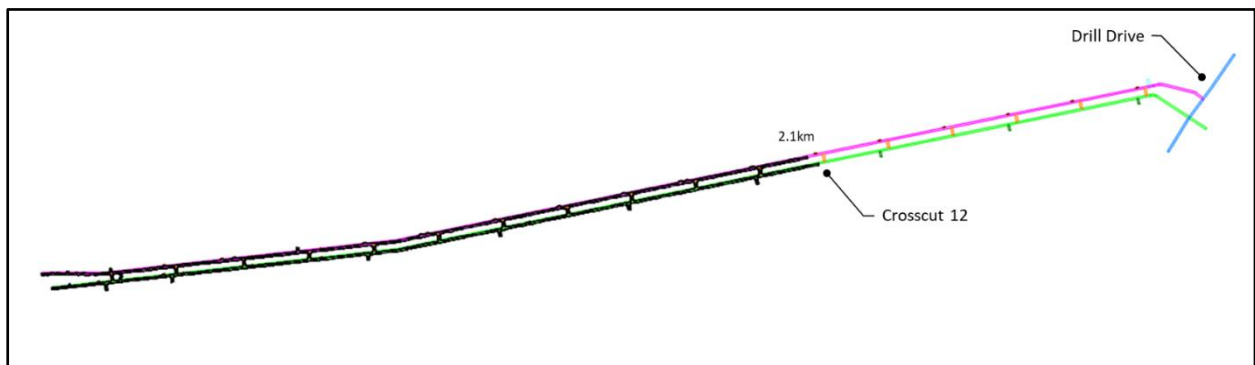
As at 30 June 2022, development of the declines were as follows:

- Main Decline – 2132 metres
- North Decline – 2121.2 metres
- Ancillary Development – 438.6 metres

Our workforce grew with the addition of more Federation employees and less contractors. The team continued to improve their skills with additional training and courses taking place over the year.

Our workforce continues to be largely residing in the West Coast area which is wonderful for our local host communities.

Up to the 30th of June 2022, over 3000m of decline development has been completed. This includes the Main and North Declines, auxiliary developments including a series of cross cuts between the Declines. The development cost per metre for the FY22 year was \$4679.



Overview lay out of twin declines – location as at June 2022

Throughout the year, in line with our permitting conditions, exploration activities have taken place which assist our Geology team with mapping and future exploration activities.



Exploration with the Geology Team

During the last financial year our Sustainability performance recorded:

- Zero lost time injuries
- Two medical treatment injury
- Zero significant environmental incidents
- Seven community concerns raised with the site team
- 54 hazards proactively reported by our staff
- 750 native plants and trees planted onsite

We continue to focus on preventing injuries and enhancing our Health, Safety, Environmental and Community programs. Our Safety Steering Committee meets on a regular basis and focuses on ensuring the safety of our site and most importantly our people is maintained to the highest standards. The committee is made up of underground operators, administration employees, trades and management team.

There is currently an environmental bond in place with West Coast Regional Council and Buller District Council. Federation has lodged a works and restoration plan with the council in line with our Resource Consent.

Federation Mining made a commitment to net zero emissions for long term sustainable outcomes for our stakeholders, our team is actively working on plans to make this transition and leverage the opportunity presented by hydro electricity generation in New Zealand.



Epiroc M2D Jumbo

As part of our commitment to transitioning to net zero greenhouse gas emissions by 2050, our current front line mobile equipment being used for development has been purchased with this goal in mind.

- Primary Epiroc M2D Jumbo – Tier 4
- Primary Epiroc ST18 Loader – Tier 4
- Volvo Integrated Tool Carriers (ITs) – Tier 3
- Dieci Agitator (for shotcrete) – Tier 2
- Normet (for shotcrete application) – Tier 2
- Mahindra Light Vehicles – N/A

As we look toward the mobile fleet for production, Federation aims to have the entire fleet established with a mix of low emission or electric.

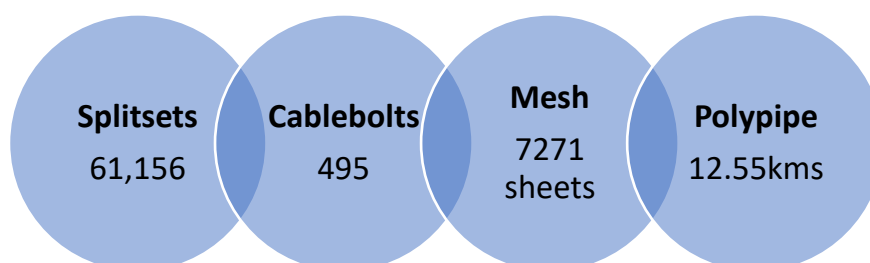


Epiroc M2D Jumbo & ST18 Loader

Federation Mining remains committed to supporting businesses on the West Coast and in New Zealand. Our top 10 suppliers for FY2022 are as below:

Supplier	Spent \$NZD	Goods / Services
First Break Limited (NZ)	\$4.2M	Epiroc Equipment parts, ground support, mechanical labour support
Rosco Contractors (West Coast)	\$1.488M	Civil works, dry hire of haul trucks, contract mining labour
Terra Firma Limited (NZ)	\$794k	Management & Technical support, contract mining labour
Orica NZ Limited (NZ)	\$781k	Supply of explosives
Ahaura Transport Ltd (West Coast)	\$680k	Supply of shotcrete and cement
RD Petroleum (NZ)	\$630k	Supply of fuel for mobile equipment
DSI Underground (International)	\$558k	Supply of ground support
Hose Supplies NZ Limited (NZ)	\$517k	Supply of hoses and site support
Meridian Energy (NZ)	\$482k	Supply of hydro generated electricity
Prime Explosives (NZ)	\$403k	Supply of explosives

The following infographic is a snapshot of consumables used in the last 12 months to develop the twin declines at the Snowy River Mine.



Our Accountability

Our Executive team and Senior Management are held accountable for a range of company performance targets which are outlined below with an overview of the outcome for FY22.

Aspect	Target	Outcome	Notes
Safety	No more than 2 Recordable injuries	✓	2 injuries recorded
Safety	Develop internal B grade supervisor bench strength	✓	4 staff completed the unit standards
Safety	Establish Safety Committee	✓	Employee representatives meet regularly with management
Safety	No prohibition notices issued by WorkSafe NZ	✓	WorkSafe NZ visited site 8 times
Environment	All monitoring completed as per Resource Consent	✓	All results provided to WCRC
Environment	No significant environmental incidents	✓	Nil recorded
Environment	Commence site progressive rehabilitation program	✓	Over 500 native plants in the ground
Community	Undertake 4 Community meetings per year	✓	5 meetings held in person and via video due to CV19
Community	Deliver Sustainability Report	✓	First Sustainability Report delivered in November 2021
Permit	Submission of Resource Consent amendment application by 30 th of June 2022	✓	Submitted on the 17 th of June 2022
Costs	Cost per metre to be \$5,042 or less	✓	Actual \$4,679
Operations	Development of 3225 metres of declines	✓	3720 metres achieved
Finance	Implement ERP System Pulse	✓	Pulse implemented with exception of payroll model which is due in late 2022
Governance	Undertake annual review of all Corporate Policies and present to Board	✓	All policies were reviewed, updated where necessary and authorised by the Board

Executive and Senior Management variable remuneration includes performance targets which cover Sustainability, Operations, Costs and Business goals.

The assessment of Executive and management performance is reviewed at Board level.

Our People

During 2022, Federation's team has continued to grow as the project developed. Our multiskilled team of comprises of 47 people, made up of 41 employees and 6 contractors working across the Snowy River Mine site in New Zealand, as well as 5 in our Head Office in Sydney, Australia and 1 contractor in the USA.

The New Zealand team comprises of 47 employees ranging from underground crews, to administrative, geological, technical, and management. The project team continue to complete regular training on our mobile equipment, our internal operating procedures, safety equipment and processes.

Our employees are paid in accordance with our Remuneration policy and an internal salary banding framework and no employees are subject to collective bargaining agreements.



Employee Profile – Jackie Bock – Mine Superintendent- Snowy River

Snowy River's Mine Superintendent, Jackie Bock works closely with the crews in supervising the daily operations of the site. Jackie joined the team onsite in March 2022 after a long wait for entry to New Zealand due to COVID border restrictions.

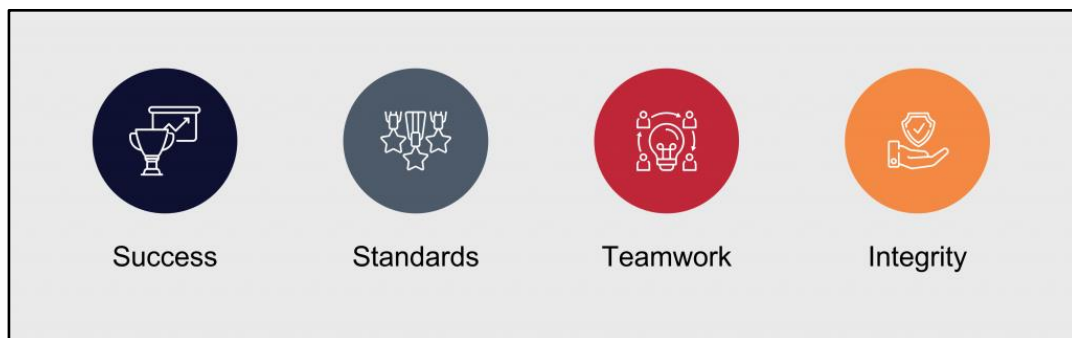
Jackie's role as Mine Superintendent involves working closely with the mining operations teams on daily basis as well as working on training and development of the crews, mining planning and safety.

Describe a typical day at Snowy River: "It rains a lot here on the West Coast... so it is great to work underground, where the temperature is generally above 14 degrees, dry and activities are structured. The day usually starts with a briefing at the beginning of day/night shift covering where each shift is currently in the mining cycle, any safety concerns, 24hr productivity achieved and, what is required to achieve our target. Working with people who focus on the same goal, makes the job enjoyable, and the scenery on a clear day here is beautiful (guessing the rain has a bit to do with that)."



What do you enjoy about your role as Mine Superintendent? “I enjoy the challenges and structuring systems to achieve desired results. Mining has a lot of repetition, so find out where you are, where you need to be and make a plan to reach that goal. Drawing upon expertise I have seen work elsewhere or asking people from the mining industry, hey how did they solved the same challenges, gives me the light bulb moment, where things make sense.”

“I enjoy identifying potential in employees, structuring training opportunities, building teams and over time, watching those teams succeed. Giving people opportunities to acquire skills and knowledge is rewarding as it is a lifelong asset for them and the industry, it’s not just a short term reward.”



Health and Safety

Federation’s commitment to the health and safety of our team continues to be of the highest standards, with the health and safety of our people being critical to our success as a modern sustainable mining company.

Over the year, our team have continued to implement and maintain strong safety and health management plans, including the ever-changing COVID management plans to assist in the management of Mining Principle Hazards.

Regular safety training was completed throughout the year, including Work at Heights, self-contained self-rescuers & regular emergency preparedness drills are conducted on site to ensure the team are fully prepared. Our fitness for work program continues to ensure that our crews are ready for the shift ahead.

Our Safety Steering Committee meets regularly on site to discuss any site-based issues. This committee is key in driving the programs and improvements required on site.

Safety & Health arrangements are subjected to regular review, inspection, and audit internally and by independent third-party auditors.

Our employees are encouraged to report incidents and hazards using our HSEC Management database called Skytrust. During the year the team recorded 54 hazards and 140 events.

Federation will strive to improve our safety and health performance and share our progress with our people and our stakeholders. WorkSafe NZ have inspected our operations 9 times in the past 12 months, during these visits mine record entries were issued requiring follow up on opportunities for improvement, Federation has responded to these notices in the prescribed

timelines. WorkSafe NZ have not imposed any fines or stop work notices during the last 12 months on our operations.

Federation has committed to implementing an externally accredited management system when the Snowy River Mine moves from development to production in late 2024.



Safety Training Course – Self Rescuers

Training and Development

Over the year, Federation continued to place a strong focus on training and development this year with our crews attending several internal and external training courses. The team onsite undertook a range of on the job and technical role specific training including safety and operational courses as we move towards ensuring we have crews that are as multiskilled as possible.

Our team of crew members who commenced the B Grade Tunnel Managers Course last year were able to undertake the final examination of the qualification which allows them to oversee a shift crew at the mine.

Our crews have undertaken 1100 hours of internal training and 2372 hour of external training which is 4% of total work hours invested in employee training and professional development.



Mines Rescue & Safety Evacuation Training

Employment statistics

The Snowy River Mine site directly employs 41 employees with a diversity split of 17% female and 83% male with 75% of our workforce residing in the West Coast/Buller region of New Zealand. A number of our staff indicate they are first nations (Iwi), Federation Mining actively encourages a broad and diverse range of people to join the team.

	Australia	New Zealand	Mining Operations	Trades	Site Services	Contractors	Total No.	% of Total
Employees								
Australia	5						5	9%
USA						1	1	3%
Reefton/Ikamatua		5	5	1	2	3	16	30%
Rest of West Coast/Buller		1	16	5		2	24	45%
Rest of South Island		1	5			1	7	13%
Total Employees							53	
Male	2	4	24	6	1	7	44	83%
Female	3	3	2	0	1	0	9	17%

Employee Statistics

The following table provides an overview of employees in employment type categories to provide transparency on the number of staff in permanent, part time, fixed term, and casual roles.

Employees	Full Time	Part Time	Casual	Fixed Term	Contractors (FTE)	Total No.
Australia	3	2	0	0	1	6
New Zealand	21	1	2	16	7	47
						53

EAP Services

Federation maintains an Employee Assistance Program for all members of the team. This service is an external confidential service that any employee can access 24/7 by phone and online.

COVID 19

Federation along with most other businesses was impacted by the COVID 19 pandemic with changes to our normal operating requirements put in place to ensure the safety of our people and communities. COVID 19 impacted the Snowy River operations with a complete shutdown of site for 2 weeks. Significant shipping delays caused essential supplies and equipment to be depleted.

COVID Safe plans remain in place at both Snowy River and Head Office in compliance with local regulations and continue to change as the Government advice requires. As the world now enters the new phase in the recovery from the pandemic, we are once more able to travel more freely, meaning our Australian management team is able to visit the site after almost 10 months.



Pre blasting checks

Our Community

Federation values our social license to operate and understand the importance of working closely with our stakeholders and the communities which we operate within.

The Company seeks to engage and foster positive, constructive relationships with our stakeholders through regular engagement and sharing of information.

Federation has been strongly supporting the regional economy spending over NZ\$27 million over the last 12 months with over 230 New Zealand based businesses providing goods or services to our project.

We have prioritised the hiring of local people with over 80% of our workforce residing on the West Coast and the remainder living elsewhere on the South Island. We currently have a workforce of 47 which is made up of direct Federation staff and a number of specialist contractors.

Stakeholder Engagement

The West Coast is a region of New Zealand on the west coast of the South Island that is administered by the West Coast Regional Council and has a population of over 30,000 people.

Within the West Coast region, there are 3 District Councils including Buller District, Grey District and Westland District. The Snowy River Mine is located within the Buller District.

Federation has undertaken a stakeholder mapping exercise and have identified over 1200 stakeholders that may have an interest, involvement or impact from our activities.

During the year we have hosted 4 community meetings in Reefton and Ikamatua, these have been well attended and offered in face to face and also online to assist in accessibility and to minimize risk of CV19 transmission during elevated community risk settings.

We actively and regularly engage with our stakeholders across multiple communication channels including:

- Federation Mining website and LinkedIn page
- Sustainability Report
- Monthly Business updates – emailed to stakeholders, posted on community notice boards & key locations, mailbox drop and shared online
- Regular community meetings in Reefton
- Monthly update to local media outlets
- Maintenance of a Community information phone line and dedicated email address
- Formal quarterly engagement with Council Executive's and elected officials
- Face to face meetings as required

Federation Mining is a current and financial member of the following industry associations

- Minerals West Coast (NZ) / <https://www.mineralswestcoast.com/>
- Straterra (NZ) / <https://www.straterra.co.nz/>

In the last few months, Federation has installed a solar powered visible messaging board on the Snowy River Road to remind drivers to slow down when passing residential properties, this was undertaken in consultation with Buller District Council and local landowners. It is our intention to install permanent signage over time.



Community Meeting May 2022

Community Support

Federation has supported several community organisations during the past 12 months to assist their projects and operations including:

Organization	Value
Inangahua A&P Show	\$100
Reefton Search & Rescue	\$3000
Reefton Golf Club	\$250
Reefton Rugby	\$3000 (over 3 years)
Reefton Fire Brigade	\$100
Friends of Waiuta	\$1800
Reefton Powerhouse Restoration	\$1000
Reefton Netball	\$2000
Heritage Light, Reefton	\$1000
Trees That Count – Te Rahi O Tane	\$5000
Reefton Jockey Club – Reefton Cup	\$1000
St John Ambulance – Community AED program	\$3300
Buller Rugby event	\$200
Reefton riverside walk repairs following flooding	\$1500
Reefton Area School – “Duffy books in homes” program	\$2600
Inangahua Community Arts Council	\$600
Westport Oldie Rugby	\$500
Sustainability Conference Organising Committee	\$1000
Reefton School of Mines	\$3000
IMWA Christchurch Conference	\$2000
Community Investment	\$32950



Local Business Partners Case Study



Rosco Contractors Ltd is the leading contract mining and earthmoving organisation in the South Island of New Zealand. Rosco have worked with Federation since 2020, through the early works program, establishment of mining operations, providing contract labour and machinery and assisting with further earthworks on site in 2022.



Terra Firma Mining Limited provide specialist contract labour to the Snowy River Site. Terra Firma Mining have worked with Federation since 2021 when Lincoln Smith commenced as the General Manager for Snowy River. Terra Firma provide a range of specialist services including ventilation, electrical engineering and mine operations support.

Cultural Heritage

Federation has developed a policy framework which is designed to ensure the respect and protection of the cultural heritage associated within areas of operation.

We actively and regularly engage with Iwi groups Ngāti Waewae and Ngai Tahu, and value and respect that relationship and have been exploring options to work together on environmental projects.

Federation continues to support the Friends of Waiuta community group who work with the Department of Conservation (DoC) to promote and protect the historic Waiuta mining area. We are proud to be forming the next chapter in the rich mining history of the New Zealand West Coast.

During the Resource Consent amendment project, Federation engaged New Zealand based consultancy firm Origin to undertake an Archaeological and historic heritage review. Origin conducted a site visit to understand any potential impacts from the introduction of processing operations, it was reported that there was no effect noted on pre 1900 archaeological material and found no changes were required from our existing consents.



Blackwater Miners

Our Environment

Federation has a Sustainability policy which overviews commitment to the protection of the environment. We recognise that mining is a temporary land use and is committed to high standards of environmental stewardship for the full life cycle of our operation.

As an organization we intend to operate beyond legal compliance to deliver against the obligations of our social license and help to shape industry leading environmental practices.

Federation seeks to minimise our impact on the environment through the use of low emission machines, prioritising the use of renewable energy, recycling, and reusing water, progressive rehabilitation of our operations and returning land to a natural state at the conclusion of mining operations.

We have committed to undertake performance monitoring in addition to regulatory environmental monitoring to allow us to maximise our ability to protect the environment

The operations are subjected to regular review, inspection and audit by both internal and independent third-party auditors. West Coast Regional Council and Buller District Council have both inspected our operations in the last 12 months and not issued any fines or non-compliance notices.

Federation is working towards the alignment of our external reporting with the TCFD frameworks.

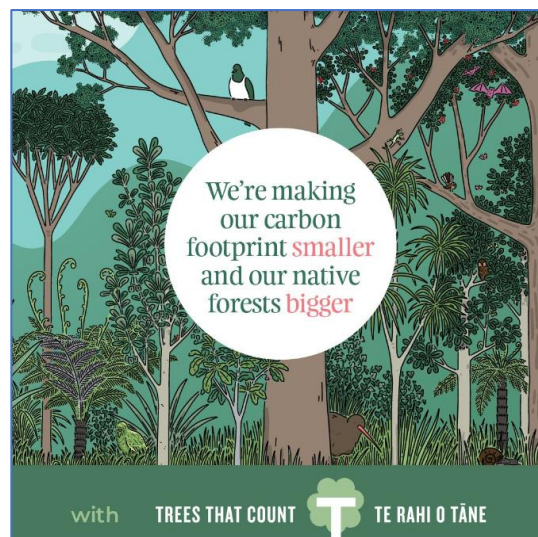
At our Snowy River site we have planted over 750 native plants as part of progressive rehabilitation program and will assist with erosion control and screening.

Federation has also partnered with Trees That Count to plant 500 native trees (offsite) on the West Coast which will assist in removing 114 tonnes of CO₂.

These Trees have been planted at two locations on the West Coast:

- Aturau Sanctuary – home of a Kiwi breeding program near Greymouth, more than 49 roroa chicks have been bred since the facility opened
- Clean Streams Karamea – part of a riverbank rehabilitation program near Westport

We are currently working with Buller District Council and Trees That Count to source additional locations on the West Coast for additional native tree planting.



Climate Change

Federation has developed a position on Climate change which has been shared with stakeholders

- We acknowledge that climate related risk has the potential to impact our business and communities we operate within.
- We will work towards identifying and managing climate change impacts, both in terms of physical and transition risks present in our operations.
- We commit to report emissions and energy consumption performance and disclose material climate related risks to our stakeholders. Federation reported Scope 1 and 2 emissions in the 2021 Sustainability report.
- Federation is currently undertaking an options study on an emissions offsets program to support our emissions reduction strategy to meet our commitment to Net Zero emissions by 2050.
- The project is expected to have a low emissions intensity given our underground mining method, mobile fleet configuration and use of hydro power. The Company expects the emissions per ounce of gold produced will sit in the lowest industry quartile.



Students from Reefton Area School assisting with planting of trees on site

Emissions Profile

Understanding our impacts on the environment forms an important component of our Sustainability agenda at Federation Mining. Our Snowy River Mine operation uses grid power provided by New Zealand energy company Meridian which is generated through hydroelectric method on the South Island.

The primary front line Epiroc M2D Jumbo and ST18 Loader have low emission Tier 4 engines as do the Volvo Interchangeable tool carrier units.

Federation once again engaged the services of Environmental Accounting Firm Green Base to undertake an independent assessment of the emissions profile for the Snowy River Mine for the financial year.

The emissions profile considered both direct (Scope 1) and indirect (Scope 2) emissions from the Snowy River site, this review did not assess Scope 3 emissions.

The direct emission volume relates to the use of diesel, grease, oils and LPGs while the indirect emissions relate to use of electricity (hydro).

	FY21	FY22
Scope 1	418 TCO ₂ e	1,107 TCO ₂ e
Scope 2	16 TCO ₂ e	72 TCO ₂ e
Total Emissions	436 TCO ₂ e	1,179 TCO ₂ e
Energy consumed	2723 GJ	11,538 GJ
Average emission per metre advanced	0.45 TCO ₂ e	0.32 TCO ₂ e

Notes –

- TCO₂e = Tonnes of Carbon Dioxide emitted
- GJ – Gigajoule
- FY21 – The decline development operations commenced in December 2020
- FY22 – Full year of decline development

Federation is continuing to assess various options on emissions offsets arrangements to support our emissions reduction strategy to meet our commitment to Net Zero emissions by 2050. The project is expected to have a low emissions intensity given our underground mining method, mobile fleet configuration and use of hydro power. The Company expects the emissions per ounce of gold produced will sit in the lowest industry quartile based on the fleet configuration and use of hydro electrical power generation.

Water

Federation respects and appreciates the importance of the protection of waterways and aquatic life in New Zealand. We acknowledge that water plays an important role in the environment and has cultural and economic significance to many stakeholders. During the Resource consent management process we engaged a number of New Zealand based specialists to provide advice on water management, water treatment and protection of the water ways.

During the last 12 months there has been 2384 mm of rain recorded on our site rain gauge. We experienced some significant weather events during the year with one in February requiring us to work closely with West Coast Regional Council to repair the Snowy River bank following a high flow event in the water way causing erosion.

Federation have implemented a robust environmental monitoring program which we report on to the West Coast Regional Council.

Land

The Snowy River Mine operates on a small surface land footprint with a total of 20 hectares disturbed for the surface infrastructure. The land is privately owned, and the use of the land is authorised under a third-party access agreement and our existing Resource Consent conditions. There is an environmental bond in place with West Coast Regional Council and Buller District Council which was last reviewed in February 2022.

Federation has submitted our annual work and restoration plan to both Councils with which outlines our operational plans and rehabilitation arrangements for the Snowy River site.

We have developed a life of operational closure plan with Auckland based firm Lane Associates and worked in consultation with the local land holder to cost and plan the rehabilitation of the small surface footprint at the conclusion of mining and processing operations (subject to Resource Consent)

Air

Federation undertakes regular dust, noise and vibration monitoring to ensure the operations are in line with Resource Consent conditions and minimise impacts on our neighbours.

During the Resource Consent amendment process, we worked closely with New Zealand based consultant PDP to prepare a detailed report on emissions and their management for the production phase of the mine operation.

Environmental Monitoring overview

The following is an overview of our environmental monitoring program frequency

- Water Monitoring is conducted weekly with additional testing monthly & quarterly
- Dust Monitoring is conducted monthly
- Aquatic Biology in the Snowy River is conducted quarterly
- Fish Survey of the Snowy River and Little Grey River is conducted annually during summer
- Subsidence Monitoring (underground) is undertaken quarterly and annually
- Blasting Noise and Vibration is continuously monitored on a neighbouring property
- Operational Noise and Vibration is monitored on a neighbouring property regularly.

Water drawn from
Snowy River

1714m³

Total Rainfall
recorded on site

2384mm

Water Samples
taken from Snowy
River

208 samples

Water Samples
taken from Little
Grey River

104 samples

Our Future

Federation Mining has been preparing a Resource Consent Application over the past 12 months to build and operate a processing plant onsite at Snowy River.

We understand the importance of being a responsible sustainable mining company in New Zealand and we have been actively engaging with the community and our stakeholders on our plans for the future of the Snowy River Mine over the past year.

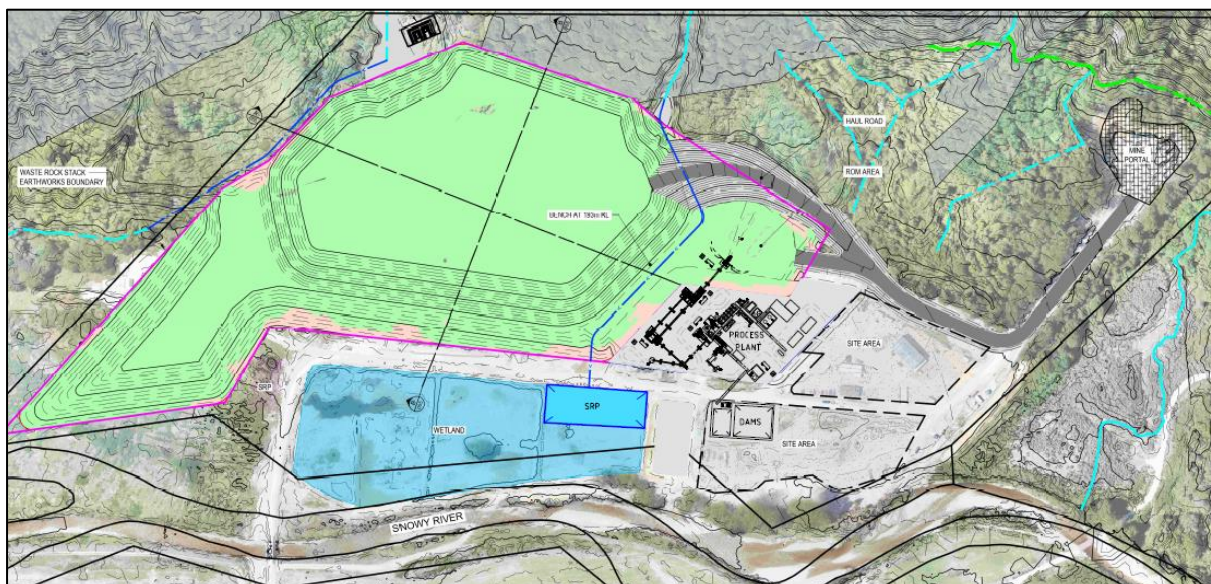
Federation engaged New Zealand based environmental and technical specialists to assist in preparing our Resource Consent Application to minimise our impacts on the environment while ensuring we maximise the economic opportunity for the West Coast.

Technical reports were prepared on Waste Rock Stack design, landscape, geo chemistry, water management, noise and vibration, dust and emissions, traffic, heritage, aquatic ecology effects, terrestrial ecology

The Snowy River workforce is expected to grow from 47 to over 140 personnel during production which will also bring greater opportunities for partnerships with local New Zealand businesses.

The application has now been submitted to West Coast Regional Council and Buller District Council following extensive consultation with the Community, Iwi, Neighbours, Government Agencies and other interested parties.

During 2023 the priority will be the completion of an extensive diamond drilling program of the lower levels of the Birthday Reef ore body, the safe dewatering of the historic Blackwater mine and preparation of a technical report on the ore body ahead of the decision to mine in late 2023. It is our intention to continue declining operations towards the ore body once we have dewatered in preparation for our first production operating levels.



Contact Us

If you would like to learn more about Federation, have a question or feedback

General Information

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Global Reporting Index (GRI)

- Federation Mining has referenced GRI Disclosures (GRI 2: General Disclosures 2021) in the index of this Sustainability Report to assist our stakeholders in reviewing our Sustainability programs.

Organisational Details

Permits

- Mining Permit – 60473 – Expiry 19th of December 2038
- Resource Consent – RC04017 – Expiry 7th of July 2034

Federation Mining Limited

- ABN 57 641 718 989 / ACN 641 718 989
- Federation is a privately owned company with a small Head office in Sydney, Australia and is the operator of the Snowy River Mine located near Ikamatua in New Zealand.
- AustralianSuper and Crown Holdings New Zealand have financial interests in Federation Mining.
- The period of reporting for this Sustainability Report is 1st of July 2021 until the 30th of June 2022. The report covers the activities of both entities Federation Mining and Tasman Mining.

Tasman Mining

- NZCN 6776118
- Tasman Mining is a registered NZ Limited Company which is wholly owned by Federation Mining.
- Tasman Mining has a registered company address in Dunedin and one New Zealand based Director Mr Mark Cadzow.

Contact point

- The contact point for this report is Simon Delander info@federationmining.com.au