



FEDERATION MINING

SUSTAINABILITY REPORT

2023



**FEDERATION
MINING**

FY23 Sustainability Snapshot

Safety

60%

Reduction in Injury Rate
(compared to FY22)



4%

More hours invested in training

People

30%

Increase in the overall
workforce



70%

Direct employees reside locally to site

Environment



11,000

Trees planted as part of the
progressive rehabilitation
program

Scope 3

Scope 3 emissions assessed during 2023

Community

4

Public Community meet-
ings hosted in Reefton

5

Employees volunteer for
local emergency services



Economic

\$30,000

Contributed to the local
community in sponsorships
and donations



\$15 million

Spent on the West Coast in FY22/23

Governance

13

Polices reviewed & endorsed
by our Board of Directors



2

Modern Slavery assurance checks completed
with zero non compliance

Environmental, Social & Governance Performance

Awarded the ESG award at the New Zealand Minerals Sector Awards in 2022



Amounts quoted are in New Zealand dollars unless specified otherwise

Economic figures quoted include supplier payments, taxes, community investment, payments to financial institutions, royalties

A MESSAGE FROM OUR MANAGING DIRECTOR

Mark Le Messurier

In the period July 2022 to June 2023 FED achieved a number of significant milestones.

In June 2022 FED submitted an application to the District and Regional Councils for a Resource Consent to construct and operate a gold processing plant and waste rock stack. This Consent completes our permitting requirements and therefore the project is now fully permitted with a Mining Permit granted in 2018.

FED continued to engage our major stakeholders including debt providers NZ Govt. Crown Holdings, the tenement owners OceanaGold, the landowner, neighbours, and the wider community. Representatives from all groups visited the project during the year. Regular meetings were held with all groups including four community meetings.

There was significant work completed on water treatment to treat water pumped from the mine including the water drained from the historic Blackwater mine. A drain hole was drilled into the old mine at the 14 level to allow water to be drained, pumped out then treated on the surface.

Over 3,000 metres of the twin decline development were safely completed thus reaching another significant milestone with the decline reaching a position 100 metres from the lowest level of Blackwater, the 16 level. A diamond drill contractor was mobilised to site in April to complete 10,000 metres of drilling into the Birthday Reef below the old mine to prove the mineral resource. As well process plant engineering has begun.

FED is proud to have achieved so much since work began with the signing of an agreement with current owners OceanaGold five years ago. The commitment to environmental protection, operating safely, and delivering on our strategy for our stakeholders and investors has combined to put the company in a good position to meet our ultimate gold of building a long life and successful gold mine.

During the past year FED held four Board meetings and in addition subcommittees met as scheduled. AustralianSuper are our valued partners and are represented on the Board.

Ernst & Young completed audits on FED and the NZ subsidiary. New Zealand Petroleum and Minerals completed their annual review of the Mining Permit, and the District and Regional Councils were provided with statutory reporting as required under existing Consents.

ABOUT FEDERATION MINING

Federation Mining is Australian private company founded by Mark Le Messurier and Jim Askew with the purpose of building a new gold company.

Federation’s current asset, Snowy River Gold Mine is located on the West Coast, South Island, 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.

This fully permitted project is expected to produce 65-70koz gold per annum when in production. The site has a predicted mine life of 10 years and once in production will employ approx. 140 employees.

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.

Strategic Scope—Snowy River Mine
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)

OUR VISION

- To build a new gold company operating responsibly for the benefit of our employees, investors and the community in which we operate
- The protection and development of our people, the community and the environment are integral to our future
- For continued growth to enable us to acquire and develop other mines

OUR VALUES

- Our values guide how we work with each other, our community and our external stakeholders.
- Our values are backed by a set of guiding principles and form who we are as a team and company.



SUCCESS



STANDARDS



TEAMWORK



INTEGRITY



OUR OPERATION

SNOWY RIVER GOLD MINE

Ikamatua, West Coast, New Zealand



Located on the West Coast of New Zealand, Snowy River Mine has developed over 8000m since beginning operations in 2020. The mine site is located on private land with the twin decline design mined under Department of Conservation (DoC) land to reach the site of the historic Blackwater Mine which was closed in 1951 after the mine shaft collapsed.

Surface works commenced on the site in September 2020 before the first development was made on the portals in December 2020.

To date, over 8000 metres have been developed without recordable injury. This includes metres developed in the Main and North Declines, cross cuts between the two declines, and additional development for stock piles, electrical or refuge chamber storage and drilling platforms.

Federation submitted a Resource Consent amendment application to the local councils in 2022 for the purposes of building a processing plant and related infrastructure on site at Snowy River in 2024. The application was complied after extensive consultation during over 175 meetings with key stakeholders including Iwi, local residents, community members and industry experts. Following this, the application was granted in January 2023 and Federation will commence the plant construction in 2024.

The Snowy River site maintained a focus on prevention of injury and on enhancing our Health, Safety, Environmental and Community programs throughout 2023. Our Safety Steering Committee met regularly with a focus on ensuring the safety of our site and most importantly our people.

Federation maintains an environmental bond to West Coast Regional Council and Buller District Council.

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.

The Snowy River site employees 56 employees accompanied by 20 specialist contractors, including those from our drilling team.



Snowy River Fast Facts

Surface Footprint: 30ha

Workforce Size: 76 (NZ), 5 (AU)

Expected gold production: 70kozpa LOM

Local economic spend: \$20million per annum

Annual rainfall: 1.2metres per annum equating to approx. 153 rain days per year

OUR APPROACH TO 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 of building stable partnerships within the community.

Health Safety & Training

We are committed to high standards of health and safety with the protection of our people critical to our success as a modern sustainable mining company.

We have implemented strong safety and health management systems and controls to assist in the management of Mining Principle Hazards. These arrangements are subjected to regular review, inspection, and audit internally and by independent third-party auditors. The regulator NZ WorkSafe undertake regular inspections of site.

We will strive to improve our safety and health performance and share our progress with our people and our stakeholders. We have a strong focus on development of our people to allow our workforce to work as multi-disciplined team and grow professionally during their time with Federation Mining.

Environmental

We recognise that mining is a temporary land use and are committed to high standards of environmental stewardship for the

full life cycle of our operation. We intend to operate beyond legal compliance to deliver against the obligations of our social license and help to shape industry leading environmental practices.

We seek 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 operation and



returning land to a natural state at the conclusion of mining operations. Our operations will be subjected to regular review, inspection and audit by independent third-party auditors.

Community

We value our social license to operate and understand the importance of working closely with our stakeholders and the communities which we operate within. We seek to engage and foster positive, constructive relationships with our stakeholders through regular engagement and sharing of information. We will seek to partner with local business and prioritise the hiring of local people to support the regional economies in which we operate.

Climate Change Position

We acknowledge that climate related risk has the potential to impact our business and communities we operate within.

We will work to continue to identify and actively manage climate change impacts, both in terms of physical and transition risks present in our operations. Changes in weather patterns, rainfall volume and frequency of significant weather events have the potential to interrupt business, create operational challenges and have impact on the communities we operate and live in.

Federation has incorporated climate related risk into the company risk register and has plans in place to respond to change. We commit to reporting emissions and energy consumption and disclose material climate related risks to our stakeholders. We expect to be a low emission operation and will align reporting to GRI.



Our Sustainable Future



Demonstrate good corporate governance and comply with local laws and regulations



Implement effective management systems and risk assurance processes



Implement and maintain sound risk management processes



Demonstrate high standards of environmental and resource stewardship



Actively manage our supply chains and ethically procure all goods and services



Operate at the highest standards of financial and ethical behaviour



Engage and foster positive, constructive relationships with our stakeholders



Foster a safe, diverse and inclusive workplace



Identify and actively manage climate change impacts, both in terms of physical and transition risks present in our operations



Foster positive partnerships with our local and regional communities and suppliers



Protect cultural heritage and actively engage with indigenous & traditional owner groups



Respect the human rights of all our stakeholders

CORPORATE GOVERNANCE

Corporate Governance is central to building a modern sustainable gold mining company. The Board of Directors at Federation Mining is responsible for business, with day to day control delegated to the Managing Director and the Executive Team—based in Sydney.

Federation maintains a Risk and Sustainability Committee which meets bi annually and is chaired by a member of the Board and attended by members of the Executive Team. This committee focuses on ensuring the highest level of sustainability focus is met and remains aligned with our company policies.

Federation maintains a group of internal polices that have been developed in consultation with the team and endorsed by our Board of Directors on an annual basis. The delegation for responsibility for implementation and oversight in outlined in each policy.

Code of Conduct

The Federation [Code of Conduct](#) outlines our expectations for all employees (including the Board of Directors) and contractors for interacting with each other and external stakeholders. The Code of Conduct incorporates Federations values and guiding principles and underpins the way we operate.

There were no breaches of our Code of Conduct reported in the past year.

Whistle Blower

Federation has a [Whistle Blower](#) policy which enables us a company to maintain the highest standards of ethics, honesty and integrity. Our policy outlines how we as a company will create and maintain a positive

and collaborative work environment that is free of unethical, improper or undesirable conduct or practices.

There were no reports recorded in the past year.

We are committed to creating and maintaining a positive and collaborative work environment, free of unethical, unlawful, improper, or undesirable conduct or practices.

We maintain a Whistle-blower hotline which has been rolled out to our team and available on our website. The Board has oversight for any matter referred to the hotline which is managed by an independent third party.

Anti Bribery & Corruption

Federation is committed to complying with the laws and regulations of the countries in which we operate in. This [policy](#) has been



developed to ensure that we maintain our zero tolerance approach to bribery, corruption and other unethical, dishonest or improper conduct as outlined in the policy.

There has been no report recorded in the past year.

Modern Slavery

We acknowledge human rights as a fundamental principle to which every human being is inherently entitled regardless of their personal, social, economic, cultural, or geographic circumstances.

We recognise our role in protecting the human rights of all people involved in, or impacted by our business practices and preventing the worst forms of human rights breaches, including instances of modern

slavery through the development of a [Modern Slavery](#) Statement and Supplier Code of Conduct.

Sustainability Policy

The objective of our [Sustainability Policy](#) is to deliver value to our stakeholders over the long term through safe, environmentally responsible and socially respectful operations. Our approach to sustainability is embedded in our decision making at all levels of the company.

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.



OUR PEOPLE

Our people are integral to every part of our business . Federation’s commitment to the health and safety of our employees and contract partners continues to be of the highest standards, with the health and safety of our people being critical to the our success as a modern sustainable mining company.

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

Local Employment

The Snowy River Mine plays an important role in providing local employment opportunities for our community members. Snowy River Mine is one of the largest employers on the West Coast, directly employing 56 employees, supported by a further 20 specialist contractors. Of those direct employees, 34 reside on the West Coast, making that 60% of our team, local to the mine site.



Of our team, 1 employee identify as of the Māori origins.

Improving Employee Benefits & Remuneration

Federation maintains employee benefits such as Private Health Insurance, Employee Assistance Program, as well as this year, we have extended the employee benefits to include a mini bus which runs between site and Greymouth on the West Coast.

We provide regular reviews of remuneration and benefits packages offered to our people, ensuring these are aligned and competitive. We maintain an annual salary review process for all employees in alignment with our [Remuneration Policy](#).

Workforce Safety

The safety and wellbeing of our employees, contract partners and communities are held as our top priority. Safety is everyone's responsibility and is reflected through our vision and values.

Our objective as an employer is to maintain a zero harm workplace by implementing

policies and controls throughout the workplace to ensure that our team are safely returned home at the end of each shift.

Our [Risk Management](#) policy sets our approach to ensuring we identify and assess risks within our business. This policy along with our Safety, Health and Wellbeing Policy is our commitment to our employees to provide them with a safe and healthy workplace, safe work methods and the provision of safe and suitable equipment.

Emergency Preparedness

Our proactive approach to emergency preparedness is integral in ensuring that in the event of an emergency, we would have appropriate plans, processes and resources on hand to mitigate risks to anyone on our site.

Several members of our team are members of the NZ Mines Rescue Service. Throughout the year, as well as our regular safety training exercises, Mines Rescue NZ were onsite to provide specialist training to our crews, both underground and on the surface.

As we have progressed the declines, continual updates and upgrades have been made underground with rescue chambers being relocated. We continue to work closely with our local government emergency management teams, including the local police, and volunteer fire brigade and St John Ambulance Service.

Safety Performance

Our safety performance remained on target for the year with a reduction year on year of injuries and no more than 2 recordable injuries in any one year. This year, our Lost Time Injury Frequency Rate (LTIFR) remained at zero for the FY23. Our Total Recordable Injury Frequency Rate (TRIFR) also showed improvement, lowering to 0.

Key drivers in the reduction of injuries this year has been:

- Continued actions and support from the Safety Steering Committee.
- Employee involvement in teams based risk assessments
- Ongoing employee training
- Review of key controls in consultation with safety representatives

Employee Training

Our approach to safety, is embedded in our decision making at all levels of the organisation and encourage our employees to have safety at the forefront of their minds in every decision they make regardless of their role within the company. Continual safety training is completed on an ongoing basis for all surface and underground employees.

Several members of the Snowy River Team volunteer for the St John Ambulance Service, civil defense and Fire Brigade.



Employee Safety & Wellbeing

This year, we introduced an additional policy that was endorsed by our Board. The Safety, Health & Wellbeing Policy is our commitment to our employees that we will not only ensure we have effective safety measures, but also that our corporate governance guidelines comply with local laws and regulations.

Our Employee Assistance Program (EAP) is a free of charge service to all employees and their families. Confidential counselling services are available over the phone via a telehealth appointment. In FY23, this service was accessed by a number of our employees and their families.



Continued impact of Covid-19

The impact of Covid-19 affected our site over the past few years with the disruptions to travel for our Sydney based management team as well as potential employees who were New Zealand nationals stuck in roles in other countries.

Shipping delays continue to be experienced for some products with backlogs of production being labelled as the cause.

Covid safe plans remain in place at both Snowy River and our head office in the event they may be needed again.

Safety Steering Committee

Key drivers behind the success of our safety programs and improvements onsite is the Safety Steering Committee. This committee is made up of mix of underground & surface workers, as well as some of the management team and meets on a quarterly basis.

The safety steering committee representatives have been elected by their peers and there is representation across multiple work groups. The safety representatives also are involved in risk assessments, review of key safety management plans and WorkSafe inspector visits.

Diversity & Inclusion

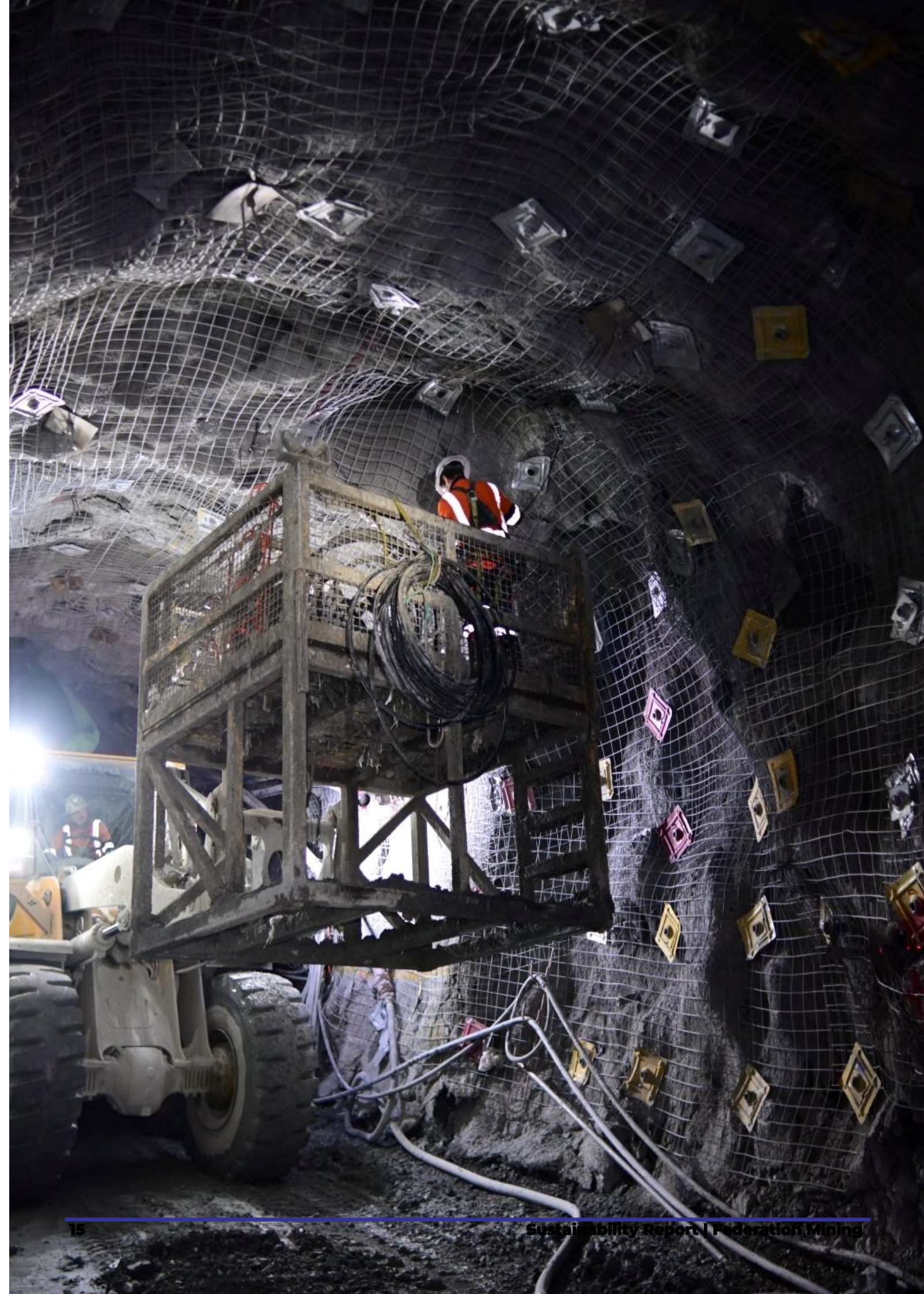
Traditionally, the mining industry is predominately male dominated, with 12.5% of our employee base identifying as female. The Federation Mining Board of Directors is made up of 40% females.

Federation aims to increase the opportunities for female participation in our mining based crews as well as our management teams.

All employees, regardless of gender are considered in the same pay band for identical roles performed. All employees are remunerated according to the role, experience and accountabilities of the position.

Modern Slavery

Our [Modern Slavery Statement](#) outlines our commitment to ensuring the right for all to be free from slavery and forced labour.



SUPPORTING OUR COMMUNITY

Federation recognizes the importance of our community in which we operate and understand the importance of working closely with all stakeholders. As a company, we continue to contribute to our local economies by creating job opportunities, and developing infrastructure that will generate long term value to our stakeholders. Federation seeks to engage and foster positive, constructive relationships with our community through regular engagement and sharing of information.

Through our regular community meetings, monthly business updates and updates in the local newsletter service, we have been able to keep our communities up to date with the site progress and our plans for the future. Federation also maintains a comprehensive website, LinkedIn page and a community information phone line and email address. This year we had over 250 community engagements/meetings on a variety of topics relating to Snowy River Mine and its future.

| | | |
|------------------------------------|--------------------------------------|-----------------------|
| Buller Senior Rugby | Duffy Books | Buller Primary School |
| Victorian Mines Rescue Competition | International Mine Water Association | Trees That Count |
| Reefton Visitor Centre | Strand Revitalisation Project | Reefton Gold Club |
| Reefton Netball Club | West Coast League | Friends of Waiuta |
| Fire & Emergency Reefton | Buller Rugby | Reefton Rugby |



Local Employment

60% of our total work force at Snowy River reside in either the local Ikamatua/Reefton area or the wider West Coast. The Snowy River project plays an important role in the local community, being one of the largest employers on the West Coast.

Federation’s commitment to the local community extends to our suppliers. We will prioritise where possible the use of local suppliers in our procurement decisions. In FY23, we made contributions of \$15m to the local community through spend with our suppliers. Federation works with over 300 NZ suppliers and service providers.

Investing in our Communities

Through partnerships with local community groups, we are able to give back to the community through donations and sponsorships. In FY23, Federation contributed \$30,000 to the below community groups.



Stakeholder Engagement

The West Coast region lies on the South Island of New Zealand and is home to around 30,000 people. Within the West Coast region, there are three District Councils, Buller, Grey & Westland. The Snowy River Mine is located in the Buller District. Federation has undertaken extensive stakeholder mapping and have identified over 1200 stakeholders that may have an interest, involvement or impact in varying degrees from our activities.

During the year, Federation have hosted 4 formal public community meetings in Reefton. Our team have had over 250 stakeholder engagements during the year.

Complimentary to this, Federation also publishes a monthly stakeholder business update which is distributed to those on the registered stakeholder list. This is also published in the local Reefton newspaper.

Federation has a LinkedIn page and website where up to date information is shared.

Our Executive team are regularly meeting with Councils Executive team, Iwi and other local community groups. We have a stakeholder liaison group (pictured above) who meet twice a year to review environmental monitoring and site progress.

Cultural Heritage

Federation is committed to the principle of the right of indigenous people to give or withhold their consent for any action that would affect their lands, territories or rights (FPIC).

Through regular engagement with the Iwi groups Ngāti Waewae and Ngai Tahu, we have established a working partnership that allows us to work together on environmental projects.

Federation continues to support local community group, Friends of Waiuta who work with Department of Conservation to promote and protect the historic Waitua mining village.

OUR ENVIRONMENT

We recognise that mining is a temporary land use and are committed to high standards of environmental stewardship for the full life cycle of our operation. 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 seek 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.

Our Snowy River operation has a small surface footprint with a detailed closure plan developed in consultation with the land holder, regulator and key stakeholders. The closure plan will allow for progressive rehabilitation of the waste rock stack minimising the volume of work required to transition to closure at the conclusion of processing. We have an environmental assurance bond in place with the West Coast Regional Council which is reviewed annually by a third-party consultant and adjusted as required.

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

Over the last 12 months Federation has planted around 11,000 plants onsite at Snowy River which form part of the passive treatment ponds, progressive rehabilitation



and screening along the Snowy River banks. The first lift of the waste rock stack has been formed up and planted out. This is the first component of our progressive rehabilitation.

The Snowy River team manages waste streams with a program in place to recycle cardboard and metals, we also undertake weed management and install pest control devices in and around the surface infrastructure.

Respecting our Land

Snowy River Mine site is located on private land with the twin decline design being mined under Department of Conservation Land. Snowy River maintains a small surface footprint of 30 hectares of disturbed land. The use of the land is authorised under a third-party access agreement and our existing Resource Consent conditions.

Federation recognises the importance of the continued preservation and protection of the land on which we operate and acknowledge and understand that mining is a temporary use of the land.

Federation also maintains several exploration tenements in the adjacent areas to the Snowy River site.

We work closely with community group Friends of Waitua who maintain the history and culture of the historic mining town of Waitua which was abandoned when the Blackwater Mine closed in 1951.

Federation is in regular consultation with the local Iwi group to ensure that the conditions outlined in our consent conditions are maintained to the highest standards.

Progressive Rehabilitation

At the Snowy River site, over 11,000 plants have been planted in our passive treatment ponds and around the site as part of our progressive rehabilitation program. These plants will assist with erosion control and screening.

Managing Climate Risk

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 first reported Scope 1 and 2 emissions in the 2021 Sustainability Report.

Federation is currently developing an options study on an emissions offsets program to support our emissions reduction strategy to meet our commitment to Net Zero emissions.

The project is expected to have a low emissions intensity given our high grade, underground mining method, mobile fleet configuration and use of hydro power. Federation expects the emissions per ounce of gold produced will sit in the lowest industry quartile.

Environment & Our Community

Federation Mining partnered with community program, Trees That Count in 2021 and continue to support this program with the regular purchase of trees that are planted on the West Coast. To date, Federation has purchased 853 trees which over the lifetime of these trees will assist in offsetting 194 tonnes of CO2.



Environmental Incidents

An environmental incident is one that is defined as any incident that has the potential to cause, or likely to cause pollution, material environmental harm or serious environmental harm. In FY23, Snowy River Mine did not record any significant environmental incidents .

All incidents no matter the size are recorded in our internal database.

Reducing our impact on the Environment

Environmental management is a key priority at the Snowy River site. In all levels of decision making, our impact on the environment is at the forefront, all decisions must be made with assurance that there will be no negative impacts to the environment.

Some of the ways this year we have aimed to reduce our impact on the environment include:

- Reuse water where possible
- Manage waste streams
- Recycling of cardboard & metals
- Reuse operational consumables such as poly pipe & vent bags
- Introduction of a company bus to transport our crews to reduce the amount of cars on the road
- Planting of trees on site and off site around the West Coast
- Dust management strategies
- Continual environmental monitoring in addition to our statutory requirements.

Case Study—Dwarf Galaxiids

Our operation is located close by the Snowy River near Ikamatua on the West Coast of New Zealand. The Snowy River generally flows west with water flowing into the system from the Victoria Forest Park and various unnamed tributaries. The Snowy River joins with the Blackwater Creek prior to flowing in the Little Grey River approximately two kilometres from the township of Ikamatua.

Part of our consent obligations is to monitor river health including undertaking biological monitoring. There are several fish species in the river with the most abundant species being the brown trout along with long fin eels, upland bullies, torrent fish and Dwarf Galaxiids.

The Dwarf Galaxiids is small fish and considered a species of interest in New Zealand due to low volumes on the West Coast. The fish has recently been found in the Snowy River after not being detected for a number of decades prior according to publicly available data. The fish is generally non migratory and can live their entire life in the one stream or water way. The Galaxiids is a food source for larger fish found in the Snowy River. According to the Department of Conservation there are 12 species of non-migratory galaxiids in New Zealand with the Dwarf Galaxiids only found on the West Coast.

Protecting our local water system

We understand and appreciate that to Māori, water is not only essential to life but also has a spiritual significance. Water is seen as a living entity with its own Mauri, or life force, and is referred to as a Taonga, or treasure and Māori are descendants of the same ancestors as the waterways. Māori also believe that rivers are interconnected with the land and the people, and that they have the power to heal and purify.

Managing Water Risk

The importance to respect and protect water is an overriding priority for Federation. We have developed robust controls and management strategies to minimise our use of and impact on the Snowy River. Water is used for mine development, drilling, dust management & employee facilities. We draw water from the Snowy River under permit. Once utilised the water is treated via a series of water treatment ponds and processed prior to indirect release back into the Snowy River. The water treatment processes have been developed in consultation

with Iwi, the regulators, stakeholders and New Zealand based water scientists.

We undertake water sampling on and off site to monitor the water and provide all results to the regulator and our stake holder liaison committee members. Our water samples are assessed in NATA accredited labs in New Zealand. Federation has also installed a number of real time environmental monitoring devices which provide useful insights to river flow and water quality. Our monitoring program also includes monitoring of the ground water flows below our surface infrastructure.

To protect water onsite we have established drainage systems which draw water to collection points and then channel that water into our water treatment processes. The waste rock stack has a clay liner installed to assist in managing water flowing through broken waste rock.



Permits at Snowy River

Federation Mining is pleased to confirm that amendments to Regional & District Resource Consents were granted in January 2023 which allow for the construction and operation of a processing plant, associated infrastructure including a water treatment plant and an increased capacity waste rock stack allowing for co disposal of waste rock and processing waste at the Snowy River Mine.

These Resource Consent amendments were a significant milestone for Federation moving towards production in late 2024 and was the final step in fully permitting the Snowy River Mine project. The Snowy River Mine currently employs 76 people, and this is expected to increase to over 140 staff when the mine moves into production.

The onsite processing plant removes the need to transport the untreated ore offsite by truck, thereby reducing overall vehicles movements during the production phase and creates more local jobs on the West Coast. The completion of our water treatment ponds and process will ensure we continue to care for the environment and protect the Snowy River.

During the consenting process Federation agreed to undertake road safety upgrades on the intersection of Snowy River Road and State Highway 7. These works will be coordinated by the New Zealand Transport Authority (NZTA) in partnership with Buller District Council. The upgrades will make the intersection safer for vehicles accessing Snowy River Road and improve safety for drivers travelling along the State Highway.

The key elements of the Resource Consent amendments include:

- Construction and operation of a processing plant and associated infrastructure including a water treatment plant

- Increased capacity and usage of waste rock stack
- Establishment of a stakeholder liaison committee including Regional Council, District Council, Te Rūnanga o Ngāti Waewae, the local landowner and Department of Conservation (DoC)
- Detailed closure criteria and provisions built into the consent
- Post closure legacy environmental bond
- Additional environmental monitoring requirements
- Strong assurance provisions for the waste rock stack and environmental monitoring

The Resource Consent amendments work commenced in August 2021 and was completed and issued in 500 days, involved 179 stakeholder meetings and a integrated project team made up of internal and external resources. Federation would like to acknowledge the time and professional input from representatives of the West Coast Regional Council (WCRC), Buller District Council (BDC) and affected parties which included the local landowner, Department of Conservation (DOC), Te Rūnanga o Ngāti Waewae and New Zealand Transport Agency (NZTA) during the consenting process. We worked closely with a team of New Zealand technical and environmental specialists. We would like to further thank our small team and the following organisations for their hard work and input: Mitchell Daysh, Pattle Delamore Partners (PDP), Mine Waste Management, Tonkin + Taylor, Ryder Consulting, Stantec, Origin Consulting, Frank Boffa Landscape Architecture, & Lane Consulting.



Mine Closure & Rehabilitation Plan

Federation is a responsible modern mining company. We are planning for the full life cycle of Snowy River Mine operation with a detailed and costed mine closure plan already prepared in consultation with the landowner, regulators and key stakeholders.

While any closure plan must align with all regulatory requirements, we have engaged a third-party consultant to assist in preparing the progressive closure plan. We have sought to understand and incorporate the prospective of the local land holder and Te Rūnanga o Ngāti Waewae on the closure plan contents.

The plan is already in place before we have even moved in the production phase and is focused on returning the surface land foot print to a state suitable for agricultural purposes in alignment with the expectations of the local land holder.

Our closure arrangements include detailed costings and plans to:

- Remove surface buildings and infrastructure.
- Placement of a capping and topsoil on the waste rock stack.
- Planting strategy to protect the integrity of the capping of the waste rock stack.
- Placement and bonding of processing waste from the sulphide ore back underground.
- A phased decommissioning of the water treatment plant moving from active to passive treatment when water quality data perimeters are met for a sustained period of time.
- Water monitoring to occur for a sustained period post the conclusion of production.
- Inspection and servicing program to ensure clean water diversions remain effective and waste rock stack rehabilitation is progressing as planned.
- Installation of permanent water diversion channels and drainage solutions to ensure effective surface water management.
- Training and orientation with the land holder on the management of remaining passive water treatment arrangements post relinquishment.
- Provision of long-term post closure financial bond to assist with monitoring and inspection of site for landholder and Regional Council to monitor progress.
- A phased closure consultation provision to engage with the landholder, regulator and key stakeholders.



Emissions Profile

As part of our continued commitment to transitioning to net zero greenhouse gas emissions by 2050, our mobile equipment used in the development phase has been purchased with this goal in mind.

Our production fleet purchased to date also fits in the low emission category and future purchases aim to also be maintained in the low emission category.

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 the low emission hydroelectric method on the South Island.

The primary front line Epiroc M2D Jumbo and ST18 Loader have Tier 4 low emission engines and the Volvo Interchangeable tool carrier units have a Tier 3 engine.

Federation engaged the services of environmental accounting firm Greenbase 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. Also for this reporting year, we undertook an assessment of our 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).

Snowy River Mine Emission Profile

| | FY21 | FY22 | FY23 |
|-----------------------------|------------|-------------|-------------|
| Scope 1 | 418 tCO2e | 1,107 tCO2e | 1,649 tCO2e |
| Scope 2 | 16 tCO2e | 72 tCO2e | 89 tCO2e |
| Total Emissions | 436 TCO2e | 1,179 tCO2e | 1,737 tCO2e |
| Emission per metre advanced | 0.45 tCO2e | 0.32 tCO2e | 0.56 tCO2e |
| Decline metres developed | 2500 m | 3720 m | 3070 m |

Notes –
tCO2e = Tonnes of Carbon Dioxide emitted
FY21 – The decline development operations commenced in December 2020
FY22 – Full year of decline development
FY23 – 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 increase in Scope 1 is primarily driven by additional fuel usage as truck and machine haul distances have increased due to the length of the twin declines. This additional length of declines also resulted in an increase in our electricity use which was driven by the need to increase airflow in ventilation circuits.

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.

Scope 3 Emissions

Scope 3 reporting is a voluntary reporting framework that aims to identify, categorise and quantify the indirect greenhouse gas emissions that occur in a companies value chain. Federation and Greenbase use standards from the Greenhouse Gas Protocol as an accounting platform to calculate Scope 3 emissions.

This year our Scope 3 emission review took into consideration the following categories:

- Purchase goods and services
- Capital goods
- Fuel and energy related activities
- Upstream transport and distribution
- Business travel
- Employee commuting

Due to the current development phase of the project with no production element or sold products, some additional Scope 3 categories were not assessed this year.

| FY 2023 Scope 3 Emissions | FY 2023 Scope 3 (t CO ₂ -e) |
|---|---|
| | |
| 1. Purchased Goods and Services | 9,759 |
| 2. Capital Goods | 94 |
| 3. Fuel and Energy Related Activities | 451 |
| 4. Upstream Transportation and Distribution | 113 |
| 4. Waste Generated in Operations | 125 |
| 5. Business Travel | 24.4 |
| 6. Employee Commuting | 9.08 |
| | |
| Total: | 10,576 |

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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. AustralianSuper and Crown Holdings New Zealand have financial interests in Federation Mining. Federation is a member of Straterra Limited which is the New Zealand peak mining industry association. The period of reporting for this Sustainability Report is 1st of July 2022 until the 30th of June 2023. The report covers the activities of both entities Federation Mining (AU) and Tasman Mining (NZ).

Board of Directors

- Jim Askew — Non Executive Chairperson
- Mark Le Messurier — Managing Director
- Bob Vassie — Non Executive Independent Director
- Romina Gaudion — AustralianSuper appointed Non Executive Director
- Sally Langer — AustralianSuper appointed Non Executive Director

Management Team

- Mark Le Messurier — Managing Director
- Simon Delander — Vice President
- Ben McCormick — Chief Financial Officer
- Mick Veale — General Manager Snowy River

Tasman Mining Limited

NZCN 6776118 | Tasman Mining is a registered NZ Limited Company which is wholly owned by Federation Mining.

Board of Directors

- Mark Le Messurier — Managing Director
- Mark Cadzow — Director

Contact Point

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

CONTACT US

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

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