

MODERN SLAVERY STATEMENT

PERILYA LIMITED

ACN 009 193 695

PERILYA BROKEN HILL LIMITED

ACN 099 761 289

FOR THE YEAR ENDED
31 DECEMBER 2021

Section 1:

Reporting Entities – Joint Statement:

Perilya Limited (ACN 009 193 695) and Perilya Broken Hill Limited (ACN 099 761 289) are both Australian public companies and each a reporting entity under the *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**).

Perilya Broken Hill Limited is a wholly-owned subsidiary of Perilya Limited and is the entity which owns and operates the mining operations based in Broken Hill in New South Wales.

This document is a single joint modern slavery statement (**Statement**) made by Perilya Limited and Perilya Broken Hill Limited for the year ended 31 December 2021. The Statement applies to all the subsidiaries and operated joint ventures of Perilya Limited (collectively referred to in this report as “**Perilya**” or the “**Perilya Group**”). This statement does not cover non-controlled or non-operated joint ventures.

Perilya Limited is an unlisted base and precious metals mining, exploration and development company with its principal mining operations situated at Broken Hill and at Cerro de Maimón in the Dominican Republic.

Perilya Limited has its head office based in Perth, Western Australia and Perilya Broken Hill Limited is based in Broken Hill. The registered office for both entities is Level 8, 251 Adelaide Terrace, Perth, Western Australia.

Board Approval:

This Statement has been approved by the Board of Directors of Perilya Limited. Perilya Limited is the ‘higher entity’ as that term is used in section 14 of the Modern Slavery Act.



Paul Arndt

Managing Director and CEO



Eric Zeng

Executive Director and CFO

Date: 20 June 2022

Section 2:

Perilya's Structure:

As mentioned in Section 1, Perilya Limited is an Australian base and precious metals mining, exploration and development company. While it maintains a small corporate office in Perth, Western Australia, the primary assets of Perilya are its mining assets and its two principal mining operations being:

- the zinc, lead and silver mines at Broken Hill (New South Wales) (**BH Operations**); and
- the copper, gold and silver mine at Cerro de Maimón (Dominican Republic) (**DR Operations**).

Perilya's exploration and development interests include projects throughout Australia, the Dominican Republic and in the state of Sabah in Malaysia.

Perilya Limited has a 100% interest in each of the following companies:

Perilya Broken Hill Limited	Perilya Investments Pty Ltd
Mount Oxide Pty Ltd	TGW Corporation Inc. (incorporated in Canada)
Perilya Exploration Pty Ltd	Perilya Freehold Mining Pty Ltd
Perilya (Malaysia) Sdn Bhd (incorporated in Malaysia)	Corporación Minera Dominicana S.A. (incorporated in the Dominican Republic)
GlobeStar Mining Corporation (incorporated in Canada)	Sarmin Exploration Corporation (incorporated in Canada)

In addition to the above, Perilya has:

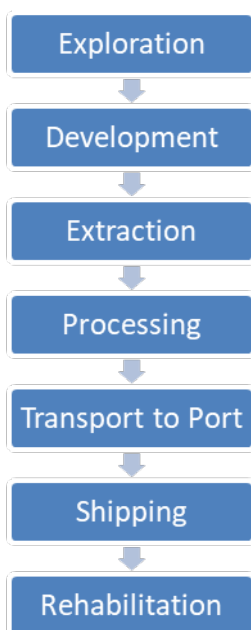
- a 51.3% interest in Defacto Investments 275 (Pty) Ltd (incorporated in South Africa), which holds the Rustenburg joint venture; and
- interests in the unincorporated joint ventures listed in Schedule 1.

Perilya also has a number of projects currently the subject of development studies including:

- a zinc silicate project in South Australia;
- a copper/cobalt project in Queensland; and
- a nickel laterite project in the Dominican Republic.

Given the structure of the Perilya Group, this Statement will focus on Perilya's principal mining operations being the BH Operations and the DR Operations referred to above.

Perilya's Operations:



Australia:

In Australia Perilya's key exploration and development projects are located in New South Wales, Queensland and South Australia. Perilya also holds exploration tenements in Western Australia's goldfields region and Malaysia via joint ventures (refer Schedule 1).

BH Operations:

The BH Operations produce two main products: a zinc concentrate and a lead concentrate. The BH Operations are principally comprised of three separate underground mining areas:

- Southern Operations;
- Potosi Operations; and
- North Mine.

Ore mined at the above areas is crushed underground and hoisted to the surface to be treated in the concentrator which is situated within the Southern Operations mine. Ore mined from Potosi and North Mine is trucked to Southern Operations for processing.

Following the treatment process, lead and zinc are transported by rail from the Southern Operations to Perilya's bulk loading facility at Port Pirie in South Australia for export.

Production from the BH Operations was approximately 109,681 tonnes of contained zinc and lead (combined) and 1,521,000 oz of contained silver for the year ended 31 December 2021.

The BH Operations employ approximately 420 employees directly and around 562 additional full time contractors. Almost all of the BH Operations employees and contractor employees are from the Broken Hill region.

Dominican Republic:

Perilya's project in the Dominican Republic includes the DR Operations, other tenements in the region at the exploration stage and a new underground mine extension currently under development. The Cerro de Maimón North ("CDMN") deposit on the Cerro de Maimón Exploitation Concession has been in production as an open pit since September 2008. Mining of the CDMN open pit was completed in 2020, with the open pit void to be utilised as a tailings facility. Mining of the CDMN underground mine beneath the open pit commenced in 2020 and initial production on the Cerro de Maimón South ("CDMS") is now underway along the uppermost norther deposit margins. The DR Operations underground will be extended from North to South.

DR Operations:

During 2021, the Cerro de Maimon mine produced 4,774 tonnes of copper, 4,896 tonnes of zinc, 4,210 oz of gold and 171,329 oz of silver.

The DR Operations employ approximately 811 employees directly and around 185 additional contractors. Almost all of the DR Operations' employees and contractor employees are from the Maimon area.

Underground:

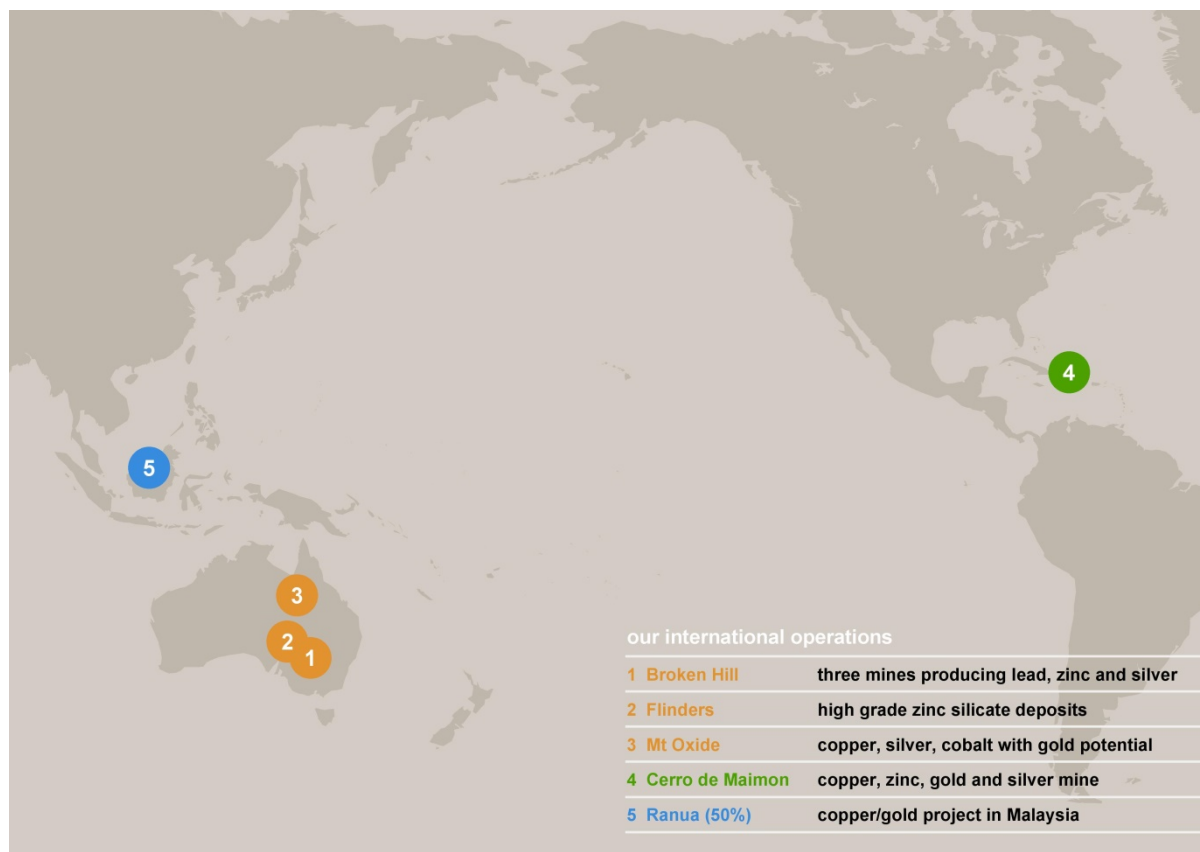
Underground production of the CDMN deposit continues and mining of CDMS commenced in 2021. On past studies the underground operation indicates a highly attractive operation and growth platform for the company with a mine life extending to at least 2037.

In 2021 infill and extensional drilling on CDMN was able to extend the potential lie of mine by 100m to the south east and continued to provide better definition and higher confidence on ore lenses. Further drilling success will continue to provide further resource growth.

The world class CDMS deposit now extends to over 2,500m in length and is still open to the south east.

Perilya’s Supply Chains:

Perilya has conducted a review of its largest spend areas at both its BH Operations and DR Operations.



Map 1: Perilya’s international operations

BH Operations:

The key groups of goods and services where more than AUD\$1M was spent at BH Operations in 2021 were:

- Materials (mobile equipment, parts, consumables, grinding balls, mesh, lubricants, tyres)
- Energy (electricity, fuel)
- Contract Services (cablebolting, shotcreting, drilling)
- Labour Hire
- Explosives
- Haulage (rail, truck)
- Water
- Construction Services (civil works)

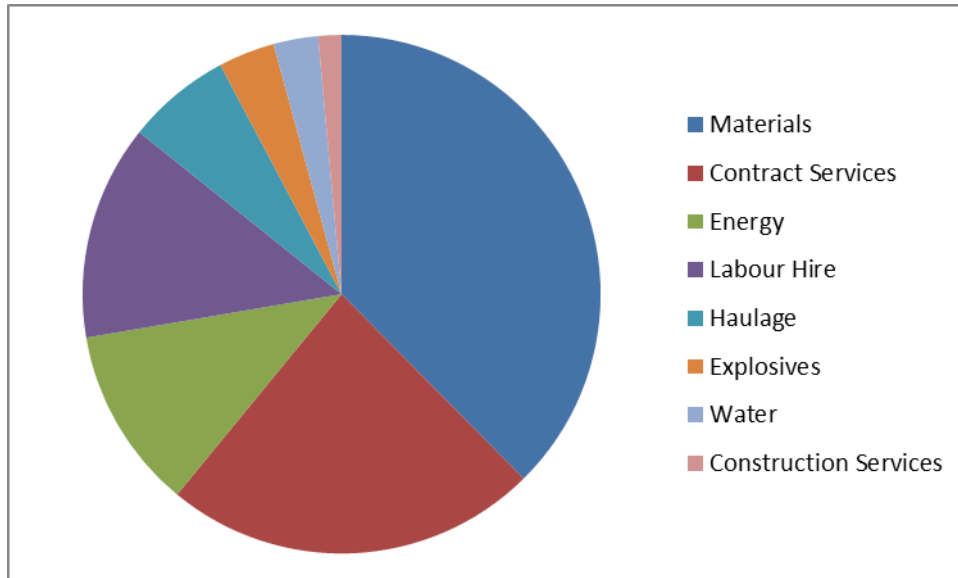


Figure 1: BH Operations high value spend areas

The number of suppliers of goods and services at BH Operations with whom we spent more than AUD\$1M in 2021 was approximately 45. This represents 76% of the total external spend by BH Operations in 2021.

Of those 45, 97.8% were entities incorporated in Australian and 2.2% were China-based suppliers.

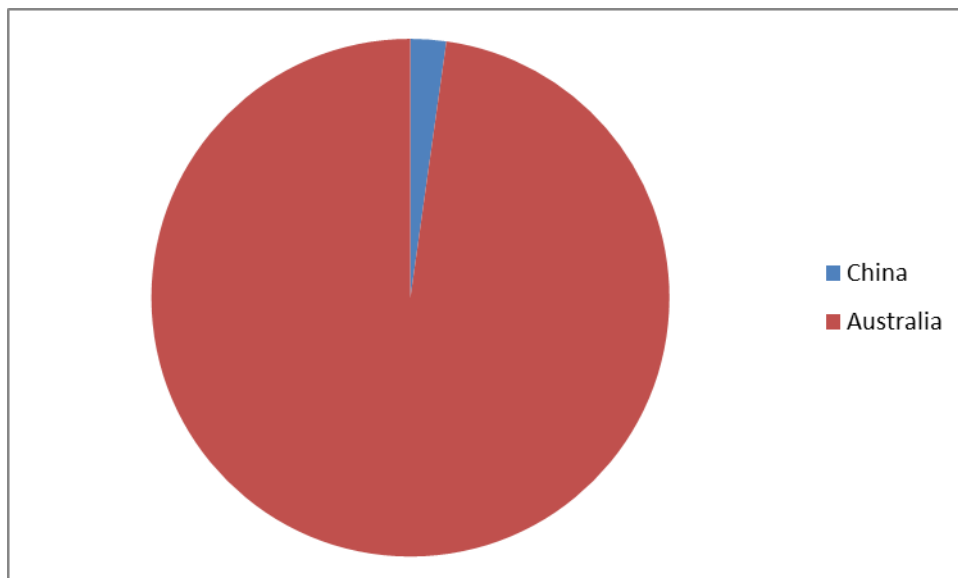


Figure 2: BH Operations high value suppliers' location

DR Operations:

The largest spend areas at the DR Operations on goods and services in 2021 were as follows:

- Materials (mobile equipment, parts, consumables)
- Energy (electricity, fuel)
- Explosives
- Contract Services

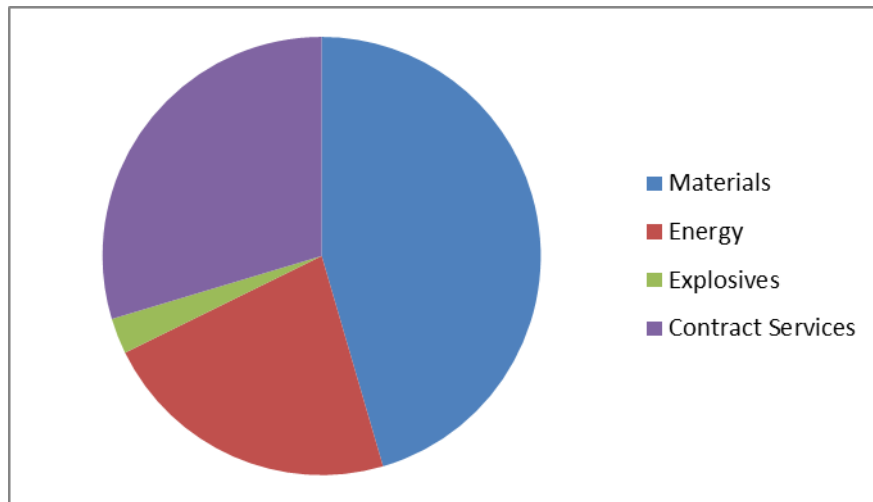


Figure 3: DR Operations high value spend areas

The number of suppliers of goods and services at DR Operations with whom we spent more than AUD\$1M in 2021 was approximately 10. This represents 38% of the total spend by DR Operations on goods and services in 2021.

Of that 38%, the country of incorporation of those suppliers is as follows:

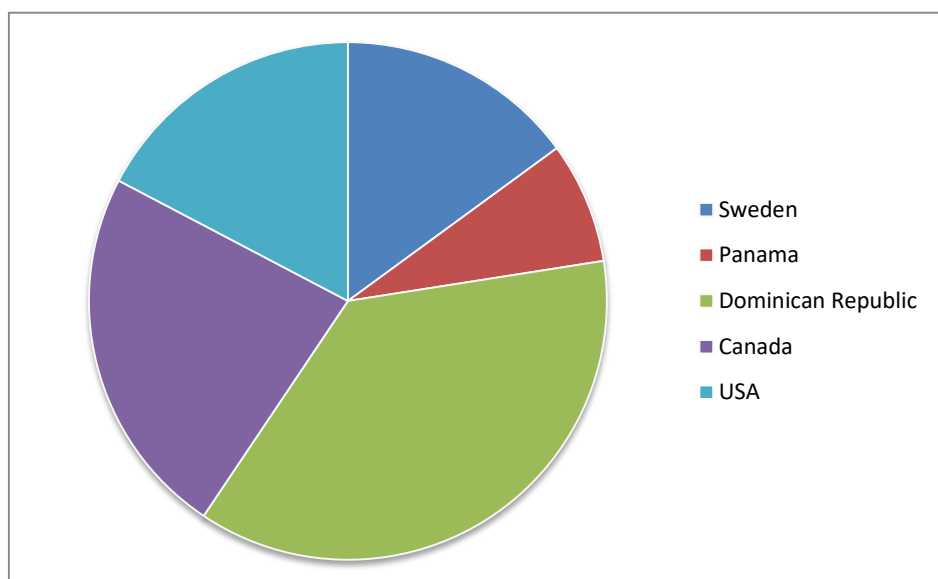


Figure 4: DR Operations' high value suppliers' location

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Perilya has a 5-year plan to understand in more detail its supply chain and modern slavery risks. This plan is addressed in detail in Section 4 of this Statement.

Section 3:

The risks of Modern Slavery in Perilya's operations and supply chains.

While Perilya procures goods and services from a broad range of industries (as seen in Section 2 above), Perilya considers the risk of modern slavery in its BH Operations supply chain in Australia to be low. This is because much of the procurement spend is for goods manufactured and services procured in Australia. Australia has an estimated low prevalence of modern slavery¹. While this is the case, Perilya will continue to assess the risk within Australia as set out initially in its 5-year plan found at Section 4 of this Statement before turning its attention deeper into its supply chain and the suppliers behind the goods imported by Perilya's Australian suppliers.

Accordingly, the risk to Perilya's supply chain of modern slavery in its BH Operations is likely to be through goods and services procured overseas. As noted in the *Global Slavery Index 2018* published by the Walk Free Foundation, clothing, rubber (tyres), computers and mobile phones are imported products at risk of modern slavery to Australia. These are product and geographic areas Perilya has focussed on as set out in the 5-year plan referred to above.

Perilya notes that its DR Operations, based in the Dominican Republic, may be at greater risk of modern slavery. In this regard, the *Global Slavery Index 2018* published by the Walk Free Foundation identifies the Dominican Republic as one of the countries with the highest prevalence of modern slavery in the Americas region. For this reason, goods and suppliers in the Dominican Republic will be a specific "Geographic Risk" focus area as set out in Perilya's 5-year plan (see Section 4 below).

¹ "The Global Slavery Index 2018" published by the Walk Free Foundation.

Section 4:

The actions taken by Perilya to assess and address these risks, including due diligence and remediation processes:

Perilya is taking a methodical approach to the assessment of the risks of modern slavery practices in its operations and supply chains. This approach has involved the preparation of an initial 5-year plan (**Action Plan**) which sees the Perilya Group focus on specific spend categories each year (for example, explosives and cement suppliers over \$1m) in addition to targeting a particular Risk Focus Area² (for example, a sector risk, product risk or a geographic risk).

At a high level, the approach is as follows:

Reporting Year	Risk Focus Area	Supplier Engagement
Year 1	Sector Risk: Garments and footwear	Engage with: (a)3-4 Tier 1 Suppliers ³ of value of more than AUD\$1M; and (b)1-2 uniform and footwear providers.
Year 2	Product Risk: Computers and electronics	Engage with: (a)3-4 Tier 1 Suppliers of value of more than AUD\$1M <i>other than</i> those Year 1 Tier 1 Suppliers; and (b)1-2 Tier 1 Suppliers of computer and mobile phones.
Year 3	Product Risk: Rubber (tyres)	Engage with: (a)3-4 Tier 1 Suppliers of value of more than AUD\$1M <i>other than</i> those previous years' Tier 1 Suppliers; and (b)1-2 Tier 1 Suppliers of rubber tyres.
Year 4	Geographic Risk: Dominican Republic	Engage with: (a)3-4 Tier 1 Suppliers of value of more than AUD\$1M <i>other than</i> those previous years' Tier 1 Suppliers; and (b)1-2 Tier 1 Suppliers based in the Dominican Republic.
Year 5	Geographic Risk: China	Engage with: (a)3-4 Tier 1 Suppliers of value of more than AUD\$1M <i>other than</i> those previous years' Tier 1 Suppliers; and (b)1-2 Tier 1 Suppliers based in China.

² Risk Focus Areas are based on the "OECD Due Diligence Guidance for responsible Business Conduct" and "The Global Slavery Index 2018" produced by the Walk Free Foundation.

³ A 'Tier 1 Supplier' is a supplier who directly supplies Perilya with goods or services.

Perilya considers the above approach has numerous benefits:

- Allows Perilya to target specific Risk Focus Areas;
- Enables Perilya to capture the areas of biggest spend;
- Will enable Perilya to engage with suppliers deeper in our supply chain (eg, Tier 2 Suppliers⁴);
- Demonstrates Perilya's willingness to continuously improve year on year; and
- Allows Perilya to methodically assess the risks across its business incrementally each year.

Self-Assessment Questionnaire:

To engage with the Perilya Group's Tier 1 Suppliers, Perilya has utilised a Self-Assessment Questionnaire (SAQ). The SAQ was developed by a number of companies to create a uniform approach to suppliers and to assist suppliers to respond to multiple buyers of their goods or services.

BH Operations:

PBHL sent the SAQ to tier 1 suppliers of AUD\$1M or more in specific areas:

- Equipment Providers;
- Contract Services Providers;
- Haulage Providers; and
- Risk Focus Area: Computer and Mobile Phone Providers.

DR Operations:

As the number of tier 1 suppliers of AUD\$1M or more was low for Perilya DR Operations, Perilya sent the SAQ to all tier 1 suppliers of \$1M or more in addition to the Risk Focus Area of Computer and Mobile Phone Providers.

Contact Amendments:

Perilya modified its goods and services supply contract templates to enable it to:

- obtain information about its supply chain from its suppliers; and
- request the supplier complete a SAQ.

Perilya will also take the opportunity to include in any existing contract the new template provisions if and when a contract is open for amendment or renewal.

⁴ A 'Tier 2 Supplier' is a supplier who is a key supplier to Perilya's Tier 1 Suppliers.

Section 5:

Describe how the reporting entity assesses the effectiveness of these actions:

Perilya assess the effectiveness of the actions set out in Section 4 by:

- maintaining an open dialogue within its Working Group;
- review of Self-Assessment Questionnaire (**SAQ**) responses; and
- corporate policies.

Working Group:

In order to give effect to the Perilya Action Plan, a small working group was formed (**Working Group**). The Working Group and its composition is described in more detail in Section 6 of this Statement. This group will continue to meet as required, share information and determine the most appropriate means of assessing Perilya's approach to modern slavery in its operations.

Review of SAQ responses:

For the 2021 reporting year, Perilya sent the SAQ to approximately 18 suppliers including Tier 1 Suppliers of more than AUD\$1M and the Risk Focus Area providers. The responses received are reviewed by the Working Group and these responses will allow Perilya to identify and engage with suppliers deeper in its supply chain.

Corporate policies and committees:

Ensuring there are robust policies and committees in place to will support the actions taken by Perilya – in particular the Code of Conduct, Whistleblower Policy and the Sustainability Committee.

- Code of conduct

Perilya has a Code of Conduct which provides the framework of principles for conducting its business and dealing with customers, colleagues and other stakeholders. The principles require the following in those dealings:

- act with integrity and professionalism;
- exercise fairness, equity, proper courtesy, consideration and sensitivity; and
- avoid real or apparent conflicts of interests.

Employees are required to perform their duties with skill, honesty, care and diligence, using authority in a fair and equitable manner.

The Code of Conduct applies to all employees of the Perilya Group.

- Whistleblower Policy

Perilya is committed to developing a culture where all staff are encouraged to raise concerns about poor or unacceptable practice and misconduct, and can do so safely and without fear of retribution. The Whistleblower policy applies to all Perilya employees and those who provide goods or services (paid or unpaid). A whistleblower is encouraged to disclose information if they have reasonable grounds to suspect that information they hold concerns wrongdoing, such as corrupt or criminal conduct, and unethical or other serious improper conduct, including breaches of Perilya's policies.

- Sustainability Committee

The entity operating the DR Operations, Corporación Minera Dominicana S.A. (incorporated in the Dominican Republic), has a sustainability committee composed of members of every company department including the commercial department, which has among its objectives to discuss company policies for strengthening, prevention and education on human rights, female empowerment, prevention of modern slavery, among other comprehensive issues. Through the target for "people" the committee seeks to reduce the social and economic gap which contributes to the eradication of modern slavery.

Section 6:

Perilya's process of consultation:

Perilya Limited and its subsidiaries (including the reporting entity Perilya Broken Hill Limited), have a number of common senior executives appointed to the various boards of directors. By way example, two of the Executive Directors of Perilya Limited are Executive Directors of Perilya Broken Hill Limited. One of those Executive Directors is also an Executive Director of each entity within the Perilya Group.

Due to these appointments, Perilya was able to consult across the group at a very senior level in relation to its approach to modern slavery. The Executive Directors of both the reporting entities were involved at a very early stage in the Perilya Group's proposed Action Plan and have provided their support of the Perilya Group's 5 Year Plan.

In order to give effect to the Action Plan, a small working group was formed (**Working Group**) in 2020. The Working Group was formed from members of the Perilya Group's head office and the operational entities in the group, being Perilya Broken Hill Limited and Corporacion Minera Dominicana S.A.S (**CMD**). This Working Group in turn consulted with key areas of the Perilya business in order to carry out the group's planned approach to modern slavery.

The Board of each reporting entity has approved the approach taken by the Perilya Group and the Statement prepared for the year ending 2021.

Prior to submitting the final version of the Statement to the respective Boards for approval, the draft Statement was reviewed by the Working Group, the CEO, the CFO and the Group's General Counsel.

Section 7:

Other relevant information:

COVID-19 impact:

Impact on BH Operations:

Perilya aims to reduce the risk to vulnerable workers in its operations and supply chains becoming exposed to modern slavery as a result of the novel coronavirus (COVID-19) pandemic. Perilya understands that modern slavery refers to a range of serious forms of exploitation, including forced labour, debt bondage, human trafficking, and slavery. Perilya is addressing modern slavery by monitoring and working with our existing key suppliers who have already gone through the due diligence process, supporting local and small businesses where possible, sharing excess supply of PPE to protect the vulnerable and frontline medical staff. Perilya assists in the management and possible detection of COVID-19 by implementing our COVID-19 risk model/management plan and communicating with our suppliers changes to business practices as a result of State/Federal and business risk mitigation strategies. Within our business Perilya protects workers by monitoring and educating the workforce, providing of our own COVID-19 screening clinics, maintaining suitable facilities for the provision of physical distancing and protecting workers where physical distancing is not possible.

Impact on DR Operations:

Perilya is aware that as a result of the COVID-19 pandemic, the commitment to avoid any form of modern slavery must be greater than before, however, the pandemic has added a level of complexity to the prevention of modern slavery. Firstly, it has increased the exposure of workers who were already vulnerable to being closer subjects of modern slavery. Secondly, because distancing has made it difficult to physically monitor compliance with the measures requested for the prevention of modern slavery in the supply chain of our suppliers.

Despite all of the above, CMD is deeply committed to prevent any form of modern slavery, even in times of pandemic. To do this, it has implemented actions to mitigate this risk. Among these actions, we can highlight that:

- CMD has maintained continuous communication with its suppliers about COVID-19 and the risks that COVID-19 has added to the prevention of modern slavery;
- CMD has held virtual meetings with existing suppliers to reinforce the commitment to this cause and to explain changes to our business practices as a result of the new risk mitigation strategies that CMD is implementing; and
- CMD has sent a descriptive package to all new suppliers and we have accompanied them in the process of understanding the requirements of modern slavery.

2022:

As per the 5-year Action Plan, Perilya plans to do the following for the 2022 reporting year:

- Continue to assess the risk of high-value Tier 1 suppliers; and
- Focus on rubber tyre providers.

Further Information:

In addition to the information set out in this Statement further information concerning Perilya can be found at www.perilya.com.au.

Schedule 1:

Joint venture	Location	Principal activity	% Holding 31 December 2020
Coultra	NSW	Base metal exploration	51
Greenshire	NSW	Base metal exploration	90
Stirling Vale	NSW	Base metal exploration	70
Beltana Corridor	SA	Base metal exploration	85
Minotaur – North	SA	Base metal exploration	90
Mt Frome	SA	Base metal exploration	90
Aroona	SA	Base metal exploration	80
Reaphook	SA	Base metal exploration	85
Kanowna	WA	Gold exploration	37
Malaysia Wide	Malaysia	Gold & base metal	50
Ranau	Malaysia	Gold & base metal	50

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