

Annual Report Under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, for the fiscal year ended December 31, 2024

The *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, SC 2023, c. 9 (the "Act"), commonly referred to as the *Modern Slavery Act*, requires certain entities to prepare and file an annual report (the "Report") with the Minister of Public Safety and Emergency Preparedness (the "Minister").

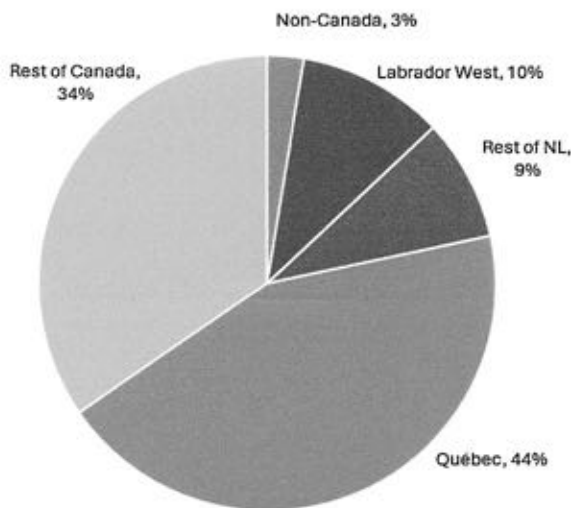
This Report is being filed with the Minister, pursuant to section 11(1) of the Act, for the financial year ending December 31, 2024, by Tacora Resources Inc. ("Tacora") and was approved by Tacora's board of directors by resolution on May 27, 2025.

A. TACORA'S STRUCTURE, ACTIVITIES, AND SUPPLY CHAINS

Tacora operates the Scully Mine near Wabush, Newfoundland and Labrador, Canada, producing a premium-quality, high-grade iron ore concentrate, recently recognized and added to the critical minerals list in Canada and branded as Tacora Premium Concentrate or "TPC". The Scully Mine is capable of producing over 6 million tonnes per annum (Mtpa) of TPC. TPC is a critical mineral required by end-users to produce environmentally friendly steel and is integral to the decarbonization process of the global green steel industry. Tacora's corporate office is in Toronto, Ontario, Canada. Tacora is a member of the Labrador West Chamber of Commerce, Mining NL, and the Canadian Institute of Mining. Further information about Tacora can be found at www.tacoraresources.com.

Tacora has approximately 460 employees in Canada and 4 employees based in the United States of America ("USA"). There are 440 people employed at the Scully Mine site, 10 people employed at the Toronto, ON corporate office, and 10 people employed at the St-John's, NL office. Tacora is proud to have a workforce that is made up of over 27% women. Approximately 63% of Tacora's workforce is unionized. Tacora also regularly engages contractors at the Scully Mine site.

Tacora does not conduct any production operations outside of Canada. Tacora's supply chain includes the purchase of parts and equipment ("**goods**") and services for use in its operations at the Scully Mine during the extraction, crushing, processing and sale of high-grade iron ore concentrate. Tacora's supply chain also includes the retention of various specialized professional service firms, including engineering, accounting, legal, training, and human resource, the majority of which are provided by Canadian entities.



Approximately 97% of the goods and services Tacora procured in 2024 were procured from Canadian suppliers. Within Canada, Tacora aims to create economic opportunities in the region where it operates through the procurement of local products and services. In 2024, approximately 10% of Tacora's total procurement spend was on goods and services procured from suppliers in the Labrador West region where the Scully Mine is located, and an approximately 9% was for goods and services procured from the

remaining Newfoundland and Labrador province, as well as approximately 44% from the neighboring province of Québec. Tacora also supports Indigenous businesses, by procuring from First Nation Suppliers. Almost all of Tacora's non-Canadian spend is made up of goods and services procured from suppliers in the USA.

Goods

The majority of Tacora's suppliers are based in Canada. Tacora understands that some of these suppliers import their products, including machinery, mining and processing components (engines, gears, drives, pumps, liners, etc.), and bunker C fuel (also known as heavy fuel oil), from areas such as the United States, Germany, Africa, India, and China into Canada. These goods are supplied to Tacora during the sourcing phase of its supply chain to be used during the extraction, crushing, processing, and

sale phases. Tacora purchases goods either through a tender process or through standard supplier contracts, depending on the good and its availability.

Services

The majority of Tacora's service providers are located within Canada. In the past, Tacora has occasionally retained select specialized support services outside of Canada for information technology, mining and processing components, program implementation. These service providers were based in the USA.

B. POLICIES AND DUE DILLIGENCE PROCESSES IN RELATION TO FORCED LABOUR & CHILD LABOUR

Tacora's Procurement Policy guides all procurement activities undertaken by the Company. Nonetheless, the Company recognizes the risks of modern slavery within its supply chain, from suppliers based outside of Canada, although such sourcing represented only approximately 3 percent of procurement spend for 2024. The Global Slavery Index categorizes the supplier country representing non-Canadian purchases, namely the United States, as having low risks of modern slavery.

Terms and Conditions

Over the last six (6) years, Tacora has developed and updated a Standard Terms and Conditions for the Purchase of Goods and Services agreement (the "**Standard Terms and Conditions**"), which must be executed by all new suppliers.

The Standard Terms and Conditions in place as of December 31, 2024, while not specifically focused on the prevention and reduction of the risk of forced labour or child labour, contain various clauses requiring suppliers to comply with the laws in Canada and Newfoundland and Labrador, as well as the supplier's country respecting labour and workplace health and safety, as well as bribery and corruption laws. The Standard Terms and Conditions also require compliance with the United Nations' **Universal Declaration of Human Rights** (the "UDHR"). As part of the Standard Terms and Conditions, all suppliers and service providers are required to review Tacora's Code

of Conduct and Tacora's Supplier Code of Conduct, each of which is available under the Governance and Ethics section at www.tacoraresources.com.

The Standard Terms and Conditions also require that parties involved in the production, handling, loading, transporting, delivery and unloading of goods have been properly trained and are properly supervised. Where a supplier engages a third-party carrier to deliver the goods, the supplier is responsible for selecting a third party that performs to the same standards required of the supplier under the Standard Terms and Conditions.

Tacora has the authority to terminate its contract with the supplier if it receives information that it determined to be evidence of the supplier's breach of the UDHR or any of the other above-referenced terms of the Standard Terms and Conditions.

Similarly, while not specifically focused on the prevention and reduction of the risk of forced labour or child labour in its operations and supply chain, Tacora's Procurement Policy has the practical effect of reducing those risks. Tacora's Procurement Policy states:

First consideration is given to service providers and goods manufactured from within the province of Newfoundland and Labrador, where those services and goods are competitive in terms of fair market price, quality and delivery. First consideration in implementing procurement opportunities will be given to pre-qualified suppliers located in Labrador, followed by other pre-qualified suppliers located in the remainder of the province, respectfully.

Tacora is also committed to providing business opportunities to women, Indigenous Peoples, persons with disabilities, and people from visible minority groups (collectively "designated groups"). Tacora promotes and seeks out the retention of local labour, suppliers, contractors, and organizations where the majority owners are members of designated groups. In evaluating bids for the provision of services and/or goods, Tacora takes numerous factors into consideration, including but not limited to, the bidder's:

- safety, health, and environmental record;
- commitment to utilize designated group businesses as sub-contractors;

- commitment to employ individuals within designated groups;
- commitment to purchase goods and services from designated group businesses; and,
- commitment to train workers who identify with a designated group. However, in its procurement decisions, Tacora also considers the supplier's pricing, delivery timing, performance record, and account status with the supplier. The origin of the items is not a factor in Tacora's decision to procure from one supplier over another.

During 2024, Tacora has focused on continuously improving its procurement processes, including incorporating policies and due diligence processes, exclusively for the purposes of identifying and responding to the real and potential adverse impacts of activities, specifically forced labour and/or child labour, throughout its supply chain. As part of this effort, Tacora identified the need to bolster its procurement function and hired a search firm to recruit a Director of Procurement who, amongst other responsibilities, will be tasked with updating Tacora's policies and due diligence processes for the purposes of identifying and responding to the real and potential adverse impacts of activities, specifically forced labour and/or child labour, throughout its supply chain in the coming years.

C. ASSESSMENT & MANAGEMENT OF FORCED LABOUR & CHILD LABOUR IN TACORA'S OPERATIONS AND SUPPLY CHAINS

Identification of the Risk of Forced Labour & Child Labour

Tacora is headquartered in Canada, with its single operational site located in Wabush, NL, Canada, and its corporate office located in Toronto, ON, Canada. The vast majority of the Company's workforce is employed and protected under the employment laws of Canada and the province of Newfoundland and Labrador, with which the Company complies. Both Canada and the province of Newfoundland and Labrador have a comprehensive set of labour laws and regulations designed to protect workers, including the informal sector, which apply to the Company. These laws cover various aspects of employment that are relevant to modern slavery risks, including wages, working hours, health and safety, and discrimination.

The global mining industry may be considered high risk for instances of modern slavery, however due to Tacora's mining operations being in Canada, the Company's social and political operating conditions present minimal modern slavery risks. According to the Global Slavery Index, Canada has both a relatively very low prevalence of (1.8 per 1000 people¹) and a low vulnerability to modern slavery due to the country's strong legal frameworks and enforcement mechanisms to combat modern slavery and human trafficking. Canada is the country with the lowest identified modern slavery risk in the Americas.

All Tacora's social investment activities, including local community initiatives and charitable contributions are undertaken in Canada. As such, Tacora assesses the risk of modern slavery in its supply chain as being low.

Whistleblower Policy

In 2024, Tacora began the process of formalizing a Whistleblower Policy that will allow all employees and external stakeholders to alert or provide feedback on any perceived wrongdoing or ethical issues they may encounter with respect to Tacora. This Whistleblower Policy will help Tacora identify potential risks to its business, including those related to forced labour and/or child labour, once implemented in 2025.

On April 15, 2025, Tacora implemented the program, called ConfidenceLine, provided by Xpera HR Services. ConfidenceLine provides an independent third-party service that allows current and former employees, suppliers, service providers, customers, and other stakeholders to report sensitive workplace issues without fear of personal or professional reprisal.

Organizational Structure

In 2024, Tacora began the process of consolidating the procurement function within the corporate office to exercise greater control over supplier relationships, streamline the procurement process

¹ <https://www.walkfree.org/global-slavery-index/map/#mode=map:country=CAN:region=3:map=prevalence:year=2023:view=recommendations>

and disassociate procurement away from operations. A Director of Procurement role was created, and recruiting was ongoing as of December 31, 2024.

On March 24, 2025, the Director of Procurement joined the Tacora team. The Director has 20+ years of experience in the mining and manufacturing sector and possesses a deep knowledge of the supply chain across multiple industries. This role will be instrumental to improving Tacora's abilities to identify and address the risk of forced labour and/or child labour in its supply chains.

In addition to the above initiatives, Tacora has begun a process to identify the aspects of its operations, including its supply chains, that carry a risk of forced labour and/or child labour. Its work to manage or address the risks of forced labour and/or child labour, including those discussed above, is ongoing.

D. REMEDIATION MEASURES

As of December 31, 2024, Tacora has not finalized the process of identifying the aspects of its operations, including its supply chains, that carry a risk of forced labour and/or child labour. Tacora began the process in 2024 through the organizational change and development of the Whistleblower Policy discussed above. Tacora did not identify any forced labour and/or child labour risks that required remediation in its operations, including its supply chains, in its fiscal year ended December 31, 2024.

E. REMEDIATION MEASURES FOR LOSS OF INCOME FROM FORCED LABOUR & CHILD LABOUR

As noted above, Tacora did not identify any forced labour and/or child labour risks that required remediation in its operations, including its supply chains, in its fiscal year ended December 31, 2024. Accordingly, no remediation was undertaken, and no remediation was required for related losses of income to vulnerable families.

F. TRAINING ON FORCED LABOUR & CHILD LABOUR FOR EMPLOYEES & SUPPLIERS

As a condition of employment, all employees are required to complete an online training certification of the Code of Conduct after being hired. While Tacora does not provide specific training on forced or child labour, the training on the Code of Conduct includes content on human rights and discrimination. All employees are required to recertify with a mandatory test every year while they continue to work for the Company. In addition, employees are annually asked to electronically confirm their commitment to abide by the Code of Conduct. This process is designed to ensure compliance and a consistent understanding of human rights and related policies by the Company's workforce.

G. EFFECTIVENESS IN ENSURING FORCED LABOUR & CHILD LABOUR ARE NOT USED IN TACORA'S OPERATIONS OR SUPPLY CHAINS

As of December 31, 2024, Tacora has not finalized the process of identifying the aspects of its operations, including its supply chains, that carry a risk of forced labour and/or child labour. Tacora began the process in 2024 through the organizational changes and development of the Whistleblower Policy discussed above.



APPROVAL AND ATTESTATION

This report has been approved by the Board of Directors of Tacora Resources Inc. on its own behalf in accordance with section 11(4)(a) of the Act. For clarity, I am providing this attestation in my capacity as a director of Tacora Resources Inc., and not in my personal capacity.

DATED this 27th day of May, 2025.

I, Anthony Abate, have the authority to bind Tacora.

FULL NAME: Anthony Abate

Title: Chairman of the Board