



2020 MODERN SLAVERY STATEMENT

INTRODUCTION

Modern slavery presents one of the most complex human rights challenges worldwide. Globally it is estimated that 40 million people are victims of modern slavery, with approximately 15,000 of those living in Australia¹. Businesses today are connected through extensive, multi-tiered supply chains that stretch across borders. We all have a role to play to combat this issue.

In December 2018, the Australian Federal Government passed the Modern Slavery Act 2018 (Cth) (the "Act"). Superior Gold welcomes the introduction of the Act and has commenced work to identify and address the risk of modern slavery in its operations and supply chains. As a values-driven organisation, Superior Gold is committed to protecting human rights wherever it operates. We see this as a fundamental element of our corporate responsibility and inherent in our contribution to sustainable development.

REPORTING ENTITY

Superior Gold Inc. is a Canadian-based public company listed on the Toronto Stock Exchange (TSXV: SGI) ("Superior Gold"). For purposes of this Statement Superior Gold's wholly owned Australian subsidiary, Billabong Gold Pty Ltd (ACN 613 900 922) (the "Company"), is the reporting entity as defined in the Act.

GENERAL PRINCIPLES

This Modern Slavery Statement (the "Statement") provides a set of steps, standards and procedures the Company has taken in order to recognize, identify and prevent modern slavery in its business and supply chains. Modern slavery can occur in many forms as defined by the Act, including slavery, servitude, child labour, forced labour, forced marriage, human trafficking, debt bondage, and deceptive recruiting for labour or services.

The Company is committed to the wellbeing of its people and the communities in which it operates. Protecting human rights is paramount in the Company's business practices and the Company will not tolerate any forms of slavery in its business or supply chains.

BUSINESS AND ORGANIZATIONAL STRUCTURE

The Company owns 100% of the Plutonic Gold Operations located in Western Australia and is also engaged in the acquisition, exploration, development and operation of gold resource properties primarily in Western Australia. The Company does not have any subsidiaries.

The principal product of the Company is gold in the form of doré bars produced from the Plutonic Gold Operations. The gold is refined under commercially competitive terms common to the industry and that meet internationally recognized delivery standards. The refiner credits the gold to the Company's account and the Company then sells the gold into the market at spot prices with leading counterparties.

¹ <https://www.minderoo.com.au/global-estimates-of-modern-slavery/>

The Plutonic Gold Operations are isolated from major towns and cities and operate on a self-sufficient basis with materials and goods shipped to the site via the Great Northern Highway. Mine personnel work on a fly-in/fly-out basis from Perth and the operation has a fully equipped camp providing services to employees and contractors.

As at December 31, 2020, the Company employed 295 individuals, including 148 salaried employees, 147 hourly employees and 3 casual employees. The Company also engages approximately 45 subcontractors who are primarily based at the Plutonic Gold Operations.

The Company's supply chain includes the suppliers of products and services used in its mining operations, including catering, IT equipment, personal equipment and clothing and explosives. The Company mainly sources its products and services for its Plutonic Gold Operations from businesses and suppliers in Western Australia

RISKS OF MODERN SLAVERY

Operations

The mining industry in Australia is not considered high risk for modern slavery². However, protecting the human rights of our workforce, suppliers and communities is of the utmost importance to the Company. The human rights most relevant for our operations are related to workplace safety, labour conditions, and the rights of native title groups and communities where we have an impact. We know that companies can inadvertently elevate the risk of human exploitation by placing unreasonable demands on suppliers and this is something we keep in mind when engaging with suppliers.

Supply chain

The majority of our spend is in countries with low prevalence of modern slavery³. However, we understand that through the supply chain our footprint may stretch across borders and sectors that may carry elevated risks.

Our approach to assessing supply chain risk is based on product, sector, geographic and entity risks. Over the next 12 months we will undertake a high level risk assessment, and engage a third party as necessary, of our tier one suppliers across exploration, delivery (transport), mining and support services. The assessment will incorporate spend, industry and location data. The work will be designed to provide a high level snapshot of our tier one supplier risk profile.

POLICIES AND GOVERNANCE

The Company's Board of Directors ("Board") has ultimate responsibility for corporate governance management and policies. The Company is guided by good governance policies and practices, operating ethically, honestly and with integrity. As such, the Company is committed to maintaining high standards in all aspects of reporting and corporate governance. The Company's commitment to

² <https://www.globalslaveryindex.org/2018/findings/country-studies/australia/>

³ <https://www.globalslaveryindex.org/2018/data/country-data/australia/>

good governance is guided by our corporate policies, including this Statement, which are available to internal and external stakeholders on our website (www.superior-gold.com/corporate/corporate-governance). The key corporate policies driving governance and actions as they relate to modern slavery in addition to this Statement are summarized below:

- (1) Code of Conduct and Ethics: The Company maintains a code of conduct that sets out the ethical standards that directors, officers, employees, consultants and contractors of the Company are expected to abide by when engaged in the Company's business. All directors, officers, employees of the Company together with consultants and contractors specified by the Board certify annually that they are in compliance with the code and other policies.
- (2) Whistleblower Policy: The Company has adopted a Whistleblower Policy which provides procedures for reporting any breach or suspected breach of law, this Statement or any of the Company's corporate policies. The Whistleblower Policy also provides for an anonymous confidential reporting system where any person, regardless of where they reside, can report a concern regarding any legal, accounting matter or modern slavery issue without fear of dismissal, disciplinary action or retaliation.

ACTION PLAN

During 2020, we formed a Modern Slavery Act Working Group and developed a two-year Action Plan to further our capacity to effectively manage modern slavery risk and ensure compliance with the Act. The Working Group comprises members of the Company's Sustainability, Commercial and Procurement teams and will meet regularly to track progress against the Action Plan. The Action Plan covers tasks to be undertaken across policy and governance, risk, supplier remediation, training and communication, and reporting.

The Company has taken or will endeavour to complete the following actions to address and eliminate the risk of modern slavery within our business and supply chain:

- (1) Code of Conduct and Ethics: The Company has amended its code of conduct and ethics policy to reflect the addition of this Statement.
- (2) Whistleblower: The Company has amended its whistleblower policy to reflect the addition of Modern Slavery. Any person reporting a matter through the online reporting service can now specifically select Modern Slavery as the reason for concern and provide details of the concern.
- (3) Supplier Assessment: The Company initiated a process to identify key suppliers and contractors that may pose a higher risk to the Company's position with regards to Modern Slavery and the Company intends to complete the process to make those suppliers and contractors aware that Modern Slavery will not be tolerated in the Company's supply chain.
- (4) Supplier Contracts: The Company will ensure, to the extent possible, that all future supplier contracts, where potential Modern Slavery represents a risk, will contain standard terms and conditions to include compliance with the Act or alternatively, suppliers will be required to complete a supplier assessment questionnaire.

- (5) Training & Communication: The Company is committed to further training to ensure awareness, including an annual signoff of the Company's code of conduct and ethics.

MOVING FORWARD

In 2021, we will enact additional initiatives from our Action Plan to strengthen our management controls, improve the transparency of our risk profile and collaborate with suppliers where appropriate to address modern slavery risk. In particular, we will focus on the following tasks:

Effectiveness assessment – we will look to develop a framework for assessing the effectiveness of actions taken to manage modern slavery risk.

Supplier screening – we will monitor our suppliers through our existing IT management system to flag high risk suppliers according to sector classification, location and spend.

Risk detection – we will aim to complete a detailed risk assessment of our supply chain to prioritise high risk suppliers.

Awareness training – we will provide training to equip our supplier and contract managers with the knowledge and skills to identify high risk suppliers and engage with them where appropriate.

Supplier engagement – we will engage with high risk suppliers where appropriate to determine the extent to which modern slavery risks are adequately managed or develop a supplier remediation plan to manage cases where further action is required.

Policy review – we will review and improve policies and procedures based on the outcomes of our actions.

We are confident that the foundations we have laid will assist us in addressing modern slavery risk but recognize this is the start of a long term process. We are committed to reporting progress through annual modern slavery statements and look forward to working with our suppliers and industry partners to play a role in combating this global issue.

Queries

If you have any questions about this Statement, please contact the Chief Financial Officer of the Company (info@superior-gold.com).

Approved for release by the Board of Directors on June 21, 2021



Director, Billabong Gold Pty. Ltd.