



Modern Slavery Statement 2021

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ABOUT THIS STATEMENT

Scope of this Modern Slavery Statement

This Modern Slavery Statement (hereafter ‘Statement’) has been prepared by West African Resources Limited (the ‘Company’) and its controlled subsidiaries (‘WAF’, ‘West African’, or the ‘Group’) in accordance with the Australian Government’s Modern Slavery Act 2018 (No. 153, 2018) (hereafter the ‘Act’). The reporting period is the 2021 calendar year (1 January 2021 to 31 December 2021).

This Statement discloses information required under the Act, including Article 13 describing the reporting entity and responsibilities, and Article 16 on the mandatory criteria for modern slavery statements. The procurement and human resources departments of the Group were consulted with in preparing this Statement, in particular the departments were asked to:

- Describe procurement processes followed, including policies and contractual procedures;
- Provide information on suppliers and contractors;
- Review the Modern Slavery Questionnaire template;
- Collaborate in the development of the Modern Slavery Risk Assessment Questionnaire implementation process; and
- Review and update WAF policies and the Code of Conduct as required to better reflect the Group’s commitment to reducing the risks of modern slavery in its business operations.

The following table summarises the mandatory reporting requirements and where they are addressed in this Statement. WAF’s 2021 Sustainability Report further addresses WAF’s approach to human rights management.

| Table 1 Modern Slavery Act 2018 Reporting Index | | |
|--|--|--|
| Article 16 criteria | Mandatory Requirement | This Statement |
| 16 (1)(a) | Identify the reporting entity | Company Structure and Operations (p4) |
| 16 (1)(b) | Describe the structure, operations and supply chains of the reporting entity | Company Structure and Operations (p4) Supply Chain (p6) |
| 16 (1)(c) | Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity, and any entities it owns or controls | Addressing Modern Slavery Risks (p7) |
| 16 (1)(d) | Describe the actions taken to assess and address those risks, including due diligence and remediation processes | Addressing Modern Slavery Risks (p7) |
| 16 (1)(e) | Describe how the reporting entity assesses the effectiveness of such actions | Addressing Modern Slavery Risks (p7) |
| 16 (1)(f) | Describe the process of consultation on the development of the statement with any entities that the reporting entity owns or controls | About this Statement (p1) |

In this Statement, the term ‘modern slavery’ refers to exploitative practices such as trafficking of people, slavery, forced labour, child labour, removal of organs and other slavery-like practices as defined by the Government of Australia¹.

¹ Commonwealth of Australia, 2017. Hidden in Plain Sight: An inquiry into establishing a Modern Slavery Act in Australia.

Approving entity

This Statement was approved for release by West African Resources Limited's Board of Directors on 21 July 2022.

A handwritten signature in black ink, appearing to read 'RHyde', written in a cursive style.

RICHARD HYDE
Executive Chairman & CEO
West African Resources Limited

2021 HIGHLIGHTS

- WAF's 2021 Sustainability Report describes our alignment with the UN Sustainable Development Goals, including **Target 8.7** – *“Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms”*.
- Conducted risk assessment and training on the Voluntary Principles on Security and Human Rights.
- Updated the Company's Code of Conduct to address respect for human rights.
- Developed a Modern Slavery Risk Assessment Questionnaire for suppliers.

ACTIONS FOR 2022

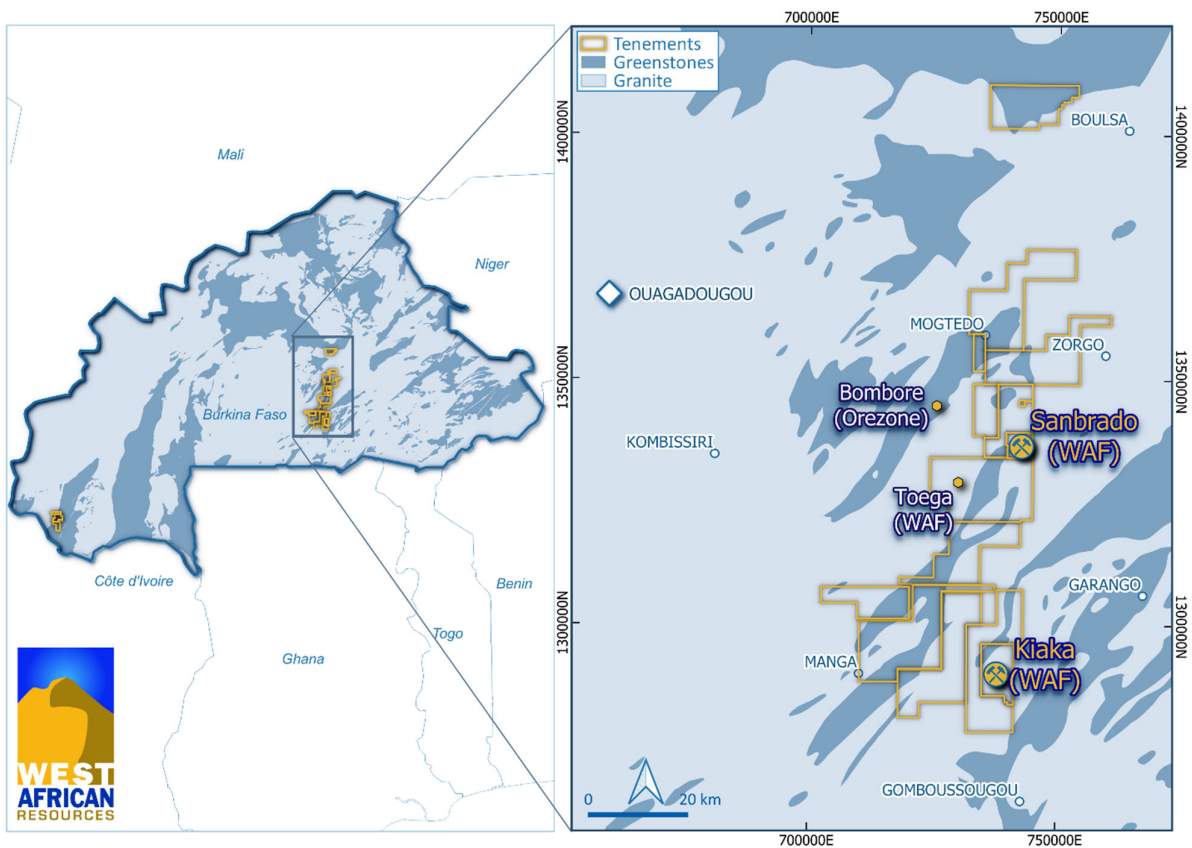
- Conduct a review of any suppliers whose Modern Slavery Risk Assessment Questionnaire raises significant risks.
- Review and update procurement policies and processes.
- Expand the annual risk assessment and training on Voluntary Principles on Security and Human Rights to specifically address modern slavery risks and administer the training to more employees.
- Finalise Human Rights Policy.

1. COMPANY STRUCTURE AND OPERATIONS

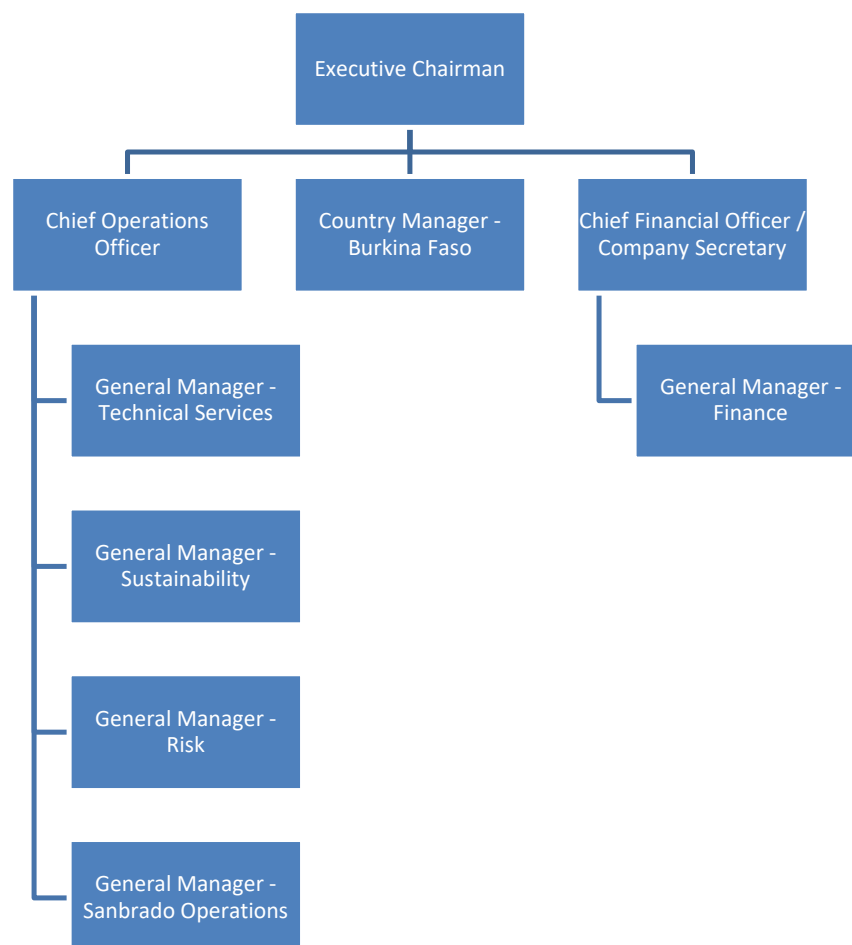
West African Resources Limited is an Australian public company, listed on the Australian Securities Exchange (ASX:WAF) with its corporate office located in Perth, Australia. The Group holds a number of mining leases and exploration tenements in Burkina Faso.

The Group’s flagship project is the Sanbrado Gold Mine (‘Sanbrado’) which entered into production in March 2020, just four years after the discovery of the high-grade M1 South deposit. The Toega Gold Project (‘Toega’) located approximately 14 km southwest of Sanbrado is undergoing the environmental permitting process to support a mining licence application in 2022 and increased the Sanbrado gold reserves by 580,000 ounces.

In December 2021, WAF announced the acquisition of the Kiaka Gold Project, a permitted mining project 45 km south of Toega.



The Group's organisational structure and list of subsidiaries are presented below.



| Entities | Country of incorporation | Ownership interest (%) |
|---|--------------------------|------------------------|
| Parent company | | |
| West African Resources Limited | Australia | |
| Direct subsidiaries | | |
| WAF Finance Pty Ltd | Australia | 100 |
| Wura Resources Pty Ltd SARL | Burkina Faso | 100 |
| West African Resources Development SARL | Burkina Faso | 100 |
| Channel Resources Ltd | Canada | 100 |
| Volta II Ltd ¹ | Cayman Islands | 100 |
| Indirect subsidiaries | | |
| Channel Resources (Cayman I) Ltd | Cayman Islands | 100 |
| Channel Resources (Cayman II) Ltd | Cayman Islands | 100 |
| Tanlouka SARL | Burkina Faso | 100 |
| Société des Mines de Sanbrado SA ² | Burkina Faso | 90 |
| Volta Resources (Cayman) Inc. | Cayman Islands | 100 |
| Volta Properties SARL | Burkina Faso | 100 |
| Kiaka Gold SARL | Burkina Faso | 100 |
| Kiaka SA ² | Burkina Faso | 90 |

¹ Incorporated on 23 September 2021.

² The remaining 10% is held by the government of Burkina Faso which is entitled to a free carried 10% interest in the project.

As of 31 December 2021, WAF directly employed 630 people globally. When combined with interns and third-party contractors to fulfill specialised positions, the total workforce is around 1,300 people. The majority of employees work at Sanbrado, with a small team of staff based in WAF offices in Ouagadougou and Perth.

1.1 Governance

West African Resources Limited has a corporate governance framework in place that includes the corporate governance policies, charters, and codes formally adopted by the Board ('the Policies'). The aim of the Policies is to ensure that West African is effectively and ethically directed and managed, that risks are identified, monitored and assessed and that appropriate disclosures are made. The Board of Directors holds the ultimate responsibility for setting WAF's vision and values, and ensuring that the Group is aligned with international standards. One of WAF's values and commitments is specific to protecting human rights.

At WAF, we respect human dignity in all we do and we value diversity in our workplaces. We act in a way that does not discriminate against people based on their ethnicity, nationality, religion, gender, age, sexual preference, disability, social origin, political opinion or any other bias, and we do not tolerate any form of workplace discrimination. We do not and will not ever use child, forced or compulsory labour in our operations and finding out that our contractors engage in such activities will result in immediate termination of any business relationship. All stakeholders have access to our Grievance Mechanism.

2. SUPPLY CHAIN

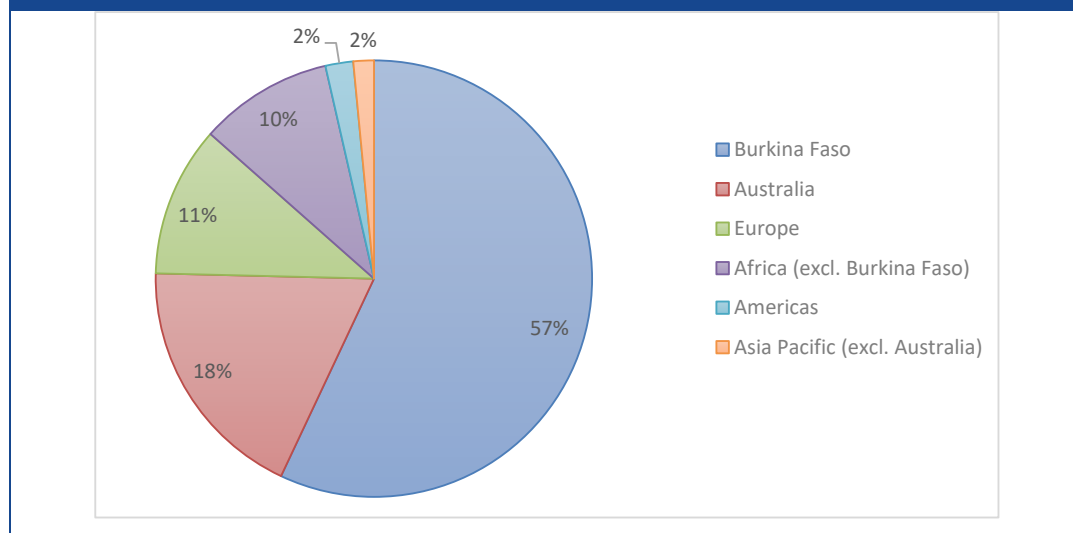
Supply chain management involves the identification and selection of suitable suppliers, contracting and services management. The process is governed by Procurement Policy and Procedures (2020).

WAF's corporate office provides governance functions and strategic direction. To support WAF's operations in Burkina Faso, a procurement team of 39 people, including the Department's Manager, is located in WAF's offices in Ouagadougou and at Sanbrado. The team oversees expediting, payment, procurement and warehouse management.

Across the Group, WAF maintains a relationship with approximately 1,121 suppliers and service providers of which almost 60% are from Burkina Faso. The key sectors in our supply chain are:

- Parts and consumables supply;
- Professional and administrative services;
- Equipment hire; and
- Construction services.

Figure 1
Breakdown of Supplier Origin



3. ADDRESSING MODERN SLAVERY RISKS

3.1 Risks of Modern Slavery in WAF's Operations

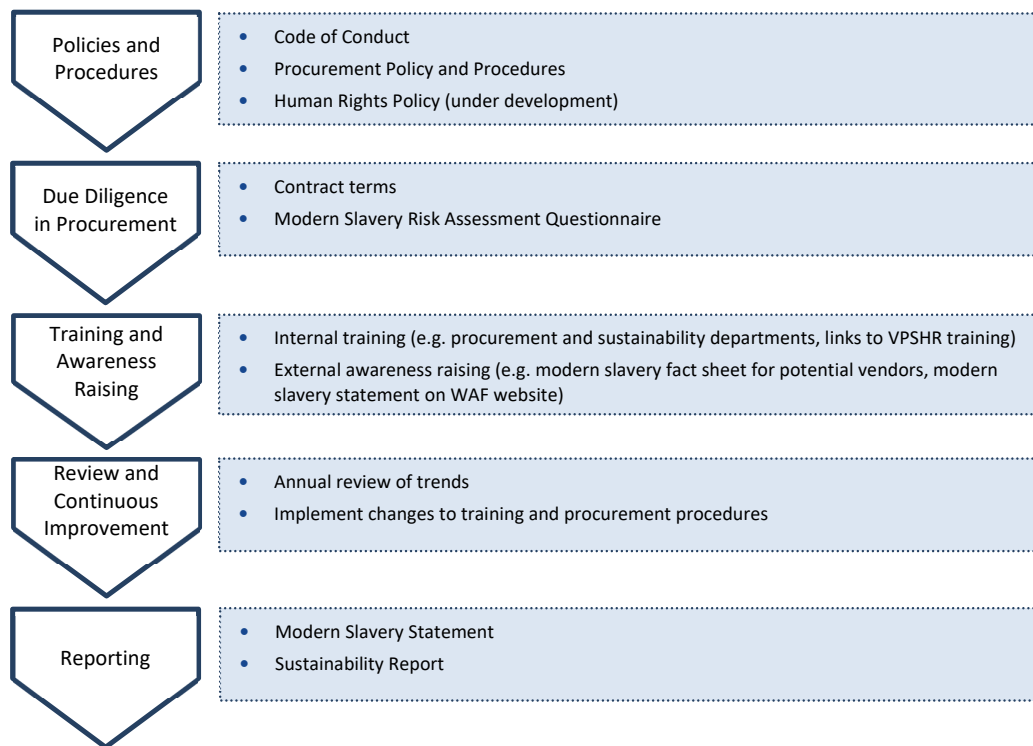
WAF adheres to the Voluntary Principles on Security and Human Rights and takes steps to identify and address risks of modern slavery in its operations and supply chains.

In 2021, WAF undertook an in-depth enterprise level risk assessment of the Group's practices led by the General Manager - Risk. There were no risks of modern slavery identified within activities directly undertaken by WAF. However, it is possible that this risk exists in our supply chain in the following areas:

- Labour practices associated with the production of goods used by WAF; and
- Small-scale local suppliers and contractors.

3.2 Actions to Prevent Modern Slavery

Key actions in the reporting period were focussed on developing data collection tools and procedures for assessing and responding to risks of modern slavery. The remainder of this section sets out WAF's approach and will form the basis for reporting on our actions in the future.



3.2.1 Procurement Policy and Procedures

Addressing modern slavery and human rights risks in the supply chain depends on employees and suppliers upholding the Group's principles. The Procurement Policy and Procedures (2020) of the Group's Burkina Faso Operations specifies the ethics and sustainability mandates during the procurement process, including:

- Purchasing of goods or engagement of services must be compliant with the laws of Burkina Faso.
- All staff must uphold their responsibilities as outlined in the Code of Conduct and the Procurement Policy and Procedures, including ethical conduct, social responsibility, transparency, auditability and accountability, and sound risk management.

3.2.2 Contract Terms

Only those vendors that attest to respecting and complying with all applicable health, safety, environmental, employment and fiscal regulations are considered in the vendor process. All vendor contracts include contractor obligations related to regulatory compliance and WAF's standards, policies, procedures and principles. The Procurement Policy and Procedures, and contract form used by WAF's Burkina Faso operations are available to employees and suppliers in English and French.

3.2.3 Modern Slavery Questionnaire

In 2021, WAF developed a Modern Slavery Risk Assessment Questionnaire for contractors, based on the Government of Australia's Procurement Toolkit². The questionnaire was developed by WAF's corporate Sustainability Department in consultation with the Procurement Department.

² Australian Government. Supplier Questionnaire – Identifying modern slavery risks. Source: <https://modernslaveryregister.gov.au/resources/>

From 2022, the questionnaire will be included in new contract forms and as part of contract renewal and review processes. The questionnaire will be available in English and French. Given the geographic context of WAF's operations, some of the Group's service providers may not have the skills necessary to complete the questionnaire. In these instances, the assigned Purchasing Coordinator will work with the suppliers to ensure WAF obtains the necessary information to undertake the risk assessment. Given that many of WAF's suppliers are located outside of Australia and may be unfamiliar with the Modern Slavery Act 2018 or more broadly the Voluntary Principles on Security and Human Rights, a Modern Slavery Fact Sheet will be developed to accompany the questionnaire.

Completed questionnaires will be reviewed together with contract documents. Any potential high risks will be reviewed and addressed by the Manager of the Procurement Department and, at the corporate level, by the General Managers for Sustainability and Risk.

3.2.4 Training and Awareness Raising

WAF aims to build awareness of modern slavery within our workforce and with suppliers to improve their ability to identify modern slavery risks in our operations, supply chain and communities surrounding our operations in Burkina Faso. A Modern Slavery Fact Sheet and other training and awareness raising materials will be developed in 2022, as a collaborative effort between the Sustainability, Procurement and Human Resources Departments.

3.2.5 Review and Continuous Improvement

The Sustainability Department will work with the Risk and Procurement Departments to review modern slavery risks on an annual basis. This will include reviewing the combined results from vendor questionnaires to determine any trends in modern slavery risks within our supply chain and to identify potential opportunities for eliminating or reducing these risks. Other sources of information to be reviewed include WAF's grievance register and any relevant reports submitted under the Whistleblower Policy. The results of this annual review will be addressed in future Modern Slavery Statements and will be used to develop improvements to WAF policies and practices.

WAF will also conduct regular reviews with suppliers and contractors to check on progress towards minimising modern slavery risks in their operations.

3.3 Remediation

WAF is committed to preventing impacts on human rights in our operations. Where an issue is identified, whether within WAF operations or within the Group's supply chain, an investigation will be undertaken to document the issue and determine an agreed course of remediation. If the investigation determines that a vendor has breached or may breach their contract conditions, WAF will initially engage and work collaboratively to raise awareness with the vendor and resolve any concerns. If this is not successful, WAF reserves the right to terminate the contract.

During the reporting period of this Statement, no modern slavery risks were identified which required remediation.