



Modern Slavery Statement 2020

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ABOUT THIS STATEMENT

Scope of this Modern Slavery Statement

Under the Australian Government’s Modern Slavery Act 2018 (No. 153, 2018) (hereafter “the Act”), businesses with an annual consolidated revenue of more than \$100 million (AUD) must prepare an annual Modern Slavery Statement (hereafter “Statement”). This 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 Act and covers the 2020 calendar year (1 January 2020 to 31 December 2020).

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. West African’s procurement and human resources departments were consulted in preparing this Statement, in particular the departments were asked to:

- Describe procurement processes, including policies and contractual procedures;
- Provide information on suppliers and contractors; 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 (p3)
16 (1)(b)	Describe the structure, operations and supply chains of the reporting entity	Company Structure and Operations (p3) Supply Chain (p5)
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 (p6)
16 (1)(d)	Describe the actions taken to assess and address those risks, including due diligence and remediation processes	Addressing Modern Slavery Risks (p6)
16 (1)(e)	Describe how the reporting entity assesses the effectiveness of such actions	Addressing Modern Slavery Risks (p6)
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)

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

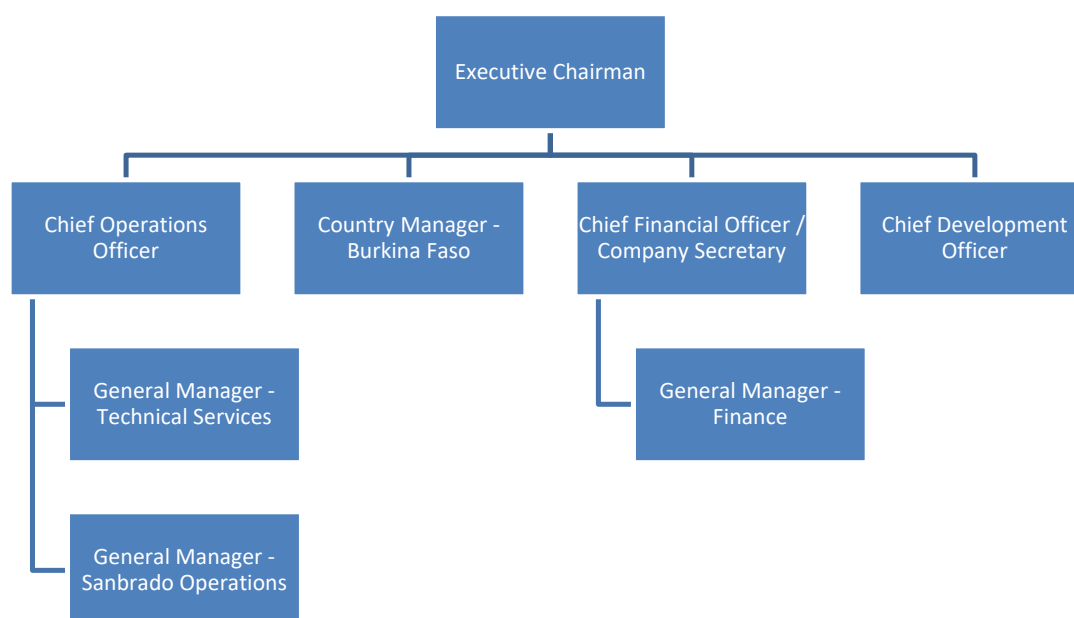
West African Resources Limited

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, West Africa.

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 expected to increase the Sanbrado gold reserves by 570,000 ounces.

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
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 ¹	Burkina Faso	90

¹ The remaining 10% is held by the government of Burkina Faso which is entitled to a free carried 10% interest in the project.

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

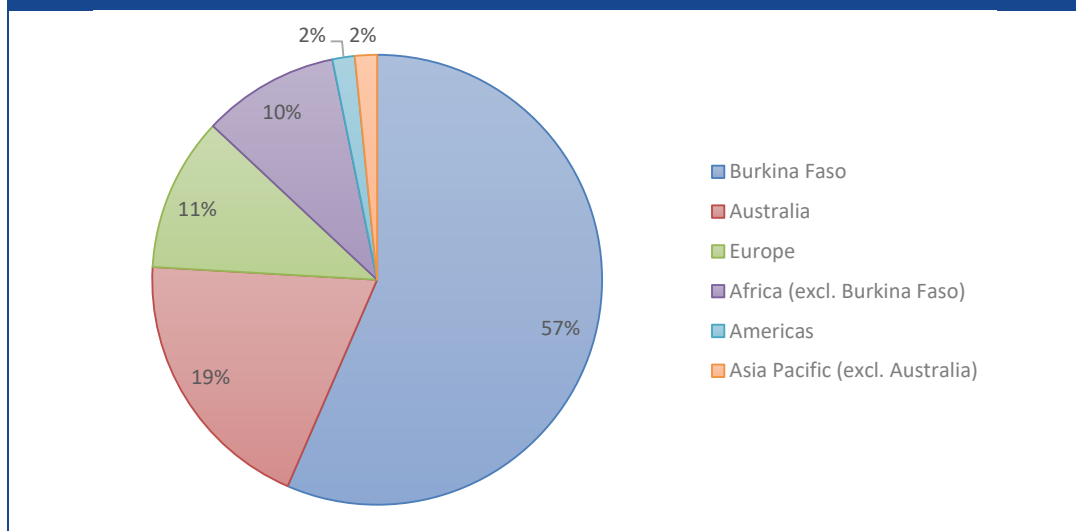
Supply chain management involves the identification and selection of suitable suppliers, contracting and services management. The process is governed by Procurement Policy and Procedures (2020).

WAF's corporate office provides governance functions and strategic direction. To support the Group'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 works with approximately 1,129 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 What is Modern Slavery?

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 practices¹. The latest report on modern slavery by the International Labour Office indicates approximately 40 million people globally are victims of modern slavery. 71% of modern slavery victims are women and girls, while children account for more than 25% of all modern slavery victims. The majority of forced labour exists in private sector supply chains².

WAF recognises its role in protecting the human rights of people we employ directly or those impacted by our operations, and condemns all forms of human rights abuses, including modern slavery. 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.

WAF acknowledges the steps taken towards abolishing modern slavery by the jurisdictions in which we operate. However, based on international modern slavery reports, there may still be instances of modern slavery in the Group's supply chain.

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

² International Labour Office and Walk Free Foundation, 2017. Global estimates of modern slavery: forced labour and forced marriage.

3.2 Risks of Modern Slavery in WAF's Operations

WAF has not identified any potential sources of modern slavery risk 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.

3.3 Actions to Prevent Modern Slavery

In the 2020 reporting period, WAF identified the need to take action on human rights and modern slavery risks. We take seriously our obligations to protect our employees and communities and to be a good global citizen. The first step in our journey to reduce the risk of modern slavery in our operations is to undertake a risk assessment and training under the Voluntary Principles on Security and Human Rights (scheduled to take place in Q2 2021). Further to this, we plan to undertake an internal assessment of enterprise-level risks, which will inform the development of our human rights policy and approach to reducing the risk of modern slavery.

3.3.1 Procurement Policy and Procedures

Addressing modern slavery and human rights risks in the supply chain depends on employees and suppliers upholding West African's principles. The Procurement Policy and Procedures (2020) of the Group's Burkina Faso operations specify 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.

3.3.2 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.

3.3.3 Review and Continuous Improvement

The Sustainability Department will work with the Risk and Procurement Departments to review modern slavery risks on an annual basis. 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.

3.4 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.