



# MODERN SLAVERY STATEMENT 2020

ACN 106 808 986

Registered & Corporate Office  
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Subiaco, Western Australia 6008

# LETTER FROM THE MANAGING DIRECTOR

On behalf of our Board, I am pleased to present Perseus Mining Limited's first annual statement on modern slavery. It describes our approach to assess and address modern slavery risks in our operations and supply chains in the 2019-2020 financial year (FY20), in line with the Australian Modern Slavery Act 2018 (Cth) (MSA).

Modern slavery presents one of the most complex human rights challenges worldwide. Globally, it is estimated that more than 40 million people are victims of modern slavery,<sup>1</sup> including in countries where Perseus operates,<sup>2</sup> and across the countries of our global supply chain.

The term 'modern slavery' describes situations where coercion, threats or deception are used to exploit people and undermine or deprive them of their freedom. The MSA defines modern slavery as eight types of serious exploitation: trafficking in persons, slavery, servitude, forced marriage, forced labour, debt bondage, deceptive recruiting for labour or services, and the worst forms of child labour.

Perseus is committed to socially responsible gold mining, underpinned by our four core values of teamwork, integrity, commitment and achievement. This is critical to the long-term success of our business, acknowledged through our corporate mission to "generate material benefits for all of our stakeholders, in fair and equitable proportions".

Perseus has always worked to respect the human rights of our employees, contractors, communities and suppliers, and we condemn all forms of modern slavery. Our approach is codified within our Human Rights Policy. Our policy includes commitment to the Universal Declaration of Human Rights, international law and the laws of the countries in which we operate. Our approach to respect human rights is guided by the UN Guiding Principles on Business and Human Rights and the United Nations Voluntary Principles on Security and Human Rights (VPSHR).

While the past 12 months presented some unique and unprecedented challenges to our operations, I am proud of the progress we have made to strengthen our human rights framework, and more specifically, actions to address modern

slavery risks in our supply chain. We developed our Modern Slavery Management Plan, which we started implementing in our priority areas of supplier due diligence and building awareness and capacity.

Looking forward to FY21 and beyond, we will complete the design of our supplier due diligence program and continue its implementation. We will also further strengthen our systems and processes to manage human rights risks, and our ability to assess our effectiveness in managing this critical global issue that affects everyone. I look forward to updating you further on our progress and our broader approach to respecting human rights in our CY20 Sustainability Report, to be released in April 2021.



**Jeff Quartermaine**  
Managing Director and CEO

*This statement was approved by Perseus's Board of Directors on 23 February 2021.*

1. Global Estimate of Modern Slavery provided by the International Labor Organization and the Walk Free Foundation 2017  
<https://www.globallslaveryindex.org/>

2. Global Slavery Index Report 2018 provided by the International Labor Organization and the Walk Free Foundation  
<https://www.globallslaveryindex.org/>

## 1. OUR COMPANY & OPERATIONS

Perseus Mining Limited (Perseus) is a gold mining company limited by shares incorporated and domiciled in Australia. It is publicly listed on the Australian Securities Exchange (ASX: PRU), Toronto Stock Exchange (TSX: PRU) and Frankfurt Stock Exchange (WKN: AOB7MN).

Perseus is the ultimate parent company of a group of subsidiary companies incorporated in Australia, Republic of Ghana (Ghana), Republic of Côte d'Ivoire (Côte d'Ivoire), Republic of Mali, the United Kingdom and Canada. These subsidiaries include the three operating entities of our gold mines, with a 10% non-contributory interest in each such company owned by our host governments (refer page 5), eight companies owning or having an interest in exploration permits and some companies providing services within the Perseus group.

Perseus started life as an exploration company in 2004, with tenements in Ghana and Côte d'Ivoire. In 2006, we acquired a decommissioned heap leach gold mine in Ghana, later renamed the Edikan Gold Mine (Edikan). Significant exploration success followed, and a rising gold price environment saw our rapid evolution from explorer to developer and then gold miner, with first gold produced at Edikan in August 2011.

Since then, we have been actively developing a sustainable gold business in West Africa, based on quality assets, quality management, financial resources and a strong social license to operate. We now operate two additional gold mines, Yaouré and Sissingué in Côte d'Ivoire. The Yaouré Gold Mine is the latest addition to Perseus's production portfolio and poured first gold in December 2020. Our operations portfolio is summarised on page 5.

Perseus is involved in several joint ventures for exploration projects located in Ghana and Côte d'Ivoire. In some, Perseus is the party farming in, i.e., conducting and funding exploration to earn an interest in an exploration permit or in the company owning the permit; in others, Perseus is the owner of the exploration permit.

Perseus has just over 1,000 employees who work predominantly in Australia, Ghana and Côte d'Ivoire, with 96% local employment within its countries of operation (refer page 5).

### OUR OPERATIONS

Perseus's mission is to generate material benefits for all our stakeholders, in fair and equitable proportions. We aim to achieve annual production of at least 500,000 ounces of gold at a cash margin of at least US\$400 per ounce by 2022. We will achieve this by socially responsible and commercially successful discovery, acquisition, development and operation of gold mines in West Africa, enabling material benefits to our stakeholders.

The principal activities of Perseus in FY20 financial year were gold production, mineral exploration and gold project development in Ghana and Côte d'Ivoire, with the corporate head office located in Perth, Western Australia. Gold production for the Perseus group for FY20 totalled 257,639 ounces at an all-in site cost (including production costs, royalties and sustaining capital) of US\$972 per ounce.

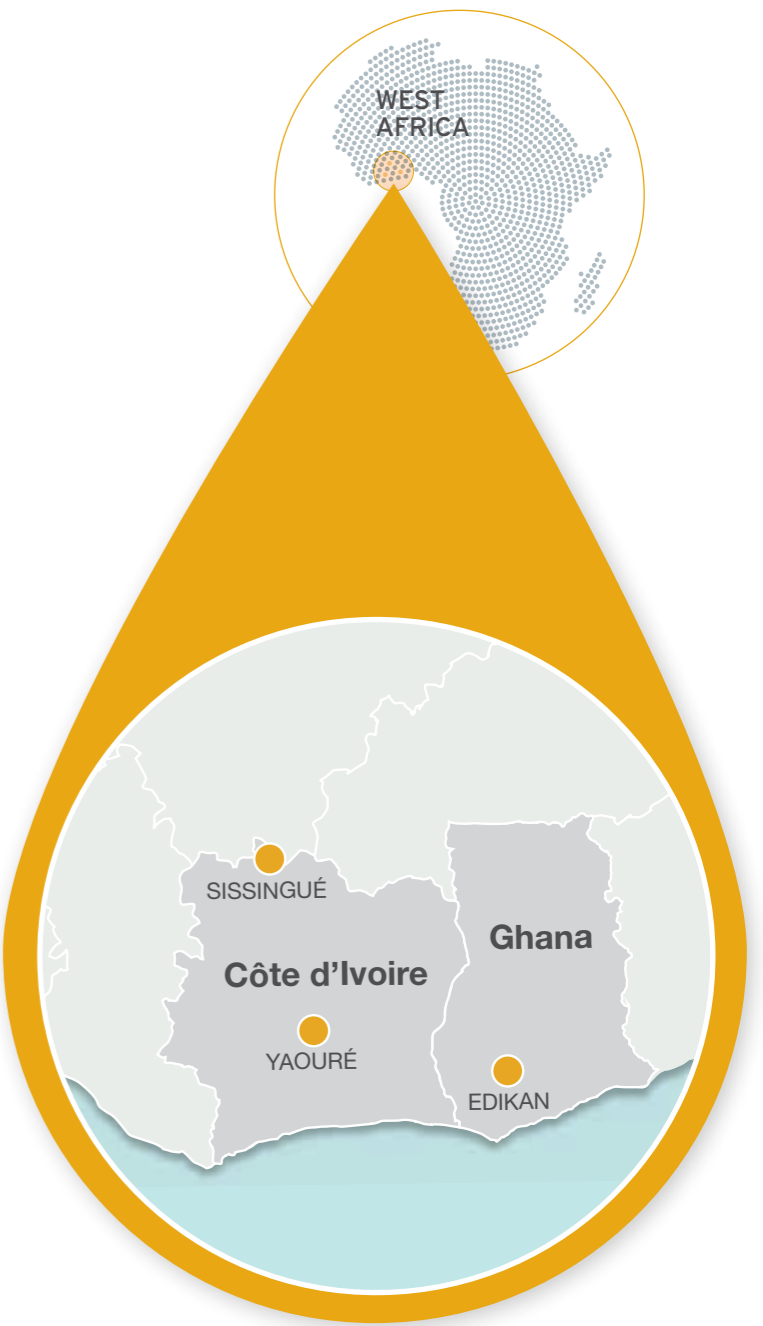


We aim to consistently produce ~500koz of gold per year at a cash margin of not less than US\$400 per ounce.

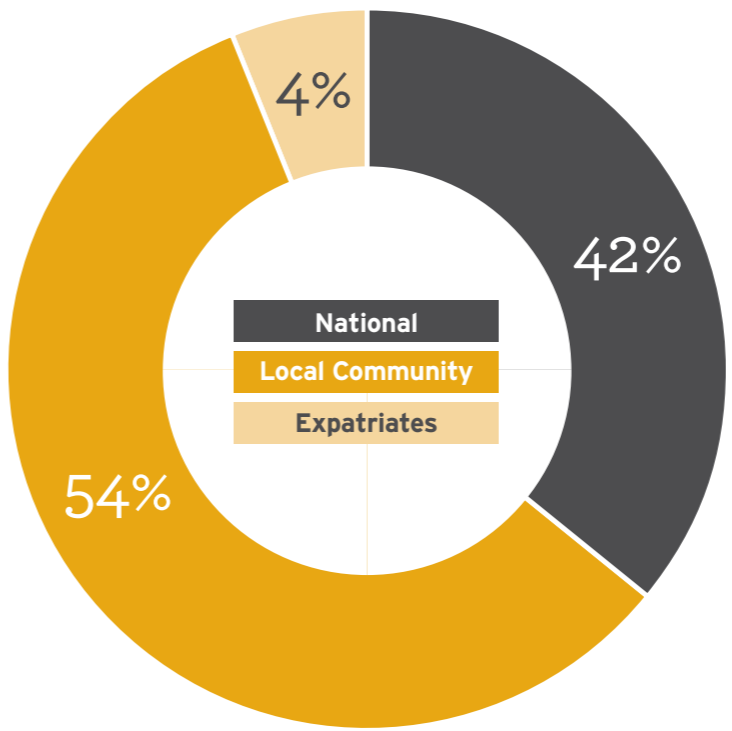
**GROUP STRUCTURE**

We are a multi-mine West African gold producer

- Edikan Gold Mine, Ghana**  
90% Perseus Mining (Ghana) Limited  
10% Ghanaian Government  
Perseus's first mine with commercial production commencing in 2011 and has since produced over 1.6 million ounces of gold.
- Sissingué Gold Mine, Côte d'Ivoire**  
86% Perseus Mining Côte d'Ivoire SA  
10% Ivorian Government and 4% local interest  
We discovered and developed our second mine Sissingué ahead of time and on budget in January 2018, delivering 178,000 ounces of gold to date.
- Yaouré Gold Mine, Côte d'Ivoire**  
90% Perseus Mining Yaouré SA  
10% Ivorian Government  
We completed the development of Yaouré in 2020, with final development costs below our budget of \$265 million. First gold was successfully poured on 17 December 2020, ahead of our stretch target for the event.



**EMPLOYEE BREAKDOWN**





## OUR SUPPLY CHAIN

Across our value chain (see below), we source our products and services from about 500 suppliers from our countries of operation and other countries in Africa, as well as Australia, Europe, Asia and North America.

Our contractors and suppliers are integral partners in our business – they are critical for the delivery of our strategy. Wherever possible, we aim to build long-term, stable, collaborative relationships with our suppliers, and prioritise and develop suppliers local to our operations.

Our direct procurement includes mining equipment and machinery, grinding media, construction materials and tools, chemicals, IT equipment, personal protective equipment and clothing, explosives, electricity and fuel.

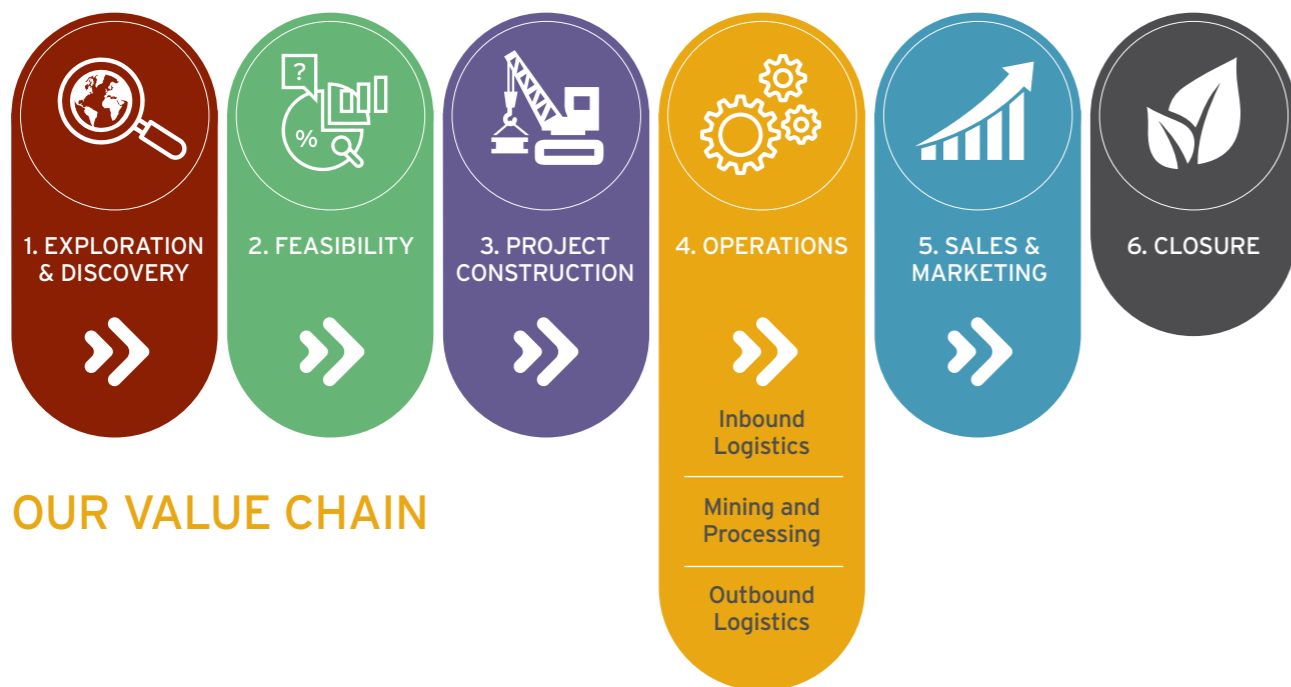
We also engage suppliers to provide catering, medical services, professional services, transportation, refining, security and mining related services (such as load and haul, blasting, drilling and assaying).

## 2. RISKS OF MODERN SLAVERY PRACTICES IN OUR OPERATIONS AND SUPPLY CHAINS

In line with our Human Rights Policy, we are committed to working with our employees, contractors, suppliers, host governments and communities to identify and address the risks of modern slavery associated with our business. These risks include our potential to cause, contribute, or be directly linked to modern slavery through our operational activities and supply chains.

Specifically, we are focussed on risks where our:

- Activities may directly result in modern slavery practices;
- Supply chains or contractors may contribute to modern slavery, which includes acts or omissions that may facilitate or incentivise modern slavery; or
- Operations may be connected to modern slavery through the activities of another entity with whom we have a business relationship.





# 3. ACTIONS TO ASSESS AND ADDRESS RISKS

## EXISTING MEASURES

### Human Rights Policy and Risk Management Framework

Our Human Rights Policy states unequivocally that our operations will not engage in or condone any type of human rights abuse, and that we condemn all forms of modern slavery. Our Human Rights Policy applies to all of Perseus's directors, employees, contractors, consultants and other business partners and their employees. It forms part of all business interactions, internally and externally.

Our Human Rights Policy is implemented through our broader established risk assessment framework and our interlinked policies and processes to ensure the ethical conduct and integrity of our business. These include Our Values, Code of Conduct, Anti-Bribery and Corruption processes, Diversity, Equal Opportunity and Anti-Discrimination Policy, Whistleblower Policy and grievance mechanisms.

These interlinked policies are embedded in our risk management processes, which align with the international standard ISO31000 – Risk Management, summarised below.

Based on our FY20 assessment of internationally reported cases, high-risk products and geographies, the highest risk of modern slavery in our supply chain is where we source the following products:

- Food products including fish, rice and cocoa;
- Personal protective equipment (PPE), particularly clothing; and
- Electronic devices, including mobile phones and computers, which contain cobalt.<sup>3</sup>



Our risk profile for modern slavery is also influenced by the location of our operations in Africa, which has the highest prevalence of modern slavery in the world.<sup>4</sup>

Through our human rights work program, we are committed to deepening and further defining our modern slavery risk profile, to ensure where and how we manage this risk is targeted and effective.

<sup>3</sup> Global Slavery Index 2018 Report and Global Slavery Index: Africa Report both provided by the International Labor Organization and the Walk Free Foundation <https://www.globalslaveryindex.org/>;

<sup>3</sup> 'Bitter Sweets: Prevalence of forced labour & child labour in the cocoa sectors of Côte d'Ivoire & Ghana' put out by the Walk Free Foundation and Tulane University (2018);

<sup>3</sup> 'NORC Final Report: Assessing Progress in Reducing Child Labor in Cocoa Production in Cocoa Growing Areas of Cote d'Ivoire and Ghana' put out by the United States Department of Labor and NORC at the University of Chicago in October 2020.

<sup>4</sup> Global Slavery Index 2018 Report and Global Slavery Index: Africa Report both provided by the International Labor Organization and the Walk Free Foundation <https://www.globalslaveryindex.org/>





Our Corporate Sustainability and Legal and Compliance Teams oversee implementation of our Human Rights Policy and framework, including for modern slavery, and work collaboratively with the operations to ensure its effectiveness.

**Supplier Terms and Conditions**

Our supply contracts include a requirement for all contractors and suppliers to comply with human rights laws and our Human Rights Policy in their business relationship with Perseus.

Specific requirements in our standard terms and conditions and contract templates relating to modern slavery include:

- the contractor will respond to any due diligence questionnaires that Perseus may issue from time to time;
- confirmation that the contractor and none of its officers, senior or middle management has been convicted of any offence involving slavery or human trafficking;
- an undertaking not to purchase goods or products sourced from producers using forced labour;
- promptly notify Perseus of any breach in its supply chain;
- maintain a complete set of records to trace its supply chain with audit rights granted to Perseus; and
- an obligation to sign a declaration as to modern slavery compliance when requested by Perseus.

**Employee Awareness and Capability Building**

All our employees sign a form to acknowledge our Human Rights Policy at the commencement of their employment, which is kept on file.

Given our focus on local employment and benefits, a large proportion of our employees and suppliers come from our local communities. It is possible that employees and suppliers may witness or hear of human rights violations or modern slavery practices in Perseus's operations, communities or supply chains. Employees are encouraged to report actual or suspected human rights or modern slavery violations. Reports can be made to any member of the Compliance Team or through our Whistleblower Policy or grievance mechanisms.

In FY20, we reviewed our systems and processes and commenced implementation of prioritised actions to enhance them. This work is detailed in the following sections.



## FY20 ACTIONS

**Modern Slavery Management Plan**

In FY20, we developed and commenced implementation of our Modern Slavery Management Plan to further strengthen our Human Rights framework. The Plan has been endorsed by our board of directors, and our Legal and Compliance Team has accountability for its development and implementation.

The Plan describes the systematic way we implement our policies to continually improve the way we manage modern slavery risks in our operations and supply chains (refer below). It includes requirements for the development of documentation, assigning accountabilities, building awareness and capability, contractor management, reporting and a remediation process. It also includes due diligence processes to identify, prevent, mitigate and account for modern slavery risks, and how we address actual human rights impacts resulting from our operations and supply chains, including modern slavery.

Implementation of this plan commenced in FY20, and will continue in stages over three years, guided by our risk profile. Our FY20 implementation progress is detailed in the following sections.

**Our process for continuously improving our modern slavery risk management**



## Planning and Design of our Due Diligence Program

### Existing Suppliers

To focus planning and design of our modern slavery risk due diligence program for our existing suppliers, in FY20 we began mapping the first tier of our supply chain and its risk profile. We completed classification of our general sectors, industries, types of products and services, countries and entities. We then applied information from international datasets, public sources of information and our tender process to further define our risk profile.

To provide further granularity, we are seeking information from our suppliers through a supplier questionnaire based on the toolkit created by the Australian Modern Slavery Mining Industry Working Group. Although we originally planned to send this questionnaire to suppliers in February 2020, our activity was delayed as a result of the global COVID-19 pandemic, and instead it was sent out in December 2020 to around 500 of our suppliers. The information we receive from our suppliers in response to this questionnaire will be supplemented by one-on-one engagement with suppliers as required.

Once complete, the additional information will be used to further refine our supplier risk profile, and support design and planning of our due diligence program, where we will focus as a priority on our highest risk suppliers where we can have the most influence. Implementation of our due diligence program will commence in FY22.

We will provide a further update on our progress in our CY20 Sustainability Report, which will be released in April 2021, and subsequently in our FY21 Modern Slavery Statement.



### New Suppliers

In FY20, we updated our material contracts tender procedures to require potential suppliers to advise how they manage human rights and modern slavery risks in their own operations and supply chains. This process will be refined during 2021.

In FY22, this requirement will also be integrated into minor tender and general procurement processes for high-risk products and services.

### Major Transactions and Partnerships

In FY20, we commenced work to integrate human rights and modern slavery risk assessment into our broader due diligence processes for major transactions (acquisitions and divestments), joint venture partnerships, and other forms of business collaboration. These processes will be further refined in 2021, including implementation to assess the risks of our existing partnerships.

### Modern Slavery Awareness and Capability Building

Training and capacity building is an important part of the roll-out of Perseus's Modern Slavery Management Plan. Through building awareness of modern slavery, we are enhancing our employees' and supply chains' ability to identify it in our operations, communities and suppliers. Our Legal and Compliance Team is accountable for the design and implementation of modern slavery training programs and their regular review and update.

In FY20, we began creating awareness and educating employees and key suppliers about modern slavery risks and our reporting requirements. We developed and distributed a Modern Slavery Guidance document for employees and suppliers on the concepts of modern slavery and our commitments and expectations.

For employees, this was followed up by face-to-face modern slavery training from Perseus's Legal and Compliance Team for relevant roles in Australia, Ghana and Côte d'Ivoire.

For suppliers, it was followed up by face-to-face briefings with catering, explosives, security and mining services contractors for the Edikan and Sissingué mine sites. Briefings for Yaouré suppliers commenced in FY20 and will be completed in FY21, enabling time for all key contracts to be awarded as we transition into the operations phase.

# 4. ASSESSING THE EFFECTIVENESS OF OUR ACTIONS

Our Legal and Compliance and Sustainability Teams have accountability for assessing our human rights and modern slavery performance, and review and improvement of our management plans and frameworks. As part of these processes, through FY21 and FY22 we will enhance our systems and processes to:

- Further embed material human rights and modern slavery risk assessment as part of our risk management processes, including developing and assessing the effectiveness of critical controls;
- Improve our ability to define and track human rights and modern slavery risks and actual impact events through our Code of Conduct, Anti-Bribery and Corruption processes, Diversity, Equal Opportunity and Anti-Discrimination Policy, Whistleblower Policy and grievance mechanisms;
- Integrate our human rights framework and Modern Slavery Management Plan into our annual assurance program;
- Monitor the performance of our suppliers and collaborate with them to develop and implement improvement plans as required, tracking the progress of agreed actions; and
- Review the close-out of investigations and their ongoing effectiveness.



# 5. REMEDIATION

In line with our Human Rights Policy and Modern Slavery Management Plan, we will take steps to remediate the impact of any human rights or modern slavery practices that we identify, or have caused or contributed to.

If we identify human rights or modern slavery risks or impacts, the Perseus Legal and Compliance Team will make all efforts to conduct a tailored investigation, document and report the issue, and define and agree actions for remediation.

Where an investigation determines that a supplier has or has potentially breached any contract conditions which seek to manage human rights and modern slavery risks, we will in the first instance engage and work to collaborate with the supplier to resolve any concerns and remediate the issue. If this is not successful after reasonable attempts, we may seek to terminate the contract with that supplier.



# 6. COLLABORATION AND INDUSTRY STANDARDS

Industry collaboration is critical in identifying and managing modern slavery risks. In FY21, we will seek to strengthen our relationships with industry groups across the region on the topic of human rights more broadly. We will also review reporting frameworks such as the World Gold Council Responsible Gold Mining Principles and Conflict Free Gold to further support development of our risk management processes and transparency.





