

## ENTERPRISE RISK MANAGEMENT POLICY

PanAust's vision is to be a growth-oriented mining company determined to excel and outperform its competitors through growth, optimisation of returns on capital and adherence to core values. In striving to achieve this vision, PanAust Limited recognises that risk is inherent in all of its activities.

This policy applies to all of the activities of PanAust Limited and each of its related entities.

### Consistent with our vision and values PanAust is committed to:

- Proactively considering risks (and opportunities) in the making of every material business decision.
- Complying with all applicable laws, regulations, internal policies and contractual obligations at a minimum.
- Maintaining an effective enterprise risk management system consistent with the ISO31000.
- Integrating risk management principles into PanAust's policies, procedures, organisational culture, governance, management and reporting processes.
- Implementing the risk management system uniformly across all PanAust activities, and throughout the business life cycle.
- Utilising the ALARP ("as low as reasonably practical") method for appropriately treating risk.
- Having a detailed understanding of the company's risk profile at any given time, including the current status of each material risk and its priority for appropriate risk treatment.
- Monitoring and reporting on material risks and critical controls transparently to ensure that the risk profile is aligned with PanAust's risk appetite, corporate strategy and values.
- Deploying adequate resources to educate and train PanAust managers and employees so that they understand their obligations and responsibilities under this policy.
- In relation to investment and business decisions to support growth, PanAust will not be risk averse but will assess its ability to manage non-financial risks in the context of potential returns.
- Corporate development and capital project submissions requiring Board approval will incorporate a risk analysis.

### Responsibilities under this policy:

- The Board of Directors is responsible for ensuring that PanAust's systems of risk management and internal controls are in place through the PanAust Governance Committee.
- The PanAust Executive Committee (EXCO) guides corporate risk strategy and provides oversight of strategic issues. It will maintain a high level risk register and mitigation plan, subject to a minimum annual review.
- Each PanAust's business unit has responsibility for a high level risk register and mitigation plan which is subject to a six monthly review.
- Each Manager has responsibility for a department risk register and mitigation plan subject to a minimum six monthly review.



**Adrian Bell**  
General Manager HR and Risk Management



**Dr Fred Hess**  
Managing Director

27.01.2017